

LISTING PARTICULARS



Europcar Drive D.A.C.

€600,000,000 4.125% Senior Notes due 2024

All obligations of Europcar Drive D.A.C. are to be assumed on the escrow release date by Europcar Groupe S.A.

This document consists of the listing particulars (the "**Listing Particulars**") in connection with the application to have the €600,000,000 aggregate principal amount of 4.125% Senior Notes due 2024 (the "**Notes**") issued by Europcar Drive D.A.C. (the "**Issuer**"), admitted to the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market. These Listing Particulars supplement the Offering Memorandum dated October 18, 2017 (the "**Offering Memorandum**") attached as Appendix 1. The Offering Memorandum, jointly with these Listing Particulars, constitute a prospectus for the purpose of part IV of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities, as amended.

On page 250, (v) is added for "the Constitution of Europcar Drive D.A.C."

These Listing Particulars supplement, amend and modify the Offering Memorandum. These Listing Particulars are provided only for the purpose of obtaining approval of admission of the Notes to the Official List of the Luxembourg Stock Exchange and admission for trading on the Euro MTF Market and shall not be used or distributed for any other purposes. These Listing Particulars do not constitute an offer to sell, or a solicitation of an offer to buy, any of the Notes.

The Issuer accepts responsibility for the information contained in these Listing Particulars. To the best of our knowledge, except as otherwise noted, the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of these Listing Particulars. These Listing Particulars may only be used for the purposes for which they have been published.

Except as disclosed in the Offering Memorandum, there has been no material adverse change in the Issuer's financial position or prospects occurring since the date of the Offering Memorandum and the date of these Listing Particulars.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States or other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. In the United States, the Notes are being offered and sold only to "qualified institutional buyers" ("**QIBs**") in reliance on Rule 144A of the Securities Act ("**Rule 144A**"). Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the Notes are being offered and sold to non-U.S. persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S.

The date of these Listing Particulars is November 2, 2017.

APPENDIX 1

Offering Memorandum dated October 18, 2017

**Europcar Drive D.A.C.****€600 million 4.125% Senior Notes due 2024****Offering Price: 100.000% plus accrued interest, if any, from the issue date**

Europcar Drive D.A.C., a designated activity company incorporated under the laws of Ireland (the “SPV Issuer”), is offering (the “Offering”) €600 million in aggregate principal amount of its 4.125% Senior Notes due 2024 (the “Notes”). The Notes will be offered under an indenture (the “Indenture”). The Notes will bear interest at a rate of 4.125% per annum. Interest on the Notes will be payable semi-annually on May 15 and November 15, of each year, beginning on May 15, 2018.

A portion of the gross proceeds from the Offering, representing an amount of €400 million (the “Escrow Amount”), will be deposited into a segregated escrow account (the “Escrow Account”) and will not be released until the date on which certain conditions precedent are satisfied (the “Completion Date”). In addition, an amount of cash to be provided by Europcar Groupe S.A., a limited liability corporation (*société anonyme*) organized under the laws of France (“EGSA”), to the SPV Issuer will be added to the Escrow Account to ensure that the total amount of funds will be sufficient to pay the redemption price for the Notes on the Special Mandatory Redemption Date (as defined below). The conditions to the release of escrow include the consummation of the acquisition of Car Rentals Topco S.L. and its subsidiaries (“Goldcar”) by EGSA, as successor issuer of the Notes.

The remaining portion of the gross proceeds from the Offering, representing an amount of €200 million, will be lent (the “Proceeds Loan”) to EGSA for purposes of the refinancing of certain indebtedness.

The Escrow Account will be pledged on a first-ranking basis, and the Proceeds Loan will be assigned by way of security, in favor of the Notes Security Agent for the benefit of the Trustee (each as defined herein) and the holders of the Notes, in each case, until the Completion Date or the Special Mandatory Redemption Date, as applicable. Until the Completion Date or the Special Mandatory Redemption Date, as applicable, the Notes will be limited recourse obligations of the SPV Issuer only and will be limited in recourse to the funds held in the Escrow Account and to the assigned rights in the Proceeds Loan.

On the Completion Date, (i) the escrowed funds will be paid to EGSA, (ii) EGSA will assume all of the obligations of the SPV Issuer under the Indenture and the Notes, (iii) the SPV Issuer will be released from all obligations under the Notes and the Indenture, and (iv) the Proceeds Loan will be extinguished.

If the conditions to the release of the proceeds from escrow have not been satisfied on or prior to March 31, 2018 or upon the occurrence of certain other events (March 31, 2018 or the date of any such events, the “Escrow Longstop Date”), the SPV Issuer will be required to redeem (the “Special Mandatory Redemption”) a portion of the Notes, not later than five business days after such date (the “Special Mandatory Redemption Date”), in an aggregate principal amount of €400 million at a price equal to the Escrow Amount plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. Concurrently with the completion of any Special Mandatory Redemption, (i) EGSA will assume all of the obligations of the SPV Issuer under the Notes that will not have been redeemed pursuant to such Special Mandatory Redemption (ii) the SPV Issuer will be released from all obligations under the Notes and (iii) the Proceeds Loan will be extinguished. See “Use of Proceeds” and “Description of the Notes—Escrow of Proceeds, Proceeds Loan and Special Mandatory Redemption.”

Upon the Completion Date or the Special Mandatory Redemption Date, as applicable, the Notes will be senior obligations of EGSA and will be secured by a second-ranking pledge of the shares of Europcar International S.A.S.U., a wholly owned subsidiary of EGSA, that are held by EGSA, which pledge will rank junior to the pledge securing EGSA’s senior revolving credit facility but equally with the pledge of such shares securing the Existing Parent Notes (as defined herein). The Notes will rank equally in right of payment with all existing and future senior indebtedness of EGSA, including indebtedness incurred under EGSA’s senior revolving credit facility.

Prior to November 15, 2020, EGSA will be entitled, at its option, to redeem all or part of the Notes by paying the relevant “make-whole” premium. At any time on or after November 15, 2020, EGSA may redeem at its option all or part of the Notes by paying a specified premium. In addition, prior to November 15, 2020, EGSA may redeem at its option up to 40% of the principal amount of the Notes with the net proceeds from certain equity offerings, if at least 60% of the principal amount of the Notes remains outstanding. If EGSA undergoes a change of control or sells certain of its assets, EGSA may be required to make an offer to purchase the Notes. In the event of certain developments affecting taxation, EGSA may redeem all, but not less than all, of the Notes of a price equal to 100% of the principal amount thereof plus accrued and unpaid interest to the date of redemption and additional amounts, if any.

This offering memorandum (the “Offering Memorandum”) includes information on the terms of the Notes, including redemption and repurchase prices, collateral, covenants and transfer restrictions.

Application has been made to have the Notes admitted for listing on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market (the “Euro MTF Market”).

Investing in the Notes involves a high degree of risk. See “Risk Factors” beginning on page 47 and Section 2 “Risk Factors” beginning on page 63 in Exhibit A to this Offering Memorandum

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In the United States, the Offering is only being made to “qualified institutional buyers” (“QIBs”) in reliance on Rule 144A of the Securities Act (“Rule 144A”). Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the Offering is being made to non-U.S. persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S. See “Important Information About This Offering Memorandum,” “Plan of Distribution” and “Transfer Restrictions” for additional information about eligible offerees and transfer restrictions.

We expect the delivery of the Notes will be made to investors in book-entry form through Euroclear and Clearstream on or about November 2, 2017 against payment in immediately available funds.

Global Coordinators and Joint Bookrunners

Deutsche Bank

Crédit Agricole CIB

BofA Merrill Lynch

Joint Bookrunners

BNP PARIBAS

Goldman Sachs International

HSBC

Lloyds Bank

Natixis

NatWest Markets

The date of this Offering Memorandum is October 18, 2017.



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Important Information about this Offering Memorandum

By purchasing the Notes, you will be deemed to have acknowledged that you have reviewed this Offering Memorandum and have had an opportunity to request, and have received all additional information that you need from us.

None of the SPV Issuer, EGSA or any of the initial purchasers named in "*Plan of Distribution*" (the "**Initial Purchasers**") has authorized anyone to provide any information or to make representations other than those contained in this Offering Memorandum. You should carefully evaluate the information provided by the SPV Issuer and EGSA in light of the total mix of information available to you, recognizing that neither the SPV Issuer nor EGSA can provide any assurance as to the reliability of any information not contained in this Offering Memorandum.

None of the SPV Issuer, EGSA or any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where an offer would not be permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date of this Offering Memorandum. The business, financial condition, results of operations and prospects of EGSA and its consolidated entities (together, the "**Europcar Group**") may have changed since that date.

This Offering Memorandum is being provided only to prospective purchasers of the Notes. Each prospective purchaser is authorized to use this Offering Memorandum solely for the purpose of considering the purchase of the Notes described herein. You should read this Offering Memorandum before making a decision whether to purchase the Notes. You must not:

- use this Offering Memorandum for any other purpose; or
- disclose any information in this Offering Memorandum to any other person.

You are responsible for making your own examination of the SPV Issuer and Europcar Group and your own assessment of the merits and risks of investing in the Notes. We have summarized certain documents and other information, but we refer you to the actual documents for a more complete understanding of what we discuss in this document. Neither the SPV Issuer nor EGSA is providing you with any legal, business, tax or other advice in this Offering Memorandum. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes. By purchasing the Notes, you will be deemed to have acknowledged that:

- you have reviewed this Offering Memorandum;
- this Offering Memorandum relates only to offers and sales with respect to the Notes;
- you have had an opportunity to request all additional information that you need from us;
- the Initial Purchasers are not responsible for, and are not making any representation to you concerning Europcar Group's future performance or the accuracy or completeness of this Offering Memorandum; and
- no person is authorized to give any information or to make any representation not contained in this Offering Memorandum in connection with the issue and sale of the Notes, and any information or representation not contained herein must not be relied upon as having been authorized by or on behalf of the SPV Issuer and EGSA.

The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States or other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In the United States, the Offering is only being made to QIBs in reliance on Rule 144A, Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the Offering is being made to non-U.S. persons (as defined in Regulation S) in reliance on Regulation S. For a description of these and certain other restrictions on offers, sales and transfers of the Notes and the distribution of this Offering Memorandum, see "*Plan of Distribution*" and "*Transfer Restrictions*."

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The SPV Issuer is not and will not be regulated by the Central Bank of Ireland as a result of issuing the Notes.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration thereunder or exemption therefrom. See "*Transfer Restrictions*." You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. Laws in certain jurisdictions may restrict the distribution of this document and the offer and sale of the Notes. Persons into whose possession this Offering Memorandum or any of the Notes are delivered must inform themselves about and observe those restrictions. Each prospective purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this document, and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it purchases, offers or sells the Notes, and neither we nor the Initial Purchasers shall have any responsibility therefore.

The SPV Issuer reserves the right to withdraw this Offering at any time. The SPV Issuer and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it.

The SPV Issuer accepts responsibility for the information contained in this document under the caption "Europcar Drive D.A.C." To the best of the knowledge and belief of the SPV Issuer the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

EGSA accepts responsibility for the information contained in this Offering Memorandum. EGSA has made all reasonable inquiries and confirms to the best of its knowledge, information and belief that the information contained in this Offering Memorandum with regard to the SPV Issuer, EGSA and its subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AG, LONDON BRANCH (THE "STABILIZATION MANAGER") OR PERSONS ACTING ON BEHALF OF THE STABILIZATION MANAGER MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING

THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZATION MANAGER OR PERSONS ACTING ON BEHALF OF THE STABILIZATION MANAGER WILL UNDERTAKE ANY STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF ANY STABILIZATION MANAGER) IN ACCORDANCE WITH APPLICABLE LAWS AND RULES.

Notices to Certain European Residents

European Economic Area. Each Initial Purchaser has represented and agreed that it has not made and will not make an offer of any Notes to the public in a Member State of the European Economic Area ("EEA"), other than:

- a. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- b. to fewer than 150, natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant initial purchaser or Initial Purchasers nominated by the SPV Issuer for any such offer; or
- c. in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Notes shall require us or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

This Offering Memorandum has been prepared on the basis that any offer of the Notes in any relevant member state of the EEA (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, from the requirements to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligations arise for us or any of the Initial Purchasers to produce a prospectus that is compliant with the Prospectus Directive in relation to such offer, including Article 3. Neither we nor the Initial Purchasers have authorized, nor do we or they authorize, the making of any offer of Notes in circumstances in which an obligation arises for us or the Initial Purchasers to publish a prospectus for such offer. For the purposes of the provisions above, the expression "offer of the Notes to the public" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and amendments thereto, including the 2010 PD Amending Directive. The expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The Grand Duchy of Luxembourg. This Offering does not constitute a public offering of securities within the Grand Duchy of Luxembourg and accordingly this Offering Memorandum should not be construed as a prospectus in accordance with Articles 5 and 30 of the Law of July 12, 2005 on prospectuses for securities. The terms and conditions relating to this Offering Memorandum have not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*) for the purposes of public offering or sale in the Grand Duchy of Luxembourg. Accordingly, the Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement,

communication or other material may be distributed, or otherwise made available in or from, or published in, the Grand Duchy of Luxembourg except for the sole purpose of the admission of the Notes to the Official List of the Luxembourg Stock Exchange and admission of the Notes for trading on the Euro MTF Market and except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with applicable Luxembourg law and in particular the Luxembourg act dated July 10, 2005 on prospectuses for securities, as amended.

United Kingdom. This Offering Memorandum is being distributed only to, and is directed at (a) persons who are outside the United Kingdom (b) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (c) high net worth entities falling within Article 49(2) of the Order, and other persons to whom it may be lawfully be communicated (all such persons together being referred to as "relevant persons"). In addition, this communication is, in any event only directed at persons who are "qualified investors" pursuant to the Prospectus Directive (2003/71/EC). Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this Offering Memorandum may come are required by the Issuer and the Initial Purchasers to inform themselves about and to observe such restrictions. Further information with regard to restrictions on offers, sales and deliveries of the Notes and the distribution of this Offering Memorandum and other offering material relating to the Notes is set out under "*Plan of Distribution*."

France. This Offering Memorandum has not been prepared in the context of a public offering in France within the meaning of Article L.411-1 of the French Monetary and Financial Code and therefore has not been and will not be submitted for clearance to the French *Autorité des marchés financiers* (the French Financial Markets Authority) (the "**AMF**").

Consequently, the Notes are not being offered, directly or indirectly, to the public in France and this Offering Memorandum has not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France.

Offers, sales and distributions of the Notes have been and shall only be made in France to persons licensed to provide portfolio management investment services for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) acting for their own account and/or a limited circle of investors (*cercle restreint*) acting for their own account, all as defined in Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Monetary and Financial Code.

The direct or indirect distribution to the public in France of the Notes so acquired may be made only as provided by Articles L.411-1 to L.411-4, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Prospective investors are informed that:

- (i) this Offering Memorandum has not been and will not be submitted for clearance to the AMF;
- (ii) in compliance with Articles L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*, any qualified investors subscribing for the Notes should be acting for their own account; and
- (iii) the direct and indirect distribution or sale to the public in France of the Notes acquired by them may be made only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Germany. The Offering of the Notes is not a public offering in the Federal Republic of Germany. The Notes may be offered and sold in the Federal Republic of Germany only in accordance with

the provisions of the Securities Prospectus Act of the Federal Republic of Germany (*Wertpapierprospektgesetz*) (the "**German Securities Prospectus Act**") and any other applicable German law. The SPV Issuer has not, and does not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**") or obtain a notification to BaFin from another competent authority of a Relevant Member State of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17 Para. 3 of the German Securities Prospectus Act. Consequently, in Germany the Notes will only be available to, and this Offering Memorandum and any other offering material in relation to the Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the German Securities Prospectus Act or who are subject of another exemption in accordance with Section 3(2) of the German Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the German Securities Prospectus Act and other applicable laws.

Spain. This Offering has not been registered with the *Comisión Nacional del Mercado de Valores* ("**CNMV**") and therefore the Notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) as amended and restated ("**R.D.L. 4/2015**") and Royal Decree 1310/2005 on admission to trading of securities in a regulated market, public offers of securities and the prospectus required for those purposes (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) as amended and restated ("**R.D. 1310/2005**"), and subsequent legislation.

This Offering Memorandum is neither verified nor registered in the administrative registries of the CNMV and therefore a public offer for subscription of the Notes will not be carried out in Spain. Notwithstanding that and in accordance with Article 35.2.a) of the R.D.L. 4/2015 and Article 38.1.a) of the R.D. 1310/2005 it shall not be considered a public offer of securities, amongst others, those that are exclusively addressed to qualified investors.

Italy. This Offering Memorandum has not been, nor will be, published in the Republic of Italy ("**Italy**") in connection with the Offering of the Notes and such Offering of the Notes has not been, nor will be, registered with the *Commissione Nazionale per le Società e la Borsa* ("**Consob**") in Italy pursuant to Legislative Decree no. 58 of February 24, 1998, as amended (the "**Financial Services Act**") or to Consob Regulation no. 11971 of May 14, 1999, as amended (the "**Issuers Regulation**") and no application has been made to obtain an authorization from Consob for the public offering of the Notes in Italy.

Accordingly, no Notes may, or will, be offered, sold, transferred or delivered, directly or indirectly in an offer to the public in Italy, nor may, or will copies of this Offering Memorandum or of any other document relating to the Notes be distributed in Italy, except (i) to qualified investors (*investitori qualificati*), as defined in Article 34-ter, paragraph 1(b), of Issuers Regulation and Article 26, paragraph 1, letter D of Consob Regulation No. 16190 of October 29, 2007, as amended (the "**Intermediaries Regulation**") or (ii) in other circumstances which are exempted from the rules governing offers to the public pursuant to, and in accordance with, the conditions set out in Article 100 of the Financial Services Act and its implementing regulations including Article 34-ter, first paragraph, of Issuers Regulation.

Moreover, and subject to the foregoing, any offer, sale, transfer or delivery of Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in Italy under (i) or (ii) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations, and in particular will be made:

- (a) by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, the Intermediaries Regulation and

Legislative Decree No. 385 of September 1, 1993, as amended (the “**Banking Act**”) and any other applicable laws and regulations;

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue of the offer of securities in the Republic of Italy or by Italian persons outside of Italy; and

(c) in compliance with any other applicable laws and regulations, requirement, notification or limitation which may, from time to time be imposed by Consob, the Bank of Italy and/or any other Italian authority.

Any investor purchasing the Notes in the Offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the Offering occurs in compliance with applicable Italian laws and regulations. In connection with the subsequent distribution of the Notes in Italy, Article 100-bis of the Financial Services Act requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Financial Services Act and relevant Consob implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Financial Services Act and the relevant Consob implementing regulations. In particular, Article 100-bis of the Financial Services Act affects the transferability of the Notes in Italy to the extent that the Notes are placed solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following such placement. Should this occur without the publication of a prospectus in Italy or outside of the application of one of the exemptions referred to above, purchasers of Notes who are acting outside of the course of their business or profession are entitled to have such purchase declared void and to claim damages from any authorized intermediary at whose premises the Notes were purchased. No person resident or located in Italy other than the original addressees of this Offering Memorandum may rely on this Offering Memorandum, its content or any other document relating to the Notes.

Ireland. No action may be taken with respect to the Notes in Ireland otherwise than in conformity with the provisions of (a) the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended, the “**MiFID Regulations**”), including, without limitation, Regulations 7 (Authorization) and 152 (Restrictions on advertising) thereof, any codes of conduct made under the MiFID Regulations, and the provisions of the Investor Compensation Act 1998 (as amended), (b) the Companies Act 2014 (as amended, the “**Companies Act**”), the Central Bank Acts 1942-2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended), (c) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland (the “**Central Bank**”) under Section 1363 of the Companies Act, and (d) the Market Abuse Regulation (EU 596/2014), (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

This Offering Memorandum has been prepared on the basis that, to the extent any offer is made in Ireland, any offer of the Notes will be made pursuant to one or more of the exemptions in Regulation 9(1) of the Irish Prospectus Regulations from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in Ireland of the Notes which are subject of the offering contemplated in this Offering Memorandum may only do so in circumstances in which no obligation arises for the SPV Issuer or the Initial Purchasers to publish a prospectus pursuant to Regulation 12 of the Irish Prospectus Regulations or supplement a prospectus pursuant to Regulation 51 of the Irish Prospectus Regulations, in each case, in relation to such offer. None of the SPV Issuer or the Initial Purchasers have authorized, or do authorize, the making of any offer of the Notes in circumstances in which an obligation arises for the SPV Issuer or the Initial Purchasers to publish or supplement a prospectus for such offer.

Errata

The English translation of Europcar Group's *Document de référence* for the year ended December 31, 2016 (the "**2016 Registration Document**"), included as Exhibit A hereto, the French language version of which was filed with the French *Autorité des marchés financiers* (the "**AMF**") on April 12, 2017 contained certain typographical errors.

The 2016 Registration Document contains the following typographical error on page 7. The sentence (with the corrected figure highlighted in bold below) reads as follows:

The Investment was made by the Group's French subsidiary, Europcar France, and represented a cash outflow of **€8.3** million.

The 2016 Registration Document contains the following typographical error on page 24. The sentence (with the corrected figure highlighted in bold below) reads as follows:

The Group's GSA strategy, (approximately **22** GSA arrangements at end-2016 versus **19** at end-2015) and partnerships with major airlines and travel intermediaries allow the Group to be present at points of entry for inbound and outbound traveler traffic.

The 2016 Registration Document contains the following typographical error on page 25. The sentence (with the corrected figure highlighted in bold below) reads as follows:

The Group's revenue base is optimized between airports, where customer traffic is relatively higher, and non-airport locations. In 2016, the Group's network included directly and agent-operated stations in 291 airports. These stations represented 17% of corporate and agent-operated stations in 2016, and yet generated **44%** of the Group's rental revenue in the same year.

The 2016 Registration Document contains the following typographical error on page 25. The sentence (with the corrected figure highlighted in bold below) reads as follows:

The revenue generated by stations directly operated by the Group is included in the Group's consolidated revenue. It represented **82%** of the revenue generated by rental activities in 2016 (stable compared with 2015).

The 2016 Registration Document contains the following typographical error on page 25. The sentence (with the corrected figure highlighted in bold below) reads as follows:

The revenue generated by these stations is included in the consolidated revenue of the Group and agents are paid a commission (which is accounted for as an expense in the consolidated financial statements of the Group) based on the revenue of the relevant stations. This represented **18%** of the revenue generated by rental activities in 2016 (stable compared with 2015).

The 2016 Registration Document contains a typographical error on page 25. The sentence (as corrected) reads as follows:

The Group also addresses the leisure segment through its portfolio of partnerships with recognized leaders in the travel industry, including major European airlines, tour operators and hotel groups, such as EasyJet, TUI, Accor and Aeroflot.

The 2016 Registration Document contains a typographical error on page 34. The sentence (as corrected) reads as follows:

[i]n the airline sector, partnerships with airlines such as easyJet (exclusive partnership in place since 2003 and renewed in April 2014 for a three-year term), Aeroflot (exclusive partnership signed in December 2013 for a five year term), Emirates (partnership signed in March 2014,

under which Europcar customers who are members of the Skywards frequent flier program receive miles in Emirates' frequent flier programs for every rental), and Qatar Airways (in the context of the Qatar Privilege Club)

The 2016 Registration Document contains the following typographical error on page 41. The graphs (with the corrected figures highlighted in bold below) reads as follows:

Breakdown by Revenue:	Breakdown by Number of Stations
56%	82%
44%	18%

The 2016 Registration Document contains the following typographical error on page 41. The corrected table (with the corrected figures highlighted in bold below) reads as follows:

Corporate Countries	Airport	Off-Airport
Germany	23%	77%
United Kingdom	39%	61%
France	41%	59%
Italy	62%	38%
Spain	69%	31%
Australia and New Zealand	77%	23%
Belgium	25%	75%
Portugal	55%	45%
TOTAL	44%	56%

The 2016 Registration Document contains the following typographical error on page 65. The sentence (with the corrected figure highlighted in bold below) reads as follows:

Rentals at its airport rental stations were responsible for **44%** of the Group's total rental revenue for the year ended December 31, 2016

The 2016 Registration Document contains the following typographical error on page 68. The sentence (with the corrected figure highlighted in bold below) reads as follows:

For the year ended December 31, 2016, revenue generated by rentals from airport stations represented **44%** of total Group rental revenue in Corporate Countries.

The 2016 Registration Document contains a typographical error on page 71. The sentence (with the corrected partners' names) reads as follows:

[i]n the airline sector, partnerships with airline companies such as EasyJet, Aeroflot, and Emirates, Skywards.

The 2016 Registration Document contains the following typographical error on page 76. The sentence (with the corrected figure highlighted in bold below) reads as follows:

Although the Group reports its results in euro, the Group conducts business in countries that use currencies other than the euro, and the Group is therefore subject to risks associated with currency fluctuations. Of the Group's total consolidated revenue for the year ended December 31, 2016, **7.4%** was generated outside the Euro-zone.

The 2016 Registration Document contains the following typographical error on page 79. The sentence (with the corrected figure highlighted in bold below) reads as follows:

They consist of €13 million under the €350 million (the "Senior Revolving Credit Facility" or "RCF"), €693 million under the Senior asset Revolving Facility (the "SARF," of a total amount

that may be refinanced by senior notes backed by assets of €1,300 million), **£280.8** million (€328 million) under the UK fleet financing facilities agreements, €350 million in the form of secured senior subordinated notes issued by EC Finance plc (the "EC Finance Notes"), AUD 141.2 million (€96.8 million) under the Australia and New Zealand fleet financing facilities agreements and €33.6 million under the Portugal fleet financing facilities agreements (that finance a portion of the Portuguese fleet).

The 2016 Registration Document contains the following typographical errors on page 102. The sentence (with the corrected figures highlighted in bold below) reads as follows:

Demand is also influenced by the change in air and railway traffic and underlying factors to these changes, such as currency fluctuations or geopolitical events, that can affect passenger flows (see Section 1.3.2 "*Growth factors and general market trends*"). During the fiscal year ended December 31, 2016, agencies in airports directly run by the Group and by agents represented **44%** of the revenue generated by the Group's rental activities *versus* **56%** for agencies outside airports, thanks to the dense network of the nine Country Subsidiaries. The Group also entered into important alliances and partnership agreements with several major aviation companies. Thus, a significant part of the Group's revenue is correlated to the level of air traffic.

The 2016 Registration Document contains the following typographical error on page 115. The sentence (with the corrected figure highlighted in bold below) reads as follows:

€17.6 million of restructuring costs, including severance expenses for top management and the further transfer of back-office activities from the countries to the Shared Services Center in Portugal

The 2016 Registration Document contains the following typographical error on page 120. The sentence (with the corrected figure highlighted in bold below) reads as follows:

cash generated from operating activities, which totaled **€114** million in 2016 compared with €10.9 million in 2015.

The 2016 Registration Document contains the following typographical error on page 123. The sentence (with the corrected figure highlighted in bold below) reads as follows:

investments in property, plant and equipment and intangible assets, net of the net value of disposals, which totaled €31 million, consisted primarily of IT developments designed to improve customer experience for **€14.7** million and the purchase of computer equipment for €5 million.

The 2016 Registration Document contains the following typographical error on page 124. The sentence (with the corrected terms highlighted in bold below) reads as follows :

They essentially reflect acquisitions of financial assets made by the captive insurer Euroguard, financing made to our equity subsidiary Ubeeqo for €11.6 million, and the **loan granted to** the Irish franchise at the end of December 2016 for €22.4 million.

The 2016 Registration Document contains the following typographical error on page 125. The sentence (with the corrected figure highlighted in bold below) reads as follows:

Investments in property, plant and equipment and intangible assets, net of the net value of disposals, which totaled €31 million, principally reflect IT developments primarily designed to improve the customer experience for **€14.7** million and the purchase of computer equipment for €5 million.

The 2016 Registration Document contains the following typographical error on page 326. The corrected table (with the corrected figure highlighted in bold below) reads as follows:

(in euros)	Amounts in respect of fiscal year 2016		Amounts in respect of fiscal year 2015	
	Amounts due	paid	Amounts due	paid
PHILIPPE GERMOND – Chairman of the Management Board until November 23, 2016				
Fixed compensation ⁽¹⁾	550,000	550,000	600,000	600,000
Annual Variable Compensation ⁽¹⁾	180,000 ⁽⁴⁾	737,400	557,400	150,000
Multi-year Variable Compensation ⁽¹⁾	–	–	–	–
Exceptional compensation ⁽¹⁾	1,310,725	2,000,000	2,000,000	1,100,000
Attendance fees	–	–	–	–
Benefits in kind ⁽¹⁰⁾	22,729	22,729	20,598	20,598
TOTAL	2,063,454	3,310,129	3,177,998	1,870,598

The 2016 Registration Document contains the following typographical error on page 326. The corrected table (with the corrected figures highlighted in bold below) reads as follows:

(in euros)	Amounts in respect of fiscal year 2016		Amounts in respect of fiscal year 2015	
	Amounts due	paid	Amounts due	paid
CAROLINE PAROT – Deputy CEO until November 23, 2016 – CEO since November 23, 2016				
Fixed compensation	461,205	340,008	337,506	337,506
Annual Variable Compensation	230,964	313,538	313,538	317,236
Multi-year Variable Compensation	–	–	–	1,180,000
Exceptional compensation	–	635,000	1,000,000	500,000
Attendance fees	–	–	–	–
Benefits in kind	2,985	2,985	3,256	3,236
TOTAL	695,154	1,291,531	1,654,294	2,337,998

The extracts of the English translation of Europcar Group's *Document de référence* for the year ended December 31, 2015 (the "2015 Registration Document") included as Exhibit B hereto, the French language version of which was filed with the AMF on April 14, 2016 contained certain typographical errors.

The 2015 Registration Document contains the following typographical error on page 152. The corrected footnote (with the corrected figure highlighted in bold below) reads as follows:

- (2) Of which, in 2014, the acquisition price net of cash acquired of UbeeGo (€17.3 millions) 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 (€**5.7** million) and the payment of the acquisition of E-Car Club.

The 2015 Registration Document contains the following typographical error on page 126. The sentence (with the corrected figures highlighted in bold below) reads as follows:

"In 2015, these items included the Group's investments in new mobility solutions, in particular the subscriptions to the capital increases of UbeeGo (€**5.7** million) and Car2go (€12.5 million) to support their development and the acquisition of E-Car Club."

The 2015 Registration Document contains the following typographical error on page 115. The sentence (with the corrected figures highlighted in bold below) reads as follows:

"Fleet financing (estimated interest under operating leases and financing expenses relating to financing the fleet on the balance sheet) fell by **4.8%** from €126.5 million in 2014 to €120.7 million in 2015 despite an 8.5% increase in average fleet level in 2015 compared with 2014."

The 2015 Registration Document contains the following typographical error on page 117. The sentence (with the corrected figures highlighted in bold below) reads as follows:

“The performance of total revenue was however affected by falling oil prices which were behind the **5.8%** drop in other proceeds associated with car rentals to €100.1 million (**down 8.7%** at constant exchange rates) with no significant impact on Adjusted Corporate EBITDA.”

The 2015 Registration Document contains the following typographical error on page 119. The corrected table (with the corrected figures highlighted in bold below) reads as follows:

(in millions of €)	Year ended December 31,		Change at	
	2015	2014	Change	constant exchange rate
Revenue				
Australia and New Zealand	137.3	132.3	3.8%	4.2%
Other Rest of World countries (franchises)	18.8	17.7	6.2%	6.5%
Total Rest of World	156.1	150.0	4.1%	4.4%
Adjusted Corporate EBITDA	32.1	27.9	15.1%	15.0%

The 2015 Registration Document contains the following typographical error on page 119. The sentence (with the corrected figures highlighted in bold below) reads as follows:

“Revenue from franchising business in Australia was **€0.95** million for the year ended December 31, 2015.”

Use of Terms and Conventions; Presentation of Financial and Other Information

Unless otherwise specified or the context otherwise requires, in this Offering Memorandum:

“Adjusted Consolidated EBITDA” refers to Consolidated EBITDA before non-recurring items.

“Adjusted Corporate EBITDA” is defined as Adjusted Consolidated EBITDA less fleet financing costs.

“AU\$,” “AUD” or **“Australian dollar”** refers to the lawful currency of the Commonwealth of Australia.

“Bridge Facilities Agreement” refers to the bridge term facilities agreement entered into on July 13, 2017 between, among others, EGSA as borrower, and Bank of America Merrill Lynch International Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs International Bank, HSBC Bank plc, Lloyds Bank plc, Natixis and Société Générale, among other lenders.

“Bridge-to-Asset-Backed Facility” refers to a term loan facility B’ of the Bridge Facilities Agreement for a maximum principal amount of €600 million, which is guaranteed by EGSA and can be borrowed by Car Rentals Subsidiary, S.A.U., and used towards, inter alia, the refinancing of existing indebtedness of Goldcar and the acquisition of vehicles for Goldcar’s fleet.

“Bridge-to-Bond Facility” refers to a term facility B of the Bridge Facilities Agreement for a maximum principal amount of €440 million, which can be borrowed by EGSA for the purposes of, inter alia, financing the Goldcar Acquisition and related costs, and the refinancing of existing indebtedness of Goldcar.

“Buchbinder” refers collectively to the following companies: Charterline Fuhrpark Service GmbH, Carpartner Nord GmbH, Terstappen Autovermietung GmbH, Car & Fly GmbH, CarPartner Leasing GmbH, A. Klees Slovakia, s.r.o., and ABC Autonoleggio s.r.l.

“Buchbinder Acquisition” refers collectively to the acquisition by the Group, on September 20, 2017, of 100% of the shares of each of Charterline Fuhrpark Service GmbH, Carpartner Nord GmbH, Terstappen Autovermietung GmbH, Car & Fly GmbH, CarPartner Leasing GmbH, A. Klees Slovakia, s.r.o., and ABC Autonoleggio s.r.l.

“Buy-Back Commitments” refers to contractual programs under which Europcar purchases from the vehicle manufacturers or dealers, and the vehicle manufacturers undertake, subject to certain terms and conditions, to grant Europcar the right to sell back to them, those vehicles at a pre-determined price observing a specified time window.

“Completion Date” refers to the date on which certain conditions precedent are satisfied, allowing a portion of the proceeds of the offering of the Notes offered hereby to be released from escrow to EGSA for purposes of financing a portion of the consideration of the Goldcar Acquisition, and EGSA to accede to the Indenture in accordance with the terms thereof.

“Consolidated EBITDA” is defined as consolidated net income before tax, share of (profit)/loss of associates, net financing costs, fleet depreciation, fleet operating lease rents and non-fleet depreciation and amortization. This definition is used for presentation of financial information only and may not correspond to the term used in the section *“Description of the Notes.”*

“Corporate EBITDA” means Consolidated EBITDA less fleet depreciation, fleet operating lease rents and fleet financing costs.

“Corporate Countries” refers to Germany, Australia, Belgium, Spain, France, Italy, New Zealand, Portugal, Ireland and the United Kingdom, which were the Corporate Countries as of December 31, 2016.

"\$," "U.S.\$," "dollar," "U.S. dollar" or "USD" refers to the lawful currency of the United States of America.

"EC Finance" refers to EC Finance Plc, a public limited company organized under the laws of England and Wales.

"EC Finance Notes" refers to the €350 million 2.375% Senior Secured Notes due 2022 offered by EC Finance on or about the Issue Date.

"EC Finance Notes Indenture" refers to the indenture, to be dated as of the Issue Date, governing the EC Finance Notes among *inter alios*, EC Finance as issuer and The Bank of New York Mellon, London Branch, as trustee, as amended and/or supplemented from time to time.

"ECI" refers to Europcar International S.A.S.U.

"EGSA" refers to Europcar Groupe S.A., the direct parent company of ECI.

"EGSA Consolidated Financial Statements" refers to, as the context requires, EGSA's unaudited interim condensed consolidated financial statements for the six months ended June 30, 2017 and 2016, an English translation of which is included in this Offering Memorandum, and EGSA's audited consolidated financial statements for the years ended December 31, 2016, 2015 and 2014 and the notes thereto, an English translation of which is included in this Offering Memorandum. As the ultimate holding company, consolidated financial statements are prepared at the EGSA level and are not prepared separately at the ECI level.

"Equity Investors" refers, on the date of this Offering Memorandum, to Eurazeo and ECIP Europcar SARL.

"Eurazeo" or "Eurazeo Group" refers to Eurazeo S.A.; any subsidiary of Eurazeo; any person controlled by the managers or employees of Eurazeo or any of its subsidiaries; and any of their respective successors in interest.

"€," "euro" or "EUR" refers to the lawful currency of those countries participating in the Third Stage of European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time.

"Europcar," "Europcar Group" or "Group" refers collectively to EGSA and its consolidated entities, including ECI and ECI's subsidiaries and the Securitifleet Companies, unless the context requires otherwise.

"Europcar France" refers to Europcar France S.A.S.

"Europcar Germany" refers to Europcar Autovermietung GmbH.

"Europcar Italy" refers to Europcar Italia S.P.A.

"Europcar Spain" refers to Europcar IB S.A.

"Existing EC Finance Notes" refers to the €350 million 5.125% Senior Secured Notes due 2021 issued by EC Finance plc pursuant to the Existing EC Finance Notes Indenture.

"Existing EC Finance Notes Indenture" refers to the indenture, dated as of July 31, 2014, governing the Existing EC Finance Notes among, *inter alios*, the Issuer and The Bank of New York Mellon, as trustee, as amended and/or supplemented from time to time.

"Existing EC Finance Notes Refinancing" refers to the issuance by EC Finance of the EC Finance Notes on the Issue Date and the redemption of the Existing EC Finance Notes with the proceeds therefrom.

“Existing Parent Notes” refers to the €600 million 5.750% Senior Notes due 2022 issued by EGSA pursuant to an indenture dated June 10, 2015.

“Fleet” refers to all vehicles operated by the car rental company, whether or not available for rent.

“Fleet Financial Utilization Rate” means the number of actual rental days of the vehicles of the fleet as a percentage of the theoretical total potential number of rental days of the vehicles of the fleet. The theoretical total potential number is equal to the number of vehicles held over the period, multiplied by the total number of days over the period.

“Goldcar” refers to Car Rentals Topco S.L. and its subsidiaries.

“Goldcar Acquisition” refers to the proposed acquisition by EGSA of Goldcar from International Car Rentals III S.à.r.l and Alcor Sociedad Estratégica, S.L.

“Goldcar Consolidated Financial Statements” refers to, as the context requires, the Goldcar’s unaudited interim condensed consolidated financial statements for the six months ended June 30, 2017 and the notes thereto, and the Goldcar’s audited consolidated annual financial statements for the year ended December 31, 2016, and the notes thereto, see *“—Goldcar Financial Information”*.

“Escrow Amount” refers to an amount of €400 million, representing a portion of the proceeds of the issuance at the Issue Date of the Notes offered hereby, to be deposited into the escrow account (the **“Escrow Account”**) until the Completion Date or the Special Mandatory Redemption Date.

“Indenture” refers to the indenture, dated as of the Issue Date, governing the Notes among, inter alios, the Issuer and the Trustee, as amended and/or supplemented from time to time.

“Initial Purchasers” refers to Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, Merrill Lynch International, BNP Paribas, Goldman Sachs International, HSBC Bank Plc, Lloyds Bank plc, Natixis and The Royal Bank of Scotland Plc (trading as NatWest Markets).

“Intercreditor Agreement” refers to the intercreditor agreement entered into on June 29, 2015 between, among others, EGSA, the trustee under the Existing Parent Notes and the facility/security agent under the Senior Revolving Credit Facility, regulating in certain respects the first and second ranking share pledges of ECI shares including the enforcement thereof. See *“Description of the Notes—Security.”*

‘Issue Date’ means November 2, 2017, the date of the issuance of the Notes.

“KPMG” refers to KPMG Auditores, S.L.

“Notes” refers to the 4.125% Senior Notes due 2024 offered hereby.

“Notes Security Agent” means the Bank of New York Mellon, London Branch, in its capacity as security agent with respect to the Proceeds Loan Security Assignment for the Trustee and the Holders of the Notes or any successor thereto appointed in accordance with the Indenture.

“Parent Secured Notes” refers to the €324 million 11.50% Senior Subordinated Secured Notes due 2017 issued by EGSA pursuant to an indenture dated as of May 14, 2012, which have been redeemed in full.

“Parent Unsecured Notes” refers to the €400 million 9.375% Senior Subordinated Unsecured Notes due 2018 issued by EGSA pursuant to an indenture dated as of November 26, 2010, which have been redeemed in full.

“Pro Forma” refers to the pro forma basis on which certain unaudited condensed consolidated information has been presented to illustrate the effect on the consolidated financial results of EGSA of the Pro Forma Transactions as though they had occurred on January 1, 2016 (for income statement purposes) and June 30, 2017 (for statement of financial position purposes).

"Pro Forma As Adjusted" refers to the basis on which certain Pro Forma figures have been further adjusted to give effect to the Existing EC Finance Notes Refinancing as if it had occurred on June 30, 2017.

"Pro Forma Transactions" refers to the Buchbinder Acquisition, the Goldcar Acquisition (including repayment of the existing debt of Goldcar as a result of the change of control) and the related financing (including the issuance of the Notes offered hereby).

"£," "GBP," "pounds sterling," "British pound" or "sterling" refer to the lawful currency of the United Kingdom.

"RPD" refers to revenue per day.

"Securitifleet Companies" refers to the companies that were established under a securitization program in 2004 to purchase and own vehicles and lease them to local Europcar operating companies in France, Germany, Italy and Spain. The Securitifleet Companies are: Securitifleet S.A.S., Securitifleet GmbH, Securitifleet Italy, Securitifleet Spain and any company that may become a Securitifleet Company in the future as described in *"Description of the Notes."*

"Securitifleet Italy" refers to Securitifleet S.p.A.

"Securitifleet Holding" refers to Securitifleet Holding S.A. which acts as the financing entity for the fleet purchasing and leasing activities of the Securitifleet Companies.

"Senior Asset Revolving Facility" or "SARF" refers to the senior asset revolving facility agreement entered into on July 30, 2010 and as amended on August 26, 2010, November 4, 2010, January 11, 2011, April 5, 2012, March 4, 2014, May 12, 2015, September 14, 2016, February 9, 2017 and from time to time between, among others, Securitifleet Holding, as borrower, Crédit Agricole Corporate and Investment Bank, as lender and ECI, in order to provide funding for the acquisition and maintenance of Europcar's fleet through the Securitifleet Companies.

"Senior Revolving Credit Facility" or "RCF" refers to the senior revolving credit facility agreement entered into on July 13, 2017 between, among others, EGSA and certain of its subsidiaries, as borrowers, and Banco Bilbao Vizcaya Argentaria S.A. Paris Branch, Bank of America Merrill Lynch International Limited, Banque Européenne du Crédit Mutuel, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit du Nord, Crédit Industriel et Commercial, Deutsche Bank AG, London Branch, Goldman Sachs International Bank, HSBC France, ING Bank N.V., French Branch, KBC Bank N.V., French Branch, Lloyds Bank plc, Natixis, The Royal Bank of Scotland plc and Société Générale among other lenders.

"Special Mandatory Redemption" refers to the redemption by the SPV Issuer of a portion of the Notes if the conditions precedent to the release of the proceeds from the Escrow Account have not been satisfied (or certain other events occur) on or prior to the Escrow Longstop Date, which is March 31, 2018 (the **"Escrow Longstop Date"**).

"SPV Issuer" refers to Europcar Drive D.A.C.

"Trustee" refers to The Bank of New York Mellon, London Branch.

"UK," "U.K." or "United Kingdom" refers to the United Kingdom of Great Britain and Northern Ireland.

"we," "us" and "our" refer to Europcar Group, unless the context requires otherwise.

"2014," "2015" and "2016" refer to the year ending December 31 of the year designated, unless the context requires otherwise.

EGSA Financial Information

The historical financial information for EGSA presented in this Offering Memorandum is derived from the EGSA Consolidated Financial Statements. An English translation of the EGSA Consolidated Financial Statements is included herein. The EGSA Consolidated Financial Statements and the notes thereto as of and for the years ended December 31, 2016, 2015 and 2014 and as of and for the six months ended June 30, 2017 (with June 30, 2016 as a comparative period) have been prepared in accordance with the principles and methods described therein which state in particular that the accounts of EGSA have been established in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). The EGSA Consolidated Financial Statements as of and for the years ended December 31, 2016, 2015 and 2014 have been audited by PricewaterhouseCoopers Audit and Mazars, EGSA’s statutory auditors. The EGSA unaudited Consolidated Financial Statements as of and for the six months ended June 30, 2017 have been subject to a limited review by PricewaterhouseCoopers Audit and Mazars and were published in accordance with the principles and methods described herein.

Goldcar Financial Information

The historical financial information for Goldcar presented in this Offering Memorandum is derived from the Goldcar Consolidated Financial Statements. Goldcar’s consolidated financial statements for the year ended December 31, 2016, and the notes thereto, have been audited by KPMG Auditores, S.L. Goldcar’s consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union. Goldcar’s interim condensed consolidated financial statements for the six months ended June 30, 2017 are unaudited and have been subject to limited review by KPMG Auditores, S.L. and were prepared in accordance with IAS 34, Interim Financial Reporting. Certain of such information presented herein has been adjusted to reflect application of certain IFRS accounting standards, as applied by EGSA.

Buchbinder Financial Information

The historical financial information for Buchbinder presented in this Offering Memorandum (the “**Buchbinder Consolidated Financial Information**”) is derived from (a) the audited consolidated financial information for Charterline Fuhrpark Service GmbH, Carpartner Nord GmbH, Terstappen Autovermietung GmbH, CarPartner Leasing GmbH, A. Klees Slovakia, s.r.o. and ABC Autonoleggio s.r.l., including (i) from the consolidated financial statements for such entities as of and for the year ended December 31, 2016, prepared in accordance with generally accepted auditing standards in Germany and (ii) from the accounting books and records for such entities as of and for the six months ended June 30, 2017, prepared in accordance with generally accepted accounting standards in Germany, which were not subject to limited review; and (b) financial information for Car & Fly GmbH, which, in the case of each of (a) and (b), have been adjusted to reflect application of certain IFRS accounting standards, as applied by EGSA.

Unaudited Pro Forma Financial Information

In this Offering Memorandum, we present certain unaudited condensed consolidated financial information on a Pro Forma basis, as of and for the six months ended June 30, 2017, and as of and for the year ended December 31, 2016 (“**Unaudited Pro Forma Condensed Consolidated Financial Information**”) to illustrate the effect on the consolidated financial results of EGSA as of such dates and for such periods of the Pro Forma Transactions.

The Unaudited Pro Forma Condensed Consolidated Financial Information gives effect to the Pro Forma Transactions as though they occurred on January 1, 2016 (for income statement purposes) and June 30, 2017 (for statement of financial position purposes). The Unaudited Pro Forma Condensed Consolidated Financial Information does not give effect to the Existing EC Finance Notes Refinancing.

The Unaudited Pro Forma Condensed Consolidated Financial Information as of and for the year ended December 31, 2016 and the six months ended June 30, 2017 has been prepared for illustrative purposes only and does not purport to represent what our actual results of operations or financial condition would have been if the Pro Forma Transactions had occurred on those dates, nor does it purport to be indicative of our future results of operations or financial position. The Unaudited Pro Forma Condensed Consolidated Financial Information consists only of an unaudited pro forma condensed consolidated income statement, an unaudited pro forma condensed consolidated statement of financial position and explanatory notes. For more information, please refer to the Unaudited Pro Forma Condensed Consolidated Financial Information in the P-pages to this Offering Memorandum.

The Unaudited Pro Forma Condensed Consolidated Financial Information set forth in this Offering Memorandum is based on available information and certain assumptions and estimates that we believe are reasonable, and may differ materially from the actual amounts that would have been achieved had the Pro Forma Transactions occurred on January 1, 2016 (for income statement purposes) or June 30, 2017 (for statement of financial position purposes).

The Unaudited Pro Forma Condensed Consolidated Financial Information includes the results of operations and financial condition of Goldcar and Buchbinder for the periods presented even though we did not control Goldcar and Buchbinder for all or any of the duration of the periods presented, and we would not have been permitted under IFRS to consolidate the results of Goldcar and Buchbinder in any historical financial statements prior to the date of the Goldcar Acquisition and to that of the Buchbinder Acquisition.

All pro forma adjustments are directly attributable to the Pro Forma Transactions and the adjustments with respect to the income statement would have a recurring impact on the group income statement. These Pro Forma adjustments were prepared and computed based on available information and estimates that we believe to be reasonable. The Pro Forma adjustments used for the purposes of preparing the Unaudited Pro Forma Condensed Consolidated Financial Information are described in the P-pages hereto.

The Unaudited Pro Forma Condensed Consolidated Financial Information included in this Offering Memorandum has not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended (the “**Exchange Act**”) or any generally accepted accounting standards. The Unaudited Pro Forma Condensed Consolidated Financial Information has been prepared in accordance with the basis of preparation described in the P-pages to this Offering Memorandum. In evaluating the pro forma financial information, you should carefully consider the EGSA Consolidated Financial Statements and the Goldcar Consolidated Financial Statements.

Financial Information Presented on an LTM basis

The summary unaudited consolidated financial information for the twelve months ended June 30, 2017 (“**LTM Data**”) set forth in this Offering Memorandum was derived by adding EGSA’s or Goldcar’s, as applicable, consolidated financial information for the year ended December 31, 2016 to its consolidated financial information for the six months ended June 30, 2017 and subtracting its consolidated financial information for the six months ended June 30, 2016. The summary unaudited LTM Data is not required by or presented in accordance with IFRS, has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date.

Other information and Use of Non-GAAP Measures

This Offering Memorandum contains information for Europcar Group regarding Adjusted Consolidated EBITDA, Adjusted Corporate EBITDA, Adjusted recurring operating income, Net

Financing Costs, Total Net Debt, Corporate Free Cash Flow and certain financial measures and ratios which are not recognized measurements under IFRS.

You should not consider the items which are not recognized measurements under IFRS as alternatives to the applicable IFRS measurements. In particular, you should not consider these measurements of Europcar Group's financial performance or liquidity as an alternative to net income, operating income or any other performance measures derived in accordance with generally accepted accounting principles or as an alternative to cash flow from operating activities as a measurement of Europcar Group's liquidity. We have included these measurements because we believe they are important indicators of the underlying historical performance of Europcar Group.

In addition, the Offering Memorandum contains information for Goldcar regarding Adjusted EBITDA and Adjusted EBIT, which are not recognized measures under IFRS.

The performance measure Adjusted EBITDA is determined at a consolidated level. This measure is relevant to an understanding of Goldcar's financial performance and includes all of the income and expenses of the year except for:

- income or expense arising from corporate tax;
- financial income and expenses;
- fixed asset amortisation expenses and buy back renting costs;
- income and expenses that are considered non-recurring due to their nature (see note 11(f) to the Goldcar consolidated financial statements); and
- impairment and profit/loss on disposal of fixed assets.

Goldcar's definition of Adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

The performance measure Adjusted EBIT is also determined at a consolidated level and is relevant to an understanding of Goldcar's financial performance and includes all of the income and expenses of the year except for:

- income or expense arising from income tax;
- financial income and expenses; and
- income and expenses that the Directors consider non-recurring due to their nature (see note 11(f) to the Goldcar consolidated financial statements).

Goldcar's definition of Adjusted EBIT may not be comparable with similarly titled performance measure and disclosures by other entities.

You should not consider these items as alternatives to the applicable IFRS measurements and, in particular, to profit/loss from continuing operations, profit for the year/period or any other performance measures derived in accordance with generally accepted accounting principles.

General

Certain numerical figures set out in this Offering Memorandum, including financial data presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments and, as a result, the totals of the data in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information.

The financial information included in this Offering Memorandum is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations of SEC which would apply if the Offering was being registered with the SEC.

Forward-Looking Statements

This Offering Memorandum includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will” or “should” or, in each case, their negative, or other variations or other comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding the Group’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Group’s actual financial condition, actual results of operations and cash flows, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Memorandum. In addition, even if the Group’s financial condition, results of operations and cash flows, and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to, those described below, those described under “*Risk Factors*” and those described elsewhere in this Offering Memorandum including in Section 2 “*Risk Factors*” in Exhibit A to this Offering Memorandum:

- our substantial outstanding indebtedness and high degree of leverage and the restrictions imposed by such indebtedness;
- our reliance on fleet asset-backed financing;
- debt covenants that could restrain our ability to finance future operations and capital needs;
- risks associated with our structure, the Offering of the Notes, and our other indebtedness;
- our ability to generate free cash flow or to obtain sufficient resources to meet our debt service obligations, to acquire fleet and to finance working capital and capital expenditure needs;
- the highly competitive nature of the vehicle rental industry, together with increasing use of the Internet that might result in downward pressure on pricing;
- risks related to structural changes in the vehicle rental market;
- general risks relating to macro-economic conditions or in travel demand in Europe or in other areas in which the Group operates;
- the highly seasonal nature of the vehicle rental industry and its sensitivity to weather conditions;
- risks related to the evolution of the vehicle rental industry and the advent of mobility solutions and the Group’s ability to keep pace or pursue products or technologies that become commercially accepted;
- risks related to the Group’s ability to develop and maintain favorable brand recognition;
- risks related to the importance of operations at airports and train stations;
- risks related to fleet supply and financing;
- factors that adversely affect the financial condition of vehicle manufacturers and dealers upon which we rely heavily for fleet supply and fleet repurchase programs;

- our exposure to the vehicle resale market for vehicles not covered by repurchase programs;
- incidents of manufacturer safety recalls of vehicles;
- our reliance on key contractual relationships with certain third parties;
- our ability to become more cost-efficient;
- our ability to implement our strategy into new markets;
- our ability to achieve targeted benefits from the Goldcar Acquisition and the Buchbinder Acquisition;
- rising personnel costs;
- our ability to retain the services of our senior management team and to retain and attract key personnel and high-quality staff;
- our reliance on centralized information systems;
- any potential failure by the Group to protect customer data;
- our exposure to risks associated with the international nature of our customer base and operations;
- our exposure to currency fluctuations;
- an impairment of our goodwill and/or other intangible assets;
- risks relating to natural disasters affecting the supply chain;
- risks related to compliance with current or future regulations applicable to the Group's business;
- our exposure to liabilities and insurance claims, as well as uninsured claims in excess of historical levels;
- risks related to the protection of intellectual property rights;
- risks related to administrative, legal and arbitration proceedings; and
- other factors discussed in this Offering Memorandum.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive, and should be read in conjunction with other factors that are included in *"Risk Factors"* and Section 2 *"Risk Factors"* in Exhibit A to this Offering Memorandum. Should one or more of these risks materialize, or should any underlying assumptions prove to be incorrect, our actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. All forward-looking statements should be evaluated in light of their inherent uncertainty.

The Group's forward-looking statements speak only as of the date of this Offering Memorandum. The Group operates in a competitive and rapidly changing environment. New risks, uncertainties and other factors may emerge that may cause actual results to differ materially from those contained in any forward-looking statements. Except as required by law or the rules and regulations of any stock exchange on which its securities are listed, The Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Offering Memorandum to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this Offering Memorandum is based.

This Offering Memorandum contains certain synergy estimates relating to, among other factors, cost reductions and other benefits expected to arise from the Acquisition as well as related costs to implement the Acquisition. The estimates present the expected future impact of this transaction and the integration of Goldcar into our existing business. Such estimates are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. The assumptions used in estimating the synergies arising from the Acquisition are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the synergy benefit estimates.

Industry and Market Data

This Offering Memorandum contains information concerning the markets in which Europcar Group operates. The market data and certain economic and industry data and forecasts used in this Offering Memorandum were obtained from internal surveys, market research, governmental and other publicly available information, independent industry publications and reports prepared by industry consultants such as Euromonitor International. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We cannot assure you of the accuracy and completeness of, and we take no responsibility for, such information and we have not independently verified such market data.

In addition, certain statements regarding the rental car industry and Europcar's position in the industry are based solely on Europcar's experience, internal studies and estimates, and our own investigation of market conditions. We cannot assure you that any of these assumptions accurately or correctly reflect Europcar's position in these industries, and none of these internal surveys or information has been verified by any independent sources.

Trademarks

We own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our business. Some of the more important trademarks that we own and have rights to use that appear in this Offering Memorandum include "Europcar," "National," "Alamo," "Greenway," "InterRent," "Ubeeqo" and "Buchbinder," each of which are registered and/or pending registration in the jurisdictions in which we operate, as appropriate to the needs of our relevant business. Each trademark, trade name or service mark of any other company appearing in this Offering Memorandum is the property of its owners.

Currency Presentation and Exchange Rate Data

The following table sets forth, for the periods indicated, high, low, average and period-end daily reference euro/U.S. dollar exchange rates based on the noon buying-rate, as defined below, expressed in U.S. dollars for €1.00. The information concerning the U.S. dollar exchange rate is based on the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the “**Noon Buying Rate**”). We provide the exchange rates below solely for your convenience. We do not represent that euros were, could have been, or could be, converted into U.S. dollars at these rates or at any other rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this Offering Memorandum.

Because the Noon Buying Rate is not published on a daily basis, we have also obtained information on the euro-dollar exchange rate published by the European Central Bank (the “**ECB**”). On October 17, 2017, the ECB daily reference exchange rate was U.S. \$1.1759 = €1.00.

Month U.S. dollar/Euro	Period End	Average rate ⁽¹⁾	High	Low
October 2017 (through October 13)	1.18	1.17	1.18	1.17
September 2017	1.18	1.19	1.20	1.17
August 2017	1.18	1.18	1.20	1.17
July 2017	1.18	1.15	1.18	1.13
June 2017	1.14	1.12	1.14	1.11
May 2017	1.12	1.04	1.12	1.09
April 2017	1.09	1.07	1.09	1.06
Year				
U.S. dollar/Euro				
2017 (through October 13)	1.18	1.11	1.20	1.04
2016	1.06	1.11	1.15	1.04
2015	1.09	1.12	1.20	1.05
2014	1.21	1.33	1.39	1.21
2013	1.38	1.33	1.38	1.28
2012	1.32	1.29	1.35	1.21

1 The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for year average; on each business day of the month (or portion thereof) for monthly average.

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in the exchange rates that may occur at any time in the future. No representations are made in this Offering Memorandum that the euro or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or euros, as the case may be, at any particular rate.

Summary

This summary highlights information about us, the SPV Issuer and the Offering of the Notes contained elsewhere in this Offering Memorandum. This summary does not contain all the information you should consider before investing in the Notes. The following summary should be read in conjunction with, and the following summary is qualified in its entirety by, the more detailed information included in this Offering Memorandum, including the EGSA Consolidated Financial Statements and the Goldcar Consolidated Financial Statements. You should read carefully the entire Offering Memorandum to understand the Group's business, the nature and terms of the Notes and the tax and other considerations which are important to your decision to invest in the Notes, including the risks discussed under the caption "Risk Factors" and Section 2 "Risk Factors" in Exhibit A to this Offering Memorandum.

The SPV Issuer is an unaffiliated special purpose financing company with no operations and no ability to generate revenue. See "Europcar Drive D.A.C." EGSA will succede to the SPV Issuer as successor issuer in respect of the Notes on the Completion Date. See "The Offering" and "Description of the Notes."

Introduction to the Group

Europcar Group is the European leader in rental vehicles and one of the main players in the mobility sector in Europe. With operations in over 130 countries and territories, Europcar offers its customers one of the largest vehicle rental networks, both directly and through its franchises and partners. Customer satisfaction is paramount for the Group and its employees: this commitment drives the continuous development of new services. Europcar Lab, for instance, was created to gain a better understanding of the future challenges of mobility through innovation and strategic investments such as Ubeeqo, E-Car Club and SnappCar.

The Group provides vehicles for short- and medium-term business and leisure rentals through its network of 3,754 stations (including stations operated by agents and franchisees) as of December 31, 2016. With an average fleet of 213,789 vehicles and a volume of 59.9 million rental days in its Corporate Countries in 2016 (compared to 205,353 vehicles and a volume of 57.1 million rental days in 2015), the Group uses its extensive knowledge of the vehicle rental industry to provide a wide range of mobility solutions.

For the year ended December 31, 2016 and the twelve months ended June 30, 2017, the Group generated consolidated revenues of €2,150.8 million and €2,230.6 million, respectively, and Adjusted Corporate EBITDA of €253.9 million and €255.5 million, respectively.

The Group has set medium-term objectives as part of its Ambition 2020 plan (as defined below), including reaching €3 billion in revenues, through organic initiatives and acquisitions, by 2020.

On June 16, 2017, the Group entered into a share purchase agreement with International Car Rentals III S.à.r.l. and Alcor Sociedad Estratégica, S.L. to acquire Car Rentals Topco, S.L. and its subsidiaries ("**Goldcar**"), which is primarily engaged in the provision of business-to-consumer car rental-related mobility services in Spain, Italy, Portugal, France, Croatia, Greece, Turkey, Andorra, Cyprus, Malta, the Netherlands, Mexico, Morocco and Romania (the "**Goldcar Acquisition**"). The completion of the Goldcar Acquisition is subject to the satisfaction of customary conditions precedents, including a merger control clearance from the European Commission.

Upon completion, the Goldcar Acquisition is expected to strengthen the Group's leadership in the European vehicle rental market and in the low cost segment.

On September 20, 2017, the Group completed the acquisition of 100% of the shares of the following companies: Charterline Fuhrpark Service GmbH, Carpartner Nord GmbH, Terstappen

Autovermietung GmbH, Car & Fly GmbH, CarPartner Leasing GmbH, A. Klees Slovakia, s.r.o., and ABC Autonoleggio s.r.l. ("**Buchbinder**"), which is engaged primarily in the provision of car rental-related mobility services in Germany and Austria (the "**Buchbinder Acquisition**," and together with the Goldcar Acquisition, the "**Acquisitions**").

The Buchbinder Acquisition is expected to enable the Group to become a leading player in the German and Austrian vehicle rental markets and reinforce the Group's presence in the small and medium-sized enterprise business segment and the Low-Cost and Vans & Trucks businesses in both Germany and Austria. It is also expected to expand the Group's presence in Eastern Europe and Southern Europe.

The Acquisitions are expected to further reinforce the Group's ability to achieve its Ambition 2020 objectives.

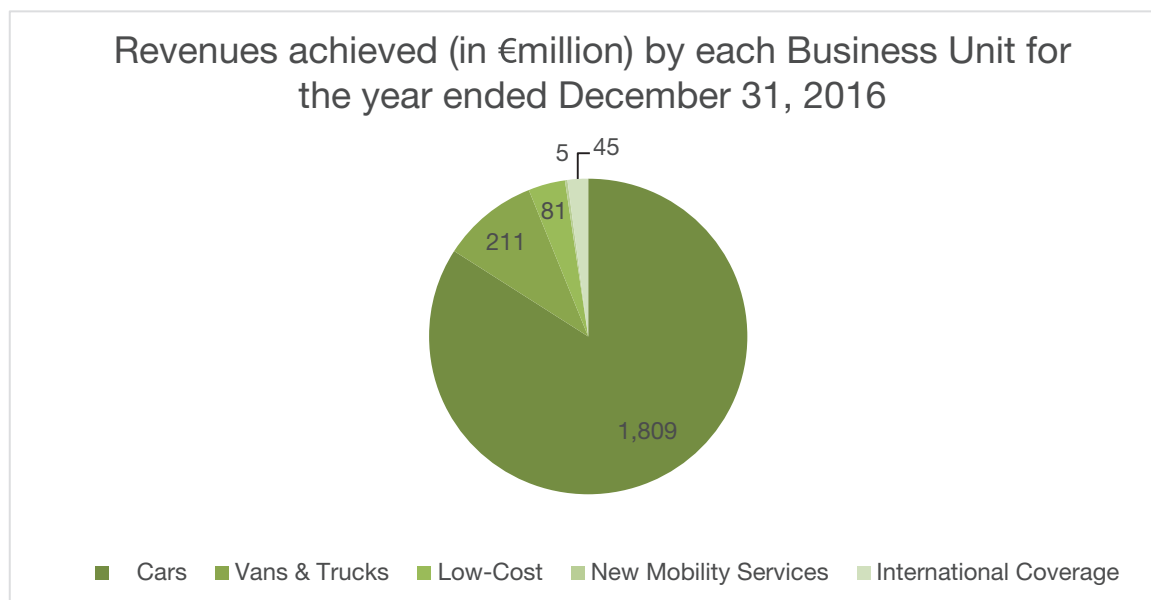
On a Pro Forma basis, for the year ended December 31, 2016 and for the six months ended June 30, 2017, the Group's consolidated revenues would have been €2,595.5 million and €1,228.6 million, respectively, and the Group's Adjusted Corporate EBITDA would have been €318.1 million, representing an Adjusted Corporate EBITDA margin of 12.3% (compared to the Group's historical Adjusted Corporate EBITDA margin of 11.8% and €59.7 million, representing an Adjusted Corporate EBITDA margin of 4.9% (compared to the Group's Adjusted Corporate EBITDA margin of 5.5%), respectively.

The Group's Business Prior to the Acquisitions

Information by Business Unit

In 2016, the Group decided to adopt a new Group organization by Business Unit, which has been in effect since January 2017. These five Business Units are Cars, Vans & Trucks, Low-cost, New Mobility Services and International Coverage.

The following chart sets out the revenues achieved for each of the five Business Units for the year ended December 31, 2016.



Europcar Customers

The Group's products and services are offered to a large range of business and leisure customers. Business customers include large corporates and small and medium-sized businesses, as well as companies that rent vehicles to provide vehicle replacement services to their customers. Leisure customers are mainly private individuals who rent a vehicle for the purpose of vacation travel or for everyday or occasional urban or long-distance travel. Business and leisure customers represented 41.9% and 58.1%, respectively, of total Group rental revenue in 2016.

Reservations can be made directly through the Europcar mobile site, Europcar websites or reservation centers, in stations or indirectly through travel agents, tour operators, brokers, or through the mobile and websites of Ubeeqo and E-Car. Revenue generated by each Corporate Country is either balanced across customer categories or more heavily influenced by one or more categories, depending in particular on the geographic location.

Europcar's Brands

Europcar's business has historically been operated through three main brands:

- Europcar® is the Group's core brand. It is used worldwide directly and through its franchisee network in order to serve a wide range of market segments, from high-end to cost-conscious, as well as a portfolio of diversified customers, from corporates (business) to individual leisure customers;
- InterRent® has been deployed by the Group since 2013 to target the low-cost leisure segment in order to expand its customer portfolio;
- Ubeeqo®, a controlling interest of which was acquired by the Group in November 2014 in order to expand its mobility solutions offer. Ubeeqo® became a wholly-owned subsidiary of Europcar as a result of Europcar's acquisition on February 17, 2017 of the 24.3% minority interest held by Ubeeqo's founders. The acquisition of Ubeeqo® has enabled the Group to offer its customers access to a multi-mode reservation platform allowing customers to choose the means of motorized transport that best suits them: self-service, chauffeur-driven cars or car rental from an agency, as well as car-sharing services (general public or companies).

The purpose of this brand strategy is to offer the Group's customers a clearly differentiated and coherent portfolio of brands, to reinforce Europcar's position in its key markets.

For a description of the Group's strategy to implement a new three-tiered branding approach following the Acquisitions, see "*—The Group following the Acquisitions.*"

Europcar Service Offerings

Europcar's goal is to provide the mobility solution that best meets its customers' needs in a market where expectations are constantly changing.

Europcar offers mobility solutions extending from short-term vehicle rental, *via* its three brands, Europcar®, Ubeeqo® and InterRent®, and chauffeur services to car-sharing and a platform offering mobility services. Ubeeqo, a specialist in car-sharing, and E-Car Club, a car-sharing start-up offering an entire fleet of electric vehicles in the United Kingdom, have broadened the Group's mobility offer through its subsidiary, Europcar Lab.

Europcar's Network

As of December 31, 2016, Europcar's network consists of 3,754 rental stations operated either directly or by agents and franchises. In order to strengthen its international operations, the

Group has entered into partnerships (particularly in the United States, Canada and Japan) and commercial and general sales agency ("GSA") arrangements. As of December 31, 2016, Europcar had eight Corporate Countries in Europe and two in Australia and in New Zealand. Rental stations within these existing Corporate Countries are mainly directly operated by the Group and by agents. Through the acquisitions of Goldcar and Buchbinder and the acquisition of our Danish franchisee, the network will expand to include Austria, Croatia, Denmark, Greece, Hungary, Slovakia and Turkey. Franchise stations strengthen the network in certain Corporate Countries (particularly in France, the Group's birthplace). This network of franchisees makes it possible to offer customers a consistent and continuous offering worldwide, increase the Group's brand visibility and increase its revenue from royalties.

As of December 31, 2016, the Group had 2,495 rental stations in Europe, of which 1,027 were directly-operated by the Group, 602 were agent-operated and 866 were franchises. At the same date the Group had 1,259 rental stations in the Rest of the World, of which 76 were directly-operated by the Group, 15 were agent-operated and 1,168 were franchises.

Europcar Fleet

During the year ended December 31, 2016, the Group took delivery of approximately 293,300 vehicles and operated an average rental fleet of 213,789 leisure and light commercial vehicles in the Corporate Countries (representing a 4.1% increase over 2015). In 2016, Europcar's approximate average fleet holding period was 8.8 months (8.1 months for vehicles (cars and trucks) covered by Buy-Back Commitments). The Group purchases its vehicles from a range of manufacturers with whom it has longstanding relationships, including primarily Volkswagen, Fiat Group, General Motors, Renault-Nissan, PSA, Hyundai, Daimler and Ford.

The Group views fleet management as a key component of its expertise. The Group has significantly increased its fleet financial utilization rate in recent years through focused actions: it reached 76.5% in 2016 compared to 76.1% in 2015. Fleet management and the improvement of the fleet financial utilization rate are based on internal Group procedures, on the Revenue and Capacity Management teams that were established during 2012 at a centralized level and throughout all operating subsidiaries and on the centralized "GreenWay®" system and its various specialized modules.

Europcar Lab

The Group created Europcar Lab in the second half of 2014 to study mobility market usages and search for new mobility solutions opportunities with mobility actors worldwide, whether such opportunities be with customers, partners or technology or mobility expert consultants. Europcar Lab is intended to be an ideas incubator for new products and services that provide mobility solutions for the Group. It aims to support internal projects and secure minority and majority stakes in innovative structures. Europcar Lab holds stakes in UbeeGo (100% owned since February 17, 2017), E-Car Club (80% owned since July 9, 2015) and SnappCar (19.25% owned since May 24, 2017).

The Group's Competitive Strengths

We believe the Acquisitions will enhance the following historical competitive strengths that have been instrumental in the Group's success and will provide a solid foundation for its future growth.

Market Growth Supported by Structural Trends in Vehicle Rental and Mobility Solutions

Vehicle rental market growth in the Corporate Countries is expected to continue to rise in the short- and medium-term due to several positive structural factors: GDP growth, the increase in the number of leisure trips and in air traffic as well as new methods of use in terms of mobility.

Furthermore, the Group believes that changing perceptions of car ownership should foster increasing growth in the vehicle leasing market. These changing perceptions stem in particular from the increase in costs related to vehicle ownership and public policies towards car usage in urban centers.

These market dynamics contribute to a growing population of potential users of vehicle rental services and to the market trend towards mobility solutions and other innovative service offerings. This should provide the Group with new revenue opportunities, in particular given the high levels of urban density in Europe.

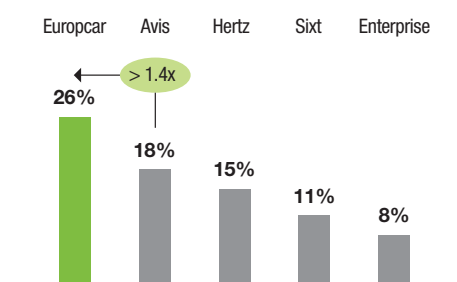
Established Leadership and Innovation Conferring Competitive Advantages

With over 65 years of experience, Europcar has a worldwide presence and is one of the key players in the mobility industry. The Group has a wide and international network serving a broad range of customer mobility needs based on sophisticated revenue and fleet capacity management. The Group leverages these strengths to deploy innovative solutions and services to better serve changing customer mobility usages.

In 2015, the Group was the leading European vehicle rental organization by market share. More specifically, it is number one in France, Belgium, Spain and Portugal, number two in Germany and the United Kingdom and number three in Italy (source: Euromonitor).

The following chart sets out the market share of the Group and its principal competitors in Corporate Countries in Europe in 2015:

Europcar's 2015 Market Shares in Corporate Countries in Europe



Source: Euromonitor

The Group believes that this leading position in Europe is sustainable due to, among other things, the scale of its operations (average fleet of 213,789 vehicles in its Corporate Countries in 2016), and the quality of its network, its triple brand strategy (Europcar®, Ubeeqo® and InterRent®) and its ability to manage complex operating systems and financing structures in a flexible and efficient manner. Over the 2009 to 2015 period, the Group's market share in Corporate Countries in Europe remained stable, between 24% and 26% (source: Euromonitor). The European vehicle rental market is one of the most difficult to penetrate due to the multiplicity and diversity of jurisdictions with different rules and regulations and with regional differences in consumer habits. The Group believes that its extensive local presence and professional expertise allow it to respond effectively to the complex and highly diverse nature of its markets.

Moreover, the Group's solid positioning across various countries in Europe allows it to track and anticipate changing levels of demand and market trends and therefore to better manage the size of its fleet. The Group is also consolidating its network through acquisitions of franchisees.

The Group has a global footprint, with approximately 3,754 stations (including franchises) in over 130 countries and territories in 2016 and numerous GSA arrangements and partnerships. Franchises enable the Group to extend its network and are a source of high-value growth with lower risk, while its partnerships and alliances provide additional market penetration in growing markets.

The Group's GSA strategy, with approximately 22 GSA arrangements at the end of 2016, compared to 19 at the end of 2015 and partnerships with major airlines and travel intermediaries allow the Group to be present at points of entry for inbound and outbound traffic. The Group relies on partners in addition to its franchisees, particularly in the United States, Canada and Japan, as well as on commercial and GSA arrangements. In the United States, the Group concluded a partnership with Advantage Opco ("**Advantage**"), through which the Group can service its customers in the United States under its Europcar brand, and *via* the Advantage network, and Advantage can serve its customers under its own Advantage- Rent-A-Car brand *via* the Europcar network in regions in which the Group operates. This alliance allows the Group to extend its proprietary network and improve its services for its customers in the United States. In February 2015, the Group also entered into a new agreement with a GSA in the United States ("**Discover the World**"), which improves outbound flows of United States customers to Corporate Countries. Moreover, in order to develop its activities in China, the Group entered into a two year GSA agreement (which came into force on April 21, 2014), which was recently renewed for a further two years, with AGP China, an online Chinese travel agency pursuant to which the agency has been appointed to act as a non-exclusive representative authorized to promote and offer Europcar's rental services. This agreement allows the Group to promote outbound flows of its customers from China into its Corporate Countries.

The Group's network, particularly in its Corporate Countries, is supported by its proprietary GreenWay® system, a powerful and effective reservation platform and revenue capacity and fleet management tool. The Group's network is also commercially supported by the use of forecasting models that help to determine pricing while also optimizing the distribution, planning, allocation and yield of the fleet according to demand.

The Group has a diversified customer base of approximately 5.5 million drivers in 2016 that it reaches through a wide variety of distribution channels.

The Group's efficient fleet management benefits from central coordination and local initiatives, leveraging strong, longstanding partnerships with vehicle manufacturers. In addition, the Group takes a pragmatic approach to fleet management, optimizing the mix between pan-regional and local contracts, maintaining short- and long-term flexibility in volume commitments and vehicle holding periods to meet fluctuations in demand, particularly seasonal, and adapt to changing economic conditions. This efficiency also relies on repurchase commitments the Group has obtained from manufacturers that give it the flexibility to react to changes in demand. Approximately 93% of the Group's fleet in units operated in 2016 (compared with 92% in 2015) was covered by Buy-Back Commitments, i.e., one of the highest rates among vehicle rental companies (source: publications by Avis, Hertz and Sixt).

The Group leverages this extensive experience and know-how in the vehicle rental industry to focus on innovation, enhance the customer experience and seize opportunities arising from new mobility trends. In response to targeted customer mobility needs, the Group has a "Lab" that is designed to draw on these technological innovations proposed by in- house and external innovators to design new products and services in the area of mobility solutions. This enables the

Group to stay at the forefront of this rapidly evolving and expanding market. The Group has owned 100% of Ubeeqo since February 2017. In addition, the Group has held a majority stake in E-Car Club since June 2015 and a minority stake of 19.25% in SnappCar since May 24, 2017. Europcar is a stakeholder in a joint venture with Daimler, Car2go Europe, which is also present in the consumer car-sharing market.

Diversified Business Model

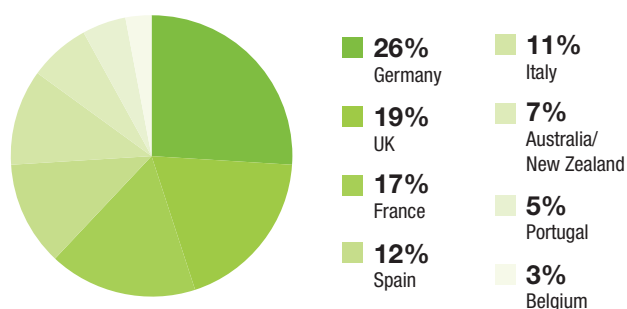
The Group's business model is based on a well-balanced and complementary revenue base, which optimizes fleet utilization and network and related costs and allows it to limit dependency on specific sectors or industries.

The Group has a broad customer base, well balanced between business and leisure customers (which generated 41.9% and 58.1%, respectively, of total Group rental revenue in 2016). This mix helps the Group manage seasonality over the year (with leisure peaks during the summer and business demand more stable throughout the year) and during the week (weekend for leisure and weekdays for business).

The Group's contractual relationships with numerous large corporate customers, as well as with small and medium-sized businesses across multiple industries, contribute to the stability of the Group's business rental revenue, in particular during periods outside of tourist seasons and during business days. The Group's leisure activity involves rentals that are longer in duration and generate more revenue per transaction day than business rentals. The Group also addresses the leisure segment through its portfolio of partnerships with recognized leaders in the travel industry, including major European airlines, tour operators and hotel groups, such as EasyJet, TUI, Accor and Aeroflot. Within the leisure segment, the Group benefits from its core brand Europcar® in the medium and upscale markets and is deploying its InterRent® brand in the low-cost market.

The Group's revenue base is also geographically diverse. The Group's rental revenue (excluding royalties received from its franchisees) in Corporate Countries for the year ended December 31, 2016 was as follows:

Breakdown of Group Rental Revenue in Corporate Countries in 2016



The Group's revenue base is optimized between airports, where customer traffic is relatively high, and non-airport locations. In 2016, the Group's network included directly- and agent- operated stations in 291 airports. These stations represented 17% of corporate and agent-operated stations in 2016, and yet generated 44.1% of the Group's rental revenue in the same year.

This diversification, along with the Group's operating expertise and effective management and information systems, allows it to reach a high fleet financial utilization rate, which was 76.5% in 2016.

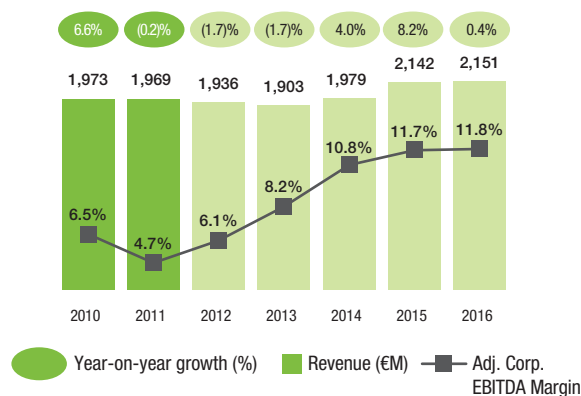
The Group's diversified customer base and network are supported by a flexible fleet that has one of the highest proportions of Buy-Back Commitments (as defined below, see "*Our Fleet*") in the industry, a diverse fleet supply and flexible fleet financing. Approximately 93% of Europcar's 2016 fleet vehicles delivered were covered by such Buy-Back Commitments. This high level of Buy-Back Commitments not only limits risk by providing greater fleet cost visibility, but it also increases flexibility, with the commitments generally allowing for a five to eight month buy-back period deliberately chosen by the Group in order to manage the seasonality inherent to the business. The sourcing of the Group's fleet is also diversified in terms of automobile manufacturers and brands: in 2016, approximately 30% of its fleet was acquired from Volkswagen, 14% from General Motors, 14% from Fiat, 11% from Renault, 10% from Peugeot Citroen, 7% from Daimler, 4% from Hyundai, 2% from Ford and the remaining 8% from other manufacturers. The Group can periodically and opportunistically enter into multiyear framework contracts (generally for a two-year term) with certain manufacturers to ensure fleet availability. In order to optimize its financing conditions, the Group uses diversified asset-backed financing represented by the fleet, including securitization, capital market financing (bond financing), revolving credit facilities and operating leases.

This wide diversification of sources of revenue, fleet and financing provide the Group with a business model tailored to limit risks and optimize revenue and costs.

Operational Excellence

The Group continued to pursue initiatives from the Fast Lane plan program in 2016 by continuing to focus on fleet utilization and cost per unit reduction. Following the success of the Fast Lane program between 2012 and 2016, Europcar intends to further strengthen its operational excellence to support profitable organic growth.

The following chart presents the changes in the Group's consolidated revenue and Adjusted Corporate EBITDA margin over the 2010 to 2016 period:



Source: Company

Growth is expected to be sustained by strengthening the commercial strategy by Group segment and cost management including optimization of its network and extension of its shared services logic. Special attention continues to be given to enriching and improving the customer experience through the Group's digital transformation. The Group plans to be able to offer a dedicated customer experience entirely on mobile devices in the near future. In addition, the Group plans to allocate investments of approximately €10 million over the 2016-2018 period to rework its customer relations management system. Better knowledge of customers, differentiation of products and services through innovation, transparent and fluid customer relations, simplified procedures and customer help are the keywords of this focus on transformation. In this context, the Group also plans to strengthen its commercial strategy via its direct channels to offer services adapted to new customer expectations in terms of mobility and create a stronger link between its brands and customers to increase the loyalty rate.

Since January 2017, as part of its new organization, the set of initiatives designed to strengthen the Group's operational excellence are now monitored at the Business Unit and/or support function level or at the level of the Corporate Countries, with a view to delivering the Group's medium-term plan targets ("**Ambition 2020**") announced by the Group in October 2016, *i.e.*, targets of reaching €3 billion of revenue and 14% Corporate EBITDA margin by 2020. See Section 3.8 "*Information on mid-term trends and objectives*" in Exhibit A to this Offering Memorandum.

Strong Operational Cash Flow Generation

The Group's experience with respect to the management of its fleet and operating costs, together with its diversified fleet financing (including operating leases) and its ability to control non-fleet working capital requirements (in particular by harmonizing payment terms across the Group) have contributed to strong and increasing EBITDA margins since 2011. This has also allowed the Group to manage its total net debt recorded on the statement of financial position (consisting of both its fleet financing debt, which is asset-backed, and its corporate debt), giving the Group a sound financing foundation as well as financial flexibility. In 2016, the ratio of the Group's corporate free cash flow to Adjusted Corporate EBITDA increased sharply from 34% as of December 31, 2015 to 62% as of December 31, 2016.

Dynamic and Experienced Management Team

The success of the Group's strategy and growth depends on the experience and strength of its management team. The Group's senior management team has been renewed over the last four years and is now composed of complementary backgrounds at top-tier companies in various industries. Ms. Caroline Parot has been Chairperson of the Management Board since November 2016, following the departure of Mr. Philippe Germond. She leads a team of managers with extensive business and operating expertise, as well as in-depth understanding of the vehicle rental services industry and new mobility solutions.

The Acquisitions

The Goldcar Acquisition

On June 16, 2017, EGSA, entered into a share purchase agreement (the "**Goldcar Share Purchase Agreement**") with International Car Rentals III S.à.r.l and Alcor Sociedad Estratégica, S.L. to acquire shares representing 100% of the share capital and voting rights of Goldcar, based on a corporate enterprise value of €550 million.

The closing of the Goldcar Acquisition is subject to the satisfaction of customary conditions precedent set forth in the Goldcar Share Purchase Agreement, including a merger control clearance from the European Commission.

Goldcar is primarily engaged in the provision of business-to-consumer car rental-related mobility services in Spain, Italy, Portugal, France, Croatia, Greece Andorra, Cyprus, Malta, the Netherlands, Mexico, Morocco and Romania.

Goldcar is one of Europe's leading low-cost car rental groups with strong positions in Spain and Portugal and substantial know-how in running a lean and efficient pure low-cost operating model. Goldcar maintained profitable, cash-generative growth during the global financial crisis and the Eurozone crisis and has built a strong track record of organic growth. For the year ended December 31, 2016, and the twelve months ended June 30, 2017 Goldcar generated revenues of €309 million and €313 million, respectively.

Goldcar opened its headquarters in 2008 in San Juan, Alicante, Spain. Between 2011 and 2013, Goldcar entered the Portuguese and Italian markets and became the number one provider in the leisure sector in Spain by both revenue and market share. Between 2015 and 2017, Goldcar became the number one provider in the leisure sector in Portugal and entered the markets of Greece, France, Croatia and Turkey.

The main differentiating items of the Goldcar business model along the value chain are:

- (1) A focus on the current most attractive region for car rental in Europe, i.e. the Mediterranean leisure market, which has consistently benefited from strong tourist inflows;
- (2) Strong presence at airport locations, mostly through off-airport stations;
- (3) Solid fleet management skills, with over 80% of its fleet purchased through Buy-Back Commitments with original equipment manufacturers;
- (4) Efficient distribution and pricing, due to its ability to maintain a low base RPD and attract customers, while also gradually increasing direct-to-brand share of sales from 31% in 2014 to 37% in 2016;
- (5) An ability to generate higher levels of ancillary sales compared to the competition, by offering a wide array of services and efficient selling at the counter; and
- (6) A constant effort to reduce costs, which is at the core of a lean operating model.

For a description of our acquisition financing arrangements in connection with the Goldcar Acquisition, see "*The Acquisitions—Acquisition Financing.*"

The Buchbinder Acquisition

On May 24, 2017, Europcar Participations SAS, a wholly-owned subsidiary of EGSA, entered into a share purchase agreement with M. Konrad Altenbuchner, KA Handels- und Management GmbH, Car and Rental GmbH and Charterline Autovermietung GmbH (the "**Buchbinder Sellers**") to acquire 100% of the shares of each of CharterLine Fuhrpark-Service GmbH, Carpartner Nord GmbH, Terstappen Autovermietung GmbH, Car & Fly GmbH, CarPartner Leasing GmbH, A. Klees Slovakia, s.r.o., and ABC Autonoleggio s.r.l., the foregoing companies comprising the Buchbinder group. The Buchbinder Acquisition closed on September 20, 2017.

Buchbinder is one of the largest vehicle rental groups in Germany based on revenue. Founded over 60 years ago, Buchbinder is a well-established German group with an extensive network of 151 stations in the world, of which 18 airport stations, and an average fleet in excess of 20,000 vehicles as of December 31, 2016. Buchbinder is the fifth largest car rental operator in the German market with a solid positioning as a low-cost car rental operator, as well as a leading position in the Vans & Trucks segment in Germany as of 2016. Buchbinder is also a market leader in Austria and is present in Hungary, Slovakia and Northern Italy. In 2016, Buchbinder generated revenues of approximately €200 million, 83.7% of which was achieved in Germany, 12.7% in Austria and the remaining 3.6% in other countries (Slovakia, Hungary and Italy).

Buchbinder has a well-diversified business model, a large customer base with a strong focus on small- and medium-sized enterprises and a renowned brand praised by local customers for the quality of its service. Buchbinder's top five customers in its corporate—key accounts segment represent less than 2% of total revenue for 2016. Buchbinder stations are mainly located in off-airport locations (88% of all locations).

For a description of our acquisition financing arrangements in connection with the Buchbinder Acquisition, see “—*Acquisition Financing*. ”

Acquisition Financing

Following the signature of the share purchase agreements to acquire Buchbinder and Goldcar, in order to bolster its share capital and enable it to maintain an efficient and robust capital structure in the context of financing its external growth strategy, EGSA launched and completed on June 21, 2017 a capital increase via a private placement, through the issuance of approximately 10% of its share capital for a total of €175,349,520 (the “**Capital Increase**”).

To finance the Goldcar Acquisition by the Group and to cover Goldcar’s corporate- and fleet-related refinancing needs, the Group entered into the Bridge Facilities Agreement on July 13, 2017 with an international banking syndicate of lenders. This unsecured €1,040 million bridge facility includes two tranches: a €440 million Bridge-to-Bond Facility dedicated to the financing of the Goldcar Acquisition and a €600 million Bridge-to-Asset-Backed Facility dedicated to the refinancing of Goldcar’s existing fleet debt. The two tranches, which can be drawn until March 31, 2018, have a 12-month maturity and can be extended respectively for an additional six-month period and for two additional six-month periods. The Bridge Facilities Agreement has no financial covenants, and includes a step up margin grid.

To finance the Buchbinder Acquisition, the Group used a mix of cash and drawings under the new secured €500 million Senior Revolving Credit Facility entered into on July 13, 2017, with an international banking syndicate of lenders (see “—*The New Senior Revolving Credit Facility*.”) At the closing of the Buchbinder Acquisition, Buchbinder’s existing fleet financing arrangements were rolled over. See “*Description of Certain Europcar Financing Arrangements and Acquisition Financing—Certain Financing Arrangements*. ”

EGSA intends to use the proceeds of the Notes as follows:

- upon the Completion Date and release of the Escrow Amount to EGSA, to provide funds for the consummation of the Goldcar Acquisition and the corresponding cancellation of the €440 million Bridge-to-Bond Facility of the Bridge Facilities Agreement, and
- upon the Issue Date, by means of the Proceeds Loan from the SPV Issuer through a financial intermediary to EGSA, to repay drawings that were made under the Senior Revolving Credit Facility in order to finance the Buchbinder Acquisition, and to pay related transaction costs and expenses.

The Group Following the Acquisitions

The Acquisitions are expected to strengthen the Group’s position as the European market leader in the vehicle rental market. With the combination of InterRent, Buchbinder and Goldcar, we intend to build the platform and the scale we are aiming for in the low-cost segment. Hence, we expect our Low-Cost Business Unit to generate a significant portion of our Group revenues in the future and more importantly to anchor the development of the Group as a whole.

The Buchbinder Acquisition is expected to enable the Group to become a leading player in the German and Austrian vehicle rental markets and reinforce the Group’s presence in the small and medium-sized enterprise business segment and the Low-Cost and Vans & Trucks businesses in both Germany and Austria. It is also expected to expand the Group’s presence in Eastern Europe and Southern Europe.

As a result of the Acquisitions, we do not expect any material modification to the high level of Buy-Back Commitments within our fleet. We expect that our level of Buy-Back Commitments,

which allows us to limit risk by providing greater fleet cost visibility and to increase flexibility to manage the seasonality inherent to the business, will remain at the top levels within the industry.

Following the Acquisitions, the Group intends to focus on integration and delivering the expected synergies, but also to continue to work on the digitalization of its customers' journey, the expansion of the Group's footprint and the pursuit of operational excellence.

Following completion of the Acquisitions, the Group intends to adopt a new three-tier branding strategy with the following brand positioning:

- Europcar, the Group's premium brand;
- Buchbinder and InterRent for the Group's mid-range or value-for-money brands; and
- Goldcar, the Group's low cost brand.

In light of the growth in size and complexity of operations that the Group has experienced in recent periods, as well as the further growth which is expected to come from the integration of Goldcar, the Group is considering reinforcing the management team, when and where appropriate, as opportunities arise.

The Acquisitions are expected to provide the Group with significant strategic benefits that we believe have the potential to generate substantial future growth for the Group, as described below.

Increased Exposure to Opportunities for Accelerating Future Growth

The Acquisitions are expected to enhance the Group's presence in, and exposure to, markets in Eastern Europe and Southern Europe in particular, and provide the Group with growth opportunities in the low-cost vehicle and vans & trucks rental segments.

With the Goldcar Acquisition the Group aims to pursue growth opportunities in Spain and Portugal and to accelerate access into markets where the low-cost segment is expected to develop the most by 2020 (France, Germany, the United Kingdom, Italy and Eastern Europe). In addition, we believe that the inclusion of the Goldcar® brand will further consolidate the Group's leadership position in Portugal, Spain and France. The Goldcar Acquisition is expected to create value for the Europcar Group by strengthening the Group's expertise and know-how in low cost operations, thereby significantly improving the revenue growth prospects of the Group's low-cost business unit.

With 124 stations in Germany covering the entire country and with an emphasis on the South East and Center West territories of Germany, the Buchbinder® brand is expected to significantly enhance the Group's footprint in Germany, making the Group a leading player in the German vehicle rental market and providing a platform to further expand into Eastern Europe. Germany is the largest country for the Europcar Group in terms of revenues and, through the Buchbinder Acquisition, the Group intends to significantly improve its penetration of the low-cost segment and become the market leader in the local Vans & Trucks segment of the German and Austrian markets, making it a core pillar to drive the Vans and Trucks expansion strategy across the Group. The Buchbinder Acquisition is also expected to reinforce the Group's focus on small and medium-sized businesses in the German vehicle rental market.

The Acquisitions are in line with the Group's mid-term Ambition 2020 plan, which is built on the two pillars: organic growth and acquisitions. Through its Ambition 2020 plan, the Group has set objectives of achieving at least €3 billion in revenue through organic initiatives and acquisitions

in addition to underlying corporate EBITDA margin over 14%, excluding mobility, by 2020. See Section 3.8 *“Information on mid-term trends and objectives”* in Exhibit A to this Offering Memorandum to this Offering Memorandum. On a Pro Forma basis, the Group’s consolidated revenues for the year ended December 31, 2016 would have been €2,595.5 million, and the Group’s Adjusted Corporate EBITDA would have been €318.1 million, representing an Adjusted Corporate EBITDA margin of 12.3%.

Potential to Generate Synergies

The Acquisitions are expected to provide the Group with the opportunity to implement a strong integration plan with the potential to generate significant synergies across the Group and allow us to build the path towards our Ambition 2020.

The integration of Goldcar and Buchbinder into the Group is expected to yield significant cost synergies by, among other things, improving fleet management at all levels (sourcing, financing, procurement, maintenance and utilization), capitalizing on the Group’s insurance scheme, and implementing yield management tools and pricing model. The Goldcar Acquisition, which is based on a Corporate Enterprise Value of €550 million, is expected to generate close to €30 million of cost synergies per annum by 2020, resulting in an expected post-synergy Adjusted Corporate EBITDA multiple around 7x. The Group expects the Goldcar Acquisition to be materially accretive to its earnings per share from the first full year post closing onwards. The Buchbinder Acquisition is expected to generate significant synergies in the medium term, resulting in an expected post-synergy Adjusted Corporate EBITDA multiple slightly above 5x.

The Group and each of Goldcar and Buchbinder have compatible business models due to multiple similarities including, for one or both Acquisitions, fleet on buy-back models and variable cost models, high fleet utilization rates and a majority of bookings made online.

With the Acquisitions, the Group expects to gain additional dedicated and experienced management teams with consistent and solid track records, coupled with a highly skilled workforce. Buchbinder’s expertise in fleet remarketing is expected to deliver further opportunities across the Group.

In addition, both Goldcar and Buchbinder represent strong brand names which the Group intends to leverage in order to strengthen its brand architecture and source market strategy.

The Group’s Strategy

Prior to the Acquisitions, the key elements described below formed the basis of our business strategy. We believe the Acquisitions will further strengthen our ability to pursue our strategy successfully.

Europcar Group is the European leader in vehicle rental with a global reach through a strong network of franchisees, partnerships and general sales agents, and a major player in mobility markets. The Group operates in a growing market supported by structural trends in vehicle rental and mobility solutions. Its established leadership and innovation confer a competitive advantage in a changing environment and underpin the Group’s ambition to become a global leader in mobility solutions. The Group’s initial public offering and the associated optimization of its statement of financial position structure have been major steps in the Company’s growth, providing the resources to accelerate its strategy.

Europcar Group intends to reinforce this leadership in all of its countries and develop in both the vehicle rental segments and the emerging segment of new mobility solutions, highlighting the growth in its customer base, the improved quality of its services and the extension of its solutions

portfolio. Even though the outlines of the new mobility solutions market are yet to be defined, it offers opportunities for Europcar to offer solutions to meet customers' constantly evolving needs. To that end, Europcar Group's ambitions are structured around two areas:

- **Consolidate its position as number one in Europe through four main pillars:**

- **Reinforce its "customer oriented" approach to improve its service offers:** Europcar Group intends to pursue a strategy focused on its customers' current and future needs. The appointment of a Director of Customer Experience at the end of 2015 and the launch of its Customer First project, with ambitious goals, reflect this desire.
- **Develop the Group's presence on the "Low-Cost" and "Vans & Trucks" segments:** the new organization by Business Unit will enable the Group to deploy its know-how and benefit from its assets, taking into account the specific characteristics of each business model in order to accelerate the creation of value.
- **Pursue operational excellence:** since the end of 2011, in particular through its "Fast Lane" transformation program, the Group has laid down the foundation for sustainable, profitable growth. The Group intends to continue to increase efficiency at all levels of the organization.
- **Increase its presence:** the financial headroom now enjoyed by the Group allows it to plan external growth transactions aimed at acquiring customer bases or accelerating certain "go-to-market" initiatives on the fragmented vehicle rental market.

- **Grow beyond the Company's current model, via three main levers:**

- **Boost its international coverage for all the services provided by Europcar Group:** Supported by its network of franchisees, partners and sales representatives, the Group intends to continue to strengthen and expand internationally. In addition, the Group aims to extend its presence where opportunities present themselves.
- **Invest in New Mobility Services:** Europcar Group aims to create an ecosystem of mobility services that complements its vehicle rental offering. The Group plans to leverage key competitive advantages such as customer diversity, fleet size, fleet management expertise and its network density to seize opportunities resulting from new mobility trends to better meet customer's needs.
- **Leveraging its network:** The Group's network is the backbone of its business, organized throughout both its stations and back-office operations, enabling it to operate efficiently on a large scale. Europcar Group considers that its network makes a significant difference in a new mobility ecosystem. Accordingly, the Group plans to continue to optimize its network in a dynamic manner and leverage its know-how to develop its network as a service.

In light of the rapid changes in the mobility services segment, the Group believes that these ambitions, as stated in the Ambition 2020 plan, would be achieved by organic growth initiatives (approximately €300 to €500 million of additional revenues in terms of organic growth) and will also be accelerated by external growth through partnerships or acquisitions (approximately €500 million of additional revenues in terms of external growth). The recent acquisitions in new mobility solutions and the acquisitions of the Irish and Danish franchisees, and the completion of the Acquisitions, are expected to allow the Group to achieve the Ambition 2020 target of reaching €3 billion of revenue, all Business Units combined.

Key Enablers to Deliver Our Ambitions

(1) Our people

The Group's ambitions are shared and supported by its 6,461 employees (on a full-time equivalent basis) as of December 31, 2016. The Group employs competent and highly committed employees across the ten Corporate Countries in which the Group is established. The success of the Group's strategy and growth depends on the experience and strength of its management team. The Group's senior management team has been renewed over the last four years and is now composed of executives with complementary backgrounds from top-tier companies in various industries. The Group's top management is supported by an organizational structure consisting of highly complementary international and local teams that have the knowledge, passion and vision to lead the Group in the execution of its strategy.

(2) Our assets and know how

The Group has a number of key assets that form the levers / foundations of its business model and are vital to its future development:

- A dense and global network with a majority of stations close to where its customers live and work;
- A large and diversified customer base, with a strong improvement in customer satisfaction (as measured in 2016 by our net promoter score) and customer relationship management system that should allow it to leverage close customer relationships implemented over the coming years;
- A flexible and low-risk fleet, together with strong skills in logistics, maintenance, and optimization of utilization rates; and
- A strong portfolio of brands.

Europcar considers that the assets and the know-how that have made the Company the European car rental industry leader it is today will enable it to capture attractive market trends while retaining its operational excellence and leadership.

(3) Customer experience

The Group serves more than 5.5 million drivers every year. Combined with its operational excellence, the delivery of a different kind of experience can be a strong lever to create more value.

Over the last year, the Group has initiated a comprehensive program named "Customer First," aimed at analyzing the expectations and preferences of Europcar's best customers in order to increase their satisfaction through differentiated service levels. The Group's end goal is to increase customer loyalty and repurchase intentions. This approach is being implemented across all distribution channels and all countries to address the full range of customer contact points throughout the whole organization.

The Group intends to take advantage of the initial feedback to focus more closely on customers and their consumption habits to improve its service propositions in a constantly changing environment.

(4) Group digitalization

Digitalization is a disruptive force in the mobility market, and the Group considers this to be an opportunity to improve customer experience. The Group is working on four main areas in which

digitalization is used as a tool to accelerate our development, in a manner that is fully consistent with the Customer First program described above:

- Accelerate online revenue: the Group currently receives approximately 60% of its bookings online but believes this share will increase in the future, especially with respect to the direct-to-brand segment;
- Expand the digital experience to improve the conversion rate (*i.e.*, the percentage of website users who complete a transaction) and value per user;
- Enhance satisfaction through a personalized approach and customer experience, using preferences already set *via* the Internet; and
- Improve and enrich the Group platforms, offering more combined mobility services.

(5) A new organization by Business Unit in order to better meet customer expectations and anticipate industry challenges

As part of its ambition, the Group has decided to organize itself into five Business Units in order to better meet new customer expectations, to be better positioned to seize emerging business opportunities and to be more efficient in the face of competition. The roll-out of this new organization was implemented at the beginning of January 2017.

- Cars Business Unit, the objective of which is to reinforce the Group's number one position in Europe;
- Vans & Trucks Business Unit, which the Group intends to make the European leader;
- Low-Cost Business Unit, the objective of which is to become the leader in Europe;
- New Mobility Business Unit, with which the Group aims to address new usages;
- International Coverage Business Unit, for which the ambition is to expand the Europcar Group's services globally.

The development of each of these business units will be strongly supported by:

- A granular network, representing 3,754 stations in more than 130 countries, in airports, railway stations and city and suburban centers; and
- The Group's key departments, namely Commercial, Customer Experience, Finance, Human resources, IT, Legal and Marketing & Innovation (through Europcar Lab).

(6) Cash flow generation / financial headroom

The Group's initial public offering completed in June 2015 and the resulting optimization of the statement of financial position structure have been major steps in the Company's development, which significantly reduced the net corporate debt. This financial headroom, combined with the recent capital increase and the regular free cash flow generation linked to the Group's resilient and low risk business model, today enable the Group to accelerate the implementation of its strategy, through organic growth and acquisitions, in particular with Buchbinder and Goldcar.

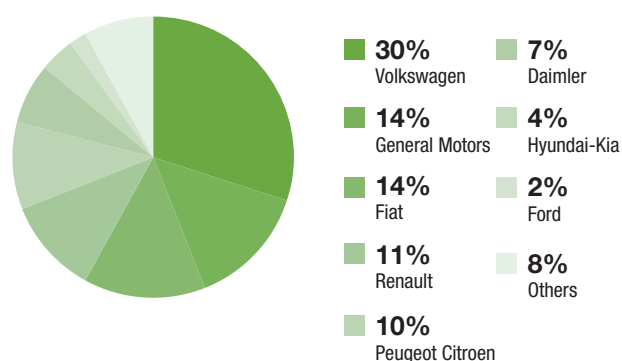
Our Fleet

We believe that Europcar is one of the largest purchasers of vehicles in Europe and the largest in the European car rental industry. During the year ended December 31, 2016, Europcar operated

an average rental fleet of approximately 213,789 passenger and light commercial vehicles (up 4.1% versus 2015), and took delivery of around 293,300 vehicles. Our fleet is sourced from a number of manufacturers, including Volkswagen (with the brands VW, Audi, Seat and Skoda) accounting for approximately 30% of Europcar's fleet deliveries, 14% from General Motors, 14% from Fiat, 11% Renault, 10% from Peugeot Citroën, 7% from Daimler, 4% from Hyundai-Kia, 2% from Ford and the remaining 8% from other manufacturers. The Group currently uses a wide variety of models provided by a number of car manufacturers.

The diversity of Europcar's fleet allows the Company to meet the rental demands of a broad range of customers. Our fleet consists of eleven main vehicle categories, based on general industry standards—mini, economy, compact, intermediate, standard, full-size, premium, luxury, mini-vans, trucks and convertibles. The fleet varies by brand, with the fleet offered under the Europcar® brand covering the full range of vehicles (from the mini category to the Selection category, comprising "prestige" and "fun" vehicles), and the fleet offered under the InterRent® brand corresponding to the most frequently requested types of vehicles in the low-cost segment. The InterRent® offer is limited to four categories: mini, economy, compact and intermediate. Some cars are used only for the InterRent® brand. These vehicles do not have the same equipment as those rented under the Europcar® brand and often have longer holding periods and higher mileage. For further information, see Section 1.3 *"Presentation of the Group's market and Competitive Environment"* in Exhibit A to this Offering Memorandum.

The following chart illustrates the diversity of the Group's fleet in terms of deliveries by manufacturer (expressed as a percentage of total acquisitions by the Group) for the year ended December 31, 2016:



Source: Company

For the year ended December 31, 2016, Europcar's approximate average holding period for a vehicle was 8.8 months. We believe that Europcar is among the leaders in fleet utilization among the major European car rental companies, having successfully increased its fleet utilization rate from 71.3% in 2005 to 76.5% for the year ended December 31, 2016 (up to 0.4 points in comparison with the year ended December 31, 2015). Fleet utilization rates reflect the number of rental days per available days for the period from first in-service date of a vehicle to the vehicle's sale date. Although we believe that our fleet utilization rate is close to the maximum obtainable rate for the industry, we nevertheless continue to explore ways to improve it.

Europcar acquires, subject to availability, a majority of its vehicles pursuant to various fleet purchase programs established by the manufacturers. Under these contractual programs, Europcar purchases from the vehicle manufacturers or dealers, and the vehicle manufacturers undertake, subject to certain terms and conditions, to grant Europcar the right to sell back to them, those vehicles at a pre-determined price observing a specified time window (after which the repurchase transaction is automatically triggered if it has not already occurred) (the **"Buy-Back Commitment"**). As of December 31, 2016, approximately 93% of Europcar's fleet in

units was covered by repurchase programs with Buy-Back Commitments (compared with 92% in 2015). The proportion of the total fleet covered by Buy-Back Commitments at any given time may be less than the proportion of vehicles purchased with Buy-Back Commitments during the year given that “at risk” vehicles, or vehicles not subject to a Buy-Back Commitment, have a significantly longer holding period. Repurchase programs limit Europcar’s potential residual risk with respect to vehicles purchased under the programs, allow Europcar to arrange financing on the basis of the agreed repurchase price and provide Europcar’s fleet managers with flexibility to respond to changes in demand. These programs operate to the benefit of the car manufacturers as well, since the return of the vehicles to them within a short time period enables them to resell the vehicles more quickly through their dealership networks as newer models.

An average of 93% of Europcar’s fleet purchase in units for the year ended December 31, 2016 were covered under Buy-Back Commitments, i.e. one of the highest rates of all vehicle rental companies.

Corporate History

Europcar Groupe S.A. was formed in connection with the acquisition by Eurazeo of ECI in 2006 and originally incorporated as a *société par actions simplifiée* on March 16, 2006. It was transformed on April 25, 2006 to a *société anonyme* incorporated under the laws of the Republic of France. EGSA’s executive office is registered at 2, rue René Caudron—Bât. OP 78960, Voisin-le-Bretonneux, France and it is registered with the *Registre du commerce et des sociétés* of Versailles under number 489 099 903.

We trace our origins back to 1949, with the founding of the *L’Abonnement Automobile* car rental company in Paris by Raoul-Louis Mattei, and the combination of the *L’Abonnement Automobile* network with the network of another Paris-based rental car company, *Système Europcars*, in 1961. In 1965, the two groups formally merged to form *Compagnie Internationale Europcars*. After being purchased by the French automobile manufacturer Renault in 1970, *Compagnie Internationale Europcars* expanded throughout Europe through the establishment of subsidiaries in Belgium, the UK, The Netherlands, Switzerland, Spain and Portugal, and the acquisition of existing operations in Italy and Germany. The company was rebranded as Europcar in 1974.

In 1988, Wagons-Lits purchased Europcar from Renault, and subsequently sold 50% of Europcar to Volkswagen AG. At the same time, Europcar merged with the German InterRent network, the sole shareholder of which was Volkswagen AG. Accor acquired Wagons-Lits in 1992 and became a 50% shareholder of Europcar while Volkswagen AG held the other 50%. Volkswagen AG subsequently acquired the remaining 50% of Europcar from Accor in December 1999. To this day, Accor remains one of Europcar’s key strategic partners.

On May 31, 2006, Eurazeo acquired, through EGSA, its subsidiary formed for such purpose, 100% of the share capital of ECI from Volkswagen AG (the “**ECI Acquisition**”). The ECI Acquisition had a total value of approximately €3.1 billion.

In June 2006, the Europcar Group acquired all of the shares in Keddy N.V. and the remaining 50% shares in Ultramar Cars S.L. through its Germany subsidiary Europcar Autovermietung GmbH.

In 2007, the Group acquired the UK headquartered operations of National Car Rental and Alamo Rent A Car covering Europe, the Middle East and Africa (the “**EMEA Zone**”) from Vanguard Car Rental Holdings LLC (“**Vanguard**”). Vanguard was subsequently acquired by Enterprise Holdings, Inc. (“**Enterprise**”). From 2008 to 2013, the Group had a commercial alliance with Enterprise relating to the National and Alamo brands operated by Europcar. This alliance ended in August 2013, although the Group continued to operate the brands National and Alamo in the EMEA Zone until March 2015.

In addition, in 2007, the Group acquired one of its Spanish franchisees, Betacar.

In 2008, we acquired ECA Car Rental, our master franchisee in Asia Pacific with corporate operations in Australia and New Zealand.

In March 2011, we also entered into a strategic joint venture with Daimler AG in Germany to create car2go Europe GmbH, a car-sharing service aimed at making rental vehicles available to subscriber customers on an immediate basis in cities throughout Europe, initially commencing in Hamburg in the first quarter of 2011.

In May 2011, we divested our corporate-run operations in Switzerland to our Swiss franchisee.

In 2013, Europcar unveiled "InterRent," its new low-cost brand. The InterRent offering provides car hire at market-leading prices without compromising customer service. As of December 31, 2014, InterRent had been primarily deployed in six Corporate Countries in Europe (France, Germany, Portugal, Spain, Italy and the United Kingdom), and 40 countries through the franchise network.

At the end of 2014, the Group acquired, through its French subsidiary, Europcar France, 100% of the shares of EuroHall, an important franchisee of Europcar France for the "East" region. The Group also acquired a stake of 70.64% in Ubeeqo, a French start-up created in 2008 that offers car-sharing solutions. As of June 9, 2016, Ubeeqo is 100%-owned by Europcar Lab SAS, a French subsidiary of the Group, and operates in France, Belgium, Germany, the United Kingdom, Spain (via BlueMove) and Italy (via GuidaMi).

On June 26, 2015, Europcar Group was successfully listed on the regulated market of Euronext Paris.

In July 2015, the Group acquired, via its English subsidiary Europcar Lab UK, a majority stake of 60.8% in E-Car Club, the United Kingdom's first entirely electric pay-per-use car club.

On December 18, 2015, Europcar Group joined the SBF 120 stock market index comprising the 120 top stocks in terms of liquidity and market capitalization, listed on Euronext Paris.

In 2016, the Group acquired its third-largest French franchisee, Locaraise, and its Irish franchisee, GoCar, the leading car-sharing company in Ireland. The latter acquisition brought Europcar's count of Corporate Countries to 10.

On February 17, 2017, the Group announced the exclusive takeover of Ubeeqo, through its subsidiary Europcar Lab SAS, which until then has been consolidated under the equity method in Europcar scope. Starting March 1st, 2017 Ubeeqo is fully consolidated.

On March 9, 2017, Europcar Australia acquired assets from its franchisee in Queensland, Australia.

On April 27, 2017, the Group acquired its Danish franchisee, one of its biggest in terms of revenue. Europcar Denmark is the market leader with approximately 30% market share in Denmark. It operates an average rental fleet of 6,000 vehicles through 40 branches.

On May 24, 2017, pursuant to share purchase agreement, Europcar Lab acquired a minority stake of approximately 20% in SnappCar a peer-to-peer car sharing start-up. SnappCar is a Dutch scale-up and social enterprise created in 2011. It is the second largest international peer-to-peer car sharing player in Europe with more than 250,000 customers sharing over 30,000 cars available on its platform. Today SnappCar is available in the Netherlands, Denmark and Sweden with the intention to expand to new markets.

With this investment, Europcar joins the consortium of existing shareholders AutoBinck Group and the Danish Startup Studio Founders who have extended their commitment to SnappCar.

These investors are now joining forces with a common ambition to help SnappCar expand geographically within Europe and further improve and innovate its platform usage and services for its members, by for example, introducing “keyless technology,” making it possible to open a car through the SnappCar application.

On June 16, 2017, the Group entered into a share purchase agreement with International Car Rentals III S.à.r.l. and Alcor Sociedad Estratégica, S.L. to acquire Goldcar, which is primarily engaged in the provision of business-to-consumer car rental-related mobility services in Spain, Italy, Portugal, France, Croatia, Greece Turkey, Andorra, Cyprus, Malta, the Netherlands, Mexico, Morocco and Romania. The completion of the Goldcar Acquisition is subject to the satisfaction of customary conditions precedents, including a merger control clearance from the European Commission. The Goldcar Acquisition, once completed, would enhance the Group’s corporate operations in France, Northern Italy and the Iberian Peninsula.

On September 12, 2017, Snappcar bought its German rival Tamyca, reinforcing its position as the second peer to peer car sharing platform operator in Europe.

On September 20, 2017, the Group acquired 100% of the share capital of seven companies comprising the Buchbinder group, thus enhancing its corporate operations in Germany and Eastern Europe.

Our Fleet and Corporate Financings

The acquisition of our fleet is financed in a number of ways, including by operating lease arrangements, the Senior Asset Revolving Facility (as amended in 2017, see “—*Amendments to the Senior Asset Revolving Facility in 2017*”), the Senior Revolving Credit Facility, the Existing EC Finance Notes and other banking facilities plus dedicated fleet financing arrangements in the UK, Portugal, Denmark, Australia and New Zealand. In France, Germany, Italy and Spain, Europcar finances its fleet both through operating leases and through the Securitifleet Companies. The Securitifleet Companies were set up to purchase and own vehicles and to lease them to the local Europcar Opcos. The financing of the Securitifleet Companies’ fleet is provided through Securitifleet Holdings by drawings made under the Senior Asset Revolving Facility together with the proceeds of senior secured notes issued by EC Finance, which were refinanced with the proceeds from the issuance of the Existing EC Finance Notes.

Financing of our corporate needs is mainly provided by the €600 million Existing Parent Notes outstanding as of June 30, 2017 and the new €500 million Senior Revolving Credit Facility signed on July 13, 2017 with a diversified pool of international banks. This facility, which replaced the existing €350 million Senior Revolving Credit Facility and included more favorable financial conditions, will mature on June 9, 2022 and contains habitual financial and general covenants (see “—*The New Senior Revolving Credit Facility*”). The €150 million increase in the committed amount of the Senior Revolving Credit Facility is expected to allow the Group to support its Ambition 2020 and the related growing financing needs.

For a description of our financing arrangements in connection with the Acquisitions, see “—*The Acquisitions — Acquisition Financing*,” and “*Description of Certain Europcar Financing Arrangements and Acquisition Financing*.”

The Issuance of the EC Finance Notes and the Existing EC Finance Notes Refinancing

Concurrently with this Offering, EC Finance is expected to issue €350 million principal amount of EC Finance Notes, which will, upon issuance, be senior secured debt of EC Finance, ranking *pari passu* in right of payment with all of EC Finance’s future indebtedness that is not subordinated in right of payment to the EC Finance Notes, and will be guaranteed on a senior unsecured basis by each of EGSA and ECI.

On or prior to the date of issue of the Notes, EC Finance intends to publish, in accordance with the provisions of the Existing EC Finance Notes Indenture, a conditional notice of redemption of the Existing EC Finance Notes. Such notice of redemption will provide for the redemption in full of the Existing EC Finance Notes. The date of redemption will be 10 days after the giving of such notice of redemption, conditional upon the closing of the offering of the EC Finance Notes and the deposit of an amount sufficient to effect the redemption of the Existing EC Finance Notes with the trustee for the Existing EC Finance Notes.

The net proceeds from the offering of the EC Finance Notes, together with amounts provided by ECI, will be used to redeem the Existing EC Finance Notes.

On such date of redemption, the Existing EC Finance Notes Collateral will be released, and the EC Finance Notes Collateral, including the assignment of the Issuer's rights under the Securitifleet Proceeds Loan Agreement, will be granted to the security agent in respect the EC Finance Notes for the benefit of the holders of the EC Finance Notes. The security interests are subject to limitations under applicable laws and may be released under certain circumstances.

The Securitifleet Proceeds Loan is secured, directly or indirectly, by collateral comprising (i) first priority pledges over certain shares of Securitifleet Holding and each of the Securitifleet Companies (subject to certain exceptions in Italy), (ii) first priority pledges over certain receivables (including under Buy-Back Commitments from vehicle manufacturers) of each of the Securitifleet Companies (other than Securitifleet Italy and subject to certain exceptions in Spain), and (iii) first priority pledges of certain assets (including bank accounts and the vehicle fleet) of each Securitifleet Company (other than Securitifleet Italy and subject to certain exceptions in Spain).

Amendments to the Senior Asset Revolving Facility in 2017

On February 9, 2017, the Group entered into amendments to the Senior Asset Revolving Facility (SARF) to enable the securitization program to be compliant with the new methodology published by Standard & Poor's relating to sovereign risk (the "Rating above the sovereign" methodology) in order to maintain its single A rating. These amendments provide, in particular, for the inclusion of new concentration limits on rental fleets in Spain and Italy funded through the SARF. On August 31, 2017, additional amendments were entered into to adjust concentration limits on car manufacturers following the completion of the acquisition of Opel by PSA.

The New Senior Revolving Credit Facility

A new Senior Revolving Credit Facility was signed on July 13, 2017 and entered into effect on July 19, 2017, at which time the existing senior revolving credit facility dated May 12, 2015 was refinanced in full. The Senior Revolving Credit Facility consists of a senior secured revolving credit facility providing for loan advances or issuance of letters of credit, denominated, in both cases, in euros, pounds sterling, U.S. dollars or such other currencies as may be agreed upon with the lenders, in a total aggregate principal amount committed of €500 million outstanding at any one time and available from time to time under certain conditions to EGSA and ECI and certain operating companies of the Group. The maximum aggregate amount of the letters of credit may not exceed €150 million. Under certain circumstances, the amount available pursuant to the Senior Revolving Credit Facility may be increased to €600 million. The purpose of the facility is to provide funding mainly for working capital needs and general corporate purposes of the Group (including permitted acquisitions).

The new Senior Revolving Credit Facility will mature on June 9, 2022.

Existing Parent Notes

In June 2016, EGSA issued additional Existing Parent Notes for a total of €125 million. These additional Existing Parent Notes are fungible with the Existing Parent Notes bearing a fixed interest rate of 5.750% and maturing in 2022 (issued in June 2015) for a total principal amount of €475 million, bringing the total principal amount of outstanding Existing Parent Notes as of June 30, 2017 to €600 million. See *"Description of Certain Europcar Financing Arrangements and Acquisition Financing—Certain Corporate Financing Arrangements—The Existing Parent Notes."*

Current Trading

We expect our total revenues for the third quarter of 2017, as compared to the third quarter of 2016, to demonstrate a positive trend. We expect this trend to continue to be driven by growth from the leisure segments, including our low-cost offers in almost all countries in which we operate, while corporate segments continue to face steady competition across Europe.

Recent Developments

Acquisition of LOR'RENT

On July 18, 2017 the Europcar Group announced the acquisition of LOR'RENT, which has been a significant franchisee of Europcar France since 1980. LOR'RENT is a well-established company in the Lorraine region, based in Lunéville with eight branches located in the Vosges, Moselle and the Meurthe and Moselle regions of France.

Acquisition of Buchbinder

On September 20, 2017, Europcar Group completed the Buchbinder Acquisition.

Sale of shares by Eurazeo and ECIP Europcar Sarl

On October 3, 2017, Eurazeo and ECIP Europcar Sarl announced the sale of 16,103,088 of their ordinary shares in EGSA, representing 10.00% and 10.04% of EGSA's share capital and voting rights, respectively. The transaction comprised 14,084,332 ordinary shares (i.e. 8.75% of EGSA's capital and 8.78% EGSA's voting rights) sold by Eurazeo and 2,018,756 EGSA shares (i.e. 1.25% of EGSA's capital and 1.26% of EGSA's voting rights) sold by ECIP Europcar Sarl. As of the settlement date on October 5, 2017, Eurazeo and ECIP Europcar Sarl's shareholdings represent respectively 30.40% and 4.36% of EGSA's share capital and 30.54% and 4.36% of EGSA's voting rights.

The Offering

The summary below describes the principal terms of the Offering. Certain of the terms and conditions described below are subject to important limitations and exceptions. For additional information regarding the Notes, including the definitions of certain terms used herein, see “Description of the Notes.”

The Notes

Issuer prior to the Completion Date or the Special Mandatory Redemption Date, as applicable

..... Europcar Drive D.A.C. (the “**SPV Issuer**”), an Irish designated activity company.

Issuer on and after the Completion Date or the Special Mandatory Redemption Date, as applicable

..... Europcar Groupe, S.A. (“**EGSA**”).

Notes Offered €600 million aggregate principal amount of 4.125% Senior Notes due November 15, 2024 (the “**Notes**”)

Issue Price 100.000% plus accrued and unpaid interest from (and including) November 2, 2017.

Issue Date November 2, 2017.

Maturity November 15, 2024.

Interest Payment

Dates Interest on the Notes will be payable semi-annually in arrears on May 15 and November 15 of each year, commencing on May 15, 2018. Interest on the Notes will accrue from November 2, 2017.

Denominations €100,000 and any integral multiple of €1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.

Use of Proceeds The €600 million gross proceeds from the issuance of the Notes will be used as follows:

- an amount of €400 million will be deposited into the Escrow Account (the “**Escrow Amount**”) until the date on which certain conditions precedent described herein, including the consummation of the Goldcar Acquisition, are met (the “**Completion Date**”). In addition, an amount of cash provided to the SPV Issuer by EGSA will be added to the Escrow Account to ensure that the total amount of escrowed funds will be sufficient to pay the Special Mandatory Redemption Price (as defined below) for the Notes, when and if due, representing the Escrow Amount plus accrued interest and additional amounts, if any, to the Special Mandatory Redemption Date. On the Completion Date, the escrow funds, including the Escrow Amount, and the additional funds provided by EGSA to the

SPV Issuer, will be paid to EGSA primarily to fund the consummation of the Goldcar Acquisition. See “Use of Proceeds” and “Summary—The Acquisitions—Acquisition Financing” of this Offering Memorandum.

- the remaining portion of the gross proceeds from the Offering, representing an amount of €200 million, will upon completion of the Offering be lent (the “**Proceeds Loan**”) by the SPV Issuer through a financial intermediary to EGSA to provide funds to repay drawings made under the Senior Revolving Credit Facility to finance the Buchbinder Acquisition and pay related transaction costs and expenses, as further described herein. On the Completion Date or the Special Mandatory Redemption Date, as applicable, the Proceeds Loan will be extinguished in consideration for EGSA assuming the obligations of the SPV Issuer under the corresponding portion of principal amount of the Notes. See “Summary—The Acquisitions—Acquisition Financing” of this Offering Memorandum.

For a description of the sources and use of funds in connection with the issuance of the Notes, the Existing EC Finance Notes Refinancing and the Goldcar Acquisition, see “Use of Proceeds.”

Special Mandatory

Redemption In the event that the escrow release conditions are not satisfied on substantially the terms described herein on or prior to March 31, 2018 or upon the occurrence of certain other events (such date or other occurrence, the “**Escrow Longstop Date**”), the SPV Issuer will be required to redeem a portion of the Notes (the “**Special Mandatory Redemption**” and the date thereof, the “**Special Mandatory Redemption Date**,” in a aggregate principal amount of €400 million at a price equal to the Escrow Amount plus accrued and unpaid interest and additional amounts, if any. The escrow release conditions include, among others, the completion of the Goldcar Acquisition. See “Description of the Notes—Escrow of Proceeds, Proceeds Loan and Special Mandatory Redemption” and “Risk Factors—Risks Relating to the Notes—If the conditions to the escrow release are not satisfied, the SPV Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes.”

Ranking of the Notes . . . On or after the Completion Date or the Special Mandatory Redemption Date, as applicable, the Notes will be general senior obligations of EGSA and will be:

- secured by a second-ranking security interest over the shares of ECI owned by EGSA as described in “Security”;
- senior in right of payment to all existing and future indebtedness of EGSA that is expressly subordinated in right of payment to the Notes;
- *pari passu* in right of payment with any existing and future indebtedness of EGSA that is not subordinated in right of payment to the Notes;
- effectively subordinated to any existing or future indebtedness or obligation of EGSA that is secured by property and assets that do

not secure the Notes, to the extent of the value of the property and assets securing such indebtedness; and

- structurally subordinated to any existing a or future indebtedness of the subsidiaries of EGSA (other than subsidiaries that become subsidiary guarantors).

Security Prior to the Completion Date or the Special Mandatory Redemption Date, as applicable, the Notes will be limited recourse senior obligations of the SPV Issuer and will be secured on a first-ranking basis by a pledge of the Escrow Account and an assignment by way of security of the Proceeds Loan.

On and after the Completion Date or the Special Mandatory Redemption Date, as applicable, the Notes will be secured by a second-ranking pledge over the shares of ECI owned by EGSA, which ranks equally with the pledge over such shares securing the Existing Parent Notes. The first priority security interest over such shares of ECI is for the benefit of the Senior Revolving Credit Facility lenders, including any refinancing thereof. The second ranking pledge securing the Notes may be released under certain circumstances. Enforcement of the second-ranking share pledge is subject to material limitations pursuant to the Intercreditor Agreement. See "*Risk Factors—Risks Relating to the Security*" and "*Description of the Notes—Security*."

Intercreditor Agreement The Intercreditor Agreement was entered into on June 29, 2015 by, among others, EGSA, the trustee under the Existing Parent Notes and the Security Agent (acting also as the facility/security agent under the Senior Revolving Credit Facility) and sets out the ranking of the first and second-ranking share pledges of ECI shares, including the enforcement thereof. The Trustee shall accede thereto upon the Completion Date or the Special Mandatory Redemption Date, as applicable.

Optional Redemption . . Prior to November 15, 2020, EGSA may redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the applicable "*make-whole*" premium set forth in this Offering Memorandum plus accrued and unpaid interest to the redemption date and additional amounts, if any.

On or after November 15, 2020, EGSA may redeem all or a portion of the Notes at the redemption prices set forth in this Offering Memorandum under the caption "*Description of Notes—Optional Redemption*" plus accrued and unpaid interest to the redemption date and additional amounts, if any.

In addition, at any time prior to November 15, 2020, EGSA may redeem up to 40% of the aggregate principal amount of the Notes with the proceeds of certain equity offerings at 104.125% of the principal amount thereof plus accrued interest to the redemption date and additional amounts, *provided* that at least 60% of the originally issued aggregate principal amount of the Notes remains outstanding immediately after each such redemption and each such redemption occurs within 90 days after the date of the relevant equity offering.

The funds necessary for such redemption will be funded by EGSA. See *"Description of the Notes—Optional Redemption."*

Optional Tax

Redemption In the event of certain developments affecting taxation, EGSA may redeem all, but not less than all, of the Notes at 100% of the outstanding principal amount thereof plus accrued and unpaid interest to the date of redemption. Please see *"Description of the Notes—Redemption for Taxation Reasons."*

Change of Control Upon the occurrence of certain events constituting a "change of control," EGSA is required to offer to repurchase all outstanding Notes at a purchase price in cash of 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase and additional amounts, if any. See *"Description of the Notes—Change of Control."*

Certain Covenants The Indenture, among other things, contains certain covenants our activities, including the following:

- limitation on incurrence of additional indebtedness;
- limitation on restricted payments;
- limitation on asset sales and use of cash proceeds;
- limitation on mergers, acquisitions and consolidations;
- limitations on transactions with affiliates;
- limitation on creation of liens and guarantees;
- limitation on restricting payment of dividends by subsidiaries;
- limitation on granting guarantees to and securing debt of subsidiaries; and
- certain covenants limiting activities of the SPV Issuer.

Each of these covenants is subject to a number of important limitations and exceptions as described under *"Description of the Notes—Certain Covenants."*

Additional Amounts All payments with respect to the Notes shall be made without withholding or deduction for or on account of any present or future taxes unless required by applicable law. If withholding or deduction for such taxes is required to be made, EGSA will pay additional amounts so that the net amount received after the withholding or deduction is not less than the amount that would have been received in the absence of the withholding or deduction, subject to customary exceptions.

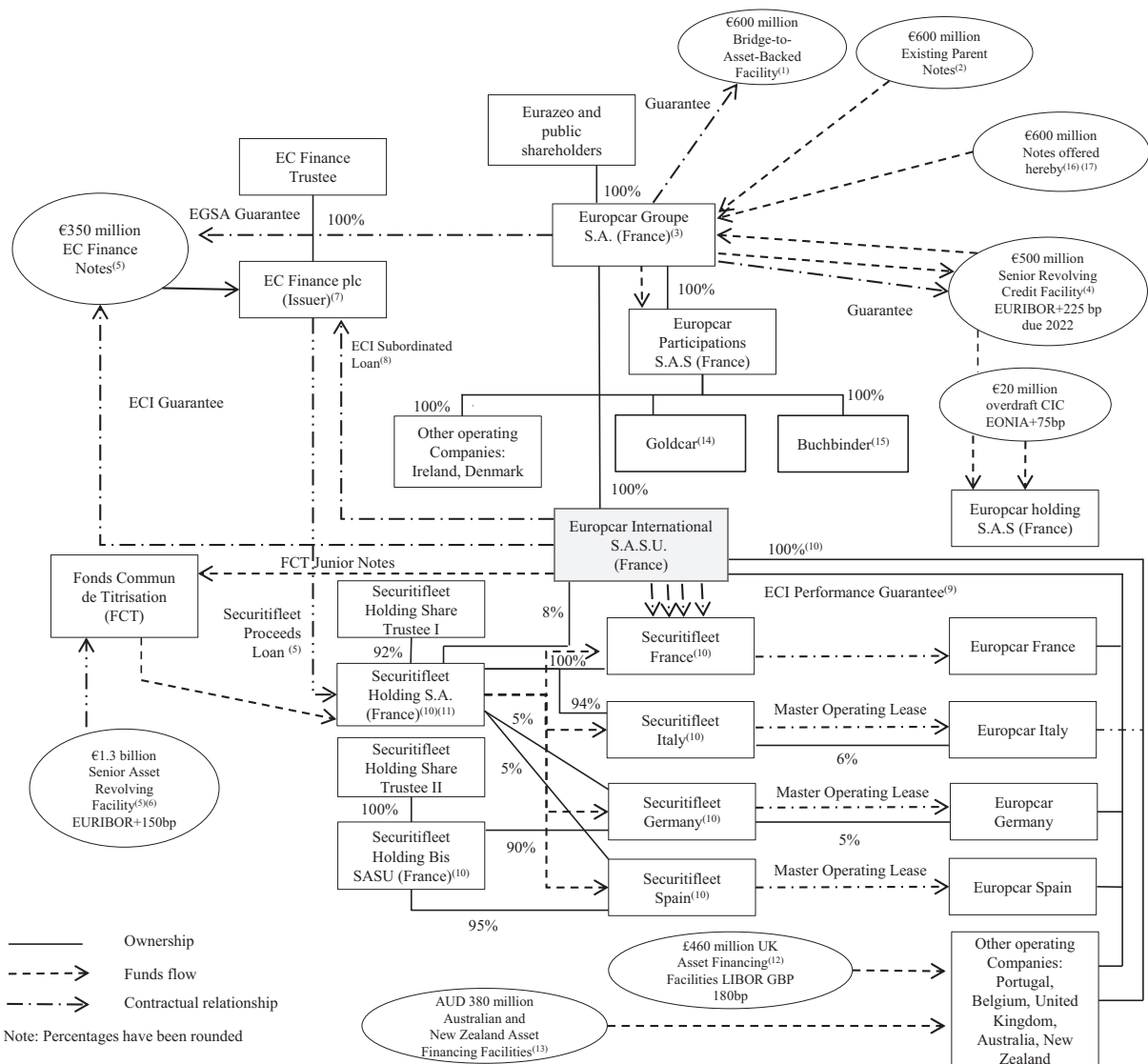
Transfer Restrictions The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States or other jurisdiction. The Notes are subject to restrictions on transferability and resale and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See *"Plan of Distribution"* and *"Transfer Restrictions."*

Listing Application has been made to have the Notes admitted for trading on the Euro MTF Market, and to list the Notes on the Official List of the Luxembourg Stock Exchange.

Trustee, Transfer and Principal Paying Agent	The Bank of New York Mellon, London Branch.
Registrar	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Luxembourg Listing Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Luxembourg Paying and Transfer Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Escrow Agent	Deutsche Bank AG, London Branch.
Security Agent	Crédit Agricole Corporate and Investment Bank.
Notes Security Agent ...	The Bank of New York Mellon, London Branch.
Governing Law	The Indenture and the Notes are governed by the laws of the State of New York. The Intercreditor Agreement is governed by French law.
Common Code	Rule 144A: 170620275 Regulation S: 170620259
ISIN Numbers	Rule 144A: XS1706202758 Regulation S: XS1706202592

Corporate Structure and Financing Arrangements

The following diagram depicts, in simplified form, our corporate structure and certain financing arrangements following the completion of the Offering after giving effect to (i) the Goldcar Acquisition, (ii) the issuance of the Notes and the use of proceeds therefrom, assuming a Special Mandatory Redemption does not occur, as described under "Use of Proceeds" and (iii) the Existing EC Finance Notes Refinancing. The chart does not include all of our subsidiaries or the subsidiaries of Goldcar, nor all of our debt obligations or fleet and non-fleet off-balance operating leases. For a summary of the debt obligations identified in this diagram and certain of our other debt obligations, please see "Description of the Notes," "Capitalization of Europcar Group," "Management's Discussion and Analysis of Results of Operations and Financial Condition," "Description of Certain Europcar Financing Arrangements and Acquisition Financing," Section 3.2.3 "Description of Financing as of December 31, 2016" in Exhibit A to this Offering Memorandum and the EGSA Unaudited Consolidated Financial Statements as of and for the six months ended June 30, 2017 included elsewhere in this Offering Memorandum.



- (1) On July 13, 2017, EGSA entered into a €1,040 million Bridge Facilities Agreement. The Bridge Facilities Agreement provides for two facilities: (i) a term facility B of a maximum amount of €440 million, which can be borrowed by EGSA for the purposes of, inter alia, financing the Goldcar Acquisition and related costs, and the refinancing of existing indebtedness of Goldcar (the "Bridge-to-Bond Facility") and (ii) a term loan facility B' of a maximum amount of €600 million, which can be borrowed by Car Rentals Subsidiary, S.A.U. (guaranteed by EGSA) and used towards, inter alia, the refinancing of existing indebtedness of Goldcar and the acquisition of vehicles for Goldcar's fleet (the "Bridge-to-Asset-Backed Facility," together with the Bridge-to-Bond Facility, the "Bridge Facilities"). No security interest has been granted to secure amounts due under

the Bridge Facilities Agreement but a guarantee has been granted by EGSA in respect of the amounts due by each borrower under the Bridge-to-Asset-Backed Facility. See *"Description of Certain Europcar Financing Arrangements and Acquisition Financing—Certain Fleet Financing Arrangements."* It is intended that a portion of the proceeds of the Notes will be used to finance the Goldcar Acquisition instead of the Bridge-to-Bond Facility, in which event no drawings will be made under the Bridge-to-Bond Facility and it will be cancelled. See *"Use of Proceeds."* In addition, the Company is currently negotiating the conclusion of a further bridge to asset backed facility (the **"Goldcar Asset Backed Facility"**) for the purpose of refinancing the Bridge-to-Asset-Backed Facility. It is intended that the Goldcar Asset Backed Facility enter into force as of the date of the Goldcar Acquisition. The Goldcar Asset Backed Facility is intended to provide optimized utilization and pricing conditions as compared to the Bridge-to-Asset Backed Facility and to allow (i) the operational Goldcar entities to refinance the existing debt of such operational companies incurred for the purchase of their vehicles fleet and (ii) the fleet Goldcar entities to (x) refinance the existing debt of such fleet companies incurred for the purchase of its vehicles fleet and (y) finance the purchase of new vehicles. The Goldcar Asset Backed Facility availability period would terminate after a period of one year. After such period, it is intended that the purchases of new vehicles of Goldcar be financed through the Senior Asset Revolving Facility and other fleet financing bilateral facilities. The diagram above reflects the intended cancellation of the Bridge-to-Bond Facility, but does not reflect the intended Goldcar Asset Backed Facility, nor any cancellation of the Bridge-to-Asset-Backed Facility.

- (2) On and after the Completion Date, the Notes will be secured on a second ranking basis on the shares of ECI held by EGSA ranking equally with the security interest over such shares securing the Existing Parent Notes and subordinated to the first-priority security interest on such shares granted in favor of the lenders under the Senior Revolving Credit Facility.
- (3) EGSA's sole purpose is to act as the ultimate parent company of the Europcar operating companies. EGSA will act as guarantor for the EC Finance Notes along with ECI.
- (4) On July 13, 2017 a €500 million Senior Revolving Credit Facility was entered into, replacing the existing €350 million senior revolving credit facility. The new Senior Revolving Credit Facility is secured, subject to certain applicable limitations, by a first-priority security interest on the shares of ECI held by EGSA and the shares of certain direct and indirect subsidiaries of ECI (Europcar Holding S.A.S., Europcar France, Europcar UK Limited, Europcar Autovermietung GmbH, Europcar Italia S.p.A., Europcar IB S.A.U. and Europcar International S.A.S.U. und Co. OHG). See *"Description of Certain Europcar Financing Arrangements and Acquisition Financing—Certain Fleet Financing Arrangements."*
- (5) The €1.3 billion Senior Asset Revolving Facility benefits, and the EC Finance Notes will indirectly benefit, from the following collateral: (i) a first-priority security interest on the shares of Securitifleet Holding held by ECI, (ii) a first -priority security interest on the shares of each of the Securitifleet Companies (other than shares of Securitifleet Italy held by Europcar Italy), (iii) a first -priority security interest on receivables held by Securitifleet Holding in respect of each of the Securitifleet Companies evidencing amounts loaned directly or indirectly to each Securitifleet Company by Securitifleet Holding (the **"Securitifleet Advances"**) (other than in respect of Securitifleet Italy), (iv) a first -priority security interest on the balances in Securitifleet Holding's bank accounts, (v) a first -priority security interest on certain receivables (including under Buy-Back Commitments from vehicle manufacturers) of each of the Securitifleet Companies (other than Securitifleet Italy), subject to certain exceptions in Spain and (vi) a first -priority security interest on certain assets (including bank account balances and the vehicle fleet) of each Securitifleet Company from time to time (other than Securitifleet Italy), subject to certain exceptions in Spain. The rights of the lenders under the Senior Asset Revolving Facility to such securities rank senior to the rights of the holders of the EC Finance Notes pursuant to the provisions of an intercreditor agreement. The lenders under the Senior Asset Revolving Facility also benefit directly from a security interest on the assets of Securitifleet Italy. The EC Finance Notes will also benefit directly from the security interests granted to the Security Agent on behalf of the Trustee and the holders of the EC Finance Notes (the **"EC Finance Notes Collateral"**) in the following rights, property and assets: (i) the balance in English bank accounts of EC Finance and EC Finance's rights under the ECI Subordinated Loan; and (ii) EC Finance's rights under the Securitifleet Proceeds Loan. The EC Finance Notes will be guaranteed on a senior unsecured basis by each of EGSA and ECI. The Guarantees for the EC Finance Notes are unsecured obligations of EGSA and ECI ranking *pari passu* with each of the EC Finance Notes' guarantors' unsecured senior indebtedness.
- (6) As of June 30, 2017, €878 million was outstanding under the Senior Asset Revolving Facility.
- (7) EC Finance is a public limited company incorporated under the laws of England and Wales for the purpose of issuing the EC Finance Notes and loaning the proceeds thereof to Securitifleet Holding pursuant to the Securitifleet Proceeds Loan. See Section 3.2.3 *"Description of the Financing as of December 31, 2016"* in Exhibit A to this Offering Memorandum.
- (8) The Amended and Restated ECI Subordinated Loan is a subordinated funding loan between ECI and EC Finance, pursuant to which ECI will have the option to extend to EC Finance amounts sufficient to enable EC Finance to satisfy its payment obligations under the EC Finance Notes that are not funded through payments on the Securitifleet Proceeds Loan.
- (9) Under the Senior Asset Revolving Facility, ECI granted performance guarantees, each being a *caution solidaire* in favor of each Securitifleet Company to guarantee payments due to a Securitifleet Company by the relevant Europcar operating company (including under the relevant Master Operating Lease Agreement and the management services agreement).
- (10) Through direct and indirect ownership.
- (11) Securitifleet Holding acts as the financing entity for the fleet purchasing and leasing activities of the Securitifleet Companies. Securitifleet Holding uses the proceeds of the Existing EC Finance Notes and drawings under the Senior Asset Revolving Facility to on-lend such amounts to the Securitifleet Companies. See Section 3.2.3 *"Description of the Financing as of December 31, 2016"* in Exhibit A to this Offering Memorandum.
- (12) The Group currently finances its UK fleet on a stand-alone basis through its UK subsidiaries including Europcar Group UK Limited (**"ECGUK"**), Europcar UK Limited (**"ECUK"**) and certain subsidiaries of ECUK (the **"Europcar UK Group"**) under an overdraft facility (for an amount of £5 million) and five facilities (in the total aggregate amount of £455 million).
- (13) As of June 30, 2017, National Australia Bank, Toyota Financial Services, Commonwealth Bank, Westpac Bank, Bank of Queensland, Mercedes Benz Finance and Alphabet Financial Services and other Australian and New Zealand financial institutions have provided Europcar Australia and Europcar New Zealand with senior credit facilities (the **"Australian and New Zealand Asset Financing Facilities"**), including revolving and non-revolving fleet operating and finance leases up to AUD 368 million. These facilities are renewed annually and finance the fleet in Australia and New Zealand.

- (14) On June 16, 2017, EGSA entered into an agreement to acquire Car Rentals Topco, S.L., a holding company engaged primarily in the provision of business-to-consumer car rental related mobility services in certain countries (the **"Goldcar Acquisition"**). The completion of the Goldcar Acquisition is subject to the satisfaction of customary conditions precedents, including a merger control clearance of the European Commission. See *"Summary."*
- (15) On September 20, 2017, the Group completed the acquisition of 100% of the shares of each of Charterline Fuhrpark Service GmbH, Carpartner Nord GmbH, Terstappen Autovermietung GmbH, Car & Fly GmbH and CarPartner Leasing GmbH, A. Klees Slovakia, s.r.o., and ABC Autonoleggio s.r.l., the foregoing companies comprising the Buchbinder group (**"Buchbinder Acquisition"**).
- (16) Concurrently with this Offering, EC Finance is expected to issue €350 million aggregate principal amount of 2.375% EC Finance Notes due 2022. The gross proceeds of the issuance of the EC Finance Notes, together with an additional amount to be provided by ECI (including a portion to be funded via the Existing ECI Subordinated Loan, with such amounts to be forgiven by ECI), will be used by EC Finance to redeem in full the Existing EC Finance Notes, and pay the transaction fees and expenses.
- (17) As from the Completion Date or the Special Mandatory Date, as applicable, the Notes will be senior debt of EGSA, as successor issuer to the SPV Issuer, ranking pari passu in right of payment with all of the EGSA's future indebtedness that is not subordinated in right of payment to the Notes. See *"Description of the Notes."*

Summary Europcar Consolidated Financial Information and Other Data

Summary EGSA Financial Information

The following tables set forth summary consolidated financial information and other data. The summary historical consolidated financial information for EGSA has been derived from the EGSA Consolidated Financial Statements as of and for the six months ended June 30, 2017 (with June 30, 2016 as a comparative) and from the EGSA Consolidated Financial Statements as of and for the years ended December 31, 2016, 2015 and 2014. The EGSA Consolidated Financial Statements as of and for the years ended December 31, 2016, 2015 and have been audited by PricewaterhouseCoopers Audit and Mazars, and were prepared in accordance with IFRS. The EGSA Consolidated Financial Statements as of and for the six months ended June 30, 2017 are unaudited and have been subject to limited review by PricewaterhouseCoopers Audit and Mazars.

The summary financial data presented below for the twelve months ended June 30, 2017 have been derived by taking the results of the year ended December 31, 2016 and subtracting the results for the six months ended June 30, 2016, and then adding the results for the six months ended June 30, 2017.

You should read the following summary consolidated financial and other data in conjunction with the EGSA Consolidated Financial Statements and the notes thereto, and other financial information appearing elsewhere in this Offering Memorandum, including under the captions "Capitalization of Europcar Group," "Management's Discussion and Analysis of Results of Operations and Financial Conditions," "Unaudited Pro Forma Condensed Consolidated Financial Information" in the P-pages to this Offering Memorandum and in Section 3 "Accounting and Financial Information" in Exhibit A to this Offering Memorandum and in Exhibit B to this Offering Memorandum.

Summary Consolidated Income Statement Data

(in millions of €)	For the twelve months ended June 30,	For the six months ended		For the year ended December 31,		
	2017	2017	June 30, 2016	2016	2015	2014
	(unaudited)	(unaudited)	(unaudited)			
Revenue	2,230.6	1,027.8	947.9	2,150.8	2,141.9	1,978.9
Expenses						
Fleet holding costs ⁽¹⁾	(551.9)	(264.0)	(248.5)	(536.3)	(547.2)	(496.3)
Fleet operating, rental and revenue related costs ⁽¹⁾	(787.7)	(371.3)	(336.9)	(753.3)	(727.0)	(686.3)
Personnel costs	(360.8)	(191.2)	(169.6)	(339.2)	(347.4)	(318.2)
Network and headquarters overhead costs ...	(225.5)	(120.6)	(111.0)	(215.9)	(218.5)	(199.3)
Other income	11.1	3.9	2.5	9.7	14.2	6.9
Depreciation, amortization and impairment expense	(30.7)	(14.2)	(15.9)	(32.3)	(32.8)	(31.8)

(in millions of €)	For the twelve months ended June 30,	For the six months ended June 30,		For the year ended December 31,		
	2017	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)	(unaudited)			
Current operating						
income	285.2	70.3	68.6	283.5	283.3	253.9
Other non-recurring expenses and income ⁽²⁾	(62.5)	(38.5)	3.3	(20.7)	(61.8)	(115.7)
Operating income	222.7	31.8	71.9	262.7	221.5	138.2
Net financing costs	(124.0)	(58.0)	(55.1)	(121.1)	(227.6)	(232.7)
Profit/(loss) before						
tax	98.7	(26.2)	16.8	141.7	(6.0)	(94.5)
Income tax	9.4	5.0	(11.0)	(6.6)	(37.6)	(10.7)
Share of profit/(loss) in associates	(18.6)	(5.8)	(2.9)	(15.8)	(12.1)	(6.5)
Net profit/(loss) for the						
period	89.5	(27.0)	2.8	119.3	(55.8)	(111.7)
Net profit/(loss), share						
attributable to						
Europcar Groupe						
shareholders	89.7	(26.8)	2.9	119.5	(55.6)	(112.3)

Summary Consolidated Statement of Financial Position Data

(in millions of €)	As of June 30,		As of December 31,		
	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)			
Non-current assets	1,511.0	1,379.6	1,399.5	1,394.3	1,363.0
Current assets	3,962.3	3,533.9	3,115.3	2,926.3	2,583.5
<i>of which rental fleet recorded on the</i>					
<i>balance sheet</i>	<i>2,384.3</i>	<i>2,072.6</i>	<i>1,640.3</i>	<i>1,664.9</i>	<i>1,402.7</i>
<i>of which rental fleet and related</i>					
<i>receivables⁽³⁾</i>	<i>746.6</i>	<i>716.6</i>	<i>720.6</i>	<i>574.7</i>	<i>530.1</i>
<i>of which current financial assets⁽⁴⁾</i>	<i>48.0</i>	<i>41.5</i>	<i>77.0</i>	<i>37.5</i>	<i>49.5</i>
<i>of which cash and cash equivalents</i>	<i>213.5</i>	<i>167.0</i>	<i>154.6</i>	<i>146.1</i>	<i>144.0</i>
Total assets	5,473.3	4,913.6	4,514.8	4,320.6	3,946.4
Non-current liabilities	1,293.2	1,273.1	1,276.1	1,129.2	1,351.2
<i>of which financial liabilities</i>	<i>959.9</i>	<i>932.1</i>	<i>953.2</i>	<i>801.2</i>	<i>1,043.1</i>
Current liabilities	3,426.9	3,123.6	2,607.4	2,629.0	2,437.1
<i>of which current portion of financial</i>					
<i>liabilities</i>	<i>1,557.4</i>	<i>1,375.9</i>	<i>1,224.4</i>	<i>1,263.8</i>	<i>1,127.5</i>
Total liabilities	4,720.1	4,396.7	3,883.5	3,758.2	3,788.3
Total equity	753.3	516.9	631.3	562.4	158.1

Summary Consolidated Statement of Cash Flow Data

(in millions of €)	For the six months ended June 30,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)			
Operating income/(loss) before changes in working capital	54.7	52.8	257.1	266.2	224.0
Changes in rental fleet recorded on the balance sheet	(612.2)	(478.1)	(20.6)	(232.9)	(91.5)
Changes in fleet working capital	290.8	158.2	(126.2)	34.9	(74.0)
Change in non-fleet working capital ...	101.9	73.3	4.0	(57.2)	50.0
Cash generated from operations	(164.8)	(193.7)	114.3	10.9	108.6
Income taxes received/(paid)	(17.1)	0.1	(22.7)	(39.7)	(31.4)
Net interest paid	(49.4)	(46.8)	(98.7)	(137.3)	(166.8)
Net cash generated from (used by) operations	(231.3)	(240.4)	(7.2)	(166.1)	(89.7)
Net cash generated from (used by) investing activities	(98.5)	(10.2)	(104.1)	(55.2)	(76.6)
Net cash generated from (used by) financing activities	395.6	297.0	130.6	243.3	103.3
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences	65.8	46.4	19.3	22.0	(63.0)

Key Performance Indicators and Other Data

Performance Indicators – Cash Flow

(in millions of €)	For the twelve months ended June 30,	For the six months ended June 30,		For the year ended December 31,		
	2017	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)	(unaudited)			
Adjusted Corporate EBITDA	256	56	55	254	251	213
Other non-recurring income and expenses ^(A)	(70)	(39)	3	(28)	(73)	(28)
Acquisitions of intangible assets and property, plant and equipment, net of disposals	(39)	(21)	(13)	(31)	(24)	(22)
Changes in provisions and in non-fleet working capital requirements ^(B)	58	111	37	(16)	(28)	27
Income tax paid	(40)	(17)	–	(23)	(40)	(31)
Corporate Free Cash Flow ...	165	90	82	157	86	158
Net interest paid on high-yield borrowings	(34)	(17)	(13)	(31)	(65)	(74)
Cash flow after payment of interest on bonds	131	73	68	126	21	84
Change in vehicle fleet, working capital requirements, fleet financing and working capital facilities	(67)	(64)	(150)	(152)	(87)	(56)

(in millions of €)	For the twelve months ended June 30,	For the six months ended June 30,		For the year ended December 31,		
	2017	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)	(unaudited)			
Acquisitions and proceeds from disposal of financial assets	(29)	1	3	(28)	(8)	(10)
Acquisition of subsidiaries, net of cash acquired and other investment transactions	(123)	(77)	–	(46)	(24)	(46)
Increase in share capital	192	192	–	–	448	–
Dividends	(59)	(59)	–	–	–	–
(Purchases)/Sales of treasury shares	(3)	(1)	(3)	(5)	–	–
High-yield notes	–	–	131	131	(308)	(17)
Payment of financing and other costs	(5)	–	(2)	(7)	(20)	(19)
Increase/(Decrease) in cash before effect of foreign exchange differences	38	66	46	19	22	(63)
<i>Cash and cash equivalents at beginning of period</i>	<i>249</i>	<i>249</i>	<i>229</i>	<i>229</i>	<i>206</i>	<i>267</i>
<i>Effect of foreign exchange differences</i>	<i>3</i>	<i>2</i>	<i>(1)</i>	<i>–</i>	<i>1</i>	<i>2</i>
Cash and cash equivalents at end of period	290	317	275	248	229	206

(A) The other non-recurring income and expenses line item as presented in this table differs from the line item with the same name in the income statement because the line item in this table excludes all non-recurring items that do not have an impact on cash.

For the six months ended June 30, 2017, non-recurring income and expenses includes an expense of €39 million, compared with income of €3 million for the first half of 2016, which specifically includes reorganization costs, Group transformation costs and costs related to acquisitions, in particular franchisees in Ireland and Denmark, Ubeteqo mobility company, Goldcar and Buchbinder.

For the year ended December 31, 2016, the non-recurring income and expenses line item included €(18) million related to reorganization costs and consulting fees linked to external growth transactions.

For the year ended December 31, 2015, the non-recurring income and expenses line item included the payment of €12.5 million to Enterprise following the signing of a settlement agreement putting an end to all legal proceedings with that company (see Note 8 to the EGSA Consolidated Financial Statements for the year ended December 31, 2015 included in Exhibit B to this Offering Memorandum), and bonus payments relating to the multi-year compensation program arising from the success of the Fast Lane plan over the period 2012-2014 (approximately €23.9 million).

For the year ended December 31, 2014, the non-recurring income and expenses line item mainly included reorganization costs to streamline the network and back-office activities and exceptional bonuses paid out to the employees of the Group.

(B) For the six months ended June 30, 2017, changes in non-fleet working capital and provisions reached €111 million due to strong performance on the acceleration of cash collection and higher brokers prepayments.

For the year ended December 31, 2016, negative change in provisions was primarily linked to insurance provisions, litigation & lawsuits provisions and restructuring provisions.

For the year ended December 31, 2015, changes in non-fleet working capital represent a cash outflow of €28 million, due in particular to the significant increase in the Group's activity. This item is also affected by the settlement of tax payables relating to previous years.

Selected Key Operating Indicators

	For the twelve months ended June 30,		For the six months ended June 30,		For the year ended December 31,	
	2017		2017	2016	2016	2015
	(unaudited)	(unaudited)	(unaudited)			2014
Total revenue (in millions of €)	2,230.6	1,027.8	947.9	2,150.8	2,141.9	1,978.9
Rental revenue (in millions of €)	2,073.6	956.3	885.1	2,002.4	1,991.9	1,822.8
Rental Day Volume (in millions)	63.2	30.0	26.7	59.9	57.1	52.8
RPD (in €) ⁽⁵⁾	32.9	31.9	33.0	33.4	34.9	34.5
RPD year-on-year variation	(1.7)%	(3.5)%	(3.8)%	(4.2)%	1.1%	1.2%
Average rental contract duration (day)	6.0	5.8	5.7	6.0	6.0	5.7
Average fleet size in units ⁽⁶⁾ (in thousands)	226.3	217.1	194.7	213.8	205.4	189.3
Average fleet unit costs/month (in €) ⁽⁷⁾	(241)	(241)	(250)	(245)	(253)	(248)
Fleet financial utilization rate ⁽⁸⁾	76.9%	76.3%	75.5%	76.5%	76.1%	76.4%

Other Financial Data

	As of and for the twelve months ended June 30,		As of and for the six months ended June 30,		As of and for the year ended December 31,	
(in millions of €)	2017		2017	2016	2016	2015
	(unaudited)	(unaudited)	(unaudited)			2014
Securitifleet Total Asset Value	1,461.6	1,461.6	1,450.8	1,117.4	1,084.0	834.3
Adjusted recurring operating income/ (loss) ⁽⁹⁾	331.7	91.8	91.1	331.0	338.4	307.5
Adjusted Consolidated EBITDA ⁽⁹⁾	766.2	298.7	287.0	754.5	766.0	695.0
Adjusted Consolidated EBITDA margin	34.3%	29.1%	30.3%	35.1%	35.8%	35.1%
Adjusted Corporate EBITDA ⁽⁹⁾	255.5	56.4	54.7	253.9	250.6	212.8
Adjusted Corporate EBITDA margin	11.5%	5.5%	5.8%	11.8%	11.7%	10.8%
Net Total Debt (including fleet-related off-balance sheet commitments) ⁽¹⁰⁾	4,140	4,140	3,755	3,265	3,057	3,148
Net Fleet Debt (including fleet-related off-balance sheet commitments)	4,037	4,037	3,555	3,045	2,822	2,567
Net Fleet Debt	2,009	2,009	1,744	1,584	1,498	1,283
Net Corporate Debt ⁽¹¹⁾	104	104	200	221	235	581

(in millions of €)	As of and for the twelve months ended June 30,	As of and for the six months ended June 30,		As of and for the year ended December 31,		
	2017	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)	(unaudited)			
Net Financing Costs (including interest expense included in fleet operating lease rents (estimated), excluding amortization of financing arrangement costs and excluding interest expense from interest rate swaps)	(147.6)	(69.0)	(64.3)	(142.9)	(224.2)	(230.0)
Net Corporate financing costs	(34.9)	(17.6)	(14.5)	(31.8)	(54.9)	(78.1)
Net Total financing costs	(124.0)	(58.0)	(55.1)	(121.1)	(227.6)	(232.7)
Net Fleet Debt / Adjusted Consolidated EBITDA.	2.6x	N/A	N/A	2.1x	2.0x	1.9x
Net Corporate Debt / Adjusted Corporate EBITDA.	0.4x	N/A	N/A	0.9x	0.9x	2.7x
Net Total Debt (including fleet-related off-balance sheet commitments) / Adjusted Consolidated EBITDA	5.4x	N/A	N/A	4.3x	4.0x	4.5x
Adjusted Corporate EBITDA / Net Corporate financing costs	7.3x	N/A	N/A	8.0x	4.6x	2.7x
Adjusted Consolidated EBITDA / Net Total financing costs	6.2x	N/A	N/A	6.2x	3.4x	3.0x

(1) The components of “fleet holding costs” and “fleet operating, rental and revenue related costs” are discussed in Section 3.1 “Analysis of the Group Results” in Exhibit A to this Offering Memorandum.

(2) Other non-recurring income and expenses, in 2016, amounting to €(21.2) million mainly included the following: (a) restructuring costs of €17.6 million including severance costs relating to the implementation of measures to streamline the network and Back-office activities and €3.6 million for other items (see Note 12 to the EGSA Consolidated Financial Statements for year ended December 2016 included in Exhibit A to this Offering Memorandum).

Other non-recurring income and expenses, in 2015, amounting to €(61.8) million, included the following: (a) restructuring costs of €24 million including severance costs relating to the implementation of measures to streamline the German network and some local headquarters; (b) fees relating to our initial public offering and offering of Existing Parent Notes of €11.5 million; (c) a provision of €45 million based on the best estimate of the financial risk (at that stage of the procedure with the French Competition Authority) in the event that the French Competition Authority were to impose a fine notwithstanding the Group’s arguments in defense of its position (see Note 32 to the EGSA Consolidated Financial Statements for the fiscal year ended December 31, 2015 included in Exhibit B to this Offering Memorandum); and (d) a net positive reversal of €23 million relating to the execution of a settlement agreement with Enterprise on April 29, 2015 putting an end to all legal proceedings with that company (see Note 32 to the EGSA Consolidated Financial Statements for the year ended December 31, 2015 included in Exhibit B to this Offering Memorandum).

In 2014, other non-recurring income and expenses amounting to €(115.7) million included the following: (a) restructuring costs of €22.8 million resulting in part from the measures implemented by several of the Group’s entities or announced before the end of the year to lower the head offices’ cost structure; (b) €9.8 million in costs of use of outside service providers in connection with the restructuring of the head offices and the network; (c) a net charge of €59.4 million in connection with the litigation and arbitration with Enterprise including attorneys’ fees, the cost of removing the logo from certain stations, the one-off impairment of the remaining value of the right to use the National and Alamo brands, and a provision in an amount equal to the risk of certain of the damages that the Group was reasonably able to estimate as of the closing date (see Note 10 to the EGSA Consolidated Financial Statements for the year ended December 31, 2015 included in Exhibit B to this Offering Memorandum); and (d) a charge of €23.9 million relating to a multi-year compensation program whose objectives were achieved in 2014.

Other non-recurring income and expenses of €3.3 million for the six months ended June 30, 2016 include mainly reorganization expenses of €(5.2) million (see Note 6 to the EGSA Consolidated Financial Statements for the six months ended June 30, 2016 included elsewhere in this Offering Memorandum).

For the six months ended June 30, 2017, the non-recurring income and expenses of €(38.5) million included mainly the following: €45 million reversal of the provision related to the proceedings with Authority Of French Competition and €(44) million due to the accrual of provision related to the Trading Standard investigation in the UK (see Note 9 to the EGSA Consolidated Financial Statements for the six months ended June 30, 2017 included elsewhere in this Offering Memorandum).

- (3) The amount recorded under "Rental fleet recorded on the balance sheet" in the statement of financial position represents the acquisition cost of the vehicles (net of volume rebates) and is mainly the sum of two amounts representing distinct current assets:
- the "Vehicle buy-back agreement receivable," representing the agreed buy-back price (the obligation of the manufacturer or dealer); and
 - the "Deferred depreciation expense on vehicles," representing the difference between the acquisition cost of the vehicle and the agreed buy-back price. This asset is depreciated in the income statement on a straight-line basis over the contractual holding period of the vehicle.
- (4) These investments are earmarked to cover the liabilities of the Group's captive insurance company. See Note 16 to the EGSA Consolidated Financial Statements for the years ended December 31, 2016 and 2015 included in Exhibit A and Exhibit B to this Offering Memorandum.
- (5) RPD (revenue per rental day) corresponds to rental revenue for the period divided by the number of rental days for the period. The variation in RPD is calculated compared to the RPD of the prior year.
- (6) Average fleet of the period is calculated by considering the number of days of the period when the fleet is available (period during which the Group holds the vehicles), divided by the number of days of the same period, multiplied by the number of vehicles in the fleet for the period.
- (7) The average fleet costs per unit per month is the total fleet costs (fleet holding costs and fleet operating cost) excluding Interest expense included in fleet operating lease rents, divided by the average fleet of the period, divided by the number of months of the period.
- (8) The 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.
- (9) The table below presents a reconciliation of adjusted recurring operating income, Adjusted Corporate EBITDA and Adjusted Consolidated EBITDA to current operating income.

The Group presents adjusted recurring operating income, Adjusted Consolidated EBITDA and Adjusted Corporate EBITDA because the Group believes they provide investors with important additional information to evaluate the Group's performance. The Group believes these indicators are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Group's industry. In addition, the Group believes that investors, analysts and rating agencies will consider adjusted recurring operating income, Adjusted Consolidated EBITDA and Adjusted Corporate EBITDA useful in measuring the Group's ability to meet its debt service obligations. None of adjusted recurring operating income, Adjusted Consolidated EBITDA or Adjusted Corporate EBITDA is a recognized measurement under IFRS and should not be considered as alternative to operating income or net profit as a measure of operating results or cash flows as a measure of liquidity.

(in millions of €)	For the twelve months ended June 30,	For the six months ended June 30,		For the year ended December 31,		
	2017	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)	(unaudited)			
Current operating income	285.2	70.3	68.6	283.5	283.3	253.9
Reversal of estimated interest included in operating lease rents ^(A)	46.5	21.4	22.4	47.5	55.3	53.6
Adjusted recurring operating income	331.7	91.8	91.1	331.0	338.6	307.5
Reversal of amortization, depreciation and impairment expense	30.6	14.2	15.9	32.3	32.8	31.8
Fleet financial costs	(60.4)	(28.2)	(29.8)	(62.0)	(65.5)	(72.9)
Estimated interest included in operating lease rents ^(A)	(46.5)	(21.4)	(22.4)	(47.5)	(55.3)	(53.6)
Adjusted Corporate EBITDA	255.5	56.4	54.7	253.9	250.6	212.8
Reversal of fleet depreciation	187.1	92.5	87.3	181.9	184.4	164.2
Reversal of fleet operating lease rents ^(A)	263.2	121.6	115.2	256.8	265.5	245.0
Reversal of fleet financial costs	60.4	28.2	29.8	62.0	65.5	72.9
Adjusted Consolidated EBITDA	766.2	298.7	287.0	754.5	766.0	695.0

- (A) Fleet operating lease rents consist of a fleet depreciation expense, an interest expense as well as, under several operating lease contracts, a small administration fee. For those fleet operating lease contracts entered into by the Group that do not provide the precise split of the rents amongst the depreciation expense, the interest expense and the administrative fee, the Group makes estimates of this split on the basis of information provided by the lessors. Furthermore, because the interest expense component of the lease rent is in substance a fleet financing cost, Europcar's management reviews fleet holding costs and the adjusted operating income of the Group excluding this expense.

(10) The table below presents the calculation of Total Net Debt (including fleet-related off-balance sheet commitments):

(in millions of €)	As of June 30, 2017	As of December 31,		
	(unaudited)	2016	2015	2014
Non-current borrowings and financial debt and current loans and borrowings	2,517	2,178	2,065	2,171
Cash and cash equivalents and restricted cash	(324)	(260)	(244)	(226)
Held-to-maturity investments and other current financial assets	(81)	(113)	(88)	(81)
Net debt on the statement of financial position	2,112	1,804	1,733	1,864
Estimated outstanding value of the vehicles financed through operating leases ^(A)	2,028	1,461	1,323	1,284
Total Net Debt including fleet-related off-balance sheet commitments^(B)	4,140	3,265	3,057	3,148

(A) Estimated debt equivalent of fleet operating leases off-balance sheet 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 the manufacturers). EGSA's financial management verifies the consistency of the external information that is provided.

(B) Net fleet debt (including estimated debt equivalent of fleet operating leases) encompasses all debt and cash financing the fleet.

(11) The table below presents a breakdown of Net Corporate Debt and Total Net Debt (including fleet-related off balance sheet commitments):

(in millions of €)	As of June 30, 2017	As of December 31,		
	(unaudited)	2016	2015	2014
Parent Secured Notes	–	–	–	324
Parent Unsecured Notes	–	–	–	400
Existing Parent Notes	600	600	475	–
Senior Revolving Credit Facility	–	13	81	201
FCT Junior Notes ^(A) , accrued interest, capitalized costs of financing agreements and other costs ^{(B)(F)}	(222)	(204)	(150)	(150)
Corporate Gross Debt recognized on balance-sheet	378	409	406	774
Cash held by operating and holding entities and short-term investments ^(C)	(275)	(188)	(171)	(193)
Corporate Net Debt recognized on balance-sheet	104	221	235	581
Existing EC Finance Notes	350	350	350	350
Senior Asset Revolving Facility	878	693	658	418
FCT Junior Notes ^(A) accrued interest, capitalized costs of financing agreements and other	218	200	142	132
Fleet financing in the UK, Australia and other fleet financing facilities	693	491	509	497
Fleet Gross Debt recognized on the balance sheet	2,139	1,734	1,659	1,396
Cash held by fleet-owning entities and short-term fleet investments ^(C)	(130)	(150)	(161)	(113)
Fleet Net Debt recognized on the balance sheet	2,009	1,584	1,498	1,283
Estimated outstanding value of the vehicles financed through operating leases ^(D)	2,028	1,461	1,323	1,284
Net Fleet Debt including fleet-related off balance sheet commitments^(E)	4,037	3,045	2,822	2,567
Total Net Debt including fleet-related off balance sheet commitments^(E)	4,140	3,265	3,057	3,148

(A) The proceeds of the FCT Junior Notes subscribed for by ECI provide the overall credit enhancement and, when applicable, an additional liquidity source. The FCT Junior Notes are used only to finance the fleet debt requirement. FCT Junior Notes are subscribed by ECI using available cash or drawings on the Senior Revolving Credit Facility.

(B) For countries where fleet costs are not financed through dedicated entities (i.e. Securitifleet entities), the cash used to finance the fleet, which could have been financed by fleet debt, is restated from the net fleet debt with a de-risk ratio.

(C) Other than fleet items, other items included in short-term investments and the Group's cash are those related to the Group's recurring business, including its insurance program (see Section 2.7.1 "Insurance" in Exhibit A to this Offering Memorandum).

(D) The estimated debt equivalent of fleet operating leases off-balance sheet 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 agreements signed with the manufacturers). The Company's financial management verifies the consistency of the external information that is provided.

(E) Net fleet debt (including fleet-related off balance sheet commitments) encompasses all debt and cash financing the fleet.

(F) Including non-accrued interest on held-to-maturity investments (Euroguard).

Summary Goldcar Consolidated Financial Information and Goldcar and Buchbinder Key Performance Indicators and Other Data

The following summary consolidated financial information as of and for the years ended December 31, 2015 and 2016 has been derived from the Goldcar consolidated financial statements as of and for the year ended December 31, 2016, which were audited by KPMG. The audited consolidated financial statements as of and for the year ended December 31, 2016 are included elsewhere in this Offering Memorandum, together with the audit report thereon from KPMG. Goldcar's consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union. Goldcar's interim condensed consolidated financial statements for the six months ended June 30, 2017 are unaudited have been subject to a limited review by KPMG and were prepared in accordance with IAS 34, Interim Financial Reporting. However, their separate report included in Goldcar's interim financial statements for the six months ended June 30, 2017 included herein states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The summary consolidated financial information included below is not necessarily indicative of Goldcar's future results of operations and should be read in conjunction with, and is qualified in its entirety by reference to, Goldcar's consolidated financial statements, including the notes thereto, which are included elsewhere in this Offering Memorandum.

The historical financial information for Buchbinder presented in this Offering Memorandum (the "**Buchbinder Consolidated Financial Information**") is derived from (a) the audited consolidated financial information for Charterline Fuhrpark Service GmbH, Carpartner Nord GmbH, Terstappen Autovermietung GmbH, CarPartner Leasing GmbH, A. Klees Slovakia, s.r.o. and ABC Autonoleggio s.r.l., (i) from the consolidated financial statements for such entities as of and for the year ended December 31, 2016, prepared in accordance with generally accepted auditing standards in Germany and (ii) from the accounting books and records for such entities as of and for the six months ended June 30, 2017, prepared in accordance with generally accepted accounting standards in Germany, which were not subject to limited review, combined with (b) financial information for Car & Fly GmbH, which, in the case of each of (a) and (b), have been adjusted to reflect application of certain IFRS accounting standards, as applied by EGSA.

You should read the following summary consolidated financial and other data in conjunction with the Goldcar Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum, and other financial information appearing elsewhere in this Offering Memorandum, including under the "*Capitalization of Europcar Group*" and "*Unaudited Pro Forma Condensed Consolidated Financial Information*."

Goldcar Income Statement Data

(in millions of €)	For the twelve months ended June 30, ⁽¹⁾	For the six months ended		For the year ended	
	2017	2017	June 30, 2016	2016	December 31, 2015
Revenue	313.5	127.2	123.1	309.4	288.9
Other operational income	5.7	2.7	1.9	4.9	3.7
Cost of vehicles sales	(48.9)	(20.2)	(25.6)	(54.3)	(51.5)
Other consumables used	(9.4)	(3.3)	(5.8)	(11.9)	(22.0)
Personnel expenses	(32.1)	(16.7)	(12.7)	(28.1)	(23.0)
Other operating expenses	(100.9)	(50.7)	(40.7)	(90.9)	(71.5)
Adjusted EBITDA	127.9	39.0	40.2	129.1	124.6
Fixed asset depreciation and buy back renting costs	(73.5)	(34.5)	(32.6)	(71.6)	(65.1)
Stolen and accidental cars	(0.9)	(1.3)	(0.4)	–	–
Profit/(impairment and loss) on disposal of fixed assets	(13)	0.0	1.2	(0.1)	(0.4)
Other	—	0.0	–	–	–
Adjusted EBIT⁽²⁾	52.2	3.2	8.4	57.4	59.1
Other non-recurring income and expenses	(26.3)	(23.4)	(0.6)	(3.5)	(2.2)
Profit/(loss) From Continuing Operations (EBIT)	25.9	(20.2)	7.8	53.9	56.9
Financial loss	(25.2)	(12.4)	(12.6)	(25.4)	(26.1)
Profit/(loss) before income tax	0.7	(32.6)	(4.8)	28.5	30.8
Income tax	(3.6)	0.7	0.3	(4.0)	(8.6)
Consolidated Profit/(loss) for the period	(2.8)	(31.9)	(4.6)	24.5	22.2

(1) The financial information for the twelve months ended June 30, 2017 is derived by adding the consolidated financial information for the year ended December 31, 2016 to the consolidated financial information for the six months ended June 30, 2017 and subtracting the consolidated financial information for the six months ended June 30, 2016.

(2) For further details of the changes in operating income, operating expenses, fixed asset depreciation and buyback costs and stolen and accidental cars that contributed to the €5 million decrease in Adjusted EBIT between the six months ended June 30, 2016 and June 30, 2017, see note 11 to the Goldcar Financial Statements as of and for the six months ended June 30, 2017 included elsewhere in this Offering Memorandum.

Goldcar Statement of Financial Position Data

(in millions of €)	As of June 30, 2017	As of December 31, 2016 2015	
Total Non-current assets	368	314	289
<i>Goodwill</i>	188	188	188
<i>Intangible assets</i>	25	25	23
<i>Property, plant and equipment</i>	153	99	76
<i>Financial investments</i>	2	2	1
<i>Deferred tax assets</i>	1	1	1
Total Current assets	443	297	297
<i>Inventories</i>	3	1	1
<i>Trade and other receivables</i>	13	12	17
<i>Current tax assets</i>	43	6	4
<i>Financial investments</i>	330	82	87
<i>Prepayments</i>	29	11	13
<i>Cash and cash equivalents</i>	25	184	174
Total assets	811	611	585
Total Equity	228	260	235
<i>Share capital and share premium</i>	215	215	215
<i>Consolidated reserves</i>	45	20	(2)
<i>Parent Company reserves</i>	–	(0.07)	–
<i>Consolidated profit/(loss) for the period</i>	(32)	25	22
Total Non-current liabilities	304	303	305
Total Current liabilities	279	49	45
<i>Provisions</i>	1	1	1
<i>Financial debt</i>	97	6	4
<i>Trade and other payables</i>	20	26	23
<i>Personnel</i>	6	2	2
<i>Current tax liabilities and other balances with Public Administrations</i>	2	7	5
<i>Customer advances</i>	10	2	3
<i>Accruals</i>	5	3	2
<i>Other current liabilities</i>	138	2	4
Total equity and liabilities	811	611	585

Goldcar Cash Flow Data

(in millions of €)	For the six months ended June 30, 2017	For the six months ended June 30, 2016	For the year ended December 31, 2016
Cash flow from operating activities	38	39	126
Cash flows from operations	0.2	23	137
Net cash flows from/(used in) operating activities	(6)	12	107
Net cash flows used in investing activities	(239)	(235)	(92)
Net cash flows from/(used in) financing activities	86	79	(4)
Net cash flows for the period/year	(159)	(144)	10
Cash and cash equivalents at the end of the period/year	25	30	184
Cash and cash equivalents at the beginning of the period/year	184	174	174

Goldcar Key Performance Indicators and Other Data

	For the six months ended June 30, 2017	For the six months ended June 30, 2016	For the year ended December 31, 2016
Revenue (in €million) ⁽¹⁾	100.9	92.9	244.1
Rental revenue (in €million) ⁽¹⁾	96.0	85.5	228.5
Rental day volume (in millions)	5	4	10
RPD (€) ⁽²⁾	19.8	20.0	23.4
Average fleet size in units (in thousands)	33.1	30.2	33.8
Average fleet unit costs / month (in €)	(233)	(229)	(229)
Fleet financial utilization rate	80.6%	77.9%	79.1%

(1) Figures presented are as derived from the Goldcar consolidated financial statements and as adjusted to reflect application of certain IFRS accounting standards, as such standards are applied by EGSA.

(2) Rental revenues divided by rental days, as adjusted to reflect the standards of presentation as applied by EGSA.

Buchbinder Key Performance Indicators and Other Data

	For the six months ended June 30, 2017	For the year ended December 31, 2016
Revenue (in €million) ⁽¹⁾	99.9	200.6
Rental revenue (in €million) ⁽¹⁾	97.6	198.1
Rental day volume (in millions)	3	5
RPD (€) ⁽²⁾	38.0	38.0
Average fleet size in units (in thousands)	23.7	23.5
Average fleet unit costs / month (in €)	(193)	(189)
Fleet financial utilization rate	59.8%	60.7%

(1) Figures presented are as derived from the Buchbinder consolidated financial statements and as adjusted to reflect application of certain IFRS accounting standards, as such standards are applied by EGSA.

(2) Rental revenues divided by rental days, as adjusted to reflect the standards of presentation as applied by EGSA.

Other Information on a Pro Forma Basis As Adjusted

The Pro Forma statement of financial position figures set forth in the table below, which are presented as of June 30, 2017, have been adjusted to reflect both the Pro Forma Transactions as well as the Existing EC Finance Notes Refinancing as if they had occurred on June 30, 2017.

The Pro Forma income statement figures set forth in the table below, which are presented for the year ended December 31, 2016, have been adjusted to reflect the Pro Forma Transactions as if they have occurred on January 1, 2016. Such figures have not been adjusted to reflect the Existing EC Finance Notes Refinancing.

Pro Forma Adjusted Corporate EBITDA	318.1
Pro Forma Adjusted Consolidated EBITDA	964.7
Pro Forma Corporate Financing Costs ⁽¹⁾	56.6
Pro Forma Net Corporate Debt ⁽²⁾	766
Pro Forma Net Total Debt (including fleet related off-balance sheet commitments) ⁽³⁾	5,741.4
Pro Forma Net Corporate Debt / Pro Forma Adjusted Corporate EBITDA	2.41x
Pro Forma Net Total Debt (including fleet related off-balance sheet commitments) / Pro Forma Adjusted Consolidated EBITDA	5.95x
Pro Forma Adjusted Corporate EBITDA / Pro Forma Corporate Financing Costs	5.6x

(1) Reflects the Net Corporate Financing costs for Europcar for the year ended December 31, 2016, adjusted for the additional interest expense associated with the issuance of the Notes as if this had occurred on January 1, 2016.

(2) Reflects the Existing Parent Notes and the Notes, net of (i) the outstanding principal amount of FCT Junior Notes, accrued interest, financing capitalized cost and other debt of €222 million of Europcar as of June 30, 2017, and (ii) capitalization of new transaction costs for €18 million minus the write-off of the remaining €4.3 million financing arrangement costs of the Existing EC Finance Notes, minus €275 million of cash and cash equivalents at the corporate level for Europcar as of June 30, 2017, adjusted to reflect the €(76.2) million impact of the Pro Forma Transactions as well as the Existing EC Finance Notes Refinancing on corporate cash (see footnote (1) of the table under "Capitalization" for more details).

(3) Reflects the Pro Forma As Adjusted total consolidated third-party debt as reported in the table under "Capitalization" and €2,289 million of fleet-related off-balance sheet commitments, comprising debt equivalent of fleet operating leases of €2,028 million for Europcar as of June 30, 2017, €96 million for Goldcar as of June 30, 2017 and an estimated €165 million for Buchbinder, such estimate being based on total number of cars and total number of cars under operating leases, in each case as of December 31, 2016), minus Pro Forma as Adjusted cash and cash equivalents and short term investments as they appear in the table under "Capitalization."

For a reconciliation of Pro Forma Adjusted Corporate EBITDA and Pro Forma Adjusted Consolidated EBITDA to Pro Forma current operating income, see "Summary Unaudited Pro Forma Condensed Consolidated Financial Information—Unaudited Other Information on a Pro Forma Basis."

In the event that the Goldcar Acquisition fails to close and a Special Mandatory Redemption occurs, then only €200 million principal amount of the Notes will be outstanding immediately following the completion of such redemption. As of June 30, 2017 on a pro forma basis, after giving effect to the Buchbinder Acquisition, the issuance of the Notes and the occurrence of the Special Mandatory Redemption, the ratios of Pro Forma Net Corporate Debt to Pro Forma Adjusted Corporate EBITDA and Pro Forma Net Total Debt (including fleet-related off-balance sheet commitment) to Pro Forma Adjusted Consolidated EBITDA would have been lower than 1.0 to 1.0 and 5.75 to 1.0, respectively.

Summary Unaudited Pro Forma Condensed Consolidated Financial Information

The following tables set forth Unaudited Pro Forma Condensed Consolidated Financial Information, prepared to give effect to the Pro Forma Transactions as if they had occurred on January 1, 2016 (for income statement purposes) and June 30, 2017 (for the statement of financial position purposes).

The Unaudited Pro Forma Condensed Consolidated Financial Information has been prepared for illustrative purposes only and does not purport to represent what our actual results of operations would have been if the Pro Forma Transactions had occurred on those dates, nor does it purport to be indicative of our future results of operations or financial condition. The Unaudited Pro Forma Condensed Consolidated Financial Information set forth in this Offering Memorandum is based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual amounts that would have been achieved had the events above occurred on January 1, 2016 (for income statement purposes) and July 1, 2017 (for statement of financial position purposes). See "Unaudited Pro Forma Condensed Consolidated Financial Information."

The allocation of purchase price has not been carried out and, accordingly, the Unaudited Pro Forma Condensed Consolidated Financial Information does not give effect to any purchase price adjustments. The excess of the purchase price over the net assets acquired is reflected as goodwill. We expect our financial statements in future periods to reflect such purchase price adjustments and the related depreciation and amortization.

Unaudited Summary Consolidated Income Statement Data on a Pro Forma Basis

(in millions of €)	For the six months ended June 30, 2017				
	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Pro Forma Total
Revenue	1,027.8	200.9	1,228.6	–	1,228.6
Expenses					
Fleet holding costs	(264.0)	(73.5)	(337.5)	–	(337.5)
Fleet operating, rental and revenue related costs	(371.3)	(64.9)	(436.2)	(0.6)	(436.8)
Personnel costs	(191.2)	(41.9)	(233.1)	–	(233.1)
Network and head office overheads	(120.6)	(12.6)	(133.2)	–	(133.2)
Other income	3.9	2.9	6.8	–	6.8
Amortization, depreciation, and impairment expense	(14.2)	(2.0)	(16.3)	–	(16.3)
Recurring operating income	70.3	8.7	79.1	(0.6)	78.5
Other non-recurring expenses	(38.5)	(23.4)	(61.9)	4.3	(57.6)
Operating income	31.8	(14.7)	17.1	3.7	20.9
Net financing costs	(58.0)	(28.3)	(86.3)	(7.0)	(93.3)
Profit/(loss) before tax	(26.2)	(43.0)	(69.2)	(3.2)	(72.4)
Income tax	5.0	(1.4)	3.6	2.4	6.0
Share of profit/(loss) in associates	(5.8)	–	(5.8)	–	(5.8)
Net profit/(loss)	(27.0)	(44.3)	(71.3)	(0.8)	(72.2)
Net profit/(loss), share attributable to EGSA shareholders	(26.8)	(44.3)	(71.1)	(0.8)	(72.0)

For the year ended December 31, 2016					
(in millions of €)	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Pro Forma Total
Revenue	2,150.8	444.7	2,595.5	–	2,595.5
Expenses					
Fleet holding costs	(536.3)	(150.1)	(686.4)	–	(686.4)
Fleet operating, rental and revenue related costs	(753.3)	(122.0)	(875.3)	–	(875.3)
Personnel costs	(339.2)	(74.9)	(414.0)	–	(414.0)
Network and head office overheads	(215.9)	(22.2)	(238.1)	–	(238.1)
Other income	9.7	3.4	13.1	–	13.1
Amortization, depreciation, and impairment expense	(32.3)	(3.2)	(35.5)	–	(35.5)
Recurring operating income	283.5	75.7	359.2	–	359.2
Other non-recurring expenses	(20.7)	(3.4)	(24.2)	–	(24.2)
Operating income	262.8	72.3	335.0	–	335.0
Net financing costs	(121.1)	(33.4)	(154.5)	(13.0)	(167.5)
Profit/(loss) before tax	141.7	38.9	180.5	(13.0)	167.5
Income tax	(6.6)	(8.3)	(14.9)	7.3	(7.5)
Share of profit/(loss) in associates	(15.8)	–	(15.8)	–	(15.8)
Net profit/(loss)	119.3	30.6	149.9	(5.7)	144.2
Net profit/(loss), share attributable to EGSA shareholders	119.5	30.6	150.1	(5.7)	144.4

Unaudited Summary Consolidated Statement of Financial Position Data on a Pro Forma Basis

As of June 30, 2017					
(in millions of €)	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Pro Forma Total
Non-current assets	1,511.0	242.8	1,753.8	478.6	2,232.4
Current assets	3,962.3	915.6	4,877.9	(106.9)	4,771.0
<i>of which rental fleet recorded on the balance sheet</i>	2,384.3	755.3	3,139.6	–	3,139.6
<i>of which rental fleet related receivables</i>	746.6	41.5	788.0	–	788.0
<i>of which current financial assets</i> ..	48.0	3.6	51.5	–	51.5
<i>of which cash and cash equivalents</i>	213.5	48.4	261.9	(112.6)	149.4
Total assets	5,473.3	1,158.4	6,631.7	371.7	7,003.4
Non-current liabilities	1,293.2	4.1	1,297.3	617.7	1,915.0
<i>of which financial liabilities</i>	959.9	(0.7)	959.2	614.4	1,573.6
Current liabilities	3,426.9	898.0	4,324.9	23.9	4,348.7
<i>of which current portion of financial liabilities</i>	1,557.4	677.8	2,235.2	23.3	2,258.5
Total liabilities	4,720.1	902.1	5,622.1	641.6	6,263.8
Total equity and subordinated loan ...	753.3	256.3	1,009.6	(269.9)	739.7

Unaudited Other Information on a Pro Forma Basis

(in millions of €)	For the six months ended June 30, 2017				
	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Pro Forma Total
Current operating income	70.3	8.7	79.1	(0.6)	78.5
Reversal of estimated interest included in operating lease rents	21.4	0.6	22.0	–	22.0
Adjusted recurring operating income	91.8	9.3	101.1	(0.6)	100.5
Reversal of amortization, depreciation and impairment expense	14.2	2.0	16.3	–	16.3
Fleet financial costs	(28.2)	(9.0)	(37.3)	2.2	(35.0)
Estimated interest included in operating lease rents	(21.4)	(0.6)	(22.0)	–	(22.0)
Adjusted Corporate EBITDA	56.4	1.7	58.1	1.7	59.7
Reversal of fleet depreciation	92.5	45.1	137.5	–	137.5
Reversal of fleet operating lease rents	121.7	23.8	145.5	–	145.5
Reversal of fleet financial costs	28.2	9.0	37.3	(5.4)	31.9
Adjusted Consolidated EBITDA	298.7	79.7	378.4	(3.8)	374.6

(in millions of €)	For the year ended December 31, 2016				
	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Pro Forma Total
Current operating income	283.5	75.7	359.2	–	359.2
Reversal of estimated interest included in operating lease rents	47.5	1.3	48.8	–	48.8
Adjusted recurring operating income	331.0	77.0	408.0	–	408.0
Reversal of amortization, depreciation and impairment expense	32.3	3.2	35.5	–	35.5
Fleet financial costs	(62.0)	(19.4)	(81.4)	4.7	(76.6)
Estimated interest included in operating lease rents	(47.5)	(1.3)	(48.8)	–	(48.8)
Adjusted Corporate EBITDA	253.9	59.5	313.4	4.7	318.1
Reversal of fleet depreciation	181.9	82.0	263.9	–	263.9
Reversal of fleet operating lease rents	256.8	57.6	314.4	–	314.4
Reversal of fleet financial costs	62.0	19.4	81.4	(13.1)	68.3
Adjusted Consolidated EBITDA	754.5	218.5	973.0	(8.3)	964.7

Risk Factors

You should carefully consider the following risks, as well as the other information set forth in this Offering Memorandum before purchasing the Notes offered hereby. If any of the following risks occurs, our business, prospects, general results of operations or financial condition and our ability to make payment on the Notes could be materially adversely affected. The price of the Notes could decline due to any of these risks, and you may lose part or all of your investment. The risks set forth herein are not the only risks that we face. In addition to the risks described below, we may encounter unknown risks, or risks that we currently believe to be immaterial, which may also impair our business, prospects, general results of operations or financial condition. If any of the possible events described below were to occur, our business, financial condition and results of operations could be materially and adversely affected. If that happens, we and the SPV Issuer may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on our business prospects, general results of operations or financial condition. In addition, our past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. Unless the context requires otherwise, references in this section to “Europcar,” “we,” “us” and “our” are to Europcar Group and do not include the SPV Issuer.

This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum. See “Forward-Looking Statements” and Section 2 “Risk Factors” in Exhibit A to this Offering Memorandum.

You should read Section 2 “Risk Factors” in Exhibit A to this Offering Memorandum for further information on risks related to Europcar Group’s industry and markets, business, financial structure and profile, as well as regulatory and legal risks, legal and arbitration proceedings, financial risk and insurance and risk management.

Risks Related to the Acquisitions and the Group’s Acquisition Strategy

We may fail to integrate Goldcar and Buchbinder into our business, incur unexpected integration costs or may be unable to realize the synergies from such acquisitions once completed.

The success of the Goldcar Acquisition and the Buchbinder Acquisition (together, the “**Acquisitions**”) will depend on our ability to effectively and timely integrate Goldcar and Buchbinder into our business, to maintain their growth and operational performance and to establish effective partnerships with our Group. The success of the integration will depend, among other things, on our ability to retain the Goldcar and Buchbinder operating and management teams and their customers, and to effectively capitalize on their expertise to deliver the expected benefits of the combined businesses, in particular in the areas of operations and sales. In addition, the Acquisitions may generate higher than expected integration costs as a result of delays, or other financial and operational difficulties. Any difficulties encountered in the integration of Goldcar and Buchbinder could result in higher implementation costs and/or lower benefits or revenue than anticipated, which could have a material adverse effect on our business, financial condition and result of operations.

Further, we aim to achieve significant synergies from the Acquisitions, notably by enhancing certain corporate functions, improving the fleet management and achieving structural efficiency savings in the countries where Goldcar or Buchbinder, on the one hand, and Europcar, on the other hand, are already present, as further described under “Summary—The Acquisitions.” For example, in the case of the Goldcar Acquisition, we expect to generate close to €30 million of cost synergies per annum by 2020. We anticipate improving purchasing and buy-back conditions

with manufacturers and aligning fleet costs per unit per month with Europcar figures. We also expect a reduction of fleet financing costs following the integration of Goldcar into the Group's capital structure. The success of those efforts depends on a range of factors including the ability to coordinate our operations, our fleet management, technical and informational systems efficiently and in a timely manner. The estimated synergies from the Acquisitions are subject to a number of assumptions, including in relation to timing, execution and costs. Such assumptions are inherently uncertain and are subject to a wide variety of significant business, economic risks and uncertainties. There can be no assurance that such assumptions will prove to be correct. As a result, we may achieve a lower level of synergies than planned, and may not achieve those synergies in the expected timeframe. Failure to timely achieve the expected synergies could have a material adverse effect on our business, financial condition and results of operations, and may result in our impairing all or part of the goodwill that we will recorded in connection with the Acquisitions.

Certain of Goldcar's contracts contain change of control provisions, which may allow their counterparties to terminate the contract under circumstances such as the Goldcar Acquisition.

Certain of Goldcar's contracts contain "change of control" provisions that require Goldcar to notify the counterparty of any change of control prior to the completion of the Goldcar Acquisition. In some cases, such contracts allow the counterparty to terminate the contract in the event of a change of control. Goldcar may not be able to notify all of the counterparties that are contractually required to be notified prior to the completion date of the Goldcar Acquisition, and Goldcar may not be able to seek a formal consent from every counterparty that might have a termination right under a change of control provision. In particular, as Goldcar is party to certain existing finance agreements containing change of control provisions, completion of the Goldcar Acquisition will or may enable the relevant lenders to accelerate certain existing finance agreements and request immediate repayment of the outstanding amounts thereunder. Since the Goldcar Acquisition was announced, Goldcar has not received any formal notice or inquiry from any counterparty regarding a termination right arising from a change of control. Nevertheless, there can be no assurance that counterparties will not seek to exercise termination rights at a future date.

In the event that counterparties seek to terminate their contracts following the Goldcar Acquisition, the Group may be required to enter into new contracts. There is no assurance that the Group would be able to secure replacement contracts, or that the Group may be able to secure replacement contracts on favorable terms. Any of these events could have a material adverse effect on Goldcar's business, financial condition and results of operations.

Completion of the Acquisitions could result in the termination of directorship positions or employment contracts of certain key executives or key employees of Goldcar and Buchbinder.

Certain key executives and other key employees of Goldcar and Buchbinder and their respective subsidiaries may unilaterally terminate their directorship positions or their employment contracts as a result of the Acquisitions. If members of Goldcar or Buchbinder's senior management depart, the Group may not be able to find suitable replacements in a timely manner, or at all, and their business may be disrupted. If any key executives depart to join competitors, we may lose know-how and customers. Further, such departures could give rise to the payment of indemnities, severance payments and other claims, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Pro Forma financial information may not be representative of Goldcar's and Buchbinder's future performance as part of the Group.

In preparing the Pro Forma financial information included in this Offering Memorandum, we made adjustments to historical financial information based upon currently available information

and upon assumptions that our management believes are reasonable in order to reflect, on a Pro Forma basis, the impact of the Pro Forma Transactions. Certain Goldcar and Buchbinder data presented in this Offering Memorandum has been adjusted to reflect the application of IFRS accounting standards, as such standards are applied by EGSA, using assumptions that EGSA's management believes to be reasonable. The Pro Forma financial information was also prepared based on the assumption that a Special Mandatory Redemption (as defined below) in respect of the Notes would not occur. See "*Unaudited Pro Forma Condensed Consolidated Financial Information*" for a description of the adjustments and assumptions made in the preparation of such Pro Forma financial information. The estimates and assumptions used in the calculation of the Pro Forma financial information in this Offering Memorandum may materially differ from actual calculations. Accordingly, the Pro Forma financial information included in this Offering Memorandum is illustrative only and does not purport to indicate the results that would have actually been achieved had the Pro Forma Transactions been completed on the assumed dates or for the periods presented, or which may be realized in the future, nor does the Pro Forma financial information give effect to any events other than those discussed in the Unaudited Pro Forma Condensed Consolidated Financial Information and the related notes.

The closing of the Goldcar Acquisition is subject to significant uncertainties and risks and failure to complete the Goldcar Acquisition would require us to redeem a portion of the Notes, as a result of which you may not receive the return you expect on the Notes.

The closing of the Goldcar Acquisition is subject to the satisfaction of customary closing conditions under the Goldcar Share Purchase Agreement, including a merger control express or implied clearance of the Goldcar Acquisition by the European Commission, within 110 business days of June 16, 2017, the date the Goldcar Share Purchase Agreement was signed, or such other date as may be agreed by Luxco III and EGSA (the "**Longstop Date**"). In the event the European Commission merger control clearance condition precedent is not satisfied or waived by the relevant party on or before the Longstop Date for reasons out of the control of the parties to the Goldcar Share Purchase Agreement, the Longstop Date will be extended by an additional 105 business day-period. If such clearance has not been obtained and this condition precedent has not been satisfied on or prior to the initial or extended Longstop Date, as applicable, either Luxco III or EGSA may terminate the Goldcar Share Purchase Agreement.

As part of obtaining the merger control clearance by the European Commission with respect to the Goldcar Acquisition, we may be forced to divest or reduce the scope of our or Goldcar's assets. Such divestitures could result in delays or in losses and write-downs of goodwill and other intangible assets, and could cause us to retain or incur legal liabilities related to the divested business with respect to employees, customers, suppliers, subcontractors, public authorities or other parties. Any of these events could materially adversely affect our business, results of operations and financial condition. The Pro Forma financial information included in this Offering Memorandum does not take into account the effect of any potential divestitures, whether with respect to the impact of reduction in operations or proceeds from sales.

Concurrently with the closing of the Offering of the Notes on the Issue Date, the SPV Issuer and EGSA will enter into an Escrow Agreement with the Trustee and the Escrow Agent pursuant to which the Initial Purchasers will deposit the Escrow Amount into the Escrow Account, which will not be released until the date that certain conditions, including the closing of the Goldcar Acquisition, are satisfied. If the conditions to the release of the proceeds from the Escrow Account have not been satisfied on or prior to the Escrow Longstop Date, which is March 31, 2018, or if certain other events occur, the SPV Issuer will be required to redeem (the "**Special Mandatory Redemption**") a portion of the Notes not later than five business days after such date, in an aggregate principal amount of €400 million, at a price equal to the Escrow Amount, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

In addition to causing a Special Mandatory Redemption of a portion of the Notes, in the event that European Commission merger control clearance is not obtained for the Goldcar Acquisition

prior to March 31, 2018, EGSA will not be able to draw funds under the Bridge Facilities Agreement, without the prior written consent of all the lenders thereunder, which will terminate automatically unless EGSA is able to secure the unanimous prior consent of the lenders thereunder. As a result, the Goldcar Acquisition may not occur in a timely manner or at all, despite the Longstop Date under the Goldcar Share Purchase Agreement being later than the March 31, 2018 deadline under the Bridge Facilities Agreement and the Escrow Longstop Date.

As a result of any of these events, or any other event or condition that prevents consummation of the Goldcar Acquisition by March 31, 2018, you may not obtain the return you expect to receive on an investment in the Notes.

EGSA does not currently control Goldcar and will not control Goldcar until completion of the Goldcar Acquisition.

Goldcar is currently controlled by the Goldcar sellers. EGSA will not obtain control of Goldcar until the completion of the Goldcar Acquisition. We cannot assure you that the Goldcar sellers will operate the business of Goldcar during the interim period in the same way that we would or in accordance with the Goldcar Share Purchase Agreement. Furthermore, the Goldcar Acquisition itself has required, and will likely continue to require, substantial time and focus from Goldcar's management, which could adversely affect their ability to operate the business. Likewise, other employees may be uncomfortable with the Goldcar Acquisition or feel otherwise affected by it, which could have an impact on work quality and retention.

In addition, prior to the completion date of the Goldcar Acquisition, Goldcar will not be subject to the covenants described in "*Description of the Notes*" included in the Indenture. As such, we cannot assure you that, prior to such date, Goldcar will not take an action that would otherwise have been prohibited by the Indenture had such covenants been applicable.

Goldcar or Buchbinder may have liabilities unknown to us. The indemnities we have negotiated in the Goldcar Share Purchase Agreement and the Buchbinder Share Purchase Agreement may not adequately protect us and we may not be able to enforce claims with respect to the representations and warranties that the sellers have provided to us.

As part of the Acquisitions, we will assume certain liabilities of Goldcar and Buchbinder. There may be liabilities that we failed or were unable to discover in the course of performing customary due diligence investigations into Goldcar and Buchbinder and such liabilities may not be covered by the Goldcar Share Purchase Agreement or the Buchbinder Share Purchase Agreement, as applicable. Any unidentified or unanticipated liabilities, individually or in the aggregate, could hinder the integration of Goldcar and Buchbinder and have a material adverse effect on our business, financial condition and results of operations.

In connection with the Goldcar Acquisition, the Goldcar sellers have given certain limited customary warranties and undertakings. There can be no assurance that we will be able to enforce any claims against the Goldcar sellers relating to breaches of such undertakings and warranties. The Goldcar sellers' liability with respect to breaches of their undertakings and warranties under the Goldcar Share Purchase Agreement is limited and there can be no assurance that such limited liability, to the extent enforced, will be adequate to cover any losses or damages resulting from the Goldcar sellers' breach of their undertakings and warranties under the Goldcar Share Purchase Agreement. Moreover, even if we ultimately succeed in recovering any amounts from the Goldcar sellers, we may temporarily be required to bear these losses ourselves.

Risks Relating to the Notes and the Structure

If the conditions to the escrow release are not satisfied by the Escrow Longstop Date, the SPV Issuer will be required to redeem the Escrow Amount, which means that you may not obtain the return you expect on the Notes.

An amount of €400 million of the gross proceeds from this Offering will be held in escrow pending satisfaction of certain conditions precedent, including the completion of the Goldcar Acquisition which is also conditional upon the satisfaction of certain conditions precedent, some of which are outside of our control.

Upon delivery to the Escrow Agent of an officer's certificate stating that the escrow release conditions are satisfied, the escrowed funds will be released to EGSA. If any of the foregoing escrow release conditions are not satisfied on or prior to the Escrow Longstop Date, the escrowed funds will not be released to EGSA, a Special Mandatory Redemption will occur and the SPV Issuer will be required to redeem a portion of the Notes. There can be no assurance that the escrowed funds will be released to EGSA. See "Use of Proceeds" and "Description of the Notes—Escrow of Proceeds, Proceeds Loan and Special Mandatory Redemption."

Prior to the Completion Date, the escrowed funds will be held in the Escrow Account in the name of the SPV Issuer but controlled by and pledged on a first-ranking basis in favor of the Trustee for the benefit of the holders of the Notes. The SPV Issuer will be required to redeem a portion of the Notes, in an aggregate principal amount of €400 million, at a price equal to the Escrow Amount, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, if the above-mentioned escrow release conditions, including the completion of the Goldcar Acquisition, have not been satisfied on or prior to the Escrow Longstop Date or certain other events have occurred. As a result, only €200 million principal amount of Notes will remain outstanding, which means you may not obtain the return you expect on the Notes.

The Notes are structurally subordinated to the debt and liabilities of our subsidiaries.

The Notes will not be guaranteed by any of our subsidiaries. Therefore, the rights of holders of the Notes are structurally subordinated to those of the creditors of our subsidiaries. Generally, claims of creditors of a subsidiary, including trade creditors, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent company. In the event of bankruptcy or insolvency, holders of the Notes may receive less, ratably, than holders of debt of subsidiaries and other liabilities. At June 30, 2017, on a Pro Forma As Adjusted basis, we and our subsidiaries and consolidated special purpose entities would have total consolidated third party debt of €3,780.9 million including borrowings of consolidated special purpose entities (excluding estimated debt equivalent of fleet operating leases off-balance sheet). The Group would also have had €2,288.8 million in estimated debt equivalent of fleet operating leases off-balance sheet. At June 30, 2017, on a Pro Forma As Adjusted basis, our subsidiaries (including consolidated special purpose entities but excluding ECI) would have had total outstanding borrowings of €2,580.9 million (excluding estimated debt equivalent of fleet operating leases off-balance sheet) and €2,288.8 million in estimated debt equivalent of fleet operating leases off-balance sheet.

You may not be able to recover amounts due under the Notes due to the effective subordination of the Notes to the claims of our secured lenders.

The Notes will be effectively subordinated to any existing and future secured indebtedness we may incur to the extent of the value of the assets securing such indebtedness. As a result, upon any distribution to our creditors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or our property, the holders of our secured debt will be entitled to be paid, to the extent of the value of the property and assets pledged in their favor, before any payment may be made on the Notes.

In particular, the Senior Revolving Credit Facility is secured by a first ranking pledge of the shares of ECI and the shares of certain direct and indirect subsidiaries of ECI (Europcar Holding SAS, Europcar France, Europcar Spain and Europcar International S.A.S.U. und CO OHG, Europcar Italia, Europcar UK Limited and Europcar Autovermietung GmbH),

The Notes will have the benefit of a second ranking pledge of the shares of ECI owned by EGSA. Otherwise, the Notes will be unsecured and therefore do not, or will not, have the benefit of collateral. Accordingly, if an event of default occurs under the Senior Revolving Credit Facility, the senior secured lenders will have a prior right to the shares of ECI owned by EGSA, and a right, to the exclusion of the holders of the Notes, to such other assets as are pledged to the lenders under the Senior Revolving Credit Facility and not to such holders. In such event, assets securing the Senior Revolving Credit Facility (or future senior secured indebtedness) would first be used to repay in full all such indebtedness, resulting in all or a portion of our assets being unavailable to satisfy the claims of holders of the Notes and other indebtedness.

We are a holding company with no operations.

We are a holding company with limited business operations and assets other than the capital stock of our subsidiaries and the brand for long term vehicle rentals (Europcar Lease), together with the capital stock of those subsidiaries through which we have acquired Buchbinder and intend to acquire Goldcar (See “*Corporate Structure and Financing Arrangements*”). Consequently, we are dependent on dividends and other payments from our subsidiaries to make payments of principal and interest on the Notes. Holders of the Notes have no direct claim on the cash flows of our subsidiaries and our operating subsidiaries have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available to us for these payments, whether by dividend, distribution, loan or other payments. The ability of our subsidiaries to make dividends and other payments to us will depend on their cash flows and earnings which, in turn, will be affected by economic, commercial, contractual, legal and regulatory considerations and other factors discussed in these Risk Factors. Any potential decrease in profits, or potential failure by our subsidiaries to make payments to other Group subsidiaries or to us could have a material adverse effect on our ability to meet our obligations under the Notes.

Contractual and other restrictions limit the ability of our subsidiaries to make dividends or loans or other advances to us necessary for us to make payment on the Notes.

The payment of dividends and the making of loans and advances to us by our subsidiaries are subject to various restrictions. The Senior Revolving Credit Facility and the indenture for the EC Finance Notes, or other existing or future agreements governing the debt of ECI or our other subsidiaries, may prohibit or restrict the payment of dividends or the making of loans or advances to us.

In addition, the ability of our subsidiaries to make payments, loans or advances to EGSA may be limited by:

- restrictions under applicable company or corporate law that restrict or prohibit companies from paying dividends unless such payments are made out of profits available for distribution;
- restrictions under the laws of certain jurisdictions that can make it unlawful for a company to provide financial assistance in connection with the acquisition of its shares or the shares of any of its holding companies; and
- statutory or other legal obligations that affect the ability of our subsidiaries to make payments on account of intercompany loans.

If we are not able to obtain sufficient funds from our subsidiaries, we may not be able to make payments on the Notes. See *"Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Considerations."*

If our subsidiaries default on their obligations to pay their indebtedness, we may not be able to make principal payments on the Notes.

If our subsidiaries are unable to generate sufficient cash flows and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on their indebtedness, or if they otherwise fail to comply with the various covenants, including financial and operating covenants, in their debt instruments, we or such subsidiaries could be in default under the terms of such debt instruments. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, or the lenders under the Senior Revolving Credit Facility could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or insolvency proceedings. Any of the foregoing could prevent us from paying principal on the Notes and substantially decrease the market value of the Notes.

Holders of the Notes have limited recourse to the SPV Issuer.

The obligations of the SPV Issuer under the Indenture and the Notes will be limited as set forth in the Indenture. The holders of the Notes will have the full and unconditional right to claim against the SPV Issuer for all amounts due and payable under the Notes, but only to the extent of the amount of funds in the Escrow Account and the assigned rights in the Proceeds Loan.

Each Holder will be deemed to agree that its rights against the SPV Issuer under the Indenture and the Notes will be limited to the extent that it will not take any action or proceedings against the SPV Issuer to recover any amounts due and payable by the SPV Issuer to it under the Indenture or the Notes except as expressly permitted by the provisions of the Indenture and the Notes. Each Holder will further be deemed to agree that it will not, and will not request that the Trustee on its behalf, petition a court for, or take any other action or commence any proceedings for, the liquidation or winding-up of the SPV Issuer or any other bankruptcy or insolvency proceedings or appoint any liquidator, receiver, administrator or other insolvency practitioner with respect to the SPV Issuer or any of its assets whether under Irish law or other applicable bankruptcy laws; *provided* that each Holder will have the full and unconditional right to claim against the SPV Issuer for all amounts due and payable under the Notes and the Indenture, but only to the extent of the amount of funds in the Escrow Account and the assigned rights in the Proceeds Loan.

To the extent that the amount of funds in the Escrow Account and the assigned amount in the Proceeds Loan (as applicable) is not sufficient to meet all amounts payable by the SPV Issuer under the Notes and the Indenture (such deficiency being referred to as a **"shortfall"**), the obligations of the SPV Issuer in respect of the Notes and the Indenture to the holders of the Notes will be limited to such amount, which shall be applied in accordance with the Indenture and the Escrow Agreement. In such circumstances the SPV Issuer will not be obligated to pay such shortfall, the rights of the holders of the Notes to receive any further amounts in respect of such obligations shall be extinguished and shall not thereafter revive and none of the holders of the Notes may take any further action to recover such amounts against the SPV Issuer.

In addition, none of the holders of the Notes will have any recourse against any director, shareholders or officer of the SPV Issuer in respect of any obligations, covenant or agreement entered into or made by the SPV Issuer pursuant to the terms of the Notes, the Indenture or any other document relating to the Notes to which the SPV Issuer is a party or any notice or documents which it is requested to deliver thereunder.

Relevant insolvency laws in France and Ireland may provide you with less protection than U.S. bankruptcy law.

We are incorporated under the laws of France and, upon assumption of the Notes by EGSA on the Completion Date, will have the benefit of a second-ranking pledge over the financial securities account to which are credited the shares of ECI, which is also organized under the laws of France. Therefore, any insolvency proceedings by or against us would likely be based on French insolvency laws. The SPV Issuer is incorporated in Ireland, which means that any insolvency proceedings by or against it would likely be based on Irish insolvency laws. See "*Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Considerations*" for a description of the insolvency laws in France and Ireland which could limit the enforceability of the Notes and the share pledge of the ECI shares.

Under certain circumstances in the future, however, one or more Restricted Subsidiaries incorporated in other jurisdictions may guarantee the Notes. In addition, the Indenture and our other debt instruments allow us, in certain circumstances, to be succeeded by an issuer that is organized in another jurisdiction. In the event of bankruptcy, insolvency, administration or similar event, proceedings could be initiated in any such other jurisdictions. Your rights under the Notes and the second-ranking pledge of shares of ECI could therefore be subject to insolvency and administrative laws of several jurisdictions, and there can be no assurance that you will be able to effectively enforce your rights in such complex proceedings.

The insolvency, administration and other laws of the jurisdiction of organization of EGSA, or any successor issuer or any future guarantors may be materially different from, or conflict with, each other and with the laws of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest, the duration of proceeding and preference periods. The application of these laws, and any conflict between them, could call into question whether, and to what extent, the laws of any particular jurisdiction should apply, adversely affecting your ability to enforce your rights under the second-ranking pledge of shares of ECI in these jurisdictions or limiting any amounts that you may receive. See "*Limitations on Validity and Enforceability of the Security Interests*" and "*Certain Insolvency Considerations*."

We may not have the ability to raise the funds necessary to finance an offer to repurchase Notes upon the occurrence of certain events constituting a change of control as required by the Indenture.

Upon the occurrence of certain events constituting a change of control, we will be required to make an offer for cash to repurchase all of the Notes at a price equal to 101% of their principal amount plus any accrued and unpaid interest and additional amounts in respect of taxes, if any. If a change of control occurs, no assurance can be given that EGSA will have sufficient funds to pay the purchase price for the Notes, given that it is a holding company. A change of control could trigger mandatory prepayment or an event of default under the Notes, the Senior Revolving Credit Facility, the Bridge Facilities Agreement or other indebtedness. The repurchase of the Notes pursuant to such a change of control offer could cause a default under such indebtedness, even if the change of control itself does not. Our ability to receive cash from our subsidiaries to enable us to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by their then existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. In addition, we expect that we would require third party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we would be able to obtain such financing. Any failure on our part to offer to repurchase Notes would constitute an event of default under the Indenture, which would in turn constitute a default under the Senior Revolving Credit Facility, the EC Finance Notes, the Senior Asset Revolving Facility, the Bridge Facilities Agreement and certain other indebtedness. In that event, we would be required to repay all senior debt before we could repurchase the Notes. See "*Description of the Notes—Events of Default*," and "*Description of the Notes—Change of Control*."

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a “Change of Control” as defined in the Indenture. Except as described under *“Description of the Notes—Change of Control,”* the Indenture does not contain provisions that would require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of “Change of Control” in the Indenture includes a disposition of all or substantially all of the assets of EGSA and its restricted subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of EGSA and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a “Change of Control” has occurred and whether EGSA is required to make an offer to repurchase the Notes.

The interests of the Equity Investors may be inconsistent with the interests of holders of our Notes.

The Equity Investors are our biggest shareholders. See Section 6.4 *“Main Shareholders of the Company”* in Exhibit A to this Offering Memorandum. Consequently, the Equity Investors may continue to indirectly control our policies and operations and their interests could conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. The Equity Investors could also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to you as a holder of the Notes.

Additionally, our principal shareholder, Eurazeo, is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Eurazeo may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.

Certain considerations relating to book-entry interests.

Unless and until Notes in definitive registered form, or definitive registered notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of the Notes. The Common Depositary for Euroclear and Clearstream (or its nominee) will be the sole holder of the global notes. After payment to the Common Depositary or the custodian (as the case may be), we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and, if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights of a holder under the Indenture. See *“Book-Entry, Delivery and Form.”*

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon EGSA’s solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any request actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream. We cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to insure the timely exercise of rights under the Notes. See *"Book-Entry, Delivery and Form."*

You may face foreign exchange risks by investing in the Notes.

The Notes are denominated and payable in euro. If you measure your investment returns by reference to another currency, an investment in the Notes entails foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to your reference currency. Such currency fluctuations could result from economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the euro against your reference currency could cause a decrease in your effective yield from the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into your reference currency. There may also be tax consequences for you as a result of any foreign exchange gains or losses resulting from investment in the Notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the Notes.

You may be unable to enforce judgments obtained in U.S. courts against EGSA.

A majority of the directors and executive officers of EGSA are non-residents of the United States and substantially all of our assets and the assets of their directors and officers are located outside of the United States. As a consequence, you may not be able to effect service of process on these non-U.S. resident directors and officers in the United States or to enforce judgments against them outside of the United States, including judgments of U.S. courts predicated upon the civil liability provisions of the U.S. federal and state securities laws. There is also uncertainty about the enforceability in the courts of certain jurisdictions of judgments against us or the SPV Issuer obtained in the United States. Please see the section entitled *"Enforceability of Judgments."*

Transfers of the Notes will be restricted.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or other jurisdiction and, unless so registered, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities laws. See *"Transfer Restrictions."* We have not agreed or otherwise undertaken to register the Notes with the SEC, and neither we nor the Issuer have any intention to do so.

There may not be an active trading market for the Notes.

The Initial Purchasers have informed us that they currently intend to make a market in the Notes. However, they are not obligated to do so and they may discontinue market-making at any time. As a result, no assurance can be given that a market will develop. In addition, such market-making activity will be subject to limitations imposed by the Securities Act and other applicable laws and regulations. As a result, there may not be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

Although an application has been made for the Notes to be listed on the Official List and admitted for trading on the Euro MTF Market, no assurance can be given that the Notes will become, or will remain, listed. Although no assurance is made as to the liquidity of the Notes as a

result of the admission for trading on the Euro MTF Market, failure of the Notes to be approved for listing may have a material effect on a holder's ability to re-sell the Notes in the secondary market.

An EU financial transaction tax proposal could apply to certain dealings in the Notes.

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**EU FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). On December 8, 2015, Estonia indicated that it would no longer be a Participating Member State.

The Commission's Proposal has very broad scope and, if introduced in its current form, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the EU FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party to the transaction is established or deemed established in a Participating Member State and that there is a financial institution established or deemed established in a Participating Member State which is party to the transaction, acting either for its own account or for the account of another person, or acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The Commission's Proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw. If the Commission's Proposal or any similar tax were adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective investors should consult their own tax advisers in relation to the consequences of the EU FTT associated with purchasing and disposing of the Notes.

Risks Relating to the Security

The security interests over the shares of ECI will be subject to certain defenses that may adversely affect their validity and enforceability.

Enforcement of the security interests over the shares of ECI will be subject to certain generally available defenses or, in some cases, to limitations contained in the terms of the pledge designed to ensure full compliance with applicable statutory requirements. These defenses may include those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these defenses are applicable, the security interests over the shares of ECI may be void or may not be enforceable.

We, as the grantor of the security interests over the shares of ECI, are organized under the laws of France. Under French fraudulent conveyance and other laws, a court or, for example, an insolvency administrator or a liquidator, could subordinate, void or otherwise declare unenforceable against third parties any security interest in the collateral and, if payment had already been made under the relevant security interest, require that the recipient return the

payment to the relevant grantor if such court, insolvency administrator or liquidator found that, among other things:

- the relevant security interest was granted with actual intent to give preference to one creditor over another or hinder, delay or defraud creditors or shareholders of the grantor, or the beneficiary was aware that the grantor was insolvent when it granted the relevant security interest;
- (i) the relevant security interest is prejudicial to the interests of the other creditors and (ii) the grantor and the beneficiary of such security interest were aware of or should have been aware of the fact that the granting of such security interests would defraud the other creditors (*i.e.*, where the granting of such security interest was for no consideration, in which case the fraudulent intent of the beneficiary need not be proven) (see "*Limitations on Validity and Enforceability of Security Interests and Certain Insolvency Considerations—Limitation on enforcement of security interests—Fraudulent conveyance in France*";
- the relevant security interest was granted before the commencement of judicial reorganization proceedings and may fall within the so-called hardening period (*période suspecte*) (see "*Limitations on Validity and Enforceability of Security Interests—The “suspect period” (période suspecte) in judicial reorganization and liquidation proceedings and Certain Insolvency Considerations*");
- the grantor did not receive fair consideration or reasonably equivalent value for the relevant security interest and the grantor: (i) was insolvent at the time of the grant or rendered insolvent because of such security interest; (ii) was undercapitalized or became undercapitalized at the time of the grant because of such security interest; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the relevant security interest was held to exceed the corporate objects of the grantor or not to be in the best interests or for the corporate benefit of the grantor; or
- the amount paid or payable under the relevant security interests was in excess of the maximum amount permitted under applicable law.

Under French law, a company will generally be deemed to be insolvent (*en état de cessation de paiements*) when it is unable to pay its debts as and when they fall due with its available assets, taking into account available credit lines, existing rescheduling agreements and debt moratoria. See "*Limitations on Validity and Enforceability of Security Interests—Insolvency test and Certain Insolvency Considerations.*"

In addition, it is possible that the grantor of the security interests, or a creditor thereof, or the bankruptcy trustee or (preliminary) insolvency administrator in the case of a bankruptcy of the grantor of the security interests, may contest the validity and enforceability of the relevant security interest on any of the above grounds and that the applicable court may determine that any such security interest should be limited or voided. As a result, the grantor's liability under its security interests could be materially reduced or eliminated. To the extent that the security interest over the shares of ECI is found to be unenforceable, the Notes would become unsecured obligations of EGSA and be effectively subordinated to all secured liabilities of EGSA, to the extent of the value of the property and assets securing such other indebtedness. For more information about defenses to enforcement proceedings relating to security interests over the shares of ECI in France. See "*Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Considerations.*"

Your security over the shares of ECI ranks behind the security over those shares benefitting the lenders under the Senior Revolving Credit Facility and ranks equally with such security benefitting the holders of the Existing Parent Notes, so your ability to recover in the event of an enforcement on such security interest will be limited

EGSA will enter into a statement of pledge (*déclaration de nantissement de compte de titres financiers*) with respect to the Notes, pursuant to which all the shares of ECI held directly by EGSA will be pledged to the Security Agent on a second ranking basis. This share pledge agreement secures the Parallel Debt (as defined below). The Senior Revolving Credit Facility (and any refinancing thereof) is secured by a first ranking pledge of the shares of ECI, ranking senior to the pledge of such shares securing the Notes. Furthermore, the Existing Parent Notes are secured by a second ranking pledge of the shares of ECI, ranking equally with the pledge of such shares securing the Notes. Consequently, you may not be able to recover on such security interest because the senior lenders under the Senior Revolving Credit Facility will have a prior claim on all proceeds realized from any enforcement of such security interest and the holders of trustee under, and the holders of, the Existing Parent Notes will have a junior claim that ranks equally with your claim on any remaining enforcement proceeds following satisfaction of the claims of such senior lenders.

Your right to take enforcement action with respect to the liens securing the Notes is limited.

The Intercreditor Agreement contains certain provisions restricting the rights of holders of the Notes to take enforcement action with respect to the security in certain circumstances. These provisions provide that, until the expiration of a 179-day standstill period and for so long as any amounts under the Senior Revolving Credit Facility remain outstanding, the Trustee may not force a sale of any of the collateral for the Notes, otherwise independently pursue the remedies of a secured creditor under the security documents relating to such collateral or take any other enforcement action. In addition, the second-ranking interest in the collateral securing the Notes and the first-ranking interest in the collateral securing our indebtedness under the Senior Revolving Credit Facility will have to be enforced, by the Security Agent acting as common security agent with respect to the first- and second-ranking security interests in the collateral. The Intercreditor Agreement provides that the Security Agent will act with respect to the shared collateral only at the direction of the instructing group (i.e. the majority first lien creditors) under the Senior Revolving Credit Facility, so that such agent will have (subject to certain limited exceptions) the exclusive right to make all decisions with respect to the enforcement of remedies relating to the shared collateral. By accepting a Note, you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse against us in the event of a default. See “*Description of Certain Europcar Financing Arrangements and Acquisition Financing—Certain Corporate Financing Arrangements—The Intercreditor Agreement.*”

Your rights in the security interests over the shares of ECI may be adversely affected by the failure to perfect such security interests.

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The pledge of the shares of ECI securing the Notes may not be perfected with respect to the claims of the Notes if the beneficiaries (or their representatives) fail or are unable to take the actions that are required to perfect such pledge.

Under French law, a pledge over a financial securities account (*nantissement de compte de titres financiers*) (i) will be valid once a statement of pledge (*déclaration de nantissement de compte de titres financiers*) has been executed by the relevant pledgor in favor of the relevant beneficiaries (i.e., the Security Agent as beneficiary of the Parallel Debt) and (ii) will have to be registered in the relevant shareholder's account (*compte d'actionnaire*) and shares registry

(*registre des mouvements de titres*) held by the relevant securities account holder. In France, no lien searches are available for such types of unregistered security interests, with the result that no assurance can be given on the priority of a security interest as there is no public register for it.

Security interests over the shares of ECI will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the security interests over the shares of ECI may be restricted by local law and other procedural constraints.

The security interests over the shares of ECI that will secure the obligations of EGSA under the Notes are not granted directly to the holders of the Notes but will be granted only in favor of the Security Agent, as parallel debt creditor (the “**Parallel Debt Creditor**”) and beneficiary of parallel debt obligations (the “**Parallel Debt**”). The Indenture provides that only the Security Agent has the right to enforce such security documents under which the security interests over the shares of ECI have been or will be created. As a consequence, holders of the Notes will not have direct security interests over the shares of ECI and will not be entitled to take enforcement action in respect of the securities account on which are credited the shares of ECI, except through the Trustee, who will provide instructions (subject to the provisions of the Indenture) to the Security Agent.

This parallel debt structure is used in jurisdictions where legal requirements relating to the creation and ongoing valid existence of security interests are linked with the original secured claims and where certain actions under the debt documents may cause invalidity of the security interests over the shares of ECI under local law. The Parallel Debt is in the same amount and payable at the same time as the obligations of EGSA under the Notes, and any payment in respect of the principal obligations will discharge the corresponding Parallel Debt obligations and any payment in respect of the Parallel Debt will discharge the corresponding principal obligations.

None of the parallel debt structures have been generally recognized by French courts. There is only one published decision of the French Supreme Court (*Cour de cassation*) on parallel debt mechanisms (Cass. com. September 13, 2011 number 10-25533 Belvedere). The decision, rendered in the context of safeguard proceedings opened in France, held that, subject to certain conditions being met, the concept of parallel debt governed by the laws of the State of New York was not incompatible with the French law concept of international public policy (*ordre public international*). This decision cannot be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a parallel debt obligation and no assurance can be given that such a structure will be effective in all cases before French courts. To the extent that the security interests over the shares of ECI created under the parallel debt structure are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the security interests over the shares of ECI. Furthermore, holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent.

The grant of security interests over the shares of ECI in favor of the Security Agent may be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant.

Finally, the security interests over the shares of ECI will be subject to practical problems generally associated with the enforcement of security interests in collateral. For example, we cannot assure you that the consents of any third parties (where required) will be given when required to facilitate a foreclosure on such assets.

French law may adversely affect the validity and enforceability of the second ranking share pledge.

The lower ranking pledge over the financial securities account (*nantissement de compte de titres financiers*) to which are credited the shares of ECI held by EGSA in favor of the Security Agent under the Parallel Debt is governed by French law. Although there is no express prohibition under French law on granting a second or lower ranking pledge over a financial securities account in which the shares of a French company are registered, some legal commentators have queried whether a second ranking share pledge is legally permissible to the extent that a pledge over a securities account is deemed, under French law, to remove the financial securities account from the possession of the grantor, thereby preventing such grantor from granting a further, lower pledge thereon.

In order to create the lower ranking pledge over the financial securities account to which are credited the shares of ECI owned by EGSA in favor of the Security Agent for the benefit of the Trustee and the holders of the Notes, the possession of the securities account has been transferred to the custody of an agreed third party (*entiercement*), thereby satisfying the legal requirement of possession of the pledged asset by or on behalf of the secured creditors. Although there is no case law on the matter, the majority of legal academics and practitioners are of the opinion that creation of second or lower ranking pledges over a financial securities account through such form of *entiercement* is valid, provided that the first or higher ranking pledgees agree to such creation of a lower ranking pledge and that the account holder has accepted its appointment as third party holder and holds the pledged securities credited to the pledged account as custodian for the benefit of all such pledgees. No assurance can be given, however, that a court would concur with such beliefs and positions.

The second ranking share pledge may be declared null and void in case of insolvency of EGSA.

We may seek to secure new indebtedness over our shares in ECI where such indebtedness and security interest are permitted by the Indenture. If we are raising new indebtedness, in certain circumstances the Security Agent is authorized by the Trustee to release the second and lower ranking pledges in connection with the granting of a new security interest in the shares of ECI to secure such additional indebtedness, which may rank senior to or equally with the Notes. Following any such release, the second ranking pledge in favor of the Security Agent and benefiting to the Trustee and the holders of the Notes would be retaken, thereby potentially resulting in the commencement of a new hardening period.

The validity of the second ranking share pledge granted by EGSA in its shares of ECI could be challenged in the event that insolvency proceedings were commenced in respect of EGSA during the 18 month period following the date on which such security interest is granted.

Article L.632-1-6° of the French *Code de commerce* provides that any security interest granted after the date on which the underlying debt it secures was incurred (*dettes antérieurement contractées*) and which was determined to have been granted during the hardening period, is null and void. The hardening period (*période suspecte*) is a period of time the duration of which is determined by the bankruptcy judge upon the judgment recognizing that the cessation of payments of the insolvent company has occurred. The hardening period commences on the date of such judgment and extends for up to 18 months previous to the date of such judgment.

Furthermore, Article L.632-2, 1st paragraph, of the French *Code de commerce* provides that the bankruptcy court may declare void any agreement involving a consideration (*acte à titre onéreux*) entered into during the hardening period if the bankrupt debtor's contracting party knew such debtor was insolvent (*état de cessation des paiements*).

The proceeds from the enforcement of the second-ranking pledge of the shares of ECI may not be sufficient to satisfy the obligations under the Notes.

The Notes will be secured on a second-ranking basis by the shares of ECI held by EGSA. The shares of ECI held by EGSA will also secure on a first-ranking basis our obligations under the Senior Revolving Credit Facility Indebtedness, will secure on an equal second ranking basis our obligations under the Existing Parent Notes and may also secure additional debt to the extent permitted by the terms of the Indenture, the Senior Revolving Credit Facility Agreement, the Existing Parent Notes and the Intercreditor Agreement. The rights of holders of the Notes may be diluted by any increase in the debt secured by the first ranking share pledge of the shares of ECI.

The value of the shares of ECI held by EGSA and the amount to be received upon an enforcement of such security interests will depend upon many factors, including, among others, the ability to sell the pledged shares of ECI in an orderly sale, whether or not the business is sold as a going concern, the condition of the French economy and the availability of buyers. The book value of the shares of ECI should not be relied on as a measure of realizable value for such assets. All or a portion of the security interests over the shares of ECI may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the shares of ECI, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the shares and ownership interests of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding because all of the obligations of the entity must first be satisfied, leaving little or no remaining assets in the entity.

You may be required to pay a "soulte" in the event any French securities account pledges are enforced by foreclosure of the securities.

Under French law, a pledge over a securities account may be enforced at the option of the secured creditor either by (i) a sale of the pledged securities in a public auction (the proceeds of the sale being paid to the secured creditors) or (ii) foreclosure (which can be either judicial or contractual) of the securities to the secured creditor, following which the secured creditor becomes the legal owner of the pledged securities. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed securities. Such value is determined either by the court in the context of a judicial foreclosure or by a pre-contractually agreed expert in the context of a contractual foreclosure. If the value of the collateral exceeds the amount of secured debt, the secured creditor may be required to pay the pledgor a cash amount (*soulte*) equal to the difference between the value of the securities as so determined and the amount of the secured debt. This is the case regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent sale of the collateral. If the value of such securities is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities, and the remaining amount owed to such creditors will be unsecured in that respect.

Should a holder of the Notes decline to request the judicial or contractual foreclosure of the securities, an enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. If enforcement is implemented through a public auction procedure, it is possible that the sale price received in any such auction might not reflect the value of the securities, since the latter will not be sold pursuant to a competitive bid process and/or a private sale organized by an investment bank and controlled by the vendor on the basis of a value determined pursuant to the methods usually used for the purpose of the acquisition of companies or groups of companies. See "*Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Considerations—France.*"

Use of Proceeds

We estimate that the gross proceeds from the issuance of the Notes will be €600 million before deducting estimated fees and expenses incurred in connection with the Offering, of which:

- €400 million will be deposited into an Escrow Account together with an amount of cash to be provided by EGSA to the SPV Issuer that will ensure that the escrowed funds will be sufficient to pay any Special Mandatory Redemption Price for the Notes when and if due. In the event that the escrow release conditions are not satisfied on or prior to March 31, 2018 or certain other events occur, the Notes will be subject to a Special Mandatory Redemption. See “*Description of the Notes—Escrow of Proceeds: Special Mandatory Redemption.*” If the escrow release conditions are satisfied within such period, the escrowed funds will be released from the Escrow Account to EGSA, to provide funds for the consummation of the Goldcar Acquisition. For further information, see “*Description of Certain Europcar Financing Arrangements and Acquisition Financing—Acquisition Financing*” of this Offering Memorandum; and
- €200 million will be lent on the Issue Date by the SPV Issuer through a financial intermediary under the Proceeds Loan to EGSA so that EGSA can repay drawings made under the Senior Revolving Credit Facility to finance the Buchbinder Acquisition and pay related transaction costs and expenses.

On the Completion Date or the Special Mandatory Date, as applicable, EGSA will assume all of the obligations of the SPV Issuer under the Notes, the SPV Issuer will be released from all further obligations thereunder and the Proceeds Loan will be extinguished. The SPV Issuer will then start voluntary liquidation proceedings.

The following table sets out the total estimated sources and uses of funds relating to (i) this offering of the Notes as of June 30, 2017 and the use of proceeds therefrom, assuming that a Special Mandatory Redemption does not occur, (ii) the Existing EC Finance Notes Refinancing and (iii) the consummation of the Goldcar Acquisition:

Sources (In millions of €)		Uses	
Notes offered hereby	600	Redemption of Existing EC Finance Notes, including redemption premium	359
		Repay drawings under the Senior Revolving Credit Facility relating to Buchbinder Acquisition	120
Issuance of the EC Finance Notes	350	Consideration to be paid for Goldcar Acquisition	563
Bridge-to-Asset-Backed Facility ⁽¹⁾	412	Refinancing of Goldcar debt, including prepayment fee	415
Cash on balance sheet ⁽²⁾	125	Estimated transaction fees and expenses ⁽³⁾	30
Total	1,487	Total	1,487

1 The Bridge-to-Asset-Backed Facility provides for up to a maximum principal amount of €600 million, which would be available to be drawn at the closing of the Goldcar Acquisition, if the Goldcar Asset-Backed Facility has not been entered into by such date. See “*Description of Certain Financing Arrangements and Acquisition Financing—The Acquisition Financing.*”

2 Including cash impact of €113 million of transaction adjustments; €9 million of costs relating to redemption of the Existing EC Finance Notes; and €3 million in transaction costs relating to the EC Finance Notes.

3 Including €10 million in cash impact relating to Buchbinder swap redemption

Since the information in the foregoing tables is as of June 30, 2017, the actual amounts will vary from the historical amounts based on several factors including the amount of cash on the Issue Date, the exact amount of the redemption premium of the Existing EC Finance Notes and the exact amount of Goldcar Debt on the Completion Date.

Capitalization of Europcar Group

The following table sets forth the cash and cash equivalents and capitalization of Europcar Group, as derived from the EGSA Consolidated Financial Statements as of June 30, 2017, on an actual basis and on a Pro Forma basis to give effect to the Pro Forma Transactions as if they had occurred as of June 30, 2017, as further adjusted to give effect to the Existing EC Finance Notes Refinancing as if it had occurred on June 30, 2017 ("**Pro Forma As Adjusted**").

We believe the Pro Forma As Adjusted figures are useful because they are more consistent with the figures we would use to calculate compliance with our financial ratio requirements. However, the Pro Forma As Adjusted figures have been prepared for illustrative purposes only and do not purport to represent what our actual results of operations or financial condition would have been if the Pro Forma Transactions and the Existing EC Finance Notes Refinancing had occurred on such dates, nor do they purport to be indicative of our future results of operations or financial position.

This table should be read in conjunction with "*Use of Proceeds*," "*Management's Discussion and Analysis of Results of Operations and Financial Condition*," "*Unaudited Pro Forma Condensed Consolidated Financial Information*," the EGSA Consolidated Financial Statements included elsewhere in this Offering Memorandum and in Section 3 "*Accounting and Financial Information*" of Exhibit A of this Offering Memorandum, and the Goldcar Consolidated Financial Statements included elsewhere in this Offering Memorandum.

(in millions of €)	EGSA Actual	Adjustments	Pro Forma As Adjusted
Cash and cash equivalents⁽¹⁾⁽²⁾	323.9	(76.2)	247.7
Short term investments⁽³⁾	80.5	0.1	80.6
Existing Parent Notes	600.0	—	600.0
Existing EC Finance Notes ⁽⁴⁾	350.0	(350.0)	—
Notes offered hereby ⁽⁵⁾	—	600.0	600.0
EC Finance Notes ⁽⁵⁾	—	350.0	350.0
Senior Asset Revolving Facility	878.0	—	878.0
Europcar UK and other Fleet Financing	539.8	—	539.8
Senior Revolving Credit Facility	—	—	—
Existing Buchbinder fleet debt ⁽⁶⁾	—	265.9	265.9
Bridge-to-Asset-Backed Facility ⁽⁵⁾	—	411.9	411.9
Other debt ⁽⁷⁾	169.9	—	169.9
Transaction costs ⁽⁸⁾	(20.4)	(13.7)	(34.1)
Total consolidated third-party debt	2,517.3	1,264.1	3,781.4
Total equity⁽⁹⁾	753.3	(13.6)	739.7
Total consolidated capitalization	3,270.6	1,250.5	4,521.1

(1) Cash and cash equivalents as adjusted for the transaction adjustments of €112.6 million and €9 million of redemption cost associated with the Existing EC Finance Notes Refinancing, €3 million of transaction costs related to the EC Finance Notes €48.4 million cash and cash equivalents of Buchbinder and Goldcar as of June 30, 2017.

(2) Including restricted cash in the amount of €110.4 million.

(3) Primarily dedicated to cover liabilities from the Group's captive insurance company. See Note 10 to the EGSA Consolidated Financial Statements as of and for the six months ended June 30, 2017.

(4) The existing €350 million Existing EC Finance Notes will be redeemed in full with the proceeds from the issuance of the EC Finance Notes.

(5) Reflecting aggregate principal amount, which does not include the impact of capitalized finance costs incurred in connection with the issuance or incurrence of such debt.

(6) Buchbinder's existing fleet financing arrangements mainly consist of short-term bilateral facilities (banking and operating lease facilities) contracted with local financiers in Germany and Austria. See "*Description of Certain Europcar Financing Arrangements and Acquisition Financing—Certain Fleet Financing Arrangements—Buchbinder Fleet Financing*."

(7) Including mainly fleet financings in Denmark and Ireland.

(8) Pursuant to IFRS, the €15 million arrangement and transactions costs for the Notes offered hereby, the EC Finance Notes and the Bridge-to-Asset-Backed Facility will be fully capitalized and amortized. The Existing EC Finance Notes Refinancing will also result in the write-off of the remaining financing arrangement costs relating to the Existing EC Finance Notes which amounted to €4.3 million as of June 30, 2017.

(9) The reduction in total equity includes the write-off of the remaining €4.3 million financing arrangement costs relating to the Existing EC Finance Notes.

The non-current loans and borrowings of the group (excluding the impact of the amortization of transaction costs, premium and discounts) slightly increased by €1.8 million to €973.7 million as of August 31, 2017, compared to €971.9 million as of June 30, 2017.

There has been no material change in the capitalization of Europcar since June 30, 2017 other than as described in this Offering Memorandum.

Selected Consolidated Financial Information for Europcar Groupe S.A.

The following tables set forth selected consolidated financial information and other data. The selected historical consolidated financial information for EGSA has been derived from the EGSA Consolidated Financial Statements as of and for the six months ended June 30, 2017 with June 30, 2016 as a comparative period and from the EGSA Consolidated Financial Statements as of and for the years ended December 31, 2016, 2015 and 2014. The EGSA Consolidated Financial Statements as of and for the years ended December 31, 2016, 2015 and 2014 have been audited by PricewaterhouseCoopers Audit and Mazars, and were prepared in accordance with IFRS. The EGSA Consolidated Financial Statements as of and for the six months ended June 30, 2017 are unaudited and have been subject to limited review by PricewaterhouseCoopers Audit and Mazars.

You should read the following selected consolidated financial and other data in conjunction with the EGSA Consolidated Financial Statements and the notes thereto, and other financial information appearing elsewhere in this Offering Memorandum, including under the captions "Capitalization of Europcar Group," "Management's Discussion and Analysis of Results of Operations and Financial Condition," "Unaudited Pro Forma Condensed Consolidated Financial Information" in the P-pages to this Offering Memorandum and in Section 3 "Accounting and Financial Information" in Exhibit A to this Offering Memorandum and Exhibit B to this Offering Memorandum.

Consolidated Income Statement Data

(in millions of €)	For the twelve months ended June 30,	For the six months ended June 30,		For the year ended December 31,		
	2017	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)	(unaudited)			
Revenue	2,230.6	1,027.8	947.9	2,150.8	2,141.9	1,978.9
Expenses						
Fleet holding costs ⁽¹⁾	(551.9)	(264.0)	(248.5)	(536.3)	(547.2)	(496.3)
Fleet operating, rental and revenue related costs ⁽¹⁾	(787.7)	(371.3)	(336.9)	(753.3)	(727.0)	(686.3)
Personnel costs	(360.8)	(191.2)	(169.6)	(339.2)	(347.4)	(318.2)
Network and headquarters overhead costs	(225.5)	(120.6)	(111.0)	(215.9)	(218.5)	(199.3)
Other income	11.1	3.9	2.5	9.7	14.2	6.9
Depreciation, amortization and impairment expense	(30.7)	(14.2)	(15.9)	(32.3)	(32.8)	(31.8)
Current operating income	285.2	70.3	68.6	283.5	283.3	253.9
Other non-recurring expenses and income ⁽²⁾	(62.5)	(38.5)	3.3	(20.7)	(61.8)	(115.7)
Operating income	222.7	31.8	71.9	262.7	221.5	138.2
Net financing costs	(124.0)	(58.0)	(55.1)	(121.1)	(227.6)	(232.7)
Profit/(loss) before tax	98.7	(26.2)	16.8	141.7	(6.0)	(94.5)
Income tax	9.4	5.0	(11.0)	(6.6)	(37.6)	(10.7)
Share of profit/(loss) in associates	(18.6)	(5.8)	(2.9)	(15.8)	(12.1)	(6.5)
Net profit/(loss) for the period	89.5	(27.0)	2.8	119.3	(55.8)	(111.7)
Net profit/(loss), share attributable to EGSA shareholders	89.7	(26.8)	2.9	119.5	(55.6)	(112.3)

Consolidated Statement of Financial Position Data

(in millions of €)	As of June 30,		As of December 31,		
	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)			
Non-current assets	1,511.0	1,379.6	1,399.5	1,394.3	1,363.0
Current assets	3,962.3	3,533.9	3,115.3	2,926.3	2,583.5
<i>of which rental fleet recorded on the</i>					
<i>balance sheet</i>	2,384.3	2,072.6	1,640.3	1,664.9	1,402.7
<i>of which rental fleet and related</i>					
<i>receivables⁽³⁾</i>	746.6	716.6	720.6	574.7	530.1
<i>of which current financial assets⁽⁴⁾</i>	48.0	41.5	77.0	37.5	49.5
<i>of which cash and cash equivalents</i>	213.5	167.0	154.6	146.1	144.0
Total assets	5,473.3	4,913.6	4,514.8	4,320.6	3,946.4
Non-current liabilities	1,293.2	1,273.1	1,276.1	1,129.2	1,351.2
<i>of which financial liabilities</i>	959.9	932.1	953.2	801.2	1,043.1
Current liabilities	3,426.9	3,123.6	2,607.4	2,629.0	2,437.1
<i>of which current portion of financial</i>					
<i>liabilities</i>	1,557.4	1,375.9	1,224.4	1,263.8	1,127.5
Total liabilities	4,720.1	4,396.7	3,883.5	3,758.2	3,788.3
Total equity	753.3	516.9	631.3	562.4	158.1

Consolidated Statement of Cash Flow Data

(in millions of €)	For the six months ended		For the year ended		
	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)			
Operating income/(loss) before changes in					
working capital	54.7	52.8	257.1	266.2	224.0
Changes in rental fleet recorded on the					
balance sheet	(612.2)	(478.0)	(20.6)	(232.9)	(91.5)
Changes in fleet working capital	290.8	158.2	(126.2)	34.9	(74.0)
Change in non-fleet working capital	101.9	73.3	4.0	(57.2)	50.0
Cash generated from operations	(164.8)	(193.7)	114.3	10.9	108.6
Income taxes received/(paid)	(17.1)	0.1	(22.7)	(39.7)	(31.4)
Net interest paid	(49.4)	(46.8)	(98.7)	(137.3)	(166.8)
Net cash generated from (used by)					
operations	(231.3)	(240.4)	(7.2)	(166.1)	(89.7)
Net cash generated from (used by) investing					
activities	(98.5)	(10.2)	(104.1)	(55.2)	(76.6)
Net cash generated from (used by) financing					
activities	395.6	297.0	130.6	243.3	103.3
Net increase/(decrease) in cash and cash					
equivalents after effect of foreign exchange					
differences	65.8	46.4	19.3	22.0	(63.0)

(1) The components of "fleet holding costs" and "fleet operating, rental and revenue related costs" are discussed in Section 3.1 "Analysis of the Group Results" in Exhibit A to this Offering Memorandum.

(2) Other non-recurring income and expenses, in 2016, amounting to €(21.2) million mainly included the following:
(a) restructuring costs of €17.6 million including severance costs relating to the implementation of measures to streamline the network and Back-office activities and €3.6 million for other items (see Note 12 to the EGSA Consolidated Financial Statements for year ended December 2016).

Other non-recurring income and expenses, in 2015, amounting to €(61.8) million, included the following: (a) restructuring costs of €24 million including severance costs relating to the implementation of measures to streamline the German network and some local headquarters; (b) fees relating to our initial public offering and offering of Existing Parent Notes of €11.5 million; (c) a provision of €45 million based on the best estimate of the financial risk (at that stage of the procedure with the French Competition Authority) in the event that the French Competition Authority were to impose a fine

notwithstanding the Group's arguments in defense of its position (see Note 32 to the EGSA Consolidated Financial Statements for the fiscal year ended December 31, 2015 included in Exhibit B to this Offering Memorandum); and (d) a net positive reversal of €23 million relating to the execution of a settlement agreement with Enterprise on April 29, 2015 putting an end to all legal proceedings with that company (see Note 32 to the EGSA Consolidated Financial Statements for the year ended December 31, 2015 included in Exhibit B to this Offering Memorandum).

In 2014, other non-recurring income and expenses amounting to €(115.7) million included the following: (a) restructuring costs of €22.8 million resulting in part from the measures implemented by several of the Group's entities or announced before the end of the year to lower the head offices' cost structure; (b) €9.8 million in costs of use of outside service providers in connection with the restructuring of the head offices and the network; (c) a net charge of €59.4 million in connection with the litigation and arbitration with Enterprise including attorneys' fees, the cost of removing the logo from certain stations, the one-off impairment of the remaining value of the right to use the National and Alamo brands, and a provision in an amount equal to the risk of certain of the damages that the Group was reasonably able to estimate as of the closing date (see Note 10 to the EGSA Consolidated Financial Statements for the year ended December 31, 2015 included in Exhibit B to this Offering Memorandum); and (d) a charge of €23.9 million relating to a multi-year compensation program whose objectives were achieved in 2014.

Other non-recurring expenses of €3.3 million for the six months ended June 30, 2016 include mainly reorganization expenses of €(5.2) million (see Note 6 to the EGSA Consolidated Financial Statements for the six months ended June 30, 2016).

For the six months ended June 30, 2017, the non-recurring expenses of €(38.5) million included mainly the following: €45 million reversal of the provision related to the proceedings with Authority Of French Competition and €(44) million due to the accrual of provision related to the Trading Standard investigation in the UK (see Note 9 to the EGSA Consolidated Financial Statements for the six months ended June 30, 2017).

- (3) The amount recorded under "Rental fleet recorded on the balance sheet" in the statement of financial position represents the acquisition cost of the vehicles (net of volume rebates) and is mainly the sum of two amounts representing distinct current assets:
- the "Vehicle Buy-Back Commitments receivable," representing the agreed buy-back price (the obligation of the manufacturer or dealer); and
 - the "Deferred depreciation expense on vehicles," representing the difference between the acquisition cost of the vehicle and the agreed buy-back price. This asset is depreciated in the income statement on a straight-line basis over the contractual holding period of the vehicle.
- (4) These investments are earmarked to cover the liabilities of the Group's captive insurance company. See Note 16 to the EGSA Consolidated Financial Statements for the years ended December 31, 2016 and 2015 included in Exhibit A and Exhibit B to this Offering Memorandum.

Selected Consolidated Financial Information for Goldcar

The following selected consolidated financial information as of and for the years ended December 31, 2015 and 2016 has been derived from the Goldcar consolidated financial statements as of and for the year ended December 31, 2016, which were audited by KPMG. The audited consolidated financial statements as of and for the year ended December 31, 2016 are included elsewhere in this Offering Memorandum, together with the audit report thereon from KPMG. Goldcar's consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union. Goldcar's interim condensed consolidated financial statements for the six months ended June 30, 2017 are unaudited and have been subject to a limited review by KPMG and were prepared in accordance with IAS 34, Interim Financial Reporting. However, their separate report included in Goldcar's interim financial statements for the six months ended June 30, 2017 included herein states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The selected consolidated financial information included below is not necessarily indicative of Goldcar's future results of operations and should be read in conjunction with, and is qualified in its entirety by reference to, Goldcar's consolidated financial statements, including the notes thereto, which are included elsewhere in this Offering Memorandum.

You should read the following selected consolidated financial and other data in conjunction with the Goldcar Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum, and other financial information appearing elsewhere in this Offering Memorandum, including under the "Capitalization of Europcar Group" and "Unaudited Pro Forma Condensed Consolidated Financial Information."

Goldcar Income Statement Data

	For the twelve months ended June 30, ⁽¹⁾ 2017	For the six months ended June 30, 2017	For the six months ended June 30, 2016	For the year ended December 31, 2016	2015
(in millions of €)					
Revenue	313	127	123	309	289
Other operational income	6	3	2	5	4
Cost of vehicles sales	(49)	(20)	(25)	(54)	(52)
Other consumables used	(9)	(3)	(6)	(12)	(22)
Personnel expenses	(32)	(17)	(13)	(28)	(23)
Other operating expenses	(101)	(51)	(41)	(91)	(72)
Adjusted EBITDA	128	39	40	129	125
Fixed asset depreciation and buy back renting costs	(74)	(35)	(33)	(72)	(65)
Stolen and accidental cars	(1)	(1)	0	—	—
Profit/(impairment and loss) on disposal of fixed assets	(1)	0	1	0	0
Other	—	0	—	—	—
Adjusted EBIT	52	3*	8	57	59
Other non-recurring income and expenses	(26)	(23)	(1)	(4)	(2)
Profit/(loss) From Continuing Operations (EBIT)	26	(20)	8	54	57
Financial loss	(24)	(12)	(13)	(25)	(26)
Profit/(loss) before income tax	1	(33)	(5)	29	31
Income tax	(3)	1	0	(4)	(9)
Consolidated Profit/(loss) for the period	(2)	(32)	(5)	25	22

* For further details of the changes in operating income, operating expenses, fixed asset depreciation and buyback costs and stolen and accidental cars that contributed to the decrease of (5) million in Adjusted EBIT between the six months ended June 30, 2016 and June 30, 2017. See note 11 to the Goldcar Financial Statements as of and for the six months ended June 30, 2017 included elsewhere in this Offering Memorandum.

(1) The financial information for the twelve months ended June 30, 2017 is derived by adding the consolidated financial information for the year ended December 31, 2016 to the consolidated financial information for the six months ended June 30, 2017 and subtracting the consolidated financial information for the six months ended June 30, 2016.

Goldcar Statement of Financial Position Data

(in millions of €)	As of June 30,	As of December 31,	
	2017	2016	2015
Total Non-current assets	368	314	289
<i>Goodwill</i>	188	188	188
<i>Intangible assets</i>	25	25	23
<i>Property, plant and equipment</i>	153	99	76
<i>Financial investments</i>	2	2	1
<i>Deferred tax assets</i>	1	1	1
Total Current assets	443	297	297
<i>Inventories</i>	3	1	1
<i>Trade and other receivables</i>	13	12	17
<i>Current tax assets</i>	43	6	4
<i>Financial investments</i>	330	82	87
<i>Prepayments</i>	29	11	13
<i>Cash and cash equivalents</i>	25	184	174
Total assets	811	611	585
Total Equity	228	260	235
<i>Share capital and share premium</i>	215	215	215
<i>Consolidated reserves</i>	45	20	(2)
<i>Parent Company reserves</i>	–	(0.07)	–
<i>Consolidated profit/(loss) for the period</i>	(32)	25	22
Total Non-current liabilities	304	303	305
Total Current liabilities	279	49	45
<i>Provisions</i>	1	1	1
<i>Financial debt</i>	97	6	4
<i>Trade and other payables</i>	20	26	23
<i>Personnel</i>	6	2	2
<i>Current tax liabilities and other balances with Public Administrations</i>	2	7	5
<i>Customer advances</i>	10	2	3
<i>Accruals</i>	5	3	2
<i>Other current liabilities</i>	138	2	4
Total equity and liabilities	811	611	585

Goldcar Cash Flow Data

(in millions of €)	For the six months ended June 30,	For the six months ended June 30,	For the year ended December 31,
	2017	2016	2016
Cash flow from operating activities	38	39	126
Cash flows from operations	0.2	23	137
Net cash flows from/(used in) operating activities	(6)	12	107
Net cash flows used in investing activities	(239)	(235)	(92)
Net cash flows from/(used in) financing activities	86	79	(4)
Net cash flows for the period/year	(159)	(144)	10
Cash and cash equivalents at the end of the period/year	25	30	184
Cash and cash equivalents at the beginning of the period/year	184	174	174

Selected Unaudited Pro Forma Condensed Consolidated Financial Information

The Unaudited Pro Forma Condensed Consolidated Financial Information as of and for the six months ended June 30, 2017 was prepared to reflect the Pro Forma Transactions as though they occurred on January 1, 2016 (for income statement purposes) and June 30, 2017 (for statement of financial position purposes).

The Unaudited Pro Forma Condensed Consolidated Financial Information was prepared based on the EGSA Consolidated Financial Statements and the Goldcar Consolidated Financial Statements and Buchbinder financial statements and books and records.

The Unaudited Pro Forma Condensed Consolidated Financial Information consists of unaudited Pro Forma consolidated income statement information and unaudited Pro Forma consolidated statement of financial position and explanatory notes.

The Unaudited Pro Forma Condensed Consolidated Financial Information is presented for illustrative purposes only and is not indicative of our results of operation or the financial condition that would have been achieved had the Goldcar Acquisition and the Buchbinder Acquisition been completed as of January 1, 2016 (for income statement purposes) or June 30, 2017 (for statement of financial position purposes), nor does the Unaudited Pro Forma Condensed Consolidated Financial Information purport to be indicative of our future results of operations or financial position. The Unaudited Pro Forma Condensed Consolidated Financial Information is based on available information and certain assumptions which we believe are reasonable and that are described in the accompanying notes which should be read in conjunction with the Unaudited Pro Forma Condensed Consolidated Financial Information. For more information, please refer to the Unaudited Pro Forma Condensed Consolidated Financial Information in the P-pages to this Offering Memorandum.

The allocation of purchase price has not been carried out and, accordingly, the Unaudited Pro Forma Condensed Consolidated Financial Information does not give effect to any purchase price adjustments. The excess of the purchase price over the net assets acquired is reflected as goodwill. We expect our financial statements in future periods to reflect such purchase price adjustments and the related depreciation and amortization.

The assumptions and estimates used in the preparation of the Unaudited Pro Forma Condensed Consolidated Financial Information may differ materially from the actual amounts that would have been achieved had the Pro Forma Transactions occurred on January 1, 2016 (for income statement purposes) or June 30, 2017 (for statement of financial position purposes).

The Unaudited Pro Forma Financial Information does not include all information required for financial statements under IFRS, and should be read in conjunction with the EGSA Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum. The Unaudited Pro Forma Condensed Consolidated Financial Information was not prepared in accordance with Article 11 of regulation S-X under the Securities Act or any generally accepted accounting standards. The Unaudited Pro Forma Condensed Consolidated Financial Information was prepared in accordance with the basis of preparation described herein.

All pro forma adjustments are directly attributable to the Pro Forma Transactions and the adjustments with respect to the income statement would have a recurring impact on the Group income statement. These pro forma adjustments were prepared and computed based on available information and estimates that we believe to be reasonable. The Pro Forma adjustments used for the purposes of preparing the Unaudited Pro Forma Condensed Consolidated Financial Information are described in the P-pages hereto.

Unaudited Consolidated Income Statement Data on a Pro Forma Basis

(in millions of €)	For the six months ended June 30, 2017				
	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Total
Revenue	1,027.8	200.9	1,228.6	–	1,228.6
Expenses					
Fleet holding costs	(264.0)	(73.5)	(337.5)	–	(337.5)
Fleet operating, rental and revenue related costs	(371.3)	(64.9)	(436.2)	(0.6)	(436.8)
Personnel costs	(191.2)	(41.9)	(233.1)	–	(233.1)
Network and head office overheads	(120.6)	(12.6)	(133.2)	–	(133.2)
Other income	3.9	2.9	6.8	–	6.8
Amortization, depreciation, and impairment expense	(14.2)	(2.0)	(16.3)	–	(16.3)
Recurring operating income	70.3	8.7	79.1	(0.6)	78.5
Other non-recurring expenses	(38.5)	(23.4)	(61.9)	4.3	(57.6)
Operating income	31.8	(14.7)	17.1	3.7	20.9
Net financing costs	(58.0)	(28.3)	(86.3)	(7.0)	(93.3)
Profit/(loss) before tax	(26.2)	(43.0)	(69.2)	(3.2)	(72.4)
Income tax	5.0	(1.4)	3.6	2.4	6.0
Share of profit/(loss) in associates	(5.8)	–	(5.8)	–	(5.8)
Net profit/(loss)	(27.0)	(44.3)	(71.3)	(0.8)	(72.2)
Net profit/(loss), share attributable to EGSA shareholders	(26.8)	(44.3)	(71.1)	(0.8)	(72.0)

(in millions of €)	For the year ended December 31, 2016				
	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Total
Revenue	2,150.8	444.7	2,595.5	–	2,595.5
Expenses					
Fleet holding costs	(536.3)	(150.1)	(686.4)	–	(686.4)
Fleet operating, rental and revenue related costs	(753.3)	(122.0)	(875.3)	–	(875.3)
Personnel costs	(339.2)	(74.9)	(414.0)	–	(414.0)
Network and head office overheads	(215.9)	(22.2)	(238.1)	–	(238.1)
Other income	9.7	3.4	13.1	–	13.1
Amortization, depreciation, and impairment expense	(32.3)	(3.2)	(35.5)	–	(35.5)
Recurring operating income	283.5	75.7	359.2	–	359.2
Other non-recurring expenses	(20.7)	(3.4)	(24.2)	–	(24.2)
Operating income	262.8	72.3	335.0	–	335.0
Net financing costs	(121.1)	(33.4)	(154.5)	(13.0)	(167.5)
Profit/(loss) before tax	141.7	38.9	180.5	(13.0)	167.5
Income tax	(6.6)	(8.3)	(14.9)	7.3	(7.5)
Share of profit/(loss) in associates	(15.8)	–	(15.8)	–	(15.8)
Net profit/(loss)	119.3	30.6	149.9	(5.7)	144.2
Net profit/(loss), share attributable to Europcar Groupe shareholders	119.5	30.6	150.1	(5.7)	144.4

Unaudited Consolidated Statement of Financial Position Data on a Pro Forma Basis

	As of June 30, 2017				
(in millions of €)	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Total
Non-current assets	1,511.0	242.8	1,753.8	478.6	2,232.4
Current assets	3,962.3	915.6	4,877.9	(106.9)	4,771.0
of which rental fleet recorded on the balance sheet	2,384.3	755.3	3,139.6	–	3,139.6
of which rental fleet related receivables	746.6	41.5	788.0	–	788.0
of which current financial assets ..	48.0	3.6	51.5	–	51.5
of which cash and cash equivalents	213.5	48.4	261.9	(112.6)	149.4
Total assets	5,473.3	1,158.4	6,631.7	371.7	7,003.4
Non-current liabilities	1,293.2	4.1	1,297.3	617.7	1,915.0
of which financial liabilities	959.9	(0.7)	959.2	614.4	1,573.6
Current liabilities	3,426.9	898.0	4,324.9	23.9	4,348.7
of which current portion of financial liabilities	1,557.4	677.8	2,235.2	23.3	2,258.5
Total liabilities	4,720.1	902.1	5,622.1	641.6	6,263.8
Total equity and subordinated loan ...	753.3	256.3	1,009.6	(269.9)	739.7

Other Information As Adjusted on a Pro Forma Basis

	For the six months ended June 30, 2017				
(in millions of €)	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Total
Current operating income	70.3	8.7	79.1	(0.6)	78.5
Reversal of estimated interest included in operating lease rents	21.4	0.6	22.0	–	22.0
Adjusted recurring operating income	91.8	9.3	101.1	(0.6)	100.5
Reversal of amortization, depreciation and impairment expense	14.2	2.0	16.3	–	16.3
Fleet financial costs	(28.2)	(9.0)	(37.3)	2.2	(35.0)
Estimated interest included in operating lease rents	(21.4)	(0.6)	(22.0)	–	(22.0)
Adjusted Corporate EBITDA	56.4	1.7	58.1	1.7	59.7
Reversal of fleet depreciation	92.5	45.1	137.5	–	137.5
Reversal of fleet operating lease rents	121.7	23.8	145.5	–	145.5
Reversal of fleet financial costs	28.2	9.0	37.3	(5.4)	31.9
Adjusted Consolidated EBITDA	298.7	79.7	378.4	(3.8)	374.6

(in millions of €)	For the year ended December 31, 2016				
	EGSA	Goldcar & Buchbinder	Combination of Europcar Group, Goldcar & Buchbinder	Combined Adjustments	Total
Current operating income	283.5	75.7	359.2	–	359.2
Reversal of estimated interest included in operating lease rents	47.5	1.3	48.8	–	48.8
Adjusted recurring operating income	331.0	77.0	408.0	–	408.0
Reversal of amortization, depreciation and impairment expense	32.3	3.2	35.5	–	35.5
Fleet financial costs	(62.0)	(19.4)	(81.4)	4.7	(76.6)
Estimated interest included in operating lease rents	(47.5)	(1.3)	(48.8)	–	(48.8)
Adjusted Corporate EBITDA	253.9	59.5	313.4	4.7	318.1
Reversal of fleet depreciation	181.9	82.0	263.9	–	263.9
Reversal of fleet operating lease rents	256.8	57.6	314.4	–	314.4
Reversal of fleet financial costs	62.0	19.4	81.4	(13.1)	68.3
Adjusted Consolidated EBITDA	754.5	218.5	973.0	(8.3)	964.7

Management's Discussion and Analysis of Results of Operations and Financial Condition

The information presented below on the Group's results of operations and financial condition should be read in conjunction with the unaudited interim condensed consolidated financial statements for the six months ended June 30, 2017, including the notes thereto, included elsewhere in this Offering Memorandum.

Comparison of Results of Operations for the Six Months Ended June 30, 2017 and 2016

Analysis in this section is based on the Group's income statement, prepared in accordance with IFRS, as well as data provided by management intended for strategic guidance. Management data are prepared in order to reflect and clarify the presentation of Group economic performance.

The table below shows the Group's consolidated results of operations for the six months ended June 30, 2017 and 2016.

In millions of €	For the six months ended June 30,		Change
	2017	2016	
Total revenue	1,027.8	947.9	8.4%
Fleet holding costs	(264.0)	(248.5)	6.3%
Fleet operating, rental and revenue-related costs	(371.3)	(336.9)	10.2%
Personnel costs	(191.2)	(169.6)	12.8%
Network and headquarters overhead costs	(120.6)	(111.0)	8.6%
Other income and expenses	3.9	2.5	56.3%
Depreciation	(14.2)	(15.9)	(10.3)%
Recurring operating income	70.3	68.6	2.5%
Other non-recurring income and expenses	(38.5)	3.3	N/A
Operating Income	31.8	71.9	(55.7)%
Net financing costs	(58.0)	(55.1)	5.3%
Profit/(loss) before tax	(26.2)	16.8	N/A
Income tax	5.0	(11.0)	N/A
Share of profit/(loss) of associates	(5.8)	(2.9)	98.0%
Net profit/(loss) for the period	(27.0)	2.8	N/A

The following table shows management performance indicators prepared in order to improve understanding of the Group's economic performance for the six months ended June 30, 2017 and 2016.

In millions of €, except as otherwise indicated	For the six months ended June 30,		Change ¹	Change at constant exchange rate
	2017	2016		
Rental day volumes (millions)	30.0	26.7	12.2%	N/A
Consolidated RPD ⁽¹⁾ (in €)	31.9	33.0	(3.5)%	(2.0)%
Average duration (day)	5.8	5.7	1.6%	N/A
Average fleet ⁽²⁾ (thousands)	217.1	194.7	11.5%	N/A
Per-unit fleet costs per month ⁽³⁾ (in €)	(241)	(250)	(3.6)%	N/A
Financial utilization rate ⁽⁴⁾	76.3%	75.5%	0.8pt	N/A
Total revenues	1,027.8	947.9	8.4%	10.1%
Fleet holding costs excluding estimated interest included in operating leases	(242.6)	(226.0)	7.3%	9.4%
Fleet operating, rental, revenue-related costs	(371.3)	(336.9)	10.2%	12.0%
Personnel costs	(191.2)	(169.6)	12.8%	14.0%
Network and headquarters overhead	(120.6)	(111.0)	8.6%	9.8%
Other income and expenses	3.9	2.5	56.3%	14.9%
Costs of personnel, network and headquarters overhead, IT and other	(307.9)	(278.1)	10.7%	12.3%
Net fleet-financing expense	(28.2)	(29.8)	(5.2)%	(4.1)%
Estimated interest included in operating leases	(21.4)	(22.4)	(4.5)%	(3.8)%
Fleet financing expenses, including estimated interest for operating leases	(49.7)	(52.2)	(4.9)%	(4.0)%
Adjusted Corporate EBITDA	56.4	54.7	3.0%	2.7%
Adjusted Corporate EBITDA margin	5.5%	5.8%	(0.3)pt	N/A
Last Twelve Months Adjusted Corporate EBITDA	255	245	4.2%	N/A
Last Twelve Months Adjusted Corporate EBITDA Margin	11.5%	11.5%	(0.0)pt	N/A
Depreciation	(14.2)	(15.9)	(10.3)%	(9.7)%
Other nonrecurring income and expenses	(38.5)	3.3		
Other financing income and expense not related to the fleet	(29.8)	(25.4)	17.6%	19.1%
Profit/ (loss) before tax	(26.2)	16.8		

(1) RPD (revenue per transaction day) corresponds to rental revenue for the period divided by the number of rental days for the period. Variation is calculated compared with the previous year

(2) Average fleet during the period is calculated as the number of days in the period during which the fleet was available, divided by the number of days of the period, multiplied by the number of vehicles in the fleet during the period. As of June 30, 2017, the fleet comprised approximately 284.5 thousand vehicles, compared with 245.8 thousand as of June 30, 2016.

(3) Average fleet cost per unit per month corresponds to total monthly fleet cost (costs for holding and operating the fleet), excluding interest expense for fleet operating leases and insurance, divided by the average fleet during the period. The average fleet is then divided by the number of months during the period.

(4) The fleet financial utilization rate corresponds to the number of rental days as a percentage of the number of days the fleet is considered financially available. The fleet's financial-availability period represents the period during which the Group holds the vehicles.

The table below presents a reconciliation of recurring operating income to adjusted recurring operating income, Adjusted Corporate EBITDA and Adjusted Consolidated EBITDA. Adjusted recurring operating income, Adjusted Consolidated EBITDA and Adjusted Corporate EBITDA are presented because the Group believes that these measures provide readers with important additional information for the evaluation of Group performance. The Group also believes that these indicators are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Group's industry. In addition, the Group believes that investors, securities analysts and rating agencies will consider that adjusted recurring operating income, Adjusted Consolidated EBITDA and Adjusted Corporate EBITDA are useful indicators for

(1) Changes are expressed in percentage, unless otherwise indicated.

measuring the Group's capacity to meet its debt-service obligations. IFRS does not recognize recurring operating income, Adjusted Consolidated EBITDA or Adjusted Corporate EBITDA. Therefore, these indicators should not be viewed as alternatives to operating income or net profit, nor should they be considered indicators of operating results or of cash flows as measures of liquidity.

In millions of €	For the six months ended June 30,	
	2017	2016
Adjusted Consolidated EBITDA	298.7	287.0
Fleet depreciation (IFRS)	(92.5)	(87.3)
Fleet depreciation included in operating lease rents	(100.2)	(92.8)
Total fleet depreciation	(192.7)	(180.1)
Interest expense related to fleet operating leases (estimated) ^(A)	(21.4)	(22.4)
Net fleet-financing expense	(28.2)	(29.8)
Total fleet financing	(49.6)	(52.2)
Adjusted Corporate EBITDA	56.4	54.7
Depreciation	(14.2)	(15.9)
Reversal of net fleet-financing expenses	28.2	29.8
Reversal of interest expense for fleet operating leases (estimated)	21.4	22.4
Adjusted recurring operating income	91.8	91.1
Interest expense related to fleet operating leases (estimated)	(21.4)	(22.4)
Recurring operating income ^(B)	70.4	68.6

(A) Expenses related to operating leases for fleet vehicles comprise depreciation, interest and, in some cases, a small management fee. For contracts that do not provide a breakdown of rent payments in accordance with these expenses, the Group makes estimates on the basis of data provided by the lessors. Furthermore, because interest expense for operating leases is essentially a financing cost for the fleet, Europcar management reviews fleet holding costs and Group adjusted operating income net of this expense.

(B) As set forth in the consolidated income statement

Revenue

The following table shows the changes in Group consolidated revenue for the six months ended June 30, 2017 and 2016, as a total and by product type.

In millions of €	For the six months ended June 30,		Change	Change at constant exchange rate
	2017	2016		
Rental revenues	956.3	885.1	8.1%	9.9%
Other revenue associated with car rental	48.3	39.5	22.5%	18.9%
Franchising business	23.1	23.4	(1.3)%	(1.2)%
Total revenues	1,027.8	947.9	8.4%	10.1%

Total revenue stood at €1,027.8 million, compared with €947.9 million for the first half of 2016, an increase of 10.1% at constant exchange rates. Restated for income tied to fuel, at constant scope and exchange rates, the Group's total revenue increased by 4.6%.

This significant increase in the Group's total revenue was the result of positive growth in all the Group's key markets and in all of its three major Business Units, with constant currency growth of 7.7% for the Cars Business Unit, 9.7% for the Vans and Trucks Business Unit and more than 80% for the Low Cost Business Unit.

The volume of rental days rose by 12.2% over the first half of 2017, to stand at 30.0 million days. This growth in rental days was shared across all Business Units with an increase of 8.2% for the Cars Business Unit, an increase of 14.4% for the Vans and Trucks Business Unit and, finally, growth of over 64.4% for the Low Cost Business Unit.

In addition, revenue per rental day fell by 2.0% at constant exchange rate at Group level, primarily due to a 4.1% drop in the Vans and Trucks Business Unit, reflecting a strategic desire to improve both the utilization rate and the rental duration. Revenue per rental day fell slightly by 0.5% for the Cars Business Unit and rose 9.7% for the Low Cost Business Unit.

Fleet Holding Costs

Fleet holding costs include fleet depreciation expenses (vehicles acquired and financed through funding recorded on the statement of financial position) and payments on operating leases for vehicles including their financial component, in compliance with accounting standards (e.g., vehicles financed through leasing). Rental payments under operating leases automatically include a component of financial interest. The accounting methods employed for fleet-financing expenses depend on the type of financing (operating lease or other type of financing). For greater clarity, the Group combines all fleet-financing expenses in its management income statement. For analytical purposes, the expenses are included in Adjusted Corporate EBITDA but are excluded from fleet holding costs.

Adjusted for estimated financial expenses for operating leases (i.e., €21.4 million and €22.4 million in the first halves of 2017 and 2016 respectively), fleet holding costs totaled €242.6 million, up 7.3% from €226 million in 2016. The Group continues to improve its utilization rate, from 75.5% to 76.3% for the first half of 2017, an increase of 80 basis points. Through its cost management strategy, the Group has been able to reduce its average fleet cost per vehicle by 1.8% per month, from €245 for the first half of 2016 to €241 in the first half of 2017 at constant exchange rates.

Fleet Operating, Rental and Revenue-related Costs

In the first half of 2017, fleet operating, rental and revenue-related costs totaled €371.3 million, up 10.2%. This is due to the proportional increase of 12.2% in the volume of rental activity.

Personnel Costs

In the first half of 2017, personnel costs totaled €191.2 million, an increase over 2016. At constant exchange rates, personnel costs were up 12.8% primarily due to changes in consolidation scope following the takeover of the Irish and Danish franchisees, as well as minority interests in Ubeeqo and the increase in the number of employees in order to support growth and improve the quality of customer service.

Overhead for Headquarters and Network

In the first half of 2017, overhead for headquarters and the network totaled €120.6 million, an increase of 8.6%. This increase was primarily due to the consolidation effect with the acquisition of the Irish and Danish franchisees and the mobility company Ubeeqo. In addition, the costs of the network for the pre-acquisition group continued to grow with the development of the Low Cost Business Units and the Vans and Trucks Business Unit.

Other Non-current Income and Expenses

In the first half of 2017, other non-current income and expenses represented a net expense of €39 million, which can be analyzed as follows:

- a provision for risk of €44 million following the launch of an investigation by the Trading Standards Services in the United Kingdom; (see "*—Regulatory, Legal and Arbitration Proceedings—Leicester City Counsel Trading Standards Services Investigation*")
- a provision for restructuring and the costs related to the Group's transformation for €17 million;

- mergers and acquisitions expenses for €9 million;
- the reversal of the €45 million provision that had been accrued because of a financial risk relating to proceedings of the French Competition Authority;
- litigation expenses for €3 million;
- consulting and transformation fees for €6 million; and
- other non-current income and expenses for €4.6 million.

For information, in the first half of 2016 other non-current income and expenses stood at €3.3 million in income, distributed as follows:

- reorganization expenses of €5.2 million;
- offset by income of €8.9 million related to the resolution of a tax dispute.

Adjusted Corporate EBITDA

Adjusted Corporate EBITDA is defined as recurring operating income before depreciation and amortization unrelated to the fleet, and after deduction of interest expense for fleet financing. The level of Adjusted Corporate EBITDA fluctuates significantly from season to season.

In the first half of 2017, Adjusted Corporate EBITDA totaled €56.4 million, compared with €54.7 million in the first half of 2016, an increase of 3.0%.

The Group's Adjusted Corporate EBITDA margin fell by 40 basis points to 5.5% in the first half of 2017, due to the increase in the network costs and its variable operating costs.

These two cost lines are influenced by the expansion of consolidation scope following the acquisitions made by the Group (Locaraise, Ireland, Denmark and Ubeeqo) over the past twelve months, as well as increases in airport fees in Spain.

Net Financing Costs

Net financing costs amounted to €58.0 million in the first half of 2017, compared with €55.1 million in the first half of 2016. The primary reason for this change is the total effect of the increase related to the additional Existing Parent Notes issued in June 2016, in the amount of €125 million.

Income Tax

In the first half of 2017, the Group had tax profit of €5.0 million, compared with tax expense of €11.0 million in 2016. The Group's effective tax rate was 19.0%, compared with 65.9% at June 30, 2016, specifically impacted by the non-taxation of the reversal of the provision relating to the proceedings of the French Competition Authority.

Share of Profit or Loss in Companies Accounted for Under the Equity Method

The share of profit or loss in companies accounted for under the equity method came to a loss of €5.8 million, compared with €2.9 million in the first half of 2016. It is composed of the development costs for Car2go Europe and the share of profit of equity associate Ubeeqo at the end of February 2017, prior to the exclusive takeover.

Net Profit/(Loss)

Net loss in the first half of 2017 came to €27.0 million, compared to a profit of €2.8 million for the first half of 2016.

Revenue and Adjusted Corporate EBITDA by Operating Segment

Europe

The table below shows (i) the allocation of revenue generated in Europe by Corporate Countries and other European countries, and (ii) Adjusted Corporate EBITDA generated in Europe for the six months ended June 30, 2017 and 2016:

In millions of €	For the six months ended June 30,		Change	Change at constant exchange rate
	2017	2016		
Revenue				
Germany	260.7	252.8	3.1%	N/A
United Kingdom	187.0	189.4	(1.3)%	9.1%
France	167.7	159.2	5.3%	N/A
Other European countries	323.0	266.5	21.2%	N/A
Other European countries (franchisees)	7.4	8.8	(16.0)%	N/A
Europe	945.7	876.7	7.9%	10.1%
Adjusted Corporate EBITDA	16.6	19.9	(16.8)%	(15.7)%

Revenue

Revenue of the European operating sector increased at constant exchange rates to €945.7 million for the first half of 2017. Southern European countries recorded steady growth over the first half of 2017, led in particular by InterRent brand, which grew significantly in all corporate countries, and by growth in the Leisure market thanks to higher business volume, despite a drop in the selling price. The Northern European countries, Germany in particular, saw a less buoyant economic and commercial environment, but were still able to increase their volume of business.

Germany

In the first half of 2017, revenue generated by the Group in Germany was up 3.1% to €260.7 million. The Leisure segment and InterRent brand enjoyed significant growth over the period, driven by the implementation of very proactive development plans. This momentum was not replicated in the Corporate segments, because of a drop in prices in the face of a more challenging environment and stiff competition.

United Kingdom

Revenue generated by the Group in the United Kingdom was up 9.07% at constant exchange rates to stand at €187.0 million for the period ended June 30, 2017. As was the case in Germany, all action plans led to a clear increase in revenue in the Leisure segment and InterRent brand, without significantly damaging prices. The Replacement segment, and to a lesser extent the Corporate segment, suffered seriously in terms of business because of heavy competition.

France

Revenue generated by the Group in France rose 5.3% over the first half year, with an increase for the InterRent brand and growth in the Corporate segments.

The French market suffered from strong price pressures in the Leisure and Corporate markets.

Adjusted Corporate EBITDA

In the first half of 2017, Adjusted Corporate EBITDA in Europe fell by €3.3 million, to €16.6 million. This decline in the Corporate Countries was primarily related to a drop in revenue per day, as a result of the elements described above.

Rest of World

The table below shows revenue and Adjusted Corporate EBITDA generated in the rest of world for the six months ended June 30, 2017 and 2016:

(in millions of €)	For the six months ended June 30,		Change	Change at constant exchange rate
	2017	2016		
Revenue	84.6	73.4	15.21%	9.4%
Adjusted Corporate EBITDA	16.1	12.8	25.67%	22.2%

Revenue generated in the rest of world rose by 9.4% at constant exchange rates. This change was largely driven by corporate countries Australia and New Zealand, under the combined effect of growth in both number of rental days and revenue per day.

Group Adjusted Corporate EBITDA in rest of world rose 22.2% at constant exchange rates, to €16.1 million in the first half of 2017.

Elimination and Holdings

The table below shows revenue and Adjusted Corporate EBITDA of the elimination and holdings segment for the six months ended June 30, 2017 and 2016:

(in millions of €)	For the six months ended June 30,		Change
	2017	2016	
Revenue	(2.6)	(2.2)	15.5%
Adjusted Corporate EBITDA	23.6	21.9	7.7%

Adjusted Corporate EBITDA for the elimination and holdings segment rose by €1.7 million in the first half of 2017, to €23.6 million. This increase is primarily related to a decline in financial expenses and a reduction in IT costs.

Liquidity and Capital Resources

Overview

The Group's principal financing needs include fleet financing, working capital requirements, capital investment, interest payments and loan repayment. The Group also needs financing for acquisitions. See *"Description of Certain Europcar Financing Arrangements and Acquisition Financing—Acquisition Financing."*

The Group's principal regular sources of liquidity are its operating cash flows as well as its financings, a substantial portion of which are dedicated to and secured by the portion of the fleet that is recorded on the statement of financial position. The Group's ability to generate cash flow from its operating activities in the future will depend on its future operating performance, which depends to a certain extent on external factors, including the risk factors described in *"Risk Factors"* and Section 2 *"Risk Factors"* in Exhibit A to this Offering Memorandum. The Group also uses its cash and cash equivalents to finance its ongoing requirements related to its activity. The Group also has cash and cash equivalents that are considered *"restricted."* Restricted cash is

cash that is (i) used to cover the future settlement of insurance claims or (ii) not immediately available to finance the activity of the Group's subsidiaries. This includes, in particular, cash that is held within certain special purpose vehicles set up for vehicle rental activities and insurance.

On July 13, 2017, the Group signed a new secured €500 million revolving credit facility with a diversified pool of international banks. This facility, which replaced the existing €350 million Senior Revolving Credit Facility, will mature on June 9, 2022. The group has optimized the financing cost of this new facility by a 25 bps reduction of the margin. The €150 million increase of the nominal amount will allow the group to support its medium term objectives and the related growing financing needs.

On July 13, 2017, the Group also signed an unsecured €1,040 million Bridge Facility with a pool of international banks that is dedicated to the financing of the Goldcar Acquisition and to the refinancing of the existing fleet debt of Goldcar. Those two facilities have a 12-month maturity and can be extended respectively for an additional 6-month period and for two additional 6-month periods.

In addition, the Group is heavily focused on cash generation, and corporate free cash flow totaled €90 million for the first half of 2017, compared with €82 million in the first half of 2016.

As a result, Corporate Net Debt stood at €104 million at June 30, 2017 (compared with €200 million at June 30, 2016). Corporate debt leverage, which is defined as the ratio of Corporate Net Debt to Adjusted Corporate EBITDA for the last 12 months, was 0.4x at the end of June 2017.

It should be noted that, during the first half of 2016, the Group took the opportunity to issue new bonds on favorable terms. On June 2, 2016, the Group successfully increased the Existing Parent Notes (initial nominal amount: €475 million) for a total amount of €125 million. With a yield to maturity of 4.879%, this product represents an improvement of approximately 100 basis points on the initial issue. The proceeds from the issue totaled €131 million, which the Group allocated to financing its program of acquisitions and general corporate requirements.

Total Net Debt

At June 30, 2017, the Group's Corporate Net Debt amounted to €104 million, compared with €221 million at December 31, 2016.

On the same date, secured Fleet Net Debt, including fleet-related off-balance-sheet commitments, totaled €4,037 million, compared with €3,555 million at June 30, 2016, and €3,045 million at December 31, 2016. Of this amount, €2,009 million is capitalized on the balance sheet and the remaining €2,028 million corresponds to operating leases. The estimated outstanding value of vehicles financed through operating leases corresponds to the book value of the vehicles. This amount is calculated from the acquisition costs and depreciation rates for the vehicles, on the basis of contracts signed with the manufacturers. In compliance with IFRS, this amount is not recorded on the statement of financial position. The loan-to-value ratio (LTV ratio) was 88.0% at June 30, 2017, which corresponds to the debt of Securitifleet Holding, the Securitifleet Companies and the Issuer (total amount of €1,286 million on the test date) divided by the total net asset value of the Securitifleet Companies (i.e. €1,461 million as of June 30, 2017).

The following table presents Corporate Net Debt and Total Net Debt (including the estimated outstanding value of the fleet financed through operating leases).

(in millions of €)	As of June 30,	
	2017	2016
Existing Parent Notes ^(A)	600	600
Senior Revolving Credit Facility	–	–
FCT Junior Notes ^(B) , accrued interest not yet due, capitalized costs and other ^{(C)(D)}	(222)	(189)
Gross corporate debt	378	411
Short-term investments and cash in operating and holding entities ^(E)	(275)	(211)
Net corporate debt	104	200
Existing EC Finance Notes	350	350
Senior Asset Revolving Facility	878	859
FCT Junior Notes ^(B) , accrued interest, financing capitalized costs and other	218	174
U.K, Australia, and other fleet-financing facilities	693	509
Gross financial fleet debt	2,139	1,892
Cash held in fleet-financing facilities	(130)	(148)
Fleet Net Debt on balance sheet	2,009	1,744
Debt equivalent of fleet operating leases – off-balance sheet ^(F)	2,028	1,811
Net Fleet Debt (incl. op leases)	4,037	3,555
Total net debt	4,140	3,755

(A) In June 2016, the Group issued additional Existing Parent Notes for a total of €125 million. These additional Existing Parent Notes are assimilated with the Existing Parent Notes paying a fixed rate of 5.750% and maturing in 2022 (issued in June 2015) for a total of €475 million, bringing the total amount of outstanding notes to €600 million as of June 30, 2017.

(B) Proceeds from the FCT Junior Notes provide overall credit enhancement and, when applicable, additional liquidity. FCT Junior Notes are used only to finance the fleet debt requirement. FCT Junior Notes are subscribed by ECI using available cash or drawing on the Senior Revolving Credit Facility.

(C) For countries where fleet costs are not financed through dedicated entities (e.g., the Securitifleet entities), the cash used to finance the fleet (which could have been financed by fleet debt) is restated from the net fleet debt through a de-risk ratio.

(D) Including accrued interest for financial assets (Euroguard).

(E) Specifically includes the Group's insurance program.

(F) The estimated debt equivalent of fleet operating leases corresponds to the book value of the vehicles. This amount is calculated from the acquisition costs and depreciation rates for the vehicles, on the basis of contracts signed with the manufacturers. The Company's financial management verifies the consistency of all external data provided.

Analysis of Corporate Free Cash Flows

Overview

The Group uses corporate free cash flow as its liquidity indicator.

The Group believes that corporate free cash flow is a useful indicator because it measures the Group's liquidity on the basis of its operating activities, including net financing costs on borrowings dedicated to fleet financing, without taking into account (i) past disbursements for debt refinancing, (ii) exceptional costs that are not representative of trends in Group operating results, and (iii) cash flows in relation to the fleet. These cash flows are analyzed separately because the Group makes vehicle acquisitions through asset-backed financing.

The table below shows the calculation of corporate free cash flows, as well as the regrouping of certain items deemed significant for the analysis of Group cash flow, including cash flow relating to changes in the rental fleet, in fleet-related trade receivables and payables, and in fleet-related financing and other working capital facilities used principally for fleet-related needs. This presentation differs from the IFRS statement of cash flows, mainly because of analytic regrouping and the inclusion of items that do not affect cash flows that vary based on the financial data used as the starting point (in this case, Adjusted Corporate EBITDA, as presented below, compared with pretax profit in the IFRS statement of cash flows).

Management Cash Flows (in millions of €)	For the six months ended June 30,	
	2017	2016
Adjusted Corporate EBITDA	56	55
Non-recurring expenses	(39)	3
Non-fleet capital expenditure (net of proceeds from disposals)	(21)	(13)
Changes in non-fleet working capital and provisions	111	37
Income taxes received (paid)	(17)	–
Corporate free cash flow	90	82
Cash interest paid on Existing Parent Notes	(17)	(13)
Cash flow before change in fleet	73	68
Other investments	(76)	3
Changes in fleet asset base, net of drawings on fleet financing and working capital	(64)	(150)
Capital increase	192	–
Dividend paid	(59)	–
(Purchases)/Sales of treasury shares	(1)	(3)
Change in Existing Parent Notes	–	131
Payment of financing transaction costs and redemption premium	–	(2)
Increase/(decrease) in cash and cash equivalents before effect of foreign exchange conversions	66	46
Cash and cash equivalents at beginning of period	249	229
Effect of foreign exchange conversions	2	(1)
Cash and cash equivalents at end of period	317	275

Corporate Free Cash Flow

Corporate free cash flow is defined as free cash flow before impacts from fleet, refinancing and acquisitions of subsidiaries. Free cash flow in the first half of 2017 came to €90 million, compared with €82 million in the first half of 2016, which represents an increase of €8 million.

- **Adjusted Corporate EBITDA.** Adjusted Corporate EBITDA reached €56 million, compared with €55 million in the first half of 2016, reflecting the increase in network costs and variable operating costs due to the expansion of the Group's consolidation scope following acquisitions (Locaraise, Ireland, Denmark and Ubeeqo) over the past twelve months, as well as some price increases in airport fees in Spain.
- **Non-recurring expenses.** This line, which includes an expense of €39 million in the first half of 2017, compared with income of €3 million for the first half of 2016, specifically includes reorganization costs, Group transformation costs and costs related to acquisitions, in particular franchisees in Ireland and Denmark, Ubeeqo mobility company, Goldcar and Buchbinder
- **Non-fleet capital expenditure (net of proceeds from disposals).** This item primarily represents IT investments which increased by €8 million to stand at €21 million in 2017, compared to €13 million in 2016, reflecting Europcar Group's desire to improve the digitization of its customer pathway.

- *Changes in non-fleet working capital and provisions.* Good performance in WCR excluding the fleet, which increased from €37 million in 2016 to €111 million in 2017, largely due to the seasonality of the business, a decrease in the period of customer receivables recovery and an increase in broker prepayments.
- *Income taxes received (paid).* The increase in tax disbursements in the first half of 2017 compared with the first half of 2016 is due mainly to tax refunds recorded in the United Kingdom and Spain in 2016. Current tax disbursements for the first half of 2017 totaled €17 million, mainly in the United Kingdom (€6 million), Germany (€5 million) and France (€3 million).

Other Components of Cash Flow

The payment of interest on high-yield borrowings amounted to €17 million for the first half of 2017, compared with €13 million for the previous year, primarily reflecting the increase in the Existing Parent Notes in June 2016 for the amount of €125 million.

Other investments amounting to €76 million comprised of the acquisition price of the Danish franchisee for €52 million, the exclusive takeover of Ubeeqo for €7 million, the acquisition of minority interests in the Snappcar start-up (€5 million), deposits and guarantees and the acquisition of assets in the Australian franchisee (€2 million).

Changes in fleet asset base, net of drawings on fleet financing and working capital of €64 million in the first half of 2017 primarily reflect vehicle purchases for the summer, the increase in supplier debts to manufacturers (as a result of these purchases) and fleet debt draws to finance these vehicle purchases. This negative change at June 2017 is primarily tied to the use without securitization of the Group's cash to finance the fleet in order to minimize the cost of financing vehicles.

The capital increases totaled €192 million, €22 million of which was used for a capital increase reserved for Group employees (ESOP plan) and €175 million for a capital increase by private placement on June 21, 2017 representing approximately 10% of the company's capital. Costs for the capital increase by private placement in the amount of €4.7 million were deducted from the issue premium.

The dividend paid in the first half of 2017 was an exceptional distribution of a cash dividend of €59.4 million approved by the Shareholders Meeting of Europcar Group on May 10, 2017.

Analysis of Cash Flow (IFRS)

The Group's principal cash flow drivers are its operating performance (as reflected in its operating profit before changes in working capital), cash flow from financing transactions, interest on corporate debt, cash flow from acquisitions and disposals of fleet, and cash flow from investing activities.

(in millions of €)	For the six months ended June 30,	
	2017	2016
Net cash generated from (used by) operating activities	(231.3)	(240.4)
Net cash used by investing activities	(98.5)	(10.2)
Net cash generated from (used by) financing activities	395.6	297.0
Net increase (decrease) in cash and cash equivalents after effect of foreign exchange differences	65.8	46.4

Net Cash From (Used By) Operations

The table below summarizes the Group's net cash flow from operations for the six months ended June 30, 2016 and 2017.

(in millions of €)	For the six months ended June 30,	
	2017	2016
Operating profit before changes in working capital	54.7	52.8
Changes in rental fleet and in fleet working capital	(321.4)	(319.8)
Changes in non-fleet working capital	101.9	73.3
Cash generated from operations	(164.8)	(193.7)
Income taxes received (paid)	(17.1)	0.1
Net interest paid	(49.4)	(46.8)
Net cash generated from (used by) operations	(231.3)	(240.4)

Cash Generated From Operating Activities

Cash flow from operating activities represented a cash outflow of €164.8 million in the first half of 2017, compared with an outflow of €193.7 million in the first half of 2016.

Operating profit before changes in working capital requirements was nearly unchanged over the two periods. Cash outflow from changes in rental fleet and in fleet working capital was nearly unchanged as well, totaling €321 million in the first half of 2017, compared with €320 million in the first half of 2016. These outflows were for vehicle purchases (capitalized) in preparation for the summer season.

In addition, the change in working capital requirements excluding the vehicle fleet was positive at €102 million at the end of June 2017. This change reflects the improvement in procedures to optimize its cash management.

Income Taxes Received/Paid

The increase in tax disbursements in the first half of 2017 from the first half of 2016 is primarily due to tax refunds recorded in the United Kingdom and Spain in 2016. Current tax disbursements for the first half of 2017 totaled €17 million, mainly in the United Kingdom (€6 million), Germany (€5 million) and France (€3 million).

Net Interest Paid

Net interest paid totaled €49.4 million in the first half of 2017, compared with €46.8 million in the first half of 2016.

Net Cash Used by Investing Activities

The table below summarizes the Group's net cash flow from investing activities for the six months ended June 30, 2017 and 2016.

(in millions of €)	For the six months ended June 30,	
	2017	2016
Acquisitions of intangible assets and property, plant and equipment	(22.3)	(16.3)
Proceeds from disposal of fixed assets	1.3	3.4
Other investments and loans	(77.4)	2.8
Acquisition and proceeds from disposal of financial assets	–	–

(in millions of €)	For the six months ended June 30,	
	2017	2016
Acquisition of subsidiaries, net of cash acquired	–	–
Disposal of subsidiaries, net of cash sold	–	–
Dividends received from associates	–	–
Net cash used by investing activities	(98.5)	(10.2)

Net cash flows used by investing activities amounted to €98 million at June 30, 2017 and €10 million at June 30, 2016. This sharp increase was driven by the acceleration of investments in connection with its medium term objectives, and is primarily related to the acquisition of the Danish franchisee (€52 million), the exclusive takeover of Ubeeqo (€7 million), the acquisition of minority interests in the Snappcar start-up (€5 million), and the acquisition of assets of the Australian franchisee (€2 million). In 2016, investments primarily consisted of IT investments in line with the Group's strategy.

Net Cash Flow from Financing Activities

The table below summarizes the Group's net cash flow from financing activities for the half-years ended June 30, 2017, and June 30, 2016.

(in millions of €)	For the six months ended June 30,	
	2017	2016
Increase in share capital	194.4	–
Dividend paid/received	(59.4)	–
Additional Existing Parent Notes	–	130.6
Change in other financings	263.6	171.6
Payment of transaction costs	(0.6)	(2.4)
(Purchase) sales of treasury shares net	(0.5)	(2.8)
Net cash generated from (used by) financing activities	395.6	297.0

Net cash flow from financing activities represents an inflow of €395.6 million in the first half of 2017, compared with an inflow of €297.0 million for the first half of 2016. In addition to the usual financing transactions, mainly related to the fleet over both periods, flows for the first half of 2017 were impacted by the capital increase in connection with the employee share ownership plan (€21.7 million), the capital increase by private placement (€170.7 million) and by the payment of dividends (€59.4 million). Cash flows for the first half of 2016 were impacted by the issuance of additional Parent Notes for €131 million, which resulted in the provisional repayment of the Revolving Credit Facility.

Regulatory, Legal and Arbitration Proceedings

The main disputes and proceeding as of June 30, 2017 are described in Note 25 of the interim condensed consolidated financial statements for the first half of 2017 included elsewhere in this Offering Memorandum.

Leicester City Council Trading Standards Services Investigation

On June 23, 2017, Leicester City Council Trading Standards Services opened an investigation into Europcar UK in relation to allegations that Europcar UK levied charges for repairs in circumstances where damages to a vehicle had been in dispute and without the consent of the card holder; and levied false and/or excessive charges in excess of the cost of repair, in breach of Regulation 9 of the Consumer Protection from Unfair Trading Regulations 2008.

Europcar UK is cooperating with the relevant authorities in relation to the investigation. Given that the investigation remains in its preliminary stages as of the date of this offering memorandum, the Group cannot exclude that it may be exposed to a number of risks in relation to such investigation, including:

- the imposition of fines and required reimbursements to customers in the event that the investigation leads to charges by the Leicester City Council Trading Standards Service of breach of the relevant Consumer Protection regulations;
- the bringing of criminal charges against members of Europcar UK's management and personnel;
- potential violations of anti-money laundering laws which may be alleged or found to have occurred in connection with the activities and/or conduct that are the subject of the investigation by Leicester City Council Trading Standards Service; and
- negative impact on Europcar UK and EGSA's reputation and position in the marketplace.

See section 2.4.1 *"Risks related to compliance with current or future regulations applicable to the Group's business"* and section 2.4.4 *"Risks related to regulatory, legal and arbitration proceedings"* in Exhibit A to this Offering Memorandum.

See *"—Other Non-Current Income and Expenses"* and Note 9 of the Unaudited EGSA Consolidated Financial Statements as of and for the six months ended June 30, 2017, included elsewhere in this Offering Memorandum.

Transactions with Related Parties

See Note 24 of the interim condensed consolidated financial statements for the first half of 2017.

Guidance for 2017

The guidance presented below for revenue, Adjusted Corporate EBITDA and dividends is based on data, assumptions and estimates that are considered reasonable by Group management. The guidance may change because of uncertainties surrounding the economic, financial, competitive and/or regulatory environment, or because of other unforeseeable factors (e.g., certain transactions). In addition, the materialization of certain risks described in Section 2, *"Risk Factors,"* of Annex A to this Offering Memorandum could have an impact on the Group's activities and its ability to achieve these forecasts. There is no guarantee that the Group's results will be in line with the forecasts below. The Group considers that Adjusted Corporate EBITDA, although a non-GAAP measure is a relevant indicator of the Group's operating and financial performance.

In 2017, the Europcar Group plans to achieve the four following financial targets compared to 2016:

- Accelerating organic revenue growth i.e. above 3%
- Increase in Adjusted Corporate EBITDA margin (excluding New Mobility) i.e. above 11.8%
- A corporate operating free cash flow conversion rate above 50%
- A dividend payout ratio above 30%

The Group reiterates all four of its financial targets for the year 2017 and confirms that 2017 will be a year of significant progress towards our Ambition 2020 Group targets of reaching €3 billion of revenue and 14% Adjusted Corporate EBITDA margin (excluding New Mobility).

The dividend policy (see section 6.7.1 *"Dividend distribution policy"* in Exhibit A to this Offering Memorandum) will take into account the Company's results, financial position, achievement of its objectives as set out in this section, and restrictions on dividend payments applicable under the terms of the Group's various debt instruments.

Information on Medium Term Trends and Objectives

The Group has entered an acceleration phase of its strategy with a high ambition for the future: to become a world leader in mobility solutions. By 2020, this ambition is expected to result in revenues in excess of €3 billion, through organic growth as well as acquisitions, and an Adjusted Corporate EBITDA margin greater than 14% (excluding the New Mobility Division). See Section 3.8 *"Information on mid-term trends and objectives"* in Exhibit A to this Offering Memorandum.

Market Risks and Financial Risks

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's risk management programs seek to mitigate the potential negative effects of the volatility of financial markets on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is handled by the Group Treasury Department, which submits proposed financial transactions to the Executive Committee for approval, which may solicit approval of the Supervisory Board and Management Board. The Group Treasury Department identifies, evaluates and recommends derivative instruments to hedge financial risks in close collaboration with the Group's operational units. The Executive Committee then decides whether to authorize such proposals based on formal documentation describing the context, purpose and main characteristics of the proposed transactions. Once the Executive Committee has approved the transactions, the Group Treasury Department is responsible for setting up the relevant hedges. This procedure is implemented and monitored for the management of all material financial risk, in particular interest rate risk, credit risk as well as for the use of derivative and ordinary financial instruments and short-term investments of cash. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either centrally coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. The Group considers that its exposure at June 30, 2017 has not changed significantly from that during the previous 12 months ended December 31, 2016 and therefore the policy implemented to mitigate such exposure remains consistent with prior years.

A detailed description of risk factors and uncertainties that could affect the rest of 2017 may be found in Section 2, *"Risk factors,"* in Exhibit A to this Offering Memorandum. Europcar believes that the principal risks described in this document have not significantly changed. If the risks materialized, they could have a significant negative impact on the Group's activities, financial position, results and outlook. In addition, other risks, either not yet identified or considered insignificant by the Group as of the date of this report, could also have an unfavorable effect.

Principal Shareholders

The SPV Issuer

The SPV issuer is wholly-owned by Cafico Trust Company Limited, on trust for charitable purposes.

EGSA

For information on EGSA's principal shareholders and shareholding structure, as of December 31, 2016, see Section 6.4 "Main Shareholders of the Company" in Exhibit A to this Offering Memorandum and Note 19 of the Unaudited EGSA Consolidated Financial Statements as of and for the six months ended June 30, 2017 included elsewhere in this Offering Memorandum.

On June 21, 2017, EGSA completed a Capital Increase pursuant to which EGSA placed 14,612,460 new ordinary shares at a price per share of €12.00, including share premium, for a total of €175,349,520, representing approximately 10% of EGSA's ordinary shares prior to the Capital Increase. Eurazeo subscribed for 2,500,000 new ordinary shares in connection with the Capital Increase, and following the completion of the Capital Increase holds 39.22% of the share capital of EGSA. See "*Description of Certain Europcar Financing Arrangements and Acquisition Financing—Acquisition Financing—Capital Increase.*"

To the best of the Company's knowledge, at June 30, 2017, except for Eurazeo S.A., ECIP Europcar Sarl and Morgan Stanley, no other shareholder, directly or indirectly, alone or in concert, holds more than 5% of the share capital or voting rights.

On October 3, 2017, Eurazeo and ECIP Europcar Sarl announced the sale of 16,103,088 of their ordinary shares in EGSA, representing 10.00% and 10.04% of EGSA's share capital and voting rights, respectively. The transaction comprised 14,084,332 ordinary shares (i.e. 8.75% of EGSA's capital and 8.78% EGSA's voting rights) sold by Eurazeo and 2,018,756 EGSA shares (i.e. 1.25% of EGSA's capital and 1.26% of EGSA's voting rights) sold by ECIP Europcar Sarl. As of the settlement date on October 5, 2017, Eurazeo and ECIP Europcar Sarl shareholdings represent respectively 30.40% and 4.36% of EGSA's share capital and 30.54% and 4.36% of EGSA's voting rights.

As of June 30, 2017

	Shares	% of share capital	Theoretical voting rights	% of theoretical voting rights	Voting rights at Shareholders' Meeting	% of voting rights at Shareholders' Meeting
Eurazeo S.A. . . .	63,045,072 ⁽¹⁾	39.5% ⁽²⁾	63,044,838	39.3%	63,044,838	39.3%
ECIP Europcar Sarl	9,036,469	5.6%	9,036,469	5.6%	9,036,469	5.6%
Morgan Stanley	9,047,141	5.6%	9,047,141	5.6%	9,047,141	5.6%
Executives and employees . . .	3,179,744 ⁽³⁾	2.0%	3,171,892	2.0%	3,171,892	2.0%
Free float	76,022,457	47.2%	76,022,457	47.2%	76,022,457	47.2%
Treasury shares	700,000	0.4%	700,000	0.4%	—	0%
Total	161,030,883	100%	161,022,797	100%	160,322,797	100%

(1) Of which 234 class D preferred shares.

(2) Eurazeo's % of share capital was diluted due to the Capital Increase.

(3) Of which 4,045 class C preferred shares and 3,807 class D preferred shares held by certain current or former Group employees or executives.

Description of Certain Europcar Financing Arrangements and Acquisition Financing

The following summary of the provisions of the documents listed below governing certain of our financial arrangements does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

For further information on the various financing arrangements that the Group uses to fund the acquisition of its fleet and other non-fleet financing needs as of December 31, 2016, see Section 3.2.3 “Description of the Financing as of December 31, 2016” in Exhibit A to this Offering Memorandum.

Certain Corporate Financing Arrangements

Existing Parent Notes

On June 10, 2015, Europcar Notes Limited, (the “**Original SPV Issuer**”) issued €475 million aggregate principal amount of its 5.750% Senior Notes due 2022 (the “**Existing Parent Notes**”). On June 29, 2015, upon release of the proceeds of the Existing Parent Notes from escrow, the Original SPV Issuer ceased to have any rights and was released from all of its obligations under the EG Indenture and the Existing Parent Notes, and Europcar Groupe S.A., a limited liability corporation (*société anonyme*) organized under the laws of France (“**EGSA**”) simultaneously assumed all such rights and obligations. In June 2016, EGSA issued additional Existing Parent Notes for a total of €125 million. These additional Existing Parent Notes are fungible with the Existing Parent Notes paying a fixed rate of 5.750% and maturing in 2022 for a total of €475 million, bringing the total amount of outstanding Existing Parent Notes to €600 million.

The Existing Parent Notes were issued pursuant to an indenture dated June 10, 2015 (the “**EG Indenture**”) among initially the SPV Issuer and The Bank of New York Mellon as trustee. EGSA, as a successor issuer of the Existing Parent Notes have acceded to the EG Indenture through a supplemental indenture and Crédit Agricole Corporate and Investment Bank have acceded to the EG Indenture as security agent.

The maturity date for the Existing Parent Notes is June 15, 2022.

Security for the Existing Parent Notes

The Existing Parent Notes are secured by a second ranking pledge over the shares of Europcar International S.A.S.U. (“**ECI**”) owned by EGSA ranking behind the pledge of the shares securing the Senior Revolving Credit Facility but equally with the second ranking pledge securing the Notes offered hereby. The second ranking pledge securing the Existing Parent Notes may be released under certain other circumstances. The enforcement of the second-ranking share pledge is subject to material limitations pursuant to the existing intercreditor agreement entered into in connection with the issuance of the Existing Parent Notes (the “**EG Intercreditor Agreement**”).

Ranking of the Existing Parent Notes

Capitalized terms in this section “—*Ranking of the Existing Parent Notes*” have the meaning ascribed to them in the Existing Parent Notes Indenture, unless otherwise indicated.

The Existing Parent Notes are senior obligations of EGSA and will:

- be equal in right of payment to all existing and future indebtedness that is not subordinated in right of payment to the Existing Parent Notes (including indebtedness of EGSA under the New Senior Revolving Credit Facility);

- be secured by a second-ranking pledge of the shares of ECI, ranking junior to the first-ranking pledge of such shares in favor of the lenders under the New Senior Revolving Credit Facility;
- be effectively subordinated to all existing and future indebtedness of EGSA that is secured by property and assets that do not secure the Existing Parent Notes (including indebtedness of EGSA under the New Senior Revolving Credit Facility and the SARF), to the extent of the value of the assets securing such secured indebtedness;
- be effectively subordinated to all existing and future indebtedness and other liabilities (including trade payables) of each subsidiary of EGSA that is not a guarantor of the Notes (including indebtedness of subsidiaries of EGSA under the New Senior Revolving Credit Facility and the SARF);
- rank senior in right of payment to all existing and future indebtedness of EGSA that is expressly subordinated in right of payment to the Existing Parent Notes.

Optional Redemption

Prior to June 15, 2018, the Existing Parent Notes may be redeemed or purchased (by EGSA or any other Person) in whole or in part at EGSA's option, upon not less than 10 days nor more than 60 days' notice, at a price equal to 100% of the principal amount thereof plus the applicable premium as of, and accrued but unpaid interest, if any, to the date of redemption or purchase. Thereafter, EGSA may redeem all or a part of the Existing Parent Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof), plus accrued and unpaid interest to the redemption date, if redeemed during the twelve-month period commencing on November 15 of the years set out below:

Year	Redemption Price
2018	102.875%
2019	101.438%
2020 and thereafter	100.000%

In addition, at any time prior to June 15, 2018, EGSA may redeem up to 40% of the aggregate principal amount of the Existing Parent Notes with the proceeds of certain equity offerings at 105.750% of the principal amount thereof plus accrued interest to the redemption date and additional amounts, provided that at least 60% of the originally issued aggregate principal amount of the Existing Parent Notes remains outstanding immediately after each such redemption and each such redemption occurs within 90 days after the date of the relevant equity offering.

Change of Control

Upon the occurrence of certain change of control events, each holder of the Existing Parent Notes may require EGSA to repurchase all or a part of its Existing Parent Notes at a purchase price equal to 101% of the principal amount of the Existing Parent Notes, plus accrued interest to, but not including, the date of purchase.

If EGSA sells assets under certain circumstances, EGSA is required to make an offer to purchase the Existing Parent Notes at 100% of the principal amount of the Existing Parent Notes, plus accrued interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets.

In addition, in the event that EGSA becomes obligated to pay additional amounts (as defined in the applicable indenture) to holders of the Existing Parent Notes as a result of changes affecting withholding taxes applicable to payments on the Existing Parent Notes, EGSA may redeem the Existing Parent Notes in whole but not in part at any time at 100% of the principal amount of the Existing Parent Notes plus accrued interest to the redemption date.

Covenants

The Existing Parent Notes Indenture contains certain covenants that, among other things, limit the EGSA's ability and the ability of its subsidiaries to:

- incur additional indebtedness;
- make restricted payments, including dividends or other distributions;
- create certain liens;
- sell assets;
- in the case of our restricted subsidiaries, enter into arrangements that restrict dividends or other payments to us;
- in the case of our restricted subsidiaries, guarantee or secure debt;
- engage in transactions with affiliates;
- create unrestricted subsidiaries;
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis; and
- take any action that would materially impair the security interest;

These covenants are subject to important exceptions and qualifications.

Events of Default

The Existing Parent Notes Indenture contain customary events of default, including, among others, the non-payment of principal or interest on the Existing Parent Notes, certain failures to perform or observe any other obligation under the indentures applicable to the Existing Parent Notes or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of the EGSA, Subsidiary Guarantor or any Significant Subsidiary (each as defined in the indentures applicable to the Existing Parent Notes). The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the Existing Parent Notes.

New Senior Revolving Credit Facility

A new senior revolving credit facility was entered into on July 13, 2017 between inter alios, EGSA, ECI and certain of ECI's subsidiaries and Banco Bilbao Vizcaya Argentaria S.A. Paris Branch, Bank of America Merrill Lynch International Limited, Banque Européenne Crédit Mutuel, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit du Nord, Crédit Industriel et Commercial, Deutsche Bank AG, London Branch, Goldman Sachs International Bank, HSBC France, ING Bank N.V., French Branch, KBC Bank N.V., French Branch, Lloyds Bank plc, Natixis, The Royal Bank of Scotland plc and Société Générale (the "**RCF Lenders**") (the "**RCF**").

The borrowers under the RCF are EGSA, ECI, Europcar Holding S.A.S, Europcar Germany, Europcar International S.A.S.U. und Co. OHG, Europcar France and Europcar Spain (the "**RCF Borrowers**").

The purpose of the RCF is to finance the Europcar Group's working capital requirements and general corporate needs (including permitted acquisitions).

The RCF consists of a multicurrency revolving credit facility which may be drawn through credit advances (the "**RCF Advances**") or the issuances of letter of credits (the "**RCF Letters of Credit**"), in each case denominated in euros, pounds sterling, US dollars, Australian dollars or in any other currency agreed with the RCF Lenders, for a maximum outstanding amount of €500 million at any time and made available, as applicable, under certain conditions, to EGSA, ECI and certain Europcar Group subsidiaries.

EGSA will be entitled to request from time to time additional credit commitments under an increment facility in an aggregate principal amount not exceeding €100 million, subject to certain conditions precedent.

The maximum aggregate amount of the RCF Letters of Credit shall not exceed €150 million. The expiry date of the RCF Letters of Credit falls on or before thirty (30) calendar days before the maturity date of the RCF. The term of the RCF Letters of Credit is 12 months or less or, for RCF Letters of Credit whose aggregate amounts do not exceed €50 million, 36 months or less.

Guarantees

Guarantees have been granted by EGSA, ECI, Europcar Holding S.A.S., Europcar Germany, Europcar France, Europcar International S.A.S.U. & Co. OHG, Europcar Spain, Europcar Italy and Europcar United Kingdom Limited, provided that, as long as until the Group obtains the possibility, under documentation for the Fleet Notes, to incur RCF Advances and RCF Letters of Credit for a principal amount which is at least €500 million, the maximum principal amount of loans guaranteed by ECI and its Subsidiaries shall not exceed €400 million plus any interest, fees, costs, expenses and indemnities.

In addition, other subsidiaries of the Group may accede, under certain conditions, to the RCF as guarantors in the future.

Interest

The interest rates per annum applicable to loans made under the RCF are based on EURIBOR (or LIBOR or BBSW for drawings in currencies other than euro) plus a margin, it being specified that EURIBOR, LIBOR or BBSW will be deemed equal to zero in the event of a negative interest rate.

The initial margin is 2.25% for a loan made under the RCF. The margin may be adjusted to 2.50% for a loan made under the RCF if the leverage ratio (i.e., Total Net Debt to Corporate EBITDA (as such terms are defined in the RCF) for the 12 months preceding the most recent quarter end date is equal to or greater than 2: 1, and 2.25% if such leverage ratio is less than 2:1, provided in each case that no event of default has occurred and is continuing under the RCF.

Maturity and Repayments of RCF Advances

The RCF will mature on June 9, 2022 (the "**RCF Maturity Date**").

Each RCF Advance must be repaid on the last day of the interest period relating thereto but may be repaid by way of a new RCF Advance. Each RCF Advance repaid (except pursuant to a mandatory prepayment), will thereafter be available for redrawing until one month prior to RCF Maturity Date. All RCF Advances must be repaid at the RCF Maturity Date.

Mandatory Prepayment

An RCF Lender may, upon a change of control or a disposal of all or substantially all of the assets of the Europcar Group, cancel its commitment in full and request a mandatory prepayment. A

change of control means any person or group of persons acting in concert, other than Eurazeo or a member of Eurazeo Group, obtains direct or indirect control of the capital or the voting rights of EGSA.

Cancellation

Undrawn amounts under the RCF may be cancelled by EGSA at any time in whole or in part on five business days' notice on condition that the cancelled amount must be for a minimum amount of €10 million.

Security

The RCF is secured, subject to certain applicable limitations, by a first-priority security interest on the shares of ECI and of certain direct or indirect subsidiaries of ECI (Europcar Holding S.A.S., Europcar France, Europcar United Kingdom Limited, Europcar Germany, Europcar Italy, Europcar Spain and Europcar International S.A.S.U. & Co. OHG).

Fees and Commissions

The Company must pay the following fees: (i) fees on the unused revolving loan commitments of the lenders, (ii) letters of credit participation fees on the outstanding amount of each Letter of Credit, (iii) the fronting fees due to the issuing bank for each Letter of Credit, and (iv) other customary fees of the RCF (including upfront and agents' fees).

Ranking

The RCF ranks senior to all other subordinated debt of each RCF Borrower.

The RCF ranks pari passu with hedging transactions in right of payment and in connection to its security (except the abovementioned first-priority security interest on ECI shares which does not secure hedging transactions).

RCF lenders rank at least pari passu with all amounts owed to unsecured creditors.

Financial Covenant

The RCF specifies that the Europcar Group must maintain a ratio of cash flow to total debt service of no less than 1.10: 1.

Total debt service will be defined as the aggregate of the interest and associated fees during any given 12-month period plus repayment of financial indebtedness, the latter being subject to certain limitations.

Covenants

Subject to certain exceptions related to materiality tests, grace periods and carve-outs, the RCF specifies certain undertakings (covenants), namely: (i) a negative security interest in respect of Group assets, (ii) a limitation on financial indebtedness, (iii) restrictions on asset disposals, and (iv) limitations on mergers, acquisitions and investments.

Events of Default

The RCF contains, subject to exceptions related to materiality tests, grace periods and carve-outs, a certain number of customary events of default including the following: (i) failure to pay the

principal amount, interest, fees and other amounts, (ii) noncompliance with certain commitments and other obligations, (iii) material inaccuracy in representations and warranties, (iv) cross defaults or defaults which are accelerated with another significant debt, (v) certain cases of insolvency, (vi) non-compliance or misrepresentation of an obligation or a provision under the terms of the Intercreditor Agreement, (vii) a material audit qualification, and (viii) the occurrence of an event materially adverse to (a) the business or financial condition of EGSA or the Group and the ability of an obligor to perform its payment obligations or (b) the validity or enforceability of the security interests, subject to certain conditions.

Governing Law

The RCF is governed by French law.

The Intercreditor Agreement

The Intercreditor Agreement governing certain matters relating to the pledge over the financial securities account to which are credited shares of ECI owned by EGSA, as it relates to the creditors under the Senior Revolving Credit Facility and the holders of the Notes, was entered into on June 29, 2015. The Intercreditor Agreement provides that the Notes rank *pari passu* with the Senior Revolving Credit Facility Indebtedness and any additional First Lien Debt and that the Common Transaction Security rank and secure first the Senior Revolving Credit Facility Indebtedness and second the liabilities owed by EGSA to the Noteholders and any Additional Second Lien Debtholders.

Certain provisions of the Intercreditor Agreement are summarized below. Capitalized terms used in this section and not defined herein have the meanings given to them in the Intercreditor Agreement.

References in this section to the “**Common Transaction Security**” are to the financial securities account of EGSA to which are credited the shares of ECI owned by EGSA, which security is pledged on a second-ranking basis in favor of the Trustee and the Noteholders (potentially the Additional Second Lien Debtholders) and on a first-ranking basis in favor of the lenders under the Senior Revolving Credit Facility and the Senior Agent (and potentially the Additional First Lien Debtholders). References in this section to the “**Priority Creditor Only Transaction Security**” are to any security under the Senior Revolving Credit Facility and any Hedging Agreement (which security does not include the Common Transaction Security). References in this section to “**Transaction Security**” are collectively to both the Common Transaction Security and the Priority Creditor Only Transaction Security. The Hedging Counterparties do not benefit from any pledge over the Common Transaction Security, and neither the Trustee nor the Noteholders (nor any Additional Second Lien Debtholders) benefit from any pledge over the Priority Creditor Only Transaction Security.

Ranking and Priority

Liabilities Owed to Creditors

The liabilities owed by EGSA and/or its subsidiaries (the “**Debtors**”) to the Senior Creditors, the Trustee, the Noteholders, any Additional First Lien Debtholders, any Additional Second Lien Debtholders and the Intra-Group Lenders (as defined below) rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- (a) first, the liabilities under the Senior Revolving Credit Facility, any Additional First Lien Debt, the Hedging Agreements, the Notes and any Additional Second Lien Debt, *pari passu* and without any preference between them; and

(b) second, the Intra-Group Liabilities (as defined below).

Transaction Security

(a) The Priority Creditor Only Transaction Security ranks and secures the liabilities owed by EGSA and its subsidiaries to the Senior Creditors, the Hedge Counterparties and any Additional First Lien Debtholders *pari passu* and without any preference between them (but only to the extent that such Priority Creditor Only Transaction Security is expressed to secure those Liabilities) but with the order of application described under “—*Application of Proceeds*” below; and

(b) The Common Transaction Security ranks and secures:

(i) first, the liabilities owed by EGSA and the other Debtors to the Senior Creditors *pari passu* and without any preference between them but with the order of application described under “—*Application of Proceeds*” below; and

(ii) second, the liabilities owed by EGSA to the Noteholders and any Additional Second Lien Debtholders *pari passu* and without any preference between them but with the order of application described in “—*Application of Proceeds*” below.

Intra-Group Liabilities

Certain intra-group liabilities (the “**Intra-Group Liabilities**”) owed to EGSA or any Borrower or Subsidiary RCF Guarantor to any member of the Group (the “**Intra-Group Lenders**”) are postponed and subordinated to the Liabilities owed by the Debtors to the Senior Creditors, the Hedge Counterparties, the Additional First Lien Debtholders, the Noteholders and the Additional Second Lien Debtholders.

Security

(a) As between the Senior Creditors and/or any Additional First Lien Debtholders (the “**First Lien Debt Creditor**”), the First Lien Debt Creditors may take, accept or receive the benefit of:

(i) any additional security if, and to the extent legally possible, at the same time it is also offered either:

(A) to the Security Agent as agent (*mandataire*) and/or trustee for the other First Lien Debt Creditors and/or the Hedge Counterparties (the “**Priority Creditors**”) in respect of their liabilities; or

(B) in the case of any jurisdiction in which effective security cannot be granted in favor of the Security Agent as agent (*mandataire*) and/or trustee for the Priority Creditors:

(x) to the other Priority Creditors in respect of their liabilities; or

(y) to the Security Agent under a parallel debt structure for the benefit of the other Priority Creditors,

and ranks in the same order of priority as that contemplated under “—*Transaction Security*” above; and

(ii) any guarantee, indemnity or other assurance against loss in addition to those in the Senior Revolving Credit Agreement, the Intercreditor Agreement or any other guarantee, indemnity or assurance given to the Senior Creditors if and to the extent legally possible, at the same time it is also offered to the other Senior Creditors in respect of their liabilities and ranks in the same order of priority as described under “—*Ranking and Priority*” above.

(b) The Noteholders and any Additional Second Lien Debtholders may not take, accept or receive the benefit of:

- (i) any additional security in addition to the Common Transaction Security; or
- (ii) any guarantee, indemnity or other assurance against loss unless, at the same time, it is also offered to the Priority Creditors in respect of their liabilities and ranks in the same order of priority as described under "*—Ranking and Priority*" above.

Proposed Enforcement Action

Consultation period

Pursuant to the Intercreditor Agreement, no agent (including the Trustee and the agent for the Senior Creditors under the Senior Revolving Credit Facility (the "**Senior Agent**"), the Security Agent or other Secured Creditor) may take any Enforcement Action (as defined below) pursuant to paragraph (c) of the definition thereof unless either:

- (a) an insolvency event has occurred in respect of EGSA or a guarantor, which under the terms of the Indenture, any Hedging Agreement (as defined below), the Senior Revolving Credit Facility Agreement, any document governing any additional First Lien Debt (as defined below) or any document governing any Additional Second Lien Debt (as defined below), as the case may be, entitles it to take Enforcement Action; or
- (b) following compliance with the following paragraph, the relevant 30-day standstill period has expired.

Where any of the Security Agent, Senior Agent, Trustee, Noteholders, Additional First Lien Debtholders or Additional Second Lien Debtholders (or their representatives) proposes to take any Enforcement Action pursuant to paragraph (c) of the definition thereof which, under the terms of the Senior Revolving Credit Facility Agreement, Hedging Agreements, Indenture, any document governing Additional First Lien Debt or any document governing any Additional Second Lien Debt (as the case may be), it is otherwise entitled to take (save in the circumstances set out in clause (a) of the prior paragraph), it must, prior to taking any Enforcement Action, give 30 days' prior written notice of its intention to take such Enforcement Action to the Senior Agent, the Security Agent, the Trustee and the representative for each series of Additional First Lien Debt and the representative of each series of Additional Second Lien Debt (as applicable), and on expiry of such 30-day period (or such shorter period as the Senior Agent, the Trustee, the representative for each series of Additional First Lien Debt agree in writing), each of the Security Agent, Senior Agent, Trustee and the representative for each series of Additional First Lien Debt and the representative for each series of Additional Second Lien Debt will be permitted to take such Enforcement Action as it is otherwise entitled to take, regardless of whether it or another party gave the notice.

During any such 30-day period the Senior Agent, the Security Agent, the Trustee and the representative for each series of Additional First Lien Debt and the representative for each series of Additional Second Lien Debt agree in good faith (but without prejudice to their respective rights at the end of such 30-day period) to consult with each other as to any proposed Enforcement Action.

The Security Agent may refrain from enforcing the Transaction Security or taking any other action as to

Enforcement unless instructed otherwise by the Instructing Group (as defined below).

Subject to the Transaction Security having become enforceable in accordance with its terms, the Instructing Group may give or refrain from giving instructions to the Security Agent as to the Enforcement of the Transaction Security as they see fit; provided that the instructions as to

Enforcement given by the Instructing Group are consistent with the Enforcement Principles described in the agreement and provided further that if Enforcement Action has been taken which appears likely to result in the occurrence of an insolvency event, the Instructing Group or the Note/Additional Second Lien Required Holders (to the extent permitted by the agreement) shall instruct the Security Agent to commence Enforcement sufficiently promptly so as not to frustrate the Security Enforcement Objective.

The Security Agent is entitled to rely on and comply with instructions given in accordance with the relevant provisions of the Intercreditor Agreement.

Manner of Enforcement

If the Transaction Security is being enforced or other action as to Enforcement is being taken pursuant to the provisions described above, the Security Agent must enforce the Transaction Security or take other action as to Enforcement in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as the Instructing Group or the Note/Additional Second Lien Required Holders then entitled to instruct, as described below under "Second Lien Enforcement" may instruct, provided that any such instructions are consistent with the principles described in the Agreement.

After the Security Agent has commenced an Enforcement of the Transaction Security it shall not accept any subsequent instructions as to Enforcement from anyone other than the Instructing Group that instructed it in respect of such Enforcement regarding any other Enforcement over or relating to the Transaction Security directly or indirectly the subject of the Enforcement which has been commenced (in the context of an Enforcement relating to the shares in a company, for example, this paragraph would restrict the giving of any instructions as to Enforcement of the Transaction Security over those shares or to the assets of that company or the shares in or assets of any direct or indirect subsidiary of that company).

The immediately preceding paragraph does not restrict the right of any subsequent Instructing Group to instruct the Security Agent as to Enforcement of the Transaction Security that includes any shares or assets which are not directly or indirectly the subject of a prior instruction as to Enforcement.

If the Majority Priority Creditors (as defined below) consider that the Security Agent is enforcing the Transaction Security in a manner which is not consistent with the Enforcement Principles described below, the representative for the relevant Secured Creditors may give notice to the Senior Agent or Trustee (as appropriate) after which such representatives must consult with the Security Agent for a period of 10 days (or such lesser period as such representatives may agree) with a view to agreeing the manner of Enforcement provided that such representatives will not be obliged to consult under this paragraph more than once in relation to each Enforcement.

Second Lien Enforcement

Until the date on which the liabilities under the Senior Revolving Credit Facility, and under any document governing any Additional First Lien Debt are repaid and discharged in full, except with the prior consent, or at the request, of the Instructing Group, neither the Trustee (for itself and on behalf of the Noteholders) nor any Additional Second Lien Debtholder (or its representative) shall direct the Security Agent to enforce, or otherwise (to the extent applicable) require Enforcement of, any Common Transaction Security except as permitted under the following paragraph.

The restriction in the immediately preceding paragraph will not apply if the Instructing Group is not enforcing the Common Transaction Security; and

- (a) an event of default under the Indenture or any document governing Additional Second Lien Debt has occurred for failure to pay principal at the original scheduled maturity of the Notes or the relevant Additional Second Lien Debt;

(b) any insolvency event has occurred in respect of any member of the Group, other than where such insolvency event occurred as a result of any action by the Noteholders and/or the Additional Second Lien Debtholders; or

(c) the Trustee or any representative under any Additional Second Lien Debt has given notice in writing (an “**Enforcement Notice**”) to EGSA, the Senior Agent and the representatives for the other Secured Creditors specifying that an event of default under the Indenture or any document governing the Additional Second Lien Debt (the “**Relevant Second Lien Default**”) is continuing and a period (a “**Second Lien Standstill Period**”) of not less than 179 days has elapsed since the date the Senior Agent and each representative for each class of Secured Creditor received such Enforcement Notice relating to such Relevant Second Lien Default and provided that the Relevant Second Lien Default is continuing at the end of such period.

Enforcement Principles

As set forth in the Intercreditor Agreement, the primary and over-riding aim of any enforcement of the Transaction Security is to achieve the Enforcement Objective, as set out in the Intercreditor Agreement. The “**Enforcement Objective**” is defined as the maximizing, so far as is consistent with prompt and expeditious realization of value from enforcement of the Transaction Security, the recovery by the secured creditors.

The principles set forth may be amended, varied or waived only with the prior written consent of the Majority Priority Creditors and the requisite majority of Noteholders required under the Indenture and the requisite majority of any Additional Second Lien Debtholders under the documentation governing such Additional Second Lien Debt.

The Transaction Security will be enforced and other action as to Enforcement will be taken such that either:

(a) all proceeds of Enforcement are received by the Security Agent in cash for distribution in accordance with the Intercreditor Agreement; or

(b) sufficient proceeds from Enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the provisions of the Intercreditor Agreement (i) with respect to the Priority Creditor Only Transaction Security, the liabilities under the Senior Revolving Credit Facility, any Hedging Agreement and under any Additional First Lien Debt are repaid and discharged in full (unless the Majority Priority Creditors agree otherwise) and (ii) with respect to the Common Transaction Security, the liabilities under the Senior Revolving Credit Facility and under any Additional First Lien Debt are repaid and discharged in full (unless the Majority First Lien Creditors agree otherwise).

The Enforcement must be prompt and expeditious, it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the time frame for the realization of value from the Enforcement of the Transaction Security or Distressed Disposal pursuant to Enforcement will be determined by the Instructing Group provided that it is consistent with the Enforcement Objective.

On:

(a) a proposed Enforcement of any of the Transaction Security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds €5,000,000 (or its equivalent); or

(b) a proposed Enforcement of any of the Transaction Security over some or all of the shares in a member of the Group over which Transaction Security exists (including the Common Transaction Security),

the Security Agent shall (unless it is incompatible with enforcement proceedings in a relevant jurisdiction) appoint a “big four” accounting firm, any reputable and independent international investment bank or other reputable and independent professional services firm with experience in restructuring and enforcement to opine as expert:

- (a) on the optimal method of enforcing the Transaction Security so as to achieve the principles set forth in the Intercreditor Agreement and maximize the recovery of any such Enforcement;
- (b) that the amount of proceeds received from any such Enforcement is fair from a financial point of view after taking into account all relevant circumstances; and
- (c) that such sale is otherwise in accordance with the Enforcement Objective.

The Security Agent is not under any obligation to appoint a financial advisor or to seek the advice of a financial advisor, unless expressly required to do so by the foregoing paragraph or any other provision of the Intercreditor Agreement.

The financial advisor’s opinion (or any equivalent opinion obtained by the Security Agent in relation to any other Enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Enforcement Objective has been met.

In the event that an Enforcement of the Transaction Security is over assets other than shares of a member of the Group and such Enforcement is conducted by way of public auction, any equity investors of the Group will be entitled to participate in such auction. Nothing in this paragraph will require Enforcement of Transaction Security to take place by way of public auction.

In the absence of written notice from a creditor or group of creditors that are not part of the relevant Instructing Group that such creditor(s) object to any Enforcement of the Transaction Security on the grounds that such Enforcement does not aim to achieve the Enforcement Objective, the Security Agent is entitled to assume that such Enforcement of the Transaction Security is in accordance with the Enforcement Objective.

If the Security Agent receives an objection (and without prejudice to the ability of the Security Agent to rely on other advisers and/or exercise its own judgment in accordance with the Intercreditor Agreement), a financial advisor’s opinion to the effect that the particular action could reasonably be said to be aimed at achieving the Enforcement Objective will be conclusive evidence that the requirement of the first paragraph of this section has been met.

If no financial advisor is willing to give an opinion (for reasons other than that the proposed Enforcement does not satisfy the requirements set forth in the Intercreditor Agreement), the Security Agent may nonetheless effect an Enforcement as directed by an Instructing Group provided such Enforcement is by way of public auction.

Waiver of Rights

To the extent permitted under applicable law and subject to the provisions of the Intercreditor Agreement dealing with Enforcement, Distressed Disposals and Application of Proceeds, each of the Secured Creditors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations is so applied.

Option to Purchase the RCF and the Additional First Lien Debt by the Noteholders and the Additional Second Lien Debtholders

Subject to the terms and conditions of the Intercreditor Agreement, at any time during the 30-day standstill period described above, all or a portion of the Noteholders (having given all of the Noteholders the opportunity) or any Additional Second Lien Debtholders (having given all of such Additional Second Lien Debtholders the opportunity) may, by giving not less than ten days' notice to the Security Agent, require the transfer to them of all, but not part, of:

- (a) the then outstanding liabilities owed to all of the RCF Lenders by paying the RCF Lenders the aggregate principal amount of the liabilities owed to the RCF Lenders through the date of payment and all costs and expenses incurred by the Senior Agent and RCF Lenders as a consequence of giving effect to that transfer; and
- (b) the then outstanding liabilities owed to all of the Additional First Lien Debtholders by paying the Additional First Lien Debtholders the aggregate principal amount of the liabilities owed to the Additional First Lien Debtholders through the date of payment and all costs and expenses incurred by the agent for the Additional First Lien Debtholders and Additional First Lien Debtholders as a consequence of giving effect to that transfer.

Upon exercising such option, the Noteholders will also be required to purchase amounts owing to the Hedge Counterparties in respect of the Hedging Liabilities.

Filing of Claims

After the occurrence of an insolvency event in relation to an obligor, each Creditor irrevocably authorizes the Security Agent (acting in accordance with the provision of the next succeeding paragraph), on its behalf, to:

- (a) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against such obligor;
- (b) demand, sue, prove and give receipt for any or all of that obligor's liabilities;
- (c) collect and receive all distributions on, or on account of, any or all of that member of the Group's liabilities; and
- (d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that obligor's liabilities, in each case only as the Security Agent considers necessary or advisable in relation to an Enforcement, and the Security Agent must distribute monies received by it as a result in accordance with the provisions described.

For the purposes of the preceding paragraph, the Security Agent shall act in accordance with the provisions described under "Application of Proceeds" below or in the absence of any such instructions, as the Security Agent sees fit.

Turnover of Receipts

If any Secured Creditor receives or recovers the proceeds from any Enforcement of any Transaction Security (whether before or after an insolvency event), except in accordance with the provisions described under "Application of Proceeds" below, that Secured Creditor will:

- (a) hold an amount of that receipt or recovery equal to the relevant Liabilities (or if less, the amount received or recovered) for the account of the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of Intercreditor Agreement; and
- (b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant Liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

The Intra-Group Lenders are also subject to customary turnover obligations.

Exercise of voting rights

(a) Each Intra-Group Lender will cast its vote in any proposal put to a vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent.

(b) The Security Agent will give instructions for the purposes of paragraph (a) above in accordance with any instructions given to it by the Instructing Group.

Distressed Disposals

If a Distressed Disposal (as defined below) is being effected, the Security Agent is irrevocably authorized to release the relevant Transaction Security and, if the asset disposed consists of the shares in the capital of a Debtor, to release that Debtor from all or any part of its liabilities, and if the asset disposed consists of the shares in the capital of any Holding Company of a Debtor to release that Holding Company and any of its subsidiaries from all or any part of their liabilities on behalf of all Secured Creditors, the Intra-Group Lenders, EGSA and other Debtors. The net proceeds of each such Distressed Disposal must be paid to the Security Agent for application in accordance with application of proceeds provisions of the Intercreditor Agreement as if those proceeds were the proceeds of an Enforcement of the Transaction Security. In connection with such Enforcement, the Security Agent will:

(a) act on the instructions (the “**Instructing Group**”) of:

(i) in respect of the Common Transaction Security, prior to the discharge of all Liabilities under the Senior Revolving Credit Facility and any Additional First Lien Debt in full, Secured Creditors representing 66 2/3% of the liabilities under the Senior Revolving Credit Facility and any Additional First Lien Debt (the “**Majority First Lien Creditors**”)

(ii) in respect of the Common Transaction Security, after the discharge of all Liabilities under the Senior Revolving Credit Facility and any Additional First Lien Debt in full, the Note/Additional Second Lien Required Holders; and

(iii) in respect of the Priority Creditor Only Transaction Security prior to the discharge of all Liabilities under the Senior Revolving Credit Facility, any Hedging Liabilities and any document governing any Additional First Lien Debt in full, Secured Creditors representing 66 2/3% of the liabilities under the Senior Revolving Credit Facility, the Hedging Liabilities and any Additional First Lien Debt (the “**Majority Priority Creditors**”); and

(b) in the absence of any such instructions, act as the Security Agent sees fit.

Notwithstanding the above no release of EGSA’s liabilities under the Notes or any Additional Second Lien Debt may take place without the Trustee’s (or the representative’s under any such Additional Second Lien Debt), as the case may be, prior written consent.

As defined in the Intercreditor Agreement, “**Distressed Disposal**” means a disposal of any asset that secures the liabilities under the Senior Revolving Credit Facility, any Additional First Lien Debt, the Notes, any Additional Second Lien Debt and/or the Hedging Agreements that is:

(a) being effected at the request of the Instructing Group in circumstances where the Transaction Security under the Senior Revolving Credit Facility, the Additional First Lien Debt, the Notes and/or any Additional Second Lien Debt has become enforceable;

(b) being effected by enforcement of the Transaction Security; or

(c) being effected, after the occurrence of an acceleration event under the Senior Revolving Credit Facility, any document governing any Additional First Lien Debt, the Indenture or any document governing any Additional Second Lien Debt or the enforcement of any Transaction Security by a Debtor to a person or persons which is, or are, not a member of the Group.

Each creditor, EGSA and each Debtor will:

(a) do all things that the Security Agent requests in order to give effect to the provision described in the prior paragraph (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to the releases or disposals contemplated thereby); and

(b) if the Security Agent is not entitled to take any of the actions contemplated by the Intercreditor Agreement or if the Security Agent requests that any creditor, EGSA or any guarantor take any such action, take that action itself in accordance with the instructions of the Security Agent, provided that the proceeds of those disposals are applied in accordance with the provisions described under **"Application of Proceeds"** below.

Application of Proceeds

Subject to certain exceptions, all amounts from time to time received or recovered by the Security Agent in connection with the Enforcement of all or any part of the Transaction Security or being derived from assets over which the Transaction Security created security and being expressly provided in the Intercreditor Agreement as being payable to the Security Agent for application in accordance with this paragraph (the "Recoveries") must be held by the Security Agent for the account of the relevant Secured Parties to apply them at any time as the Security Agent (acting reasonably) sees fit, to the extent permitted by applicable law (and subject to the provisions described in this paragraph), in the following order of priority:

(a) in discharging any sums owing to the Security Agent, the Trustee, any trustee or other any agent for any series of Additional First Lien Debt, any trustee or other agent for any Additional Second Lien Debt, any receiver or any delegate, each on a pari passu basis;

(b) in payment of all costs and expenses incurred by the Senior Agent, the Trustee, any agent for any series of Additional First Lien Debt, any agent for any series of Additional Second Lien Debt, any lender under the Senior Revolving Credit Facility, any Hedge Counterparty, any Additional First Lien Debtholder, any Noteholder or any Additional Second Lien Debtholder in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement (including any "soulte" paid in connection with the enforcement of any Security) or any action taken at the request of the Security Agent;

(c) in the case of the Priority Creditor Only Transaction Security only, in payment to:

(i) the Senior Agent on behalf of the arrangers and lenders under the Senior Revolving Credit Facility towards the discharge of liabilities owed to them under the Senior Revolving Credit Facility;

(ii) certain Hedge Counterparties towards the discharge of Hedging Liabilities owed to them under secured hedging agreements relating to interest rate and currency hedging arrangements (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty); and

(iii) any agent for any Additional First Lien Debt on behalf of the Additional First Lien Debtholders under the document governing such Additional First Lien Debt towards the discharge of liabilities owed to them under the document governing such Additional First Lien Debt,

on a pro rata basis between paragraph (i) above, paragraph (ii) above and paragraph (iii) above;

(d) in the case of the Common Transaction Security only, in payment to:

(i) the Senior Agent on behalf of the arrangers and lenders under the Senior Revolving Credit Facility towards the discharge of liabilities owed to them under the Senior Revolving Credit Facility; and

(ii) any agent for any Additional First Lien Debt on behalf of the Additional First Lien Debtholders under the document governing such Additional First Lien Debt towards the discharge of liabilities owed to them under the document governing such Additional First Lien Debt,

on a pro rata basis between paragraph (i) above and paragraph (ii) above.

(e) in the case of the Common Transaction Security only, in payment to:

(i) the Trustee on its own behalf and on behalf of the Noteholders for application (in accordance with the terms of the Indenture) towards the discharge of the liabilities owed to the Trustee and the Noteholders under the Indenture and the Notes; and

(ii) the representative of any Additional Second Lien Debt on its own behalf and on behalf of the Additional Second Lien Debtholders for application (in accordance with the terms of the documents governing such Additional Second Lien Debt) towards the discharge of the liabilities owed to the Additional Second Lien Debtholders;

on a pro rata basis between paragraph (i) and paragraph (ii) above;

(f) once all amounts under (a) to (e) above have been paid in full, in payment to the relevant Debtor to which a "soulte," if any, is payable/or has been paid and returned to the Security Agent by the relevant Debtor as describe under (d) "*—Payment of the soulte*" below;

(g) following repayment and discharge of the obligations owing to all of the Secured Creditors, in payment to any Intra-Group Lender as entitled thereto; and

(h) the balance, if any, in payment a distribution to the relevant Debtor and EGSA.

The Secured Creditors agree that any amounts other than recoveries of the Transaction Security applied in accordance with the immediately preceding paragraph which they may recover from a member of the Group following an insolvency event in respect of such member of the Group shall be shared by them pro rata pari passu.

Following an acceleration event or the enforcement of any Transaction Security, the Security Agent may, in its discretion, hold any amount of the recoveries or such security in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent may think fit (the interest being credited to the relevant account) for later application under the provisions described herein in the section entitled "*—Application of Proceeds*" in respect of any sum owed to (a) the Security Agent, any receiver or any delegate and (b) any part of the Liabilities owed by EGSA and the Subsidiary RCF Guarantors to the Secured Creditors, in each case, that the Security Agent reasonably considers might become due or owing at any time in the future.

Payment of the soulte

Appropriate provisions to deal with any soulte arising on any enforcement of security are included in the Intercreditor Agreement. Such provisions include a requirement that any obligation to pay any soulte to any security provider will be deferred by twelve months.

Consents, Amendments and Override

Required Consents

Subject to certain exceptions, the Intercreditor Agreement may be amended or waived only with the consent of the Majority First Lien Creditors, the Note/Additional Second Lien Required Holders and the Security Agent. An amendment or waiver that has the effect of changing or which relates to, among other things, the provisions described under “—*Application of Proceeds*” or under the Intercreditor Agreement shall not be made without the consent of the Senior Agent, the Majority RCF Lenders, the Trustee, each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty), the representative for the Additional First Lien Debtholders, the representative for the Additional Second Lien Debtholders and the Security Agent.

Amendments and Waivers: Transaction Security Documents

Subject to the immediately following paragraph and the provisions described under “—*Exceptions*” and unless the provisions of the Senior Revolving Credit Agreement, the Indenture, any document governing the Additional First Lien Debt or any document governing the Additional Second Lien Debt expressly provides otherwise, (1) the Security Agent may, if authorized by the Majority First Lien Creditors and the Trustee, and if EGSA consents, amend the terms of, waive any of the requirements of, or grant consents under, the Common Transaction Security Documents which shall be binding on each party, and (2) the Security Agent may, if authorized by the Majority Priority Creditors, and if EGSA consents, amend the terms of, waive any of the requirements of, or grant consents under, any of the Priority Creditor Only Transaction Security Documents which shall be binding on each party.

Subject to the provisions described under “—*Exceptions*” below, the prior consent of the RCF Lenders, the Additional First Lien Debtholders, the Additional Second Lien Lenders and the Trustee is required to authorize any amendment or waiver of, or consent under, the Common Transaction Security Documents which would affect the manner in which the proceeds of enforcement of the Transaction Security are distributed.

Exceptions

Subject to the immediately following paragraph, if the amendment, waiver or consent may impose new or additional obligations on or withdraw or reduce the rights of any party other than:

- (a) in the case of a Creditor in a way which affects or would affect Creditors of that party’s class generally; or
- (b) in the case of a Debtor, to the extent consented to by EGSA under the provisions described under “—*Amendments and Waivers: Transaction Security Documents*” above,

the consent of that party is required.

Neither the immediately preceding paragraph nor the provisions described in the second paragraph under “—*Amendments and Waivers: Transaction Security Documents*” shall apply:

- (a) to any release of Transaction Security, claim or liabilities in accordance with the debt documents; or
- (b) to any consent which, in each case, the Security Agent gives in accordance with the provisions described under “*Distressed Disposals*.”

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

Notwithstanding anything to the contrary in the Intercreditor Agreement or the Senior Revolving Credit Agreement, the immediately preceding paragraph as between any creditor and any obligor or any member of the Group will not cure, postpone, waive or negate in any manner any default or event of default under any debt document as provided in the relevant debt document.

Certain definitions contained in the Intercreditor Agreement

The following is a summary of certain defined terms used above and defined in the Intercreditor Agreement. Capitalized terms within the below definitions have the meaning given to them in the Intercreditor Agreement.

"Additional First Lien Debt" means any future indebtedness permitted (under all of the finance documents for each of the Secured Liabilities) to be incurred by EGSA and to benefit from security ranking *pari passu* with the lien securing the Senior Revolving Credit Facility.

"Additional First Lien Debtholders" means the holders of any Additional First Lien Debt.

"Additional Second Lien Debt" means any future indebtedness permitted (under all of the finance documents for each of the Secured Liabilities) to be issued or incurred by the Company and to benefit from security ranking *pari passu* with the lien securing the Notes.

"Additional Second Lien Debtholders" means the holders of any Additional Second Lien Debt.

"Enforcement Action" means:

(a) in relation to any liabilities under the Intercreditor Agreement, any Hedging Agreement, the Senior Revolving Credit Agreement and any other senior finance document, the Notes, the Indenture, any Additional First Lien Debt and any Additional Second Lien Debt, the security documents and any intra-group liabilities (the **"Liabilities"**):

(i) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of illegality);

(ii) the making of any declaration that any Liabilities are payable on demand;

(iii) the making of a demand in relation to a Liability that is payable on demand;

(iv) the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;

(v) the exercise of any right to require any member of the Group to acquire any Liability (including exercising any put or call option against that member of the Group for the redemption or purchase of any Liability but excluding any such right that arises under certain debt purchase transactions permitted under the Senior Revolving Credit Agreement, the Indenture, any document governing Additional First Lien Debt and any document governing Additional Second Lien Debt and excluding any mandatory offer to purchase the Notes arising as a result of a change of control or asset sale under the Indenture);

(vi) subject to certain exceptions, the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any Liabilities other than the exercise of any such right; or

(vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Liabilities;

(b) the premature termination or close-out of any hedging transaction under any hedging agreement (subject to certain exceptions);

(c) the taking of any steps to enforce or require the enforcement of any Transaction Security (including the crystallization of any floating charge forming part of the security thereunder);

(d) the entering into of any composition, compromise, assignment or arrangement with any member of the Group that owes any Liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the Liabilities (other than (i) any action permitted upon assignment of Liabilities or (ii) any debt buy-backs pursuant to open market debt repurchases, tender offers or exchange offers not undertaken as part of an announced restructuring or turnaround plan or while an event of default was outstanding under the relevant debt documents); or

(e) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration or reorganization of any member of the Group that owes any Liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any member of the Group, or any analogous procedure or step in any jurisdiction, except that the following shall not constitute Enforcement Action:

(a) the taking of any action falling within paragraphs (a)(ii), (a)(iii), (a)(iv), (a)(vii) or (e) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods;

(b) a Hedge Counterparty, a lender under the Senior Revolving Credit Facility (or their respective representatives), the Trustee, any Noteholder, Additional First Lien Debtholder or Additional Second Lien Debtholder (or their respective representatives) bringing legal proceedings against any person solely for the purpose of:

(i) obtaining injunctive relief (or any analogous remedy) to restrain any actual or putative breach of the applicable debt document;

(ii) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or

(iii) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages;

(c) allegations of material misstatements or omissions made in connection with this Offering Memorandum or in reports furnished to the Trustee or the Noteholders or any exchange on which the Notes are listed by any member of the Group pursuant to information and reporting requirements under the Indenture;

(d) allegations of material misstatements or omissions made in connection with the offering materials related to any Additional First Lien Debt or Additional Second Lien Debt or in reports furnished to the Additional First Lien Debtholders or the Additional Second Lien Debtholders (or their respective representatives) or on any exchange on which the Additional First Lien Debt or the Additional Second Lien Debt is listed by any member of the Group pursuant to information and reporting requirements under any documents governing the Additional First Lien Debt or the Additional Second Lien Debt;

(e) bringing legal proceedings against any person in connection with any fraud, securities violation or securities or listing regulations;

(f) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation; or

(g) any discussion or consultation between, or proposals made by, any of the Creditors during the 30-day standstill period prior to enforcement or as contemplated in the other consultation periods in the Intercreditor Agreement.

"Hedging Agreements" means the hedging agreements entered into in connection with the Senior Asset Revolving Facility Agreement.

"Hedge Counterparties" means the hedge counterparties party to the Hedging Agreements.

"Hedging Liabilities" are liabilities incurred in relation to interest rate Hedging Agreements.

"Note/Additional Second Lien Required Holders" means, in respect of any direction, approval, consent or waiver, the holders of the principal amount of the then outstanding liabilities under the Notes and any Additional Second Lien Debt (collectively, the **"Second Lien Debt"**) required and permitted under the terms of the Second Lien Debt documents to vote in favor of such direction, approval, consent or waiver, or, if the required amount is not specified, the holders holding at least a majority of the principal amount of the then outstanding Second Lien Debt liabilities, in accordance with the terms of the Second Lien Debt documents.

"Secured Creditors" means (i) the Priority Creditors and (ii) with respect to the Common Transaction Security only, the First Lien Creditors, the Noteholders and the Additional Second Lien Debtholders.

Certain Fleet Financing Arrangements

Buchbinder Fleet Financing

Buchbinder's fleet is financed through various short-term bilateral facilities (banking and operating lease facilities) contracted with local financiers in Germany and Austria. At the closing of the Buchbinder Acquisition, Buchbinder's existing fleet financing arrangements were rolled over.

Amendments to the Senior Asset Revolving Facility in 2017

On February 9, 2017, the Group entered into amendments to the Senior Asset Revolving Facility (SARF) to enable the securitization program to be compliant with the new methodology published by Standard & Poor's relating to sovereign risk (the "Rating above the sovereign" methodology) in order to maintain its single A rating. These amendments provide, in particular, for the inclusion of new concentration limits on rental fleets in Spain and Italy funded through the SARF. On August 31, 2017, additional amendments were entered into to adjust concentration limits on car manufacturers following the completion of the acquisition of Opel by PSA.

EC Finance Notes

On the Issue Date, EC Finance plc (**"EC Finance"**) will issue €350 million 2.375% Senior Secured Notes due 2022 (the **"EC Finance Notes"**). EGSA intends that the EC Finance Notes will be admitted to trading on the EURO MTF market of the Luxembourg Stock Exchange.

The EC Finance Notes will be issued pursuant to an indenture, dated as of the Issue Date (the “**EC Finance Notes Indenture**”) among EC Finance as issuer, The Bank of New York Mellon, London Branch, as trustee, transfer and principal paying agent, and The Bank of New York Mellon SA/NV Luxembourg Branch as registrar and as Luxembourg paying and transfer agent. The EC Finance Notes will be obligations of EC Finance, and will be guaranteed by ECI and EGSA on a senior unsecured basis.

The net proceeds from the offering of the EC Finance Notes, together with amounts provided by ECI, will be applied to redeem the Existing EC Finance Notes, thereby satisfying and discharging the indenture governing the Existing EC Finance Notes.

Guarantees of the EC Finance Notes

The EC Finance Notes will be obligations of EC Finance and will be guaranteed on a senior unsecured basis by each of ECI and EGSA (the “**EC Finance Notes Guarantees**”). The EC Finance Notes Guarantees will be general senior obligations of each of ECI and EGSA, which will rank equally in right of payment with all existing and future indebtedness of each of ECI and EGSA that are not subordinated in right of payment to the EC Finance Notes Guarantees, including the Senior Revolving Credit Facility, and in the event of an enforcement of ECI’s EC Finance Notes Guarantee, the ECI Performance Guarantee. Such EC Finance Notes Guarantees will rank senior in right of payment to all existing and future indebtedness of ECI and EGSA that is subordinated or otherwise junior in right of payment to the EC Finance Notes Guarantees.

Ranking of the EC Finance Notes

The EC Finance Notes:

- will be general senior obligations of EC Finance;
- will be guaranteed on a senior unsecured basis by each of ECI and EGSA;
- will rank equally in right of payment with all existing and future Indebtedness of EC Finance that is not subordinated in right of payment to the EC Finance Notes; and
- will rank senior in right of payment to all existing and future Indebtedness of EC Finance that is subordinated or otherwise junior in right of payment to the EC Finance Notes.

EC Finance Notes Collateral

The EC Finance Notes will benefit directly from the following security interests granted to the notes security agent on behalf of the EC Finance Notes trustee and the holders of the EC Finance Notes (the “**EC Finance Notes Collateral**”) in the following rights, property and assets:

- the balance in English bank accounts of EC Finance and EC Finance’s rights under the Amended and Restated ECI Subordinated Loan; and
- ECI’s rights under the Securitifleet Proceeds Loan.

As lender under the Securitifleet Proceeds Loan, EC Finance (and indirectly the holders of EC Finance Notes) also benefits, indirectly, from Liens on the Securitifleet Collateral.

Optional Redemption

Except as described below, the EC Finance Notes are not redeemable before November 15, 2019. Thereafter, EC Finance or EGSA may redeem all or, from time to time, a part of the EC Finance Notes upon not less than 10 nor more than 60 days’ notice prior to the redemption date, at the following redemption prices (expressed as percentages of the principal amount thereof), plus

accrued and unpaid interest to the redemption date, if redeemed during the twelve-month period commencing on November 15 of the years set out below:

Year	Notes
2019	101.188%
2020	100.594%
2021 and thereafter	100.00%

At any time prior to November 15, 2019, the EC Finance Notes may also be redeemed or purchased (by EC Finance or EGSA) in whole or, from time to time, in part, at EC Finance's or EGSA's option upon not less than 10 nor more than 60 days' notice prior to the redemption date at a price equal to 100% of the principal amount thereof plus the applicable premium as of, and accrued but unpaid interest, if any, to the date of redemption or purchase.

Prior to November 15, 2019, EC Finance or EGSA may, at their option, redeem during each 12-month period commencing with the issue date of the EC Finance Notes up to 10% of the aggregate principal amount of the EC Finance Notes outstanding at its option, from time to time, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 103% of the principal amount of the EC Finance Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

In addition, any time, or from time to time, on or prior to November 15, 2019 EC Finance or EGSA may, at their option, use the net cash proceeds of one or more equity offerings to redeem up to 40% of the principal amount of the EC Finance Notes issued under the EC Finance Notes Indenture at a redemption price of 102.375% of the principal amount and additional amounts plus accrued and unpaid interest and additional amounts, if any, to the date of redemption; *provided that*:

- (1) at least 60% of the principal amount of EC Finance Notes originally issued under the EC Finance Notes Indenture (excluding EC Finance Notes held by EC Finance, EGSA and their respective affiliates) remains outstanding immediately after any such redemption; and
- (2) EGSA makes such redemption not more than 90 days after the consummation of any such equity offering.

In addition, in the event that EC Finance or EGSA becomes obligated to pay additional amounts (as defined in the EC Finance Notes Indenture) to holders of EC Finance Notes as a result of changes affecting withholding taxes applicable to payments on the EC Finance Notes, EC Finance or EGSA may redeem the EC Finance Notes in whole but not in part at any time at 100% of the principal amount of the EC Finance Notes plus accrued and unpaid interest to the redemption date.

Change of Control and Asset Sales

Upon the occurrence of certain change of control events, each holder of the EC Finance Notes may require EC Finance or EGSA to repurchase all or a portion of its EC Finance Notes at a purchase price equal to 101% of the principal amount of the EC Finance Notes, plus accrued and unpaid interest to, but not including, the date of purchase.

If EGSA or any of its restricted subsidiaries sells assets, under certain circumstances, EGSA will be required to make an offer to purchase the EC Finance Notes at 100% of the principal amount of the EC Finance Notes, plus accrued interest to, but not including, the date of purchase, with the proceeds from the sale of the assets.

Covenants

The EC Finance Notes Indenture contains covenants that, among other things, limit the ability of EC Finance, EGSA, Securitifleet Holding, Securitifleet Companies and their Restricted Subsidiaries to:

- respect covenants limiting the activities of EC Finance and the Securitifleet Companies
- incur additional indebtedness;
- make restricted payments, including dividends or other distributions;
- create certain liens;
- sell assets;
- in the case of restricted subsidiaries, enter into arrangements that restrict dividends or other payments to EGSA;
- in the case of restricted subsidiaries, guarantee or secure debt;
- engage in transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the Company's assets and the assets of its subsidiaries on a consolidated basis; and
- take any action that would materially impair the security interest.

These covenants are subject to important exceptions and qualifications. Currently, all of the subsidiaries of EC Finance, and each of Securitifleet Holding and the Securitifleet Companies are Restricted Subsidiaries (as defined in the EC Finance Notes Indenture).

In addition, the maximum loan-to-value ratio of all Securitifleet Companies' indebtedness over the total value of certain of the Securitifleet Companies' assets cannot exceed 95%, with compliance to be tested on a quarterly basis.

Events of Default

The EC Finance Notes Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the EC Finance Notes, certain failures to perform or observe any other obligation under the EC Finance Notes Indenture or security documents, the failure to pay certain indebtedness or comply with judgments and the bankruptcy or insolvency of EC Finance, ECI, a Securitifleet Company or a significant subsidiary. The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the EC Finance Notes Indenture.

Intercreditor Agreement

On the Completion Date, each of EGSA and the Trustee will accede to the Intercreditor Agreement, as successor issuer to the SPV in respect of the Notes and creditor representative of the holders of the Notes, respectively.

Acquisition Financing

Capital Increase

On June 21, 2017, Europcar Groupe completed a capital increase through a private placement of shares to qualified and institutional investors in France and internationally via an accelerated

book-building (the “**Capital Increase**”). Europcar Groupe placed 14,612,460 new ordinary shares at a price per share of €12.00, including share premium, for a total of €175,349,520, representing approximately 10% of Europcar Groupe’s ordinary shares prior to the Capital Increase.

The new ordinary shares are fully fungible with the existing ordinary shares of Europcar Groupe. The shares were admitted to listing on the regulated market of Euronext Paris in the same department as existing Europcar Groupe ordinary shares under the ISIN code FR0012789949. Settlement for the new ordinary shares and their admission to listing on Euronext Paris took place on June 23, 2017.

Eurazeo subscribed for 2,500,000 new ordinary shares in connection with the Capital Increase. Upon completion of the Capital Increase Eurazeo held 39.22% of the share capital of Europcar Groupe. Eurazeo agreed with Goldman Sachs International and Société Générale Corporate & Investment Banking (the “**Global Coordinators**”) that it would not sell or transfer its shares of Europcar Groupe for 90 days from the closing date of the Capital Increase. In addition, Europcar Groupe agreed with the Global Coordinators to a lock-up of 120 days from the closing date of the Capital Increase, subject to customary exceptions.

The principle of the Capital Increase was authorized by Europcar Groupe’s supervisory board on May 22, 2017. The Capital Increase was decided by the Chairwoman of the Management Board pursuant to a delegation of authority from the Management Board, which was given during its meeting on June 20, 2017 pursuant to the delegation of authority granted to it by the 22nd and 23rd resolutions of the General Shareholders’ Meeting of May 10, 2017. The subscription price of €12.00 per new ordinary share represented a discount of 3.23% compared to the closing price of the shares on Euronext Paris on June 20, 2017.

Europcar Groupe used the proceeds of the Capital Increase to bolster its share capital and enable it to maintain an efficient and robust capital structure in the context of financing its external growth strategy, in particular completing targeted acquisitions, including the Goldcar Acquisition and the Buchbinder Acquisition.

Bridge Term Facilities Agreement

A bridge term facilities agreement was entered into on July 13, 2017 between inter alios, EGSA and Bank of America Merrill Lynch International Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs International Bank, HSBC Bank plc, Lloyds Bank plc, Natixis and Société Générale (the “**Bridge Lenders**”).

The Bridge Facilities Agreement provides for two facilities: (i) a term loan facility B for a maximum amount of €440 million, which can be borrowed by EGSA and used towards, inter alia, financing of the Goldcar Acquisition, related costs thereof, and refinancing of existing indebtedness of Goldcar (“**Bridge-to-Bond Facility**”) and (ii) a term loan facility B’ for a maximum amount of €600 million, which can be borrowed by Car Rentals Subsidiary, S.A.U. (together with EGSA, the “**Bridge Borrowers**”) and will be guaranteed by EGSA and used towards, inter alia, refinancing of existing indebtedness of the group of Goldcar and acquisition of the vehicles fleet of Goldcar (the “**Bridge-to-Asset-Backed Facility**” together with the Bridge-to-Bond Facility, the “**Bridge Facilities**”).

It is intended that a portion of the proceeds of the Notes will be used to provide funds for the consummation of the Goldcar Acquisition, thereby permitting the cancellation of the Bridge-to-Bond Facility prior to any drawing thereunder. See “*Use of Proceeds*.”

In addition, the Company is currently negotiating the conclusion of a further bridge to asset backed facility (the “**Goldcar Asset Backed Facility**”) for the purpose of refinancing the Bridge-to-Asset-Backed Facility of the Bridge Acquisition Facilities, which was implemented to

provide bridge financing for the vehicles fleet of Goldcar. It is intended that the Goldcar Asset Backed Facility enter into force as of the Goldcar Acquisition by Europcar Group to refinance the existing debt of Goldcar to be repaid as a result of the change of control. The Goldcar Asset Backed Facility is intended to provide optimized utilization and pricing conditions as compared to the Bridge-to-Asset-Backed Facility and to allow (i) the operational Goldcar entities to refinance the existing debt of such operational companies incurred for the purchase of their vehicles fleet and (ii) the fleet Goldcar entities to (x) refinance the existing debt of such fleet companies incurred for the purchase of its vehicles fleet and (y) finance the purchase of new vehicles. The Goldcar Asset Backed Facility availability period would terminate after a period of one year. After such period, it is intended that the purchases of new vehicles of Goldcar be financed through the Senior Asset Revolving Facility and other fleet financing bilateral facilities.

Security and Guarantees

No security interest has been granted to secure the amounts due under the Bridge Facilities but a guarantee has been granted by EGSA to secure the amounts due by each borrower under the Bridge-to-Asset-Backed Facility and the performance of each obligor's obligations under Bridge Facilities agreement and the related finance documents.

Interest

The interest rates per annum applicable to loans made under the Bridge Facilities are based on EURIBOR (or during the first interest period, EONIA) plus a margin, it being specified that EURIBOR or EONIA will be deemed equal to zero in the event of a negative interest rate.

The initial applicable margin is 2.75% for the Bridge Facilities, subject to, as from December 2, 2017, a step up of the applicable margin (3.25% from December 2, 2017 (the "**Step-Up Deadline**") to the date falling six months after the Step-Up Deadline, then 3.75% to the date falling nine months after the Step-Up Deadline, then 4.25% to the date falling 12 months after the Step-Up Deadline, then 4.75% falling to the date falling 15 months after the Step-Up Deadline and 5.50% thereafter).

Maturity and Repayments of the Bridge Facilities

The initial termination date of the Bridge Facilities is the earlier of the date falling 12 months after the closing date and 18 months after the signing date and is subject to an extension option, for an additional six months' period and, with respect to the Bridge-to-Asset Backed Facility only, subject to a second extension option. Such extension options are subject to an extension fee.

Mandatory Prepayments

A Bridge Lender may, if a person or group of persons acting in concert, other than Eurazeo or a member of Eurazeo Group, obtains direct or indirect control of the capital or the voting rights of EGSA, cancel its commitment in full and request a mandatory prepayment if

- (i) EGSA ceases to own directly or indirectly 100% (on a non-diluted and fully diluted basis) of the equity share capital of, or ceases to own directly equity share capital having the right to cast 100% (on a non-diluted and fully diluted basis) of the votes capable of being cast in shareholders' general meetings of Goldcar or ceases to own the right to appoint all of the directors of the board (or the equivalent body) of Goldcar (other than as a result of a permitted merger of Goldcar into another member of the Europcar Group whose share capital is 100% owned directly or indirectly by EGSA); or
- (ii) all or substantially all of the assets of Goldcar are sold, then all commitments are immediately cancelled in full and outstanding loans become due and payable.

All of the net proceeds received by EGSA or another member of the Europcar Group in connection with (i) an issuance of debt instruments (whether publicly or privately placed) (including but not limited to convertible bonds, high yield bonds, Euro private placements (whether bonds or loans), *schuldschein* or any equivalent thereto) or (ii) the incurrence of bank or institutional term loans (excluding certain indebtedness such as proceeds of any debt instrument which by their terms are not mandatorily redeemable or mandatorily convertible into shares, vehicles fleet financing, certain permitted financial indebtedness and refinancing of the fleet notes) shall be applied towards the prepayment and cancellation of the Bridge-to-Bond Facility (the “**Net Debt Proceeds**”).

Car Rentals Subsidiary, S.A.U. shall apply the net proceeds received in connection with the issuance of asset-backed securities or other similar securitizations or asset-backed financings (including asset backed loans), raised in relation to the vehicles fleet of Goldcar and excluding, for the avoidance of doubt, any Net Debt Proceeds to the prepayment and cancellation of the Bridge-to-Bond Facility.

Longstop Date for Goldcar Acquisition

In the event that European Commission merger control clearance is not obtained for the Goldcar Acquisition prior to March 31, 2018, EGSA will not be able to draw funds under the Bridge Facilities Agreement, without the prior written consent of all the lenders thereunder before the foregoing date, which will terminate automatically unless EGSA is able to secure the unanimous prior consent of the lenders thereunder.

Cancellation

Undrawn amounts under the Bridge Facilities may be cancelled by EGSA at any time in whole or in part on five business days’ notice on condition that the cancelled amount must be for a minimum amount of €10 million.

Fees and Commissions

EGSA must pay the following fees: (i) ticking fees, (ii) upfront fees and (iii) other customary fees of the Bridge Facilities (including agents’ fees and, if an extension of a Bridge Facility is required).

Ranking

The Bridge Lenders rank at least *pari passu* with all amounts owed to unsecured and unsubordinated creditors.

Covenants

Subject to certain exceptions related to materiality tests, grace periods and carve-outs, the Bridge Facilities Agreement specifies certain undertakings (covenants), namely: (i) a negative security interest in respect of Europcar Group’s assets, (ii) a limitation on financial indebtedness, (iii) restrictions on asset disposals, and (iv) limitations on mergers, acquisitions and investments.

Events of Default

The Bridge Facilities Agreement contains, subject to exceptions related to materiality tests, grace periods and carve-outs, a certain number of customary events of default including the following: (i) failure to pay the principal amount, interest, fees and other amounts, (ii) noncompliance with certain commitments and other obligations, (iii) material inaccuracy in representations and

warranties, (iv) cross defaults or defaults which are accelerated with another significant debt, (v) certain cases of insolvency, (vi) a material audit qualification, and (vii) the occurrence of an event or circumstance which is materially adverse to the business or the financial condition of EGSA or the Group, taken as a whole and to the ability of any obligor to perform its payment obligations.

Governing Law

The Bridge Facilities Agreement is governed by French law.

Description of the Notes

Europcar Drive D.A.C. (the "**SPV Issuer**") will issue €600.0 million aggregate principal amount of 4.125% senior notes (the "**Notes**") under an indenture (the "**Indenture**") to be dated as of the Issue Date initially between the SPV Issuer and The Bank of New York Mellon, London Branch as trustee (the "**Trustee**") and as notes security agent (the "**Notes Security Agent**"). The Notes will be issued in a private transaction (the "**Offering**") that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). See "*Transfer Restrictions*." On the Completion Date (as defined below) or the Special Mandatory Redemption Date (as defined below), as applicable, Europcar Groupe S.A. (a corporation organized under the laws of France) ("**EGSA**"), as a successor issuer of the Notes will accede to the Indenture through a supplemental indenture or accession agreement and Crédit Agricole Corporate and Investment Bank will accede to the Indenture as security agent (the "**Security Agent**").

The SPV Issuer is an unaffiliated special purpose financing company that has no material assets other than its interest in the Escrow Account. All of the SPV Issuer's Capital Stock is held by Cafico Trust Company Limited (the "**SPV Share Trustee**") on trust for charitable purposes. The obligations of the SPV Issuer under the Indenture and the Notes, will be limited as set forth in the Indenture. Upon the Completion Date or the Special Mandatory Redemption Date, as applicable:

- the SPV Issuer will cease to have any rights and will be released from all of its obligations under the Indenture and the Notes;
- EGSA will assume all such rights and obligations under the Indenture and the Notes;
- the Issue Date Collateral (as defined below) will be released; and
- the Collateral will be granted by EGSA.

This "*Description of the Notes*" is a summary of the material provisions of the Notes and the Indenture and refers to the Intercreditor Agreement and the Security Documents (each as defined below). The Description of the Notes does not restate those agreements in their entirety. These agreements, not this summary, define your rights as Holders, and therefore you should refer to such agreements for complete descriptions of the obligations of the SPV Issuer and EGSA and your rights. Copies of the forms of the Indenture, the Notes, the Intercreditor Agreement and the Security Documents will be available as set forth under "*Where You Can Find Additional Information*." By acquiring a Note, each Holder agrees to take the position that the Notes will be characterized as debt for United States federal income tax purposes.

You will find definitions of certain capitalized terms used in this Description of the Notes under the heading "*Certain Definitions*." The Indenture will not be qualified under the U.S. Trust Indenture of 1939, as amended, and will not incorporate or include or be subject to any of its provisions.

For the avoidance of doubt, any references to "*EGSA*" in the covenants and related definitions shall be references to EGSA, as the context may require, and not to any of its Subsidiaries.

Prior to the Completion Date or the Special Mandatory Redemption Date, as applicable, the SPV Issuer will be prohibited from engaging in any business activity or any other activity, other than certain activities related to the Indenture and the Notes. See "*Limitation on Activities of the SPV Issuer*." The release of the proceeds of the Offering of the Notes from the Escrow Account will be subject to certain conditions. See "*Escrow of Proceeds, Proceeds Loan and Special Mandatory Redemption*." On the Completion Date or the Special Mandatory Redemption Date, as applicable, all of EGSA's Subsidiaries will be "*Restricted Subsidiaries*." However, under the circumstances described below under "*Certain Definitions—Unrestricted Subsidiary*", EGSA will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

The Notes will initially not be held in definitive form and the registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Except as the context otherwise requires, the provisions described elsewhere in this *"Description of the Notes"* refer to the provisions of the Indenture as will be in effect beginning on the Completion Date or the Special Mandatory Redemption Date, as applicable.

Principal, Maturity and Interest

The Notes initially will be issued in the aggregate principal amount of €600.0 million. EGSA may issue additional Notes (the **"Additional Notes"**) under the Indenture from time to time after the Completion Date *provided that*, in order for such Additional Notes to have the same identification number as the Notes offered hereby, any such Additional Notes shall be fungible with the Notes for U.S. federal income tax purposes. Any issuance of Additional Notes is subject to all of the conditions and covenants in the Indenture. The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase.

The Notes will be in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Notes will only be issued in minimum denominations of €100,000 principal amount. The Notes will mature on November 15, 2024 and be payable at 100% of their face amount upon redemption at maturity.

Interest on the Notes will accrue at the rate of 4.125% *per annum* from (and including) the Issue Date or, if interest has already been paid, from the date it was most recently paid. Interest will be payable in cash semi-annually in arrears on May 15 and November 15 in each year, commencing on May 15, 2018 to the holder of record of the Notes on the May 1 and November 1 immediately preceding May 15 and November 15, respectively. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest on overdue principal and, to the extent permitted by law, on overdue installments of interest and Additional Amounts (as defined herein) will accrue at a rate that is 1.0% higher than the then applicable interest rate on the Notes.

If the due date for any payment in respect of any Note is not a Business Day at the place in which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Ranking of the Notes Prior to the Completion Date or the Special Mandatory Redemption Date, as applicable

The Notes will be limited recourse obligations of the SPV Issuer. Prior to the Completion Date or the Special Mandatory Redemption Date, as applicable, the SPV Issuer will not be permitted to incur any Indebtedness or any other liabilities, except as permitted under the first paragraph of *"—Certain Covenants—Limitation on Activities of SPV Issuer."*

Ranking of the Notes on and after the Completion Date or the Special Mandatory Redemption Date, as applicable

The Notes will be:

- general senior obligations of EGSA;
- secured by a second-ranking security interest over the shares of Europcar International S.A.S.U. owned by EGSA as described in *"—Security"*;

- senior in right of payment to all existing and future Indebtedness of EGSA that is expressly subordinated in right of payments to the Notes;
- *pari passu* in right of payment with any existing and future indebtedness of EGSA that is not subordinated in right of payment to the Notes;
- effectively subordinated to any existing or future Indebtedness or obligation of EGSA that is secured by property and assets that do not secured the Notes, to the extent of the value of the property and assets securing such Indebtedness; and
- structurally subordinated to any existing or future Indebtedness of the Subsidiaries of EGSA (other than Subsidiaries that become Subsidiary Guarantors).

Under certain circumstances in the future, certain Restricted Subsidiaries of EGSA may guarantee the Notes. See “—*Certain Covenants—Future Subsidiary Guarantors.*” Claims of creditors of the Subsidiaries of EGSA that are not Subsidiary Guarantors, including trade creditors, and claims of preferred shareholders (if any) of Subsidiaries of EGSA that are not Subsidiary Guarantors will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of EGSA, including holders of the Notes. The Notes, therefore, are effectively subordinated to creditors (including trade creditors) and preferred shareholders (if any) of Subsidiaries of EGSA that are not Subsidiary Guarantors.

As of June 30, 2017, on a Pro Forma As Adjusted basis:

- EGSA (including Subsidiaries and consolidated Special Purpose Entities) would have had total consolidated third-party debt of €3,781.4 million (excluding estimated debt equivalent of fleet operating leases off-balance sheet) and would have also had €2,288.8 million in estimated debt equivalent of fleet operating leases off-balance sheet; and
- Subsidiaries of EGSA and consolidated Special Purpose Entities would have had total outstanding borrowings of €2,581.4 million (excluding estimated debt equivalent of fleet operating leases off-balance sheet) and would have also had €2,288.8 million in estimated debt equivalent of fleet operating leases off-balance sheet).

Although the Indenture will contain limitations on the amount of additional Indebtedness that EGSA and its Restricted Subsidiaries may incur, under certain circumstances, the amount of such Indebtedness could be substantial and may rank senior to the Notes and/or constitute secured Indebtedness. See “—*Certain Covenants—Limitation on Indebtedness*” below.

Security

On the Issue Date, the Notes will be secured on a first-ranking basis (collectively the “**Issue Date Collateral**”) by a pledge of the Escrow Account (as defined below) in favor of the Trustee for the benefit of the Holders of the Notes, pursuant to the Escrow Charge (as defined below) and an assignment by way of security of the Proceeds Loan (as defined below) pursuant to the Proceeds Loan Security Assignment (as defined below), in favor of the Notes Security Agent for the benefit of the Trustee and the Holders. See “—*Escrow of Proceeds; Proceeds Loan and Special Mandatory Redemption.*”

On and after the Completion Date or the Special Mandatory Redemption Date, as applicable, EGSA, the Trustee and the Security Agent will enter into a share pledge agreement (the “**Share Pledge**” and, together with the Escrow Charge and the Proceeds Loan Security Assignment, the “**Security Documents**”) providing for a second-ranking pledge of the financial securities account to which the shares of ECI owned by EGSA are credited (the “**Collateral**”) granted to the Security Agent for the benefit of the Trustee and the Holders pursuant to a pledge of a financial securities account (“*nantissement de compte de titres financiers*”) (under article L.211-20 of the French Monetary and Financial Code) to which the shares of ECI owned by EGSA are credited, ranking after a first-ranking pledge of the same financial securities account granted to secure

certain existing and future Indebtedness of EGSA under the Senior Revolving Credit Facility. The Share Pledge secures parallel debt obligations owed to the Security Agent (the "**Parallel Debt**") which will be in the same amount and payable at the same time as obligations of EGSA under the Indenture in respect of the Notes (the "**Principal Obligations**"). Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. The Security Agent shall not be permitted to assign, transfer or dispose of the Parallel Debt other than to a successor, as more particularly described in the Indenture.

The Share Pledge will provide that, so long as no Event of Default has occurred which is continuing, unremedied or unwaived and which will have been previously notified to EGSA, EGSA will be entitled to receive all cash dividends and other payments made upon or with respect to the pledged shares pursuant to the Share Pledge and to exercise any rights pertaining to such shares. Subject to the Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, however:

- all rights of EGSA to receive dividends and other payments made upon or with respect to the pledged shares will cease and such dividends and other payments will be paid to an account for the benefit of the Trustee for the Holders (or as otherwise required by the Intercreditor Agreement); and
- solely with respect to an Event of Default of the type specified under the first paragraph under "*—Events of Default,*" the Trustee and the Security Agent will also be entitled to exercise all rights, actions and privileges granted by law to a secured creditor.

Subject to the Intercreditor Agreement, upon the occurrence and during the continuance of any Event of Default of the type specified under clause (1) or (2) under "*—Events of Default*" or a declaration of acceleration of additional Indebtedness in accordance with the Indenture, the Trustee and the Security Agent, for the benefit of the Holders of the Notes may foreclose on, sell or otherwise dispose of the Collateral or any part thereof in accordance with the terms of the Share Pledge.

Subject to certain conditions, including compliance with the covenant described under "*—Certain Covenants—Impairment of Security Interest,*" EGSA is permitted to pledge the Collateral in limited circumstances in connection with future issuances of the Notes and certain other Indebtedness, in each case permitted under the Indenture. In addition to the release provisions described below, the Security Interest (as defined below) will cease to exist by operation of law or will be released upon the defeasance or discharge of the Notes as provided in "*—Defeasance*" or "*—Satisfaction and Discharge*", in each case in accordance with the terms and conditions of the Indenture.

Notwithstanding the foregoing, certain assets may not be secured or such security perfected in accordance with the Agreed Security Principles, including:

- if the cost of providing security or perfecting the same is not proportionate to the benefit accruing to the Holders and the other secured parties; and
- if providing such security would result in any breach of financial assistance, corporate benefit, fraudulent preference, "thin capitalization" laws or regulations (or analogous restrictions) of any applicable jurisdiction or if entering into the Security Documents would result in a significant risk to the officers of the relevant grantor of security of contravention of their fiduciary duties of officers and/or of civil or criminal liability.

Priority

The relative priority between (a) the lenders under the Senior Revolving Credit Facility and (b) the Trustee with respect to the security interest in the Collateral that is created by the Share

Pledge and that secures the Parallel Debt (the “**Security Interest**”) is established by the terms of the Intercreditor Agreement, the Indenture and the Share Pledge, and may be set forth in any Additional Intercreditor Agreements and any other security documents from time to time with respect to any other Indebtedness permitted under the Indenture to be secured by the Collateral and the security documents relating to the Senior Revolving Credit Facility, which provide that:

- the obligations under the Senior Revolving Credit Facility secured by the Collateral are secured by a first-priority security interest in the Collateral; and
- the obligations in respect of the Parallel Debt and in respect of any other Indebtedness of EGSA from time to time secured by the Collateral are secured by a second-priority security interest in the Collateral.

Please see the section entitled “*Description of Certain Europcar Financing Arrangements and Acquisition Financing— Intercreditor Agreement.*” In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See “*—Certain Covenants—Impairment of Security Interest.*”

Release of Security

The Collateral will be released:

- solely with respect to the Issue Date Collateral, as of the Completion Date or the Special Mandatory Redemption Date, as applicable;
- in accordance with the Intercreditor Agreement. See “*Description of Certain Europcar Financing Arrangements and Acquisition Financing—Intercreditor Agreement*”; and
- upon legal or covenant defeasance as described below under “*—Defeasance*” or upon satisfaction and discharge of EGSA’s obligations under the Indenture as described below under “*—Satisfaction and Discharge.*”

The Trustee will agree to any release of the Collateral that is in accordance with the Indenture and/or the Intercreditor Agreement without requiring any Holder’s consent.

In addition, the Intercreditor Agreement provides that the Security Agent will be authorized to release (and the Security Agent will, at the request of EGSA, release) the security interest in the Collateral securing the Notes in connection with the granting of a security interest in the Collateral to secure new Indebtedness (where such Indebtedness and security interest are permitted by the Indenture, as certified to the Trustee in an Officers’ Certificate by EGSA). EGSA will, immediately after such security interest in the Collateral is granted in respect of the new Indebtedness, grant to the Trustee a security interest in the Collateral securing the Notes; *provided that* (A) the release and grant of any security interest in the Collateral securing the Notes in accordance with the terms of this paragraph shall only be undertaken to the extent necessary, as determined in good faith by EGSA and (B) EGSA shall provide the Trustee with an Opinion of Counsel regarding the validity and enforceability of any security interest securing the Notes that is granted in accordance with the terms of this paragraph, which opinion may be subject to exceptions, limitations and exclusions determined by such counsel to be necessary or appropriate, including in light of applicable law.

Escrow of Proceeds, Proceeds Loan and Special Mandatory Redemption

Concurrently with the closing of this offering of Notes on the Issue Date, the SPV Issuer will enter into an escrow deed (the “**Escrow Agreement**”) dated as of the Issue Date with the Trustee and Deutsche Bank AG, London Branch, as escrow agent (the “**Escrow Agent**”), pursuant to which the initial purchasers will, on behalf of the SPV Issuer, deposit in an escrow account (the “**Escrow**

Account") an amount equal to €400 million (the "**Escrow Amount**") out of the total gross proceeds of this offering of the Notes sold on the Issue Date, and EGSA will deposit into the Escrow Account an amount in cash advanced under a subordinated loan (the "**Escrow Subordinated Loan**") such that, taken together with the Escrow Amount, the Escrow Account will be funded with cash sufficient to pay the Special Mandatory Redemption Price (as defined below). The Escrow Account, together with the Escrowed Property (as defined below), will be pledged on a first-ranking basis in favor of the Trustee for the benefit of the Holders of the Notes, pursuant to an escrow charge dated the Issue Date between the SPV Issuer, the Escrow Agent and the Trustee (the "**Escrow Charge**"). The initial funds deposited in the Escrow Account (including by EGSA pursuant to the Escrow Subordinated Loan), and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds released in accordance with the Escrow Agreement) are referred to, collectively, as the "**Escrowed Property**."

In addition, concurrently with the closing of this offering of Notes on the Issue Date, an amount equal to €200.0 million (the "**Proceeds Loan Amount**"), corresponding to the portion of total gross proceeds of this offering of the Notes sold on the Issue Date that was not deposited in the Escrow Account, will be applied by the SPV Issuer to acquire on the Issue Date all of the right, title, interest and benefit under a loan in the same amount made by a financial intermediary (the "**Lending Bank**") to EGSA (the "**Proceeds Loan**"). The acquisition of the Proceeds Loan by the SPV Issuer will be carried out by way of a lending bank transfer agreement to be entered into on the Issue Date pursuant to which the Lending Bank shall assign all of its existing and future right, title, interest and benefit under the Proceeds Loan to the SPV Issuer. EGSA will apply the proceeds of the Proceeds Loan to refinance a portion of its Indebtedness (the "**EGSA Partial Proceeds Refinancing**"). The SPV Issuer's rights under the Proceeds Loan will be assigned by way of security on a first-ranking basis in favor of the Notes Security Agent for the benefit of the Trustee and the Holders of the Notes, pursuant to an assignment agreement dated the Issue Date between the SPV Issuer and the Notes Security Agent (the "**Proceeds Loan Security Assignment**").

Pursuant to the Escrow Agreement, subject to, and immediately prior to or concurrently with, the satisfaction of the following conditions:

- (1) (a) the accession of the Trustee and the Security Agent to the Intercreditor Agreement; (b) the execution of the Security Documents by EGSA and the Security Agent providing for the granting by EGSA of a second-ranking pledge of the Collateral in favor of the Security Agent for the benefit of the Trustee and the Holders; and (c) the accession by EGSA to the Indenture;
- (2) the consummation of the Acquisition in accordance with the terms set forth in the Acquisition Agreement, promptly following the release of the Escrowed Property from the Escrow Account (except for any changes or other modifications that will not, individually or when taken as a whole, have a materially adverse effect on the Holders of Notes), as a result of which the Target will be a Wholly Owned Restricted Subsidiary of EGSA;
- (3) the consummation of the assumption by EGSA of all of the obligations of the SPV Issuer under the Notes and the Indenture;
- (4) the absence of a Change of Control occurring at EGSA since the Issue Date;
- (5) the absence of a Default or Event of Default under the Indenture;
- (6) such documents, legal opinions and certificates attached as exhibits to the Escrow Agreement having been delivered in accordance with the terms of the Escrow Agreement;
- (7) the delivery to the Trustee of an Officers' Certificate signed by a director of the SPV Issuer certifying that there has been no Event of Default under the Indenture with respect to the SPV Issuer since the Issue Date; and

(8) the delivery to the Trustee of an Officers' Certificate signed by two Officers of EGSA certifying that the foregoing conditions (1) through (7) above have been, or immediately following release of the Escrowed Property will be, satisfied,

the Escrowed Property will be released to EGSA, and the SPV Issuer will pay to EGSA an amount equal to the Proceeds Loan Amount (plus accrued and unpaid interest thereon) to the date of such release, which payment shall be made by way of a setoff of such amount against the amount of principal and interest owed by EGSA to the SPV Issuer pursuant to the Proceeds Loan (the date of satisfaction of the conditions set out above being referred to as the "**Completion Date**"). As a result of the foregoing, the SPV Issuer will be released from its obligations under the Indenture, the Notes and any related transaction documents, and the Proceeds Loan will be extinguished.

In the event that (a) the Completion Date does not take place on or prior to March 31, 2018 (the "**Escrow Longstop Date**"), (b) in the reasonable judgment of EGSA, the Acquisition will not be consummated by the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time prior to the Escrow Longstop Date, (d) a Change of Control occurs or (e) a Default or Event of Default arises under clause (6) of the first paragraph under the heading titled "**Events of Default**" below on or prior to the Escrow Longstop Date (the date of any such event being the "**Special Termination Date**"), the SPV Issuer will be required to redeem a portion of the Notes (the "**Special Mandatory Redemption**") on the date that is no later than five Business Days after the Special Termination Date (the "**Special Mandatory Redemption Date**") in an aggregate principal amount equal to €400.0 million (the "**Special Mandatory Redemption Principal Amount**") at a price (the "**Special Mandatory Redemption Price**") equal to the Escrow Amount, plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). In the event of any Special Mandatory Redemption, the Trustee will select Notes for redemption in accordance with the provisions described under "*—Selection and Notice.*"

The Escrow Agreement will provide that the Trustee will send a notice of redemption on behalf of the SPV Issuer to the Holders on the Business Day following the Special Termination Date or as soon as reasonably practicable thereafter. On the Special Mandatory Redemption Date, the Escrow Agent will pay to the Principal Paying Agent for payment to each Holder the Special Mandatory Redemption Price for the relevant portion of such Holder's Notes (as selected by the Trustee in accordance with the provisions described under "*—Selection and Notice*") and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to EGSA.

Concurrently with the completion of any Special Mandatory Redemption, EGSA will assume all of the obligations of the SPV Issuer under the Notes that will not have been redeemed pursuant to the Special Mandatory Redemption, amounting to an aggregate principal amount equal to the Proceeds Loan Amount (the "**Post-Redemption Principal Amount**"). In consideration for this assumption, the SPV Issuer will simultaneously pay to EGSA an amount equal to the Proceeds Loan Amount (plus accrued and unpaid interest thereon) to the date of redemption, which payment shall be made by way of a setoff of such amount against the amount of principal and interest owed by EGSA to the SPV Issuer pursuant to the Proceeds Loan. As a result of the foregoing, the SPV Issuer will be released from its obligations under the Indenture, the Notes and any related transaction documents and the Proceeds Loan will be extinguished. Immediately following the completion of any Special Mandatory Redemption, only Notes in an aggregate principal amount equal to the Post-Redemption Principal Amount will be outstanding, and this amount will be significantly less than the principal amount of Notes originally issued. Furthermore, in the event that any such Special Mandatory Redemption occurs, the EGSA Partial Proceeds Refinancing nonetheless will have been completed.

If the Special Mandatory Redemption Date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest and Additional Amounts, if

any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to Holders whose Notes will be subject to redemption by the SPV Issuer.

On or after the Completion Date or the Special Mandatory Redemption Date, as applicable, the SPV Issuer will have no further obligations under the Indenture or any Notes and will commence voluntary liquidation proceedings.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such special mandatory redemption.

On and following the Completion Date or the Special Mandatory Redemption Date, as applicable, and in order to determine compliance with the condition described under clause (5) of the escrow release conditions described above, all restrictive covenants will be deemed to have been applicable beginning on the Issue Date (but assuming that all actions that take place on the Completion Date or the Special Mandatory Redemption Date, as applicable, had occurred on the Issue Date) and, to the extent that EGSA and its Restricted Subsidiaries took any action or inaction after the Issue Date and on or prior to the Completion Date or the Special Mandatory Redemption Date, as applicable, that is prohibited by the Indenture, the SPV Issuer will be in Default on such date and the funds in the Account will not be released to EGSA.

Optional Redemption

Except as described below and under “—Redemption for Taxation Reasons” and “—Escrow of Proceeds, Proceeds Loan and Special Mandatory Redemption,” the Notes are not redeemable prior to maturity.

On or after the Completion Date or the Special Mandatory Redemption Date, as applicable, but prior to November 15, 2020 the Notes may be redeemed or purchased (by EGSA or any other Person) in whole or, from time to time, in part, at EGSA’s option, upon not less than 10 days nor more than 60 days’ notice, at a price equal to 100% of the principal amount thereof plus the Applicable Premium (as defined below) as of, and accrued but unpaid interest, if any, to the date of redemption or purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

In addition, on or after the Completion Date or the Special Mandatory Redemption Date, as applicable, but prior to November 15, 2020 EGSA may, at its option, use the Net Cash Proceeds of one or more Equity Offerings to redeem up to 40% of the principal amount of the Notes issued and outstanding under the Indenture (including any Additional Notes), upon not less than 10 days’ nor more than 60 days’ notice, at a redemption price of 104.125% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of redemption (subject to the right of the Holder of record on the relevant record date to receive interest due on the relevant interest payment date); *provided that*:

- (1) at least 60% of the principal amount of Notes originally issued under the Indenture (excluding Notes held by EGSA and its Affiliates and any Notes previously redeemed pursuant to any Special Mandatory Redemption) remains outstanding immediately after any such redemption; and
- (2) EGSA makes such redemption not more than 90 days after the consummation of any such Equity Offering.

At any time and from time to time on or after November 15, 2020, EGSA may redeem the Notes in whole or in part, upon not less than 10 days nor more than 60 days’ notice, at a redemption

price equal to the percentage of principal amount set forth below plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date:

Twelve-month period commencing on:	Percentage
November 15, 2020	102.063%
November 15, 2021	101.031%
November 15, 2022 and thereafter	100.000%

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption on a *pro rata* basis (or, in the case of Notes issued in global form as discussed under “Book-Entry, Delivery and Form,” based on a method that most nearly approximates a *pro rata* selection as the Trustee deems fair and appropriate), unless otherwise required by law or applicable stock exchange or depository requirements; *provided, however, that* no Notes of a principal amount of €100,000 or less shall be redeemed in part. The Trustee will not be liable for selections made by it in accordance with this paragraph.

Notice of redemption will be mailed by first-class mail at least 10 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address as it appears on the registration books of the Registrar, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, then the notice of redemption that relates to such Note must state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the date of redemption, interest will cease to accrue on Notes or portions thereof called for redemption as long as EGSA has deposited with the Paying Agent funds in satisfaction of the applicable redemption price. Any redemption may, at EGSA’s discretion, be subject to one or more conditions precedent, with such conditions precedent being stated in the notice to the Holders of Notes.

Except in the case of a Special Mandatory Redemption, at least 10 days but not more than 60 days before a redemption date, any such notice to the holders of the relevant Notes shall be published through the newswire service of Bloomberg (or if Bloomberg does not then operate, any similar agency).

For Notes which are represented by global certificates held on behalf of Euroclear, notices may be given by delivery of the relevant notices to Euroclear for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (www.bourse.lu) and, in connection with any redemption, EGSA will notify the Luxembourg Stock Exchange of any change in the principal amount of Notes outstanding.

Withholding Taxes

All payments made by the SPV Issuer, EGSA, any Subsidiary Guarantor or a successor of any of the foregoing (each, a “Payor”) under, or with respect to, the Notes or any Subsidiary Guarantee, if

any, will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, levies, fees, assessments or governmental charges of whatever nature (including penalties, interest and other liabilities related thereto) (collectively, "**Taxes**") imposed, levied, collected or assessed by or on behalf of (1) Ireland, the Republic of France or any political subdivision or governmental authority thereof or therein having power to tax; (2) any jurisdiction from or through which payment on the Notes or any Subsidiary Guarantee, if any, is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or (3) any other jurisdiction in which the Payor is organized, resident or engaged in business, including, in the case of each of (1), (2) and (3), any political subdivision or governmental authority thereof or therein having the power to tax (each of (1), (2) and (3), a "**Relevant Taxing Jurisdiction**") unless the withholding or deduction of such Taxes is then required by law.

If any deduction or withholding for, or on account of, any Taxes of any Relevant Taxing Jurisdiction will at any time be required by law from any payments made with respect to the Notes or any Subsidiary Guarantee, if any, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments by each Holder and beneficial owner of the Notes or the Trustee or the Notes Security Agent or the Security Agent, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments in the absence of such withholding or deduction; *provided, however, that* no such Additional Amounts will be payable with respect to:

- (a) any Taxes that would not have been so imposed but for the existence of any present or former connection between the Holder (or beneficial owner of, or person ultimately entitled to obtain an interest in such Notes) and the Relevant Taxing Jurisdiction imposing such Taxes (other than the mere acquisition, ownership or holding of such Notes or the related Subsidiary Guarantee, if any, or the receipt of payments in respect thereof or exercising any rights or remedies thereunder);
- (b) any Taxes that would not have been imposed, payable or due if the Notes are held in definitive registered form ("**Definitive Notes**") and the presentation of Definitive Notes for payment had occurred within 30 days after the date such payment was due and payable or was provided for, whichever is later, except for Additional Amounts with respect to Taxes that would have been imposed had the Holder presented the Note for payment within such 30-day period;
- (c) any Taxes that are imposed or withheld by reason of the failure of the Holder or beneficial owner of a Note to comply, at the Payor's reasonable written request provided reasonably in advance, with certification, information or other reporting requirements concerning the nationality, residence or identity of the Holder or such beneficial owner if (i) such compliance is required or imposed by a statute, treaty or regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax and (ii) such Holder or beneficial owner is legally able to comply with such request;
- (d) any Taxes that are imposed on or with respect to a payment made to a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union;
- (e) any Taxes that are payable otherwise than by deduction or withholding from payments on or in respect of any Note;
- (f) any estate, inheritance, gift, sale, excise, transfer, personal property or similar tax, assessment or governmental charge;

(g) any Taxes imposed pursuant to or in connection with Sections 1471 through 1474 of the Code (or any amended or successor version of such sections), the U.S. Treasury Regulations thereunder, any official interpretations thereof, any similar law or regulations adopted pursuant to an intergovernmental agreement between a non-US jurisdiction and the United States with respect to the foregoing, or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or

(h) any combination of the above.

Also, such Additional Amounts will not be payable with respect to any payment of principal of (or premium, if any, on) or interest on such Note to any Holder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Holder of such Note.

The Payor will (a) make any required withholding or deduction and (b) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to each Holder. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per €1,000 principal amount of the Notes. Copies of such documentation will be supplied by the Payor and made available for inspection during ordinary business hours at the offices of the Trustee by the Holders upon request and will be made available during ordinary business hours at the offices of the Luxembourg Paying Agent if the Notes are then listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (unless such obligation to pay Additional Amounts arises shortly before or after the 30th day prior to such date, in which case it shall be promptly thereafter), if the Payor will be obligated to pay Additional Amounts with respect to such payment, the Payor will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to holders on the payment date. Each such Officer's Certificate shall be relied upon until receipt of a further Officers' Certificate addressing such matters.

The Payor will pay any stamp, issue, registration, transfer, documentary, value added, court, excise or property taxes or other similar taxes and other duties (including interest and penalties) payable in the Republic of France, any other Relevant Taxing Jurisdiction (or any political subdivision or taxing authority of any such jurisdiction) or any other jurisdiction in which the Payor or Paying Agent is located in respect of the creation, issue, offering, execution, delivery or registration of the Notes, the Indenture, any Subsidiary Guarantee or any other document or instrument referred to therein, or the receipt of payments with respect thereto or in connection with, the enforcement of the Notes, any Subsidiary Guarantee or any documentation with respect thereto (other than on or in connection with a transfer of the Notes after the initial syndication of the Notes in this offering).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which (1) any successor Person to a Payor is organized or (2) any Subsidiary of EGSA which becomes a Subsidiary Guarantor after the date of the Indenture is organized, or any political subdivision or taxing authority or agency thereof or therein.

Whenever in the Indenture or in this description there is mentioned, in any context, (1) the payment of principal, premium, if any, or interest, (2) redemption prices or purchase prices in connection with the redemption or purchase of the Notes, or (3) any other amount payable under or with respect to any Note or Subsidiary Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the SPV Issuer or EGSA, as applicable, in whole but not in part, upon giving not less than 10 nor more than 60 days' notice to each Holder of the Notes with a copy to the Trustee (which notice will be irrevocable), at a price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date, together with all Additional Amounts, if any, which otherwise would be payable if, as a result of any amendment to, or change in, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation, or any amendment to or change in an official interpretation or application regarding such laws, treaties, regulations or rulings, including a holding, judgment or order by a court of competent jurisdiction which has not been publicly announced prior to, and becomes effective on or after, the date of this Offering Memorandum (or, in the case the Relevant Taxing Jurisdiction changes after the date of this Offering Memorandum, the date on which the then current taxing jurisdiction became the applicable Relevant Taxing Jurisdiction under the Indenture) (a "**Change in Tax Law**") the SPV Issuer or EGSA, as applicable, with respect to the Notes, or a Subsidiary Guarantor, with respect to any Subsidiary Guarantee, is, or on the next interest payment date in respect of the Notes, would be, required to pay Additional Amounts in respect of any Note pursuant to the terms and conditions thereof which obligation cannot be avoided by the taking of reasonable measures available to it; *provided, however, that* (a) no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the SPV Issuer or EGSA, as applicable, or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts were a payment in respect of the Notes or a Subsidiary Guarantee then due and payable and (b) at the time such notice is given, such obligation to pay such Additional Amounts remains in effect.

Prior to the giving of any notice of redemption pursuant to this provision, the SPV Issuer or EGSA, as applicable, will deliver to the Trustee (a) an Officers' Certificate stating that the SPV Issuer or EGSA, as applicable, is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the SPV Issuer or EGSA, as applicable, so to redeem have occurred and (b) an Opinion of Counsel qualified under the laws of the Relevant Taxing Jurisdiction to the effect that the SPV Issuer or EGSA, as applicable, is required to pay Additional Amounts as a result of a Change in Tax Law. Such notice, once delivered to the Trustee, will be irrevocable.

Change of Control

Upon the occurrence of a Change of Control at any time after the Completion Date or the Special Mandatory Redemption Date, as applicable, each Holder will have the right to require EGSA to repurchase all or a portion (in a minimum amount of €100,000 and in integral multiples of €1,000 in excess thereof) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes plus accrued and unpaid interest and all Additional Amounts (if any) to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) pursuant to the offer described below and in accordance with the other procedures set out in the Indenture.

No later than the date that is 30 days after any Change of Control which occurred after the Completion Date or the Special Mandatory Redemption Date, as applicable, EGSA will mail a notice (the **"Change of Control Offer"**) to each Holder, with a copy to the Trustee:

- (1) stating that a Change of Control has occurred and that such Holder has the right to require that EGSA purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and all Additional Amounts (if any) to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest on the relevant interest payment date) (the **"Change of Control Payment"**);
- (2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the **"Change of Control Payment Date"**);
- (3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control (including, but not limited to, applicable information with respect to *pro forma* historical income, cash flow and capitalization after giving effect to the Change of Control);
- (4) describing the procedures determined by EGSA, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased;
- (5) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or part thereof not tendered will continue to accrue interest; and
- (6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, EGSA will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered and not withdrawn pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes so tendered;
- (3) deliver or cause to be delivered to the Trustee an Officers' Certificate stating the Notes or portions of Notes being purchased by EGSA in the Change of Control Offer;
- (4) in the case of Global Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by EGSA; and
- (5) in the case of Definitive Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Notes accepted for purchase by EGSA.

The Paying Agent will promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; *provided that* each such new Note will be in a principal amount that is at least €100,000 and an integral multiple of €1,000 thereof.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange shall so require, EGSA will (i) notify the Luxembourg Stock Exchange that a Change of Control has occurred, (ii) provide a copy of any Change of Control Offer notice and the results of any such

Change of Control Offer to the Luxembourg Stock Exchange and (iii) notify the Luxembourg Stock Exchange. In addition, EGSA shall publicly announce the results of the Change of Control Offer as soon as practicable after the Change of Control Payment Date in a leading newspaper having general circulation in Luxembourg (if required by the rules of the Luxembourg Stock Exchange) and through the newswire service of Bloomberg (or if Bloomberg does not then operate, any similar agency). Such announcement may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that EGSA repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require EGSA to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire EGSA or its Subsidiaries in a transaction that would constitute a Change of Control or make such an acquisition more difficult.

EGSA will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times or otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by EGSA, and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

EGSA's ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment event, the making of an offer to repurchase and/or default due to a breach of undertaking under the Senior Revolving Credit Facility Agreement. In addition, certain events that may constitute a change of control under the Senior Revolving Credit Facility Agreement and require a mandatory prepayment of Indebtedness thereunder may not constitute a Change of Control under the Indenture. Future Indebtedness of EGSA and its Subsidiaries may also contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased or repaid upon a Change of Control. Moreover, the exercise by the Holders of their right to require EGSA to repurchase the Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on EGSA.

If a Change of Control occurs at a time when EGSA is prohibited from receiving funds from obligors under the Senior Revolving Credit Facility Agreement to repurchase Notes, EGSA may seek the consent of the creditors under such Indebtedness to repurchase the Notes or may attempt to refinance the borrowings that contain such prohibition. The ability of EGSA to pay cash to the holders of the Notes following the occurrence of a Change of Control may be limited by then existing financial resources, and sufficient funds may not be available when necessary to make any required repurchases. We expect that we would seek third party financing to make an offer to purchase outstanding Notes pursuant to a Change of Control Offer. However, there can be no assurance that we would be able to obtain such financing. Any failure by EGSA to offer to purchase Notes would constitute a Default under the Indenture, which, in turn, could constitute a default under the Senior Revolving Credit Facility Agreement and the Senior Asset Revolving Facility and may also constitute a default under other Fleet Financings.

The definition of "**Change of Control**" includes a disposition of all or substantially all of the property and assets of EGSA and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require EGSA to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of EGSA and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions of the Indenture relating to the obligation to make an offer to repurchase the Notes as a result of a Change of Control will be subject to waiver or modification with the written consent of Holders of a majority in outstanding principal amount of the Notes governed thereby.

EGSA will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent Rule 14e-1 and those laws and regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" provisions of the Indenture, EGSA shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the "Change of Control" provisions of the Indenture by virtue thereof.

Certain Covenants

Limitation on Activities of the SPV Issuer

Notwithstanding any other provision of the Indenture, prior to the Completion Date or the Special Mandatory Redemption Date, as applicable:

- (1) the SPV Issuer will not engage in any business activity or undertake any other activity, except any activity: (a) relating to the offering, sale, or issuance of the Notes and any other activities in connection with the foregoing, (b) undertaken with the purpose of, and directly related to, fulfilling any other obligations under the Indenture (including for the avoidance of doubt, any repurchase or purchase, repayment, redemption, prepayment of such Debt, in each case, as permitted by the Indenture) and any other document relating to the Notes, or (c) directly related or reasonably incidental to the establishment and/or maintenance of the SPV Issuer's corporate existence;
- (2) the SPV Issuer shall not incur any liabilities other than liabilities related to the Notes, the related Escrow Agreement, the Indenture and the subordinated loan from EGSA used in part to fund the Escrow Account;
- (3) the SPV Issuer shall not, directly or indirectly, declare or pay any dividend or make any distribution on or in respect of its Capital Stock, purchase, redeem or otherwise acquire or retire for value any Capital Stock of the SPV Issuer or of any direct or indirect parent of the SPV Issuer, make any principal payment on, prepay or decrease any Indebtedness, or make any Restricted Investment in any Person;
- (4) the SPV Issuer shall not merge, consolidate, amalgamate or otherwise combine with or into another Person;
- (5) the SPV Issuer shall have no Subsidiary;
- (6) the SPV Issuer shall not transfer or assign any of its assets except pursuant to the Escrow Charge and the Proceeds Loan Security Assignment;
- (7) the SPV Issuer shall not create, incur or suffer to exist any Lien on any of its assets except pursuant to the Escrow Charge and the Proceeds Loan Security Assignment;
- (8) the SPV Issuer shall not take or omit to take any action that would have the result of impairing the Liens created by the Escrow Charge or the Proceeds Loan Security Assignment;
- (9) the SPV Issuer shall not commence or take any action or facilitate a bankruptcy, winding-up, liquidation or other analogous proceeding in respect of the SPV Issuer.

Limitation on Indebtedness

EGSA will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however, that* EGSA or a Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) if on the date of the Incurrence of such Indebtedness, after giving effect thereto on a *pro forma* basis, the Corporate Consolidated Fixed Charge Coverage Ratio of EGSA would have been greater than 2.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness (collectively, "**Permitted Debt**"):

- (1) Indebtedness of EGSA or any Restricted Subsidiary Incurred pursuant to any Credit Facilities (including but not limited to Indebtedness in respect of letters of credit or bankers' acceptances issued or created thereunder) in an aggregate principal amount at any time outstanding not to exceed the greater of (x) €800.0 million and (y) 15.0% of Consolidated Total Assets, plus, in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;
- (2) Indebtedness constituting the Fleet Financing of (a) EGSA or a Restricted Subsidiary of EGSA or (b) any Special Purpose Entity that is fully consolidated in the financial statements of EGSA (for purposes of this covenant and the related defined terms, (a) and (b) together are referred to as the "**Group**"), in a principal amount at any one time outstanding under this clause (2), including any refinancing Indebtedness of such Fleet Financing, (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Group thereunder) not to exceed (x) in the case of any Fleet Financing in the form of operating leases or finance leases, the Lease Financing Borrowing Base and (y) in the case of any General Fleet Financing, the General Fleet Financing Borrowing Base, in each case as of the date of such incurrence (it being understood that upon any Incurrence of Indebtedness under this clause (2) by any member of the Group, such Indebtedness will be tested under this covenant and EGSA and its Restricted Subsidiaries will be in violation of this covenant if, *inter alia*, either the Lease Financing Borrowing Base or the General Fleet Financing Borrowing Base is exceeded even if such Indebtedness was incurred by a Person described in clause (b) of the definition of Group);
- (3) Indebtedness of EGSA owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by EGSA or any Restricted Subsidiary; *provided, however, that*:
 - (a) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than EGSA or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person other than EGSA or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the obligor thereon; and
 - (b) if EGSA or a Subsidiary Guarantor is the obligor on such Indebtedness and a Restricted Subsidiary that is not a Subsidiary Guarantor is the beneficiary of such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full of all obligations of EGSA or such Subsidiary Guarantor, as the case may be, with respect to the Notes or the Subsidiary Guarantee, as the case may be;
- (4) Indebtedness represented by the Notes (other than any Additional Notes) and the Security Documents;
- (5) (a) any Indebtedness of EGSA or any Restricted Subsidiary (other than the Indebtedness described in clauses (1), (2), (3), (4), (7)(a), (8), (9), (10), (11) and (12)) outstanding on the Issue Date or, with respect to Indebtedness of the Target or any of its Restricted Subsidiaries, the

Completion Date, in each case, after giving effect to the issuance of the Notes and EC Finance Notes and the application of the proceeds thereof); (b) Indebtedness of EGSA and ECI represented by their respective guarantees of, or benefiting, the EC Finance Notes (including the EC Finance Notes Performance Guarantee); (c) Indebtedness represented by the Existing EGSA Notes, and (d) Indebtedness of EGSA under the Proceeds Loan provided that such Indebtedness (in the case of this clause (c)) shall not be outstanding on or after March 31, 2018;

(6) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in clause (4), (5), (13) or this clause (6) or Incurred pursuant to the first paragraph of this covenant; *provided that* if the Indebtedness being refinanced is a Guarantee, such Refinancing Indebtedness shall take the form of a Guarantee and shall not be a primary obligation;

(7) Indebtedness in respect of (a) Hedging Obligations entered into in the ordinary course of business for *bona fide* hedging purposes of EGSA or its Restricted Subsidiaries, Securitifleet Holding, a Securitifleet Company or the FCT and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of EGSA), (b) the financing of insurance premiums in the ordinary course of business or (c) take-or-pay obligations under supply arrangements in the ordinary course of business;

(8) Purchase Money Indebtedness and Indebtedness represented by Capitalized Lease Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (8) and then outstanding, will not exceed at any time outstanding the greater of (x) €50.0 million and (y) 1.0% of Consolidated Total Assets;

(9) Indebtedness of EGSA or any Restricted Subsidiary Incurred in respect of (a) workers' compensation claims, self-insurance obligations, performance, surety and similar bonds and completion guarantees and warranties provided by EGSA or a Restricted Subsidiary Incurred in the ordinary course of business and (b) letters of credit, bankers' acceptances, bank guarantees, judgment advance payments, customs, VAT or other tax guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business;

(10) Indebtedness arising from agreements of EGSA or a Restricted Subsidiary providing for customary indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Restricted Subsidiary of EGSA; *provided that* the maximum liability of EGSA and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by EGSA and its Restricted Subsidiaries in connection with such disposition;

(11) Indebtedness of EGSA or any Restricted Subsidiary (A) arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided, however, that* such Indebtedness is extinguished within ten Business Days of Incurrence, (B) in respect of customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business, whether paid directly by the customer or by a credit card company, (C) owed on a short-term basis to banks and other financial institutions Incurred in the ordinary course of business of EGSA and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of EGSA and its Restricted Subsidiaries, (D) Incurred in connection with credit card processing arrangements entered into in the ordinary course of business and

(E) in respect of credit management, cash management, cash pooling, netting, setting off, overdraft protection and other similar arrangements in the ordinary course of the business of EGSA or any Restricted Subsidiary maintains an overdraft, cash pooling or similar facility arrangement;

(12) (A) Guarantees by EGSA or any Restricted Subsidiary of, or for the benefit of, Indebtedness or any other obligation or liability of EGSA or any Restricted Subsidiary or of or for the benefit of Fleet Financings by a Special Purpose Entity (other than any Indebtedness Incurred by EGSA, such Restricted Subsidiary or Special Purpose Entity, as the case may be, in violation of this covenant), or (B) without limiting the covenant described under “—*Limitation on Liens*,” Indebtedness of EGSA or any Restricted Subsidiary arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of EGSA or any Restricted Subsidiary (other than any Indebtedness Incurred by EGSA or such Restricted Subsidiary, as the case may be, in violation of this covenant);

(13) (a) Acquired Indebtedness (which may include Capital Markets Debt) of a Restricted Subsidiary incurred and outstanding on or prior to the date on which such Subsidiary was acquired by and became a Restricted Subsidiary of EGSA or was merged or consolidated with or into EGSA or any Restricted Subsidiary (including pursuant to any acquisition of assets and assumption of related liabilities), or (b) Indebtedness Incurred to provide all or any portion of the funds used to consummate the transactions or series of related transactions pursuant to which such Subsidiary became a Restricted Subsidiary or was otherwise acquired by EGSA or a Restricted Subsidiary; *provided, however, that*, with respect to each of clauses (a) and (b) of this clause (13), at the time of such acquisition and after giving *pro forma* effect thereto and to the Incurrence of such Indebtedness (x) EGSA would have been able to incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant or (y) the Corporate Consolidated Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving *pro forma* effect to such acquisition and Incurrence of Indebtedness;

(14) Indebtedness Incurred under any Qualified Receivables Financing; and

(15) additional Indebtedness of EGSA or any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (15) and then outstanding, will not exceed the greater of (x) €200.0 million and (y) 4.0% of Consolidated Total Assets.

Notwithstanding the foregoing, EGSA will not permit any of its Restricted Subsidiaries to Incur Capital Markets Debt other than (a) Subsidiary Guarantees of the Notes, (b) Guarantees of the EC Finance Notes in compliance with the EC Finance Notes Indenture, (c) a Guarantee of Capital Markets Debt constituting Fleet Financing permitted under clause (2) of the second paragraph of this covenant), (d) Acquired Indebtedness to the extent permitted under clause (13) of the second paragraph of this covenant or (e) Guarantees of the Notes.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, EGSA, in its sole discretion, will classify such item of Indebtedness on the date of Incurrence and will only be required to include the amount and type of such Indebtedness in one of such clauses and, other than with respect to Indebtedness Incurred under clauses (1) or (2) of the definition of Permitted Debt in the second paragraph of this covenant, to reclassify from time to time all or any portion of such item of Indebtedness in any manner that then complies with this covenant. Indebtedness under the Senior Revolving Credit Facility outstanding on the Issue Date or Incurred at any time thereafter will be deemed to have been incurred pursuant to clause (1) of the second paragraph of this covenant, and may not be reclassified. In addition, Indebtedness under any Fleet Financing (including the Senior Asset Revolving Facility and any

fleet operating leases) outstanding on the Issue Date or Incurred at any time thereafter will be deemed to have been incurred pursuant to clause (2) of the second paragraph of this covenant and may not be reclassified;

(2) Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(3) if obligations in respect of letters of credit are Incurred pursuant to the Senior Revolving Credit Facility and are being treated as Incurred pursuant to clause (1) of the second paragraph above and the letters of credit relate to other Indebtedness, then such other Indebtedness shall not be included;

(4) the principal amount of any Disqualified Capital Stock, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(5) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with IFRS;

(6) the amount of Indebtedness attributable to fleet operating leases shall be estimated at 100% of the estimated Aggregate Leased Fleet Net Book Value; and

(7) Indebtedness permitted under this covenant may be permitted in part by one provision and in part by one or more other provisions of this covenant permitting such Indebtedness.

Neither EGSA nor any Subsidiary Guarantor will incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of EGSA or any Subsidiary Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the relevant Subsidiary Guarantee, as applicable, on substantially identical terms; *provided, however, that* no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of EGSA or any Subsidiary Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Capital Stock will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

In addition, if at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this "*Limitation on Indebtedness*" covenant, EGSA shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the euro-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided that* if such Indebtedness is Incurred to

refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable euro-dominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-dominated restriction shall be deemed not to have been exceeded so long as the principal amount in such foreign currency of such refinancing Indebtedness does not exceed the principal amount in such foreign currency of such Indebtedness being refinanced plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that EGSA or its Restricted Subsidiaries may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

EGSA will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving EGSA or any of its Restricted Subsidiaries) except:

(a) dividends or distributions payable in Qualified Capital Stock of EGSA; and

(b) dividends or distributions payable to EGSA or a Restricted Subsidiary of EGSA (and, in the case of any such dividends payable by a Restricted Subsidiary that is not a Wholly Owned Subsidiary, to the other holders of common Capital Stock (or owners of an equivalent interest in the case of a Restricted Subsidiary that is an entity other than a corporation) on a no more than *pro rata* basis);

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of EGSA or of any direct or indirect parent of EGSA held by Persons other than EGSA or a Restricted Subsidiary of EGSA (other than in exchange for Qualified Capital Stock of EGSA);

(3) make any principal payment on, or purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness of EGSA or any Subsidiary Guarantor (other than the purchase, repurchase, defeasance, redemption, prepayment or other acquisition or retirement for value of (a) such Indebtedness of EGSA or a Subsidiary Guarantor purchased in anticipation or in lieu of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of such purchase, repurchase, defeasance or other acquisition and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*Limitation on Indebtedness*"); or

(4) make any Restricted Investment in any Person,

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition or retirement or Restricted Investment referred to the clauses (1) through (4) are referred to herein as a "**Restricted Payment**"), if at the time EGSA or such Restricted Subsidiary makes such Restricted Payment:

(i) a Default or an Event of Default shall have occurred and be continuing or would occur as a result of such Restricted Payment; or

(II) EGSA is not able to incur at least €1.00 of additional Indebtedness in compliance with the first paragraph under the “—*Limitation on Indebtedness*” covenant after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(III) the aggregate amount of such Restricted Payments (including the proposed Restricted Payment) made subsequent to the Issue Date (the amount expended for such purposes, if other than in cash, being the Fair Market Value of such property) shall exceed the sum, without duplication, of:

(a) 50% of Consolidated Net Income for the period (treated as one accounting period) from January 1, 2017 to the end of the most recent fiscal semi-annual ending prior to the date of such Restricted Payment for which financial statements are available (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit); plus

(b) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property or assets received by EGSA from the issue or sale of its Qualified Capital Stock or other capital contributions subsequent to the Issue Date, as applicable (other than Net Cash Proceeds received from an issuance or sale of such Capital Stock to a Subsidiary of EGSA or an employee stock ownership plan, option plan or similar trust to the extent in each case such sale is funded or guaranteed by EGSA or any Restricted Subsidiary of EGSA); plus

(c) the amount by which Indebtedness of EGSA or a Restricted Subsidiary of EGSA is reduced on EGSA’s balance sheet upon the conversion or exchange (other than by a Subsidiary of EGSA) subsequent to the Issue Date of any Indebtedness of EGSA or a Restricted Subsidiary of EGSA convertible or exchangeable for Qualified Capital Stock of EGSA (less the amount of any cash, or the Fair Market Value of any other property, distributed by EGSA upon such conversion or exchange); plus

(d) the amount equal to the net reduction in Restricted Investments made by EGSA or any of its Restricted Subsidiaries in any Person resulting from:

(i) (x) repurchases or redemptions of such Restricted Investments by such Person, proceeds realized upon the sale of such Restricted Investment to an unaffiliated purchaser, repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to EGSA or any Restricted Subsidiary of EGSA or (y) the sale (other than to EGSA or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than to the extent of the amount of the Investment that constituted a Permitted Investment, which will instead increase the amount available under the applicable clause of the definition of “**Permitted Investments**”) or a dividend from an Unrestricted Subsidiary; or

(ii) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries or the merger or consolidation of an Unrestricted Subsidiary into EGSA or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to EGSA or a Restricted Subsidiary (valued in each case as provided in the definition of “Investment” below) not to exceed in the case of any Unrestricted Subsidiary, the amount of Investments previously made by EGSA or any Restricted Subsidiary in such Unrestricted Subsidiary,

which amount in each case under this clause (d) was included in the calculation of the amount of Restricted Payments; *provided, however, that* no amount will be included under this clause (d) to the extent it is already included in Consolidated Net Income.

The provisions of the preceding paragraph will not prohibit any of the following (collectively, **"Permitted Payments"**):

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock (including Disqualified Capital Stock) or Subordinated Indebtedness of EGSA made by exchange for, or out of the proceeds of the substantially concurrent sale of, Qualified Capital Stock of EGSA (other than Qualified Capital Stock issued or sold to a Subsidiary or an employee stock ownership plan or similar trust to the extent in each case such sale is funded or guaranteed by EGSA or any Restricted Subsidiary of EGSA) or from the substantially concurrent contribution to EGSA; *provided, however, that* (a) such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded in subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph and (b) the Net Cash Proceeds from such sale of Qualified Capital Stock will be excluded from clause (III)(b) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness of EGSA or a Restricted Subsidiary of EGSA made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness that is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" and that in each case constitutes Refinancing Indebtedness; *provided, however, that* such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded in subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Capital Stock of EGSA or a Restricted Subsidiary of EGSA made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Capital Stock of EGSA or such Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" and that in each case constitutes Refinancing Indebtedness; *provided, however, that* such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded in subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph;

(4) dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant; *provided, however, that* such dividends will be included in subsequent calculations of the amount of Restricted Payments;

(5) so long as no Default or Event of Default has occurred and is continuing, the purchase, repurchase, redemption or other acquisition, cancellation or retirement for value of Capital Stock of EGSA or any Restricted Subsidiary of EGSA or any direct or indirect parent of EGSA held by any existing or former employees or management of EGSA or any Subsidiary of EGSA or their assigns, estates or heirs, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate management employees; *provided that* such purchases, repurchases, redemptions or other acquisitions pursuant to this clause will not exceed (x)(1) €10.0 million, *plus* (2) €5.0 million multiplied by the number of calendar years that have commenced since the Issue Date *plus* (y) the Net Cash Proceeds received by EGSA after the Issue Date, as applicable, from, or as a capital contribution from, the issuance or sale to Management Investors of Capital Stock of EGSA or Capital Stock or other debt or equity securities of any entity formed for the purpose of investing in Capital Stock of EGSA (including any options, warrants or other rights in respect thereof); *provided, further, that* (a) the amount of any such purchase, repurchase, redemption or other acquisition will be included in subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph and (b) the Net Cash Proceeds received under sub clause (y) above will be excluded from clause (III)(b) of the preceding paragraph;

(6) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the payment of dividends or distributions on or in respect of, or the purchase, redemption or other acquisition of, Capital Stock of EGSA in an aggregate amount per annum not to exceed the greater of:

(x) 6% of the aggregate gross cash proceeds received by EGSA from all Equity Offerings (other than through the issuance of Disqualified Capital Stock), and

(y) (a) 7% of the Market Capitalization; *provided, that* after giving *pro forma* effect to the payments of such dividend, EGSA's Corporate Consolidated Net Leverage Ratio would have been less than 3.0 to 1.0; or (b) 5% of the Market Capitalization, *provided that* after giving *pro forma* effect to the payments of such dividend, EGSA's Corporate Consolidated Net Leverage Ratio would have been greater than or equal to 3.0 to 1.0 but less than 3.5 to 1.0;

provided that the amount of any such payments will be included in subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph;

(7) payments of cash, dividends, distributions, advances or other Restricted Payments by EGSA or any Restricted Subsidiary to allow the payment of cash in lieu of issuing fractional shares upon (i) exercise of options or warrants or (ii) the exchange or conversion of Capital Stock of any such Person; *provided, however, that* any such cash, dividends, distributions, advances or other Restricted Payments shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors); *provided further that* such payments, dividends, distributions, advances or other Restricted Payments will be excluded in subsequent calculations of the amount of Restricted Payments under clause III or the immediately preceding paragraph;

(8) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible securities if such Capital Stock represents a portion of the exercise price thereof; *provided, however, that* such repurchases will be excluded from subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph;

(9) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Indebtedness (a)(i) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness in the event of a Change of Control and in accordance with provisions no more favorable to the holders thereof than those provided in the "*—Change of Control*" covenant, or (ii) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions no more favorable to the holders thereof than those provided in the "*—Limitation on Sales of Assets and Subsidiary Stock*" covenant; *provided that*, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, EGSA has made the Change of Control Offer or Asset Disposition Offer, as applicable, as provided in such covenant with respect to the Notes and has completed the repurchase or redemption of all Notes validly tendered for payment in connection with such Change of Control Offer or Asset Disposition Offer; and *provided, further, that* such purchase, redemption or other acquisition will be excluded from subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph; or (b) constituting Acquired Indebtedness at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of such Acquired Indebtedness; *provided that* such purchase, redemption or other acquisition of Acquired Indebtedness will be included in subsequent calculations or the amount of Restricted Payments under clause (III) or the immediately preceding paragraph;

(10) so long as no Default or Event of Default has occurred and is continuing, (a) any payment resulting from a share buyback in relation to a liquidity program or share buyback program, or any other equivalent program, of EGSA (whether existing as of the Issue Date or implemented following the Issue Date) that has been approved by the competent body of EGSA in compliance with applicable laws and regulations, (b) any reduction or cancellation of Capital Stock as a result of such transactions in compliance with applicable laws and regulations, and (c) any reduction of Capital Stock required by law or any applicable regulation, in an aggregate amount per annum not to exceed 1.0% of Market Capitalization; *provided, however*; that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be included in subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph;

(11) Restricted Payments in an aggregate amount which, when taken together with all other Restricted Payments made pursuant to this clause (11) and then outstanding, will not exceed the greater of (x) €60.0 million and (y) 1.0% of Consolidated Total Assets; *provided that* the amount of such Restricted Payments will be included in subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph;

(12) the payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing; provided that the amount of such Restricted Payments will be excluded from subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph; and

(13) so long as no Default or Event of Default has occurred and is continuing, any Restricted Payments, provided that, on the date of any such Restricted Payment, EGSA's Corporate Consolidated Net Leverage Ratio does not exceed 2.0 to 1.0 on a pro forma basis after giving effect thereto; provided further that the amount of such Restricted Payments will be included in subsequent calculations of the amount of Restricted Payments under clause (III) of the immediately preceding paragraph.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by EGSA or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount and any non-cash Restricted Payment shall be determined conclusively by the Board of Directors acting in good faith whose resolution with respect thereto shall be delivered to the Trustee.

Limitation on Liens

EGSA will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume, permit or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of EGSA), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness or other obligations (including Trade Payables) (such Lien, the "**Initial Lien**"), except (a) in the case of any property or asset that does not constitute Collateral, (i) Permitted Liens or (ii) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness so secured by such Initial Lien for so long as such Indebtedness is secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any Lien created for the benefit of the Holders of the Notes pursuant to the preceding sentence shall provide by its terms that such Lien shall be automatically and unconditionally released (i) upon the release and discharge of the Initial Lien, (ii) upon the sale or other disposition of the assets subject to such Initial Lien (or the sale or other disposition of the Person that owns such

assets) in compliance with the terms of the Indenture, (iii) with respect to any Subsidiary Guarantor the assets or the Capital Stock of which are encumbered by such Lien, upon the release of the relevant Subsidiary Guarantee in accordance with the terms of the Indenture, (iv) upon the designation of a Restricted Subsidiary whose property or assets secure such Initial Lien as an Unrestricted Subsidiary in accordance with the terms of the Indenture, (v) upon the effectiveness of any defeasance or satisfaction and discharge of the Notes as specified in the Indenture or (vi) as provided below under the caption "*Amendments, Supplements and Waivers.*"

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

EGSA will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of EGSA to:

(1) pay dividends or make any other distributions on or in respect of its Capital Stock or pay any Indebtedness or other obligations owed to EGSA or any other Restricted Subsidiary of EGSA;

(2) make loans or advances to EGSA or any other Restricted Subsidiary of EGSA; or

(3) transfer any of its property or assets to EGSA or any other Restricted Subsidiary of EGSA,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid in common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to EGSA or any Restricted Subsidiary to other Indebtedness Incurred by EGSA or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

The preceding provisions will not prohibit:

(1) any encumbrance or restriction pursuant to (a) an agreement in effect at or entered into on the Issue Date or, with respect to any encumbrance or restriction incurred or created by the Target or any of its Restricted Subsidiaries, the Completion Date or, to the extent not included in the foregoing, the Indenture, the Notes, the Security Documents, the EC Finance Notes (and the EC Finance Notes Indenture, related security documents, the EC Finance Notes Performance Guarantee and other related credit support) and (b) any agreements entered into in connection with a Fleet Financing under clause (2) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" that are not expected to adversely effect, in any material respect, EGSA's ability, directly or indirectly, to repay the Notes, as determined in good faith by EGSA's Board of Directors;

(2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to Indebtedness Incurred by a Restricted Subsidiary on or before the date on which such Restricted Subsidiary was acquired by or merged or consolidated with or into EGSA or any Restricted Subsidiary or was designated as a Restricted Subsidiary or which agreement or instrument is assumed by EGSA or any Restricted Subsidiary in connection with an acquisition of assets from or other transaction with such Person, or any other transaction entered into in connection with any such acquisition, merger or consolidation, as in effect at the time of such acquisition, merger, consolidation or transaction (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by EGSA in connection with or in anticipation or contemplation of the transaction) and outstanding on such date, *provided that* any such encumbrance or restriction shall not extend to any assets or property of EGSA or any other Restricted Subsidiary other than the assets and property so acquired;

(3) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement effecting a renewal, refunding, replacement or refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3) or contained in any amendment, restatement or modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however, that* the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such amendments, restatements, modifications, renewals, refundings, replacements or refinancings are not, in the good faith judgment of EGSA's Board of Directors, materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in such agreements referred to in clauses (1) or (2) of this paragraph;

(4) in the case of clause (3) of the first paragraph of this covenant, any encumbrance or restriction:

(a) that restricts in a customary manner (as determined in good faith by EGSA, which determination shall be conclusive) the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any such lease, license or other contract;

(b) by virtue of any transfer of, agreement to transfer, option or right with respect to or Lien on any property or assets of EGSA or any Restricted Subsidiary not otherwise prohibited by the Indenture;

(c) contained in mortgages, pledges or other security agreements permitted under the Indenture securing Indebtedness of EGSA or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements; or

(d) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of EGSA or any Restricted Subsidiary;

(5) Purchase Money Obligations for property acquired in the ordinary course of business and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions of the nature described in clause (3) of the first paragraph of this covenant on the property so acquired;

(6) any restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) net worth provisions in leases and other agreements entered into by EGSA or any Restricted Subsidiary in the ordinary course of business;

(8) restrictions on the transfer of assets subject to any Lien permitted under the Indenture imposed by the holder of such Lien;

(9) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order or required by any regulatory authorities;

(10) pursuant to an agreement or instrument relating to Indebtedness of or a Financing Disposition by or to or in favor of any Special Purpose Entity;

(11) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of an Officer or the Board of Directors, are necessary or advisable to effect such Qualified Receivables Financing;

(12) on cash or other deposits, net worth or inventory imposed by customers or suppliers under agreements entered into in the ordinary course of business;

(13) pursuant to customary provisions (as determined in good faith by EGSA, which determination shall be conclusive) contained in joint venture and other similar agreements or in shareholder, partnership, limited liability company and other similar agreements in respect of non-wholly owned Restricted Subsidiaries; and

(14) pursuant to Hedging Obligations.

Limitation on Sales of Assets and Subsidiary Stock

EGSA will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) EGSA or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the Fair Market Value (such Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition) of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) except to the extent the Asset Disposition is a Permitted Asset Swap, at least 75% of the consideration from such Asset Disposition received by EGSA or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by EGSA or such Restricted Subsidiary either:

(a) within 365 days from the later of the date of such Asset Disposition and the date of receipt of such Net Available Cash to prepay, repay or purchase Indebtedness (other than any Disqualified Capital Stock or Subordinated Indebtedness) (in each case other than Indebtedness owed to EGSA or an Affiliate of EGSA); *provided that*, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this sub-clause (a), EGSA or the relevant Restricted Subsidiary will permanently retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased;

(b) to the extent EGSA or such Restricted Subsidiary elects, to invest in Replacement Assets (including by means of an investment in Replacement Assets by a Restricted Subsidiary with an amount equal to the Net Available Cash received by EGSA or another Restricted Subsidiary) within 365 days from the later of the date of such Asset Disposition and the date of receipt of such Net Available Cash, or, if such investment in Replacement Assets is a project authorized by the Board of Directors that will take longer than such 365 days to complete, the period of time necessary to complete such project; or

(c) any combination of (a) and (b);

provided that pending the final application of any such Net Available Cash in accordance with clause (3)(a), (b) or (c) above, EGSA and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in the preceding paragraph will be deemed to constitute "*Excess Proceeds*." On the Business Day immediately following the latest day on which EGSA or such Restricted Subsidiary may apply the Net Available Cash from an Asset Disposition, if the aggregate amount of Excess Proceeds

exceeds €60.0 million, EGSA will be required to make an offer ("**Asset Disposition Offer**") to (a) all Holders and (b) to the extent required by the terms of other senior or *pari passu* Indebtedness of EGSA or any Restricted Subsidiary ("**Other Asset Disposition Indebtedness**") that require EGSA or a Restricted Subsidiary to make an offer to purchase Other Asset Disposition Indebtedness with the proceeds from any Asset Disposition, to all holders of Other Asset Disposition Indebtedness to purchase the maximum principal amount of Notes and any Other Asset Disposition Indebtedness to which the Asset Disposition Offer applies that may be purchased in an amount equal to the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount of the Notes and Other Asset Disposition Indebtedness plus accrued and unpaid interest to the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing Other Asset Disposition Indebtedness, as applicable, which in the case of the Notes will be in a minimum principal amount of €100,000 or an integral multiple of €1,000 thereof.

To the extent that the aggregate amount of Notes and Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, EGSA may use any remaining Excess Proceeds for any purpose not prohibited by the Indenture, subject to other covenants contained in the Indenture. If the aggregate principal amount of Notes surrendered by Holders thereof and Other Asset Disposition Indebtedness surrendered by holders or lenders thereof, collectively, exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and Other Asset Disposition Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Other Asset Disposition Indebtedness. In connection with any such prepayment, repayment, redemption or purchase of Other Asset Disposition Indebtedness, EGSA or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Upon completion of such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

The Asset Disposition Offer will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the "**Asset Disposition Offer Period**"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "**Asset Disposition Purchase Date**"), EGSA will purchase the principal amount of Notes and Other Asset Disposition Indebtedness required to be purchased pursuant to this covenant (the "**Asset Disposition Offer Amount**") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Other Asset Disposition Indebtedness validly tendered in response to the Asset Disposition Offer.

If the Asset Disposition Purchase Date is on or after a record date and on or before the related interest payment date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, EGSA will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Other Asset Disposition Indebtedness or portions of Notes and Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn, in each case in minimum amounts of €100,000 and integral multiples of €1,000 thereof. EGSA will deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by EGSA in accordance with the terms of this covenant. EGSA or the Paying Agent, or the paying agent under any Other Asset Disposition Indebtedness, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes or Other Asset Disposition

Indebtedness so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by EGSA for purchase, and, in the case of the Notes, EGSA will promptly issue a new Note, and the Trustee, upon delivery of an Officers' Certificate from EGSA will authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided that* each such new Note will be in a principal amount of €100,000 or an integral multiple of €1,000. Any Note not so accepted will be promptly mailed or delivered by EGSA to the Holder thereof. EGSA will publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

For the purposes of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness (other than Subordinated Indebtedness) of EGSA or of a Restricted Subsidiary and the release of EGSA or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition, in which case EGSA is deemed to have applied such deemed cash to indebtedness in accordance with clause 3(a) of the first paragraph of this covenant; and
- (2) securities, notes or other obligations received by EGSA or any Restricted Subsidiary of EGSA from the transferee that are promptly converted by EGSA or such Restricted Subsidiary into cash; and
- (3) any Designated Non-cash Consideration received by EGSA or any Restricted Subsidiary, having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of (x) 1.0% of Consolidated Total Assets and (y) €50.0 million (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

EGSA will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of Notes pursuant to an Asset Disposition Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, EGSA will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of such compliance.

EGSA will not be required to make an Asset Disposition Offer if a third party makes the Asset Disposition Offer in the manner, at the times and otherwise in compliance with the requirements described in the Indenture applicable to the making of an Asset Disposition Offer and purchases the Asset Disposition Offer Amount of all Notes and Other Asset Disposition Indebtedness validly tendered and not withdrawn in response to the Asset Disposition Offer.

The ability of EGSA to repurchase Notes in an Asset Disposition Offer may be limited by a number of factors, including that the ability of EGSA to pay cash to the Holders of the Notes upon an Asset Disposition Offer may be limited by its then existing financial resources. There can be no assurance that sufficient funds will be available to EGSA when necessary to make any necessary repurchases.

Limitations on Transactions with Affiliates

EGSA will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or a series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate of EGSA (an "**Affiliate Transaction**") unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to EGSA or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction in arm's-length dealings with a Person that is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate consideration in excess of €50.0 million, a majority of the Disinterested Directors (or, if there is only one Disinterested Director, such director) have determined in good faith that the criteria set forth in clause (1) are satisfied and have otherwise approved the relevant Affiliate Transaction.

For the purposes of this paragraph, any Affiliate Transaction will be deemed to have satisfied the requirements set forth in this paragraph if (x) such Affiliate Transaction is approved by a majority of the Disinterested Directors (or, if there is only one Disinterested Director, such director) or (y) in the event there are no Disinterested Directors, a fairness opinion is provided by an internationally recognized accounting, appraisal or investment banking firm stating that such Affiliate Transaction is fair, from a financial point of view, to EGSA or such Restricted Subsidiary or stating that the terms of such transaction are not materially less favorable than those that would have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not Affiliate.

The preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*" and any Permitted Investment (other than Permitted Investments described in clauses (1), (3), (18) and (19) of the definition thereof);

(2) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements and other compensation arrangements, options to purchase Capital Stock of EGSA, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers, directors and employees approved by the Board of Directors;

(3) loans or advances to employees, officers or directors in the ordinary course of business of EGSA or any Restricted Subsidiary but in any event not to exceed €1.0 million in the aggregate outstanding at any one time with respect to all loans or advances made since the Issue Date;

(4) any transaction between EGSA, any Restricted Subsidiary or any Special Purpose Entity (including, for the avoidance of doubt, Securitifleet Holding or any Securitifleet Company);

(5) any transaction effected as part of a Qualified Receivables Financing;

(6) the performance of obligations of EGSA or any Restricted Subsidiary under the terms of any agreement to which EGSA or any Restricted Subsidiary is a party on the Issue Date, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided, however, that* any future amendment, modification, supplement, extension or renewal entered into after the Issue Date will (a) comply with clauses (1) and (2) of the first paragraph of this covenant and (b) be permitted to the extent that its terms are not more disadvantageous to the Holders than the terms of the agreements in effect on the Issue Date;

(7) transactions with customers, clients, franchisees, suppliers, or purchasers or sellers of goods or services or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to EGSA or the relevant Restricted Subsidiary, in the reasonable determination of the members of the Board of Directors or the senior management thereof, or are not materially less favorable to EGSA or such Restricted Subsidiary than those that could reasonably have been obtained at such time from an unaffiliated Person;

(8) the payment of reasonable and customary fees to directors of EGSA or any of its Restricted Subsidiaries (as determined in good faith by EGSA or such Restricted Subsidiary);

(9) any transaction between EGSA or any Restricted Subsidiary, and any Affiliate of EGSA controlled by EGSA that is a joint venture (whether a company, unincorporated firm, undertaking association, joint venture, partnership or similar entity);

(10) issuances or sales of Capital Stock (other than Disqualified Capital Stock) of EGSA in compliance with the other provisions of the Indenture; and

(11) any participation in a public tender or exchange offer for securities or debt instruments issued by the SPV Issuer, EGSA or any of its Subsidiaries that are conducted on arms' length terms and provide for the same price or exchange ratio, as the case may be, to all holders accepting such tender or exchange offer.

Suspension and Termination of Covenants When Notes Rated Investment Grade

In the event that the Notes have received an (i) Investment Grade Rating from both Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture (the date thereof being referred to as the "**Suspension Date**") then, the covenants specifically listed under the following captions in this "*Description of the Notes*" section of this Offering Memorandum will not be applicable to the Notes (collectively, the "**Affected Covenants**"):

(1) "*—Limitation on Sales of Assets and Subsidiary Stock*";

(2) "*—Limitation on Indebtedness*";

(3) "*—Limitation on Restricted Payments*";

(4) "*—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*";

(5) clause (3) of the first paragraph of "*—Merger and Consolidation*";

(6) "*—Limitation on Transactions with Affiliates*"; and

(7) "*—Future Subsidiary Guarantors.*"

If and for so long as EGSA and the Restricted Subsidiaries are not subject to some or all of the Affected Covenants, the Notes will be entitled to substantially less covenant protection. In the event that EGSA and the Restricted Subsidiaries are not subject to the Affected Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "**Reversion Date**") one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating, then EGSA and the Restricted Subsidiaries will thereafter immediately again be subject to the covenants referred to in clauses (2), (5) and (6) of the immediately preceding paragraph (the "**Reinstated Covenants**") with respect to future events. However, the covenants referred to in clauses (1), (3), (4) and (7) of the immediately preceding paragraph will remain ineffective regardless of any subsequent changes to the rating of the Notes. The period of time between the Suspension Date and the Reversion Date is referred to in this Description of the Notes as the "**Suspension Period**."

During any Suspension Period, EGSA may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the definition of Unrestricted Subsidiary.

Notwithstanding the foregoing, at any time on or following the Reversion Date, no action taken or omitted to be taken by EGSA or any Restricted Subsidiary during the Suspension Period that would have violated any of the Reinstated Covenants had they been in effect during such period will give rise to a Default or Event of Default under the Indenture; *provided that* (i) all Indebtedness incurred, or Disqualified Capital Stock issued, during the Suspension Period will be

classified to have been incurred or issued pursuant to clause (5) of the definition of Permitted Debt; and (ii) any transactions with Affiliates entered into on or after the Reversion Date pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (5) of the second paragraph of the covenant described under “—*Limitation on Transactions with Affiliates.*”

EGSA will notify the Trustee in writing that the two conditions set forth in the first paragraph under this heading have been satisfied; provided, however, the Trustee shall not be obligated to notify the Holders of such an event and such notification will not be a condition for the suspension of the covenants set forth above to be effective.

There can be no assurance that the Notes will achieve or maintain an Investment Grade Rating.

Future Subsidiary Guarantors

If any Subsidiary of EGSA that is not a Subsidiary Guarantor Guarantees any Indebtedness of EGSA (other than the Guarantee by any Restricted Subsidiary of the obligations of EGSA under the Senior Revolving Credit Facility) or of any Subsidiary Guarantor, EGSA will cause such Subsidiary:

- (1) to become a Subsidiary Guarantor by Guaranteeing the Notes on a senior subordinated basis, as and to the extent provided in the Indenture;
- (2) to execute a supplemental indenture; and
- (3) to deliver an Officers’ Certificate and an Opinion of Counsel satisfactory to the Trustee, that such supplemental indenture has been duly authorized, executed and delivered by such Subsidiary and constitutes a valid, binding and enforceable obligation of such Subsidiary.

In addition, EGSA may at any time at its option designate a Restricted Subsidiary that is not a Subsidiary Guarantor as a Subsidiary Guarantor through the execution of a supplemental indenture and the delivery of an Opinion of Counsel in accordance with clause (3) above.

EGSA will not be obligated to cause any Restricted Subsidiary to become a Subsidiary Guarantor if such Restricted Subsidiary is not a Significant Subsidiary. In addition EGSA will not be obliged to cause any Restricted Subsidiary to become a Subsidiary Guarantor if EGSA determines that the provision by such Restricted Subsidiary of a Subsidiary Guarantee could reasonably be expected to give rise to or result in:

- (1) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to EGSA (including any reasonably available “whitewash” procedures or similar procedures that would be required in order to enable such Subsidiary Guarantee to be provided in accordance with applicable law);
- (2) any liability (criminal, civil, administrative or other) for any of the officers, directors or shareholders of EGSA, any Subsidiary thereof (including such Subsidiary Guarantor);
- (3) any violation of the provisions of the Senior Revolving Credit Facility, the Senior Asset Revolving Facility or the Intercreditor Agreement (each as in effect on the Issue Date or as amended in accordance with the provisions thereof in effect on the Issue Date);
- (4) any material risk of any such violation or liability;
- (5) any cost, expense, liability or obligation (including, without limitation, any Tax or any obligation to pay any Additional Amount) in excess of the cost to secure the Guarantee giving rise to the obligation to Guarantee the Notes, other than routine and immaterial out-of-pocket expenses incurred in connection with (x) any governmental or regulatory

filings required as a result of such Subsidiary Guarantee or (y) any “whitewash” procedures (or similar procedures that would be required in order to enable such Subsidiary Guarantees to be provided in accordance with applicable law) undertaken in connection with such Subsidiary Guarantee; or

(6) an inconsistency with the Intercreditor Agreement or the Agreed Security Principles.

Subject to the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture, each Subsidiary Guarantor, as primary obligor and not merely as surety, will jointly and severally Guarantee on an unsecured senior subordinated basis the punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all monetary obligations of EGSA under the Indenture and the Notes, whether for principal of or interest on the Notes, expenses, indemnification or otherwise (all such obligations Guaranteed by such Subsidiary Guarantors being herein called the “**Guaranteed Obligations**”).

The obligations of each Subsidiary Guarantor will be limited to the maximum amount that can, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor, be Guaranteed by such Subsidiary Guarantor without rendering its Subsidiary Guarantee void, voidable or unenforceable under applicable law relating to fraudulent conveyance or fraudulent transfer or any other law affecting the rights of creditors generally or otherwise relating to the insolvency of debtors. Notwithstanding any other provisions of the Indenture, each Subsidiary Guarantee shall be in such form and substance, and subject to such terms, conditions, limitations, qualifications and restrictions as may be necessary or appropriate (in the good faith determination of EGSA, which determination shall be conclusive) by reason of or to comply with any applicable law, rule or regulation, including the law of any jurisdiction where the relevant Subsidiary Guarantor is organized or conducts business.

Each Subsidiary Guarantee shall be a continuing Guarantee and shall (i) subject to the paragraphs below, remain in full force and effect until payment in full of the principal amount of all outstanding Notes (whether by payment at maturity, purchase, redemption, defeasance, retirement or other acquisition) and all other Guaranteed Obligations of the Subsidiary Guarantor then due and owing, (ii) be binding upon such Subsidiary Guarantor and (iii) inure to the benefit of and be enforceable by the Trustee, the Holders and their permitted successors, transferees and assigns.

The Guaranteed Obligations of each Subsidiary Guarantor hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced or terminated the obligations of any Subsidiary Guarantor hereunder and under its Subsidiary Guarantee (whether such payment shall have been made by or on behalf of EGSA or by or on behalf of a Subsidiary Guarantor) is rescinded or reclaimed from any of the Holders upon the insolvency, bankruptcy, liquidation or reorganization of EGSA, any Subsidiary Guarantor or otherwise, all as though such payment had not been made.

Notwithstanding the paragraphs above, Subsidiary Guarantees will be subject to termination and discharge under the circumstances described below.

A Subsidiary Guarantor will automatically and unconditionally be released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and be of no further force or effect, (a) concurrently with any direct or indirect sale or disposition (by merger or otherwise) of such Subsidiary Guarantor or any interest therein in accordance with the terms of the Indenture (including the covenant described under “*—Limitation on Sales of Assets and Subsidiary Stock*”) by EGSA or a Restricted Subsidiary (other than such a sale or disposition subject to any Intercreditor Agreement) following which such Subsidiary Guarantor is no longer a Restricted Subsidiary of EGSA, (b) upon the merger or consolidation of such Subsidiary Guarantor with or into EGSA or another Subsidiary Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation of such Subsidiary Guarantor following the transfer of all or substantially all of its assets to EGSA or

another Subsidiary Guarantor, or upon such Subsidiary Guarantor becoming EGSA, (c) concurrently with such Subsidiary Guarantor becoming an Unrestricted Subsidiary, (d) upon legal or covenant defeasance of EGSA's obligations, or satisfaction and discharge of the Indenture, (e) upon the release of the Guarantee that gave rise to the requirement to issue such additional Subsidiary Guarantee so long as no Default or Event of Default would arise as a result thereof and no other Indebtedness that would give rise to an obligation to provide an additional Subsidiary Guarantee is at the time guaranteed by the relevant Guarantor (it being understood that a release subject to contingent reinstatement is still a release) or (f) subject to customary contingent reinstatement provisions, upon payment in full of the aggregate principal amount of all Notes then outstanding and all other applicable Guaranteed Obligations of such Subsidiary Guarantor then due and owing.

Upon any such occurrence specified above, the Trustee and the Security Agent, if applicable, shall at the expense of such Subsidiary execute any documents reasonably required in order to evidence such release, discharge and termination in respect of the applicable Subsidiary Guarantee.

Neither EGSA nor any such Subsidiary Guarantor will be required to make a notation on the Notes to reflect any such Subsidiary Guarantee or any such release, termination or discharge.

If a Restricted Subsidiary enters into a Guarantee at a time when the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of such stock exchange shall so require, EGSA will notify the Luxembourg Stock Exchange and deposit a copy of the relevant supplemental indenture with the Luxembourg Stock Exchange and the Paying Agent.

Impairment of Security Interest

EGSA will not take or knowingly or negligently omit to take any action which action or omission might or would have the result of materially impairing the security interest with respect to the Collateral (it being understood that for the purposes of this paragraph the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens or any release and granting described under "*—Security—Release of Security*" shall under no circumstances be deemed to materially impair the liens with respect to the Collateral) for the benefit of the Trustee and the holders of the Notes, and EGSA will not grant to any Person other than the Trustee, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Collateral, except as permitted by the Indenture or in the Security Documents, but subject to the second paragraph of this covenant, EGSA and its Restricted Subsidiaries may incur Permitted Collateral Liens.

The Indenture will provide that, at the direction of EGSA and without the consent of the holders of the Notes, the Trustee and the Security Agent may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) provide for Permitted Collateral Liens to the extent permitted under the Indenture, (iii) comply with the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement, (iv) add to the Collateral, (v) evidence the succession of another Person to EGSA and the assumption by such successor of the obligations under the Indenture, the Notes and the Security Documents, in each case, in accordance with "*—Certain Covenants—Merger and Consolidation*", (vi) provide for the release of property and assets constituting Collateral from the Lien of the Security Documents and/or the release of the Guarantee of a Guarantor, in each case, in accordance with (and if permitted by) the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement, (vii) conform the Security Documents to this Description of the Notes, (viii) evidence and provide for the acceptance of the appointment of a successor Trustee or Security Agent or (ix) make any other change thereto that does not adversely affect the holders of the Notes in any material respect; *provided, however, that no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced (otherwise than for reasons specified in clauses (i), (ii) (in connection with*

the creation of Permitted Collateral Liens of the types described in clauses (b) and (c) of the definition thereof), (iii) (in connection with any enforcement action) and (iv) through (ix)), unless contemporaneously with such amendment, extension, renewal, restatement, supplement, modification or renewal, EGSA delivers to the Trustee, either:

(1) a solvency opinion, in form and substance satisfactory to the Trustee, from an investment banking firm, appraisal firm or accounting firm of international standing confirming the solvency of EGSA and its Restricted Subsidiaries, taken as a whole on a consolidated basis, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement;

(2) a certificate from the board of directors or chief financial officer of EGSA (acting in good faith) substantially in the form attached to the Indenture that confirms the solvency of EGSA and its Restricted Subsidiaries, taken as a whole on a consolidated basis, after giving effect to any transaction related to such amendment, extension, renewal, restatement, supplement, modification or replacement; or

(3) an Opinion of Counsel acceptable to the Trustee, in form and substance satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, at law or (to the extent legally applicable) in equity, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement, which Opinion of Counsel shall be substantially in the form attached to the Indenture.

In the event that EGSA complies with this covenant, the Trustee and the Security Agent will (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification or replacement with no need for instructions from holders of the Notes.

Reports

EGSA will provide to the Trustee and the Holders:

(1) within 120 days after the end of EGSA's fiscal year, EGSA's annual report and accounts (including audited consolidated year-end financial statements prepared in accordance with IFRS and an explanatory statement);

(2) within 90 days after the end of the first semi-annual period in each fiscal year of EGSA, an interim report (including a condensed set of semi-annual interim financial statements prepared in accordance with IFRS and an explanatory statement);

(3) upon its publication, all information that is required to be provided to the holders of the ordinary shares of EGSA under the stock exchange rules applicable to the listing of the ordinary shares, if any; and

(4) any information that EGSA is required to make publicly available under the requirements of the Luxembourg Stock Exchange or to provide to the trustee under the EC Finance Notes,

provided, however, that the reports described in clauses (1), (2) and (3) of this covenant will not be required to include separate financial statements for any Subsidiary Guarantors and provided further that EGSA shall be deemed to have provided the reports set forth in clauses (1), (2) and (3) of this covenant if it has posted such reports to its company website and such reports are publicly available.

If EGSA has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries constitute Significant Subsidiaries of EGSA, then the annual and semi-annual information required by clauses (1) and (2) of the preceding paragraph shall include a reasonably detailed presentation, either (i) on the face of the financial statements or in the footnotes or commentary thereto, of the financial condition and results of operations of EGSA and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries of EGSA or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of EGSA and its Subsidiaries.

In addition, so long as the Notes remain outstanding and during any period during which the SPV Issuer or EGSA, as applicable, is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the SPV Issuer or EGSA, as applicable, shall furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Except as regards the financial statements of EGSA specified above, all financial statement information required under this covenant shall be prepared on a consistent basis in accordance with IFRS. In addition, all financial statement information and all reports required under this covenant shall be presented in the English language.

Contemporaneously with the provision of each report discussed above, EGSA will also (a) file a press release through the newswire service of Bloomberg, or, if Bloomberg does not then operate, any similar agency, (b) post such report on EGSA's website and (c) for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, make the above information available through the offices of the Luxembourg Paying Agent.

EGSA is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, EGSA is required to deliver to the Trustee a statement specifying such Default or Event of Default and the action that is being taken in respect of such Default or Event of Default. EGSA will notify promptly the Trustee, the holders of Notes and the holders of Book-Entry Interests in the Notes upon becoming aware of any breach, including through receipt of a certificate notification of default from the SPV Issuer, any Restricted Subsidiary or any Security Document to the extent that such breach would constitute a Default or Event of Default under the Indenture or the Notes.

Merger and Consolidation

EGSA will not, in a single transaction or through a series of related transactions, consolidate, amalgamate, merge or otherwise combine with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "**Successor Issuer**") will be a Person organized and existing under the laws of the Republic of France or any other member state of the European Union on January 1, 2004, or any State of the United States or the District of Columbia and the Successor Issuer (if not EGSA) will expressly assume all the obligations of EGSA under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is party, pursuant to a supplemental indenture and other agreements executed and delivered to the Trustee, in form satisfactory to the Trustee;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Issuer or any Subsidiary of the Successor Issuer as a result of such transaction as having been Incurred by the Successor Issuer or such Subsidiary

at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, (a) the Successor Issuer would be able to incur at least a €1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under “—*Limitation on Indebtedness*” or (b) the Corporate Consolidated Fixed Charge Coverage Ratio of EGSA (or, if applicable, the Successor Issuer with respect thereto) would not be lower than it was immediately prior to giving effect to such transaction;

(4) each Subsidiary Guarantor (unless it is the other party to the transaction above, in which case clause (1) shall apply) shall have confirmed by supplemental indenture that its Subsidiary Guarantee shall apply to such Person’s obligations in respect of the Indenture and the Notes; and

(5) EGSA shall have delivered to the Trustee an Officers’ Certificate and an Opinion of Counsel each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of EGSA, which properties and assets, if held by EGSA instead of the such Subsidiaries, would constitute all or substantially all of the properties and assets of EGSA on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of EGSA.

The Successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, EGSA under the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is party but, in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under the Notes.

Notwithstanding the preceding clause (3) above (which does not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary of EGSA may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to EGSA or any Wholly Owned Subsidiary of EGSA and (b) EGSA may consolidate or otherwise combine with or merge into an Affiliate solely for the purpose of incorporating or organizing EGSA in another jurisdiction to realize tax benefits.

Limitation on Lines of Business

EGSA will not, and will not permit its Restricted Subsidiaries to, engage in any business which is not a Permitted Business.

The Intercreditor Agreement and Additional Intercreditor Agreements

The Notes will be subject to the restrictions contained in the Intercreditor Agreement. The Indenture will provide that, at the request of EGSA, in connection with the Incurrence by EGSA or any Subsidiary Guarantor of any Indebtedness permitted to be secured by the Collateral pursuant to the definition of Permitted Collateral Liens, EGSA, the Trustee and, if applicable, the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement or a restatement, amendment or other modification of the Intercreditor Agreement (collectively an “**Additional Intercreditor Agreement**”) containing substantially the same terms as the Intercreditor Agreement (or terms more favorable to the Holders) including with respect to ranking as to the Collateral, limitation on enforcement and priority and release of the Collateral (or such other terms or with such changes as EGSA may in good faith determine to be necessary or appropriate relating to the Collateral, in connection

with the Incurrence of such Indebtedness, *provided that* such other terms are not materially more adverse to the Holders taken as a whole than the terms contained in the Intercreditor Agreement); *provided further that* such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the Intercreditor Agreements without the consent of the Trustee.

The Indenture also will provide that, at the direction of EGSA and without the consent of Holders, the Trustee shall at the expense of EGSA from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure any ambiguity, manifest error, omission, defect or inconsistency of the Intercreditor Agreement or any Additional Intercreditor Agreement, (2) increase the amount of Indebtedness of the types covered by the Intercreditor Agreement or any Additional Intercreditor Agreement that may be Incurred by EGSA or any of its Subsidiaries that is subject to the Intercreditor Agreement or any Additional Intercreditor Agreement (including the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes or any Subsidiary Guarantee, as applicable) to the extent such increase is permitted under the Indenture with respect to such Indebtedness, (3) add Subsidiary Guarantors to the Intercreditor Agreement or any Additional Intercreditor Agreement, (4) add security to or for the benefit of the Notes, or confirm and evidence the release, termination or discharge of any Subsidiary Guarantee or Lien (including the Collateral and the Security Documents) when such release, termination or discharge is provided for or permitted under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, (5) make provision for pledges of the Collateral securing Additional Notes to rank *pari passu* with the Security Documents or to implement any Permitted Collateral Lien, (6) provide for the assumption by a successor of the obligations of EGSA under the Intercreditor Agreement or any Additional Intercreditor Agreement, (7) conform the text of the Intercreditor Agreement or any Additional Intercreditor Agreement to any provision of this "*Description of the Notes*" or (8) make any other change to the Intercreditor Agreement or any Additional Intercreditor Agreement that does not materially adversely affect the Holders. EGSA shall not otherwise direct the Trustee to enter into any amendment to the Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments, Supplements and Waivers*", and EGSA may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to the Intercreditor Agreement or any Additional Intercreditor Agreement, the Trustee shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however, that* such transaction would comply with the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*." The Indenture also will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein). A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at the offices of the Trustee and, for so long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Euro MTF Market so require, at the offices of the Luxembourg Paying Agent.

Payments for consent

Neither the SPV Issuer nor EGSA, as applicable, will, and EGSA will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders that consent, waive or agree to amend in the time frame set out in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, EGSA and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, to exclude holders of Notes in any jurisdiction where (a) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash or an exchange offer or the payment of the consideration therefor would require EGSA or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which EGSA in its sole discretion determines (acting in good faith) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction) or (b) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Listing

The SPV Issuer or EGSA, as applicable, will use commercially reasonable efforts to initially list and maintain the listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission to trading of the Notes on the Euro MTF Market or other international securities exchange for as long as any of the Notes are outstanding. However, if it should prove commercially impracticable to continue to list the Notes on the Official List of the Luxembourg Stock Exchange due to listing requirements or other factors, the SPV Issuer or EGSA, as applicable, will obtain, prior to the delisting of the Notes from the Official List of the Luxembourg Stock Exchange, where applicable, and thereafter use its commercially reasonable efforts to maintain, a listing of such Notes on another recognized stock exchange.

Events of Default

The following events are defined in the Indenture as "*Events of Default*":

- (1) the failure to pay interest on the applicable Notes when the same becomes due and payable and the default continues for a period of 30 days;
- (2) the failure to pay the principal on the applicable Notes at their Stated Maturity, upon optional redemption, upon required purchase or otherwise;
- (3) a default in the observance or performance by the SPV Issuer, EGSA or any of its Subsidiaries of any covenant or agreement contained in the Notes, the Indenture (other than those described in clauses (1) or (2) above), the Intercreditor Agreement or any Additional Intercreditor Agreement or the Security Documents, which default continues for a period of 60 days after EGSA receives written notice specifying the default from the Trustee or the Holders of at least 30% of the outstanding principal amount of the Notes (except in the case of a default (x) with respect to the "*—Merger and Consolidation*" covenant, which will constitute an Event of Default with such notice requirement but without such passage of time requirement or (y) with respect to the "*—Change of Control*" covenant, which will constitute an Event of Default with such notice requirement if such Default continues for a period of 30 days);

(4) the failure to pay at final maturity (giving effect to any applicable grace periods and any extensions thereof) the stated principal amount of any Indebtedness of EGSA or any of its Restricted Subsidiaries ("**payment default**") or the acceleration of the final stated maturity of any such Indebtedness (which acceleration is not rescinded, annulled or otherwise cured within 20 days of receipt by EGSA or such Restricted Subsidiary of notice of any such acceleration) (the "**cross acceleration provision**") if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at final stated maturity or which has been accelerated (in each case with respect to which the 20 day period described above has elapsed) aggregates €50.0 million or more at any time;

(5) one or more judgments in an aggregate amount in excess of €50.0 million shall have been rendered against EGSA or any of its Restricted Subsidiaries and such judgments remain undischarged, unpaid or unstayed for a period of 30 days after such judgment or judgments become final and non-appealable (the "**judgment default**" provision);

(6) certain events of bankruptcy affecting the SPV Issuer (on or prior to the Completion Date or the Special Mandatory Redemption Date, as applicable), EGSA or any Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the date of the SPV Issuer's or EGSA's, as applicable, most recently available financial statements) would constitute a Significant Subsidiary) (the "**bankruptcy provision**");

(7) failure by the SPV Issuer to comply with any term of the Escrow Agreement that is not cured within 10 days to the extent such non-compliance would reasonably be expected to materially and adversely impact the Holders of the Notes;

(8) failure to consummate a Special Mandatory Redemption as provided for in the Indenture;

(9) at any time prior to the Completion Date or the Special Mandatory Redemption Date, as applicable, failure of SPV Share Trustee to own and hold on trust for charitable purposes 100% of the issued outstanding Capital Stock of the SPV Issuer;

(10) any Subsidiary Guarantee ceases to be in full force and effect or any Subsidiary Guarantee is declared to be null and void and unenforceable or any Subsidiary Guarantee is found to be invalid or any Subsidiary Guarantor denies its liability under its Subsidiary Guarantee (other than by reason of release of a Subsidiary Guarantor in accordance with the terms of the Indenture) and such Default continues for a period of 10 days (the "**guarantee default provision**"); or

(11) any default by EGSA or any of its Restricted Subsidiaries in the performance of any of its obligations under the Security Documents (after the lapse of any applicable grace periods) or the Indenture which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or the Issue Date Collateral or which adversely affects the condition or value of the Collateral or the Issue Date Collateral, taken as a whole, in any material respect, the repudiation or disaffirmation by EGSA of any of its obligations under the Security Documents or the determination in judicial proceedings that the Security Documents are unenforceable or invalid against EGSA or any of its Subsidiaries for any reason (the "**security default provision**").

However, a Default under clause (3), (4) or (5) of the preceding paragraph will not constitute an Event of Default until the Trustee or the holders of 30% in aggregate principal amount of the outstanding Notes notify EGSA of the Default and, with respect to clause (3), (4) or (5) EGSA does not cure such Default within the time specified in such clause (3), (4) or (5), as applicable, after receipt of such notice.

If an Event of Default (other than an Event of Default specified in clause (6) or (7) above with respect to the SPV Issuer or EGSA) shall occur and be continuing, the Trustee or the Holders of at least 30% in principal amount of outstanding Notes may (subject to the terms of the

Intercreditor Agreement or any Additional Intercreditor Agreement) declare the principal of and accrued interest on all the Notes to be due and payable by notice in writing to the SPV Issuer or EGSA, as applicable, and the Trustee specifying the respective Event of Default and that it is a "notice of acceleration", and the same shall become immediately due and payable.

If an Event of Default specified in clause (6) or (7) above with respect to the SPV Issuer or EGSA, as applicable, occurs and is continuing, then all unpaid principal of, and premium, if any, and accrued and unpaid interest on, all of the outstanding Notes shall *ipso facto* become and be immediately due and payable without any declaration or other act by or on the part of the Trustee or any Holder.

The Indenture provides that, at any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraphs, the Holders of a majority in principal amount of such Notes may rescind and cancel such declaration and its consequences:

- (1) if the rescission would not conflict with any judgment or decree;
- (2) if all existing Events of Default have been cured or waived except non-payment of principal or interest that has become due solely because of the acceleration;
- (3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid;
- (4) if the SPV Issuer or EGSA, as applicable, has paid the Trustee its compensation and reimbursed the Trustee for its expenses, disbursements and advances; and
- (5) in the event of the cure or waiver of an Event of Default of the type described in clause (6) of the description above of Events of Default, if the Trustee shall have received an Officers' Certificate and an Opinion of Counsel that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or impair any right consequent thereto. The Holders of a majority in principal amount of the Notes may waive any existing Default or Event of Default under the Indenture, and its consequences, except a default in the payment of the principal of or interest on any Notes (other than pursuant to a rescission of acceleration of the Notes by Holders of a majority in principal amount of Notes and a waiver of the payment default that resulted from such acceleration).

EGSA will deliver to the Trustee, on or before 120 days after the end of its fiscal year, an Officer's Certificate indicating whether the signing officers know of any Default or Event of Default that occurred during the previous year, and whether EGSA has complied with its obligations under the Indenture. In addition, EGSA will be required to notify the Trustee of the occurrence and continuation of any Default or Event of Default within five Business Days after it becomes aware of the same.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee indemnity and/or security satisfactory to it. Subject to the provisions of the Indenture and applicable law, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on such Trustee.

The Security Agent is under no obligation to exercise any of its rights or powers under the Indenture, the Intercreditor Agreement or any Security Document at the request, order or direction of any of the Holders, unless such Holders have offered to the Security Agent indemnity

and/or security satisfactory to it. Subject to the provisions of the Indenture and applicable law, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Security Agent or of exercising any trust or power conferred on such Security Agent.

Under the Indenture, the SPV Issuer or EGSA, as applicable, will be required to provide an Officers' Certificate to the Trustee promptly upon any such officer obtaining knowledge of any Default or Event of Default (*provided that* such officers shall provide such certification at least annually whether or not they know of any Default or Event of Default) that has occurred and, if applicable, describe such Default or Event of Default and the status thereof.

Limited Recourse

Each of the Trustee, the Notes Security Agent, the Security Agent, any Paying Agent, the Registrar and each Holder will agree that its rights against the SPV Issuer under the Indenture and the Notes will be limited to the extent that it will not take any action or proceedings against the SPV Issuer to recover any amounts due and payable by the SPV Issuer to it under the Indenture or the Notes except as expressly permitted by the provisions of the Indenture and the Notes. Each of the Trustee, the Notes Security Agent, the Security Agent, any Paying Agent and the Registrar and each Holder will further agree that it will not, and in the case of a Holder will not request that the Trustee on its behalf, petition a court for, or take any other action or commence any proceedings for, the liquidation or winding-up of the SPV Issuer or any other bankruptcy or insolvency proceedings or appoint any liquidator, receiver, administrator or other insolvency practitioner with respect to the SPV Issuer or any of its assets whether under Irish law or other applicable bankruptcy laws; *provided that* the foregoing is solely for the benefit of the SPV Issuer and will not apply to EGSA or any Subsidiary Guarantors and *provided further* each of the Trustee, the Notes Security Agent, the Security Agent, any Paying Agent, the Registrar and each Holder will have the full and unconditional right to claim against the SPV Issuer for all amounts due and payable under the Notes and the Indenture.

To the extent that the amount in the Escrow Account is not sufficient to meet all amounts payable by the SPV Issuer under the Notes and the Indenture (such negative amount being referred to herein as a "**shortfall**"), the obligations of the SPV Issuer in respect of the Notes and the Indenture to the Trustee, Notes the Security Agent, the principal Paying Agent, the Registrar and to the Holders of the Notes will be limited to such amount which shall be applied in accordance with the Indenture and the Escrow Agreement. In such circumstances the SPV Issuer will not be obligated to pay, and the other assets (if any) of the SPV Issuer will not be available for payment of, such shortfall, the rights of the Trustee, the Notes Security Agent, the principal Paying Agent, the Registrar and the Holders of the Notes to receive any further amounts in respect of such obligations shall be extinguished and shall not thereafter revive and none of the Trustee, the Notes Security Agent, the principal Paying Agent, the Registrar and the Holders of the Notes may take any further action to recover such amounts against the SPV Issuer.

Defeasance

EGSA, at any time may terminate all its obligations under the Notes, the Indenture and the Security Documents and all of the obligations of any Subsidiary Guarantor with respect to its Guarantee ("**legal defeasance**"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes.

EGSA at any time may terminate its, and the Subsidiary Guarantors', if any, obligations under covenants described under "*—Certain Covenants*" (other than "*—Merger and Consolidation*"), the operation of the cross-default upon a payment default or cross acceleration provision, the bankruptcy provision with respect to Significant Subsidiaries, the judgment default provision, the

guarantee default provision and the security default provision described under “Events of Default” above and the limitations contained in clause (3) under “—*Certain Covenants—Merger and Consolidation*” above (“**covenant defeasance**”).

EGSA may exercise their legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If EGSA exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If EGSA exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5) or (6) (with respect only to Significant Subsidiaries), (7) or (8) under “Events of Default” above or because of the failure of the SPV Issuer to comply with clause (3) of the first paragraph under “—*Certain Covenants—Merger and Consolidation*” above.

In order to exercise either defeasance option, EGSA must irrevocably deposit in trust (the “**defeasance trust**”) with the Trustee cash in euro or European Government Obligations or a combination thereof in amounts sufficient for the payment of principal, premium, if any, and interest on the applicable Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel of United States counsel to the effect that Holders of the relevant Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel of United States counsel must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);

(2) an Opinion of Counsel in the jurisdiction of organization of EGSA to the effect that the Holders of the outstanding Notes will not recognize income, gain or loss for income tax purposes in such jurisdiction as a result of such defeasance and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(3) an Opinion of Counsel to the effect that, as of the date of such opinion and subject to customary assumptions and exclusions, following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, liquidation, reorganization, administration, moratorium, receivership or similar laws affecting creditors’ rights generally under any applicable U.S. federal or state law or the laws of the jurisdiction of organization of EGSA, and that the Trustee has a perfected security interest in such trust funds for the rateable benefit of the Holders;

(4) an Officers’ Certificate stating that the deposit was not made by EGSA with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of EGSA or any Subsidiary Guarantor;

(5) an Officers’ Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(6) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(7) EGSA delivers to the Trustee all other documents or other information that the Trustee may require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either:

(a) all the applicable Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofor been deposited in trust or segregated and held in trust by the SPV Issuer or EGSA, as applicable, and thereafter repaid to the SPV Issuer or EGSA, as applicable, or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all applicable Notes not theretofor delivered to the Trustee for cancellation (1) have become due and payable or (2) will become due and payable within one year, or are to be called for redemption within one year, under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the SPV Issuer or EGSA, as applicable, and the SPV Issuer or EGSA has irrevocably deposited or caused to be deposited with the Trustee funds in euro or European Government Obligations or a combination thereof in an amount sufficient to pay and discharge the entire Indebtedness on the applicable Notes not theretofor delivered to the Trustee for cancellation, for principal of, and premium, if any, and interest on, the applicable Notes to the date of maturity or redemption, as the case may be, together with irrevocable instructions from the SPV Issuer or EGSA, as applicable, directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the SPV Issuer or EGSA, as applicable, or any Subsidiary Guarantor has paid all other sums payable under the Indenture; and

(3) the SPV Issuer or EGSA, as applicable, has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of such Indenture have been complied with.

Without limiting the above, following the release of the Escrowed Property on the Completion Date or the Special Mandatory Redemption Date, as applicable, the SPV Issuer will have no further obligations under the Indenture and the Notes, and will commence voluntary liquidation proceedings.

Amendments, Supplements and Waivers

Subject to certain exceptions provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement, the Indenture, the Notes, any Security Documents, any Subsidiary Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Escrow Agreement may be amended or supplemented with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, applicable Notes) and, subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for such Notes). However, without the consent of Holders of not less than 90% of the then outstanding aggregate principal amounts of Notes (including, without limitation, consents obtained in connection with a

purchase of, or tender offer or exchange offer for, such Notes), no amendment, supplement or waiver may, with respect to any Notes held by a non-consenting Holder:

- (1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the stated rate of or extend the stated time for payment of interest on any Note;
- (3) reduce the principal of or extend the Stated Maturity of any Note;
- (4) reduce the premium payable upon the redemption or repurchase of any Note or change the time at which any Note may be redeemed or repurchased as described above under "*—Optional Redemption*," "*—Redemption for Taxation Reasons*," "*—Change of Control*", "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" or any similar provision, whether through an amendment, supplement or waiver of provisions in the covenants, definitions or otherwise;
- (5) make any Notes payable in a currency other than that stated in the Notes;
- (6) impair the right of any Holder to receive payment of, premium, if any, principal of or interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;
- (7) make any change in the provisions of the Indenture described under "*—Withholding Taxes*" that adversely affects the rights of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;
- (8) release any Subsidiary Guarantor from any of its obligations (or modify such obligations in any manner adverse to the Holders) under any Subsidiary Guarantee or the Indenture, as applicable, except in accordance with the terms of the Indenture and the Intercreditor Agreement (or any Additional Intercreditor Agreement);
- (9) release the Lien on the Collateral or the Issue Date Collateral granted for the benefit of the Holders other than pursuant to the terms of the Security Documents, the Intercreditor Agreement (or any Additional Intercreditor Agreements), or as otherwise permitted by the Indenture; or
- (10) make any change in the preceding amendment and waiver provisions.

Notwithstanding the foregoing and to the extent not already permitted, without the consent of any Holder, the SPV Issuer, EGSA, the Subsidiary Guarantors and the Trustee may amend the Indenture, the Notes, any Subsidiary Guarantee, the Security Documents, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Escrow Agreement to:

- (1) cure any ambiguity, defect or inconsistency;
- (2) provide for the assumption by a successor corporation of the obligations of the SPV Issuer, EGSA or any Subsidiary Guarantor under any of the documents referenced above;
- (3) provide for uncertificated Notes in addition to or in place of certificated Notes;
- (4) add Guarantees with respect to the Notes;
- (5) secure the Notes or any Subsidiary Guarantee;
- (6) add to the covenants of the SPV Issuer, EGSA or any Subsidiary Guarantor for the benefit of the Holders or surrender any right or power conferred upon the SPV Issuer, EGSA or any Subsidiary Guarantor;

- (7) conform the text of the Indenture to any provision of this “Description of the Notes”;
- (8) make any change that does not adversely affect the rights of any Holder; or
- (9) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirement thereof.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed amendment, supplement or waiver. A consent to any amendment, supplement or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder’s Notes will not be rendered invalid by such tender.

In determining whether the Holders of the requisite principal amount of Notes have given any request, demand, authorization, consent, vote or waiver in connection with the Indenture and the Notes, Notes owned by the SPV Issuer, EGSA or any Affiliate of the SPV Issuer or EGSA, as applicable, shall be disregarded and shall be deemed not to be outstanding for these purposes, except that in determining whether the Trustee shall be protected in relying upon such request, demand, authorization, consent, vote or waiver, only Notes which the Trustee actually knows to be so owned shall be so disregarded.

The SPV Issuer or EGSA, as applicable, will publish a notice of any material amendment, supplement or waiver in accordance with the provisions of the Indenture described under “—Notices,” and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, the SPV Issuer or EGSA, as applicable, will notify the Luxembourg Stock Exchange of any such amendment, supplement and waiver.

Governing Law; Waiver of Jury Trial

The Indenture and the Notes are governed by, and construed in accordance with, the laws of the State of New York. The SPV Issuer and EGSA will submit to the non-exclusive jurisdiction of and venue in any federal or state court in the Borough of Manhattan in the City of New York, County and State of New York, United States of America, in any suit or proceeding based on or arising out of or under or in connection with the Notes and any Subsidiary Guarantee. The SPV Issuer, EGSA, the Trustee and each Holder of a Note, by its acceptance thereof, will waive, to the fullest extent permitted by applicable law, any and all right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to the Indenture or the Notes.

The Security Documents (other than the Escrow Charge and the Proceeds Loan Security Assignment) are governed by the laws of the Republic of France. The Commercial Court (*Tribunal de Commerce*) of Paris will have exclusive jurisdiction to settle any dispute arising out of or in connection with the Intercreditor Agreement and the Security Documents.

The Escrow Agreement, the Escrow Charge, the Proceeds Loan and the Proceeds Loan Security Assignment are governed by the laws of England and Wales.

The Intercreditor Agreement is governed by the laws of France.

Concerning the Trustee

The Bank of New York Mellon, London Branch has been appointed as Trustee under the Indenture. The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care in their exercise that a prudent person would use in conducting his or her own affairs.

The Indenture imposes certain limitations on the rights of the Trustee, should it become a creditor of the SPV Issuer or EGSA, as applicable, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *provided, however, that* if it acquires any conflicting interest it must either eliminate such conflict or resign.

The Indenture sets out the terms under which the Trustee may retire or be removed, and replaced. Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture provides for certain rights, benefits, privileges and immunities of the Trustee and the indemnification of the Trustee in connection with its actions under the Indenture and each other agreement to which it is a party.

Concerning the Paying Agent and Registrar

The Trustee will initially act as Principal Paying Agent for the Notes. The Bank of New York Mellon SA/NV, Luxembourg Branch will initially act as Registrar and as Luxembourg Paying Agent with regard to the Notes (the **"Luxembourg Paying Agent"**). For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, the SPV Issuer or EGSA, as applicable, will maintain the Paying Agent. The SPV Issuer or EGSA, as applicable, may change the Paying Agent or Registrar for the Notes, and the SPV Issuer or EGSA, as applicable, may act as Paying Agent or Registrar for the Notes. In the event that a Paying Agent is replaced, the SPV Issuer or EGSA, as applicable, will provide notice thereof in accordance with the procedures described under *"Notices."* In addition, the SPV Issuer or EGSA, as applicable undertakes that it will ensure that the SPV Issuer or EGSA, as applicable, maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income, or any law implementing, or complying with or introduced in order to conform to, such directive.

Concerning the Security Agent

Crédit Agricole Corporate and Investment Bank will initially act as Security Agent under the Share Pledge on behalf of the Trustee and the Holders. The Security Agent, acting in its capacity as such, shall have such duties with respect to the shares of ECI pledged pursuant to the Security Documents as are set forth in the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents. Under certain circumstances, the Security Agent may have obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents that are in conflict with the interests of the Holders. The Security Agent will be under no obligation to exercise any rights or powers conferred under the Indenture or any of the Security Documents for the benefit of the Holders unless such Holders have offered to the Security Agent indemnity or security satisfactory to the Security Agent against any loss, liability or expense.

Payments on the Notes

The Notes are in registered form and have been and will be issued in minimum denominations of €100,000 or in multiples of €1,000 in excess thereof.

Principal of, premium, if any, and interest on the Notes held in global form will be payable, and the Global Notes may be exchanged or transferred, at the corporate trust office or agency of the Trustee in London, England except that, at the option of the SPV Issuer or EGSA, as applicable, payment of interest may be made by check mailed to the address of the Holders as such address

appears in the applicable Note register. Payment of principal of, and interest and premium, if any, or interest on, Notes in global form registered in the name of or held by the Common Depositary or its nominee will be made in immediately available funds to the Common Depositary or its nominee, as the case may be, as the registered holder of such Global Note.

Upon the issuance of Definitive Notes, and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, holders of the Notes will be able to receive principal and interest on the Notes at the office of the Luxembourg Paying Agent, subject to the right of the SPV Issuer or EGSA, as applicable, to mail payments in accordance with the terms of the Indenture. The SPV Issuer or EGSA, as applicable, will pay interest on the Notes to Persons who are registered Holders at the close of business on the record date immediately preceding the interest payment date for such interest. Holders of Definitive Notes must surrender the Notes to a Paying Agent to collect principal payments. Initial settlement for the Notes will be made in euro.

Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream Holders on the Business Day following the settlement date against payment for value on the settlement date.

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds.

Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar and the Trustee may require a holder of a Note, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by the SPV Issuer or EGSA, as applicable, the Trustee or the Registrar for any registration of transfer or exchange of Notes, but the SPV Issuer or EGSA, as applicable, may require a Holder to pay a sum sufficient to cover any transfer tax or other governmental taxes and fees required by law or permitted by the Indenture. The SPV Issuer or EGSA, as applicable, are not required to register the transfer or exchange of any Note selected for redemption. Also, the SPV Issuer or EGSA, as applicable, are not required to transfer or exchange any Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of the Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- (3) for a period of 15 days prior to the record date with respect to any interest payment date;
or
- (4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

Ownership of interests in the Notes in global form and interests therein will be subject to restrictions on transfer and certification requirements summarized under "*Transfer Restrictions*."

The registered Holder of a Note will be treated as the owner of it for all purposes. See "*Book-Entry, Delivery and Form*."

Currency Indemnity and Calculation of Euro-Denominated Restrictions

The euro is the sole currency of account and payment for all sums payable by the SPV Issuer or EGSA, as applicable, under or in connection with the Notes, any Subsidiary Guarantees and the Indenture, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the SPV Issuer or EGSA, as applicable, or otherwise, by any Holder or by the Trustee or the Security Agent or the Notes Security Agent in respect of any sum expressed to be due to it from the SPV Issuer or EGSA, as applicable, will only constitute a discharge of the SPV Issuer or EGSA, as applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the Holder or the Trustee, the SPV Issuer or EGSA, as applicable, will indemnify them against any loss sustained by such recipient as a result. In any event, the SPV Issuer or EGSA, as applicable, will indemnify the recipient against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be sufficient for the Holder or the Trustee to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the SPV Issuer or EGSA, as applicable, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any Holder or the Trustee and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

Except as otherwise specifically set out herein, for purposes of determining compliance with any euro-denominated restriction herein, the euro-equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is incurred or made, as the case may be.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the SPV Issuer or EGSA, as applicable, or any Subsidiary Guarantor shall have any liability for any obligations of the SPV Issuer, EGSA or such Subsidiary Guarantor under the Notes, any Subsidiary Guarantee, the Security Documents, the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture, the Notes and the Subsidiary Guarantees, the SPV Issuer, EGSA and any Subsidiary Guarantor will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States of America.

Enforceability of Judgments

Because substantially all of the assets of the SPV Issuer, EGSA and any Subsidiary Guarantor are outside the United States, any judgment obtained in the United States against the SPV Issuer, EGSA or any Subsidiary Guarantor, including judgments with respect to the payment of principal, interest, or premium and any redemption price and any purchase price with respect to the Notes or any Subsidiary Guarantee, may not be collectable within the United States. See “*Enforceability of Judgments*.”

Prescription

Claims against the SPV Issuer or EGSA, as applicable, for payment of principal, interest and Additional Amounts, if any, on the Notes will become void unless presentment for payment is made (where so required herein) within, in the case of principal and Additional Amounts, if any, a period of ten years or, in the case of interest, a period of five years, in each case from the applicable original payment date therefor.

Notices

Any notice to the holders of the Notes shall be published through the newswire service of Bloomberg (or, if Bloomberg does not then operate, any similar agency). If and so long as any Notes are represented by one or more Global Notes held on behalf of Euroclear, Clearstream or any successor clearing agency appointed by the Common Depositary at the request of the SPV Issuer or EGSA, as applicable, notices may be given by delivery to such clearing agency for communication to the entitled account holders. In addition, in the event the Notes are in the form of Definitive Notes, notices will be sent, by first-class mail, with a copy to the Trustee, to each Holder at such Holder’s address as it appears on the registration books of the registrar. So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, any notices to holders shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (www.bourse.lu). If and so long as such Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange. Notices given by publication will be deemed given on the first date on which publication is made and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing.

Notice will be given to the Luxembourg Stock Exchange on the Completion Date or the Special Mandatory Redemption Date, as applicable, of the change of the issuer of the Notes from the SPV Issuer to EGSA.

Certain definitions

“**Acquired Indebtedness**” means Indebtedness:

- (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary;
- (2) assumed in connection with the acquisition of assets from such Person; or
- (3) of a Person at the time such Person merges with or into or consolidates with EGSA or any Restricted Subsidiary,

in each case not Incurred by such Person in connection with or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of EGSA or such acquisition. Acquired

Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger or consolidation.

"Acquisition" means the acquisition of the Target by EGSA pursuant to the Acquisition Agreement.

"Acquisition Agreement" means the sale and purchase agreement dated June 19, 2017, by and among certain sellers identified therein and EGSA with respect to the acquisition by EGSA, directly and indirectly, of the entire share capital of the Target.

"Additional Securitifleet Company" means any Special Purpose Entity incorporated as a limited liability company for the purpose of acquiring, selling, leasing, financing or refinancing Vehicles, and/or related rights (including under leases, manufacturer warranties and buy-back programs, and insurance policies) and/or assets (including managing, exercising and disposing of any such rights and/or assets) and any other activity in which a Securitifleet Company is engaged in on the date of determination and that is fully consolidated in the financial statements of EGSA which has entered a Securitifleet On-Loan Agreement and whose assets are pledged after the Issue Date, directly or indirectly for the benefit of the holders of EC Finance Notes to the same extent as the assets of the Securitifleet Companies pledged on the Issue Date for the benefit of such holders and to the same extent as such assets are pledged for the benefit of the Senior Asset Revolving Facility or any other Fleet Financing.

"Additional Securitifleet Proceeds Loan" means any loans from a financial intermediary to Securitifleet Holding and assigned to EC Finance as such assignment is funded with the proceeds from the issuance of the additional notes permitted by the EC Finance Notes Indenture pursuant to an indenture with such terms and conditions substantially similar to those contained in the Securitifleet Proceeds Loan Agreement (with such adjustments as are necessary to reflect changes in principal amount, accreted value, original issue discount, issue date, currency, maturity and other differences so that the payment terms of such Additional Securitifleet Proceeds Loan are substantially equivalent to those of such additional notes) and, all funding directly or indirectly replacing or refinancing such loan or any portion thereof.

"Affiliate" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative of the foregoing.

"Agreed Security Principles" means the Agreed Security Principles as set forth in the Indenture (or a schedule thereto), as applied reasonably and in good faith by EGSA.

"Aggregate Leased Fleet Net Book Value" means the aggregate net book value of the leased fleet, which amount shall be (a) estimated in good faith by the principal financial officer of EGSA, (b) determined on a consistent basis with the information presented in the footnotes to EGSA's most recent financial statements prior to the Issue Date and (c) subject to agreed upon procedures by the auditors of EGSA.

"Amended and Restated ECI Subordinated Loan" means the subordinated funding agreement dated July 2, 2010 between EC Finance as borrower and ECI as lender, as amended and restated from time to time, including on the Issue Date.

"Applicable Premium" means, with respect to any Note on any redemption date, the greater of (i) 1.00% of the principal amount of such Note and (ii) the excess of (A) the present value at such

redemption date of (1) the redemption price of such Note on November 15, 2020 (such redemption price being set forth in the table appearing above under the caption "*—Optional Redemption*") plus (2) all required remaining scheduled interest payments due on such Note through November 15, 2020 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate plus 50 basis points over (B) the principal amount of such Note on such redemption date, as calculated by EGSA or on behalf of EGSA by such Person as EGSA shall designate.

For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee or the Paying Agent.

"Asset Acquisition" means:

- (1) an Investment by EGSA or any Restricted Subsidiary of EGSA in any other Person pursuant to which such Person shall become a Restricted Subsidiary of EGSA or any Restricted Subsidiary of EGSA, or shall be merged with or into EGSA or any Restricted Subsidiary of EGSA; or
- (2) the acquisition by EGSA or any Restricted Subsidiary of EGSA of the assets of any Person (other than a Restricted Subsidiary of EGSA) which constitute all or substantially all of the assets of such Person or constitute any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

"Asset Disposition" means any direct or indirect sale, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer for value, or series of related sales, issuances, conveyances, transfers, leases, assignments or any other transfers, by EGSA or any of its Restricted Subsidiaries, including any Sale and Leaseback Transaction and any disposition by means of a merger, consolidation or similar transaction (each referred to for purposes of this definition as a "**disposition**") of:

- (1) any Capital Stock of any Restricted Subsidiary of EGSA (other than directors' qualifying shares or shares required by law to be held by a Person other than EGSA or a Restricted Subsidiary); or
- (2) any other property or assets of EGSA or any Restricted Subsidiary of EGSA other than in the ordinary course of business.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to EGSA or by EGSA or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) the disposition of cash or Cash Equivalents in the ordinary course of business;
- (3) a disposition of inventory (including Vehicles) in the ordinary course of business;
- (4) a disposition of obsolete or worn out equipment or equipment that is no longer useful in the conduct of the business of EGSA and its Restricted Subsidiaries and that is disposed of by EGSA and its Restricted Subsidiaries in the ordinary course of business;
- (5) transactions by EGSA and its Restricted Subsidiaries permitted under "*—Certain Covenants—Merger and Consolidation*" or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock by a Restricted Subsidiary of EGSA to EGSA or to a Restricted Subsidiary of EGSA;

- (7) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*", asset sales the proceeds of which are used to make such Restricted Payments or Permitted Investments;
- (8) dispositions by EGSA and its Restricted Subsidiaries of assets in a single transaction or series of related transactions with an aggregate Fair Market Value of less than €50.0 million;
- (9) dispositions constituting an Incurrence of any Lien permitted under the "*Limitation on Liens*" covenant (but not the sale or other disposition of the property subject to such Lien);
- (10) dispositions by EGSA and its Restricted Subsidiaries of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (11) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property;
- (12) foreclosure, condemnation or similar action with respect to any property or other assets;
- (13) any Financing Disposition or other disposition in connection with a Fleet Financing;
- (14) any sales or dispositions of receivables in connection with a Qualified Receivables Financing or any factoring transaction or in the ordinary course;
- (15) any sales or dispositions of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary; and
- (16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

"Attributable Indebtedness" in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in the Sale and Leaseback Transaction, including any period for which the lease has been extended or may, at the option of the lessor, be extended. The present value shall be calculated using a discount rate equal to the rate of interest implicit in the transaction, determined in accordance with IFRS; *provided, however, that* if such Sale and Leaseback Transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capitalized Lease Obligation."

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or scheduled redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

"Board of Directors" means, (a) with respect to EGSA or any other corporation, the board of directors, supervisory board or management board of EGSA or such other corporation, as applicable, or any committee thereof duly authorized to act on behalf of such board or (b) with respect to any other Person, the board of directors, supervisory board or other governing body of such Person or, if such Person is owned or managed by a single entity, the board of directors, supervisory board or other governing body of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such board, supervisory board or other governing body. Unless otherwise provided, "Board of Directors" means the Board of Directors of EGSA.

“Board Resolution” means, with respect to any Person, a copy of a resolution certified by the company secretary or an assistant company secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Bund Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(1) **“Comparable German Bund Issue”** means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to November 15, 2020 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to the period from the redemption date to November 15, 2020; *provided, however, that*, if the period from such redemption date to November 15, 2020 is not equal to the fixed maturity of the German *Bundesanleihe* security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German *Bundesanleihe* securities for which such yields are given, except that if the period from such redemption date to November 15, 2020 is less than one year, a fixed maturity of one year shall be used;

(2) **“Comparable German Bund Price”** means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the SPV Issuer or EGSA, as applicable, obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) **“Reference German Bund Dealer”** means any dealer of German *Bundesanleihe* securities appointed by the SPV Issuer or EGSA, as applicable, in good faith; and

(4) **“Reference German Bund Dealer Quotations”** means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the SPV Issuer or EGSA, as applicable, in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the SPV Issuer or EGSA, as applicable, by such Reference German Bund Dealer at 3.30 p.m. Frankfurt, Germany, time on the third business day in Germany preceding the redemption date,

provided that if, with respect to any redemption, the Bund Rate that is determined in accordance with the foregoing procedure is less than 0%, the term **“Bund Rate”** shall mean 0%.

“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in London, Paris, New York City or Luxembourg, and (in relation to any date for payment or purchase of euro) other than any other day on which Trans-European Automated Real-Time Gross settlement Express Transfer payment system is closed for settlement of payments in euro.

“Capital Markets Debt” means any Indebtedness that is not Non-Public Debt.

“Capital Markets Proceeds Loan” means any funding (including the Securitifleet Proceeds Loan and any Additional Securitifleet Proceeds Loan) made (directly or through a financial intermediary) by EC Finance to Securitifleet Holding with the proceeds from the issuance of Capital Markets Debt permitted by the EC Finance Notes Indenture pursuant to an indenture

with such terms and conditions substantially similar to those contained in the Securitifleet Proceeds Loan Agreement (with such adjustments as are necessary to reflect changes in principal amount, accreted value, original issue discount, issue date, currency, maturity and other differences so that the payment terms of such Capital Markets Proceeds Loan are substantially equivalent to those of the Capital Markets Debt), and all notes directly or indirectly replacing or refinancing such loan or any portion thereof.

“Capital Stock” of any Person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalized Cost” means, with respect to any Vehicle that has been accounted for in the books of any Restricted Subsidiary or Special Purpose Entity, the price paid or to be paid by such Restricted Subsidiary or Special Purpose Entity for the purchase of such Vehicle after deduction of any delivery charges and rebates together with any other element in relation thereto and accounted for as a fixed asset.

“Capitalized Lease Obligation” means, with respect to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as finance lease obligations under IFRS and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with IFRS; *provided, however*, that any obligations in respect of operating leases as determined under IFRS as in effect on the Issue Date shall be deemed not to be Capitalized Lease Obligations for any purpose under the Indenture.

“Cash Equivalents” means:

(1) debt securities denominated in euro, pounds sterling, U.S. dollars, Australian dollars or New Zealand dollars, as applicable, to be issued or directly and fully guaranteed or insured by the government (including, in each case, any agency or instrumentality thereof) of a Participating Member State as of January 1, 2004, the U.K., the U.S., Australia or New Zealand, as applicable, where the debt securities have not more than twelve months to final maturity and are not convertible into any other form of security, *provided that* such country (or agency or instrumentality) has a long-term government debt rating of “A1” or higher by Moody’s or A+ or higher by Standard & Poor’s or the equivalent rating category of another internationally recognized rating agency as of the date of investment;

(2) debt securities denominated in euro, pounds sterling, U.S. dollars, Australian dollars or New Zealand dollars which have not more than twelve months to final maturity, are not convertible into any other form of security, are rated at least P-1 by Moody’s or A-1 by Standard & Poor’s and are not issued or guaranteed by EGSA or any of its Subsidiaries;

(3) commercial paper denominated in euro, pounds sterling, U.S. dollars, Australian dollars or New Zealand dollars maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least P-1 from Moody’s and A-1 from Standard & Poor’s;

(4) any cash deposit or certificates of deposit denominated in euro, pounds sterling, U.S. dollars, Australian dollars or New Zealand dollars having (with respect to certificates of deposit) not more than twelve months to maturity issued by or held with a bank or financial institution incorporated or having a branch in a Participating Member State (on the Issue Date), in the United Kingdom or the United States, *provided that* the bank is rated at least P-1 by Moody’s or A-1 by Standard & Poor’s;

(5) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) above entered into with any bank or financial institution meeting the qualifications specified in clause (4) above; and

(6) investments in money market funds which invest substantially all their assets in securities of the types described in clauses (1) through (5) above.

"Change of Control" means the occurrence of one or more of the following events:

(1) (a) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of EGSA (or its successor by merger, consolidation or purchase of all or substantially all of its assets);

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the property or assets of EGSA and its Restricted Subsidiaries taken as a whole to any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than to one or more Permitted Holders;

(3) the adoption of a plan or proposal for the liquidation or dissolution of EGSA; or

(4) ECI ceases to be a Wholly Owned Subsidiary of EGSA.

"CICE" means the competitive and employment tax credit pursuant to the French 3rd Amended Finance Law for 2012 (*3ème loi de finances rectificative pour 2012*) no 2012-1510 dated December 29, 2012.

"Commodity Hedging Agreements" means in respect of a Person any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"Common Stock" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock.

"Completion Date" has the meaning specified therefor under *"Escrow of Proceeds, Proceeds Loan and Special Mandatory Redemption."*

"Consolidated Fleet Lease Expense" means, with respect to any specified Person for any period, the aggregate fleet operating lease expense of the specified Person and its consolidated Restricted Subsidiaries determined on a consolidated basis payable in respect of such period under leases of rental fleet.

"Consolidated Fleet Operating Lease Interest Expense" means, with respect to any specified Person for any period, the aggregate interest expense included in Consolidated Fleet Lease Expense (in the case of operating leases for which the interest expense component is not specified by the counterparty, as estimated in good faith by the principal financial officer of EGSA and determined on a consistent basis with the information presented in the footnotes to EGSA's most recent financial statements prior to the Issue Date) of the specified Person and its Restricted Subsidiaries determined on a consolidated basis payable in respect of such period under leases of rental fleet.

"Consolidated Income Taxes" means, with respect to any Person for any period, taxes imposed upon such Person or other payments required to be made by such Person by any governmental authority which taxes or other payments are calculated by reference to the income or profits of

such Person or such Person and its Restricted Subsidiaries and, for the avoidance of doubt, Special Purpose Entities on a consolidated basis determined in accordance with IFRS (to the extent such income or profits were included in computing Consolidated Net Income for such period), regardless of whether such taxes or payments are required to be remitted to any governmental authority.

"Consolidated Net Income" means, for any period, the net income (loss) of EGSA and its Restricted Subsidiaries and, for the avoidance of doubt, Special Purpose Entities, on a consolidated basis determined in accordance with IFRS; *provided, however, that* there will not be included in such Consolidated Net Income:

(1) any net income (loss) of any Person (other than EGSA) if such Person is not a Restricted Subsidiary or a Special Purpose Entity, except that:

(a) subject to the limitations contained in clauses (4), (5) and (6) below, EGSA's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to EGSA or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (2) below); and

(b) EGSA's equity in a net loss of any such Person (other than an Unrestricted Subsidiary) for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from EGSA or a Restricted Subsidiary;

(2) any net income (loss) of any Person acquired by EGSA or a Subsidiary of EGSA in a pooling of interests transaction for any period prior to the date of such acquisition;

(3) solely for the purpose of determining the amount available for Restricted Payments under clause (III)(a) of the first paragraph under the caption "*Certain Covenants—Restricted Payments*", any net income or loss of any Restricted Subsidiary of EGSA that is not a Subsidiary Guarantor will be excluded if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to EGSA (or a Subsidiary Guarantor to the extent that it holds the Capital Stock of such Restricted Subsidiary, as applicable) by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture and (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary and any future restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders of the Notes than such restrictions in effect on the Issue Date, except that EGSA's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to EGSA or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than a Subsidiary Guarantor), to the limitation contained in this clause));

(4) any gain (loss) realized upon the sale or other disposition of any property, plant or equipment of EGSA or its consolidated Restricted Subsidiaries (including pursuant to any Sale and Leaseback Transaction) which is not sold or otherwise disposed of in the ordinary course of business and treated as such under IFRS and any gain (loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(5) any extraordinary gain or loss; and

(6) the cumulative effect of a change in accounting principles (from those IFRS principles in effect on the Issue Date).

"Consolidated Total Assets" means, as of any date of determination, total assets shown on the consolidated balance sheet of EGSA and its Restricted Subsidiaries as of the most recent date for which such a balance sheet is available. For the avoidance of doubt, references to "Restricted Subsidiaries" in this definition include, where applicable, Special Purpose Entities on a consolidated basis determined in accordance with IFRS.

"Consolidated Vehicle Interest Expense" means, for any period, the sum of, without duplication, (a) the aggregate interest expense for such period on any Indebtedness of any Special Purpose Entity directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Rental Vehicles and/or related rights and/or assets plus (b) the aggregate interest expense for such period on other Indebtedness of EGSA and its Restricted Subsidiaries that is attributable to the financing or refinancing of Rental Vehicles and/or any related rights and/or assets, as determined in good faith by the Chief Financial Officer or an authorized Officer EGSA (which determination shall be conclusive) plus (c) the interest portion of any lease or rental expense payable to Special Purpose Entities plus (d) Consolidated Fleet Operating Lease Interest Expense.

"Corporate Consolidated EBITDA" means, with respect to any Person and for any period without duplication, the Consolidated Net Income of such Person for such period, *plus* (x) the following, to the extent deducted in calculating such Consolidated Net Income:

- (1) Corporate Consolidated Interest Expense;
- (2) Consolidated Income Taxes;
- (3) consolidated non-fleet depreciation and amortization expense;
- (4) asset impairment expense recorded in accordance with IFRS;
- (5) any foreign currency translation losses of EGSA and its Restricted Subsidiaries (including gains or losses related to currency re-measurements of Indebtedness);
- (6) other non-cash charges reducing Consolidated Net Income (including non-cash charges related to amortization of financing arrangement expenses and excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was paid in a prior period not included in the calculation);
- (7) acquisition-related, reorganization and other non-recurring costs and expenses recorded in accordance with IFRS and presented in EGSA's most recent financial statements; and
- (8) share of loss in associates;

less (y) (1) any foreign currency translation gains of EGSA and its Restricted Subsidiaries (including gains or losses related to currency re-measurements of Indebtedness), (2) share of profit in associates and (3) any other non-cash items increasing Consolidated Net Income for such period (other than (a) the accrual of revenue in the ordinary course of business and (b) the reversal of a reserve for cash charges in a future period in the ordinary course of business).

"Corporate Consolidated Fixed Charge Coverage Ratio" means, with respect to any Person, the ratio of Corporate Consolidated EBITDA of such Person during the period of the most recent two full fiscal semi-annual periods (the **"Two-Half Period"**) ending prior to the date of the transaction giving rise to the need to calculate the Corporate Consolidated Fixed Charge Coverage Ratio for which financial statements are available (the **"Transaction Date"**) to

Corporate Consolidated Fixed Charges of such Person for the Two-Half Period. In addition to and without limitation of the foregoing, for purposes of this definition, "Corporate Consolidated EBITDA" and "Corporate Consolidated Fixed Charges" shall be calculated after giving effect on a *pro forma* basis for the period of such calculation to:

(1) the Incurrence or repayment of any Indebtedness of such Person or any of its Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any Incurrence or repayment of other Indebtedness (and the application of the proceeds thereof), other than the Incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Two-Half Period or at any time subsequent to the last day of the Two-Half Period and on or prior to the Transaction Date, as if such Incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Two-Half Period; and

(2) any asset sales or other dispositions or Asset Acquisitions (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation) as a result of such Person or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness (and also including any Corporate Consolidated EBITDA attributable to the assets which are the subject of the Asset Acquisition or asset sale or other disposition during the Two-Half Period) occurring during the Two-Half Period or at any time subsequent to the last day of the Two-Half Period and on or prior to the Transaction Date, as if such asset sale or other disposition or Asset Acquisition (including the Incurrence, assumption or liability for any such Acquired Indebtedness) occurred on the first day of the Two-Half Period. If such Person or any of its Restricted Subsidiaries directly or indirectly Guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the Incurrence of such Guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly Incurred or otherwise assumed such Guaranteed Indebtedness.

Furthermore, in calculating "Corporate Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Corporate Consolidated Fixed Charge Coverage Ratio":

(1) interest on outstanding Indebtedness determined on a fluctuating or floating basis as of the Transaction Date and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate *per annum* equal to the rate of interest on such Indebtedness in effect on the Transaction Date; and

(2) notwithstanding clause (1) above, interest on Indebtedness determined on a fluctuating or floating basis, to the extent such interest is covered by Interest Rate Agreements, shall be deemed to accrue at the rate *per annum* resulting after giving effect to the operation of such agreements.

For purposes of this definition, (i) whenever *pro forma* effect is to be given to any Asset Acquisition, asset sale or other disposition, or other transaction, or the amount of income or earnings relating thereto and the amount of Consolidated Fixed Charges associated with any Indebtedness Incurred or repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged in connection therewith, the *pro forma* calculations in respect thereof (including without limitation in respect of anticipated synergies or cost savings relating to any such Asset Acquisition, asset sale or other disposition, or other transaction, shall be as determined in good faith by a responsible accounting or financial officer of EGSA as though the full effect of synergies and cost savings were realized on the first day of the relevant period and (ii) the calculation of the Corporate Consolidated Fixed Charge Coverage Ratio shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of EGSA) of cost savings programs that have

been initiated by EGSA or its Restricted Subsidiaries as though such cost savings programs had been fully implemented on the first day of the relevant period; *provided that* such anticipated expense and cost reductions and synergies and cost savings are reasonably anticipated to be realized within 18 months after the consummation of the cost savings program.

If any Indebtedness is Incurred pursuant to a revolving credit facility, the amount outstanding on the date of such calculations will be computed based on (i) the average daily balance of such Indebtedness during such Two-Half Period or (ii) if such facility was created after the end of such Two-Half Period, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of calculation.

“Corporate Consolidated Fixed Charges” means, with respect to any Person for any period, the sum, without duplication, of:

(1) Corporate Consolidated Interest Expense; *plus*

(2) the product of:

(a) the amount of all dividend payments on any series of Preferred Stock of such Person and, to the extent permitted under the Indenture, its Restricted Subsidiaries (other than dividends paid in Qualified Capital Stock and other than dividends paid by a Restricted Subsidiary of such Person to such Person or to a Restricted Subsidiary of such Person) paid, accrued or scheduled to be paid or accrued during such period; and

(b) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective consolidated income tax rate of such Person, expressed as a decimal (as estimated in good faith by the principal financial officer of EGSA).

“Corporate Consolidated Interest Expense” means, for any period, the total consolidated interest expense (excluding any amortization of debt issuance costs, any amortization of discount in relation to pension liabilities and any non-utilization fees in respect of undrawn credit lines) of EGSA and its Restricted Subsidiaries and the Special Purpose Entities that are consolidated in EGSA’s financial statements prepared in accordance with IFRS, whether paid or accrued, plus, without duplication, to the extent not included in such interest expense:

(1) interest expense attributable to Capitalized Lease Obligations and the interest portion of rent expense associated with Attributable Indebtedness in respect of the relevant lease giving rise thereto, determined as if such lease were a capitalized lease in accordance with IFRS and the interest component of any deferred payment obligations;

(2) non-cash interest expense (but excluding any non-cash interest expense attributable to the movement in the mark-to-market valuation of Hedging Obligations);

(3) commissions, discounts and other fees and charges owed with respect to letters of credit;

(4) interest actually paid by EGSA or any such Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person;

(5) net costs associated with Hedging Obligations (including amortization of fees);

(6) the consolidated interest expense of EGSA and its Restricted Subsidiaries that was capitalized during such period;

(7) all dividends paid or payable, in cash, Cash Equivalents or Indebtedness or accrued during such period on any series of Disqualified Capital Stock of EGSA or on Preferred Stock of its Restricted Subsidiaries payable to a party other than EGSA or a Wholly Owned Subsidiary; and

(8) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any other Person in connection with Indebtedness Incurred by such plan or trust,

but excluding Consolidated Vehicle Interest Expense.

“Corporate Consolidated Net Leverage” means, with respect to any Person as of any date of determination, the total amount of Indebtedness of such Person and its Restricted Subsidiaries, as determined on a consolidated basis, *minus* (a) the sum of (i) all Indebtedness of Special Purpose Entities directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Rental Vehicles and/or related rights and/or assets (including, for the avoidance of doubt, the FCT Junior Notes), (ii) any other Indebtedness of EGSA and its Restricted Subsidiaries that is attributable to the financing or refinancing of Rental Vehicles and/or any related rights and/or assets, and (iii) the estimated debt equivalent of fleet operating leases off-balance sheet entered into by EGSA, its Restricted Subsidiaries or Special Purpose Entities (estimated at 100% of the Aggregate Leased Fleet Net Book Value) (but not giving effect to any additional Indebtedness to be incurred on such date of determination as part of the same transaction or series of transactions pursuant to the second paragraph under the caption *“—Certain Covenants—Limitation on Indebtedness”*), and (b) the aggregate amount of cash and Cash Equivalents (other than (x) for the avoidance of doubt, cash or Cash Equivalents held by any Special Purpose Entities and short-term fleet-related investments and (y) cash or Cash Equivalents received upon the incurrence of Indebtedness by such Person or any of its Restricted Subsidiaries and not immediately or subsequently applied or used for any purpose not prohibited by the Indenture) that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date in accordance with IFRS. References to “Restricted Subsidiaries” in this definition include, where applicable, Special Purpose Entities on a consolidated basis determined in accordance with IFRS.

“Corporate Consolidated Net Leverage Ratio” means with respect to any specified Person as of any date of determination, the ratio of (a) the Corporate Consolidated Net Leverage of such Person on such date to (b) the Corporate Consolidated EBITDA of such Person for such Person’s most recently ended two full fiscal semi-annual periods for which internal financial statements are available immediately preceding such date. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Capital Stock or Preferred Stock subsequent to the commencement of the period for which the Corporate Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Corporate Consolidated Net Leverage Ratio is made (the **“Calculation Date”**), then the Corporate Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Capital Stock or Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable two-half reference period.

For purposes of calculating the Corporate Consolidated EBITDA for such period:

(1) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the two-half reference period or subsequent to such reference period and on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Corporate Consolidated Net Leverage Ratio) will be

given *pro forma* effect as if they had occurred on the first day of the two-half reference period;

(2) the Corporate Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Corporate Consolidated Net Leverage Ratio) will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such two-half period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such two-half period.

For the avoidance of doubt, references to “Restricted Subsidiaries” in this definition include, where applicable, Special Purpose Entities on a consolidated basis determined in accordance with IFRS. For purposes of this definition, (i) whenever *pro forma* effect is to be given to any Asset Acquisition, asset sale or other disposition, or other transaction, or the amount of income or earnings relating thereto and the amount of Consolidated Fixed Charges associated with any Indebtedness Incurred or repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged in connection therewith, the *pro forma* calculations in respect thereof (including without limitation in respect of anticipated synergies or cost savings relating to any such Asset Acquisition, asset sale or other disposition, or other transaction, shall be as determined in good faith by a responsible accounting or financial officer of EGSA as though the full effect of synergies and cost savings were realized on the first day of the relevant period and (ii) the calculation of the Corporate Consolidated Net Leverage Ratio shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Parent) of cost savings programs that have been initiated by EGSA or its Restricted Subsidiaries as though such cost savings programs had been fully implemented on the first day of the relevant period; *provided that* such anticipated expense and cost reductions and synergies and cost savings are reasonably anticipated to be realized within 18 months after the consummation of the cost savings program.

In determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Indebtedness on such date.

“**Credit Facility**” means, with respect to EGSA or any of its Subsidiaries, one or more debt facilities, arrangements, instruments or indentures (including the Senior Revolving Credit Facility or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, receivables financings (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Senior Revolving Credit Facility Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument which otherwise qualifies as a “Credit Facility” (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated

thereby, (2) adding Subsidiaries of EGSA as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

“Currency Agreement” means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect EGSA or any Restricted Subsidiary of EGSA against fluctuations in currency values.

“Default” means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“Depreciation Charge” means such amount as calculated with respect to each Vehicle by applying to such Vehicle’s Capitalized Cost a depreciation percentage corresponding to:

(1) if such Vehicle has been purchased pursuant to a Vehicle Manufacturer Buy-Back Agreement, the monthly depreciation percentage set forth in the applicable Vehicle Manufacturer Buy-Back Agreement or, in the absence of depreciation percentage in such agreement, the depreciation percentage calculated on the basis of straight-line amortization of such Vehicle (with the applicable rate of amortization calculated on the basis of (i) an amortization of the Capitalized Cost of such Vehicle from the date of registration of such Vehicle until the reasonably anticipated date of resale of such Vehicle and (ii) the specified repurchase price thereof under such Vehicle Manufacturer Buy-Back Agreement); or

(2) if such Vehicle has not been purchased pursuant to a Vehicle Manufacturer Buy-Back Agreement, a monthly percentage calculated on the basis of straight line amortization of such Vehicle (with the applicable rate of amortization calculated on the basis of (i) an amortization of the Capitalized Cost of such Vehicle from the date of registration of such Vehicle until the reasonably anticipated date of resale of such Vehicle and (ii) the reasonably anticipated residual value thereof as of such date (such residual value to be consistent with the residual value of Vehicles of the same type and age (and in particular with the residual value of Vehicles of the same type and age purchased pursuant to a Vehicle Manufacturer Buy-Back Agreement))).

“Designated Non-cash Consideration” means the Fair Market Value of non-cash consideration received by EGSA or any Restricted Subsidiary in connection with an Asset Disposition that is so designated as “Designated Non-cash Consideration” pursuant to an Officer’s Certificate, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

“Disinterested Directors” means, with respect to any Affiliate Transaction, one or more members of the Board of Directors of EGSA having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of any such Board of Directors shall not be deemed to have such a financial interest by reason of such member’s holding Capital Stock of EGSA, any Capital Stock or other debt or equity debt or equity securities of any entity formed for the purpose of investing in Capital Stock of EGSA or any options, warrants or other rights in respect of any of the foregoing.

“Disqualified Capital Stock” means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(1) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Capital Stock) pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Capital Stock; or

(3) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part,

in each case on or prior to the first anniversary of the Stated Maturity of the Notes; *provided, however, that* any Capital Stock that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an “asset sale” or a “change of control” occurring prior to the first anniversary of the Stated Maturity of the Notes shall not constitute Disqualified Capital Stock if:

(x) the “asset sale” or “change of control” provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the equivalent terms applicable to the Notes; and

(y) any such requirement only becomes operative after compliance with such comparable provisions applicable to the Notes, including the purchase of any Note tendered pursuant thereto.

The amount of any Disqualified Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Capital Stock as if the Disqualified Capital Stock were redeemed, repaid or repurchased on the relevant date on which the amount of such Disqualified Capital Stock is to be determined pursuant to the Indenture; *provided, however, that* if such Disqualified Capital Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Capital Stock as reflected in the most recent financial statements of such Person.

“EC Finance” means EC Finance plc, a public limited company organized under the laws of England and Wales.

“EC Finance Notes” means the 2.375% senior secured notes due 2022 of EC Finance and guaranteed on a senior basis by EGSA and ECI issued pursuant to the EC Finance Notes Indenture.

“EC Finance Notes Indenture” means the indenture dated as of the Issue Date between, among others, EC Finance as issuer, EGSA and ECI as guarantors, and The Bank of New York Mellon, London Branch, as trustee, as supplemented from time to time.

“EC Finance Notes Performance Guarantee” means the guarantee (*caution solidaire*) provided by ECI to each Securitifleet Company and Securitifleet Holding of payments due to such Persons to fund EC Finance’s obligations under the EC Finance Notes.

“ECI” means Europcar International S.A.S.U., a corporation organized under the laws of France and not to any of its subsidiaries.

“Equity Offering” means any offering of ordinary shares (or the equivalent thereof) or Preferred Stock (other than Disqualified Stock) of EGSA.

“Escrowed Proceeds” means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Proceeds” shall include any interest earned on the amounts held in escrow.

“Eurazeo” or “Eurazeo Group” means collectively (1) Eurazeo, a *société anonyme à directoire et conseil de surveillance* incorporated under the laws of France; (2) any subsidiary of Eurazeo, (3) any investment fund or vehicle managed, sponsored or advised by Eurazeo or any of its subsidiaries or any successor thereto, or any successor to any such fund or vehicle; (4) any Person

controlled by the managers or employees of Eurazeo or any of its subsidiaries; and (5) any of their respective successors in interest.

“European Government Obligations” means any security that is (1) a direct obligation of Ireland, Belgium, the Netherlands, France, Germany or any other country that is a member of the European Monetary Union on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agent or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in each case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof; *provided that* such country (or agency or instrumentality) has a long-term government debt rating of “A1” or higher by Moody’s or A+ or higher by Standard & Poor’s or the equivalent rating category of another internationally recognized rating agency as of the date of investment.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“Existing EGSA Notes” means the €600 million aggregate principal amount of 5.75% Senior Notes due 2022 issued by EGSA pursuant to an indenture dated June 10, 2015.

“Fair Market Value” means, with respect to any asset or property, the price which could be negotiated in an arm’s-length, free, market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined by the Board of Directors of EGSA acting reasonably and in good faith and shall be evidenced by a Board Resolution of the Board of Directors of EGSA delivered to the Trustee.

“FCT” means *fonds commun de titrisation* created in connection with the Senior Asset Revolving Facility for the purpose of issuing senior notes subscribed by banks and/or their conduits and junior notes subscribed by ECI.

“FCT Junior Notes” means the junior notes issued by the FCT and subscribed by ECI or any of its successors.

“Financing Disposition” means any sale, transfer, conveyance, lease or other disposition of, or creation or incurrence of any Lien on, property or assets by EGSA or any Subsidiary of either to or in favor of any Special Purpose Entity, or by any Special Purpose Subsidiary, in each case, in connection with the Incurrence by a Special Purpose Entity of Indebtedness, or obligations to make payments to the obligor on Indebtedness, which may be secured by a Lien in respect of such property or assets.

“Fleet Financing” means any asset-backed financing for the purpose of financing, acquiring, leasing or refinancing Vehicles and/or related rights (including under leases, manufacturer warranties and buy-back programs and insurance policies) and/or related assets, together with any related working capital financing (including for the avoidance of doubt the Senior Asset Revolving Facility together with any other fleet financing incurred by the Securitifleet Companies); *provided, however*, that Indebtedness of EGSA or any of its Restricted Subsidiaries under the Target Bridge Facility shall be deemed to constitute Fleet Financing.

“General Fleet Financing” means any Fleet Financing other than a lease financing.

“General Fleet Financing Borrowing Base” means, on the date of incurrence of any General Fleet Financing, the aggregate principal amount of all General Fleet Financings in an amount not exceeding 95.0% of the General Fleet Financing Total Asset Value taking into account the General Fleet Financing to be incurred.

"General Fleet Financing Total Asset Value" means without double counting, the aggregate of:

(1) the Vehicle Residual Value of all the Vehicles of the Group (as defined in the covenant "*Limitation on Indebtedness*") that are financed under General Fleet Financings minus, for such Vehicles, the aggregate of the provisions (if any) for badly damaged Vehicles and the provision for stolen Vehicles and Vehicles non-returned by customers, together with any provision reflecting an expected loss or decrease in value of a Vehicle; and

(2) the Receivables Amount to the extent financed under such General Fleet Financings.

"Government Obligations" means European Government Obligations and U.S. Government Obligations.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however, that* the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"Holder" means the registered holder of any Note.

"IFRS" means the International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which EGSA or the Restricted Subsidiaries are, or may be, required to comply, as in effect on the Issue Date or, with respect to the covenant described under the heading "*Certain Covenants–Reports*" as in effect from time to time. Except as otherwise set forth in the Indenture, all ratios and calculations based on IFRS contained in the Indenture shall be computed in accordance with IFRS as in effect on the Issue Date. At any time after the Issue Date, EGSA may elect to establish that IFRS shall mean IFRS as in effect on or prior to the date of such election; *provided* that any such election, once made, shall be irrevocable. EGSA shall give notice of any such election made in accordance with this definition to the Trustee and the Holders.

"Incur" means to issue, create, assume, enter into any Guarantee of, incur or otherwise become liable for, directly or indirectly; *provided, however, that* any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms "Incurred" and "Incurrence" shall have correlative meanings.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;

(2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) the principal component of all obligations of such Person in respect of letters of credit, performance and surety bonds, bankers' acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such reimbursement obligation relates to a trade payable and such obligation is satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property, all conditional sales obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 120 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted);

(5) Capitalized Lease Obligations, all Attributable Indebtedness of such Person and the estimated debt equivalent of fleet operating leases off-balance sheet (estimated at 100% of the Aggregate Leased Fleet Net Book Value);

(6) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Capital Stock or, with respect to any Subsidiary, any Preferred Stock;

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however, that* the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;

(8) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include (i) any "parallel debt" or any "parallel debt" obligations created in connection with a Lien created to secure other indebtedness permitted to be incurred under the Indenture or (ii) obligations under a Qualified CICE Securitization Financing.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date. The amount of Indebtedness issued or sold at a discount will be the accreted value at such date.

"Intercreditor Agreement" means the Intercreditor Agreement, entered into on June 29, 2015, and entered into in connection with the issuance of the Existing EGSA Notes, between among others EGSA, the lenders and the agent under the Senior Revolving Credit Facility Agreement, the Security Agent, the Trustee and the other parties thereto, as amended and restated from time to time and, to the extent applicable, any Additional Intercreditor Agreement entered into that is permitted under the caption "*—The Intercreditor Agreement and Additional Intercreditor Agreements.*"

"Interest Rate Agreement" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap

agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect loan or other extension of credit (including, without limitation, a guarantee or similar arrangement), advances or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others or any set-off of receivables), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS.

“Investment” shall exclude extensions of trade credit by EGSA and its Restricted Subsidiaries on commercially reasonable terms in accordance with normal trade practices of EGSA or such Restricted Subsidiary, as the case may be. If EGSA or any Restricted Subsidiary of EGSA sells or otherwise disposes of any Common Stock of any direct or indirect Restricted Subsidiary of EGSA such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, EGSA shall be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Common Stock of such Restricted Subsidiary not sold or disposed of. The acquisition by EGSA or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by EGSA or such Restricted Subsidiary in such third Person at such time. Except as otherwise *provided* for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

“Investment Grade Rating” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB– (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

“Issue Date” means November 2, 2017, the date of original issuance of the Notes.

“Lease Financing Borrowing Base” means, as of any date, an amount equal to 100.0% of the net book value of Vehicles that are financed under an operating or finance lease which amount shall be (a) estimated in good faith by the principal financial officer of EGSA and (b) determined on a consistent basis with the information presented in the footnotes to EGSA’s most recent financial statements prior to the Issue Date.

“Lien” means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to grant any security interest).

“Management Investors” means the officers, directors, employees and other members of EGSA or any of its Subsidiaries, or family members or relatives thereof, or trusts, partnerships or limited liability companies for the benefit of the foregoing, or any of their heirs, executors, successors or legal representatives who, at any date, beneficially own or have the right to acquire, directly or indirectly, Capital Stock of EGSA or Capital Stock or other debt or equity securities of any entity formed for the purpose of investing in Capital Stock of EGSA.

“Market Capitalization” means an amount equal to (i) the total number of issued and outstanding shares of Common Stock or common equity interests of EGSA on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such Common Stock or common equity interests for the 30 consecutive trading days ending no earlier than seven days prior to the date of declaration or notification of such dividend.

“Moody’s” means Moody’s Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“Nationally Recognized Statistical Rating Organization” means a nationally recognized statistical rating organization within the meaning of Rule 436 under the U.S. Securities Act.

“Net Available Cash” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting and investment banking fees and expenses, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by EGSA or any Restricted Subsidiary after such Asset Disposition.

“Net Cash Proceeds” means, with respect to any issuance or sale of Capital Stock, the cash proceeds of such issuance or sale net of legal fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“Non-Public Debt” means:

- (1) Indebtedness represented by promissory notes or similar evidence of Indebtedness under bank loans or similar financing agreements, including private placements to insurance companies and mezzanine lenders; and
- (2) any other Indebtedness; *provided that* it (a) is not listed, quoted or tradeable on any exchange or market, including any market for securities eligible for resale pursuant to Rule 144A under the Securities Act, (b) does not clear or settle through the facilities of the Euroclear, Clearstream, DTC or any similar facilities, (c) is not issued or sold by means of any prospectus, offering circular (but not an information memorandum of the type used in a bank syndication) or similar document typically used in connection with road show presentations, (d) is not marketed in an underwritten securities offering and (e) if placed with or through an agent, the agent does not place it with its high yield bond accounts.

“Notes Security Agent” means the Bank of New York Mellon, London Branch, in its capacity as security agent with respect to the Proceeds Loan Security Assignment for the Trustee and the Holders of the Notes or any successor thereto appointed in accordance with the Indenture.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities or amounts payable under the documentation governing any Indebtedness.

"Offering Memorandum" means the final offering memorandum relating to the offer of the Notes.

"Officer" means, (a) with respect to the SPV Issuer, any director or duly authorized attorney, (b) with respect to EGSA or any other obligor upon the Notes, the Chairman of the Board, the President, the *Gérant*, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Controller, the Treasurer, the Chief Operating Officer, the General Counsel or the Secretary (i) of such Person or (ii) if such Person is owned or managed by a single entity, of such entity, or (c) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors.

"Officers' Certificate" means a certificate signed by an Officer.

"Opinion of Counsel" means a written opinion, in form and substance satisfactory to the Trustee, from legal counsel who may be counsel to the SPV Issuer or EGSA, as applicable, or an Affiliate and who is acceptable to the Trustee, and delivered to the Trustee.

"Participating Member State" means each state so described in any European Monetary Union legislation.

"Paying Agent" means any Person authorized by SPV Issuer or EGSA, as applicable, to pay the principal of (and premium, if any) or interest on any Note on behalf of the SPV Issuer or EGSA.

"Permitted Asset Swap" means the concurrent purchase and sale or exchange of assets used or useful in a Permitted Business, securities and other Investments in a Permitted Business or a combination of such assets and cash or Cash Equivalents between EGSA or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*"

"Permitted Business" means any business in which EGSA and its Restricted Subsidiaries are engaged in on the Issue Date or any business activity that is a reasonable extension, development or expansion thereof or ancillary or complementary to such business.

"Permitted Collateral Liens" means the following types of Liens:

(a) junior Liens on the Collateral securing the Notes (other than any Additional Notes) and the Existing EGSA Notes outstanding on the Issue Date (on a *pari passu* basis) and, in each case, any Refinancing Indebtedness in respect thereof (and Refinancing Indebtedness in respect of such Refinancing Indebtedness); *provided that* each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided further that* the Collateral securing such Refinancing Indebtedness secures the Notes on a senior or *pari passu* basis;

(b) Liens on the Collateral to secure Indebtedness permitted by clause (1) of the second paragraph of the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*"; *provided that* each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided further that* the Collateral securing such Debt secures the Notes on a junior basis;

(c) Liens on the Collateral to secure Indebtedness of EGSA (including any Additional Notes) permitted by the first paragraph of the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*" and Refinancing Indebtedness in respect thereof (and Refinancing Indebtedness in respect of such Refinancing Indebtedness); *provided that* each of the parties thereto will have entered into the Intercreditor Agreement or an

Additional Intercreditor Agreement; and *provided further that* the Collateral securing such Indebtedness secures the Notes on a senior or *pari passu* basis; and

(d) Liens that are statutory Liens arising by operation of law.

“Permitted Holder” means any of the following: (1) the Eurazeo Group, (2) any entity formed for the purpose of investing in Capital Stock of EGSA that is owned and controlled by any of the Permitted Holders, or (3) any Person acting in the capacity of an underwriter in connection with a public or private offering of Capital Stock of EGSA. In addition, any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) whose status as a “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture, together with its Affiliates, shall thereafter constitute Permitted Holders.

“Permitted Investment” means, with respect to EGSA or any of its Restricted Subsidiaries, an Investment by EGSA or any Restricted Subsidiary:

(1) in a Restricted Subsidiary or EGSA or a Person which will, upon the making of such Investment, become a Restricted Subsidiary; *provided, however, that* the primary business of such Restricted Subsidiary is a Permitted Business;

(2) [Reserved];

(3) in another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, EGSA or a Restricted Subsidiary; *provided, however, that* such Person’s primary business is a Permitted Business;

(4) in cash and Cash Equivalents;

(5) in receivables owing to EGSA or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however, that* such trade terms may include such concessionary trade terms as EGSA or any such Restricted Subsidiary deems reasonable under the circumstances;

(6) in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(7) in loans or advances to employees made in the ordinary course of business consistent with past practices of EGSA or such Restricted Subsidiary not in excess of €1.0 million at any one time outstanding and made in compliance with applicable laws;

(8) in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to EGSA or any Restricted Subsidiary or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;

(9) made as a result of the receipt of non-cash consideration from an Asset Disposition (but excluding a Permitted Asset Swap) that was made pursuant to and in compliance with “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*”;

(10) under the Amended and Restated ECI Subordinated Loan;

(11) in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of such Investment, *provided that* the amount of the Investment may be increased as required by the terms of the Investment as in existence on the Issue Date;

(12) in connection with Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*Certain Covenants—Limitation on Indebtedness*";

(13) represented by Guarantees permitted to be Incurred in accordance with "*Certain Covenants—Limitation on Indebtedness*";

(14) acquired by EGSA or any Restricted Subsidiary in exchange for the issuance of Qualified Capital Stock of EGSA;

(15) in a Special Purpose Entity in connection with a Fleet Financing permitted under clause (2) of the second paragraph of the covenant described under "*Certain Covenants—Limitation on Indebtedness*";

(16) in the Notes, the Existing EGSA Notes, the EC Finance Notes or other Capital Markets Debt of a Special Purpose Finance Company or other Special Purpose Entity for which EGSA or ECI is a guarantor on a *pari passu* or senior basis with the EC Finance Notes and (to the extent not issued by Securitifleet Holding or a Securitifleet Company) the proceeds of which were on lent to Securitifleet Holding or a Securitifleet Company pursuant to a Capital Markets Proceeds Loan;

(17) Investments in FCT Junior Notes purchased under the Senior Asset Revolving Facility and permitted under the Securitifleet Intercreditor Agreement;

(18) Investments in joint ventures or other Persons relating to any Permitted Business having an aggregate Fair Market Value which, when taken together with all other Investments pursuant to this clause (18) and then outstanding, will not exceed the greater of (x) €100.0 million and (y) 2.0% of Consolidated Total Assets (with the Fair Market Value of such Investments being measured at the time made and without giving effect to subsequent changes in value); *provided that*, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investment" and not this clause (18);

(19) other Investments (including Investments in joint ventures) having an aggregate Fair Market Value which, when taken together with all other Investments pursuant to this clause (19) and then outstanding, will not exceed 2.0% of Consolidated Total Assets (with the Fair Market Value of such Investments being measured at the time made and without giving effect to subsequent changes in value); *provided that*, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investment" and not this clause (19); and

(20) Loans or other Investments required to be entered into in connection with a Qualified Receivables Financing.

"Permitted Liens" means, with respect to EGSA and its Restricted Subsidiaries:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not delinquent or (b) contested in good faith by appropriate proceedings and as to which EGSA or its Restricted Subsidiaries shall have set aside on its books such reserves as may be required pursuant to IFRS;

(2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by IFRS shall have been made in respect thereof;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(4) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(5) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary conduct of the business of EGSA or any of its Restricted Subsidiaries;

(6) any interest or title of a lessor under any Capitalized Lease Obligation; *provided that* such Liens do not extend to any property or assets which are not leased property subject to such Capitalized Lease Obligation;

(7) Liens on assets or property of EGSA or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Indebtedness, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided that* (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of EGSA or any Restricted Subsidiary of EGSA other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(8) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(9) Liens securing reimbursement obligations with respect to letters of credit in the ordinary course;

(10) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of EGSA or any of its Restricted Subsidiaries, including rights of offset and set-off;

(11) Liens securing Hedging Obligations permitted under clause (7)(a) of the second paragraph of the covenant "*—Limitation on Indebtedness*";

(12) Liens securing Acquired Indebtedness incurred in accordance with the "*—Limitation on Indebtedness*" covenant; *provided that*:

(i) such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by EGSA or a Restricted Subsidiary of EGSA

and were not granted in connection with, or in anticipation of, the incurrence of such Acquired Indebtedness by EGSA or a Restricted Subsidiary of EGSA; and

(ii) such Liens are limited to all or a part of the same property or assets of EGSA or its Restricted Subsidiaries that secured the Acquired Indebtedness immediately prior to the time such Indebtedness became Acquired Indebtedness of EGSA or a Restricted Subsidiary of EGSA, and are no more favorable to the relevant lienholders than those securing the Acquired Indebtedness immediately prior to the incurrence of such Acquired Indebtedness by EGSA or a Restricted Subsidiary of EGSA;

(13) Liens securing Indebtedness incurred in compliance with clause (1), (2) or (15) of the second paragraph of "*Certain Covenants—Limitation on Indebtedness*";

(14) Liens securing, or for the benefit of, the Notes;

(15) Liens securing Indebtedness or other obligations of any Special Purpose Entity incurred in compliance with the Indenture;

(16) leases, subleases, licenses and sublicenses granted to others that do not materially interfere with the ordinary course of business of EGSA and its Restricted Subsidiaries;

(17) banker's Liens, rights of setoff and similar Liens with respect to cash and Cash Equivalents on deposit in one or more bank accounts in the ordinary course of business;

(18) Liens arising from U.S. Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by EGSA and its Restricted Subsidiaries in the ordinary course of business;

(19) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date or, with respect to Liens incurred by the Target or any of its Restricted Subsidiaries, the Completion Date (including Liens securing, or otherwise for the benefit of, Indebtedness under the EC Finance Notes);

(20) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of custom duties in connection with the importation of goods;

(21) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, *provided that* any such Lien is limited to all or part of the same property or assets that secured the Indebtedness being refinanced;

(22) Liens on Receivables Assets incurred in connection with a Qualified Receivables Financing;

(23) Liens granted to the Trustee or the Security Agent for their compensation and indemnities pursuant to the Indenture or Intercreditor Agreement or any Additional Intercreditor Agreement;

(24) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent that such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose; and

(25) other Liens securing obligations which do not exceed the greater of (x) €40.0 million and (y) 1.0% of Consolidated Total Assets in the aggregate at any time outstanding.

"Person" means an individual, partnership, corporation, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

“Preferred Stock” of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemption or upon liquidation.

“Purchase Money Indebtedness” means Indebtedness of EGSA and its Restricted Subsidiaries incurred in the normal course of business for the purpose of financing all or any part of the purchase price, or the cost of installation, construction or improvement, of property or equipment.

“Qualified Capital Stock” means any Capital Stock that is not Disqualified Capital Stock.

“Qualified CICE Securitization Financing” means any financing arrangement through which EGSA or its Subsidiaries sell, convey or otherwise transfer to any other Person any accounts receivable (whether now existing or arising in the future) of EGSA and its Subsidiaries arising from the CICE.

“Qualified Receivables Financing” means any Receivables Financing (including a Qualified CICE Securitization Financing) that meets the following conditions: (1) an Officer or the Board of Directors of EGSA shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to EGSA or the relevant Subsidiary of EGSA, (2) all sales of accounts receivable and related assets of EGSA or the relevant Subsidiary of EGSA are made at Fair Market Value (as determined in good faith by an Officer or the Board of Directors of EGSA), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by an Officer or the Board of Directors of EGSA) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of EGSA or any of its Restricted Subsidiaries to secure Indebtedness under a Credit Facility (other than a Credit Facility entered into in connection with an asset securitization transaction) or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

“Rating Agency” means Moody’s or S&P or, in the event either Moody’s or S&P no longer assigns a rating to the Notes, any other Nationally Recognized Statistical Rating Organization selected by EGSA as a replacement agency.

“Receivables Amount” means, at any time and in relation to any Restricted Subsidiary or Special Purpose Entity, the receivables (excluding VAT) owed by any Vehicles Manufacturer or any company of its group to such Restricted Subsidiary or Special Purpose Entity at such time pursuant to the disposition by such Restricted Subsidiary or Special Purpose Entity of any Vehicle under any Vehicle Manufacturer Buy-Back Agreement.

“Receivables Assets” means any assets that are or will be the subject of a Qualified Receivables Financing.

“Receivables Fees” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

“Receivables Financing” means any transaction or series of transactions that may be entered into by EGSA or any of its Subsidiaries pursuant to which EGSA or any of its Subsidiaries may sell, convey or otherwise transfer to any other Person, or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of EGSA or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by EGSA or any such Subsidiary in connection with such accounts receivable.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Refinance” means, in respect of any debt security or other Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such debt security or other Indebtedness in whole or in part.

“Refinanced” and **“Refinancing”** shall have correlative meanings.

“Refinancing Indebtedness” means Indebtedness that is Incurred to Refinance any Indebtedness existing on the Issue Date or Incurred in compliance with the Indenture, including Indebtedness that Refinances Refinancing Indebtedness, *provided, however, that:*

(1) (a) if the Stated Maturity of the Indebtedness being Refinanced is earlier than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced or (b) if the Stated Maturity of the Indebtedness being Refinanced is later than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity later than the Stated Maturity of the Notes;

(2) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced;

(3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and fees Incurred in connection therewith);

(4) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantor’s Subsidiary Guarantee or otherwise defined as Subordinated Indebtedness, such Refinancing Indebtedness is subordinated in right of payment to the Notes or such Subsidiary Guarantee at least to the same extent as such Indebtedness being Refinanced; and

(5) the Refinancing Indebtedness does not receive a Guarantee from any Person that does not Guarantee the Indebtedness being refinanced,

provided, further, however, that Refinancing Indebtedness shall not include (A) Indebtedness of a Subsidiary that Refinances Indebtedness of EGSA, (B) Indebtedness of a non-Subsidiary Guarantor Restricted Subsidiary that Refinances Indebtedness of a Subsidiary Guarantor or (C) Indebtedness of EGSA or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary. Refinancing Indebtedness of a Restricted Subsidiary shall not be permitted to constitute Capital Markets Debt unless the Indebtedness being Refinanced is Capital Markets Debt of a Restricted Subsidiary.

“Rental Vehicles” means all Vehicles that are classified as “rental fleet” in the consolidated financial statements of EGSA.

“Replacement Assets” means properties and assets that will be used in the business of EGSA and its Restricted Subsidiaries as existing on the Issue Date or in a Permitted Business, which replace properties and assets that were the subject of an Asset Disposition.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” of any Person means any Subsidiary of such Person (including Special Purpose Subsidiaries) which at the time of determination is not an Unrestricted Subsidiary.

“Sale and Leaseback Transaction” means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to EGSA or a Restricted Subsidiary by such Person of any property, whether owned by EGSA or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by EGSA or such Restricted Subsidiary to such Person or to any other Person from whom funds have been or are to be advanced by such Person on the security of such property.

“Securitifleet Company” and **“Security Companies”** means respectively any and all of Securitifleet S.A.S., Securitifleet GmbH, Securitifleet SL and Securitifleet S.r.l. and any Additional Securitifleet Company; *provided that* each of the foregoing continue to be designated as a Securitifleet Company in compliance with the EC Finance Notes Indenture.

“Securitifleet Holding” means Securitifleet Holding SA.

“Securitifleet Intercreditor Agreement” means the Securitifleet Intercreditor Agreement entered into on July 30, 2010, and as amended from time to time and as to be further amended on the Issue Date, among EC Finance, ECI, the lenders under the Senior Asset Revolving Facility, The Bank of New York Mellon, as trustee and notes security agent, and the other parties thereto, as amended and restated, waived or consented to from time to time.

“Securitifleet On-Loan Agreements” means one or more debt instruments entered into by or assigned to Securitifleet Holding for the purpose of advancing proceeds from the Securitifleet Proceeds Loan, the Senior Asset Revolving Facility, any Fleet Financing and certain other Indebtedness borrowed or incurred by Securitifleet Holding to the Securitifleet Companies.

“Securitifleet Proceeds Loan” means funding arrangements made by the EC Finance (directly or through a financial intermediary) to Securitifleet Holding on August 26, 2010, May 13, 2011 and July 31, 2014 as further amended on the Issue Date, pursuant to which EC Finance made available to Securitifleet Holding an amount equal to €350 million.

“Securitifleet Proceeds Loan Agreement” means that certain proceeds loan agreement, dated as of the August 26, 2010, as amended and restated on July 31, 2014 and as further amended and restated on the Issue Date and from time to time, by and between EC Finance (directly or through a financial intermediary) and Securitifleet Holding pursuant to which the Securitifleet Proceeds Loans were made.

“Security Agent” means Crédit Agricole Corporate and Investment Bank in its capacity as security agent with respect to the Collateral for the Trustee and the Holders of the Notes or any successor thereto appointed in accordance with the Indenture.

“Security Documents” means any agreements or documents that provide for Liens over any Issue Date Collateral or Collateral for the benefit of the Trustee and the holders of the Notes, including as listed in a schedule to the Indenture and to be delivered to the Trustee and the Notes Security Agent on the Issue Date (solely with respect to the Escrow Charge and the Proceeds Loan Security Assignment, respectively) and to the Security Agent on the Completion Date or the Special Mandatory Redemption Date as applicable (with respect to the Share Pledge), in each case, as such documents may be amended, supplemented, replaced or restated from time to time.

“Senior Asset Revolving Facility” means the senior asset revolving facility agreement entered into on July 30, 2010, and as amended on August 26, 2010, November 4, 2010, January 11, 2011,

April 5, 2012, March 4, 2014, May 12, 2015, September 14, 2016, February 9, 2017 and from time to time, between, among others, Securitifleet Holding, as borrower, Crédit Agricole Corporate and Investment Bank, as lender, and ECI. Unless the context otherwise requires, references to the Senior Asset Revolving Facility shall not include any financing to be provided by ECI in the form of the FCT Junior Notes.

"Senior Revolving Credit Facility" means the revolving credit facility made pursuant to the Senior Revolving Credit Facility Agreement.

"Senior Revolving Credit Facility Agreement" means the multicurrency revolving credit facility agreement, entered into on July 13, 2017, among EGSA, certain Subsidiaries of EGSA, as borrowers and/or guarantors and certain financial institutions, as lenders, as amended and restated (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or any successor or replacement agreement or agreements or increasing the amount loaned thereunder (subject to the compliance with the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*") or altering the maturity thereof.

"Significant Subsidiary", with respect to any Person, means any Restricted Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set out in Rule 1.02(w) of Regulation S-X under the Exchange Act.

"Special Purpose Entity" means (x) any Special Purpose Subsidiary or (y) any other Person that is engaged for the sole benefit of EGSA and its Restricted Subsidiaries in the business of (i) acquiring, selling, collecting, financing or refinancing receivables, accounts (as defined in the Uniform Commercial Code as in effect in any jurisdiction from time to time), other accounts and/or other receivables, and/or related assets, and/or (ii) acquiring, selling, leasing, financing or refinancing Vehicles, and/or related rights (including under leases, manufacturer warranties and buy-back programs, and insurance policies) and/or related assets (including managing, exercising and disposing of any such rights and/or assets).

"Special Purpose Finance Company" means any corporation, association or business entity which is not controlled by, nor is any Capital Stock of such entity owned by, EGSA or any of its Restricted Subsidiaries the purpose of which is for borrowing funds or issuing securities and lending the proceeds to Securitifleet Holding.

"Special Purpose Subsidiary" means a Subsidiary of EGSA that (a) is engaged solely in (x) the business of (i) acquiring, selling, collecting, financing or refinancing receivables, accounts (as defined in the Uniform Commercial Code as in effect in any jurisdiction from time to time) and other accounts and receivables (including any thereof constituting or evidenced by chattel paper, instruments or general intangibles), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and/or (ii) acquiring, selling, leasing, financing or refinancing Vehicles, and/or related rights (including under leases, manufacturer warranties and buy-back programs, and insurance policies) and/or assets (including managing, exercising and disposing of any such rights and/or assets), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and (y) any business or activities incidental or related to such business, and (b) is designated as a "Special Purpose Subsidiary" by the Board of Directors.

"SPV Share Trustee" means Cafico Trust Company Limited as the trustee in respect of the charitable trust organized under Irish law pursuant to that certain Declaration of Trust in respect of Shares of the SPV Issuer dated September 25, 2017 with whom 100% of the Capital Stock of the SPV Issuer has been deposited or any replacement trustee with whom the Capital Stock of the SPV Issuer is deposited for charitable purposes.

“Standard & Poor’s” means S&P Global Ratings or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“Standard Securitization Undertakings” means representations, warranties, covenants, indemnities and Guarantees of performance entered into by EGSA or any Subsidiary of EGSA which an Officer or the Board of Directors of EGSA has determined in good faith to be customary in a Receivables Financing, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Stated Maturity” means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest, respectively, is due and payable, and, when used with respect to any other indebtedness, means the date specified in the instrument governing such indebtedness as the fixed date on which the principal of such indebtedness, or any installment of interest thereon, is due and payable.

“Subordinated Indebtedness” means Indebtedness of EGSA or any Subsidiary Guarantor that is subordinated or junior in right of payment to the Notes or the Subsidiary Guarantee of such Subsidiary Guarantor, as the case may be.

“Subsidiary” means, with respect to any specified Person:

(1) any company, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the company, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof);

(2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity; and

(3) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

“Subsidiary Guarantee” means a Guarantee by a Subsidiary Guarantor of EGSA’s obligations with respect to the Notes and under the Indenture.

“Subsidiary Guarantor” means any Person that executes the Indenture or that in the future executes a supplemental indenture in which such person agrees to be bound by the terms of the Indenture as a Subsidiary Guarantor.

“Target” means Car Rentals Topco S.L., and its successors and assigns.

“Target Bridge Facility” means the term loan facility B’ (in a maximum principal amount of €600 million to be borrowed by Car Rentals Subsidiary, S.A.U.) of the bridge term facilities agreement entered into on July 13, 2017 between, among others, EGSA and Bank of America Merrill Lynch International Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs International Bank, HSBC Bank plc, Lloyds Bank plc, Natixis and Société Générale, among other lenders.

"Trade Payables" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation owed to trade creditors created, assumed or guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"Unrestricted Subsidiary" of any Person means:

- (1) any Subsidiary of such Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of any Person may designate any Subsidiary, including any newly acquired or newly formed Subsidiary, to be an Unrestricted Subsidiary unless that Subsidiary owns any Capital Stock of, or owns or holds any Lien on any of the property of, any other Subsidiary of EGSA that is not a Subsidiary of the Subsidiary to be so designated.

Notwithstanding the foregoing:

- (1) EGSA must certify to the Trustee that this designation complies with the "*—Limitation on Restricted Payments*" covenant; and
- (2) each Subsidiary to be so designated and each of its Subsidiaries shall not have Incurred at the time of designation, and shall not thereafter Incur, any Indebtedness pursuant to which the lender has recourse to any assets of EGSA or any of its Restricted Subsidiaries.

The Board of Directors of any Person may designate any Unrestricted Subsidiary to be a Restricted Subsidiary only if:

- (1) immediately after giving effect to this designation, EGSA can Incur at least €1.00 of additional Indebtedness, other than Permitted Debt, in compliance with the first paragraph of the "*—Limitation on Indebtedness*" covenant; and
- (2) immediately before and immediately after giving effect to this designation, no Default or Event of Default shall have occurred and be continuing.

Any designation by the Board of Directors shall be evidenced by promptly filing with the Trustee a copy of the Board Resolution giving effect to the designation and an Officers' Certificate certifying that the designation complied with the foregoing provisions.

"U.S. Government Obligation" means (x) any security that is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case under the preceding clause (i) or (ii), is not callable or redeemable at the option of the issuer, thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any U.S. Government Obligation that is specified in clause (x) above and held by such bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any U.S. Government Obligation that is so specified and held, *provided that* (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

"Vehicles" means vehicles owned or operated by, or leased or rented to or by, any of EGSA's Restricted Subsidiaries and vehicles owned or leased by a Securitifleet Company or a Special Purpose Entity, including automobiles, trucks, tractors, trailers, vans, sport utility vehicles, buses, campers, motor homes, motorcycles and other motor vehicles.

"Vehicles Manufacturer" means the entity which has sold the Vehicles to the Restricted Subsidiary or Special Purpose Entity.

"Vehicle Manufacturer Buy-Back Agreement" means any agreement between a Restricted Subsidiary or Special Purpose Entity and a Vehicles Manufacturer or any company of its group with respect to the purchase by such Restricted Subsidiary or Special Purpose Entity, and providing for an undertaking from such Vehicles Manufacturer to buy back the Vehicles.

"Vehicle Residual Value" means in relation to any Vehicle and at any time:

(1) the Capitalized Cost relating to such Vehicle; *minus*

(2) the Depreciation Charges accounted for from time to time from the date of registration of such Vehicle in the name of the relevant company.

"Voting Stock" means, with respect to the specified Person, any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or Persons performing similar functions) of such Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"Wholly Owned Restricted Subsidiary" of any Person means any Wholly Owned Subsidiary of such Person which at the time of determination is a Restricted Subsidiary of such Person.

"Wholly Owned Subsidiary" of any Person means any Subsidiary of such Person of which all the outstanding Capital Stock (other than directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Subsidiary of such Person.

Book-Entry, Delivery and Form

General

The Notes sold to qualified institutional buyers in reliance on Rule 144A will initially be represented by global notes in registered form without interest coupons attached (the “**Rule 144A Global Note**”). Notes sold to non-U.S. persons outside the United States in reliance on Regulation S will initially be represented by a global note in registered form without interest coupons attached (the “**Regulation S Global Note**” and, together with the Rule 144A Global Note, the “**Global Notes**”). The Global Notes will be deposited, on the closing date, with a Common Depositary (the “**Common Depositary**”), and registered in the name of the nominee of the Common Depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Note (the “**Rule 144A Book-Entry Interests**”) and ownership of interests in the Regulation S Global Note (the “**Regulation S Book-Entry Interests**” and, together with, the Rule 144A Book-Entry Interests, the “**Book-Entry Interests**”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants.

Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of the Common Depositary. Except under the limited circumstances described below, the Notes will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book entry form by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their name, will not have received physical delivery of the Notes in certificated form and will not be considered the registered owners or “holders” of Notes under the Indenture for any purpose.

So long as the Notes are held in global form, the Common Depositary or its respective nominees, will be considered the sole holder of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and/or Clearstream and indirect participants must rely on the procedures of the direct participants through which they own Book-Entry Interests to transfer their interests or to exercise any rights as holders of the Notes under the Indenture. None of us, the Paying Agent, the Transfer Agent, the Registrar or the Trustee (or any of our or their respective agents) will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by it in respect of the Global Notes so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and/or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream, as applicable, will credit their respective participants’ accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of €100,000 principal amount or less may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) will be made by the Issuer to the Common Depositary or its nominee for Euroclear and Clearstream. The Common Depositary or its nominee will distribute such payments to Euroclear or Clearstream which, in turn, will distribute such payments to their participants in accordance with their respective procedures. Payments of all such amounts will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made by any applicable law or regulation or otherwise as described under "*Description of the Notes—Withholding Taxes*" then, to the extent described under "*Description of the Notes—Withholding Taxes*" such additional amounts will be paid as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that payments by participants to owners of Book-Entry Interests held through those participants will be governed by standing customer instructions and customary practices. Under the terms of the Indenture, we and the Trustee, the Transfer Agent, the Principal Paying Agent, the Security Agent, and the Registrar will treat the registered holder of the Global Notes (i.e., the Common Depositary or its nominee) as the absolute owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee, the Transfer Agent, the Principal Paying Agent, the Security Agent, and the Registrar or any of our or the Trustee's, the Transfer Agent's, the Principal Paying Agent's, the Security Agent's, and the Registrar's respective agents has or will have any responsibility or liability for:

- (1) any aspect of the records of Euroclear or Clearstream or of any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by Euroclear or Clearstream or any participant or indirect participant or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;
- (2) Euroclear or Clearstream or any participant or indirect participant; or
- (3) the records of the Common Depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in "street name."

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such Notes through Euroclear or Clearstream in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking

of any other action in respect of the Global Notes. However, if there is an Event of Default under the Indenture, Euroclear and Clearstream reserve the right to exchange the Global Notes for definitive registered Notes ("**Definitive Registered Notes**") in certificated form, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear's and Clearstream's rules and will be settled in immediately available funds.

The Global Notes will bear a legend to the effect set forth in "*Transfer Restrictions*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*."

Transfer of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of any Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the Securities Act. Prior to 40 days after the date of initial issuance of the Notes, ownership of Regulation S Book-Entry Interests will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Rule 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

Subject to the foregoing, and as set forth in "*Transfer Restrictions*," Book-Entry Interests may be transferred and exchanged as described under "*Description of the Notes*." Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Note of the same denomination will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive Definitive Registered Notes only:

- (1) if either Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act and a successor is not appointed by EGSA within 120 days;
- (2) if Euroclear or Clearstream so requests following an Event of Default under the Indenture; or
- (3) at any time if we, in our sole discretion, determine that all the Global Notes should be exchanged for Definitive Registered Notes.

Information Concerning Euroclear and Clearstream

We understand as follows with respect to Euroclear and Clearstream:

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The following summaries of those operations and procedures are provided solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of EGSA or the Trustee, or any of their agents, the Common Depository or any Initial Purchaser is responsible for those operations or procedures.

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with Euroclear or Clearstream participants, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

Trustee's Powers

In considering the interests of the holders of the Notes, while title to the Notes is registered in the name of a nominee for the Common Depository, the Trustee may have regard to, and rely on, any information provided to it by any clearing system as to the identity (either individually or by category) of its accountholders with entitlements to the Notes and may consider such interests as if such accountholders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture by the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued or any clearing system shall be recognized as the beneficiaries of the Notes to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder or such clearing system, as if they were themselves the holders of the Notes in such principal amounts.

Global Clearance and Settlement under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market thereof. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be affected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear and Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the SPV Issuer, EGSA, the Initial Purchasers, the Trustee, the Transfer Agent, the Registrar, the Paying Agent or any of their respective agents will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Tax Considerations

Certain U.S. Federal Income Tax Considerations

The following is a general discussion of the material United States federal income tax (“USFIT”) considerations relating to the purchase, ownership and disposition of the Notes by U.S. Holders (as defined below) that purchase the Notes pursuant to this Offering at the issue price (generally the first price at which a substantial amount of the Notes is sold to the public), and hold the Notes as capital assets. This discussion is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or to different interpretation. No rulings have been or will be sought from the Internal Revenue Service (the “IRS”) with respect to the transaction described in this Offering Memorandum.

This discussion is for general information only and does not address all of the USFIT considerations that may be relevant to specific U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special treatment (such as financial institutions, insurance companies, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, persons holding Notes through partnerships or other pass-through entities, traders or dealers in securities or currencies, U.S. expatriates, persons subject to the alternative minimum tax, persons who hold the Notes as part of a straddle, hedge, conversion or integrated transaction, or persons that have a “functional currency” other than the U.S. dollar). This discussion does not address any U.S. state, local, or non-U.S. tax considerations or any U.S. federal estate or gift tax considerations.

As used in this discussion, the term “U.S. Holder” means a beneficial owner of a Note that is, for USFIT purposes, (i) a citizen of the United States or a nonresident alien individual who is taxable as a U.S. resident (e.g., by virtue of having been physically present in the United States for at least 183 days in the current calendar year or, alternatively, by having been physically present in the United States for at least 31 days in the current year and at least 183 days during the period composed of the current year and the two preceding years (with the day count computed using a weighting formula), (ii) a corporation or other entity treated as a corporation for USFIT purposes that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to USFIT regardless of its source or (iv) a trust (A) with respect to which a court within the United States is able to exercise primary supervision over its administration and with respect to which one or more U.S. persons has the authority to control all of its substantial decisions or (B) has validly elected to be treated as a domestic trust.

If an entity treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status and activities of the partnership and the partner. Prospective investors that are partnerships for USFIT purposes should consult their own tax advisors regarding the USFIT considerations to them and their partners of purchasing, owning and disposing of the Notes.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE USFIT CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS THE APPLICABILITY OF U.S. STATE AND LOCAL TAX LAWS OR NON-U.S. TAX LAWS.

Characterization of the Notes

We intend to take the position that the Notes will be characterized as debt for USFIT purposes, and by acquiring a Note, each U.S. Holder agrees to take the same position. Prospective investors should note that there is no bright line test for characterizing an instrument as debt or equity for USFIT purposes. There can be no assurance that the IRS will not contend, and that a court will not

ultimately hold, that the Notes are equity of the Issuer. If the Notes are treated as equity of the Issuer for USFIT purposes, U.S. Holders would be subject to different USFIT consequences. This discussion assumes that the Notes are properly treated as debt for USFIT purposes. ***Prospective investors should consult their own tax advisors as to the characterization of the Notes.***

Contingent Payment Debt Instrument Rules

In certain circumstances (see “Description of the Notes—Optional Redemption,” “Description of the Notes—Special Mandatory Redemption”), we may be obligated to pay holders of the Notes a premium over the principal amount of the Notes. Under the applicable Treasury regulations addressing “contingent payment debt instruments” (“CPDIs”), the possibility that any payment of premium over the stated principal amount of the Notes will be made will not cause the Notes to be treated as CPDIs for USFIT purposes if, as of the date the Notes were issued, the possibility of such additional payment was remote or the potential amount of such premium was incidental, in each case within the meaning of the CPDI rules. We believe that the possibility that we will pay a premium is remote or that the potential amount of such premium is incidental (in either case within the meaning of the CPDI rules) at the time we issue the Notes, and, therefore, the Notes should not be treated as CPDIs. Consequently, the possibility that we might pay a premium should not affect the amount or timing of income a U.S. Holder will recognize on the Notes for USFIT purposes. Our determination, however, is not binding on the IRS, and if the Notes were treated as CPDIs, a U.S. Holder might be required to accrue income on the Notes in an amount that may exceed the stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of a Note, and to recognize foreign currency exchange gain or loss with respect to such income. The discussion below assumes that our determination that the contingency is remote or incidental is correct. Our determination that a contingency is either remote or incidental is generally binding on all U.S. Holders. However, our determination is not binding on a U.S. Holder that explicitly discloses, on a statement attached to its USFIT return for the taxable year that includes the acquisition date of the Notes, that its determination is different from our determination. ***U.S. Holders should consult their own tax advisors regarding the potential application to the Notes of the CPDI rules and the consequences thereof.***

Stated Interest

Subject to the discussions of foreign currency considerations below, stated interest on the Notes will constitute “qualified stated interest” and the gross amount of stated interest paid (whether or not reduced by a withholding tax), and including any Additional Amounts, will be taxable to a U.S. Holder as ordinary income at the time it accrues or is received in accordance with such U.S. Holder’s method of accounting for USFIT purposes.

Interest income on the Notes will constitute foreign source income and generally will constitute “passive category income” or, in the case of certain U.S. Holders, “general category income” for foreign tax credit purposes. The rules relating to foreign tax credits are complex, and ***U.S. Holders should consult their own tax advisors with regard to these rules in light of their own particular situations.***

Sale, Retirement or Disposition of the Notes

For USFIT purposes, a U.S. Holder generally will recognize gain or loss upon a sale, retirement or other taxable disposition of a Note in an amount equal to the difference, if any, between the amount realized on such sale, retirement or disposition (other than amounts representing accrued and unpaid interest) and such U.S. Holder’s adjusted tax basis in the Note. The U.S. Holder’s adjusted tax basis in a Note generally will equal the price paid for the Note reduced by any principal payments previously made on the Note. Generally, gain or loss upon the sale, retirement, or other taxable disposition of a Note will be treated as U.S. source income and as

long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. Non-corporate taxpayers will enjoy reduced maximum rates on long-term capital gain and generally will be subject to USFIT at ordinary rates on short term capital gains. The deductibility of capital losses is subject to certain limitations. ***Prospective investors should consult their own tax advisors concerning such limitations.***

Foreign Currency Considerations

Sale, Retirement or Disposition of the Notes

If a U.S. Holder receives euros on the sale, retirement or other disposition of a Note, the amount realized by the U.S. Holder generally will be based on the U.S. dollar value of the euros received (other than amounts representing accrued and unpaid interest), determined at the spot rate in effect on the date of the sale, retirement or disposition. However, if the Notes are considered for USFIT purposes to be traded on an established securities market, a cash basis U.S. Holder or an electing accrual basis U.S. Holder will determine the U.S. dollar amount realized by translating the euros received at the spot rate on the settlement date of the sale, retirement or other disposition. If an accrual method taxpayer makes such an election, the election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. If an accrual basis U.S. Holder does not make this election, such U.S. Holder will determine the U.S. dollar equivalent of the amount realized by translating that amount at the spot rate on the date of the sale, retirement or other disposition and generally will recognize exchange gain or loss (generally treated as U.S. source ordinary income or loss) equal to the difference, if any, between the U.S. dollar equivalent of the amount realized based on the spot rates in effect on the date of disposition and the settlement date.

A U.S. Holder's initial tax basis in a Note generally will be the U.S. Holder's cost of the Note, which will be the U.S. dollar value of the euro purchase price of the Note, determined at the spot rate on the date of purchase. As described above, if the Notes are considered for USFIT purposes to be traded on an established securities market, a cash basis U.S. Holder or an electing accrual basis U.S. Holder will determine the U.S. dollar value of the euro amount paid for the Notes on the settlement date for the Notes. If an accrual basis U.S. Holder does not make this election, such U.S. Holder will determine the U.S. dollar equivalent of the purchase price by translating that amount at the spot rate on the date of the purchase and generally will recognize exchange gain or loss (generally treated as U.S. source ordinary income or loss) equal to the difference, if any, between the U.S. dollar equivalent of the purchase price based on the spot rates in effect on the date of purchase and the settlement date.

To the extent that any gain or loss recognized upon the sale, retirement or disposition of a Note with respect to the principal amount thereof is attributable to changes in the Euro/U.S. dollar currency exchange rate between the dates of purchase and disposition of the Note. (or, possibly, in the case of a cash basis or electing accrual basis taxpayer, the settlement dates of such purchase and disposition if the Note is treated as traded on an established securities market for USFIT purposes), such gain or loss generally will be treated as U.S. source exchange gain or loss that is ordinary in character. Such gain or loss will generally be equal to the difference between the U.S. dollar value of the U.S. Holder's purchase price of the Notes in Euros determined at the spot rate on the date of the sale, retirement or disposition and the U.S. dollar value of the same amount in Euros determined at the spot rate on the date the U.S. Holder acquired the Notes. However, such exchange gain or loss (together with any foreign currency exchange gain or loss with respect to any amounts representing accrued and unpaid interest) will be taken into account only to the extent of the total gain or loss realized on the disposition.

Interest

A U.S. Holder using the cash method of accounting will determine the amount of its interest income by translating the amount of euros received as an interest payment on the Note into U.S. dollars at the spot rate on the date of receipt.

A U.S. Holder using the accrual method of accounting generally is required to determine its interest income by using one of the following two methods. Under the first method, the interest accrued on the Notes is translated into U.S. dollars at the average exchange rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the relevant taxable year). The average exchange rate for an accrual period (or partial period) is the simple average of the spot rates for each business day of such period or other average exchange rate for that period reasonably derived and consistently applied by the U.S. Holder. Under the second method, the U.S. Holder can make an election (which must be applied consistently to all debt instruments held by such U.S. Holder from year to year and may not be revoked without the consent of the IRS) to translate interest accrued on the Note into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of an accrual period that spans two taxable years, the last day of the portion of the accrual period within the relevant taxable year), or, if the last day of an accrual period is within five business days of receipt of the interest payment, the spot rate on the date of receipt. Under either method, an accrual basis U.S. Holder generally will recognize foreign currency exchange gain or loss, as the case may be, on the receipt of a euro interest payment to the extent that the exchange rate on the date such interest payment is received differs from the exchange rate applicable to the accrual of such interest payment. This foreign currency exchange gain or loss generally will be treated as ordinary income or loss from sources within the United States.

A U.S. Holder's tax basis in euros received as an interest payment or from a sale, retirement or disposition of a Note generally will be equal to the U.S. dollar value of the euros determined at the spot rate on the date of receipt. Any gain or loss realized by the U.S. Holder on any subsequent sale or disposition of such euros (including the use of euros to purchase Notes or upon the exchange of euros for U.S. dollars) generally will be treated for USFIT purposes as ordinary income or loss from sources within the United States

The rules relating to taxation of foreign exchange gains are complex. Prospective investors should consult their own tax advisors concerning such rules.

Change in Obligor—Change in Security—Escrow Release—Debt Modification Rules

When EGSA assumes the Note obligations from the SPV Issuer there will be a change in obligor on the Notes and a change in the security for the Notes. In addition, the funds in the Escrow Account of the SPV Issuer will be released. The USFIT treatment of such changes will depend upon whether these changes constitute a significant modification of the Notes for USFIT purposes, individually or collectively.

We believe that these changes should not constitute a significant modification of the Notes for USFIT purposes and therefore would not result in a deemed exchange of such Notes. As a result, there should be no USFIT consequences to the U.S. Holders.

If, contrary to our belief, EGSA's assumption of the SPV Issuer's obligations on the Notes (alone, or together with the release of the Escrow and other changes) results in a significant modification of the Notes for USFIT purposes, a U.S. Holder generally would be treated as having exchanged its "old" Notes for "new" Notes for such purposes, and generally would recognize gain or loss at the time of such deemed exchange in an amount equal to the "issue price" of the "new" Notes and the U.S. Holder's adjusted tax basis of the "old" Notes as of the time of such deemed exchange. The issue price of the "new" Notes would depend on whether the Notes are treated as "publicly traded" for USFIT purposes. If the Notes are treated as publicly traded for USFIT purposes, the issue price of the "new" Notes would generally equal the fair market value of the Notes as of the date of the deemed exchange. If the Notes are not so treated, the issue price would generally equal the principal amount of the Notes.

Additionally, if there is a deemed exchange, the "new" Notes generally would be treated as issued with original issue discount ("OID") for USFIT purposes in an amount equal to the excess, if

any (subject to a statutorily defined *de minimis* exception), of the stated principal amount of the “new” Notes over their issue price (discussed above). A U.S. Holder that is deemed to hold “new” Notes with OID generally would be required to include the OID, if any, in gross income under a constant yield method in advance of the receipt of cash attributable to that income, regardless of the holder’s method of tax accounting.

The USFIT debt modification rules are complex and U.S. Holders are urged to consult their own tax advisors regarding their potential application to the Notes, including whether the Notes qualify as securities and the likelihood of recognizing gain or loss on a deemed exchange.

Reportable Transaction Reporting

Under applicable Treasury regulations, U.S. Holders that participate in “reportable transactions” (as defined in the regulations) must attach IRS Form 8886 (Reportable Transaction Disclosure Statement) to their U.S. tax return. ***U.S. Holders should consult their own tax advisors as to the possible obligation to file IRS Form 8886 with respect to the purchase, ownership or disposition of the Notes, or any related transaction, including without limitation, the disposition of euros received as interest or as proceeds from the sale, retirement or disposition of the Notes.***

Information Reporting with Respect to Specified Foreign Financial Assets

Individual U.S. Holders (and certain U.S. entities specified in IRS guidance) who hold any interest in any “specified foreign financial assets” with an aggregate value in excess of certain thresholds generally are required to file an information report with respect to such assets with their USFIT returns. “Specified foreign financial assets” include any financial accounts maintained with a foreign financial institution as well as any of the following assets, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons (including the Notes), (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. Substantial penalties may be imposed, and the period of limitation on assessment and collection of USFIT may be extended, in the event of a failure to comply. ***U.S. Holders should consult their tax advisers regarding the application of this requirement to their ownership of the Notes.***

Medicare Tax

Certain U.S. Holders who are individuals, estate, or trusts must pay an additional 3.8% tax on, among other things, interest on and capital gains from the sale or other disposition of investments such as the Notes. ***U.S. Holders should consult their tax advisers regarding the application of this requirement to their ownership of the Notes.***

Backup Withholding and Information Reporting

In certain circumstances, interest payments on the Notes to, and proceeds from the sale, retirement or disposition of the Notes received by, a U.S. Holder may be subject to U.S. information reporting and/or backup withholding, unless the U.S. Holder is a corporation or otherwise establishes a basis for exemption. A credit can be claimed against the USFIT liability of the U.S. Holder for any amount withheld under the backup withholding rules and any excess amount is refundable, in each case, if the required information is provided to the IRS.

Certain French Tax Considerations

The following is a summary of certain French withholding tax considerations relating to the purchase, ownership and disposal of the Notes by a beneficial Holder of the Notes that is not a French resident for French tax purposes, that is not a shareholder of EGSA and that does not hold

the Notes in connection with a permanent establishment or a fixed base in France (such holder, a **"Non-French Holder"**). This summary is based on the tax laws and regulations of France, as currently in effect and applied by the French tax authorities, and all of which are subject to change or to different interpretation. This summary is for general information only and does not address all of the French tax considerations that may be relevant to specific holders in light of their particular circumstances. Furthermore, this summary does not address any French estate or gift tax considerations.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO FRENCH TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSAL OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

The Notes being offered pursuant to this Offering Memorandum are characterized as *obligations* (bonds) under French commercial law.

French Withholding tax

Payments of interest and other assimilated revenues made by EGSA with respect to the Notes will not be subject to the withholding tax set out under Article 125 A-III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **"Non-Cooperative State"**), irrespective of the Holder's residence for tax purposes or registered headquarters. The original list of Non-Cooperative States was established by a ministerial decision (*arrêté*) dated February 12, 2010 which is updated on a yearly basis. This list was last updated on April 8, 2016. If such payments under the Notes are made in a Non-Cooperative State, a 75% mandatory withholding tax will be due by virtue of Article 125 A-III of the applicable French *Code général des impôts* irrespective of the tax residence of the holder of the Notes (subject to certain exceptions and to the provisions of any applicable double tax treaty).

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues on such Notes are not deductible from EGSA's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution located in a Non-Cooperative State (the **"Deductibility Exclusion"**). Under certain conditions, any such non-deductible interest and other assimilated revenues may be recharacterized as constructive dividends pursuant to Articles 109 et seq. of the French *Code général des impôts*, in which case such nondeductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to certain exceptions and to the provisions of any applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts*, nor, to the extent that the relevant interest or revenues relate to genuine transactions and is not an abnormal or exaggerated amount, the Deductibility Exclusion and the withholding tax set out under Article 119 bis 2 of the French *Code général des impôts* that may be levied as a result of such non-deductibility, will apply in respect of the Notes if EGSA can prove that (i) the main purpose and effect of such issue of Notes was not to enable payments of interest or other assimilated revenues to be made in a Non-Cooperative State (the **"Exception"**), and (ii) in respect of the Deductibility Exclusion that (a) it benefits from Exception and (b) the interest or other assimilated revenues on the relevant Notes relate to genuine transactions and is not an abnormal or exaggerated amount.

Pursuant to *Bulletin officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50 (No. 550 and 990) dated February 11, 2014, BOI-RPPM-RCM-30-10-20-40 (No. 70 and 80) dated February 11, 2014 and BOI-IR-DOMIC-10-20-20-60 (No. 10) dated March 20, 2015, an issue of notes (*obligations*) will

benefit from the Exception without EGSA having to provide any proof of the purpose and effect of such issue of notes, if such notes are:

- (i) offered by means of an offer to the public within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State which is not a Non-Cooperative State (for this purpose, an “*equivalent offer*” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority); or
- (ii) admitted to trading on a regulated market or a multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French financial code, or of one or more similar foreign depositories or operators, provided that such depository or operator is not located in a Non-Cooperative State.

Pursuant to Article 244 bis C of the French *Code général des impôts*, a holder of Notes who is not a resident of France for French tax purposes and who does not hold its Notes in connection with a permanent establishment or a fixed place of business in France, will not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, exchange or other disposal of Notes.

In addition, no stamp or registration fee or duty or similar transfer taxes will be payable in France in connection with the sale, disposal or redemption of Notes, except in the case of filing with the French tax authorities on a voluntary basis, or except to the extent that the FTT would become applicable. See “*Risk Factors—Risks Relating to the Notes—An EU financial transaction tax proposal could apply to certain dealings in the Notes.*”

Investors should consult their professional advisors.

Certain Irish Tax Considerations

Ireland

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with the holders of Notes (the “**Noteholders**”) who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Taxation of Noteholders

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which would include interest payable on the Notes. The SPV Issuer will not be obliged to make a withholding or deduction for or on account

of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note falls within one of the following categories and meets the relevant conditions:

(a) Interest paid on a quoted Eurobond:

A quoted Eurobond is a security which is issued by a company (such as the SPV Issuer), is listed on a recognized stock exchange (such as the Luxembourg Stock Exchange) and carries a right to interest. Provided that the Notes issued under this Offering carry an amount in respect of interest and are listed on the Luxembourg Stock Exchange, interest paid on them can be paid free of withholding tax provided:

(i) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:

(A) the Notes are held in a clearing system recognized by the Irish Revenue Commissioners; (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognized); or

(B) the person who is the beneficial owner of the Notes and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and

(ii) one of the following conditions is satisfied:

(A) the Noteholder is resident for tax purposes in Ireland; or

(B) the interest is under the laws of a Relevant Territory subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or

(C) the Noteholder is not a company which, directly or indirectly, controls the SPV Issuer, is controlled by the SPV Issuer, or is controlled by a third company which also directly or indirectly controls the SPV Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:

(I) from whom the SPV Issuer has acquired assets;

(II) to whom the SPV Issuer has made loans or advances; or

(III) with whom the SPV Issuer has entered into a swap agreement,

where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the aggregate value of the assets of the SPV Issuer; or

(D) at the time of issue of the Notes, the SPV Issuer was not in possession, or aware, of any information which could reasonably be taken to indicate whether or not the beneficial owner of the Notes would be subject to tax on any interest payments,

where the term:

"Relevant Territory" means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty; and

"swap agreement" means any agreement, arrangement or understanding that—

(I) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities,

securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and

(II) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

Thus, so long as the Notes are and continue to be quoted on the Luxembourg Stock Exchange, are held in a recognized clearing system and one of the conditions set out in paragraph (a)(ii) above is met, interest on the Notes can be paid by any paying agent acting on behalf of the SPV Issuer without any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognized clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and one of the conditions set out in paragraph (a)(ii) above is met.

(b) Interest paid by a qualifying company or in the ordinary course of business to certain non-residents:

If, for any reason, the quoted Eurobond exemption referred to above ceases to apply, interest payments may still be made free of withholding tax provided that:

(i) either:

(A) the SPV Issuer remains a "qualifying company" as defined in Section 110 of the Taxes Consolidation Act 1997 ("TCA") and the Noteholder is a person which is resident in a Relevant Territory, and where the recipient is a company, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency; or

(B) the interest is paid in the ordinary course of the SPV Issuer's business and the Noteholder is:

(I) a company which (1) by virtue of the law of a Relevant Territory, is resident in the Relevant Territory for the purposes of tax, and that Relevant Territory imposes a tax which corresponds to income tax or corporation tax in Ireland and which generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory, and (2) does not receive the interest payment in connection with a trade or business which is carried on in Ireland by it through a branch or agency; or

(II) a company where (1) the interest payable to it is exempted from the charge to income tax under a double taxation treaty in force between Ireland and another territory, or would be exempted from the charge to income tax if a double taxation treaty made between Ireland and another territory on or before the date of payment, but not yet in force, had the force of law when the interest was paid, and (2) it does not receive the interest payment in connection with a trade or business which is carried on in Ireland by it through a branch or agency; and

(ii) one of the following conditions is satisfied:

(A) the Noteholder is a pension fund, government body or other person (which satisfies paragraph (a)(ii)(C) above), who is resident in a Relevant Territory and who, under the

laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory; or

(B) the Noteholder is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a Relevant Territory which corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

The SPV Issuer must be satisfied that the respective terms of the exemptions are satisfied. The test of residence in each case is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident.

For other holders of Notes, interest may be paid free of withholding tax if the Noteholder is resident in a double tax treaty country and under the provisions of the relevant treaty with Ireland such Noteholder is exempt from Irish tax on the interest and clearance in the prescribed form has been received by the SPV Issuer before the interest is paid.

Encashment Tax

In certain circumstances (e.g. quoted Eurobonds), Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realized by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Income Tax, PRSI and Universal Social Charge

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest.

Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions and the universal social charge in respect of interest they receive on the Notes.

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax, notwithstanding that the Noteholder is not resident in Ireland. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest paid by the SPV Issuer is exempt from income tax so long as the SPV Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and, the interest is paid out of the assets of the SPV Issuer. Secondly, interest payments made by the SPV Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory and which tax corresponds to income tax or corporation tax in Ireland, or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come into force once all ratification procedures

have been completed. Thirdly, interest paid by the SPV Issuer free of withholding tax under the quoted Eurobond exemption is exempt from income tax where the recipient is a person not resident in Ireland and resident in a Relevant Territory or is a company not resident in Ireland which is under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory is resident for the purposes of tax in a Relevant Territory and are not under the control of person(s) who are not so resident, or is a company not resident in Ireland where the principal class of shares of the company is substantially and regularly traded on a recognized stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions is within the charge to income tax, and, in the case of Noteholders who are individuals, the charge to the universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

Capital Gains Tax

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is either resident or ordinarily resident in Ireland or carries on a trade or business in Ireland through a branch or agency in respect of which the Notes were used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, is currently levied at 33 per cent.) if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland).

Stamp Duty

No stamp duty or similar tax is imposed in Ireland (on the basis of an exemption provided for in Section 85(2)(c) of the Irish Stamp Duties Consolidation Act, 1999 so long as the SPV Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Notes are used in the course of the SPV Issuer's business) on the issue, transfer or redemption of the Notes.

Certain ERISA Considerations

The following is a summary of material considerations arising under the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) and the Code, and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code that may be relevant to a prospective purchaser of the Notes that is an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of part 4 of subtitle B of Title I of ERISA, or other plans and arrangements, including individual retirement accounts and annuities, and Keogh plans subject to Section 4975 of the Code, and certain collective investment funds and insurance company general or separate accounts in which such plans, accounts, or arrangements are invested, or an entity whose underlying assets include plan assets of any such plan by reason of a plan’s investment in such entity (collectively, “**Plans**”) and on those persons who are fiduciaries with respect to such Plans. The discussion does not purport to address all aspects of ERISA or Section 4975 of the Code or other laws or regulations that may be relevant to particular Plans or other employee benefit plans in light of their particular circumstances. *Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt Prohibited Transactions (as defined below), prior to making an investment in the Notes, prospective investors that are Plans and other employee benefit plans subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (“**Similar Laws**”) should consult with their legal advisors concerning the impact of ERISA, the Code and Similar Laws on such an investment with respect to their specific circumstances.*

This discussion is based on the current provisions of ERISA and the Code and the regulations under ERISA and the Code promulgated thereunder. No assurance can be given that legislative, judicial, or administrative changes will not affect the accuracy of any statements herein with respect to transactions entered into or contemplated prior to the effective date of such changes.

General

Investments by Plans covered by ERISA are subject to general fiduciary requirements pursuant to ERISA, including the requirement of investment prudence and diversification, requirements respecting delegation of investment authority and the requirement that Plan’s investments be made in accordance with the Plan’s governing documents. A fiduciary (as defined in Section 3(21)(A) of ERISA) of such Plan who proposes to cause such Plan to purchase Notes should determine whether, under the general fiduciary standards of ERISA or other applicable law, an investment in the Notes is appropriate for such Plan. In determining whether a particular investment is appropriate for such Plan, fiduciaries of Plan are required by DOL regulations to give appropriate consideration to (among other things) the role that the investment plays in the Plan’s portfolio, taking into consideration (i) whether the investment is designed reasonably to further the Plan’s purpose, (ii) an examination of the risk and return factors, (iii) the portfolio’s composition with regard to diversification, (iv) the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan and (v) the projected return of the total portfolio relative to the Plan’s funding objectives. Before investing the assets of such Plan in the Notes, a fiduciary should determine whether such an investment is consistent with the foregoing regulations and its fiduciary responsibilities, including, without limitation, any specific restrictions to which such fiduciary may be subject.

Prohibited Transaction Rules

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions (“**Prohibited Transactions**”) involving the assets of a Plan and certain persons (referred to as “parties in interest” under ERISA or “disqualified persons” under the Code) having certain relationships to such Plan, unless an exemption is available. For example, fiduciaries and service providers of Plans

are “parties in interest” and “disqualified persons” of those Plans for purposes of the Prohibited Transaction rules.

A party in interest or a disqualified person who engages in a Prohibited Transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code, and, unless an exemption applies, the transaction may have to be rescinded. Section 4975 of the Code imposes excise taxes, and, in some cases, a civil penalty may be assessed pursuant to Section 502(i) of ERISA on parties in interest or disqualified persons that engage in non-exempt Prohibited Transactions. Furthermore, a fiduciary that permits a Plan to engage in a transaction that the fiduciary knows or should know is a Prohibited Transaction may be liable to the Plan for any losses realized by the Plan or any profits realized by the fiduciary in the transaction. Consequently, a fiduciary considering a purchase of Notes on behalf of, or with the assets of, a Plan should consider whether such an investment might constitute or give rise to a Prohibited Transaction under ERISA or the Code.

If the Notes are acquired by a Plan with respect to which EGSA or an Initial Purchaser, the Trustee or any of the respective affiliates of either (each, a “**Transaction Party**” and collectively, the “**Transaction Parties**”) is a party in interest or a disqualified person, such acquisition could give rise to a Prohibited Transaction unless a specific exemption applies (subject, however, to the discussion below, with respect to any acquisition by a sponsor of, or investment advisor with respect to, such Plan). Certain exemptions from the Prohibited Transaction rules may apply depending on the type of Plan fiduciary making the decision to acquire the Notes and the circumstances under which the decision is made. Among these exemptions, each of which contains several conditions which must be satisfied before an exemption applies, are the statutory exemptions for certain transactions between Plans and non-fiduciary service providers as described in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, and Prohibited Transaction Class Exemption (“**PTCE**”) 96-23 (relating to transactions directed by an “in house” asset manager); PTCE 95-60 (relating to transactions involving insurance company general accounts); PTCE 91-38 (relating to investments by bank collective investment funds); PTCE 84-14 (amended effective August 23, 2005) (relating to transactions effected by qualified professional asset managers); and PTCE 90-1 (relating to investments involving insurance company pooled separate accounts). However, there is no assurance that any of these class or statutory exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Each of the Transaction Parties may be the sponsor of or investment adviser with respect to one or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the Prohibited Transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Notes may not be purchased using the assets of any Plan if any of the Transaction Parties has investment authority with respect to such assets.

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while generally not subject to the requirements of ERISA or Section 4975 of the Code, may be subject to Similar Laws.

None of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition of any Notes by any Plan.

Review by Plan Fiduciaries

AS A RESULT OF THE FOREGOING, THE NOTES, AND ANY INTEREST THEREIN, MAY NOT BE PURCHASED OR HELD BY ANY PLAN, ANY EMPLOYEE BENEFIT PLAN SUBJECT TO SIMILAR LAWS, OR ANY PERSON INVESTING ASSETS OF EITHER UNLESS THE PURCHASE, HOLDING OR

DISPOSITION OF THE NOTES WOULD NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA AND/OR THE CODE OR A VIOLATION OF ANY APPLICABLE SIMILAR LAW.

EACH PURCHASER, HOLDER AND TRANSFEREE OF THE NOTES OR ANY INTEREST THEREIN WILL BE DEEMED TO HAVE REPRESENTED AND AGREED BY ITS ACQUISITION AND HOLDING THEREOF, IN ITS CORPORATE AND FIDUCIARY CAPACITY, THAT (A) EITHER (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) A PLAN OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAWS, AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY PLAN OR SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (2) ITS ACQUISITION, HOLDING AND DISPOSITION OF THE NOTES OR ANY INTEREST THEREIN DO NOT AND WILL NOT CONSTITUTE OR OTHERWISE RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAWS) (B) IT WILL NOT SELL OR OTHERWISE TRANSFER SUCH NOTES OR ANY INTEREST THEREIN OTHER THAN TO A PURCHASER OR TRANSFEREE THAT IS DEEMED TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES.

EACH PURCHASER, HOLDER AND TRANSFEREE OF THE NOTES OR ANY INTEREST THEREIN THAT IS A PLAN WILL BE DEEMED TO REPRESENT, AT ANY TIME WHEN REGULATION 29 C.F.R. SECTION 2510.3-21, AS MODIFIED IN 2016, IS APPLICABLE, THAT NONE OF EGSA, AN INITIAL PURCHASER, THE TRUSTEE OR ANY OF THE RESPECTIVE AFFILIATES (EACH, A **"TRANSACTION PARTY"** AND COLLECTIVELY, THE **"TRANSACTION PARTIES"**) HAS PROVIDED OR WILL PROVIDE ADVICE WITH RESPECT TO THE ACQUISITION OF THE NOTES BY THE PLAN, OTHER THAN TO THE PLAN FIDUCIARY WHICH IS INDEPENDENT OF THE TRANSACTION PARTIES, AND THAT THE DECISION TO ACQUIRE THE NOTES HAS BEEN MADE BY THE PLAN FIDUCIARY WHICH IS AN **"INDEPENDENT FIDUCIARY WITH FINANCIAL EXPERTISE"** AS DESCRIBED IN 29 C.F.R. SEC. 2510.3-21(C)(1), MEANING THAT THE PLAN INVESTOR AND THE PLAN FIDUCIARY ARE DEEMED TO REPRESENT AND WARRANT THAT THE PLAN FIDUCIARY: (A) IS (I) A BANK, INSURANCE COMPANY, REGISTERED INVESTMENT ADVISER, OR BROKER-DEALER, IN EACH CASE AS DESCRIBED IN 29 C.F.R. SECTION 2510.3-21(C)(1)(I), OR (II) AN INDEPENDENT FIDUCIARY THAT HOLDS, OR HAS UNDER ITS MANAGEMENT OR CONTROL, TOTAL ASSETS OF AT LEAST U.S. \$50 MILLION; (B) IS AN INDEPENDENT PLAN FIDUCIARY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-21; (C) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH REGARD TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES; (D) IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE TRANSACTION AND (E) IT IS NOT PAYING ANY FEE OR OTHER COMPENSATION TO A TRANSACTION PARTY FOR INVESTMENT ADVICE (AS OPPOSED TO OTHER SERVICES) IN CONNECTION WITH THE TRANSACTION. IN ADDITION, SUCH FIDUCIARY WILL BE REQUIRED OR DEEMED TO ACKNOWLEDGE AND AGREE THAT IT (I) HAS BEEN INFORMED (AND IT IS HEREBY EXPRESSLY CONFIRMED) THAT NONE OF THE TRANSACTION PARTIES, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, NOR ANY OF THEIR AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, IMPARTIAL INVESTMENT ADVICE AND THEY ARE NOT GIVING ANY ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE INVESTOR'S ACQUISITION OF NOTES AND (II) HAS RECEIVED AND UNDERSTANDS THE DISCLOSURE OF THE EXISTENCE AND NATURE OF THE FINANCIAL INTERESTS CONTAINED IN THIS OFFERING MEMORANDUM AND RELATED MATERIALS. NOTWITHSTANDING THE FOREGOING, ANY PLAN FIDUCIARY WHICH IS DIRECTING HIS OR HER OWN INDIVIDUAL RETIREMENT ACCOUNT SHALL NOT BE DEEMED TO HAVE MADE THE REPRESENTATION IN CLAUSE (A)(II) ABOVE WITH RESPECT TO A **"PERSON WITH FINANCIAL EXPERTISE."**

THE ISSUER, THE INITIAL PURCHASERS, AND THE TRUSTEE SHALL BE ENTITLED TO RELY CONCLUSIVELY UPON THE REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED HEREIN BY PURCHASERS, TRANSFEREES AND HOLDERS OF ANY NOTES WITHOUT FURTHER

INQUIRY. ANY SUCH PURCHASER, TRANSFEREE OR HOLDER AND ANY FIDUCIARY CAUSING IT TO ACQUIRE AN INTEREST IN ANY NOTES AGREES TO INDEMNIFY AND HOLD HARMLESS THE ISSUER, THE INITIAL PURCHASERS, THE TRUSTEE, AND THEIR RESPECTIVE AFFILIATES, FROM AND AGAINST ANY COST, DAMAGE OR LOSS INCURRED BY ANY OF THEM AS A RESULT OF ANY OF THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS BEING OR BECOMING FALSE. ANY PURPORTED ACQUISITION OR TRANSFER OF ANY NOTE OR BENEFICIAL INTEREST THEREIN TO AN ACQUIRER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE REQUIREMENTS OF THE ABOVE PROVISIONS SHALL BE NULL AND VOID *AB INITIO*.

The sale of a Note, or any interest therein, to a Plan or a governmental, church or non-U.S. Plan that is subject to Similar Laws is in no respect a representation by EGSA or the Initial Purchaser, or any of their respective affiliates, that such an investment meets all relevant legal requirements with respect to investments by such plans generally or any particular such Plan; that the Prohibited Transaction Exemptions described above, or any other Prohibited Transaction Exemption, would apply to such an investment by such Plan in general or any particular such Plan; or that such an investment is appropriate for such Plan generally or any particular such Plan.

Plan of Distribution

The SPV Issuer, EGSA and Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, Merrill Lynch International, BNP Paribas, Goldman Sachs International, HSBC Bank plc, Lloyds Bank plc, Natixis and The Royal Bank of Scotland (trading as NatWest Markets) (the “**Initial Purchasers**”) entered into a purchase agreement (the “**Purchase Agreement**”), dated October 18, 2017, with respect to the Notes. The Initial Purchasers have agreed, severally and not jointly, to purchase from the SPV Issuer, and the SPV Issuer has agreed to sell, all of the Notes pursuant to the terms of the Purchase Agreement. The Initial Purchasers may offer and sell Notes through certain of their affiliates, including in respect of sales into the United States.

The Purchase Agreement provides that the obligations of the Initial Purchasers to including, among other conditions, the delivery of certain legal opinions by counsel.

The purchase price for the Notes will be the initial offering price set forth on the cover page of this Offering Memorandum less the Initial Purchasers’ discount. The Initial Purchasers initially propose to offer the Notes at the initial offering price. After the initial Offering, the Initial Purchasers may change the offering price and any other selling terms of the Notes at any time without notice.

The Notes have not been and will not be registered under the Securities Act. The Initial Purchasers have agreed that they will only offer or sell the Notes (1) outside the United States to non-U.S. persons in “offshore transactions” in accordance with Regulation S and (2) in the United States to persons whom the Initial Purchasers reasonably believe to be “qualified institutional buyers” in accordance with Rule 144A. The terms used above have the meanings given to them by Regulation S and Rule 144A. Resales of the Notes are restricted as described under “*Transfer Restrictions.*”

The SPV Issuer and EGSA will agree to indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. In addition, EGSA will pay the Initial Purchasers a commission and pay certain fees and expenses relating to the Offering.

In addition, with respect to the Notes initially sold pursuant to Regulation S, until 40 days after the commencement of the Offering, an offer or sale of such Notes within the United States by a dealer that is not participating in the Offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act. Please see the section entitled “*Transfer Restrictions.*”

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be 10 business days (as such term is used for purposes of Rule 15(c)6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (such settlement cycle is being referred to as “T + 10”). Under Rule 15(c)6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next seven succeeding business days will be required, by virtue of the fact that the Notes initially will settle in T + 10, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

We have agreed that we will not, for a period of 180 days after the date of this Offering Memorandum, without the prior written consent of the Initial Purchasers, directly or indirectly,

pledge, issue, sell, offer to sell, grant any option for the sale of, or otherwise dispose of any of our other debt securities having a maturity of more than one year from the date of issue, subject to certain customary exceptions.

In connection with the Offering of the Notes, Deutsche Bank AG, London Branch or its affiliates (the “**Stabilization Manager**”) may purchase and sell the Notes in the open market. These transactions may include short sales, over-allotments, stabilizing transactions and purchases to cover positions created by short sales or over-allotments. Short sales involve the sale by the Stabilization Manager of a greater number of Notes than they are required to purchase in the Offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the Offering is in progress.

These activities by the Stabilization Manager may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. There is no obligation on the Stabilization Manager to conduct these activities. If these activities are commenced, they may be discontinued the Stabilization Manager at any time. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchasers expect to make offers and sales both inside and outside the United States through their respective selling agents. Any offers and sales in the United States will be conducted by broker-dealers registered with the U.S. Securities and Exchange Commission.

No action has been taken in any jurisdiction, including the United States, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Europcar Group or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resales of the Notes.

The Initial Purchasers have advised us that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The Initial Purchasers are not obliged, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the Initial Purchasers. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See “*Risk Factors—Risks Relating to the Notes and the Structure—There may not be an active trading market for the Notes*”.

The SPV Issuer has applied, through its listing agent, to have the Notes admitted to trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange. Neither the Initial Purchasers nor the SPV Issuer can assume that the Notes will be approved for admission to trading and listing or will remain admitted to trading on the Euro MTF Market and listed on the official list of the Luxembourg Stock Exchange.

French Selling Restrictions

This Offering Memorandum has not been prepared and is not being distributed in the context of a public offering of financial securities in France within the meaning of Article L.411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général* of the *Autorité des marchés financiers* (the “**AMF**”). Consequently, the Notes may not be, directly or

indirectly, offered to the public in France (*offer au public de titres financiers*) and neither this Offering Memorandum nor any offering or marketing materials relating to the Notes may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France. The Notes may only be offered or sold in France to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*. The Notes may only be offered, directly or indirectly, to the public in France, in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*). Prospective investors are informed that: (i) this Offering Memorandum has not been and will not be submitted for clearance to the AMF; (ii) in compliance with Articles L. 411-2, D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier*, any qualified investors subscribing for the Additional Notes should be acting for their own account; and (iii) the direct and indirect distribution or sale to the public of the Additional Notes acquired by them may be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French *Code Monétaire et Financier*.

United Kingdom Selling Restrictions

Each Initial Purchaser has also agreed that (a)(i) it is a qualified investor (with the meaning of section 86(7) of the Financial Services and Markets Act 2000) (the “**FSMA**”) and (ii) it has not offered or sold and will not offer to sell any Notes except to persons who are qualified investors or otherwise in circumstances which do not require a prospectus to be made available to the public in the United Kingdom within the meaning of section 85(1) of the FSMA; (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Irish Selling Restrictions

Each Initial Purchaser has agreed that: (i) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998 (as amended); (ii) it will not offer, underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the “**Companies Act**”), the Central Bank Acts 1942-2015 (as amended) and any codes of practice made under Section 117(1) of the Central bank Act 1989 (as amended) and any rules issued by the Central Bank of Ireland (the “**Central Bank**”) under Section 1363 of the Companies Act; (iii) it will not offer, underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the “**Irish Prospectus Regulations**”) and any rules issued by the Central Bank under Section 1363 of the Companies Act; (iv) it will not offer, underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under section 1370 of the Companies Act; and (v) to the extent it makes any offer for the Notes in Ireland, any such offer will be made pursuant to one or more of the exemptions in Regulation 9(1) of the Irish Prospectus Regulations from the requirement to publish a prospectus for offers of the Notes.

Certain Relationships

The Initial Purchasers and their respective affiliates have from time to time performed certain investment banking and/or other financial services to the SPV Issuer, EGSA and their respective affiliates or former affiliates for which they received customary fees and reimbursement of expenses. The Initial Purchasers and their respective affiliates may in the future provide investment banking or other financial services to us or our affiliates for which they will receive customary fees and reimbursement of expenses.

Certain of the Initial Purchasers or their affiliates are lenders or arrangers under the Group's bank facilities including, amongst others, the Senior Asset Revolving Facility, the Senior Revolving Credit Facility, the Bridge Facilities Agreement and/or are market counterparties to certain of the Group's hedging arrangements. In addition, in the ordinary course of their business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the SPV Issuer, EGSA and their respective affiliates (including the Notes).

Certain of the Initial Purchasers or their respective affiliates that have a lending relationship with the Group may hedge their credit exposure to the Group consistent with their customary risk management policies. Such Initial Purchasers and their respective affiliates may hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in securities (potentially including the Notes). Any such short positions could adversely affect future trading prices of the Notes. The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Transfer Restrictions

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes have not been, and will not be, registered under the Securities Act and, therefore, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only:

- in the United States to **“qualified institutional buyers,”** commonly referred to as **“QIBs,”** as defined in and in compliance with Rule 144A under the Securities Act; and
- outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

We use the terms **“offshore transaction,” “U.S. person”** and **“United States”** with the meanings given to them in Regulation S.

In addition, until 40 days after the later of the commencement of the Offering and the Issue Date, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

If you purchase the Notes, you will be deemed to have acknowledged, represented and agreed with the SPV Issuer, EGSA and the Initial Purchasers as follows:

(1) You understand that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act or any other applicable securities laws and that such Notes may not be offered or sold in the United States or to, or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the conditions for transfer set forth below.

(2) You are not our “affiliate” (as defined in Rule 144A) or an affiliate of the SPV Issuer or EGSA, you are not acting on our behalf or on behalf of the SPV Issuer or EGSA and you are either:

(a) a QIB and are aware that any sale of these Notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another QIB; or

(b) a non-U.S. person purchasing the Notes in an “offshore transaction” in accordance with Regulation S.

(3) You acknowledge that none of the SPV Issuer, EGSA or the Initial Purchasers or any person representing them has made any representation to you with respect to the SPV Issuer, EGSA, Europcar Group or the offer or sale of any of the Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that none of the Initial Purchasers or any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning the Europcar Group and the Notes as you deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the SPV Issuer, EGSA and the Initial Purchasers.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by the acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date that is one year (in the case of Notes issued in reliance on Rule 144A) or 40 days (in the case of Notes issued under Regulation S) after the later of the date of the original issue of the Notes and the last date on which the Issuer or any of its affiliates was owner of such Notes (or any predecessor thereto) only (i) to EGSA or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, an exemption from the registration requirements of the Securities Act or in any transaction not subject thereto, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (iv) pursuant to offers and sales to non-U.S. persons that occur outside the United States in offshore transactions in compliance with Regulation S or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (A) pursuant to clause (iv) or (v) above to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (B) in each of the foregoing cases, to require that a certificate of transfer in the form appearing in the Indenture is completed and delivered by the transferor to the Trustee.

(6) Each purchaser acknowledges that each Note will contain a legend substantially in the following form:

THIS SECURITY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND ACCORDINGLY NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER ("RULE 144A").

BY ITS ACQUISITION HEREOF, THE HOLDER OF THIS SECURITY (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) OR (B) IT IS A NON-U.S. PERSON ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY THAT IT WILL NOT PRIOR TO THE DATE THAT IS [IN THE CASE OF SECURITIES ISSUED IN RELIANCE ON RULE 144A: ONE YEAR] [IN THE CASE OF SECURITIES ISSUED UNDER REGULATION S: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUANCE OF THIS SECURITY AND THE LAST DATE ON WHICH THE SPV ISSUER

OR ANY OF ITS AFFILIATES WAS OWNER OF THIS SECURITY, OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER, THIS SECURITY EXCEPT (A) TO THE SPV ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE UNDER RULE 144A, IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND TO WHOM NOTICE HAS BEEN GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A; (D) TO A NON-U.S. PERSON OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S; OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE SPV ISSUER'S, EGSA'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," UNITED STATES AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S.

THE FAILURE TO PROVIDE THE SPV ISSUER, EGSA, THE TRUSTEE AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE OR AN APPLICABLE INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACKUP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS SECURITY.

THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO (1) AN EMPLOYEE BENEFIT PLAN SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), (2) A PLAN WITHIN THE MEANING OF SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), (3) ANY ENTITY THE UNDERLYING ASSETS OF WHICH INCLUDE "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY (EACH OF (1) THROUGH (3), A "PLAN"), OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAWS**") IF THE ACQUISITION, HOLDING OR DISPOSITION OF THE SECURITY WILL CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION OR VIOLATION UNDER SUCH LAWS.

BY ACCEPTING THIS SECURITY (OR AN INTEREST IN THE SECURITIES REPRESENTED HEREBY) EACH BENEFICIAL OWNER HEREOF FOR THE BENEFIT OF THE SPV ISSUER AND ANY OF ITS SUCCESSORS IN INTEREST IS DEEMED TO REPRESENT AND AGREE, IN ITS CORPORATE AND FIDUCIARY CAPACITY, THAT (I) EITHER (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS SECURITY OR AN INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) A PLAN, OR A GOVERNMENTAL, CHURCH OR

NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAWS, AND NO PART OF THE ASSETS USED BY IT TO ACQUIRE OR HOLD THIS SECURITY OR AN INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY SUCH PLAN OR SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B) (X) THE ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY OR AN INTEREST HEREIN DO NOT CONSTITUTE AND WILL NOT CONSTITUTE OR OTHERWISE RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAWS) AND (II) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SECURITY OR ANY INTEREST HEREIN OTHERWISE THAN TO A PURCHASER OR TRANSFEREE THAT IS DEEMED TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY."

EACH PURCHASER, HOLDER AND TRANSFEREE OF THE NOTES OR ANY INTEREST THEREIN THAT IS A PLAN WILL BE DEEMED TO REPRESENT, AT ANY TIME WHEN REGULATION 29 C.F.R. SECTION 2510.3-21, AS MODIFIED IN 2016, IS APPLICABLE, THAT NONE OF THE TRANSACTION PARTIES HAS PROVIDED OR WILL PROVIDE ADVICE WITH RESPECT TO THE ACQUISITION OF THE NOTES BY THE PLAN, OTHER THAN TO THE PLAN FIDUCIARY WHICH IS INDEPENDENT OF THE TRANSACTION PARTIES, AND THAT THE DECISION TO ACQUIRE THE NOTES HAS BEEN MADE BY THE PLAN FIDUCIARY WHICH IS AN "INDEPENDENT FIDUCIARY WITH FINANCIAL EXPERTISE" AS DESCRIBED IN 29 C.F.R. SEC. 2510.3-21(C)(1), MEANING THAT THE PLAN INVESTOR AND THE PLAN FIDUCIARY ARE DEEMED TO REPRESENT AND WARRANT THAT THE PLAN FIDUCIARY: (A) IS (I) A BANK, INSURANCE COMPANY, REGISTERED INVESTMENT ADVISER, OR BROKER-DEALER, IN EACH CASE AS DESCRIBED IN 29 C.F.R. SECTION 2510.3-21(C)(1)(I), OR (II) AN INDEPENDENT FIDUCIARY THAT HOLDS, OR HAS UNDER ITS MANAGEMENT OR CONTROL, TOTAL ASSETS OF AT LEAST U.S. \$50 MILLION; (B) IS AN INDEPENDENT PLAN FIDUCIARY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-21; (C) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH REGARD TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES; (D) IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE TRANSACTION AND (E) IT IS NOT PAYING ANY FEE OR OTHER COMPENSATION TO A TRANSACTION PARTY FOR INVESTMENT ADVICE (AS OPPOSED TO OTHER SERVICES) IN CONNECTION WITH THE TRANSACTION. IN ADDITION, SUCH FIDUCIARY WILL BE REQUIRED OR DEEMED TO ACKNOWLEDGE AND AGREE THAT IT (I) HAS BEEN INFORMED (AND IT IS HEREBY EXPRESSLY CONFIRMED) THAT NONE OF THE TRANSACTION PARTIES, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, NOR ANY OF THEIR AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, IMPARTIAL INVESTMENT ADVICE AND THEY ARE NOT GIVING ANY ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE INVESTOR'S ACQUISITION OF NOTES AND (II) HAS RECEIVED AND UNDERSTANDS THE DISCLOSURE OF THE EXISTENCE AND NATURE OF THE FINANCIAL INTERESTS CONTAINED IN THIS OFFERING MEMORANDUM AND RELATED MATERIALS. NOTWITHSTANDING THE FOREGOING, ANY PLAN FIDUCIARY WHICH IS DIRECTING HIS OR HER OWN INDIVIDUAL RETIREMENT ACCOUNT SHALL NOT BE DEEMED TO HAVE MADE THE REPRESENTATION IN CLAUSE (A)(II) ABOVE WITH RESPECT TO A "PERSON WITH FINANCIAL EXPERTISE."

If you purchase the Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(7) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth herein have been complied with.

(8) You acknowledge that:

(a) the SPV Issuer, EGSA, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgments, representations and agreements set forth herein

and you agree that, if any of your acknowledgments, representations or agreements herein cease to be accurate and complete, you will notify the SPV Issuer, EGSA and the Initial Purchasers promptly in writing; and

(b) if you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(i) you have sole investment discretion; and

(ii) you have full power to make, and make, the foregoing acknowledgments, representations and agreements.

(9) You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.

(10) You understand that no action has been taken in any jurisdiction (including the United States) by the SPV Issuer, EGSA or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the SPV Issuer, EGSA or the Notes in any jurisdiction where action for the purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth hereunder and under "*Plan of Distribution.*"

Statutory and Independent Auditors

The Consolidated Financial Statements of EGSA and its subsidiaries as of and for the fiscal years ended December 31, 2016, 2015 and 2014 have been audited by PricewaterhouseCoopers Audit and Mazars, EGSA's statutory auditors.

The consolidated financial statements of Car Rental Topco, S.L. and its subsidiaries ("**Goldcar**") as of December 31, 2016, and for the year then ended, included in this Offering Memorandum, have been audited by KPMG Auditores, S.L, independent auditors, as stated in their report appearing herein. The audit report covering the December 31, 2016 consolidated financial statements contain an explanatory paragraph that states that the Directors prepared the consolidated financial statements voluntarily and not due to any legal requirement.

With respect to the unaudited interim financial information of Goldcar for the six months ended June 30, 2017, included herein, the independent auditors have reported that they applied limited procedures in accordance with professional standards for a review of such information. Their separate report included in Goldcar's interim financial statements for the six months ended June 30, 2017, and included herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

Legal Matters

Certain matters as to U.S. federal, New York State, English and French law in connection with this Offering will be passed upon for EGSA by Gide Loyrette Nouel A.A.R.P.I. and Gide Loyrette Nouel LLP and for the Initial Purchasers by White & Case LLP as to matters of U.S. federal, New York State, English and French law.

Where You Can Find Additional Information

Each purchaser of the Notes from an Initial Purchaser will be furnished a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

- (1) such person has been afforded an opportunity to request from the SPV Issuer and EGSA, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (3) except as provided pursuant to clause (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by either of the SPV Issuer, EGSA or the Initial Purchasers.

For so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, each of the SPV Issuer and EGSA, as successor issuer, will, during any period in which it is neither subject to Section 13 or 15(d) under the U.S. Exchange Act, nor exempt from reporting thereunder pursuant to Rule 12g3-2(b), make available to any Holder or beneficial Holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial Holder, the information specified in, and meeting the

requirements of, Rule 144A(d)(4) under the Securities Act upon the written request of any such holder or beneficial owner. Any such request should be directed Jean-Claude Poupard of Europcar Group, at +33 (0)1 30 44 93 69.

Neither the SPV Issuer nor EGSA is subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture that will govern the Notes, EGSA has agreed to furnish periodic information to the holders of the Notes. See *"Description of the Notes—Reports."*

So long as the Notes are admitted to trading on the Euro MTF Market and to listing on the Official List of the Luxembourg Stock Exchange, and the rules and regulations of such stock exchange so require, copies of certain documents, including the Indenture, the Intercreditor Agreement, the Share Pledge, and the financial statements included in this Offering Memorandum will be available for review during the normal business hours on any business day at the specified office of the paying agent in Luxembourg.

Enforceability of Judgments

The SPV Issuer is a designated activity company with limited liability incorporated under the laws of Ireland. EGSA is a société anonyme incorporated under the laws of the Republic of France. The majority of the directors and executive officers of the foregoing entities are, and will continue to be, non-residents of the United States and substantially all of the assets of EGSA and its executive officers are located outside the United States. As a consequence, you may not be able to effect service of process on these non-U.S. resident directors and officers in the United States or to enforce judgments against them outside of the United States, including judgments of the U.S. courts predicated upon the civil liability provisions of the U.S. securities laws.

Ireland

As the United States is not a party to a convention with Ireland in respect of the enforcement of judgments, common law rules apply in order to determine whether a judgment of the courts of the State of New York is enforceable in Ireland. A judgment of the courts of the State of New York will be enforced by the courts of Ireland if the following general requirements are met:

- (i) the courts of the State of New York must have had jurisdiction in relation to the particular defendant according to Irish conflict of law rules (the submission to jurisdiction by the defendant would satisfy this rule); and
- (ii) the judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it. A judgment can be final and conclusive even if it is subject to appeal or even if an appeal is pending. Where however, the effect of lodging an appeal under the applicable law is to stay execution of the judgment, it is possible that, in the meantime, the judgment should not be actionable in Ireland. It remains to be determined whether final judgment given in default of appearance is final and conclusive.

However, the Irish courts may refuse to enforce a judgment of the courts of the State of New York which meets the above requirements for one of the following reasons:

- (a) if the judgment is not for a definite sum of money;
- (b) if the judgment was obtained by fraud;
- (c) the enforcement of the judgment in Ireland would be contrary to natural or constitutional justice;
- (d) the judgment is contrary to Irish public policy or involves certain United States laws which will not be enforced in Ireland;
- (e) jurisdiction cannot be obtained by the Irish courts over the judgment debtors in the enforcement proceedings by personal service in Ireland or outside Ireland under Order 11 of the Superior Courts Rules; or
- (f) there is no practical benefit to the party in whose favor the foreign judgment is made in seeking to have that judgment enforced in Ireland.

France

The following is a summary of certain legal aspects of French law regarding the enforcement of civil law entitlements in connection with the Notes against EGSA, incorporated and existing under French law.

The United States and France are not parties to a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters.

Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Grande Instance*), which has exclusive jurisdiction over the matter.

Enforcement in France of such U.S. judgment could be obtained following proper (*i.e.*, non-*ex parte*) proceedings if the competent French court is satisfied that the following cumulative conditions have been met (which conditions, under prevailing French case law as of the date of this Offering Memorandum, do not include a review by the French court of the merits of the foreign judgment):

- such U.S. judgment is enforceable in the United States;
- such U.S. judgment was rendered by a court having jurisdiction over the matter: the condition will be met if the dispute was clearly connected to the U.S. and the French courts did not have exclusive jurisdiction over the matter;
- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case including defense rights;
- such U.S. judgment is not tainted with fraud under French law (for example, the parties did not submit the dispute to a foreign court in order to intentionally avoid the application of French law); and
- does not conflict with a French judgment or a foreign judgment which has become effective in France and there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (*i.e.*, those having *res judicata* effect) can benefit from an *exequatur* under French law, and that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France, and there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France. However, the decision granting the *exequatur* can be appealed.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and French Ordinance No. 2000-916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a U.S. judicial or administrative action or in contemplation thereof. Pursuant to the regulations mentioned above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (French law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as most recently modified by French Ordinance No. 2011-1012 of August 24, 2011 and French law No. 2014-344 of March 17, 2014) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case-by-case basis by French courts). Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French *Code Civil*, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French persons. Pursuant to Article 15 of the French *Code Civil*, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant. For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the litigation and the choice of jurisdiction is not fraudulent. In addition, a French national may waive his or her rights to benefit from the provisions of Articles 14 and 15 of the French *Code Civil*, including by way of conduct by voluntarily appearing before the foreign court.

The French Supreme Court (*Cour de cassation*) ruled in 2015 (confirming an earlier decision in 2012) that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any relevant court with jurisdiction was invalid. Accordingly, any provisions to the same effect in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action in the French courts.

Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Considerations

France

We are incorporated in France, as are many of our material subsidiaries. Consequently, we and they will be subject to French laws and proceedings affecting creditors, including Article 1343-5 of the French *Code civil*, mandat ad hoc proceedings (*mandat ad hoc*), conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), accelerated safeguard (*sauvegarde accélérée*), accelerated financial safeguard (*procédure de sauvegarde financière accélérée*) and judicial reorganization or liquidation proceedings (*redressement or liquidation judiciaire*). In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors. The following is a general discussion of insolvency proceedings governed by French law for information purpose only and does not address all the French law considerations that may be relevant to creditors.

Grace Periods

In addition to pre-insolvency and insolvency laws discussed below, the holders of the Notes could, like any other creditors, be subject to Articles 1343-5 et seq. of the French *Code civil*.

Pursuant to Article 1343-5 of the French *Code civil*, French courts may take into account the debtor's financial position and the creditor's financial needs, defer or otherwise reschedule the payment dates or payment obligations over a maximum period of two years. In addition, pursuant to Article 1343-5, if a debtor specifically initiates proceedings thereunder, French courts may decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate which is lower than the contractual rate (but not lower than the legal rate, as published annually by the French government) or that payments made shall first be allocated to repayment of principal. If a court order under Article 1343-5 of the French *Code civil* is made, it will suspend any pending enforcement measures, and any contractual default interest or penalty for late payment will not accrue or be due during the period ordered by the court. A creditor cannot contract out of such provisions. When the debtor benefits from a conciliation proceeding, these statutory provisions shall be read in combination with Article L.611-10-1 and Article L.611-7 of the French *Code de commerce* (see "*—Conciliation proceedings—*").

Warning Procedure (*procédure d'alerte*)

In order to anticipate a debtor's difficulties to the extent possible, French law provides for certain warning procedures. When there are elements which the statutory auditors of a company believe put the company's existence as a going concern in jeopardy, they can request the management to provide an explanation for the situation. Failing satisfactory explanations or corrective measures by management, the auditors can demand a meeting of the board of directors (or the equivalent body) and, at a later stage, a convening of a shareholders' meeting. Depending on the answers provided to them, and the type of company, the auditors can or must inform the President of the relevant Commercial Court of the warning procedure.

Shareholders representing at least 5% of the share capital and the workers' committee, or, in their absence, the employees' representatives have similar rights.

The President of the Commercial Court can also himself request the management to provide explanations on elements which the President of the court believes put the company's existence as a going concern in jeopardy, or when the company has not filed its financial statements within the statutory timeframe, despite his injunction.

Insolvency test

Under French law, a company is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its debts as they fall due with its available assets taking into account available credit lines, existing debt rescheduling agreements and moratoria.

Mandat Ad Hoc Proceedings

A French company that is facing any type of difficulties (but which is not insolvent) may request from the court, in its sole discretion, the appointment of a *mandataire ad hoc*, whose identity it can suggest.

French law does not provide for any specific rule in respect of the organization of a *mandat ad hoc* proceedings. *Mandat ad hoc* proceedings do not involve any automatic stay of the claims and pending proceedings. The debtor's statutory auditors, if any, shall be notified of the order appointing the *mandataire ad hoc* for information purposes.

The *mandataire ad hoc's* duties and the duration of the proceeding are freely determined by the President of the competent court. Such *mandataire ad hoc* is usually appointed in order to facilitate negotiations with creditors but they cannot coerce the creditors into accepting any proposal. The agreement reached by the parties (if any) with the help of such *mandataire ad hoc* can be reported by the latter to the president of the court but is not approved by the court. The restructuring agreement between the company and its main creditors will be negotiated on a purely consensual and voluntary basis; those creditors not willing to take part cannot be bound by the arrangement. Creditors are not barred from taking legal action against the company to recover their claims but, in practice, they usually accept not to do so. *Mandat ad hoc* proceedings are confidential and the debtor does not need to inform employees' representative.

In any event, the debtor retains the right to petition the relevant judge for a grace period pursuant to Articles 1343-5 of the French *Code civil*, as set forth above.

Any contractual provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the designation of a *mandataire ad hoc* or of a request submitted to this end, and any contractual provision requiring the debtor to bear, by reason only of the appointment of a *mandataire ad hoc*, more than three-quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, are deemed null and void.

Conciliation Proceedings

A French company facing difficulties without being insolvent, or being insolvent for less than 45 calendar days (see "*—Insolvency test*"), may request the opening of conciliation proceedings (*procédure de conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders.

Points that conciliation proceedings have in common with *mandat ad hoc* proceedings are (i) confidentiality by law and (ii) they may only be initiated by the debtor company itself, in its sole discretion. Main differences include (i) the conditions to open conciliation proceedings, (ii) the limitation in time of conciliation proceedings, (iii) the right to petition the president of the Court for a grace period and (iv) the ability to have acknowledged or approved the restructuring agreement.

Such company may apply for the opening of conciliation proceedings (*procédure de conciliation*) with respect to itself if it experiences current or predictable legal, economic or financial difficulties. It petitions the president of the relevant Court (usually the Commercial Court) for the appointment of a conciliator (*conciliateur*) (whose name it can suggest) in charge of assisting the

debtor in negotiating with some or all of its creditors and/or trade partners an agreement that provides for the restructuring of its indebtedness. Conciliation proceedings are confidential (subject to certain exceptions, such as the notification to the debtor's auditors of the order appointing the *conciliateur*) and may last up to four months (with the conciliator being able to request one month extension up to a total duration of five months). During the proceedings, creditors may continue to sue individually for payment of their claims but they usually accept not to do so. In addition, under Article L. 611-7 of the French *Code de commerce*, the debtor retains the right to petition the president of the Court which rendered the order for a grace period pursuant to Articles 1343-5 of the French *Code civil*, in which case the decision would be taken having heard the conciliator.

This agreement may be either acknowledged (*constaté*) by the president of the court or approved (*homologué*) by the court. It will become binding upon them and the creditors party thereto may not take action against the company in respect of claims governed by the conciliation agreement.

The acknowledgement (*constat*) of the agreement by the president of the court upon all parties' request, gives the agreement the legal force of a final judgment, which means that it constitutes a judicial title that can be enforced by the parties without further recourse to a judge (*titre exécutoire*), but the conciliation proceedings remain confidential (i.e., third parties and non-party creditors are not entitled to know about the content of this agreement). So long as the conciliation agreement is in effect, interests accruing on the affected claims can no longer be compounded.

The conciliation agreement can also be approved by the court upon the debtor's request and under specific conditions. It will make the conciliation public and have the following specific consequences:

- creditors who provided new money, goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity) will have priority of payment over all pre-proceeding and post-proceeding claims (other than certain post-proceeding employment claims and procedural costs), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings (the "**New Money Lien**"); and
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* and therefore the commencement date of the suspect period (*période suspecte*) (as defined below, see "*—The 'suspect period' (période suspecte) in judicial reorganization and liquidation proceedings*") cannot except in cases of fraud (see "*—Fraudulent conveyance in France*") be set by the court as of a date earlier than the date of the approval (*homologation*) of the agreement (see definition of the date of the *cessation des paiements* in "*—Judicial reorganization or liquidation proceedings*").

The court decision approving the conciliation agreement does not make its terms public (save for the information of the works council or the employees representatives, if any, on the content of the agreement) but makes public the guarantees and the terms of the New Money Lien granted to the creditors under the conciliation agreement.

In case of acknowledgement (*constat*) or approval (*homologation*), the President of the court can, at the request of the debtor, appoint the conciliator to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution.

While the agreement (whether acknowledged or approved) is in force the debtor retains the right to petition the court that opened conciliation proceedings for a debt rescheduling, pursuant to Article 1343-5 of the French *Code civil* mentioned above, in relation to claims of creditors (other than public creditors) party to the conciliation but not included in the agreement, in which case the decision would be taken after having heard the conciliator in the event that he has been appointed to monitor the implementation of the agreement.

Joint debtors, personal guarantors, or any third party having granted a guarantee (*sûreté personnelle*) or a security interest (*sûreté réelle*) to guarantee the debtor's liabilities can benefit from the provisions of the approved or acknowledged conciliation agreement.

In the event of a breach of the agreement, any party to the agreement that has been acknowledged or approved in the manner described above can petition the court for its termination. If such termination is granted, grace periods granted in relation to the conciliation proceedings may be revoked. Conversely, provided that the conciliation agreement is duly performed, any individual proceeding by creditors with respect to the claims included in the agreement are suspended. The commencement of subsequent insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims and security interests, except amounts already paid to them.

Conciliation proceedings, in the context of which a draft plan has been negotiated and is supported by a large majority of creditors (2/3 of each of the creditors' committee or bondholders if any), without reaching unanimity, will be a mandatory preliminary step of the accelerated safeguard and the accelerated financial safeguard proceedings, as described below.

In the event of the commencement of subsequent safeguard or judicial reorganization proceedings, within the context of the adoption of a safeguard plan or a recovery plan, the court will not be able to impose a payment deferral to a date later than the date on which the plan is adopted, or debt reductions to creditors with respect to their claims benefiting from the New Money Lien without their consent.

At the request of the debtor and after the participating creditors have been consulted on the matter, the conciliator may be appointed with a mission to organize the partial or total sale of the debtor which would be implemented, as applicable, in the context of subsequent safeguard, judicial reorganization or liquidation proceedings; any offers received in this context by the conciliator may be directly submitted to the court in the context of reorganization or liquidation proceedings after consultation of the public prosecutor.

Any contractual provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the commencement of conciliation proceedings or of a request submitted to this end, and any contractual provision requiring the debtor to bear, by reason only of the commencement of conciliation proceedings, more than three-quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, are deemed null and void.

Safeguard Proceedings

A company may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, provided it (i) is not insolvent (*en état de cessation des paiements*) and (ii) experiences difficulties that it is not able to overcome. At the opening of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is usually appointed to investigate the business of the company during an initial observation period, which may last up to 18 months and help the company elaborate a draft safeguard plan (*projet de plan de sauvegarde*). Creditors do not have effective control over the proceedings, which remain in the hands of the debtor assisted by the court-appointed administrator and are overseen by the court.

During the safeguard proceedings, payment by the debtor of any debts incurred prior to the opening of the proceedings is prohibited, subject to very limited exceptions. For example, the bankruptcy judge can authorize payments for prior debts in order to discharge a lien on property needed for the continued operation of the business or recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*). In addition, creditors are required to declare to the *mandataire judiciaire* the debts that arose prior to the opening of the procedure (as well as the post-opening non-privileged debts) and are prohibited from engaging any

individual lawsuits against the debtor for any payment default in relation to such debts (see “—Status of Creditors During Safeguard Proceedings, Accelerated Safeguard Proceedings, Accelerated Financial Safeguard Proceedings, Judicial Reorganization Proceedings or Judicial Liquidation Proceedings”) and the accrual of interest on loans with a term of less than one year, or payments deferred for less than one year, is stopped. Debts arising after the commencement of the safeguard proceedings and which relate to expenses necessary for the business’s activities during the observation period (see above) or are for the requirements of the proceedings, or are in consideration for a service rendered to the debtor during this period, must be paid as and when they fall due and, if such is not the case, they will be given priority over debts incurred prior to the commencement of the safeguard proceedings (with certain limited exceptions, such as the New Money Lien).

The manner in which the liabilities will be settled, as provided for in the plan (debt remissions and payment times) must be submitted to the creditors during a consultation, prior to the plan being approved by the court. The rules governing consultation vary according to the size of the business.

“Ordinary” consultation: where credit committees have not been established (see below “*Committee-based consultation*”), the court-appointed administrator notifies the proposals for the settlement of debts to the court-appointed creditors’ representative, who obtains the agreement of each creditor who filed a claim, regarding the debt remissions and payment times proposed. Creditors are consulted individually or collectively.

The French *Code de commerce* does not state whether the proposals for settlement can vary according to the creditor and whether the principle of equal treatment of creditors is applicable at the consultation stage. According to legal commentaries and established practice, in the absence of a specific legislative prohibition, varying treatment of creditors is possible, provided that it is justified by the specific position of the creditors and approved by the court-appointed creditors’ representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of the claim over a shorter time period instead of a full payment of the claim over a maximum period of ten years.

Creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved are not consulted.

In the event of a consultation in writing, if a creditor does not respond within 30 days as from receipt of the letter from the creditors’ representative (*mandataire judiciaire*), the creditor is deemed to have accepted the proposal, except when the proposal includes debt-for-equity swap. The creditors’ representative keeps a list of the responses from creditors, which is notified to the debtor, the court-appointed administrator and the controllers.

Within the framework of an ordinary consultation, if the creditors refuse the proposals that were submitted to them, the court that approves the turnaround plan can impose on them a uniform rescheduling of their claims (subject to the specific regime of claims benefiting from the New Money Lien) over a maximum period of ten years (except for claims with maturity dates of more than the deferral period set by the court, in which case the maturity date shall remain the same), but no waiver of any claim or debt-for-equity swap may be imposed without its creditor’s individual acceptance.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual installment must be at least 5% of the total amount of the debt claim) or the year following the initial maturity of the claim if it is later than the date of the first anniversary of the adoption of the plan, in which case the amount of the payment is determined in accordance with the specific rules in order to ensure that the full amount of the claim is repaid within the 10 year period.

Committee-based consultation: In the case of large companies (with more than 150 employees or turnover greater than €20 million) or upon request of the debtor or the administrator two

creditors' committees (one for credit institutions (or assimilated institutions and entities having granted credit or advances to the debtor, but excluding noteholders (see below)) and their successive assignees having a claim against the debtor, and the other one for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers will then be established. These committees will be consulted on the safeguard plan drafted by the debtor's management during the observation period. In addition, any member of a committee may submit a draft plan to the committees which will be subject of a report by the court-appointed administrator.

As a general matter, only the legal owner of the claim will be invited onto the credit institutions committee. Accordingly, a person holding only an economic interest therein will not itself be a member of the credit institutions committee.

The committees must announce whether they approve or reject the draft safeguard plan within a minimum of 15 days of its submission. The draft plan must be approved by a vote of each committee, requiring a majority of two-thirds of the outstanding claims of the creditors expressing a vote. The amounts of the claims secured by a trust (*fiducie*) constituted as a guarantee granted by the debtor are not taken into account. In addition, creditors for whom the draft plan does not provide any modification of their repayment schedule or provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted do not take part in the vote.

If there are any outstanding debt securities in the form of obligations, the noteholders are required to vote on the draft plan approved by the committees in a general meeting of all noteholders (even if they relate to different issues and regardless of the law applicable to each issue) held for that purpose and approve the plan at the same two-thirds majority. Approval of the plan at the two-thirds majority shall, if the plan is approved by the court, bind all the members of the committees and the noteholders (including those who voted against the adoption of the plan).

The draft plan submitted to the committees and the noteholders, if any, must take into account subordination agreements entered into by the creditors before the commencement of the proceedings, may treat creditors differently if it is justified by their differences in situation and may, *inter alia*, include a rescheduling or cancellation of debts (subject to the specific regime of claims benefiting from the New Money Lien), and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

If, within the first six months of the observation period, the creditors' committees and the noteholders' meeting approve the plan, and subject to (i) verification by the court that the interests of all creditors are sufficiently preserved and (ii) a potential rescheduling of the claim of creditors that are not members of the committees or noteholders (as discussed hereinafter), the court will approve the plan.

In the event that the debtor's proposed plan is not approved by both committees and the noteholders' general meeting within the first six months of the observation period, either because they do not vote on the plan or because they reject it, this six month period may be extended by the court at the request of the court-appointed administrator, to the extent it does not exceed the duration of the observation period, in order for the plan to be approved by the committee-based consultation process. Absent such extension, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such a case, the rules are the same as the ones applicable to creditors who are not part of the committees and who are not noteholders and, in particular, the court can only impose a uniform rescheduling of the repayment of the debts over a maximum period of ten years (as described above).

If the plan provides for a share capital increase, the shareholders may subscribe to such share capital increase by way of a set-off with their claims against the debtor, as reduced as the case may be according to the provisions of the plan.

Creditors which are members of the credit institutions' committee or the suppliers' committee may also prepare an alternative safeguard or reorganization plan that will also be put to the vote of the committees and of the general bondholders meeting, it being specified that approval of these alternative plans is subject to the same two-thirds majority vote in each committee and in the meeting of holders of notes and gives rise to a report by the court-appointed administrator. Holders of notes are not permitted to present their own alternative plan.

Each creditor member of a creditors committee and each holder of notes must, if applicable, inform the court-appointed administrator of the existence of any agreement relating to the exercise of its vote, to the full or total payment of its claim by a third party as well as of any subordination agreement. The court-appointed administrator shall then submit to the creditor/holder of notes a proposal for the computation of its voting rights in the creditors committee/noteholders' general meeting. In the event of a disagreement, the creditor/holder of the notes or the court-appointed administrator may request that the matter be decided by the president of the Court in summary proceedings.

For those creditors outside the creditors' committee or the noteholders' meeting who have not reached a negotiated agreement with the debtor, the court can impose a uniform rescheduling of the repayment of their debts over a maximum period of ten years, except for debts with maturity dates of more than ten years, in which case the maturity date shall remain the same. The court cannot force such creditors to waive any part of their claims or accept debt-for-equity swaps. The first payment must be made within a year of the judgment adopting the plan and, as from the third year and for each subsequent year, the amount of each annual installment must be of at least 5% of the total amount of the debt).

In the event that no draft plan is approved by both committees and/or the general meeting of noteholders, either because they have not voted on the plan or because they have rejected it, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such case the rules are the same as the ones described above for creditors that are not part of the committees and that are not noteholders and, in particular, the court can only impose a uniform rescheduling of the repayment of the debts over a maximum period of ten years, without any cancellation of debt or debt-for-equity swap without creditors' consent.

Creditors for whom the plan does not provide any modification of their repayment schedule or provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted do not take part in the vote.

Following approval by the creditors' committees and the bondholders' general meeting and determination of a rescheduling or partial cancellation against cash payment of the claim of creditors that are not members of the committees or bondholders, as discussed hereafter, the plan has to be approved (*arrêté*) by the court. In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected and that relevant shareholder consent, if any is required, has been obtained. Once approved by the court, the safeguard plan will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan).

Creditors outside the creditors' committees or the noteholders' general meeting are consulted in accordance with the standard consultation process referred to above.

In the event that the debtor's proposed plan is not approved by both committees and the noteholders' general meeting within the first six months of the observation period, either because they do not vote on the plan or because they reject it, this six month period may be extended by the court at the request of the court-appointed administrator, to the extent it does not exceed the duration of the observation period, in order for the plan to be approved by the committee-based consultation process. Absent such extension, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such a case, the rules are the same as the ones applicable to creditors who are not part of the committees and

who are not noteholders and, in particular, the court can only impose a uniform rescheduling of the repayment of the debts over a maximum period of ten years (as described above).

If the court empowers the court-appointed administrator to convene a shareholders' meeting in order to take corporate resolutions with respect to the modification of the debtor's share capital required by a safeguard plan, the court may order that, under certain conditions, the shareholders' decisions be adopted by a majority vote of the shareholders attending or represented, as long as such shareholders own at least half of the shares with voting rights.

If no plan is adopted by the committees, at the request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*) or the public prosecutor, the court may convert the safeguard proceedings into judicial reorganization proceedings if it appears that the adoption of a safeguard plan is impossible and if the end of the safeguard proceedings would certainly lead to the debtor shortly becoming insolvent.

Specific case—Creditors that are public institutions: public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt remissions under conditions that are similar to those that would be granted by a private economic operator placed in the same position, under normal market conditions. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors are consulted under specific conditions, within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax administrations may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

In the event that safeguard (or judicial reorganization) proceedings are opened against EGSA, the holders of the Notes will be treated as noteholders of EGSA and will take part in the general meeting of the noteholders. Therefore, the holders of the Notes would not be a member of the credit institutions' committee but would vote on any draft safeguard plan proposed by EGSA as members of the general meeting of noteholders.

Holders of the Notes could, as members of the general meeting of the noteholders, veto such plan if they reach a blocking minority (i.e., their claims represent more than one-third of the claims of those creditors casting a vote in the meeting). Conversely, if a two-thirds majority is reached in each committee and at the noteholders meeting and the plan is subsequently approved by the relevant court, the plan will bind all the creditors, including noteholders and members of the creditor's committees who voted against the adoption of the plan).

Accelerated Safeguard and Accelerated Financial Safeguard

A debtor in conciliation proceedings may request commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) or accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*).

The accelerated safeguard proceedings and accelerated financial safeguard proceedings have been designed to "fast-track" difficulties of large companies:

- which publish consolidated accounts in accordance with Article L.233-16 of the French *Code de commerce*; or
- which publish accounts certified by a statutory auditor or established by a certified public accountant and have (i) more than 20 employees or (ii) a turnover greater than €3 million excluding VAT or (iii) whose total statement of financial position exceeds €1.5 million.

The accelerated financial safeguard proceedings apply only to "financial creditors" (i.e., creditors that belong to the credit institutions committee and noteholders), the payment of whose debt is suspended until adoption of a plan through the accelerated financial safeguard proceedings. As

to financial creditors, the debtor will be prohibited from paying any amounts (including interests) in connection with the finance documents that fall due during the observation period. Such amounts may be paid only after the judgment of the court approving the safeguard plan and in accordance with its terms. Creditors other than financial creditors (such as public creditors, the tax or social security administration and suppliers) are not impacted by accelerated financial safeguard proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms. In this respect, the court-appointed administrator shall not convene any suppliers' committee.

To be eligible for accelerated safeguard proceedings or accelerated financial safeguard proceedings, the debtor must fulfill three conditions:

- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of accelerated safeguard proceedings or accelerated financial safeguard proceedings;
- as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome; and
- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern supported by enough of its creditors subject to the proceedings', members of, as applicable, its credit institutions or major suppliers committees or its noteholders' general meeting, to render likely its adoption by a two-thirds majority of the relevant committee and noteholder's general meeting within a maximum of three months following the commencement of accelerated safeguard proceedings and of one month following the commencement of accelerated financial safeguard proceedings (that can be extended by an additional month).

The regime applicable to accelerated safeguard or accelerated financial safeguard proceedings is broadly the regime applicable to standard safeguard proceedings to the extent compatible with the accelerated timing in accelerated safeguard and/or accelerated financial safeguard proceedings, since the total duration of the accelerated safeguard proceedings is three months, while the duration of the accelerated financial safeguard proceedings is one month, unless the court decides to extend it by an additional month.

In particular, the creditors' committees and the noteholders' general meeting are required to vote on the proposed safeguard plan within a minimum period of fifteen days of its being sent to the creditors in the case of accelerated safeguard proceedings or within 8 days thereof in accelerated financial safeguard proceedings.

The plan, in the context of accelerated safeguard proceedings or accelerated financial safeguard proceedings, is adopted following the same majority rules as in standard safeguard proceedings and may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital in the debtor (debt-for-equity swaps requiring relevant shareholder consent).

If a plan is not adopted by the creditors and approved by the court within the deadlines applicable to each, the court must terminate the proceedings. The court cannot reschedule amounts owed to the creditors outside of the committee process.

The list of claims of creditors party to the conciliation proceedings shall be drawn up by the debtor and certified by the statutory auditor and shall be deemed to constitute the filing of such claims for the purpose of the accelerated safeguard proceedings or, as applicable, accelerated financial safeguard proceedings unless the creditors otherwise elect to make such a filing.

Judicial Reorganization or Liquidation Proceedings

Judicial reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*) may be initiated against or by a company only if it is insolvent (see "*—Insolvency test*") and, with respect

to liquidation proceedings only, if the company's recovery is manifestly impossible. The court cannot commence a judicial reorganization or a liquidation proceeding on its own initiative.

The company is required to file for insolvency proceedings (or for conciliation proceedings) within 45 days of becoming insolvent. If it does not, de jure managers (including directors) and, as the case may be, de facto managers are exposed to incurring civil liability. Protective measures may also be taken in relation to assets owned by de jure or de facto managers of the insolvent company pursuant to Article L.631-10-1 of the French *Code de commerce*, on the basis of an action grounded on mismanagement having caused the *cessation des paiements*.

The date of insolvency (*cessation des paiements*) is deemed to be the date of the court order commencing proceedings, unless the court sets an earlier date, which may be up to 18 months before the date of the court order. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (*homologation*) in the context of *conciliation* proceedings if any. The date of insolvency is important because it marks the beginning of the suspect period. Certain transactions undertaken during the suspect period may be void or voidable (see "*The 'suspect period' (période suspecte) in judicial reorganization and liquidation proceedings*" below).

Where the debtor requested the commencement of judicial reorganization proceedings and the court considers that judicial liquidation proceedings would be more appropriate, after having heard the debtor, the court may order the commencement of the proceedings which it finds most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considers that judicial reorganization proceedings would be more appropriate.

In addition, at any time during the safeguard proceedings observation period, the court may convert such proceedings into reorganization proceedings (i) upon its own motion, at the request of the debtor, the creditors' representative, the court-appointed administrator or the public prosecutor if the debtor company becomes insolvent; or (ii) at the request of the debtor company, the creditors' representative, the court-appointed administrator or the public prosecutor, if the approval of a safeguard plan is manifestly impossible and if the company would become insolvent should safeguard or accelerated financial safeguard proceedings be closed. In all cases, the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the public prosecutor and the workers' representatives (if any).

Under the judicial reorganization, the administrator appointed by the court will assist the debtor to make all or some of the management decisions ("*mission d'assistance*") or may be empowered by the court to take over the management and control the company ("*mission d'administration*"). As a result of the commencement of liquidation proceedings, the managers of the company are no longer in charge of the management.

The court order commencing the proceedings may order either the liquidation or the reorganization of the company. In the event of reorganization, an administrator (*administrateur judiciaire*) is usually appointed by the court to investigate the business of the company during an observation period, which may last up to 18 months, and makes proposals either for the reorganization of the company (by helping the debtor to elaborate a reorganization plan, which is similar to a safeguard plan; see above), or the sale of the business or the liquidation of the company. Committees of creditors and meeting of the noteholders may be created under the same conditions as in safeguard proceedings. At any time during this observation period, the court can order the liquidation of the company. At the end of the observation period, the outcome of the proceedings is decided by the court.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, which is generally the former creditors' representative (*mandataire judiciaire*). No maximum time period is provided by law to limit the duration of the judicial liquidation process.

The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order for payment).

Concerning the liquidation of the assets of the debtor, there are two possible outcomes of such liquidation scenario:

- an asset sale plan (in which case the court will usually appoint a judicial administrator to manage the debtor and organize such sale of the business); or
- a sale of the individual assets of the debtor, in which case the liquidator may decide to:
 - launch auction sales;
 - sell on an amicable basis each asset for which spontaneous purchase offers have been received, (the formal authorization of the bankruptcy judge being necessary to conclude the sale agreement with the bidder); or
 - request, under the supervision of the bankruptcy judge, from all potential interested purchasers to bid on each asset, as the case may be, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*).

When either no overdue liabilities remain, the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*), the court terminates the proceedings.

In reorganization proceedings, in case a shareholders' meeting needs to vote to bring the shareholders' equity to a level equal to at least one half of the share capital as required by Article L.626-3 of the French *Code de commerce*, the court-appointed administrator may appoint a trustee (*mandataire en justice*) to convene a shareholders' meeting and to vote on behalf of the shareholders which refuse to vote in favor of such a resolution if the draft restructuring plan provides for a modification of the equity to the benefit of a third party(ies) undertaking to comply with the recovery plan. If the proposed reorganization plans are manifestly not likely to ensure that the debtor will recover or if no reorganization plan is proposed, the court, upon the request of the court-appointed administrator, can order the total or partial transfer of the business. The court may terminate the proceedings when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets. The court may also appoint a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

Pursuant to Article L. 631-19-2 of the French *Code de commerce*, when the company under reorganization proceeding, alone or with the entities it controls, have more than 150 employees, and cessation of business of the company under reorganization proceeding would cause serious disruption to the national or regional economy and to regional employment, and a change in the equity structure appears to be the sole solution to avoid cessation of business even after having examined possibilities of a sale of the business as a going concern under an asset sale plan (see above) and if the shareholder assembly refused the imperative change, dissenting shareholder(s) may be diluted by a capital increase approved at a shareholder assembly convoked by a court appointed trustee (*mandataire*), who will exercise the voting rights of the dissenting shareholder(s). The court may also force such dissenting shareholder(s) to sell its shares in the company to a new shareholder who commits to execute the restructuring plan. An expert will be designated by the court to estimate the value of the shares.

The "Suspect Period" (période suspecte) in Judicial Reorganization and Liquidation Proceedings

"Voidable transactions" include transactions or payments entered into during the suspect period (i.e., the period between the commencement of the reorganization proceeding or the liquidation

proceeding and the date of insolvency determined by the court) that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration, contracts under which the reciprocal obligations of the company significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner that is not commonly used in the ordinary course of business, security granted for debts previously incurred, any provisional measures, unless the writ of attachment or seizure predates the date of insolvency, operations relating to stock options, fiduciary transfers unless the transfer is made as a security for an indebtedness entered into simultaneously and modifications to existing fiduciary transfers securing previous debts.

“Voidable transactions” include payments for due debts made from the date of insolvency, transactions for consideration and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the suspect period if the party dealing with the debtor company knew that it was insolvent. Transactions relating to the transfer of assets for no consideration are also voidable when entered into during the six-month period prior to the beginning of the suspect period.

There is no suspect period prior to the opening of safeguard, accelerated safeguard or accelerated financial safeguard proceedings except if the debtor was in fact already insolvent before the opening of the proceeding which and that the proceeding end without the approval of a plan.

Creditors’ Liability

Pursuant to Article L. 650-1 of the French *Code de commerce* as interpreted by case law, where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may be held liable for the losses suffered as a result of facilities granted to the debtor only if the granting of such facilities was wrongful and in the case of fraud, interference with the management of the debtor or if the security or guarantees taken to support the facilities are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable in such circumstances can be canceled or reduced by the court.

If a creditor has repeatedly interfered in the company’s management, it can be deemed a de facto manager of such company (*dirigeant de fait*). In such case, Article L. 651-2 of the French *Code de commerce* provides that, if judicial liquidation proceedings (*liquidation judiciaire*) have been commenced against the debtor, the creditor may be liable for bearing the excess of liabilities over the company’s assets, along with the other managers (whether *de jure* or *de facto*), as the case may be, if it is established that their mismanagement contributed to the company’s shortfall of assets. If such conditions are met, French courts will decide whether the managers should bear all or part of the shortfall amount.

Status of Creditors During Safeguard Proceedings, Accelerated Safeguard Proceedings, Accelerated Financial Safeguard Proceedings, Judicial Reorganization Proceedings or Judicial Liquidation Proceedings

Contractual provisions pursuant to which the commencement of the proceedings accelerates payment, (except with respect to liquidation proceedings in which the court does not order the continued operation of the business) or terminates or cancels an ongoing contract are not enforceable against the debtor. Neither, in accordance with a decision of the French Supreme Court dated January 14, 2014, n°12-22.909, are “contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of reorganization proceedings” (case law which is likely to be extended to safeguard, accelerated safeguard or accelerated financial safeguard proceedings). However, the court-appointed administrator must unilaterally terminate ongoing contracts (*contrats en cours*) which it believes the debtor will not be able to continue to perform.

Conversely, the court-appointed officer can require that other parties to a contract continue to perform their obligations even though the debtor may have been in default prior the commencement of the proceeding, but on the condition that the debtor fully performs its post-petition contractual obligations (and provided that, in the case of reorganization proceedings, absent consent to other terms of payment, the debtor pays cash on delivery). Termination of contracts may be decided by the insolvency judge (*juge commissaire*) upon request of the administrator if such termination is necessary for the recovery of the debtor and does not harm excessively the interest of the counterparty. The commencement of liquidation proceedings, however, automatically accelerates the maturity of all of a debtor's obligations unless the court orders the continued operation of the business with a view to the adoption of a "plan for the sale of the business" (*plan de cession*) (which it may do for a period of three months, renewable once), in which case the acceleration of the obligations will only occur on the date of the court decision adopting the "plan for the sale of the business" or on the date on which the continued operation of the business ends.

As from the court decision commencing the proceedings:

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment which is deferred by at least one year, with respect to which, however, accrued interest can no longer be compounded;
- the debtor is prohibited from paying debts incurred prior to the commencement of the proceedings, subject to specified exceptions (which essentially cover the set-off of related (*connexes*) debts and payments authorized by the insolvency judge appointed by the court to recover assets for which recovery is justified by the continued operation of the business);
- the debtor is prohibited from paying debts having arisen after commencement of the proceedings unless they are incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/ goods provided to the debtor;
- creditors may not pursue any individual legal action against the debtor (or a guarantor of the debtor where such guarantor is a natural person) with respect to any claim arising prior to the court decision commencing the proceedings, if the objective of such legal action is:
 - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due in order to file a proof of claim, as described below);
 - to terminate a contract for non-payment of amounts owed by the creditor; or
 - to enforce the creditor's rights against any assets of the debtor except where such asset (whether tangible or intangible, movable or immovable) is located in another Member State within the European Union, in which case the rights in rem of creditors thereon would not be affected by the insolvency proceedings, in accordance with the terms of Article 8 of the E.U. Insolvency Regulation;
- immediate cash payment for services rendered pursuant to an ongoing contract (*contrats en cours*), absent consent to other terms of payment, will be required only in the context of reorganization or liquidation proceedings.

In accelerated safeguard and accelerated financial safeguard proceedings, the above rules only apply to the creditors that are subject to the accelerated safeguard proceedings or the accelerated financial safeguard proceedings respectively (see above).

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of proceedings must file a claim with the court-appointed creditors' representative within two months of the publication of the court decision in an official gazette (*Bulletin Officiel des*

annonces civiles et commerciales); this period is extended to four months for creditors domiciled outside France. Where the debtor has informed the creditors' representative of the existence of a claim and no proof of claim has been filed yet, the claim as reported by the debtor is deemed to be a filing on the claim with the creditors' representative on behalf of the debtor. Creditors are allowed to ratify a proof of claim made on their behalf until the insolvency judge rules on the admissibility of the claim. Creditors who have not submitted their claims during the relevant period, whose claims are not deemed filed with the creditors' representative are, except with respect to limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to such limitations and are preferential creditors under French law.

In accelerated financial safeguard proceedings, however, debts owed to creditors other than banks, financial institutions or bondholders should be paid in the ordinary course.

In accelerated safeguard and in accelerated financial safeguard, the debtor draws a list of the claims of its creditors having participated in the conciliation proceedings, which is certified by its statutory auditors (failing which, its accountant). Although such creditors may file proofs of claim as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Thus, in the accelerated financial safeguard, the financial creditors who did not take part in the conciliation proceedings (but who would belong to the financial institutions' committee or the noteholders' general meeting) would have to file their proofs of claim within the aforementioned deadlines.

If the court adopts a safeguard plan, accelerated safeguard plan, accelerated financial safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. The court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

If the court adopts a plan for the sale of the business (plan de cession) of the debtor in judicial reorganization or judicial liquidation proceedings, the proceeds of the sale will be allocated towards the repayment of its creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator (usually the former creditor's representative) in charge of managing the debtor, selling the assets of the debtor and settling the relevant debts in accordance with their ranking. However, in practice, where the sale of the business is considered, the court will usually appoint a judicial administrator to manage the debtor during the temporary continuation of the business operations (see above) and organize the sale of the business process.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, post-petition legal costs (essentially, fees of the officials appointed by the court), creditors who, as part of the approved conciliation agreement, have provided new money or goods or services, post-petition creditors, certain pre-petition secured creditors in the event of liquidation proceedings and the French State (taxes and social charges).

As soon as insolvency proceedings are commenced, the immediate payment of any unpaid amount of share capital of the debtor will be required.

The *mandataire judiciaire* may demand that a shareholder pay-up its portion of the unpaid share capital.

Limitation on enforcement of security interests

Under French law, generally speaking, pledges of assets may be enforced at the option of the secured creditors either (i) before a court (a) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (b) by way of judicial

foreclosure (*attribution judiciaire*) of the pledged assets; or (ii) by way of contractual foreclosure (*attribution conventionnelle* or *pacte comissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets.

Enforcement by way of contractual foreclosure may not be agreed at the time of the granting of the security or subsequently and, therefore, the holders of the Notes will not benefit from such enforcement method.

If the secured creditors choose enforcement by way of foreclosure (whether judicial foreclosure or contractual foreclosure), the secured liabilities will be deemed extinguished up to the value of the attributed assets. Such value is determined either by the judge in the context of a judicial foreclosure (*attribution judiciaire*) or by a precontractually agreed expert in the context of a contractual foreclosure (*pacte comissoire*). In any event, if the value of the pledged assets exceeds the amount of the secured liabilities, the secured creditors will be required to pay the pledgor a soulte equal to the difference between the value of the pledged assets and the amount of the secured liabilities. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent sale of the collateral. On the contrary, if the value of such assets is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such shares, and the remaining amount owed to such creditors will be unsecured by security over such assets.

Parallel Debt

Under French law, certain “accessory” security interests such as pledges require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of the creditors by third parties who do not hold the secured claim, unless they act as trustees (*fiduciaires*) under Article 2011 of the French *Code civil* or as security agents (*agents des sûretés*) under Article 2328-1 of the French *Code civil*, which is not the case here for the security documents governed by French law. The holders of interests in the Notes from time to time will not be parties to the security documents. In order to permit the holders of the Notes to benefit indirectly from a secured claim, the Indenture provides for the creation of a “Parallel Debt” (as defined in the Indenture). Pursuant to such Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Indenture. The pledges governed by French law will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes. Although the French Supreme Court (*Cour de cassation*) has held (in a decision dated September 13, 2011 rendered in the context of safeguard proceedings commenced in France) that, subject to certain conditions being met, the concept of “parallel debt” governed by the laws of the State of New York was not incompatible with the French law concept of international public policy (*ordre public international*), this decision cannot be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a parallel debt obligation and no assurance can be given that such a structure will be effective in all cases before French courts. There is no certainty that the Parallel Debt construction will eliminate or mitigate the risk of unenforceability under French law. To the extent that the security interests of the security interests over the shares of ECI created under the Parallel Debt structure are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the security interests over the shares of ECI.

Fraudulent Conveyance in France

French law contains specific provisions dealing with fraudulent conveyance both in and outside insolvency proceedings, the “*action paulienne*” provisions, which offer creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which such person guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such person’s or a third party’s obligations, enters into additional agreements benefiting from existing security

and any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant person by the creditors' representative (*mandataire judiciaire*), the commissioner of the safeguard or recovery plan (*commissaire à l'exécution du plan*) insolvency proceedings of the relevant person or by any of the creditors of the relevant person outside insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings, and may be declared unenforceable against third parties if: (i) the person performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the person's insolvency proceedings, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of such person's creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*à titre gratuit*), in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance. If a court found that the issuance of the Notes, the grant of the security interests over the shares of ECI involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes or the granting of the security interests over the shares of ECI could be declared unenforceable against third parties or declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the security interests over the shares of ECI and the value of any consideration that holders of the Notes received with respect to the Notes, the security interests over the shares of ECI could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by our prejudiced creditors as a result of the fraudulent conveyance.

Other Jurisdictions

In addition, the Indenture and our other debt instruments allow us, in certain circumstances, to be succeeded by an issuer organized in another jurisdiction. The insolvency laws of other jurisdictions may not be as favorable to the interests of the Noteholders as the laws of France. In the event any one or more of us or any of our subsidiaries experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions, including jurisdictions not set forth below, insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Ireland

Center of Main Interest

The SPV Issuer has its registered office in Ireland. Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast) (the "**Recast EU Insolvency Regulation**"), the SPV Issuer's center of main interest ("**COMI**") is presumed to be the place of its registered office (i.e. Ireland) in the absence of proof to the contrary and provided that the Issuer did not move its registered office within the 3 months prior to a request to open insolvency proceedings.

As the SPV Issuer's COMI is presumed to be Ireland, any main insolvency proceedings in respect of the Issuer would fall within the jurisdiction of the courts of Ireland. As to what might constitute "proof to the contrary" regarding the location of a company's COMI, the key decision is that in *Re Eurofood IFSC Ltd* ([2004] 4 IR 370 (Irish High Court); [2006] IESC 41 (Irish Supreme Court); [2006] Ch 508; ECJ Case C-341/04 (European Court of Justice)), given in respect of the equivalent provision in the previous EU Insolvency Regulation (Regulation (EC) No. 1346/2000). In that case, on a reference from the Irish Supreme Court, the European Court of Justice concluded that "factors which are both objective and ascertainable by third parties" would be needed to demonstrate that a company's actual situation is different from that which the location of its registered office is deemed to reflect. For instance, if a company with its registered office in

Ireland does not carry on any business in Ireland, that could rebut the presumption that the company's COMI is in Ireland. However, if a company with its registered office in Ireland does carry on business in Ireland, the fact that its economic choices are controlled by a parent undertaking in another jurisdiction would not, of itself, be sufficient to rebut the presumption.

As the SPV Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has retained an Irish corporate services provider, EGSA does not believe that factors exist that would rebut the presumption that the SPV Issuer's COMI is located in Ireland, although this would ultimately be a matter for the relevant court to decide based on the circumstances existing at the time when it was asked to make that decision. If the SPV Issuer's COMI was found to be in another EU jurisdiction and not in Ireland, main insolvency proceedings would be opened in that jurisdiction instead.

Examinership

Examinership is a court moratorium/protection procedure which is available under Irish company law to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be, unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014.

The SPV Issuer, the directors of the SPV Issuer, a contingent, prospective or actual creditor of the SPV Issuer, or shareholders of the SPV Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the SPV Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish court when a minimum of one class of creditors, whose interests are impaired under the proposals, has voted in favor of the proposals and the Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unfairly prejudicial to any interested party.

The fact that the SPV Issuer is a special purpose entity and that all its liabilities are of a limited recourse nature means that it is unlikely that an examiner would be appointed to the SPV Issuer.

If however, for any reason, an examiner were appointed while any amounts due by the SPV Issuer under the Notes were unpaid, the primary risks to the holders of Notes would be as follows:

- (i) the Trustee, acting on behalf of Noteholders, would not be able to enforce rights against the SPV Issuer during the period of examinership; and
- (ii) a scheme of arrangement may be approved involving the writing down of the debt due by the SPV Issuer to the Noteholders irrespective of the Noteholders' views.

Preferred Creditors

If the SPV Issuer becomes subject to an insolvency proceeding and EGSA has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders,

the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular:

(i) under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax liabilities) and, in the case of fixed charges over book debts, may rank behind claims of the Irish Revenue Commissioners for PAYE and VAT;

(ii) under Irish law, for a charge to be characterized as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. There is a risk therefore that even a charge which purports to be taken as a fixed charge may take effect as a floating charge if a court deems that the requisite level of control was not exercised; and

(iii) in an insolvency of the SPV Issuer, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes), as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.

Listing and General Information

Listing

Application has been made to have the Notes listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market.

Luxembourg Listing Information

Copies of the following documents are or will be, from the issue date of the Notes, available free of charge during usual business hours at the principal executive offices of EGSA, located at 2, rue René Caudron Bat. Op 78960 Voisins le Bretonneux, France, as well as at the registered offices of the Luxembourg Paying Agent for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market:

- (i) the memorandum and articles of incorporation of EGSA;
- (ii) the *statuts* (by-laws) of EGSA;
- (iii) the financial statements included and those incorporated by reference in this Offering Memorandum;
- (iv) the most recent non-consolidated financial statements of the Issuer and EGSA;
- (v) any interim financial statements or accounts of EGSA, to the extent available; and
- (vi) the following documents:
 - (a) the Indenture governing the Notes;
 - (b) the Intercreditor Agreement;
 - (c) the Share Pledge; and
 - (d) the Purchase Agreement.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange, EGSA will notify the Luxembourg Stock Exchange in the event of a change in the Luxembourg Paying Agent or Transfer Agent for the Notes. The SPV Issuer has appointed The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and as Luxembourg Paying Agent and Listing Agent and The Bank of New York Mellon, London Branch as Principal Paying Agent to make payments on, and effect transfers of, the Notes. EGSA reserves the right to vary such appointments in accordance with the terms of the Indenture.

Europcar accepts responsibility for the information contained in this Offering Memorandum. To the best of our knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum. This Offering Memorandum may only be used for the purposes for which it has been published.

Notice of any optional redemption, change of control or any change in the rate of interest payable on the Notes will be published on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

Clearing Information

The Notes have been accepted for clearance through the facilities of Euroclear France, Euroclear and Clearstream. The common code for Notes sold pursuant to Rule 144A is 170620275 and the ISIN Number for Notes sold pursuant to Rule 144A is XS 1706202758.

The common code for Notes sold pursuant to Regulation S is 170620259 and the ISIN Number for Notes sold pursuant to Regulation S is XS 1706202592.

Conflicts

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Legal Information

EGSA Legal Information

EGSA, Europcar Groupe S.A., was formed in connection with the ECI Acquisition and originally incorporated as a *société par actions simplifiée* on March 9, 2006. It was transformed on April 25, 2006 and is now a *société anonyme* incorporated under the laws of the Republic of France, with a share capital of € 143,409,298 as of the date of this Offering Memorandum on EGSA's share capital consists of 143,409,298 registered shares with a par value of €1 each: divided into 143,401,212 ordinary shares, 4,045 Class C shares and 4,041 Class D shares. Its executive office is registered at 2 rue René Caudron, Bâtiment OP, 78960 Voisins-le-Bretonneux, France and it is registered with the *Registre du commerce et des sociétés* of Versailles under number 489 099 903.

SPV Legal Information

The SPV Issuer was incorporated in Ireland on September 22, 2017 with registered number 612111 as a designated activity company under the Companies Act 2014 (as amended) of Ireland. The registered office of the SPV Issuer is Palmerston House, Fenian Street, Dublin 2, Ireland.

Auditors

The consolidated financial statements of EGSA as of and for the fiscal years ended December 31, 2016, 2015 and 2014 have been audited by PricewaterhouseCoopers Audit and Mazars, EGSA's statutory auditors.

Corporate Authorization

The assumption and issue of the Notes was decided pursuant to a resolution of the Supervisory Board dated October 2, 2017 and the Management Board of EGSA dated October 10, 2017.

The issue of the Notes was decided pursuant to a resolution of the board of directors of the SPV issuer dated October 11, 2017.

No Material Adverse Change

Except as disclosed in this Offering Memorandum, there has been no material adverse change in EGSA's financial position or prospects since December 31, 2016.

There has been no material adverse change in the financial position of the SPV Issuer since its incorporation on September 22, 2017.

Litigation

Except as disclosed in this Offering Memorandum, neither the SPV Issuer nor EGSA is involved in, and neither has any knowledge of, any threatened litigation, administrative proceedings or arbitration which would have a material adverse impact on its results of operations or financial condition.

Europcar Drive D.A.C.

Europcar Drive D.A.C. (the “**SPV Issuer**”) was incorporated in Ireland on September 22, 2017, with registered number 612111 as a designated activity company with limited liability under the Companies Act 2014 (as amended) of Ireland (the “**Companies Acts**”). The registered office of the SPV Issuer is 2nd Floor, Palmerston House, Fenian Street, Dublin 2, Ireland and its phone number is +353 (0)1 905 8020.

The authorized share capital of the SPV Issuer is EUR 100 divided into 100 ordinary shares of par value EUR 1 each (the “**Shares**”). The SPV Issuer has issued 1 Share, which is fully paid and is held on trust by Cafico Trust Company Limited (the “**Share Trustee**”) under the terms of a declaration of trust (the “**Declaration of Trust**”) dated September 25, 2017, under which the Share Trustee holds the Share on trust for charity. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from its holding of the Share. The Share Trustee will apply any income derived from the SPV Issuer solely for the above purposes.

The SPV Issuer has no subsidiaries.

Cafico Corporate Services Limited (the “**Corporate Services Provider**”), an Irish company, acts as the corporate services provider for the SPV Issuer. The office of the Corporate Services Provider serves as the general business office of the SPV Issuer. Through the office and pursuant to the terms of corporate services agreement entered between the SPV Issuer and the Corporate Services Provider (the “**Corporate Services Agreement**”), the Corporate Services Provider performs various management functions on behalf of the SPV Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the SPV Issuer at rates agreed upon from time to time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 90 days written notice to the other party. The Corporate Services Agreement contains provisions for the appointment of a replacement corporate services provider if necessary.

The Corporate Services Provider’s principal office is Palmerston House, Fenian Street, Dublin 2, Ireland.

Principal Activities

The principal objects of the SPV Issuer are set forth in clause 3 of its Constitution (as currently in effect) and permit the SPV Issuer, *inter alia*, to lend money and give credit, secured or unsecured, to issue debentures and otherwise to borrow or raise money and to grant security over its property for the performance of its obligations or the payment of money.

Since its incorporation, the SPV Issuer has not engaged in any material activities other than those incidental to its registration as a private company under the Companies Act and those related to the issue of the Notes. The SPV Issuer has no employees.

Directors and Company Secretary

The SPV Issuer’s Articles of Association provide that the Board of Directors of the SPV Issuer will consist of at least two Directors.

The Directors of the SPV Issuer and their business addresses are as follows:

Rolando Ebuna Palmerston House, Fenian Street, Dublin 2, Ireland

Mairead Lyons Palmerston House, Fenian Street, Dublin 2, Ireland

The Company Secretary is Cafico Secretaries Limited.

The Directors do not hold any direct, indirect, beneficial or economic interest in any of the Shares. The directorship of the Directors is provided as part of the Corporate Services Provider's overall corporate administration services provided to the SPV Issuer pursuant to the Corporate Services Agreement.

The Directors of the SPV Issuer may engage in other activities and have other interests which may conflict with the interests of the SPV Issuer.

Save as disclosed herein, there has been no material adverse change in the financial position or prospects of the SPV Issuer since the date of its incorporation. Save for the issues of Notes described above and their related arrangements, the SPV Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Capitalization

The following table sets out the capitalization of the SPV Issuer as at the date of this Offering Memorandum:

	€
<i>Shareholders Funds:</i>	
Share Capital	1
<i>Indebtedness:</i>	
The indebtedness of the SPV Issuer as at the date of this Offering Memorandum ⁽¹⁾	0

(1) After giving effect to the Offering, the SPV Issuer will have €606.8 million in outstanding indebtedness represented by the Notes plus the additional indebtedness represented by the advance from EGSA used to fund the Escrow Account in part.

Financial Statements

Since its date of incorporation, the SPV Issuer has not commenced operations and no financial statements of the SPV Issuer have been prepared as at the date of this Offering Memorandum. The SPV Issuer will not prepare interim financial statements. The financial year of the SPV Issuer ends on December 31 in each year with its first financial period running from its date of incorporation to December 31, 2018.

Each year, a copy of the audited profit and loss account and statement of financial position of the SPV Issuer together with a report of the directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the SPV Issuer and is available for inspection. The profit and loss account and statement of financial position can be obtained free of charge from the registered office of the SPV Issuer. The SPV Issuer must hold its first annual general meeting within 18 months of the date of its incorporation (and no more than 9 months after the financial year end) and thereafter the gap between its annual general meetings must not exceed 15 months. One annual general meeting must be held in each calendar year.

EGSA

Europcar Groupe S.A. was formed in connection with the acquisition by Eurazeo of ECI in 2006 and originally incorporated as a *société par actions simplifiée* on March 16, 2006. It was transformed on April 25, 2006 to a *société anonyme* incorporated under the laws of the Republic of France. EGSA's executive office is registered at 2, rue René Caudron—Bât. OP 78960, Voisin-le-Bretonneux, France and it is registered with the *Registre du commerce et des sociétés* of Versailles under number 489 099 903.

We trace our origins back to 1949, with the founding of the *L'Abonnement Automobile* car rental company in Paris by Raoul-Louis Mattei, and the combination of the *L'Abonnement Automobile* network with the network of another Paris-based rental car company, *Système Europcars*, in 1961. In 1965, the two groups formally merged to form *Compagnie Internationale Europcars*. After being purchased by the French automobile manufacturer Renault in 1970, *Compagnie Internationale Europcars* expanded throughout Europe through the establishment of subsidiaries in Belgium, the UK, The Netherlands, Switzerland, Spain and Portugal, and the acquisition of existing operations in Italy and Germany. The company was rebranded as Europcar in 1974.

In 1988, Wagons-Lits purchased Europcar from Renault, and subsequently sold 50% of Europcar to Volkswagen AG. At the same time, Europcar merged with the German InterRent network, the sole shareholder of which was Volkswagen AG. Accor acquired Wagons-Lits in 1992 and became a 50% shareholder of Europcar while Volkswagen AG held the other 50%. Volkswagen AG subsequently acquired the remaining 50% of Europcar from Accor in December 1999. To this day, Accor remains one of Europcar's key strategic partners.

On May 31, 2006, Eurazeo acquired, through EGSA, its subsidiary formed for such purpose, 100% of the share capital of ECI from Volkswagen AG (the "**ECI Acquisition**"). The ECI Acquisition had a total value of approximately €3.1 billion.

In June 2006, the Europcar Group acquired all of the shares in Keddy N.V. and the remaining 50% shares in Ultramar Cars S.L. through its Germany subsidiary Europcar Autovermietung GmbH.

In 2007, the Group acquired the UK headquartered operations of National Car Rental and Alamo Rent A Car covering Europe, the Middle East and Africa (the "**EMEA Zone**") from Vanguard Car Rental Holdings LLC ("**Vanguard**"). Vanguard was subsequently acquired by Enterprise Holdings, Inc. ("**Enterprise**"). From 2008 to 2013, the Group had a commercial alliance with Enterprise relating to the National and Alamo brands operated by Europcar. This alliance ended in August 2013, although the Group continued to operate the brands National and Alamo in the EMEA Zone until March 2015.

In addition, in 2007, the Group acquired one of its Spanish franchisees, Betacar.

In 2008, we acquired ECA Car Rental, our master franchisee in Asia Pacific with corporate operations in Australia and New Zealand.

In March 2011, we also entered into a strategic joint venture with Daimler AG in Germany to create car2go Europe GmbH, a car-sharing service aimed at making rental vehicles available to subscriber customers on an immediate basis in cities throughout Europe, initially commencing in Hamburg in the first quarter of 2011.

In May 2011, we divested our corporate-run operations in Switzerland to our Swiss franchisee.

In 2013, Europcar unveiled "InterRent," its new low-cost brand. The InterRent offering provides car hire at market-leading prices without compromising customer service. As of December 31, 2014, InterRent had been primarily deployed in six Corporate Countries in Europe (France, Germany, Portugal, Spain, Italy and the United Kingdom), and 40 countries through the franchise network.

At the end of 2014, the Group acquired, through its French subsidiary, Europcar France, 100% of the shares of EuropHall, an important franchisee of Europcar France for the "East" region. The Group also acquired a stake of 70.64% in Ubeeqo, a French start-up created in 2008 that offers car-sharing solutions. As of June 9, 2016, Ubeeqo is 100%-owned by Europcar Lab SAS, a French subsidiary of the Group, and operates in France, Belgium, Germany, the United Kingdom, Spain (*via* BlueMove) and Italy (*via* GuidaMi).

On June 26, 2015, Europcar Group was successfully listed on the regulated market of Euronext Paris.

In July 2015, the Group acquired, *via* its English subsidiary Europcar Lab UK, a majority stake of 60.8% in E-Car Club, the United Kingdom's first entirely electric pay-per-use car club.

On December 18, 2015, Europcar Group joined the SBF 120 stock market index comprising the 120 top stocks in terms of liquidity and market capitalization, listed on Euronext Paris.

In 2016, the Group acquired its third-largest French franchisee, Locaraise, and its Irish franchisee, GoCar, the leading car-sharing company in Ireland. The latter acquisition brought Europcar's count of Corporate Countries to 10.

On February 17, 2017, the Group announced the exclusive takeover of Ubeeqo, through its subsidiary Europcar Lab SAS, which until then has been consolidated under the equity method in Europcar scope. Starting March 1, 2017 Ubeeqo is fully consolidated.

On March 9, 2017, Europcar Australia acquired assets from its franchisee in Queensland, Australia.

On April 27, 2017, the Group acquired its Danish franchisee, one of its biggest in terms of revenue. Europcar Denmark is the market leader with approximately 30% market share in Denmark. It operates an average rental fleet of 6,000 vehicles through 40 branches.

On May 24, 2017, pursuant to share purchase agreement, Europcar Lab acquired a minority stake of approximately 20% in SnappCar a peer-to-peer car sharing start-up. SnappCar is a Dutch scale-up and social enterprise created in 2011. It is the second largest international peer-to-peer car sharing player in Europe with more than 250,000 customers sharing over 30,000 cars available on its platform. Today SnappCar is available in the Netherlands, Denmark and Sweden with the intention to expand to new markets.

With this investment, Europcar joins the consortium of existing shareholders AutoBinck Group and the Danish Startup Studio Founders who have extended their commitment to SnappCar. These investors are now joining forces with a common ambition to help SnappCar expand geographically within Europe and further improve and innovate its platform usage and services for its members, by for example, introducing "keyless technology," making it possible to open a car through the SnappCar application.

On June 16, 2017, the Group entered into a share purchase agreement with International Car Rentals III S.à.r.l. and Alcor Sociedad Estratégica, S.L. to acquire Car Rentals Topco, S.L. and its subsidiaries ("**Goldcar**"), which is primarily engaged in the provision of business-to-consumer car rental-related mobility services in Spain, Italy, Portugal, France, Croatia, Greece Turkey, Andorra, Cyprus, Malta, the Netherlands, Mexico, Morocco and Romania (the "**Goldcar Acquisition**"). The completion of the Goldcar Acquisition is subject to the satisfaction of customary conditions precedents, including a merger control clearance from the European Commission. The Goldcar Acquisition, once completed, would enhance the Group's corporate operations in France, Northern Italy and the Iberian Peninsula.

On September 12, 2017, Snappcar bought its German rival Tamyca, reinforcing its position as the second peer to peer car sharing platform operator in Europe.

On September 20, 2017, the Group acquired 100% of the share capital of seven companies comprising the Buchbinder group in Germany and Eastern Europe.

Index to Unaudited Pro Forma Condensed Consolidated Financial Information

Unaudited Pro Forma Condensed Consolidated Financial Information as of and for the period ended June 30, 2017

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EUROPCAR GROUPE S.A.

**UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED FINANCIAL INFORMATION**

1. Objective of the Unaudited Pro Forma Condensed Consolidated Financial Information

On September 20, 2017 Europcar Group completed the acquisition of Buchbinder. On June 17, 2017 the Group signed an agreement to acquire Goldcar, which is still subject to customary conditions precedent, including the approval of antitrust authorities.

In this Offering Memorandum, we present certain unaudited condensed consolidated financial information on a pro forma basis as of and for the six months ended June 30, 2017, and for the year ended December 31, 2016 (the "Unaudited Pro Forma Condensed Consolidated Financial Information"), to illustrate the effect of the Buchbinder Acquisition, Goldcar Acquisition (including the issuance of the full principal amount of the New Parent Notes to finance Goldcar Acquisition and the repayment of the existing debt of Goldcar as a result of the change of control), and the related financing (collectively the "Transactions") on the consolidated financial results of EGSA as of such dates and for such periods. The Unaudited Pro Forma Condensed Consolidated Financial Information gives effect to the Transactions as though they occurred on January 1, 2016 (for income statement purposes) and June 30, 2017 (for statement of financial position purposes). The Unaudited Pro Forma Condensed Consolidated Financial Information has been prepared for illustrative purposes only and does not purport to represent what our actual results of operations or financial condition would have been if the Goldcar Acquisition and the Buchbinder Acquisition had occurred on those dates, nor does it purport to be indicative of our future results of operations or financial position. The Unaudited Pro Forma Condensed Consolidated Information consists only of unaudited pro forma condensed consolidated income statement information, an unaudited pro forma condensed consolidated statement of financial position and explanatory notes.

The Unaudited Pro Forma Condensed Consolidated Financial Information set forth in this Offering Memorandum is based on available information and certain assumptions and estimates that we believe are reasonable, and may differ materially from the actual amounts that would have been achieved had the Goldcar Acquisition and Buchbinder Acquisition occurred on January 1, 2016 (for income statement purposes) or June 30, 2017 (for statement of financial position purposes). In addition, the Unaudited Pro Forma Condensed Consolidated Financial Information was prepared based on the assumption that the full principal amount of the New Parent Notes will be issued and that no Special Mandatory Redemption of New Parent Notes shall have taken place.

The Unaudited Pro Forma Condensed Consolidated Financial Information includes the results of operations and financial condition of Goldcar and Buchbinder for the periods presented even though we did not control Goldcar or Buchbinder for any of the duration of the periods presented, and we would not have been permitted under International Financial Reporting Standards as adopted by the European Union ("IFRS") to consolidate the results of Goldcar or Buchbinder in any historical financial statements prior to the dates of the completion of the Goldcar Acquisition and Buchbinder Acquisition.

The Unaudited Pro Forma Condensed Consolidated Financial Information has been prepared in accordance with the basis of preparation described herein. In evaluating the *pro forma* financial information, you should carefully consider the EGSA Consolidated Financial Statements, which are included elsewhere in this Offering Memorandum.

The Unaudited Pro Forma Condensed Consolidated Financial Information included in this Offering Memorandum has not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act") or any generally accepted accounting standards. Neither the assumptions underlying the related adjustments nor the resulting as adjusted financial data have been audited or reviewed in accordance with any generally accepted auditing standards.

2. Basis of preparation of the Unaudited Pro Forma Condensed Consolidated Financial information

The Unaudited Pro Forma Condensed Consolidated Financial Information has been prepared in millions of euros, the euro being the functional currency of the Europcar Group, Buchbinder and Goldcar.

The Unaudited Pro Forma Condensed Consolidated Financial Information includes the following:

- pro forma condensed consolidated income statement for the period from January 1, 2017 to June 30, 2017;
- pro forma condensed consolidated income statement for the year ended December 31, 2016;
- pro forma condensed consolidated statement of financial position as at June 30, 2017; and
- explanatory notes.

The Unaudited Pro Forma Condensed Consolidated Financial Information reflects the Transactions as if they had taken place on June 30, 2017 for the purpose of the pro forma condensed consolidated statement of financial position, and on January 1, 2016 for the purpose of the pro forma condensed consolidated income statement.

The acquisitions will be recognized as two separate business combinations as per IFRS 3.

The Unaudited Pro Forma Condensed Consolidated Financial Information was prepared based on the following historical information:

- for the Europcar Group, the audited consolidated financial statements for the year ended December 31, 2016 as shown in the 2016 registration document registered with AMF (the French financial markets authority) on April 12, 2017 as number R.14-15 and the unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2017, which were subject to a limited review by auditors;
- for Goldcar, the audited consolidated financial statements for the year ended December 31, 2016 and the unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2017, which were subject to a limited review by their auditors; and
- for Buchbinder, the audited consolidated financial statements for the year ended December 31, 2016 and accounting books and records for the six months ended June 30, 2017, which were not subject to a limited review by auditors.

The Europcar Group and Goldcar prepare their consolidated financial statements in accordance with IFRS. The individual group entities that comprise Buchbinder prepare their financial statements on the basis of German GAAP ("HGB"). The Buchbinder consolidated financial information presented in this offering memorandum was prepared based on the compilation of the financial statements of the individual Buchbinder entities and the conversion thereof from HGB to IFRS as applied by Europcar Group.

The Unaudited Pro Forma Condensed Consolidated Financial Information does not include any adjustment related to remeasurement of identifiable assets and liabilities at fair value in accordance with IFRS 3. The excess of the purchase price for the acquisition over the net assets acquired is reflected as goodwill.

The pro forma adjustments to the Unaudited Pro Forma Condensed Consolidated Financial Information are limited to those that are (i) directly attributable to the Transactions, (ii) factually supportable and (iii) have a recurring impact on the group income statement. The following items are not taken into account in the Unaudited Pro Forma Condensed Consolidated Financial Information:

- additional costs resulting from the reorganization and upcoming changes in strategy; and
- synergies pursuant to the acquisitions of Goldcar and the Buchbinder Group.

The tax effect of the pro forma adjustments was calculated using a standard rate by country (France: 34.43%, Spain: 25%, Germany: 15.83%).

3. Financial information and pro forma adjustments

3.1 Pro forma condensed consolidated income statement for the year ended December 31, 2016

(in € million)	For the year ended December 31, 2016				
	EGSA	Goldcar & Buchbinder	Combination of Europcar, Goldcar and Buchbinder	Combined Adjustments	TOTAL
Revenue	2,150.8	444.7	2,595.5	—	2,595.5
Expenses					
Fleet holding costs	(536.3)	(150.1)	(686.4)	—	(686.4)
Fleet operating, rental and revenue related costs	(753.3)	(122.0)	(875.3)	—	(875.3)
Personnel costs	(339.2)	(74.9)	(414.0)	—	(414.0)
Network and head office overheads	(215.9)	(22.2)	(238.1)	—	(238.1)
Other income	9.7	3.4	13.1	—	13.1
Amortization, depreciation and impairment expense	(32.3)	(3.2)	(35.5)	—	(35.5)
Current operating income	283.5	75.7	359.2	—	359.2
Other non-recurring expenses	(20.7)	(3.4)	(24.2)	—	(24.2)
Operating income	262.8	72.3	335.0	—	335.0
Net financing costs	(121.1)	(33.4)	(154.5)	(13.0)	(167.5)
Profit/(loss) before tax	141.7	38.9	180.5	(13.0)	167.5
Income tax	(6.6)	(8.3)	(14.9)	7.3	(7.5)
Share of profit/(loss) in associates ...	(15.8)	—	(15.8)	—	(15.8)
Net profit/(loss) for the period	119.3	30.6	149.9	(5.7)	144.2
Net profit/(loss), attributable to Europcar Groupe shareholders	119.5	30.6	150.1	(5.7)	144.4

3.2 Pro forma condensed consolidated income statement for the six months ended June 30, 2017

(in € million)	For the six months ended June 30, 2017				
	EGSA	Goldcar & Buchbinder	Combination of Europcar, Goldcar and Buchbinder	Combined Adjustments	TOTAL
Revenue	1,027.8	200.9	1,228.6	—	1,228.6
Expenses					
Fleet holding costs	(264.0)	(73.5)	(337.5)	—	(337.5)
Fleet operating, rental and revenue related costs	(371.3)	(64.9)	(436.2)	(0.6)	(436.8)
Personnel costs	(191.2)	(41.9)	(233.1)	—	(233.1)
Network and head office overheads	(120.6)	(12.6)	(133.2)	—	(133.2)
Other income	3.9	2.9	6.8	—	6.8
Amortization, depreciation and impairment expense	(14.2)	(2.0)	(16.3)	—	(16.3)
Operating income	70.4	8.7	79.1	(0.6)	78.5
Other non recurring expenses	(38.5)	(23.4)	(61.9)	4.3	(57.6)
Operating income	31.8	(14.7)	17.1	3.7	20.9
Net financing costs	(58.0)	(28.3)	(86.3)	(7.0)	(93.3)
Profit/(loss) before tax	(26.2)	(43.0)	(69.2)	(3.2)	(72.4)
Income tax	5.0	(1.4)	3.6	2.4	6.0
Share of profit/(loss) in associates ...	(5.8)	—	(5.8)	—	(5.8)
Net profit/(loss) for the period	(27.0)	(44.3)	(71.3)	(0.8)	(72.2)
Net profit/(loss), attributable to Europcar Groupe shareholders	(26.8)	(44.3)	(71.1)	(0.8)	(72.0)

3.3 Pro forma condensed consolidated statement of financial position as of June 30, 2017

(in € million)	As of June 30, 2017				
	EGSA	Goldcar & Buchbinder	Combination of Europcar, Goldcar and Buchbinder	Combined Adjustments	TOTAL
Selected Balance Sheet Data					
Non-current assets	1,511.0	242.8	1,753.8	478.6	2,232.4
Current assets	3,962.3	915.6	4,877.9	(106.9)	4,771.0
<i>of which rental fleet recorded on the balance sheet</i>	<i>2,384.3</i>	<i>755.3</i>	<i>3,139.6</i>	<i>—</i>	<i>3,139.6</i>
<i>of which rental fleet related receivables</i>	<i>746.6</i>	<i>41.5</i>	<i>788.0</i>	<i>—</i>	<i>788.0</i>
<i>of which current financial assets</i> ...	<i>48.0</i>	<i>3.6</i>	<i>51.5</i>	<i>—</i>	<i>51.5</i>
<i>of which cash and cash equivalents</i>	<i>213.5</i>	<i>48.4</i>	<i>261.9</i>	<i>(112.6)</i>	<i>149.4</i>
Total assets	5,473.3	1,158.4	6,631.7	371.7	7,003.4
Non-current liabilities	1,293.2	4.1	1,297.3	617.7	1,915.0
<i>of which financial liabilities</i>	<i>959.9</i>	<i>(0.7)</i>	<i>959.2</i>	<i>614.4</i>	<i>1,573.6</i>
Current liabilities	3,426.9	898.0	4,324.9	23.9	4,348.7
<i>of which current portion of financial liabilities</i>	<i>1,557.4</i>	<i>677.8</i>	<i>2,235.2</i>	<i>23.3</i>	<i>2,258.5</i>
Total liabilities	4,720.1	902.1	5,622.1	641.6	6,263.8
Total equity and liabilities	753.3	256.3	1,009.6	(269.9)	739.7

3.4 – Pro forma Adjusted Corporate and Consolidated EBITDA for the year ended December 31, 2016 and for the six months ended June 30, 2017

(in € million)	For the year ended December 31, 2016 (FY)				
	EGSA	Goldcar & Buchbinder	Combination of Europcar, Goldcar and Buchbinder	Combined Adjustments	TOTAL
Current operating income	283.5	75.7	359.2	—	359.2
Reversal of estimated interest included in operating lease rents	47.5	1.3	48.8	—	48.8
Adjusted recurring operating income ...	331.0	77.0	408.0	—	408.0
Reversal of amortization, depreciation and impairment expense	32.3	3.2	35.5	—	35.5
Fleet financing costs ^(a)	(62.0)	(19.4)	(81.4)	4.7	(76.6)
Estimated interest included in operating lease rents	(47.5)	(1.3)	(48.8)	—	(48.8)
Adjusted Corporate EBITDA	253.9	59.5	313.4	4.7	318.1
Reversal of fleet depreciation	181.9	82.0	263.9	—	263.9
Reversal of fleet operating lease rents ...	256.8	57.6	314.4	—	314.4
Reversal of fleet financing costs ^(a)	62.0	19.4	81.4	(13.1)	68.3
Adjusted Consolidated EBITDA	754.5	218.5	973.0	(8.3)	964.7

(in € million)	For the six months ended June 30, 2017				
	EGSA	Goldcar & Buchbinder	Combination of Europcar, Goldcar and Buchbinder	Combined Adjustments	TOTAL
Current operating income	70.4	8.7	79.1	(0.6)	78.5
Reversal of estimated interest included in operating lease rents	21.4	0.6	22.0	—	22.0
Adjusted recurring operating income ...	91.8	9.3	101.1	(0.6)	100.5
Reversal of amortization, depreciation and impairment expense	14.2	2.0	16.3	—	16.3
Fleet financing costs ^(a)	(28.2)	(9.0)	(37.3)	2.2	(35.0)
Estimated interest included in operating lease rents	(21.4)	(0.6)	(22.0)	—	(22.0)
Adjusted Corporate EBITDA	56.4	1.7	58.1	1.7	59.7
Reversal of fleet depreciation	92.5	45.1	137.5	—	137.5
Reversal of fleet operating lease rents ...	121.7	23.8	145.5	—	145.5
Reversal of fleet financing costs ^(a)	28.2	9.0	37.3	(5.4)	31.9
Adjusted Consolidated EBITDA	298.7	79.7	378.4	(3.8)	374.6

(a) Goldcar fleet financing costs:

Considering that the existing financing structure of Goldcar is acquisition financing with a limited capacity to adjust the drawing level in response to the fluctuations in the fleet value, in particular during the low season, the historical financing costs of Goldcar have been adjusted to reflect a fleet financing structure in line with industry's standards and a determination of the portion to be considered as related to the fleet ("fleet financing costs"). The historical fleet financing costs have been calculated on a monthly basis by multiplying the Adjusted Fleet Value by the Applicable Interest Rate, and by deducting the Excess Interest. For the purpose of this definition:

- Adjusted Fleet Value is the global net book value of the Goldcar fleet at month end (including related receivables and payables), on which is applied a 90% advance rate (in line with Europcar's and industry's standards);
- Applicable Interest Rate is the interest rate applicable to the existing financing of Goldcar; and
- – Excess Interest is the portion of interest paid by Goldcar on its existing debt in excess of the Adjusted Fleet Value (Excess Interest is highest during the low season).

On a pro forma basis, to give effect to the Acquisitions, the financing costs of Goldcar have been adjusted to reflect additional financing costs related to the Bridge-to-Asset-Backed Facility drawn to refinance the existing debt of Goldcar and to finance the Adjusted Fleet Value. These additional financing costs are based on an assumed interest rate of 3.375% (average interest rate of the Bridge-to-Asset Backed Facility for the first twelve-month period after closing) applied for each period (the year ended December 31, 2016 and the six months ended June 30, 2017) to the maximum Adjusted Fleet Value to be financed during the period. In parallel, the historical financing costs of Goldcar on a standalone basis are fully reversed.

On a pro forma basis, to give effect to the Acquisitions, the fleet financing costs (as determined above) have been adjusted to reflect the additional fleet financing costs related to the Bridge-to-Asset-Backed facility drawn to refinance the existing debt of Goldcar and to finance the Adjusted Fleet Value. These additional financing costs are based on an assumed interest rate of 3.375% (average interest rate of the Bridge-to-Asset-Backed Facility for the first twelve month period after closing) applied for each period (the year ended December 31, 2016 and the six months ended June 30, 2017) to the average Adjusted Fleet Value to be financed during the period (the financing costs related to the difference between the maximum and average amounts are treated as corporate financing costs as in excess for the strict purpose of the fleet financing). In parallel, the historical fleet financing costs of Goldcar on a standalone basis are fully reversed.

3.5 Notes to the Unaudited Pro Forma Condensed Consolidated Financial Information

A – Preparation of historical data

The methods used to present the Unaudited Pro Forma Condensed Consolidated Financial Information are those used by Europcar Group to present its historical consolidated financial statements.

The preliminary alignment of Goldcar accounting policies and presentation to Europcar accounting policies is based on available information and thus subject to further change upon the completion of a more detailed analysis.

A preliminary analysis of Goldcar's accounting policies as disclosed in its audited consolidated financial statements as of and for the year ended December 31, 2016 has not resulted in identifying any major differences.

The unaudited pro forma adjustments give effect to certain reclassifications to conform the presentation of Goldcar's with Europcar's condensed consolidated statement of income. The Main reclassifications that were made were:

- broker rebates reclassified from other operating expenses to revenue;
- fines and tolls reclassified from revenue to fleet operating, rental and revenue related costs;
- insurance recoveries reclassified from other operating income to fleet operating, rental and revenue related costs; and
- fleet reclassified from property, plant and equipment to Current assets.

Subsequent to the Transactions, further reclassifications or adjustments may be required in connection with preparation of Europcar Group's future consolidated financial statements when Europcar obtains full access to Goldcar information.

The unaudited pro forma adjustments give effect to certain reclassifications to conform the presentation of Buchbinder's with Europcar's condensed consolidated statement of income. The main reclassifications that were made were:

- car remarketing sales reclassified from Sales to Fleet Holding Costs;
- customers recoveries, insurance recoveries and tolls reclassified from Sales to Fleet operating, rental and revenue related costs; and
- other revenue reclassified from Sales to Other Income.

B – Acquisition of Buchbinder and Goldcar

On September 20, 2017 Europcar Group completed the acquisition of the Buchbinder Group.

The consideration for the Buchbinder Acquisition amounts to €135 million, including an estimated earn out of €15 million subject to performance criteria related to full year 2017 and 2018 Adjusted Corporate EBITDA. The net assets acquired amounted to €28.5 million (including an historical goodwill of €6.6 million) and the preliminary goodwill arising from the acquisition of the Buchbinder Group amounted to €106.5 million.

The Group has also agreed to purchase additional Buchbinder Group tangible assets for consideration amounting to €37 million.

On June 17, 2017 the Group signed an agreement to acquire Goldcar. The acquisition is still subject to customary conditions precedent, including the approval of antitrust authorities, and is expected to close in the fourth quarter of 2017.

The consideration for the Goldcar Acquisition will amount to €562.9 million, and the net assets acquired to be acquired are estimated to be €231.2 million (including an historical goodwill of €188 million). Consequently, the preliminary goodwill that will arise from the acquisition of Goldcar is estimated to be €331.7 million.

The preliminary goodwill for the Goldcar and Buchbinder Acquisitions is determined as the difference between the consideration transferred and the net carrying value of the assets and liabilities recognized in the statements of financial position of the Goldcar Group and the Buchbinder Group as of June 30, 2017, including their respective historical goodwill from prior acquisitions.

The valuation of the assets and liabilities and the accounting for the acquisitions will be performed after the completion of the acquisition for the Goldcar Acquisition and by December 31, 2017 for the Buchbinder Acquisition. Pursuant to IFRS 3, the Group will have twelve months to finalize the valuations and purchase price allocations after the date of completion of each acquisition.

The determination of the fair value of the assets acquired and liabilities assumed may lead to the booking of some identifiable acquired assets that have limited lifetime and will therefore be depreciated or amortized. Consequently, the future results of the Group could be materially impacted by the depreciation or amortization expenses related to such identifiable acquired assets.

C – Financing of the transaction

On July 13, 2017, to finance the Goldcar Acquisition and Goldcar's fleet related refinancing needs, Europcar entered into a €1,040 million bridge facility. This bridge facility includes two facilities:

- Bridge-to-Bond: a €440 million bridge to bond dedicated to the acquisition of Goldcar; and
- Bridge-to-Asset-Backed: a €600 million bridge to asset backed facility dedicated to refinance Goldcar's existing debt at closing of the Goldcar Acquisition due to a change of control clause in Goldcar's existing indebtedness, and dedicated to the financing of Goldcar fleet.

In conjunction with the above acquisitions and contingent on regulatory approval of the Goldcar Acquisition, Europcar is offering new €600 million Senior Notes which together with €103 million of cash related to the proceeds of the capital increase completed on June 21, 2017 will be used to:

- finance the €562.9 million total consideration to be paid in connection with Goldcar Acquisition, which will allow the Group to cancel the €440 million Bridge-to-Bond Facility;
- repay drawings of €120 million made under the Senior Revolving Credit Facility to finance the Buchbinder Acquisition;
- pay financing costs and expenses of €17 million related to the Acquisitions and the New Parent Notes; and
- finance the €2.75 million prepayment fee due in connection with the early redemption of the existing debt of Goldcar.

At the closing date, the Bridge-to-Asset Backed facility will be drawn to refinance the existing debt of Goldcar (€411.9 million as of June 2017).

The impact of the pro forma adjustment on cash and cash equivalents in the statement of financial position is explained as follows:

In € million	As of June 30, 2017
New Parent Notes	600
Bridge-to-Asset-Backed Facility (b)	411.9
Refinance of Goldcar Debt (b)	(411.9)
Redemption of Buchbinder swap (a)	(10)
Cash-out related to Goldcar and Buchbinder Acquisition	(682.8)
Transaction costs and expenses (c)	(17)
Prepayment fee on Goldcar Debt early redemption (d)	(2.7)
Total cash and cash equivalent	(112.6)

(a) The Buchbinder Group cancelled a swap prior to the closing of the Buchbinder Acquisition. As a consequence, the pro forma adjustments related to the Buchbinder Acquisition include a redemption premium amounting to €11.2 million and a restatement of swap interest for €1.2 million for the six months ended June 30, 2017 (€2.5 million for the year ended December 31, 2016).

(b) Bridge-to-Asset-Backed Facility will be drawn for an amount of €411.9 million, to refinance the debt of Goldcar as of June 2017 (€411.9 million).

(c) Transaction costs include €8.3 million, one off costs related to the new Senior Notes issuance, €2 million of costs related to the acquisitions of Buchbinder and Goldcar, and fees to be paid in connection with the bridge facility and not recorded in the financial statements for the six months ended June 30, 2017 (€6.7 million).

(d) Prepayment fee applicable to the existing debt of Goldcar in case of prepayment following a change of control (€2.75 million).

The impact of the pro forma adjustment on non-current financial liabilities in the statement of financial position is explained as follows:

In € million	As of June 30, 2017
New Parent Notes	600
Transaction costs on bond issuance	(8.3)
Redemption of Buchbinder swap	(11.4)
Buchbinder tangible assets	22
Cancellation Goldcar capitalized transaction cost	12.1
Total non-current financial liabilities	614.4

The impact of the pro forma adjustment on current financial liabilities in the statement of financial position is explained as follows:

In € million	As of June 30, 2017
New Financing	411.9
Reimbursement Goldcar Debt	(411.9)
Fees related to bridge facility	(6.7)
Buchbinder earn-out	15
Buchbinder Tangible assets	15
Total current financial liabilities	23.3

The recurring impact of pro forma adjustment on financial result is explained as follows:

In € million	For the six months ended June 30, 2017
Interest on New Parent Notes	(13.5)
Interest on Goldcar new financing (at 3.375%)	(7.1)
Cancellation of Interest on Goldcar debt	12.4
Gain on interest on swap redemption	1.2
Total financial result	(7.0)

In € million	For the year ended December 31, 2016
Interest on New Parent Notes	(27)
Interest on Goldcar new financing (at 3.375%)	(13.8)
Cancellation of Interest on Goldcar debt	25.3
Gain on interest on swap redemption	2.5
Total financial result	(13)

On a pro forma basis, the financial result is impacted by:

- The additional financing costs related to the New Parent Notes (€27 million on an annual basis);
- The additional financing costs related to the Bridge-to-Asset-Backed Facility drawn to refinance the existing debt of Goldcar and to finance the Adjusted Fleet Value. These additional financing costs are based on the assumption of an interest rate at 3.375% (average interest rate of the Bridge-to-Asset-Backed Facility for the first twelve months period after closing) applied for each period of pro forma (year ended December 31, 2016 and six months ended June 30, 2017) to the maximum Adjusted Fleet Value to be financed during the period. In parallel, the financing costs of Goldcar on a standalone basis are fully reversed for an amount of €25.3 million in 2016 and €12.4 million for the six months ended June 30, 2017.

The recurring impact of the pro forma adjustment on fleet financing costs is explained as follows:

In € million	For the six months ended June 30, 2017
Gain on interest on swap redemption	1.2
Goldcar fleet financing costs	5.4
Additional fleet financing costs	(4.4)
Total fleet financing cost	2.2

In € million	For the year ended December 31, 2016
Gain on interest on swap redemption	2.5
Goldcar fleet financing costs	13
Additional fleet financing costs	(10.8)
Total fleet financing cost	4.7

On a pro forma basis, the fleet financing costs have been adjusted to reflect the additional fleet financing costs related to the Bridge Asset Backed Facility drawn to refinance the existing debt of Goldcar and to finance the Adjusted Fleet Value. These additional financing costs are based on the assumption of an interest rate at 3.375% (average interest rate of the Bridge-to-Asset-Backed Facility for the first twelve months period after closing) applied for each period of pro forma (the full year ending December 31, 2016 and the six months ending June 30, 2017) to the average Adjusted Fleet Value to be financed during the period (the financing costs related to the difference between the maximum and average amounts are treated as corporate financing costs as in excess for the strict purpose of the fleet financing). In parallel, the fleet financing costs of Goldcar on a standalone basis are fully reversed for an amount of €13 million for the year ended December 31, 2016 and €5.4 million for the six months ended June 30, 2017.

D – Non-recurring costs

Non-recurring costs related to transaction costs amount to €17 million. They include €8.3 million one off costs related to the bond issuance, €2 million related to the acquisitions of Buchbinder and Goldcar (in addition to the €4.3 million already accrued as of June 30, 2017), and fees to be paid in connection with the bridge facility.

Cancellation of Goldcar capitalized transaction costs amounting to €12.1 million and fees amounting to €2.75 million, both related to the change of control of Goldcar Debt are also part of non-recurring costs.

In € million	For the six months ended June 30, 2017
One off costs related to the bond issuance	(8.3)
Acquisition costs ⁽¹⁾	(2)
Fees related to bridge facility	(6.7)
Total transaction costs	(17.0)
Cancellation Goldcar capitalized transaction cost	(12.1)
Fees related to change of control of Goldcar debt	(2.7)
Acquisition costs ⁽²⁾	(4.3)
Total non-recurring costs	(36.1)

(1) not accrued as of June 30, 2017 and in addition to €4.3 million accrued as of June 30, 2017.

(2) accrued as of June 30, 2017 and reversed in the pro forma income statement.

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EUROPCAR GROUPE

**STATUTORY AUDITORS' REVIEW REPORT ON THE
HALF-YEAR FINANCIAL INFORMATION
(Half-year ended June 30, 2017)**

STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEAR FINANCIAL INFORMATION (Six months ended June 30, 2017)

(This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

EUROPCAR GROUPE

2 rue René Caudron

Bâtiment Op

78960 Voisins le Bretonneux

In compliance with the assignment entrusted to us by your Shareholder meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements EUROPCAR GROUPE for the period from January 1, 2017 to June 30, 2017;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34—the standard of IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

This report shall be governed, and construed in accordance with French law and professional standards applicable in France. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report.

Neuilly-sur-Seine and Courbevoie, July 25, 2017

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit
François Jaumain

Mazars
Isabelle Massa

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Interim condensed consolidated income statement

In € thousands	Notes	First-half 2017	First-half 2016
Revenue		1,027,776	947,934
Fleet holding costs	4	(264,036)	(248,480)
Fleet operating, rental and revenue related costs	5	(371,272)	(336,875)
Personnel costs	6	(191,217)	(169,588)
Network and head office overhead costs		(120,611)	(111,035)
Depreciation, amortization and impairment expense	8	(14,225)	(15,858)
Other income		3,934	2,517
Current operating income		70,349	68,615
Other non-recurring income	9	45,000	11,444
Other non-recurring expense	9	(83,532)	(8,187)
Operating income		31,817	71,872
Gross financing costs		(45,945)	(44,440)
Other financial expenses		(12,725)	(11,738)
Other financial income		631	1,062
Net financing costs	10	(58,039)	(55,116)
Profit/(loss) before tax		(26,222)	16,756
Income tax benefit/(expense)	11	4,995	(11,043)
Share of profit of Associates		(5,751)	(2,904)
Net profit/(loss) for the period		(26,978)	2,809
Attributable to:			
Owners of ECG		(26,840)	2,927
Non-controlling interests		(138)	(118)
Basic loss per share attributable to owners of ECG (in €)	19	(0.185)	0.020
Diluted loss per share attributable to owners of ECG (in €) ..	19	(0.185)	0.020

Interim condensed consolidated statement of comprehensive income

In € thousands	First-half 2017			First-half 2016		
	Before tax	Tax income/ (expense)	After tax	Before tax	Tax income/ (expense)	After tax
Net profit/(loss) for the period	(31,973)	4,995	(26,978)	13,852	(11,043)	2,809
Items that will not be reclassified to profit or loss						
Actuarial gains/(losses) on defined benefit pension schemes	3,683	(1,252)	2,431	(18,847)	5,222	(13,625)
Items that may be reclassified subsequently to profit or loss						
Foreign currency differences	(4,880)	–	(4,880)	(19,989)	–	(19,989)
Effective portion of changes in fair value of hedging instruments	12,841	–	12,841	(14,262)	–	(14,262)
Net change in fair value of available-for-sale financial assets . . .	–	–	–	(148)		(148)
Other comprehensive income for the period	11,644	(1,252)	10,392	(53,246)	5,222	(48,024)
Total comprehensive income/(loss) for the period	(20,329)	3,743	(16,586)	(39,394)	(5,821)	(45,215)
Attributable to:						
Owners of ECG			(16,448)			(45,065)
Non-controlling interests			(138)			(150)

Interim condensed consolidated statement of financial position

In € thousands	Notes	At June 30, 2017	At Dec. 31, 2016
Assets			
Goodwill	12	557,009	459,496
Intangible assets		726,181	715,209
Property, plant and equipment		104,118	84,102
Equity-accounted investments	13	–	14,083
Other non-current financial assets	14	58,103	67,820
Financial instruments non-current		1,210	–
Deferred tax assets		64,377	58,743
Total non-current assets		1,510,998	1,399,453
Inventory		21,324	16,843
Rental fleet recorded on the balance sheet	15	2,384,263	1,640,251
Rental fleet and related receivables	16	746,579	720,623
Trade and other receivables	17	385,377	365,200
Current financial assets	14	47,952	77,003
Current tax assets		52,934	35,585
Restricted cash	18	110,394	105,229
Cash and cash equivalents	18	213,518	154,577
Total current assets		3,962,341	3,115,311
Total assets		5,473,339	4,514,764
Equity			
Share capital		161,031	143,409
Share premium		747,497	647,514
Reserves		(104,239)	(111,681)
Retained earnings (losses)		(51,911)	(48,706)
Total equity attributable to the owners of ECG		752,378	630,536
Non-controlling interests		875	730
Total equity	19	753,253	631,266
Liabilities			
Financial liabilities	20	959,892	953,240
Non-current financial instruments		41,060	56,216
Employee benefit liabilities		136,148	139,897
Non-current provisions	21	31,976	18,640
Deferred tax liabilities		123,898	107,848
Other non-current liabilities		221	246
Total non-current liabilities		1,293,195	1,276,087
Current portion of financial liabilities	20	1,557,404	1,224,442
Employee benefits		3,247	3,247
Current tax liabilities		41,184	39,227
Rental fleet related payables	16	1,013,096	679,678
Trade payables and other liabilities		588,117	440,065
Current provisions	21	223,843	220,752
Total current liabilities		3,426,891	2,607,411
Total liabilities		4,720,086	3,883,498
Total equity and liabilities		5,473,339	4,514,764

Interim condensed 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 as at January 1, 2016	143,155	767,402	(45,488)	(28,884)	31	(274,821)	561,395	961	562,356
Net profit/(loss) for the period						2,927	2,927	(118)	2,809
Other comprehensive income/(loss)	–	–	(14,262)	(19,957)	–	(13,773)	(47,992)	(32)	(48,024)
Transactions with owners	254	(254)	–	–	(2,800)	2,691	(109)	(127)	(236)
Balance as at June 30, 2016	143,409	767,147	(59,750)	(48,481)	(2,769)	(282,976)	516,221	684	516,905
Balance as at January 1, 2017	143,409	647,514	(53,900)	(52,935)	(4,846)	(48,706)	630,536	730	631,266
Net profit/(loss) for the period						(26,840)	(26,840)	(138)	(26,978)
Foreign exchange gains (losses)	–	–	–	(4,880)	–	–	(4,880)	–	(4,880)
Effective portion of changes in fair value of hedging instruments	–	–	12,841	–	–	–	12,841	–	12,841
Actuarial gains/(losses) on defined benefit pension schemes	–	–	–	–	–	3,683	3,683	–	3,683
Income tax related to components of other comprehensive income	–	–	–	–	–	(1,252)	(1,252)	–	(1,252)
Other comprehensive income/(loss)	–	–	12,841	(4,880)	–	2,431	10,392	–	10,392
Capital increase on private placement	14,613	156,040	–	–	–	–	170,653	–	170,653
Capital increase reserved for employees	2,723	19,064	–	–	–	–	21,787	–	21,787
Capital increase to deliver free-shares plans	286	(286)	–	–	–	–	–	–	–
Share base payment	–	–	–	–	–	4,264	4,264	–	4,264
Purchases / Sales of Treasury Shares	–	–	–	–	(520)	–	(520)	–	(520)
Profit appropriation by share premium	–	(15,469)	–	–	–	15,469	–	–	–
Dividends	–	(59,366)	–	–	–	–	(59,366)	–	(59,366)
Others	–	–	–	–	–	1,472	1,472	283	1,755
Transactions with owners	17,622	99,983	–	–	(520)	21,205	138,290	283	138,573
Balance as at June 30, 2017	161,031	747,497	(41,059)	(57,815)	(5,366)	(51,911)	752,378	875	753,253

Interim condensed consolidated cash flow statement

In € thousands	First-half 2017	First-half 2016
Profit/(loss) before tax	(26,222)	16,756
Reversal of the following items		
Depreciation and impairment expenses on property, plant and equipment	8,580	7,292
Amortization and impairment expenses on intangible assets	5,726	8,566
Changes in provisions and employee benefits ⁽¹⁾	11,783	(33,482)
Recognition of share-based payments	2,764	2,450
Profit/(loss) on disposal of assets	(30)	(62)
Total net interest costs	49,404	47,101
Amortization of transaction costs	3,865	3,734
Other non-cash items	(1,139)	440
Net financing costs	52,100	51,213
Net cash from operations before changes in working capital	54,731	52,795
Changes to the rental fleet recorded on the balance sheet ⁽²⁾	(612,182)	(478,053)
Changes in fleet working capital	290,806	158,226
Changes in non-fleet working capital	101,874	73,334
Cash generated from operations	(164,771)	(193,698)
Income taxes received/paid ⁽³⁾	(17,148)	63
Net interest paid	(49,386)	(46,786)
Net cash generated from (used by) operating activities	(231,305)	(240,421)
Acquisition of intangible assets and property, plant and equipment ⁽⁴⁾	(22,349)	(16,294)
Proceeds from disposal of intangible assets and property, plant and equipment	1,287	3,382
Other investments and loans ⁽⁵⁾	(77,420)	2,756
Net cash used by investing activities	(98,482)	(10,156)
Capital increase (net of related expenses) ⁽⁶⁾	192,440	–
Dividends received / paid	(59,366)	–
Issuance of bonds	–	130,625
(Purchases) / Sales of treasury shares net	(520)	(2,800)
Change in other borrowings ⁽⁷⁾	263,630	171,608
Payment of transaction costs	(563)	(2,447)
Net cash generated from (used by) financing activities	395,621	296,986
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	65,834	46,409
Changes in scope ⁽⁸⁾	2,988	–
Effect of foreign exchange differences	(783)	(997)
Cash and cash equivalents at end of period	316,546	274,780

(1) In 2017, the reversal of provision for disputes with French Competition Authority for €45 million and the accrual of provision related to the Trading Standard investigation in the UK for (€44) 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) The increase of tax cash-out in H1 2017 versus H1 2016 is mainly due to prior year's regularizations in H1 2016 in UK and Spain. The cash out in H1 2017 amounts to (€17 million) and is due to regular cash out mainly in UK (€6 million), Germany (€5 million) and France (€3 million).

(4) Mainly related to IT cost capitalized (€9.9 million); other & technical equipment for (€11.5 million).

(5) Of which Denmark franchisee acquisition price (€51.7 million), UbeeQo minority's stake acquisition price (€7 million), minority stake in a start-up SnappCar (€4.9 million), deposits and sureties (€6.7 million) and business acquisition of Australian franchisee (€1.7 million).

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

(7) Related to drawing variation under Senior Notes (SARF).

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

Note 1—General overview

1.1) General information

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

ECG changed its governance on February 24, 2015 to take the form of a joint stock company with a Management Board and a Supervisory Board.

ECG is the ultimate parent company of Europcar Group (the “**Group**”) which leverages all of its experience in car and utility vehicle rental for short and medium terms, offers various mobility solutions to its customers. Under its Europcar and InterRent brands, the Group covers a wide range of markets and customers, both private and business, with services ranging from luxury to low-cost.

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

1.2) Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended June 30, 2017 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, 2016.

They were reviewed by the Audit Committee on July 21, 2017 and authorized for issue by the Management Board of Europcar Group and by the Supervisory Board of Europcar Group on July 24, 2017.

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

1.3) Main events of the period

(a) Scope changes and acquisitions

- In December 2016, the Group expanded its network of subsidiaries by acquiring 100% of its **Irish franchisee**. In addition to its car rental business, the Group also acquired Europcar Ireland’s car-sharing service, launched in 2012, which operates under the GoCar brand. Given the date of the acquisition, the Irish entities, ETL, GoCar and Irish Car Rental Ltd, were not included in the consolidation scope as of December 31, 2016. They are fully consolidated as from January 1, 2017.

The €23.6 million investment made by the Group’s French subsidiary, Europcar Participations includes an estimated earn out for €10.5 million and registration fees for €0.2 million. The net assets acquired amounted to €(0.3) million and a transitional Goodwill of €34.6 million was recognized. The annual revenue is approximately €50 million.

The acquired business’s contribution to the Group’s revenue and operating results for the period from the acquisition date until June 30, 2017 is €23.4 million and €4.1 million respectively.

- On February 17, 2017 the Group announced the exclusive takeover of **Ubeeqo**, through its subsidiary Europcar Lab SAS, which until then has been consolidated under the equity method in Europcar scope. Starting March 1, 2017 Ubeeqo is fully consolidated.

The 2016 company's revenue amounted approximately to €5 million, with strong growth budgeted in the coming years.

The change in the consolidation method led to a transitional Goodwill recognition amounting to €18.5 million (of which €13.6 million issued from the initial transaction in 2014).

As part of the step by step acquisition, the effect of the revaluation of the share prior to the acquisition had no impact in the income statement.

- March 9, 2017 Europcar Australia acquired assets from **its franchisee in the Queensland** region of Australia for an amount of 2.5 million Australian dollars (€1.7 million). Transitional Goodwill of the same amount was recognized as at June 30, 2017.
- On April 27, 2017 the Group acquired its **Danish franchisee**, one of its biggest in terms of revenue. Europcar Denmark is the market leader with circa 30% market share in Denmark. It operates an average rental fleet of 6,000 vehicles through 40 branches . In 2016, Europcar Denmark generated revenues of €60 million.

The €51.7 million investment made by the Group's French subsidiary, Europcar Participations includes an estimated earn out for €4.9 million. The net assets acquired amounted to €15.2 million and a transitional Goodwill of €36.5 million was recognized.

- On May 23, 2017, pursuant to share purchase agreement, Europcar Lab acquired a minority stake of up to 20% in **SnappCar** a peer-to-peer car sharing start-up. SnappCar is a Dutch scale-up and social enterprise created in 2011. It is the second largest international peer-to-peer car sharing player in Europe with more than 250.000 customers sharing over 30.000 cars available on its platform. Today SnappCar is available in the Netherlands, Denmark and Sweden with the intention to expand to new markets.

The first investment step performed amounts to €4.9 million representing 13.5% of share capital. The second investment step, subject to the achievement of business objectives, will be performed before the end of the year and will amount to €3.1 million.

The shareholders' agreement doesn't allow Europcar to have a significant influence over its investee. Consequently, SnappCar is a minority investment not included in consolidation scope.

- On May 26, 2017 the Group has signed an agreement to acquire **Buchbinder**. Founded over 60 years ago, Buchbinder is a well-established company in Germany, with an extensive network of 152 stations of which 18 airport stations and an average fleet in excess of 20,000 vehicles. It is the 5th largest car rental company in the market with a solid positioning as a low cost car rental operator, as well as a leading position in the vans & trucks segment. Buchbinder is also a market leader in Austria and is present in Hungary and Slovakia. In 2016, Buchbinder Group generated revenues of around €200 million. This transaction is based on a post-synergy Adjusted Corporate EBITDA slightly above 5x.

The acquisition is subject to customary conditions precedent, including the approval of antitrust authorities, and is expected to close in the second half of the year 2017. Consequently, Buchbinder isn't included in consolidation scope as at June 30, 2017.

- On June 17, 2017 the Group has signed an agreement to acquire **Goldcar**. Goldcar is a major low cost operator in Europe thanks to its strong positions in Spain and Portugal and its strong know-how in running a lean and efficient pure low-cost operating model. In 2016, Goldcar generated revenues of around €240 million and an estimated adjusted Corporate EBITDA of approximately €48 million. This transaction is based on a Corporate Enterprise Value of €500 million.

The acquisition is subject to customary conditions precedent, including the approval of antitrust authorities, and is expected to close in the second half of the year 2017. Consequently, Goldcar isn't included in consolidation scope as at June 30, 2017.

(b) Capital increase

- **Capital increase reserved for employees of the group (Employee Share Ownership Plan)**

In 2016, the Group launched its first international share offer reserved for employees of the Company and Group subsidiaries wholly owned either directly or indirectly by the Company, who are members of Europcar's Group Employee Savings Plan (the "GESP") and the International Group Employee Savings Plan ("IGESP") and whose registered offices are in Germany, Australia, Belgium, Spain, U.S.A, France, Italy, New Zealand, Portugal and the UK (the "Offer").

Under the terms of the Offer, in accordance with the authorizations granted by the Company's Combined General Meeting of May 10, 2016 (resolutions 13 and 14), the Management Board, after obtaining the approval of the Supervisory Board, decided on August 31, 2016, to increase the Company's capital for the benefit of (i) GESP and IESP members and (ii) a special purpose entity belonging to a bank whose sole purpose is to subscribe for, hold and sell shares in the Company in order to implement the Offer, up to a maximum nominal amount of 2% of the share capital at the date the decision was taken.

The subscription price per share was set on January 20, 2017, at the average opening price on the twenty trading days immediately preceding the Management Board decision fixing the dates for the subscription/cancellation of shares, less a 15% discount rounded up to the nearest euro cent. Each subscriber benefits from an employer contribution of 100% of their initial subscription up to a gross value of €1,000.

The Offer resulted in a gross capital increase of €21,787,312 on February 24, 2017 through the issuance of 2,723,414 new shares at a price of €8 per share.

2,177 employees in the ten countries involved, representing 33% of the Group's workforce, subscribed to the Offer. As a result, the shares held by Group employees represented 1.97% of the Company's share capital as at June 30, 2017, compared to 0.12% at December 31, 2016.

The new shares issued under the Offer are ordinary shares of the Company. They were listed for trading on the Euronext Paris market immediately on issue as part of the same code as existing shares. They are valid from January 1, 2017, and entitle holders to dividends paid in respect of the year ended December 31, 2016.

In accordance with IFRS 2, this leveraged employee share ownership plan offers the possibility to employees to subscribe for shares at a discounted preferential rate. As a consequence, the Group has recognized an expense amounting to €2.7 million with a counterpart fully credited to equity in the condensed consolidated financial statement as of June 30, 2017. In addition, the employer contribution amounts to €1 million recognized as an expense.

- **Capital increase through a private placement**

On June 21, 2017 Europcar Groupe placed 14,612,460 new ordinary shares at a price per share of €12.00, including share premium, for a total of €175,349,520, representing approximately 10% of Europcar Groupe's ordinary shares pre-capital raise. The fees related to the private placement amounting to €4.7 million were included in the share premium. Settlement for the new ordinary shares and their admission to listing on Euronext Paris took place on June 23, 2017.

The subscription price of €12.00 per new ordinary share represents a discount of 3.23% compared to the closing price of the shares on Euronext Paris on June 20, 2017.

Note 2—Significant accounting policies

2.1 Principle of accounts preparation

The accounting principles used to prepare these interim condensed consolidated financial statements as of and for the six months June 30, 2017 are the same as those used to prepare the 2016 consolidated financial statements, except for certain interim reporting treatment as described below in the “Use of estimates and judgments” section.

- As at June 30, 2017, there are no new standards, amendments to existing standards or published interpretations that are mandatory in the financial statements as at June 30, 2017.
- New standards, amendments to existing standards and interpretations applicable in future years and not early adopted by the Group for the period ended June 30, 2017:
 - Adopted by the European Union:
 - IFRS 15—Revenue from contracts with customers
 - IFRS 9—Financial instruments
 - Non adopted by the European Union:
 - Amendments to IFRS 2—Classification and Measurement of Share-based Payment Transactions
 - Amendments to IFRS 4—Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
 - Amendments to IAS 40—Transfers of Investment Property
 - Amendments to IFRS 1 and IAS 28—Annual improvements 2014—2016
 - IFRIC 22—Foreign Currency Transactions and Advance Consideration
 - IFRS 16—Leases
 - IFRIC 23—Uncertainty over Income Tax Treatments
 - IFRS 17—Insurance Contracts
 - Amendments to IFRS 15—Clarification to IFRS 15
 - Amendments to IFRS 10 and IAS 28—Sale or transfer to assets between an investor and an associate or joint venture
 - Amendments to IAS 12—Recognition of Deferred Tax Assets for Unrealized Losses
 - Amendments to IAS 7—Information Disclosure Initiative

The effects of applying IFRS 15 and its amendments for clarification to the accounting of revenue as from January 1, 2018 have been assessed and have been considered of little significance in light of the nature of the Group’s business activities.

The Group has begun the analysis of the impacts of IFRS 16 Leases, applicable with effect from January 1, 2019 and the approximate impact on the balance sheet of the first time adoption will be assessed from this valuation phase.

The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement of financial assets, an “expected loss” model for loans and receivables and a reformed approach to hedge accounting. The classification and measurement of Group’s

financial assets will be substantially the same as they are currently under IAS 39; the impairment allowances won't be materially affected by a focus on the risk that a loan will default rather than whether a loss has been incurred. Regarding the hedge accounting, the Group doesn't expect either any significant impact of applying the reformed approach.

2.2) 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 six months ended June 30, 2017 may not reflect the results that are expected for full-year 2017.

2.3) 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, 2016, with the following exceptions:

- the estimate used to recognize the interim tax expense: for interim financial information, the current and deferred tax expense are 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 2017 to pre-tax income and share of 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 50% of the estimated annual expense.
- the associates' interim results as of June 30, 2017 have been estimated using historical and forecasted data.

In view of the significant increase in the yield on AA-rated bonds (1.3% December 31, 2016 versus 1.5% at June 30, 2017), 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 50% of the estimated expense for 2017 based on the data and assumptions used at December 31, 2016.

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 3—Segment reporting

Europcar operates a car rental activity:

- first, with its own rental fleet in eleven countries.
- and second, through a franchise network present both in the countries in which Europcar operates directly (“domestic franchises”), but especially in the other countries (“international franchises”).

In total, the Europcar Group is present in more than 130 countries and territories.

The chief operating decision maker within the meaning of IFRS 8—Operating Segments, is the Group’s Management Board.

On July 25, 2016, the Group adopted a new organization by segment encouraging better integration of its “customers” in order to accelerate the development of its “Go To Market” strategy. The five Business Units are : (i) Cars BU, (ii) Vans & Trucks BU, (iii) Low Cost BU, (iv) New Mobility BU, and (v) International Coverage BU.

At this stage, the new organization is based on commercial strategies and a business model that are defined by the senior executives of business units then shared with senior executives of the countries who implement it in each market.

The Group is mainly managed day to day on the basis of reporting data from individual countries. Following the operations of external growth conducted in the first half 2017 and the implementation of this new organization, the internal reporting system and management tools already in operation will have to be adapted in view of future business integrations.

As a result, the Group continues to present the segment reporting required by IFRS 8 according to two geographic segments. Segment reporting is complemented by information on revenues of business units.

Indeed, the Group presents two geographical segments: Europe and Rest of the World, within which the nature of the services provided, and the category of customers targeted, are identical. 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 regarding 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, Ireland, the United Kingdom and Denmark), organized on shared service, customer and distribution criteria, as well as franchised European countries (Austria, Finland, Greece, 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 the world: all countries other than those cited above, including Australia and New Zealand, where the Group operates the fleet directly.

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

- Revenue from operations: includes vehicle rental income, territorial fees, other commissions related to the Group's trademarks and billed to franchisees, and fuel sales;
- adjusted corporate EBITDA: recurring operating income before depreciation and amortization, after deduction of the interest expense on liabilities 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-half 2017
In € thousands	Note	Europe	Rest of the World	Eliminations & Holding companies	Segment total
Segment revenue		945,721	84,618	(2,563)	1,027,776
Recurring operating income		37,004	17,251	16,098	70,352
Amortization and depreciation expense . . .		6,758	581	6,886	14,225
Net fleet financing expenses		(27,176)	(1,695)	653	(28,218)
Adjusted corporate EBITDA		16,586	16,137	23,637	56,359
Total assets		2,279,999	121,331	3,072,009	5,473,339
Total liabilities		2,446,624	90,546	2,182,916	4,720,086

					First-half 2016
In € thousands	Note	Europe	Rest of the World	Eliminations & Holding companies	Segment total
Segment revenue		876,707	73,446	(2,219)	947,934
Recurring operating income		42,820	13,537	12,257	68,615
Amortization and depreciation expense . . .		5,276	490	10,092	15,858
Net fleet financing expenses		(28,165)	(1,186)	(406)	(29,757)
Adjusted corporate EBITDA		19,931	12,841	21,943	54,716
Total assets		1,970,169	76,590	2,866,794	4,913,563
Total liabilities		2,124,018	59,439	2,213,874	4,397,331

a) Information about revenue and services

Revenue and services can be analyzed as follows:

					First-half 2017
In € thousands		Europe	Rest of the World	Eliminations & Holding companies	Segment total
Vehicle rental income		882,918	73,410	–	956,328
Other revenue associated with car rental		49,395	1,516	(2,563)	48,348
Franchising business income		13,408	9,692	–	23,100
Segment revenue		945,721	84,618	(2,563)	1,027,776

In € thousands	First-half 2016			
	Europe	Rest of the World	Eliminations & Holding companies	Segment total
Vehicle rental income	821,106	63,743	214	885,063
Other revenue associated with car rental	40,499	1,394	(2,433)	39,460
Franchising business income	15,102	8,309	–	23,411
Segment revenue	876,707	73,446	(2,219)	947,934

b) Customer segment information

In € thousands	First-half 2017	First-half 2016
Vehicle rental income	956,328	885,063
<i>Breakdown of customers by segment</i>		
Leisure broker	53.2%	53.2%
Business	46.8%	46.8%

c) Revenue of Business Units:

In € thousands	First-half 2017					
	CARS	VANS	LOWC	MOBI	ICOV	TOTAL
Segment revenue	841,657	106,517	45,762	11,169	22,671	1,027,776

Note 4—Fleet holding costs

In € thousands	First-half 2017	First-half 2016
Costs related to rental fleet agreements	(223,208)	(210,288)
Purchase and sales related costs	(23,132)	(22,583)
Taxes on vehicles	(17,696)	(15,609)
Total fleet holding costs	(264,036)	(248,480)

Note 5—Fleet operating, rental and revenue related costs

In € thousands	First-half 2017	First-half 2016
Fleet operating costs	(123,409)	(105,626)
Revenue-related commissions and fees	(136,322)	(127,330)
<i>Of which, trade receivables allowances and write-offs</i>	<i>(3,666)</i>	<i>(4,365)</i>
Rental related costs	(111,541)	(103,919)
Total fleet operating, rental and revenue related costs	(371,272)	(336,875)

Note 6—Personnel costs

In € thousands	First-half 2017	First-half 2016
Wages and salaries	(142,250)	(125,016)
Social security contributions	(33,166)	(33,466)
Post-employment benefits	(3,750)	(2,630)
Other items	(12,051)	(8,476)
Total personnel costs	(191,217)	(169,588)

Note 7—Share base payments

- The Europcar Extraordinary Shareholders' Meeting held on June 8, 2015 authorized the Management Board to award free shares in the Company. The Management Board, at its meeting held on June 25, 2015, pursuant to said delegation of authority approved the decision and the principle of two free share plans.

The first "AGA 13 T1" and "AGA 13 T2" plan benefited members of the Group's Executive Committee.

- Vesting period of "AGA 13 T1" ended on June 25, 2017, following a two-year vesting period and subject to performance and continuous presence criteria;
- Vesting period of "AGA 13 T2" will end on December 31, 2017, following a two-year and a half vesting period and subject to performance and continuous presence criteria

The second free share plan, "AGA 100", benefited the Group's top 100 senior executives. Vesting period of "AGA 100" ended on June 25, 2017, following a two-year vesting period and subject to performance and continuous presence criteria.

The number of free shares definitely acquired by the beneficiaries were vested solely under the AGA 13 T1 share based plan and were delivered on June 26, 2017 ; this led to a capital increase of 285.711 new shares of €1 each.

As of June 20, 2017, 602,445 free shares on AGA 13 T2 are still outstanding.

- The Company's Extraordinary General Meeting dated as of 10 May 2016 , in its 12th resolution, authorized the implementation free performance shares award scheme, in favor of some employees or managers of the Group. This authorization has been given for a 26-months period and is valid until July 8, 2018.

The acquisition of these performance shares, following a vesting period of two years (or three years for non-French residents under option), is subject to the beneficiary's continued employment with the Group on the vesting date, and the achievement of the following performance conditions for the fiscal year ended December 31, 2017 and December 31, 2018, performance conditions related to (i) Group EBITDA, (ii) revenue, and (iii) a relative TSR (Total Shareholder Return).

When the vesting period is equal to 2 years, a one-year retention period is required for free shares. No retention period is required when the vesting period is equal to 3 years.

As of June 30, 2017, 521,500 free-shares on AGA 17 are still outstanding.

	Number of free shares
Currently vesting as of January 1, 2016	1,863,333
Cancelled	(403,574)
Currently vesting as of December 31, 2016	1,459,759
Granted	521,500
Cancelled	(571,603)
Delivered	(285,711)
Currently vesting as of June 30, 2017	1,123,945

The cumulative charge for these plans amounts to €7.1 million as at June 30, 2017 (compared to €10.2 million at June 30, 2016).

In June 30, 2017, the impact on the income statement for services received was a expense of €1.5 million compared with an expense of €2.5 million as at June 30, 2016. The counterpart has been credited to equity.

Note 8—Amortization, depreciation and impairment expense

In € thousands	First-half 2017	First-half 2016
Amortization of intangible assets ⁽¹⁾	(5,564)	(8,566)
Depreciation of property, plant and equipment	(8,661)	(7,292)
Total amortization, depreciation and impairment expense	(14,225)	(15,858)

(1) In 2016, Goodwill allocated to Greenway was fully depreciated and consequently the amortization expense has decreased in 2017.

Note 9—Other non-recurring income and expenses

In € thousands	First-half 2017	First-half 2016
Other non-recurring income ⁽¹⁾	45,000	11,444
Total other non-recurring income	45,000	11,444
Reorganization expenses	(17,051)	(5,209)
O/w: Reorganization—redundancy expenses	(15,224)	(2,634)
Reorganization—fees	(1,827)	(2,575)
M&A	(8,857)	—
Other non-recurring expense ⁽²⁾	(57,624)	(2,977)
Total other non-recurring expense	(83,532)	(8,187)
Total other non-recurring income and expenses	(38,532)	3,257

(1) In 2017, €45 million reversal of the provision related to the proceedings with the Authority Of The French Competition (note 25).

(2) In 2017, (€44) million due to the accrual of provision related to the Trading Standard investigation in the UK (Note 25).

Note 10—Net financing costs

In € thousands	First-half 2017	First-half 2016
Net fleet financing expenses	(28,218)	(29,757)
Net other financing expenses	(17,727)	(14,683)
Gross financing costs	(45,945)	(44,440)
Profit (Loss) on derivative financial instruments	1,211	(700)
Amortization of transaction costs	(3,865)	(3,734)
Foreign exchange losses	(845)	(2,064)
Adjustments to the discounting rates applied to provisions and employee benefits	(908)	(1,092)
Other	(8,318)	(4,148)
Other financial expenses	(12,725)	(11,738)
Foreign exchange gains	631	1,062
Other financial income	631	1,062
Net financing costs	(58,039)	(55,116)

Note 11—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 2017, determined separately for each country.

The rules applied to recognize the deferred tax assets remain unchanged regarding December 31, 2016.

The Income tax income amounts to €5.0 million as at June 30, 2017 (Income tax expense amounting to €11 million as at June 30, 2016).

At Group level, the effective tax rate for the six-month period ended June 30, 2017 is 19% compared to 65.9% for the period ended June 30, 2016.

Note 12—Goodwill

In accordance with IAS 36, for its interim consolidated financial statements, 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 June 30, 2017, including on goodwill and the Europcar trademark.

Following the acquisitions and changes in the consolidated scope in the first half of 2017, the amount of goodwill has increased by €98 million as follows:

In € thousands	Germany	UK	France	Other countries	Total
Balance as at January 1, 2017	180,384	94,604	91,878	92,629	459,496
Acquisitions(*)	—	—	—	99,296	99,296
Effect of movements in foreign exchange rates	—	(1,682)	—	(529)	(2,211)
Other	—	—	429	—	429
Balance as at June 30, 2017	180,384	92,922	92,307	191,396	557,009

(*) Of which €34.6 related to the Irish franchisee, €38 million related to the Danish franchisee (including €1.5 million of pre-acquisition goodwill), €25 million related to the Ubeevo takeover and its full integration in Group financial statements as at March 1, 2017 (including €6.5 million of pre-acquisition goodwill on Bluemove and Guidami) and €1.7 million related to Australian Franchisee acquisition of assets.

Note 13—Equity-accounted investments

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in €k)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2Go Europe GmbH . . .	Germany	25.00%	25.00%	(4,270)	—	5,833
Ubeevo ⁽¹⁾ . . .	France	75.71%	75.71%	(1,481)	—	—
Total				(5,751)	—	5,833

(1) %interest and share of profit/loss of associate accounted for under the equity method before the exclusive takeover of Ubeevo ended February 2017.

Note 14—Financial assets

In € thousands	At June 30, 2017	At Dec. 31, 2016
Other non-current financial assets		
Available-for-sale financial assets	1,873	1,224
Held-to-maturity investments ⁽¹⁾	33,021	36,415
Deposits and prepayments	14,798	6,183
Other long-term investments ⁽²⁾	8,411	23,998
Total non-current financial assets	58,103	67,820
Current financial assets		
Loans ⁽²⁾	219	34,165
Other current financial assets ⁽¹⁾	47,733	42,838
Total current financial assets	47,952	77,003

(1) Including €33 million to cover liabilities arising from our captive insurance structure (€63.3 million at December 31, 2016), mainly consisting of bonds recognized at amortized cost.

(2) Of which €8 million related to Snappcar acquisition in June 2017 and €23.6 million of shares and a €22 million loan related to the Irish Franchisee not included in consolidation scope as of December 2016.

Note 15—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 year ended December 31, 2016 and six months period ended June 30, 2017:

Type of acquisition and related financing	% of total volume of vehicles purchased	
	At June 30, 2017	At Dec. 31, 2016
Vehicles purchased with manufacturer or dealer buy-back commitment financed on-balance sheet	41%	46%
Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements qualifying as operating leases	49%	46%
Total fleet purchased with buy-back arrangements	90%	92%
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	9%	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:

In € thousands	At June 30, 2017	At Dec. 31, 2016
Deferred depreciation expense on vehicles	272,734	155,328
Vehicle buy-back agreement receivables	1,572,275	1,059,333
Fleet purchased with buy-back contracts financed on-balance sheet	1,845,009	1,214,661
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	462,423	341,594
Vehicles acquired through rental agreements qualifying as finance leases without buy-back arrangements	76,831	83,996
Total rental fleet recognized in the statement of financial position	2,384,263	1,640,251

The fleet is presented net of depreciation or impairment expense amounting to €3.9 million (December 2016: €4.3 million) in respect of damaged or stolen vehicles.

Note 16—Receivables and payables related to the rental fleet

In € thousands	At June 30, 2017	At Dec. 31, 2016
Fleet-related receivables	570,404	612,739
VAT receivables	176,175	107,884
Total fleet-related receivables	746,579	720,623

In € thousands	At June 30, 2017	At Dec. 31, 2016
Fleet-related payables ⁽¹⁾	938,997	551,344
VAT payables	74,099	128,334
Total fleet-related payables	1,013,096	679,678

(1) Related to fluctuations in fleet volumes in relation to the seasonality of the activity.

The change in working capital requirements related to the rental fleet is detailed below:

In € thousands	At June 30, 2017	At June 30, 2016
Fleet-related receivables	45,041	(60,823)
VAT receivables	(65,303)	(88,883)
Payables related to fleet acquisition	366,702	321,595
VAT payables	(55,634)	(13,663)
Changes to the need for cash flow linked to the vehicle fleet	290,806	158,226

Note 17—Trade and other receivables

The fair values of trade and other receivables correspond to their nominal value. All trade receivables fall due within one year.

In € thousands	At June 30, 2017	At Dec. 31, 2016
Rental receivables	191,971	198,917
Other trade receivables	94,435	86,166
Other tax receivables	1,487	742
Insurance claims	19,541	22,070
Prepayments	58,029	32,891
Employee related receivables	879	556
Deposits, other receivables and loans	19,035	23,858
Total trade and other receivables	385,377	365,200

Impairment losses taken on rental and other trade receivables are as follows:

In € thousands	At June 30, 2017	At Dec. 31, 2016
Opening balance	(33,018)	(31,493)
Allowance for bad debts	(2,236)	(8,210)
Receivables written off during the year/period	2,491	6,479
Unused amounts reversed	—	60
Foreign currency differences	287	146
Closing balance	(32,476)	(33,018)

Additions to / releases of the allowance for bad debts are included in “Fleet operating, rental and revenue related costs” in the consolidated income statement (see Note 5).

Note 18—Cash and cash equivalents and restricted cash

In € thousands	At June 30, 2017	At Dec. 31, 2016
Cash-in-hand and at bank	213,097	154,344
Accrued interest	421	233
Cash and cash equivalents	213,518	154,577
Restricted cash	110,394	105,229
Cash and cash equivalents and restricted cash	323,912	259,806

Cash-in-hand and at bank includes €33.9 million in cash at June 30, 2017 (December 2016: €61.3 million) tied up in Securitifleet companies, excluding the two SFH Holdings and are 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 2016 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:

In € thousands	At June 30, 2017	At Dec. 31, 2016
Cash and cash equivalents	213,518	154,577
Restricted cash	110,394	105,229
Bank overdrafts ⁽¹⁾	(7,366)	(11,299)
Cash and cash equivalents reported in the cash flow statement	316,546	248,507

(1) Included in current loans and borrowings (see Note 20).

Note 19—Capital and reserves and earnings per share

(a) Share capital and share premium

The various changes in equity since January 1, 2017 are as follows:

Date	Operation	Share capital (in €)	Share premium (in €)	Number of shares	Nominal value (in €)
Dec. 31, 2016		143,409,298	647,513,729	143,409,298	1,000
Feb. 24, 2017	Capital increase reserved for employees ⁽¹⁾	2,723,414	19,063,898	2,723,414	1,000
May 10, 2017	Profit appropriation by share premium	–	(15,468,921)	–	–
May 31, 2017	Dividend paid	–	(59,365,633)	–	–
June 21, 2017	Capital increase on Private placement	14,612,460	156,040,355	14,612,460	1,000
June 26, 2017	Capital increase to deliver free-shares plans	285,711	(285,711)	285,711	1,000
June 30, 2017		161,030,883	747,497,717	161,030,883	1,000

- On February 24, 2017, the capital increase reserved for employees of the group (Employee Share Ownership Plan) resulted in a gross capital increase of €21,787,312 through the issuance of 2,723,414 new shares at a price of €8 per share (see Note 1.3 (b)).
- On June 21, 2017 Europcar Groupe placed 14,612,460 new ordinary shares at a price per share of €12.00, including share premium, for a total of €175,349,520, representing approximately 10% of Europcar Groupe's ordinary shares pre-capital raise. Settlement for the new ordinary shares and their admission to listing on Euronext Paris took place on June 23, 2017 (see Note 1.3 (b)). The fees related to the private placement amounting to €4,7 million were included in the share premium.
- On June 26, 2017, the share capital of Europcar Groupe was increased by 285,711 new shares of €1 each in order to deliver the free-shares vested under the AGA 13 T1 share based plan. The counterpart of the share capital increase was a corresponding decrease of the additional share premium by €285,711 (see Note 7).

As at June 30, 2017, 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
Eurazeo	63,044,838	–	–	234	63,045,072	39.32%	39.15%
ECIP Europcar Sarl	9,036,469	–	–	–	9,036,469	5.64%	5.61%
Morgan Stanley	9,047,141	–	–	–	9,047,141	5.64%	5.62%
Public	76,022,457	–	–	–	76,022,457	47.42%	47.21%
Executives and employees, and floating	3,171,892	–	4,045	3,807	3,179,744	1.98%	1.97%
Autocontrol	700,000	–	–	–	700,000	0%	0.43%
Total	161,022,797	–	4,045	4,041	161,030,883	100.00%	100.00%

(b) Treasury shares

Under the liquidity contract, Rothschild & Cie Banque has purchased for the account of Europcar Groupe 774,948 shares at an average price of €10.02, for a total cost of €8,026,569 and sold 715,288 shares at an average price of €10.74, for a total of €7,505,567.

During this period, Europcar Group did not use derivatives to make its purchases.

As of June 30, 2017, the Company held 700,000 treasury shares.

During the period ended June 30, 2017, Europcar canceled €521,000 of treasury shares.

(c) Dividend paid

The General Meeting of Europcar Group held on May 10, 2017, approved the payment of a special distribution exclusively in cash of a total amount of €59,365,633.

The final number of company's shares having right to this special distribution being equal to 145 432 712 as at May 24, 2017, the amount of the special distribution is set at €0.4082 per share.

The right to this special distribution was allocated on May 29, 2017 and was paid exclusively in cash on May 31, 2017.

(d) Profit (Loss) per share

	First-half 2017	First-half 2016
Loss attributable to ordinary shareholders (in € thousands)	(26,840)	2,927
Average number of shares outstanding	145,337,208	143,227,594
Loss per share in €	(0,185)	0,020
Diluted loss per share in €	(0,185)	0,020

The number of potential dilutive shares is 1,284,048 as of June 30, 2017 (including 1,123,945, free shares and ordinary shares issued from the conversion of class C and class D preferred shares) and 2,130,147 as of June 30, 2016.

Note 20—Loans and borrowings

In € thousands	At June 30, 2017	At Dec. 31, 2016
Notes issued	950,000	950,000
Other bank loans	21,854	20,659
Transaction costs/Premiums/Discounts	(11,962)	(17,419)
Non-current liabilities	959,892	953,240
Senior Revolving Credit Facility	—	13,000
Senior Asset Revolving Facility dedicated to fleet financing	877,995	692,970
Other borrowings dedicated to fleet financing	501,390	361,645
Finance lease liabilities	60,955	96,770
Bank overdrafts	7,366	11,299
Current bank loans and other borrowings	107,695	45,726
Transaction costs/Premium/Discount—current portion	(8,406)	(7,759)
Accrued interest	10,409	10,791
Current liabilities	1,557,404	1,224,442

Net debt reconciliation:

In € thousands	At June 30, 2017	At Dec. 31, 2016
Non-current loans and borrowings	959,892	953,240
Current loans and borrowings	1,557,404	1,224,442
Held-to-maturity investments	(33,021)	(36,415)
Other current financial assets	(47,952)	(77,003)
Cash and cash equivalents and restricted cash	(323,912)	(259,806)
Net debt on the statement of financial position	2,112,411	1,804,458
Estimated outstanding value of the fleet financed through operating leases ⁽¹⁾	2,027,783	1,460,505
Total net debt	4,140,194	3,264,963

(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 21—Provisions

In € thousands	Insurance claim provisions	Reconditioning provisions	Other provisions	Total
Non-current	—	—	18,640	18,640
Current	116,435	36,238	68,079	220,752
Balance as at December 31, 2016	116,435	36,238	86,719	239,392
Balance as at January 1, 2017	116,435	36,238	86,719	239,392
Provisions recognized during the period ⁽²⁾	32,233	42,550	68,817	143,600
Provisions utilized during the period	(26,849)	(39,165)	(8,512)	(74,526)
Provisions reversed during the period ⁽¹⁾	(2,868)	—	(51,564)	(54,432)
Changes in scope of consolidation	1,409	287	1,693	3,389
Transfers	—	—	362	362
Effect of foreign exchange differences	(744)	(220)	(1,002)	(1,966)
Balance as at June 30, 2017	119,616	39,690	96,513	255,819
Non-current	—	—	31,976	31,976
Current	119,616	39,690	64,537	223,843
Balance as at June 30, 2017	119,616	39,690	96,513	255,819

(1) €45 million reversal of the provision related to the proceedings with the Authority Of The French Competition (Note 25).

(2) (€44) million due to the accrual of provision related to the Trading Standard investigation in the UK (Note 25).

Note 22—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:

In € thousands	Notes	Carrying value	Fair value	Fair value through the income statement	Fair value through equity	Financial instruments at amortized cost
Fair value as at June 30, 2017						
Trade receivables	17	286,406	286,406	–	–	286,406
Deposits and current loans		15,017	15,017	–	–	15,017
Vehicle buy-back agreement receivables	15	2,384,263	2,384,263	–	–	2,384,263
Fleet-related receivables	16	570,404	570,404	–	–	570,404
Deposits, other receivables and loans	17	19,035	19,035	–	–	19,035
Total of loans and receivables ..		3,275,125	3,275,125	–	–	3,275,125
Investments in non-consolidated entities	14	1,873	1,873	–	1,873	–
Other financial assets	14	47,952	47,952	–	–	47,952
Restricted cash	18	110,394	110,394	110,394	–	–
Cash and cash equivalents	18	213,097	213,097	213,097	–	–
Derivative assets		1,210	1,210	1,210	–	–
Total financial assets		3,649,651	3,649,651	324,701	1,873	3,323,077
Notes and borrowings	20	959,892	993,120	–	–	993,120
Trade payables		588,117	588,117	–	–	588,117
Fleet-related payables	16	938,997	938,997	–	–	938,997
Bank overdrafts and portion of loans due in less than one year	20	1,557,404	1,557,404	–	–	1,557,404
Derivative liabilities		41,060	41,060	–	41,060	–
Total financial liabilities		4,085,470	4,118,698	–	41,060	4,077,638

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 (such as 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 23—Off-balance sheet commitments

(a) Operating leases

At June 30, 2017, the Group's minimum future payments for non-cancelable operating lease commitments were as follows:

In € thousands	At June 30, 2017		At Dec. 31, 2016	
	TOTAL	Including amounts related to rental fleet	TOTAL	Including amounts related to rental fleet
Payable:				
Within 1 year	221,252	161,964	253,026	190,439
From 1 to 5 years	143,252	10,772	138,479	3,793
More than 5 years	48,674	—	35,152	—
Total	413,178	172,736	426,657	194,232

(b) Capital commitments

The Group has entered into contracts to purchase vehicles. At June 30, 2017, capital commitments to purchase vehicles amounted to €673.0 million (versus €1,040.0 million at December 31, 2016).

(c) Guarantees

As at June 30, 2017, ECG had given guarantees worth €49.5 million to suppliers. At that date, contingent assets amounted to €3.2 million (€3.2 million at end-2016).

(d) Business purchase agreement

On May 26, 2017 the Group has signed an agreement to acquire **Buchbinder**, one of the largest car rental companies in Germany. This transaction is based on a post-synergy Adjusted Corporate EBITDA slightly above 5x.

On June 17, 2017 the Group has signed an agreement to acquire **Goldcar**, Europe's largest low cost car rental company. This transaction is based on a Corporate Enterprise Value of €550 million.

Both acquisitions are subject to customary conditions precedent, including the approval of antitrust authorities, and is expected to close in the second half of the year 2017.

Note 24—Related parties

During the first semester 2017, the amount of operation with related parties is not significant.

Note 25—Contingencies

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

Proceeding of the French competition authorities

The French Competition Authority (Autorité de la concurrence—ADLC) 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 contested the complaints and the underlying arguments, further to which the ADLC's case-handler was expected to submit a report to the Competition Authority College during the first half of 2016. Following the filing of those statements in response, the reporter of the French Competition Authority issued a report to the College on June 2, 2016. Europcar France replied to this report on September 5, 2016. The hearing before the College of Competition Authority took place on December 12, 2016.

On February 27, 2017, the French Competition Authority rendered a dismissed case decision upon a proceeding in the car rental sector, considering that the alleged practices covered by the investigation services were not established. As this decision could have been subject to an appeal before Paris Court of Appeals, the provision of €45 million recorded in non-recurring expenses as at December 31, 2015, was maintained as at December 31, 2016.

On April 17, 2017 the Group was informed that the Ministry of Economy and Finance decided not to appeal to the Paris Court of Appeal. Consequently the provision of €45 million recorded on December 31, 2015 was reversed as at June 30, 2017.

Dispute with a former franchisee in Israel

In July 2016, Kalrom Leasing And Financing Ltd and Kalrom Motors & Engineering Equipment Ltd brought an action against Europcar International, Europcar France, Europcar Group UK Ltd before the Lod District Court in Israel, claiming for €3 million in damages on the grounds of breach of agreements and unilateral termination of contracts. However, Kalrom Leasing and Financing Ltd were the debtor of Europcar International and its subsidiaries for approximately €1 million. Europcar entities challenged the jurisdiction of the Israeli courts as the Franchise agreement has an arbitration clause which designates the Chamber of Commerce in Paris.

A settlement Agreement was signed as in June, 2017 where each Party waives its respective claims

Italian Competition Authority investigation

July 29, 2015, officers of the Italian Antitrust Authority ("IAA") carried out an investigation at the Europcar Italian's premises in relation to IAA's decision to open an in-depth investigation against ANIASA (the Italian Associations of Car rental Companies) and its members (including Europcar Italia S.p.A.), related to the business data exchanges in the field of the Long Term Car Rental (NLT) in order to verify a possible agreement which restricts competition. On December 7, 2016 IAA has sent to Europcar Italia S.p.A its notification of grievance. This notification of grievance stated that Europcar is only active on the short term car rental market and is not concerned by the incriminated behavior. As such, Europcar Italia S.p.A has also not been included in the list of company who may potentially be sanctioned.

The Hearing was held on March 1, 2017 and the decision was notified the April 13, 2017. Europcar was completely discharged, the IAA held in fact that Europcar cannot be deemed involved since it is solely active in the short term car rental market ("NBT") and not in the long term car rental ("NLT") or fleet management ("FM") ones. This decision is likely to be subject to appeal before the TAR Lazio (Administrative Courts).

The term for filing the possible appeal against the decision expired on June 12, 2017 and the IAA decided not to appeal.

Leicester City Council Trading Standards Services investigation

On June 23, 2017 Leicester City Council Trading Standards Services opened investigation into Europcar UK in relation to allegations that Europcar UK levied charges for repairs where

damages to a vehicle have been in dispute and without the consent of the holder; and/or false and / or excessive charges and comprise charges in excess of the cost of the repairs in breach of Regulation 9 of the Consumer Protection from Unfair Trading Regulations 2008. The Group recorded a provision for £38 million (€44 million) of non-recurring expenses (see note 9) in its 2017 half-year consolidated financial statements. This amount corresponds to the Company's best estimate, at very early stage of the investigation based on a number of assumptions, including an assumption that the charging practices will be found to be misleading under Regulation 9 of the Consumer Protection from Unfair Trading Regulations 2008 and potential inappropriate behavior when charging repairs costs to consumers.

Note 26—Subsequent events

On July 13, 2017, the group signed a new secured €500 million Revolving Credit Facility (RCF) with a diversified pool of international banks. This Facility, which replaced the existing €350 million Senior Revolving Credit Facility, will mature on June 2022. The group has optimized the financing cost of this new RCF by a 25 bps reduction of the margin (from 250 bps to 225 bps for a corporate leverage ratio less than 2x and from 275 bps to 250 bps for a corporate leverage ratio higher than 2x). This new RCF includes the usual financial and general covenants for general purpose facilities. The €150 million increase of the nominal amount will allow the group to support its 2020 ambition and the related growing financing needs.

On July 13, 2017, the group also signed an unsecured €1,040 million Bridge Facility with a pool of international banks. This facility includes two tranches: a €440 million bridge to bond dedicated to the acquisition of Goldcar equity value and a €600 million bridge to fleet financing dedicated to the refinancing of the existing fleet debt of Goldcar. Those two facilities, which can be drawn until March 31, 2018, have a 12 months maturity and can be extended respectively for an additional 6 months period and for two additional 6 months periods. This Bridge facility has no financial covenant, and includes a step up margin grid. Europcar will refinance this Bridge Facility in the future through a mix of bond issue and implementation of specific fleet financings.

To management's knowledge, there are no other subsequent events to the closing that might have a material impact on the earnings, assets, business or overall financial position of the Group.

Interim condensed consolidated financial statements

FOR THE SIX MONTHS PERIOD ENDING JUNE 30, 2017

GOLDCAR

Car Rentals Topco S.L. and its subsidiaries



KPMG Auditores, S.L.
Edificio Oficentro
Avda. Maisonnave, 19
03003 Alicante

Independent Auditors' Report on Review of Interim Condensed Consolidated Financial
Information

To the Shareholders of
Car Rentals Topco, S.L.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Car Rentals Topco, S.L. and its subsidiaries (the Group) as at June 30, 2017, the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flow for the six month period then ended, and notes to the interim condensed consolidated financial statements ("the interim condensed consolidated financial information"). The Directors are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information as at June 30, 2017 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Emphasis of Matter

The Company Directors have prepared this interim condensed consolidated financial information in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union. Consequently, as specified in the accompanying note 1.2, this information presents interim condensed information and does not include all the disclosures required in complete financial statements. The accompanying interim condensed consolidated financial information should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2016.

KPMG Auditores, S.L.

/s/ Miguel Ángel Paredes Gómez
October 9, 2017

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Interim condensed consolidated statement of financial position

In € thousands	Notes	At June 30, 2017	At Dec. 31, 2016
Assets			
Non-current assets			
Goodwill	4	187,598	187,598
Intangible assets	5	24,657	24,695
Property, plant and equipment	6	152,961	98,822
Financial investments	7	1,780	2,034
Deferred tax assets		1,163	1,190
Total non-current assets		368,159	314,339
Current assets			
Inventories		2,794	1,182
Trade and other receivables		13,166	12,202
Current tax assets	2.2	42,657	5,776
Financial investments	7	330,090	82,383
Prepayments		29,000	10,737
Cash and cash equivalents		25,365	184,486
Total current assets		443,072	296,766
Total assets		811,231	611,105
Equity			
Share capital and share premium		215,000	215,000
Consolidated reserves		44,853	20,341
Consolidated Profit/(loss) for the period		(31,897)	24,512
Conversion differences		(90)	7
Total equity	9	227,866	259,860
Non-current liabilities			
Provisions		870	961
Financial debt	8	302,859	301,274
Other non-current liabilities		75	126
Derivatives	8	–	183
Total non-current liabilities		303,804	302,544
Current liabilities			
Derivatives	8	126	–
Provisions		988	1,001
Financial debt	8	96,904	5,607
Trade and other payables		20,368	26,512
Personnel		6,040	1,630
Current tax liabilities and other balances with Public			
Administrations		2,367	6,651
Customer advances		9,745	1,892
Accruals		5,195	2,578
Other current liabilities	10	137,828	2,830
Total current liabilities		279,561	48,701
Total equity and liabilities		811,231	611,105

Notes 1 to 16 below are part of the Interim Condensed Consolidated Statement of Financial Position

Interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of other comprehensive income

Interim Condensed Consolidated Statement of Profit or Loss

In € thousands	Notes	At June 30, 2017	At June 30, 2016
Revenue	11.1	127,195	123,143
Income from services		107,043	97,523
Income from the sale of vehicles		20,152	25,620
Other operational income		2,650	1,876
Supplies		(23,423)	(31,448)
Cost of vehicles sales	11.1	(20,152)	(25,620)
Other consumables used		(3,271)	(5,828)
Personnel expenses	11.2	(16,697)	(12,667)
Other operating expenses	11.3	(50,713)	(40,726)
Adjusted EBITDA	1.4	39,012	40,178
Fixed assets depreciation and buy back costs	11.4	(34,592)	(32,616)
Stolen and accidental cars		(1,323)	(407)
Profit on disposal of fixed assets		206	1,259
Other		(64)	–
Adjusted EBIT	1.4	3,239	8,414
Other non recurring income and expenses	11.5	(23,408)	(619)
Profit/loss From Continuing Operations (EBIT)		(20,169)	7,795
Financial income		274	310
Financial costs	11.6	(12,637)	(12,895)
Exchange gains or losses		(26)	(48)
Financial loss		(12,389)	(12,633)
Loss before income tax		(32,558)	(4,838)
Income tax	12	661	268
Consolidated loss for the period	9	(31,897)	(4,570)
<i>Profit/Loss attributable to minority interests</i>		–	–
<i>Profit/Loss attributable to the Parent Company</i>		(31,897)	(4,570)

Interim Condensed Consolidated Statement of Other Comprehensive Income

In € thousands	Notes	At June 30, 2017	At June 30, 2016
Translation differences of financial statements of foreign operations		(97)	6
Other comprehensive income, net of taxes		(97)	6
Total comprehensive income for the period		(31,994)	(4,564)
<i>Profit/Loss attributable to minority interests</i>		–	–
<i>Profit/Loss attributable to the Parent Company</i>		(31,994)	(4,564)

Notes 1 to 16 below are part of the Interim Condensed Consolidated Statement of Profit or Loss and Interim Condensed Consolidated Statement of Other Comprehensive Income

Interim condensed consolidated statement of changes in equity

In € thousands	Notes	Share Capital	Share Premium	Consolidated Reserves and Parent Company Reserves	Consolidated Profit/Loss for the Period	Conversion Differences	Total
Balance at January 1, 2017		21,500	193,500	20,341	24,512	7	259,860
Total comprehensive income for the period		–	–	–	(31,897)	(97)	(31,994)
Other changes in equity Distribution of profit for the year		–	–	24,512	(24,512)	–	–
Balance at June 30, 2017	9	21,500	193,500	44,853	(31,897)	(90)	227,866

	Notes	Share Capital	Share Premium	Consolidated Reserves and Parent Company Reserves	Consolidated Profit/Loss for the Period	Conversion Differences	Total
Balance at January 1, 2016		21,500	193,500	(1,828)	22,169	–	235,341
Total comprehensive income for the period		–	–	–	(4,570)	6	(4,564)
Other changes in equity Distribution of profit for the year		–	–	22,169	(22,169)	–	–
Balance at June 30, 2016	9	21,500	193,500	20,341	(4,570)	6	230,777

Notes 1 to 16 below are part of the Interim Condensed Consolidated Statement of Changes in Equity

Interim condensed consolidated statement of cash flows

In € thousands	Notes	At June 30, 2017	At June 30, 2016
Operating activities			
Consolidated loss before income tax		(32,558)	(4,838)
Financial cost	11-6	12,637	12,895
Financial income		(274)	(310)
Fixed asset depreciation and buy back renting costs	11-4	34,592	32,616
Impairment (stolen and accidental cars and other cost of sales) and profit/(loss) on disposal of fixed assets		1,118	(851)
Contingent consideration		21,923	–
Others		242	(76)
Cash flow		37,680	39,436
Change in working capital		(37,480)	(16,229)
Change in inventories		(1,612)	(775)
Change in trade receivables		(2,260)	324
Change in trade payables		6,080	11,460
Change in VAT receivables and payables		(40,752)	(27,021)
Change in other net assets		1,064	(217)
Net cash flows from operations		200	23,207
Others cash flows:			
Interest		(5,783)	(10,644)
Interest paid		(6,057)	(10,954)
Interest collected		274	310
Income tax received (paid)		(110)	(557)
Net cash flows from/(used in) operating activities		(5,693)	12,006
Investing activities			
Proceeds from disposal of intangible assets, property and equipment, and buy back vehicles	5,6 and 7	66,989	79,698
Payment for investment in intangible assets, property and equipment, and buy back vehicles	5,6 and 7	(306,416)	(314,950)
Payment for investment in financial assets		(46)	–
Net cash flows used in investing activities		(239,473)	(235,252)
Financing activities			
Payments received from bank loans	8	86,495	79,713
Others changes		(450)	(343)
Net cash flows from financing activities		86,045	79,370
Net cash flows for the period		(159,121)	(143,876)
Cash and cash equivalents at beginning of period		184,486	174,022
Cash and cash equivalents at end of period		25,365	30,146

Notes 1 to 16 below are part of the Interim Condensed Consolidated Statement of Cash Flows

Car Rentals Topco S.L. and its subsidiaries

Notes to the interim condensed consolidated financial statements for the six months ending June 30, 2017

NOTE 1—GENERAL OVERVIEW

1.1) GENERAL INFORMATION

Car Rentals Topco S.L.U. (hereinafter the Parent Company) was incorporated in Spain, in compliance with Spanish Corporate Law, on September 4, 2014 under the name of Nuevo Impulso Comercial 21, S.L. for an indefinite period of time. The Parent Company is registered in the Mercantile Registry of Barcelona under the Fiscal I.D. B- 54806971 and the legal address of the Parent Company is in Selva, 4, Prat del Llobregat Barcelona (Spain).

In accordance with its Articles of Association, the purpose of the Parent Company is:

1. The acquisition, holding, administration, swap and disposal of all types of securities including public, private, national and foreign securities. Particularly, its main activity is the acquisition, by subscription swap or any other way, of partnership shares and financial assets, as well as taking part in the establishment, development and control of any company or entity.
2. The acquisition, holding, disposal, selling, renting, third-party transfers and exploitation of any class of motor vehicles with or without a driver.
3. The repair, maintenance and technical assistance of all kinds of motor vehicles.
4. Taking part in companies whose purpose wholly or partly extends to the aforementioned areas of activity, in order to develop the Parent Company's own purpose by means of subscribing their shares, founding or increasing their share capital or acquiring them under any legal title.

The main activity of the Parent Company in the first half of 2017 consisted of holding 100% of the shares of the company Car Rentals Parentco S.A.U. as well as any activity related to being a parent company of a group. Consequently, the Parent Company is the parent of a group of companies which, along with itself, comprise the Goldcar Group (hereinafter the Group).

The main activity performed by the Group in the first half of 2017 has been the provision of services related to the rental of vehicles, which is included in the purpose of the Group.

1.2) BASIS OF PREPARATION

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last Annual Consolidated Financial Statements as at and for the year ended December 31, 2016 ("last Annual Financial Statements"). They do not include all of the information required in preparing annual consolidated financial statements under International Financial Reporting Standards adopted by the European Union (IFRS-EU). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

They were authorized for issue by the Directors of the Parent Company on October 6, 2017.

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

1.3) MAIN EVENTS OF THE PERIOD

(a) About business

During the first six months of 2017, the Group has continued to meet its expansion plan. In particular, the Group has opened eight new offices of its own, of which five are located in a new country (Turkey), two in France and one in Portugal.

Regarding funding, the Group has increased the limit of the revolving credit facility by €75 million to fund the expansion plan.

Revenue, recurring operating income and all operating performance indicators are subject to seasonal fluctuations, due mainly to the summer holiday season. For this reason, in the first half of the year the Interim Condensed Consolidated Statement of Profit or Loss shows negative results. Accordingly, the interim results for the six months ended June 30, 2017 do not reflect the results that are expected for the full year 2017. Additionally, in order to attend the increase in activity during summer holiday season, the number of vehicles has increased at June 30, 2017 (through various commercial forms) comparing to the previous year, and therefore the amount of certain captions of the Interim Condensed Consolidated Statement of Financial Position have changed significantly with respect to the amounts show in the last annual consolidated financial statements as at and for the year ended December 31, 2016.

(b) Scope changes and acquisitions

In the first half of 2017 the Group has formed a new company to operate in the sector of leisure rentals in the Turkish market. As of June 30, 2017, the share capital of this company, under the name of Goldcar Oto Kiralama Ticaret Anonim Sirketi, amounts to Turkish Lira 27 million (€7 million). The company has its legal address in Palladium Ofis ve Residence Binasi Barbados Mahallesi Halk Caddesi in Istanbul (Turkey).

(c) Changes in the shareholders

Europcar Group, the European leader in vehicle rental services and a major player in mobility markets, has signed an agreement with the Company' shareholders to acquire the Group.

The acquisition is subject to customary conditions precedent, including the approval of antitrust authorities, and is expected to close in the second half of the year 2017.

1.4) ADJUSTED EBITDA and ADJUSTED EBIT

Management has presented the performance measure Adjusted EBITDA and Adjusted EBIT because it monitors this performance measure at a consolidated level and it believes that this measure is relevant to an understanding of the Groups' financial performance.

Adjusted EBITDA includes all of the income and expenses of the year except for:

- Income or expense arising from income tax.
- Financial income and expenses.
- Fixed asset amortisation expenses and buy back renting costs.
- Income and expenses that the Directors consider non-recurring due to their nature (see Note 11.5).
- Impairment and profit/loss on disposal of fixed assets.

Adjusted EBIT includes all of the income and expenses of the year except for:

- Income or expense arising from income tax.
- Financial income and expenses.
- Income and expenses that the Directors consider non-recurring due to their nature (see Note 11.5).

Adjusted EBITDA and Adjusted EBIT is not a defined performance measure in IFRS. The Group's definition of Adjusted EBITDA and Adjusted EBIT may not be comparable with similarly titled performance measures and disclosures by other entities

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

2.1) PRINCIPLE OF ACCOUNTS PREPARATION

The accounting principles used to prepare these interim condensed consolidated financial statements as of and for the six months ended June 30, 2017 are the same as those used to prepare the 2016 consolidated financial statements, taking into account certain interim reporting treatments as described below in the "Use of estimates and judgments" section.

As at June 30, 2017, there are no new standards, amendments to existing standards or published interpretations which are mandatory.

New standards, amendments to existing standards and interpretations applicable in future years and not early adopted by the Group for the period ended June 30, 2017 are as follows:

Adopted by the European Union:

- IFRS 15—Revenue from contracts with customers
- IFRS 9—Financial instruments

Not yet adopted by the European Union:

- Amendments to IFRS 2—Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4—Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IAS 40—Transfers of Investment Property
- IFRIC 22—Foreign Currency Transactions and Advance Consideration
- IFRS 16—Leases
- IFRIC 23—Uncertainty over Income Tax Treatments
- IFRS 17—Insurance Contracts
- Amendments to IFRS 15—Clarification to IFRS 15
- Amendments to IFRS 10 and IAS 28—Sale or transfer to assets between an investor and an associate or joint venture
- Amendments to IAS 12—Recognition of Deferred Tax Assets for Unrealized Losses
- Amendments to IAS 7—Information Disclosure Initiative
- NIIF 14- Regulatory Deferral Accounts

The effects of applying IFRS 15 and its amendments for clarification to the accounting of revenue as from January 1, 2018 have been assessed and have been considered of little significance in light of the nature of the Group's business activities.

The Group has begun the analysis of the impacts of IFRS 16 Leases, applicable with effect from January 1, 2019 and the approximate impact on the statement of financial position at first adoption will be assessed from this valuation phase.

The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement of financial assets, an "expected loss" model for loans and receivables and a reformed approach to hedge accounting. The classification and measurement of the Group's financial assets will be substantially the same as they are currently under IAS 39; the impairment allowances won't be materially affected by a focus on the risk that a loan will default rather than whether a loss has been incurred. Regarding hedge accounting, the Group doesn't expect any significant impact of applying the reformed approach.

2.2) SEASONALITY OF OPERATIONS

Revenue, recurring operating income and all operating performance indicators are subject to seasonal fluctuations, mainly due to the summer holiday season. Accordingly, the interim results for the six months ended June 30, 2017 do not reflect the results that are expected for the full year 2017.

Additionally, in order to attend the increase in activity during summer holiday season, the number of vehicles has increased at June 30, 2017 (through various commercial forms) comparing to the previous year, and therefore the amount of certain captions of the Interim Condensed Consolidated Statement of Financial Position have changed significantly with respect to the amounts showed in the last annual consolidated financial statements as at and for the year ended December 31, 2016. In particular the following captions have increased significantly: Property, Plant and Equipment, Financial investments, Financial debt and Other current liabilities. Conversely, the caption Cash and cash equivalents has decreased.

2.3) 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, 2016, with the following exception:

- the estimate used to recognize the interim tax expense: for interim financial information, the current and deferred tax expense are determined based on the income tax rate expected to apply to the full year taxable income, i.e., by applying the expected average effective tax rate for 2017 to pre-tax income and share of profit of companies accounted for by the equity method for the interim period.

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

- the residual value of "at risk" vehicles;
- the reconditioning cost of buy-back and operating lease vehicles;

Estimates also cover provisions for disputes and litigation and the measurement of contingent liabilities. The interim condensed consolidated financial statements include all the important provisions with respect to which one considers the possibility of attending such an obligation is greater than otherwise. The contingent liabilities are not registered in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are valued at their present value of the best possible estimate of the amount required to cancel or transfer the obligation, taking into account the information available on the event and its consequences, and the adjustments are registered as they emerge on updating the said provisions as financial costs according to their accrual periods.

2.4) MEASUREMENT OF FAIR VALUE

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes in some cases the reviews by independent third parties.

The Group reviews significant unobservable inputs and valuation adjustments. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

All other financial instruments such as cash and cash equivalents, accounts receivables and accounts payables, are measured at amortized cost, which approximately coincides with their fair value.

NOTE 3—REVENUE BY GEOGRAPHICAL MARKET

A breakdown of the revenue by geographical market in the first half of 2017 and 2016 is detailed below:

In € thousands	For the six months ending June 30, 2017	For the six months ending June 30, 2016
Income from services		
National (Spain)	68,459	66,190
Rest of the European Union	38,488	31,333
Other countries	96	—
Total income from services	107,043	97,523
Income from the sale of vehicles		
National (Spain)	14,726	22,567
Rest of the European Union	5,426	3,053
Total income from the sale of vehicles	20,152	25,620

NOTE 4—GOODWILL

In accordance with IAS 36, for its interim consolidated financial statements, the 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 June 30, 2017, including on goodwill and the Goldcar trademark.

The balance under the “Goodwill” heading assigned to each of the cash-generating units is as follows:

In € thousands	At June 30, 2017	At Dec. 31, 2016
Goldcar Spain S.L.	115,737	115,737
Goldhire Portugal Lda.	44,851	44,851
Goldcar Italy S.r.L.	27,009	27,009
Goldcar France S.à.r.l.	1	1
Total	187,598	187,598

NOTE 5—INTANGIBLE ASSETS

In € thousands	At June 30, 2017	At Dec. 31, 2016
Trademarks	18,920	18,920
Software applications	5,323	5,345
Other	414	430
Total	24,657	24,695

NOTE 6—PROPERTY, PLANT AND EQUIPMENT

In € thousands	At June 30, 2017	At Dec. 31, 2016
Vehicles (At Risk)	142,389	89,315
Technical facilities	7,151	6,304
Other	3,421	3,203
Total	152,961	98,822

During the six months ending June 30, 2017, the Group acquired vehicles “at risk” with a cost of €83 million (€95 million during 2016). The net book value of vehicles “at risk” sold during that period amounts to €20 million (€26 million for the six months period ending June 30, 2016).

See Note 2.2 regarding seasonality of operations and the effect over this caption of the Interim Condensed Consolidated Statement of Financial Position at June 30, 2017. The vehicles acquired “at risk” increase in order to attend the increase in activity during the summer holiday season.

NOTE 7—FINANCIAL INVESTMENTS

In € thousands	At June 30, 2017	At Dec. 31, 2016
Long term		
Guarantee deposits	1,708	1,962
Other	72	72
Total long term	1,780	2,034
Short term		
Account receivable Buybacks repurchase agreement ⁽¹⁾	330,012	82,306
Fixed-term deposit	75	75
Other	3	2
Total current financial assets	330,090	82,383

(1) This item includes the expected value of the repurchase of vehicles with OEM (Original Equipment Manufacturers)

See Note 2.2 regarding seasonality of operations and the effect over this caption of the Interim Condensed Consolidated Statement of Financial Position at June 30, 2017. The vehicles acquired in “Buyback” repurchase agreement increase in order to attend the increase in activity during the summer holiday season.

NOTE 8—FINANCIAL DEBT AND DERIVATIVES

In € thousands	At June 30, 2017	At Dec. 31, 2016
Long term financial debt		
Senior facility	315,000	315,000
Transaction cost	(12,141)	(13,726)
Total	302,859	301,274
Short term financial debt		
Senior facility	5,000	5,000
Revolving credit facility	85,000	—
Other	6,904	607
Total	96,904	5,607
Total	399,763	306,881

See Note 2.2 regarding seasonality of operations and the effect over this caption of the Interim Condensed Consolidated Statement of Financial Position at June 30, 2017. As a consequence of the increase in vehicles due to the increase in activity during the summer holiday season, there is an increase of debt.

Characteristics of the Group's financial facilities

Within the process of taking control of the Group carried out on December 18, 2014, the company Car Rentals Subsidiary, S.A.U. entered into, as the debtor, along with Car Rentals Parentco, S.L.U., as the Parent Company, into a syndicated global financing agreement with several financial institutions. Both companies are Group companies. Initially, the total financing amounted to €450 million and it was subdivided into two parts:

- Senior Facility: the loan has a total nominal value of €325 million and its aim is to finance the share purchase of the foreign companies comprising the Group (Goldhire Portugal Lda. and Goldcar Italy S.r.L.), the purchase of certain trademarks, to cancel the previously existing debt and to increase the operational flexibility of the Group. The senior facility was issued in two tranches and their most significant traits are the following:
 - "Tranche A" was granted for a total amount of €50 million. The Group will annually amortize the accumulated drawn amounts through annual repayments until the due date, December 18, 2019.
 - "Tranche B" was issued for a total amount of €275 million. The Group will amortize this amount through one sole payment to be made at the date of maturity, which is June 18, 2020.
 - The financing through Tranche A, as well as the financing through Tranche B bear a variable interest rate at Euribor-indexed (adjusted) plus a margin. The margin is computed on the basis of the leverage ratio of the Group which can range from 3.25% up to 3.75% for Tranche A and from 5% up to 5.50% for Tranche B.
- A revolving credit facility with an initial limit of €125 million to finance the working capital of the Group in order to fuel its growth. This facility matures on December 18, 2019 and accrues interest on floating market rates based on Euribor plus a margin that is conditioned to certain financial figures of the Group measured at the date of disposal.

To date, the Group has made several increases to the revolving credit facility and the current limit is €250 million. In addition, €5 million of the Tranche A of the Senior Facility has been repaid as according to the scheduled mandatory repayments. Therefore, the total outstanding facility at June 30, 2017 is €570 million.

Moreover and in accordance with said financing agreement, the Group has provided several guarantees to the creditor financial institutions and is required to comply with several economic and equity ratios in relation to the consolidated financial statements, as described in the latest Annual Financial Statements. The Group is fully compliant with Senior Facilities Agreement obligations.

The effective interest rate of the senior facility for the first half of 2017 has been 6.85% (7.21% for the first half of 2016).

Derivative Financial Instruments

On March 18, 2015, the Group, through its subsidiary Car Rentals Subsidiary, S.A.U., has entered into derivative financial instruments to hedge its exposure to the interest rates of the syndicated financing described above. These financial instruments were formalized through the following operations:

- An interest rate SWAP maturing on December 31, 2017 with a notional amount of €50 million in which the Group pays a fixed monthly rate of 0.04% and charges a variable interest rate based on Euribor 1 M. This instrument would hedge tranche A of the syndicated financing.
- Two CAP agreements with a fixed interest rate (strike) of 1.50%. The two agreements have the same conditions both maturing on December 18, 2017 and each having each notional amounts of €137.5 million. The benchmark interest rate is Euribor 6 M. This instrument would hedge tranche B of the syndicated financing.

NOTE 9 – CAPITAL AND RESERVES AND EARNINGS PER SHARE

9.1) Share capital and share premium

The share capital of the Parent Company is represented by 21,500,000 shares of €1 par value each, with a share premium of €193.5 million, which have been created through the incorporation of the Parent Company and two share capital increases of 17,197,000 and 4,300,000 shares each, executed through a public deed on December 18, 2014. All of the shares were fully subscribed and paid since December, 2014.

The shares of the companies that comprise the Group are not listed on any official organized market.

At June 30, 2017 and December 31, 2016, the shareholders of the Parent Company who are legal persons are International Car Rentals III S.à.r.l. and Alcor Sociedad Estratégica, S.L. owning 80% and 20% of the shares respectively.

Under the Consolidated Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. Such reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for that purpose.

9.2) Loss per share

The basic losses per share in relation to continuing operations recognised are presented below, expressed in Euros per share:

In € thousands	For the six months ending June 30, 2017	For the six months ending June 30, 2016
Total loss for the period (thousands of Euros)	(31,897)	(4,570)
Weighted average of shares outstanding (thousands)	21,500	21,500
Basic loss per share (Euros)	(1.484)	(0.213)

Since there is no dilutive effect on the losses per share, the basic losses and the diluted losses per share total the same amount.

NOTE 10—OTHER CURRENT LIABILITIES

In € thousands	At June 30, 2017	At Dec. 31, 2016
Account payables with OEM (<i>Original Equipment Manufacturers</i>) (See Note 2.2)*	119,064	2,620
Contingent considerations (See Notes 14 and 15)	18,593	—
Other	171	210
Total	137,828	2,830

* See Note 2.2 regarding seasonality of operations and the effect over this caption of the Interim Condensed Consolidated Statement of Financial Position at June 30, 2017.

NOTE 11—INCOME AND EXPENSES

11.1) REVENUE AND COST OF VEHICLES SALES

Revenues mainly derive from the commercialization of self-drive vehicle hire. In this context, the Group does not have clients that represent more than 10% of the total revenue.

Furthermore, in the normal course of its business, the Group acquires vehicles “at risk” to be used for rental and subsequent sale to third parties after the end of their estimated period of possession. When these vehicles are sold, they are reclassified to “Inventories” on the date the change of use is agreed upon and, consequently, the income derived from the sale is recorded as part of “Revenue” in “Income from the sale of vehicles” and the reversal of the Inventories is recorded in the heading “Cost of vehicles sales”.

11.2) PERSONNEL EXPENSES

In € thousands	For the six months ending June 30, 2017	For the six months ending June 30, 2016
Wages and salaries	12,625	9,869
Social security contributions	3,575	2,409
Severance payments	58	114
Other items	439	275
Total	16,697	12,667

11.3) OTHER OPERATING EXPENSES

In € thousands	For the six months ending June 30, 2017	For the six months ending June 30, 2016
Maintenances	11,234	8,450
Airport fees	11,166	7,787
Operating leases	6,930	6,070
Broker rebates	4,888	3,758
Insurances	4,310	4,017
Other items	12,185	10,644
Total	50,713	40,726

11.4) FIXED ASSET DEPRECIATION AND BUY BACK COSTS

In € thousands	For the six months ending June 30, 2017	For the six months ending June 30, 2016
Cost of buy-backs vehicles	22,982	21,674
Depreciation of risk vehicles	10,259	9,699
Depreciation of other assets	1,351	1,243
Total	34,592	32,616

11.5) OTHER NON-RECURRING INCOME AND EXPENSES

The Group recognizes under this heading, mainly those non-recurring expenses resulting from the hiring of professional services, other expenses related to other fixed assets, other vehicle expenses, allowance and attendance expenses relating to the Board of Directors, extra payments to certain employees, severance payments and sundry others. In addition, due to the foreseeable change of shareholders mentioned in Note 1.3 (c), the Group has recorded several contingent considerations mentioned in Notes 14.1 and 15. No significant income was included.

In € thousands	For the six months ending June 30, 2017	For the six months ending June 30, 2016
Contingent considerations (see Notes 14.1 and 15)	21,923	–
Other non-recurring items	1,485	619
Total	23,408	619

11.6) FINANCIAL COSTS

In € thousands	For the six months ending June 30, 2017	For the six months ending June 30, 2016
Senior facility (See Note 8)	9,031	9,782
Transaction cost (See Note 8)	1,926	1,680
Revolving credit facility (See Note 8)	1,465	1,243
Other debt (See Note 8)	215	190
Total	12,637	12,895

NOTE 12—INCOME TAX

Income tax expense is recognized, determined separately for each country, at an amount determined by multiplying the profit/(loss) before income tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The rules applied to recognize the deferred tax assets remain unchanged regarding December 31, 2016.

The Income tax amounts to €661 thousands at June 30, 2017 (€268 thousands at June 30, 2016).

The tax rate is quite different among the different companies of the Group. For those in the ramp-up phase we estimate 0%, either because they have a negative tax base which has not been capitalized or because it is foreseeable they would not generate profit in 2017.

Additionally, the Spanish consolidated tax group has a deduction pending compensation which sets the effective tax rate at about 10%. At Group level, the effective tax rate for the six-months period ended June 30, 2017 is 10% as compared to 12% for the period ended June 30, 2016.

NOTE 13—OFF-BALANCE SHEET COMMITMENTS

(a) Operating leases

At June 30, 2017, the Group's minimum future payments for non-cancelable operating lease commitments were as follows:

In € thousands	TOTAL	At June 30, 2017	At Dec. 31, 2016
		Of which amounts related to rental fleet	TOTAL
Payable:			
Within 1 year	25,300	8,279	19,957
From 1 to 5 years	42,002	3,919	38,459
More than 5 years	3,752	—	7,219
Total	71,054	12,198	65,635

(b) Capital commitments

The Group has entered into contracts to purchase vehicles. At June 30, 2017, capital commitments to purchase vehicles amounted to €14.8 million (versus €0 at December 31, 2016). See Note 2.2 regarding seasonality of operations.

(c) Guarantees

As at June 30, 2017, the Group had given guarantees worth €19,248 thousand (€19,764 thousand at June 30, 2016) to suppliers through their business activities (mainly airports and petrol stations).

(d) Non-recourse factoring

The Group arranged non-recourse factoring facilities amounting to €59 million at June 30, 2017 (€39.5 million at December 31, 2016) that can be applied to certain trade receivables with a maximum limit of €20 million according to the guarantees and obligations derived in the syndicated financing agreement (see Note 8). The balance drawn at June 30, 2017 amounted to €17.3 million (€19.17 million at December 31, 2016).

NOTE 14—RELATED PARTIES

14.1) Remuneration of the Group's Directors and senior management

The aggregate remuneration accrued to the Senior Management of the Parent Company in wages and salaries totaled an amount of €323 thousand in the first half of 2017 (€288 thousand in the first half of 2016). The Parent Company's senior management does not receive any other remuneration other than the wages and salaries mentioned above.

The Directors of the Parent Company, (other than those referred to in the preceding paragraph, for the case in which the Group's Senior Management are part of the Board of Directors), have received attendance fees, allowances and remuneration amounting to €62 thousand during the first half of 2017 (€45 thousand in the first half of 2016).

Additionally, the Group established a Long Term Bonus Agreement with Directors and certain managers subject to several milestones only verifiable in the case and moment of divestment of shareholders of the Parent Company. On June 16, 2017 the shareholders of the Group has signed an agreement to sell the Group to EUROPCAR. This acquisition is subject to customary conditions precedent, including the approval of antitrust authorities which are still pending. In this sense, and considering the achievement of the objectives and milestones of the Long Term Bonus Agreement at June 30, 2017, the Directors of the Parent Company have estimated that the fair value of the bonus to pay to the Directors and certain managers is € 1,131 thousand and € 2,199 thousand, respectively.

As of December 31, 2016, the Directors of the Parent Company have estimated that the fair value of this bonuses is € zero since the probability of this occurrence cannot be estimated nor can it be reliably valued.

Moreover, a director of the Parent Company has granted a loan to the Company amounting to €500 thousand. This loan accrues a variable interest rate and has repayment terms that are conditional on the achievement of certain milestones, only verifiable in the case and moment of divestment by the majority shareholder of the Parent Company. On June 16, 2017 the shareholders of the Group has signed an agreement to sell the Group to EUROPCAR. This acquisition is subject to customary conditions precedent, including the approval of antitrust authorities which are still pending. As a consequence, at June 30, 2017, the Directors of the Parent Company have estimated that the fair value of such contingent consideration is €830 thousand. Based on events outside the control of the Group, that arise subsequently to the end of 2016, the corresponding liability has been booked in the Interim Condensed Consolidated Financial Statement of Financial Position at June 30, 2017 (see Note 10).

The Parent Company has not assumed any commitments with its Directors or the Group's senior management regarding pensions, life insurance, advance payments, loans or any of the sort. The amount of the civil liability insurance policy accrued in the year by the Group amounts to €16 thousand.

14.2) Balances and transactions with other related parties

At June 30, 2017 and 2016, the main balances and transactions of the Group related to transactions with Alcor Sociedad Estratégica, S.L. (one of the shareholders of the Group).

Moreover, the main operations with related parties were:

- Operating expenses resulting from the lease of buildings for an amount of €472 thousand with related companies to Alcor Sociedad Estratégica, S.L. (€449 thousand in first half 2016) and non-significant advisory services expenses by these entities.
- Operating expenses resulting from vehicles repair for non-significant amounts.
- Consulting Contract with a director amounting to €13 thousand during the first half of 2017 (€3 thousand during the first half of 2016).
- Loan amounting to €500 thousand granted by a director.

NOTE 15—CONTINGENCIES

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

As a normal part of its activity, the Group receives various administrative and labor claims that are evaluated on a quarterly basis by both the Group's human resources and legal departments

together with their external advisors to determine, where appropriate, the equity impact based on an estimate of probability of occurrence on the basis of which the appropriate provisions are recorded.

Furthermore, throughout each quarter the Group enters into commercial agreements with its main clients consisting of discounts, commissions or the like, having recorded in these interim condensed consolidated financial statements the best estimate that such agreements may have on the financial statements.

The following are the most relevant issues:

Spanish National Competition Authorities

In 2012 the Spanish National Competition Authorities (now replaced by the Spanish National Markets and Competition Commission—CNMC) undertook administrative proceedings on two counts. The first case was raised jointly against subsidiary Goldcar Spain, S.L., and its parent company in that period, Alcor Sociedad Estratégica, S.L., as well as AENA and several other vehicle rental sector companies. The second jointly concerned the subsidiary Goldcar Spain, S.L. and Alcor Sociedad Estratégica, S.L. in addition to other vehicle rental sector companies and associations.

The first case stemmed from possible anti-competitive conduct, namely the sharing of sensitive business information on self-drive car hire companies that rent AENA commercial premises. The Spanish National Competition Authorities (CNC) issued a ruling on this procedure on January 2, 2014, although it imposed no fine. The Directors and legal independent advisers of the Group believe it is not probable for significant economic responsibilities to derive for the Group.

Regarding the second case, a resolution was issued on July 30, 2013, whereby the Spanish National Competition Authorities imposed a fine of €15,456 thousand. Furthermore, in relation to the appeal filed by the subsidiary company, Goldcar Spain, S.L., a judgment was delivered on March 16, 2016. The judgment partially considers the appeal, annuls the resolution in the particular relating to the determination of the amount of the fine and orders that the proceedings be referred to the Spanish National Competition Authorities so that it dictates another in which to set the amount in accordance with the legal criteria of duly substantiated graduation. Against the judgment, the subsidiary company Goldcar Spain, S.L. has filed a cassation appeal before the Supreme Court, requesting the complete annulment of the resolution. At the date of the preparation of these interim financial statements, the proceedings are pending indication for vote and judgment, and therefore no judgment has been served.

Pursuant to the agreements adopted in the context of the Group's takeover of this subsidiary, the seller provided an indemnity to the Group in the event that it would have to face the claim described above. Considering the first demand bank guarantee provided in this commitment, the subsidiary company Goldcar Spain, S.L. does not consider that there is any liability related to this aspect.

In relation to the situation explained above, real guarantees have been formed over certain vehicles.

Italian Competition and Market Authority

During 2016, the Italian Competition and Market Authority started inspections of several entities in the vehicle rental sector, including the Goldcar Group. On November 20, 2016, the Italian Competition Authority imposed a penalty of €2 million on the Group for alleged infringements related to the consumer code. Subsequent to the close of 2016, in accordance with Italian law and as a preliminary procedure necessary in order to appeal against the sanctioning sentence, the Group has paid the mentioned amount in 2017. The appeal was filed on February 17, 2017 before

The Italian Administrative Court of the Region of Lazio. The Directors of the Parent Company consider the likelihood that the appeal will not be successful as remote, based, among other things, on the assessments made by its legal advisors, who consider that there are sufficient arguments, from the point of view of both procedure and substance, to obtain the partial or total annulment of the decision of the Italian Competition Authority. The Directors of the Parent Company have therefore considered any contingencies that could arise were the appeal filed by the Parent Company not successful to be remote and therefore the Group has registered the amount paid of €2 million as an account receivable.

Cost of the initial business combination

On December 18, 2014 the Parent Company took control of the Goldcar Group through several operations in a single act.

Moreover, in the purchase agreement signed between Car Rentals Topco, S.L. and Alcor Sociedad Estratégica S.L., a contingent future consideration was established. This consideration was subject to the attainment by the Group of certain financial figures (as defined in this agreement) during the years 2014, 2015 and 2016. In this sense, the degree of compliance with these financial figures (as defined in this agreement) was independent each year as long as a series of contingent conditions were additionally met which can only be verified at the moment of divestment of the buyer. On June 16, 2017 the shareholders of the Group have signed an agreement to sell the Group to EUROPCAR. This acquisition is subject to customary conditions precedent, including the approval of antitrust authorities which are still pending. As a consequence, at June 30, 2017, the Directors of the Parent Company have estimated that the fair value of such contingent consideration is €17,763 thousand. Based on events outside the control of the Group, that arise subsequently to the end of 2016, the corresponding liability has been booked in the Interim Condensed Consolidated Financial Statement of Financial Position at June 30, 2017 (see Note 10).

NOTE 16—SUBSEQUENT EVENTS

To management's knowledge, there are no events subsequent to the closing date of the interim financial statements that could have a material impact on the earnings, assets, business or overall financial position of the Group at June 30, 2017.

Car Rentals Topco S.L. and Subsidiaries

Consolidated Financial Statements December 31, 2016



KPMG Auditores, S.L.
Edificio Oficentro
Avda. Maisonnave, 19
03003 Alicante

Independent Auditors' Report in accordance with International Standards on Auditing on the
Consolidated Financial Statements

To the Shareholders of
Car Rentals Topco, S.L.

Opinion

We have audited the consolidated financial statements of Car Rentals Topco, S.L. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statement of profit or loss and consolidated statement of other comprehensive income, consolidated statement of cash flow and consolidated statement of changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give, in all material respects, a true and fair view of the consolidated financial position of the Group as at December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The Directors have prepared the accompanying consolidated financial statements voluntarily and not due to any legal requirement, but in relation to a convertible bonds issuance process which is planned to be carried out by the possible purchaser of the Group in order to finance said purchase. This report is not subject to the legislation in force regulating the audit of accounts in Spain, and we therefore do not express an audit opinion under the terms set out in the aforementioned legislation.

Directors' Responsibilities for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Auditores, S.L.

/s/ Miguel Ángel Paredes Gómez
October 9, 2017

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- Consolidated Statement of Profit or Loss and Consolidated Statement of Other Comprehensive Income for the year ending December 31, 2016
- Consolidated Statement of Cash Flow for the year ended December 31, 2016
- Consolidated Statement of Changes in Equity for the year ended December 31, 2016
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Car Rentals Topco S.L. and Subsidiaries

Consolidated statement of financial position ended December 31, 2016

		In € thousands	
	Notes	At Dec. 31, 2016	At Dec. 31, 2015
Assets			
Non-current assets			
Goodwill	4	187,598	187,598
Intangible assets	5	24,695	22,690
Property, plant and equipment	6	98,822	76,494
Financial investments		2,034	1,022
Deferred tax assets	10	1,190	945
Total non-current assets		314,339	288,749
Current assets			
Inventories		1,182	985
Trade and other receivables	7	12,202	17,138
Current tax assets	10	5,776	4,456
Financial investments	7	82,383	87,221
Prepayments		10,737	12,718
Cash and cash equivalents		184,486	174,022
Total current assets		296,766	296,540
Total assets		611,105	585,289
Equity			
Share capital and share premium	8	215,000	215,000
Consolidated reserves	8	20,410	(1,828)
Parent Company reserves		(69)	—
Consolidated profit for the year	11	24,512	22,169
Conversion differences		7	—
Total equity		259,860	235,341
Non-current liabilities			
Provisions	14-c	961	955
Financial debt	9	301,274	303,332
Derivatives	9	183	277
Deferred tax liabilities	10	—	219
Other non-current liabilities	9	126	123
Total non-current liabilities		302,544	304,906
Current liabilities			
Provisions		1,001	1,439
Financial debt	9	5,607	4,457
Trade and other payables	14	26,512	23,002
Personnel	11	1,630	1,892
Current tax liabilities and other balances with Public Administrations	10	6,651	4,780
Customer advances		1,892	3,077
Accruals		2,578	2,187
Other current liabilities		2,830	4,208
Total current liabilities		48,701	45,042
Total equity and liabilities		611,105	585,289

Notes 1 to 14 below are part of the Consolidated Statement of Financial Position for the year ending December 31, 2016.

Car Rentals Topco S.L. and Subsidiaries

Consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ending December 31, 2016

		In € thousands	
	Notes	At Dec. 31, 2016	At Dec. 31, 2015
Consolidated Statement of Profit or Loss			
Revenue	11	309,382	288,908
Income from services		255,066	237,399
Income proceeds from the sale of vehicles		54,316	51,509
Other operational income		4,872	3,669
Supplies		(66,254)	(73,489)
Cost of vehicles sales		(54,316)	(51,509)
Other consumables used		(11,938)	(21,980)
Personnel expenses	11	(28,087)	(22,961)
Other operating expenses	11	(90,861)	(71,557)
Adjusted EBITDA	3.9	129,052	124,570
Fixed asset depreciation and buy back renting costs	5, 6 and 11	(71,563)	(65,052)
Impairment and loss on disposal of fixed assets ...	5, 6 and 11	(86)	(407)
Adjusted EBIT	3.R	57,403	59,111
Other non recurring income and expenses	11	(3,507)	(2,241)
Profit From Continuing Operations		53,896	56,870
Financial income	11	350	328
Financial costs	11	(25,659)	(26,289)
Exchange gains or losses		(53)	(92)
Financial loss		(25,362)	(26,053)
Profit before tax		28,534	30,817
Income tax	10	(4,022)	(8,648)
Consolidated Profit for the period		24,512	22,169
Consolidated Statement of Other Comprehensive income			
		In € thousands	
	Notes	At Dec. 31, 2016	At Dec. 31, 2015
Translation differences of financial statements of foreign operations		7	–
Other comprehensive income, net of taxes		7	–
Total comprehensive income for the year		24,519	22,169
<i>Profit/Loss attributable to minority interests</i>			–
<i>Profit/Loss attributable to the Parent Company ...</i>		24,512	22,169
<i>Profit/Loss attributable to minority interests</i>			–
<i>Profit/Loss attributable to the Parent Company ...</i>		24,519	22,169

Notes 1 to 14 below are part of the Consolidated Statement of Profit or Loss and Consolidated Statement of Other Comprehensive Income for the year ending on December 31, 2016.

Car Rentals Topco S.L. and Subsidiaries

Consolidated statement of cash flow for the year ending December 31, 2016

		In € thousands	
	Notes	At Dec. 31, 2016	At Dec. 31, 2015
Consolidated Statement of Cash Flow			
Operating activities			
Consolidated profit before income tax		28,534	30,817
Financial cost	9	25,659	26,289
Financial income		(350)	(328)
Fixed asset depreciation and buy back renting costs	5, 6 and 11	71,563	65,052
Impairment and profit/(loss) on disposal of fixed assets	5, 6 and 11	86	407
Others		278	671
Cash flow		125,770	122,908
Change in working capital			
Change in trade receivables		648	303
Change in trade payables		6,551	(1,689)
Change in other net assets		3,731	(731)
Cash flows from operations		136,700	120,791
Others cash flows			
Interest			
Interest paid	9	(22,167)	(22,264)
Interest recovered		350	328
Income tax received (paid)	10	(8,383)	(9,306)
Net cash flows from operating activities		106,500	89,549
Investing activities			
Proceeds from disposal of intangible assets, property and equipment, and buy back vehicles	5, 6 and 7	298,697	300,312
Payment for investment in intangible assets, property and equipment, and buy back vehicles	5, 6 and 7	(389,949)	(336,411)
Other investments		(1,023)	(309)
Net cash flows used in investing activities		(92,275)	(36,408)
Financing activities			
Payments made for redemption of long-term bank loans	9	(3,750)	(5,966)
Others changes		(11)	(60)
Net cash flows from/used in financing activities ..		(3,761)	(6,026)
Net cash flows for the year		10,464	47,115
Cash and cash equivalents at January 1		174,022	126,907
Cash and cash equivalents at December 31		184,486	174,022

Notes 1 to 14 below are part of the Consolidated Statement of Cash Flow for the year ending on December 31, 2016.

Car Rentals Topco S.L. and Subsidiaries

Consolidated statement of changes in Equity for the year ending December 31, 2016

In € thousands	Notes	Share Capital	Share Premium	Consolidated reserves and Parent Company reserves	Consolidated Profit for the Year	Conversion differences	Total
Balance at January							
1, 2016		21,500	193,500	(1,828)	22,169	–	235,341
Total comprehensive income for the year 2016	11	–	–	–	24,512	7	24,519
Other changes in equity							
Distribution of profit for the year		–	–	22,169	(22,169)	–	–
Balance at December							
31, 2016		21,500	193,500	20,341	24,512	7	259,860

Notes 1 to 14 below are part of the Consolidated Statement of Changes in Equity for the year ending December 31, 2016.

Car Rentals Topco S.L. and Subsidiaries

Consolidated statement of changes in Equity for the year ending December 31, 2015

In € thousands	Notes	Share Capital	Share Premium	Consolidated reserves and Parent Company reserves	Consolidated Profit for the Year	Conversion differences	Total
Balance at January 1, 2015 . . .		21,500	193,500	–	(1,828)	–	213,172
Total comprehensive income for the year 2015	11	–	–	–	22,169	–	22,169
Other changes in equity							
Distribution of profit for the year		–	–	(1,828)	1,828	–	–
Balance at December 31, 2015		21,500	193,500	(1,828)	22,169	–	235,341

Notes 1 to 14 below are part of the Consolidated Statement of Changes in Equity for the year ending December 31, 2016.

Car Rentals Topco S.L. and its Subsidiaries

Notes to the consolidated financial statements for the year ending December 31, 2016

1. General information and Group Companies

Car Rentals Topco S.L.U. (hereinafter the Parent Company) was incorporated in Spain, in compliance with Spanish Corporate Law, on September 4, 2014 under the name of Nuevo Impulso Comercial 21, S.L. for an indefinite period of time. The Parent Company is registered in the Mercantile Registry of Barcelona under the Fiscal I.D. B- 54806971 and the legal address of the Parent Company is in to Selva, 4, Prat del Llobregat Barcelona (Spain).

In accordance with its Articles of Association, the purpose of the Parent Company is:

1. The acquisition, holding, administration, swap and disposal of all types of securities including public, private, national and foreign securities. Particularly, its main activity is the acquisition, by subscription swap or any other way, of partnership shares and financial assets, as well as taking part in the establishment, development and control of any company or entity.
2. The acquisition, holding, disposal, selling, renting, third-party transfers and exploitation of any class of motor vehicles with or without a driver.
3. The repair, maintenance and technical assistance of all kinds of motor vehicles.
4. Taking part in companies whose purpose wholly or partly extends to the aforementioned areas of activity, in order to develop the Parent Company's own purpose by means of subscribing their shares, founding or increasing their share capital or acquiring them under any legal title.

The main activity of the Parent Company in 2016 consisted of holding 100% of the shares of the company Car Rentals Parentco S.A.U. as well as any activity related to being a parent company of a group. Consequently, the Parent Company is the parent of a group of companies which, along with itself, comprise the Goldcar Group (hereinafter the Group).

The main activity performed by the Group in 2016 has been the provision of services related to the rental of vehicles which is included in the purpose of the Group.

Subsidiaries

The companies in which the Parent Company takes part in are considered subsidiaries. The only direct participation the Parent Company holds is over Car Rentals Parentco S.A.U. which has a book value of €215,003 thousand. The rest of the shareholdings are indirect through Car Rentals Parentco, S.A.U.

The most significant information related to the subsidiaries at December 31, 2016 is detailed below:

Company	Main activity	Registered office	Ownership
Car Rentals Parentco S.A.U.	Share Holding	Spain	100%
Car Rentals Subsidiary S.A.U.(*)	Share Holding	Spain	100%
Goldcar Spain S.L.	Car Rental	Spain	100%
Car Rentals Italy S.r.L.	Share Holding	Italy	100%
Goldcar Italy S.r.L.	Car Rental	Italy	100%
Goldcar Fleetco Italy S.R.L.	Acquisition and Car Rental to Group	Spain	100%
Goldhire Portugal Lda.	Car Rental	Portugal	100%
Goldhire Fleetco Portugal Lda.	Acquisition and Car Rental to Group	Portugal	100%
Goldcar Fleets Spain S.L.U.	Acquisition and Car Rental to Group	Spain	100%
Goldcar Fleetco S.A.	Car Rental	Spain	100%
Goldcar Master S.L.	Car Rental	Spain	100%
Goldcar France S.à.r.l.	Car Rental	France	100%
Goldcar Fleetco Fance S.A.R.L.	Acquisition and Car Rental to Group	France	100%
Goldcar Hellas S.à.r.l.	Car Rental	Greece	100%
Goldcar Rental, d.o.o.	Car Rental	Croatia	100%
Pulsar Rentar a Car S.L.U.	Car Rental	Spain	100%

(*) In addition to being a share holding company, Car Rentals Subsidiary S.A.U. has also signed the financing agreements described in Note 9.

During the first quarter of 2017, the Group has two additional companies to start the activity in Turkey and Ireland, although at the date of preparation of these financial statements the impact is not significant.

2. Basis of presentation of the consolidated financial statements and consolidation principles

2.1 Regulatory financial reporting framework applicable to the Group

These consolidated financial statements for the year ended on December 31, 2016 were formally prepared from the accounting registers of Car Rentals Topco S.L. and the consolidated entities:

- By the Directors of the Parent Company, on October 6, 2017.
- In relation to a convertible bonds issuance process which is planned to be carried out by the possible purchaser of the Group in order to finance said purchase.
- In accordance with the International Financial Reporting Standards adopted by the European Union (hereinafter, IFRS-EU), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, that were in force at December 31, 2016.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for the year 2016 are summarized in Note 3.

- Taking into account all the mandatory IFRS-EU accounting principles and valuation criteria that have a significant effect on the consolidated financial statements.
- So that they fairly present the Group's consolidated equity and financial position at December 31, 2016 and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements for the year ended on December 31, 2016 may differ from those used by certain Group companies, the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with IFRS-EU.

- Based on the historical cost basis except for certain items, such as financial instruments that are valued based on their fair value, as detailed in the significant accounting policies adopted by the Group (see Note 3).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of International Accounting Standards ("IAS") 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

Additionally, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable, according to the following description:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (prices) or indirectly (inputs derived from prices); and
 - Level 3: Inputs are unobservable inputs referenced to valuation techniques (that are not included in quoted prices described in Level 1).
- On the basis of the accounting records kept by the Parent Company and by the other Group companies.

Pursuant to IAS 1 (revised in 2011) "Presentation of Financial Statements," these consolidated financial statements include the following statements for the year ended December 31, 2016:

- Consolidated statement of financial position.
- Consolidated statement of profit or loss and consolidated statement of other comprehensive income.
- Consolidated statement of changes in equity.
- Consolidated statement of cash flows.
- Notes to the consolidated financial statements.

2.2 Responsibility for the information and use of estimates

The information contained in these consolidated financial statements is responsibility of the Parent Company's Directors.

In the application of the Group's accounting policies, which are described in Note 3, the Directors of the Parent Company are required to make judgements, estimates and assumptions about the carrying amounts of several assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and judgements that most significantly affect the amounts recognised in the financial statements relate basically to the following:

- The fair value in business combinations. As described in Note 3, a business combination took place in 2014 entailing an estimation of the fair value of the assets and liabilities assumed in said operation. However, in the opinion of the Directors the amortized cost of substantially all the assets and liabilities assumed by the Group reflected their fair value at the date of acquisition and, therefore, it was not necessary to carry out complex valuation techniques nor subjective hypothesis.
- The calculation of impairment of goodwill on consolidation. The calculation of the recoverable amount of a cash-generating unit to which goodwill has been allocated requires the use of estimates. The recoverable amount is the higher of fair value less costs of disposal and value in use. The Group generally uses cash flow discounting methods to calculate these values. This requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at December 31, 2016 and 2015 is €187,598 thousand. Details of the impairment test are set out in Notes 3(a) and 3(d).
- The useful lives of intangible assets and property, plant and equipment. As it is explained in Notes 3(b) and 3(c), the Group reviews its estimates of the amortization rates at the end of each year.
- Assessing whether provisions related to claims in progress should be registered (see Note 14(c)). If it is probable for an obligation entailing an outflow of resources to exist at the end of the year, the Group recognizes a provision provided that its amount can be estimated reliably.
- Assumptions used in the calculation of the fair value of financial instruments, in particular financial derivatives.

Following the regular review process conducted by the Directors of the Parent Company, although these estimates were made based on the best information available at December 31, 2016, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. The change in estimates would be carried out prospectively, in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors," recognising the effect of changes in estimates in the Consolidated Statement of Profit or Loss or in the Consolidated Statement of Changes in Equity, as appropriate.

2.3 New and revised IFRS-EU

a) Standards and interpretations effective in the current year

These are the new standards, amendments and interpretations that are mandatorily effective in the years subsequent to the calendar year that began on January 1, 2016:

Standards, amendments and interpretations approved for use in the European Union		Mandatory Application in the Years Beginning On or After
Amendments to IAS 1.	These amendments include various clarifications relating to disclosures.	January 1, 2016
Amendments to IAS 16 and 38"	It clarifies the acceptable methods of amortising property, plant and equipment and intangible assets.	January 1, 2016
Amendments to IAS 11: "Accounting for acquisitions of interests in joint operations"	Provides guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business.	January 1, 2016
Improvements to IFRS 2012-2014	Minor amendments to a set of rules.	January 1, 2016
Amendment to IAS 27: "Equity method in separate financial statements"	The equity method will be allowed in the separate financial statements of an investor.	January 1, 2016
Amendments to IAS 16 and IAS 41: "Bearer plants"	Bearer plants will be measured at cost, rather than fair value.	January 1, 2016
Amendments to IFRS 10 and IAS 28: "Disposal or transfer of assets between an investor and its associate / joint venture"	These amendments explain how to treat the result of these operations in the case of businesses related to assets.	January 1, 2016
IFRS 9 "Financial Instruments": classification, measurement and subsequent amendments to IFRS 9 and IFRS 7.	This standard replaces the requirements for classifying, derecognising and valuating financial assets and liabilities and hedge accounting (IAS 39).	January 1, 2018
IFRS 15 "Revenue from contracts with customers"	This standard regulates revenue recognition replacing IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31.	January 1, 2018

IFRS 9 "Financial Instruments" will replace IAS 39. The new standard changes the model for the classification and measurement of financial assets. It also introduces a new impairment model based on expected losses, rather than incurred losses, and measures to closely align hedge accounting with risk management activities.

IFRS 15 "Revenue from Contracts with Customers" is the new comprehensive standard for revenue arising from contracts with customers and it supersedes the following revenue Standards and Interpretations upon its effective date:

- IAS 18 Revenue;
- IAS 11 Construction Contracts;
- IFRIC 13 Customer Loyalty Programmes;
- IFRIC 15 Agreements for the Construction of Real Estate;

- IFRIC 18 Transfers of Assets from Customers; and
- SIC 31 Revenue-Barter Transactions Involving Advertising Services.

The new revenue standard applies to all contracts with customers except those that are within the scope of other IFRSs, such as leases, insurance contracts and financial instruments. The central recognition model is structured around the following five steps:

1. Identifying the contract with a customer.
2. Identifying the performance obligations in the contract.
3. Determining the transaction period.
4. Allocating the transaction price to the performance obligations in the contract.
5. Recognising revenue when (or as) the entity satisfies a performance obligation.

b) Standards and interpretations that will take effect after January 1, 2017

Standards, amendments and interpretations not approved for use in the European Union		Mandatory Application Beginning from
Clarifications to IFRS 15	Identification of performance obligations, principal versus agent, the concession of licenses and their accrual at a point in time or over time, as well as certain clarifications to transition rules.	January 1, 2018
Amendment to IFRS 2 Classification and valuation of share-based payments	These are limited amendments that clarify specific issues such as the effects of accrual conditions on share-based payments to be settled in cash, share-based payment classification when having net settlement clauses and certain aspects of changes in the type of share-based payment.	January 1, 2018
Amendment to IFRS 4 Insurance contracts	It allows entities within the scope of IFRS 4 the option of applying IFRS 9 ("overlay approach") or its temporary exemption.	January 1, 2018
Amendment to IAS 40 Reclassification of investment property	The amendment clarifies that a reclassification of an investment from or to investment property is only permitted when there is evidence of a change in its use.	January 1, 2018
Improvements to IFRS Cycle 2014-2016	Minor amendments to a set of standards (different effective dates).	January 1, 2018
IFRIC 22 Transactions and Advances in Foreign Currency	This interpretation establishes the "transaction date" for the purpose of determining the exchange rate applicable in transactions with foreign currency advances.	January 1, 2018
Modification to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and their associate / joint venture	Clarification regarding the result of these transactions whether it is business or assets.	No defined date

IFRS 16—Leases (IFRS 16) was issued by the IASB in January 2016. In accordance with the provisions of this standard, it will be applicable for years beginning on or after January 1, 2019. The standard permits its early application to entities that apply IFRS 15 at the initial date of application of IFRS 16 or prior to that date. To date, this standard has not yet been adopted by the European Union.

IFRS 16 addresses the accounting treatment, both from the point of view of the lessee and the lessor, of those contracts that are lease contracts or that contain a lease, as defined by the standard. In this regard, it is worth noting the greater detail, compared to the current standard, with which the standard addresses the process of determining whether a contract is or contains a lease.

The effects of the adoption of IFRS 16 for contracts in which one acts as lessor or lessee may be summarised as follows:

- From the point of view of the lessee, the application of IFRS 16 will mean that most leases are recognised in the statement of financial position, eliminating the distinction between operating and financial leases. The appearance in the statement of financial position will generally result in the recognition of an asset (the right to use the leased element) and a financial liability for the payment of rents. The standard includes an optional exemption for short-term and low-value leases. The income statement will also be affected because total expenditure will normally be higher in the first years of the lease and lower in the latter years. Furthermore, the current operating expense will be replaced by interest and depreciation (except in those cases where payments are variable). On the other hand, operating cash flows will be higher, to the extent that cash payments for the principal portion of the lease liability will be classified within financing activities.
- From the point of view of the lessor, the accounting registration of a contract that is or that contains a lease will not change significantly.

Regarding the interrelationship between the two standards, IFRS 15 excludes leasing contracts from the scope of this standard. Consequently, the determination of whether a contract entered into after the adoption of IFRS 16 is or contains a lease will determine which of the two standards, IFRS 15 (applicable to contracts for the delivery of goods or provision of services) or IFRS 16 (applicable to leases), will be applied to the corresponding income. Furthermore, IFRS 16 indicates that, in those contracts that are or that contain a lease, IFRS 15 should be applied to assign value to each differentiated component, an especially relevant circumstance in those cases where the contract contains service components and leasing components. Finally, as already indicated, early adoption of IFRS 16 requires that IFRS 15 has also been adopted.

Given the relevance and interrelationship between the two standards, the Parent Company has initiated a simultaneous process to analyse how they both impact on the main transactions carried out to date and the possible types of transactions that are expected to be entered into in the coming years.

The mentioned process has been structured in the following parts:

- a) Determination of what types of transactions are subject to both standards. Initiated during the year 2016, this work aims to determine:
 - i. For each segment of activity, determine whether the contracts with their customers are or contain leases, as well as what components exist;
 - ii. For each segment of activity, what types of contracts signed with their suppliers are or contain leases and, if applicable, what components should be differentiated.
- b) Determination what would be the accounting registration indicated by IFRS 15 and IFRS 16 for each contract and for each type of contract analysed.
- c) Given the high volume of contracts for which it would be a lessee, definition of methodologies to standardise the application of judgments and calculation of key data for the accounting registration (such as lease terms or interest rates to be used).
- d) Identification of the operational implications at the level of processes and systems.
- e) Implementation and evaluation of transition options.

With respect to other detailed rules and amendments, the Parent Company's Directors have evaluated the potential impacts of their future application and consider that their entry into force will not have a significant effect on the consolidated financial statements.

Furthermore, the new standards, amendments or interpretations indicated above have not been adopted in advance.

2.4) Basis of consolidation

Uniformity of items

In order to uniformly present the various items composing the accompanying consolidated financial statements for the year ended December 31, 2016, the same accounting policies have been applied to all of the companies included in the consolidated Group, adjusting when necessary the corresponding financial statements and financial statements of such companies to bring their accounting policies into line with those of the Group. The effect of the adjustments and reclassifications carried out to this purpose is not significant.

In this sense, the Parent Company and its subsidiaries end their year on December 31, 2016.

Subsidiaries

According to the model of consolidation under international accounting standards (mainly IFRS 10, 11 and 12), subsidiaries would be those entities over which the Parent Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Parent Company is exposed or has rights to variable returns from its involvement with the subsidiary when the returns that it obtains may vary depending on the economic performance of said entity.

Relevant information about the companies included in the consolidated Group is provided in Note 1.

Consolidation method

The financial statements and financial statements of the subsidiaries are fully consolidated. Consequently, all of the significant balances and transactions between the consolidated companies have been eliminated upon consolidation.

2.5) Aspects related to comparative information

Within the normal exercise of its activity and as part of its strategy, the Group has established various commercial formulas for fleet disposal, among which is the direct acquisition of vehicles for rental and subsequent sale to third parties, once the estimated period of possession has finalised. This form of fleet is known within the sector as "Risk Fleet".

During the current year, the Group has adapted the accounting policy related to the Risk Fleet to adapt it to the accounting treatment considered in the interpretation of the recently published regulations.

In particular, and in application of the abovementioned interpretation of the mandatory regulations, once the fleet is sold, the Group reclassifies it to the "Inventories" heading on the date on which the change of use is agreed, and, consequently, the income derived from the disposal is presented as part of revenue.

Furthermore, the Group had recorded certain vehicles subject to repurchase (buy back) agreements in tangible fixed assets based on the transfer of the significant risks and benefits inherent to their ownership (see Note 3 (c)). Based on the interpretation of the recently published regulations mentioned above, also considering its policy of vehicle acquisition and fleet management, as well as the economic substance of the global agreements reached with

manufacturers or dealers, the Group has adapted its accounting policy so that vehicles subject to repurchase agreements are classified as a lease agreement and are accounted for in accordance with the criteria set forth in IAS 17, since, in view of the above factors, there is in general an economic incentive to return the vehicle. The Group has reclassified certain buy back contracts from property, plant and equipment to operating leases in compliance with current regulations.

In accordance with current accounting regulations, comparative information for the year 2015 has been restated. However, this change has no impact on the Group's adjusted EBITDA, the net result or the variables that affect the Group's mandatory financial ratios.

In particular, the items affected by this change for the year 2015 have been the following:

	In € thousands	
	Debit	Credit
Financial investments (Current assets)	52,177	–
Prepayments (Current assets)	8,665	–
Property, plant and equipment (Non-current assets)	–	60,842
Cost of vehicles sales	51,509	–
Income proceeds from the sale of vehicles	–	51,509
Impairment and profit/loss on disposal of fixed assets	4,801	–
Fixed asset amortisation and buy back renting costs	–	4,801

2.6) Functional currency and currency of presentation

These consolidated financial statements corresponding to the year ended on December 31, 2016 are presented in thousands of euros. The functional currency of the Group and of the Parent Company is the euro.

3. Significant accounting policies

The principal accounting policies and principles, as well as valuation criteria used by the Group in preparing these accompanying consolidated financial statements for the year ended on December 31, 2016, in accordance with IFRS-EU, were as follows:

a) Business combinations

The acquisition of the control of a company by the Parent Company is a business combination in which the acquisition method is applied. In subsequent consolidations, the elimination of the investment- equity related to the dependant companies will be generally carried out based on the figures resulting from applying the acquisition method that is described below at the date control is obtained.

Business combinations are accounted for by applying the acquisition method for which the acquisition date and the cost of the combination are determined and calculated. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax asset or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *“Non-current Assets Held for Sale and Discontinued Operations”* are measured in accordance with that Standard.

Liabilities assumed include contingent liabilities provided that they represent current obligations arising from past events with a fair value that can be reliably estimated.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire, the equity interests issued by the Group and any other contingent consideration depending on future events or on the meeting of certain criteria in exchange for control of the acquire.

If, after reassessment, the net of the acquisition-date amounts of the identifiable asset acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

The fees paid to the legal advisers and other professionals that have intervened in the business combination, as well as all of the internally generated expenses regarding these concepts are not part of the cost of said combination and, therefore, they are charged as an expense on an accrual basis.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, the equity interests issued by the Group and any other contingent consideration depending on future events or on the meeting of certain criteria in exchange for control of the acquiree.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *“Provisions, Contingent Liabilities and Contingent Assets”*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If at the end of the year in which the business combination has taken place the valuation processes that are needed to apply the aforementioned acquisition method cannot be concluded, the accounting of the business combination would be considered to be provisional. These provisional amounts can be adjusted in the period that is necessary to obtain the required

information which in any case cannot exceed one year. The effects of the adjustments made are accounted for retrospectively and they would modify the comparative information if it were necessary.

b) Intangible assets

Goodwill

Goodwill arising on business combinations is recognised under the heading “Goodwill” of the consolidated statement of financial position. It represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the subsidiary at the date in which the business combination takes places.

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. In this sense, a cash-generating unit is defined as an identifiable group of smaller assets that generates cash flows for the Group that are basically independent from cash flows derived from other assets or groups of them.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit to the limit of the higher value between the following: fair value less selling costs, value in use and zero.

Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Individually acquired intangible assets

Intangible assets acquired individually are initially recognised at acquisition price or production cost. Afterwards, they are valued at cost less any accumulated amortisation and, if applicable, any impairment losses calculated in accordance with the criterion mentioned in the Note 3(d). Intangible assets with an indefinite useful life are not amortised (goodwill and trademarks) but they are assessed for impairment, at least once a year.

The Group amortises its intangible assets using the straight-line method, distributing the cost of the assets over the estimated useful life years. For the calculation of amortisation charges, the Group has considered the following amortisation rates:

	Amortization Rate
Intangible assets	16.66%

The Group reviews and adjusts prospectively when the residual value, useful life and method of amortisation of intangible assets are necessary at the close of each year. Changes in the criteria initially established are recognised as a change in estimation.

Patents, trademarks and similar intangible assets

Patents, trademarks and similar intangible assets reflect the costs incurred on the acquisition of ownership or rights to use or on their registration. The assets registered under this heading present an indefinite useful life and thus they are not amortised annually.

Computer software

Computer software accounts reflect the costs incurred on the acquisition of computer software. The maintenance costs related to computer applications are charged as expenses in the period in which they occur. The amortisation of the computer software is carried out annually on a straight-line basis over a six-year period.

Internally-developed intangible fixed assets

These assets included in intangible assets are recorded at cost of production, following the same principles as those established in the determination of the production cost of inventories. Intangible assets are included in the consolidated statement of financial position at cost of less accumulated depreciation and impairment losses.

The expenses incurred in the internal development of software applications and other intangible assets are capitalized to the extent that they are specific and individualized projects that meet the following conditions:

- The disbursement attributable to the performance of the project can be reliably measured.
- The assignment, allocation and distribution over time of project costs are clearly established.
- There are well-founded reasons for technical success in the performance of the project, both for the case of direct exploitation, and for the sale to a third party of the result of the project once completed, if there is a market.
- The economic-commercial profitability of the project is reasonably assured.
- The financing to complete the project, the availability of adequate technical or other resources to complete the project and to use or sell the intangible asset are reasonably assured.
- There is an intention to complete the intangible asset, in order to use or sell it.

The expenses charged to income in prior years cannot be subsequently capitalized when the conditions are met.

c) Property, plant and equipment

Property, plant and equipment is measured at cost of acquisition or production, using the same criteria as for determining the cost of production of inventories. Property, plant and equipment are carried at cost less any accumulated depreciation and impairment, if any, as mentioned in Note 3(d).

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to property, plant and equipment, and the items replaced or renewed are derecognised. Periodic maintenance, upkeep and repair expenses are recognised in the consolidated statement of profit or loss on an accrual basis as incurred.

The Group amortises its property, plant and equipment by distributing the cost of the asset on a straight-line basis over its useful life. In order to calculate the corresponding amortisation, the Group has considered the following rates of amortisation:

	Amortization Rate
Buildings	3%
Technical installations and machinery	8% – 12.5%
Other installations, equipment and furniture	10% – 25%
Information technology equipment	25%
Motor vehicles	15% – 25%
Other property, plant and equipment	10% – 25%

The Group reviews the residual value, useful life and method of amortisation of property, plant and equipment at the close of each year. Changes in the criteria initially established are recognised as a change in estimation.

The Directors of the Parent Company consider that the carrying amount of the assets does not exceed their recoverable amount, which is calculated on the basis described in Note 3(d).

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale price less any selling costs and the value in books of the asset and it is recognised in the consolidated statement of profit or loss.

Nevertheless, in the normal course of its business, the Group directly acquires vehicles for rental and subsequent sale to third parties once their estimated period of possession has finalised. When the mentioned vehicles are sold, they are reclassified to "Inventories" on the date on which the change of use is agreed upon and, consequently, the income derived from the disposal is recorded.

Vehicles under repurchase agreements

Vehicles under repurchase agreements are those for which the companies comprising the Group and the manufacturers or vehicle dealerships have entered into agreements whereby, at the end of the holding period, these assets will or can be bought back by the manufacturers or dealerships.

For acquisitions of vehicles subject to these repurchase agreements, the Group companies assess whether ownership, in accounting terms, has been transferred under the agreements. If this is the case, the accounting principles described for the remaining items of property, plant and equipment are applied.

Where ownership, in accounting terms, of the vehicles is not transferred, these assets are recognised as operating leases, as described below.

At the outset of the agreement, the difference between the initial payment and the fair value of the estimated repurchase price agreed by the parties is recognised as a prepayment of expenses to be incurred on the operating lease for the use of these vehicles and is classified under prepayments for current assets. This prepayment is recognised as a lease expense in the consolidated statement of profit or loss under "Fixed asset amortisation and buy back renting expenses" on a straight-line basis over the holding period of these vehicles.

At the outset of the agreement, the fair value of the repurchase price is recognised separately under "financial investments" and the accounting principles described in letter (f) of this Note.

d) Impairment of property, plant and equipment and intangible assets

At the end of each reporting period or when there is any indication of an impairment loss, the Group tests the intangible assets and property, plant and equipment for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount. At December 31, 2016, based on the assessment made on external and internal factors, the Directors of the Parent Company consider that there are not relevant indications of impairment. In any case, the Group has proceeded to estimate the possible loss of value of tangible assets as part of the annual evaluation of goodwill allocated to groups of cash generating units.

The procedure applied by Group management to perform the impairment test consists of ascertaining the recoverable amounts calculated for each cash-generating unit. However,

whenever possible, in the case of property, plant and equipment, impairment is calculated on a case-by-case basis. Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The Group identifies as groups of cash-generating units the assets assigned to each of the companies comprising the Group.

The recoverable amount is calculated as the higher value between fair value less disposal costs and value in use. In assessing value in use at December 31, 2016, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks that are specific to the asset for which the estimates of future cash flows have not been adjusted.

If there is a need to recognize an impairment loss for a group of cash-generating units to which goodwill has been partially or fully assigned, the impairment is first applied to the book value of the goodwill relating to that unit. If the impairment loss exceeds the book value of the goodwill, after impairing goodwill to zero, the remaining impairment is applied proportionally to remaining assets of the group of cash generating units, to the limit of the higher of the fair value less selling costs, value in use or zero.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit, except for goodwill is increased up to the revised estimate of its recoverable amount. However, the new carrying amount can not exceed the carrying amount that would have existed had no impairment loss been recognized in prior years. That reversal of an impairment loss is recognised as income.

e) Operating leases

Lessor accounting records

The Group has conveyed the right to use certain assets, mainly motor vehicles, through lease contracts.

Leases which transfer to third parties substantially all the risks and rewards incidental to ownership, in accounting terms, of the assets are classified as finance leases, otherwise they are classified as operating leases. Practically, all of the leases of the Group are classified as operating.

Assets leased to third parties under operating lease contracts are presented according to their nature, applying the accounting policies set out in Note 3(c).

Operating lease income, net of incentives granted, is recognised in income on a straight-line basis over the lease term.

Lessee accounting records

The Group has rights to use certain assets through lease contracts.

Leases in which the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases, otherwise they are classified as operating leases.

Lease payments under an operating lease, net of incentives received, are recognised as an expense on a straight-line basis over the lease term under the heading "Other operational expenses" of the consolidated statement of profit or loss, unless another systematic basis of distribution is more representative as it more adequately reflects the time pattern of lease benefits for the user.

Contingent lease payments are recognised as an expense when it is probable that the Group is going to incur in them.

Operating leases are deemed to be arrangements in which the lessor grants the lessee the right to use an asset during a specific period of time in exchange for a sole payment or a series of payments. These leases cannot be considered finance leases as the ownership of the leased asset and substantially all the risks and rewards relating to the leased asset remain with the lessor.

f) Financial instruments

Financial assets

Financial assets are initially recognised in the consolidated statement of financial position at the fair value of the consideration given plus any directly attributable transaction costs.

The financial assets held by the Group relate to loans and receivables which are financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Group's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market. Subsequently they are measured at nominal value which, in the opinion of the Parent Company's Director, does not differ significantly from amortised cost, and the interest income is recognized in consolidated statement of profit or loss on the basis of the nominal interest rate.

At least at each reporting date the Group tests its financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When such impairment occurs, it is recognized in the consolidated statement of profit or loss.

In particular, the Group registers impairment losses under the heading "Trade and other receivables" when there is a remote probability to recover the amounts registered under said heading.

The Group derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the firm sale of assets and transfers of commercial credit in "factoring" operations in which the Company has no credit or interest-rate risk, has extended no guarantees or assumed any other type of risk.

Conversely, the Group does not derecognise financial assets, but recognises a financial liability for an amount equal to the consideration received, in the assignments of financial assets in which substantially all the risks and rewards associated with ownership of the assets are retained, such as the discounting of notes and "factoring with recourse."

Financial liabilities

Financial liabilities are initially recognised at fair value and they are classified in accordance with the content and the substance of the contractual arrangements.

The main financial liabilities held by the Group are classified as held-to-maturity financial liabilities. Interest-bearing bank loans are recognized at the proceeds received, net of direct issue costs. Borrowing costs, including premiums payable on settlement or redemption and direct issue costs, are recognized in the consolidated statement of profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The effective interest rate is the discount rate that exactly matches the carrying amount of a financial instrument to all its estimated cash flows of all kinds through its residual life. For fixed rate financial instruments, the effective interest rate coincides with the contractual interest rate established on the acquisition date plus, where applicable, the fees that, because of their nature,

can be equated with a rate of interest. In the case of floating rate financial instruments, the effective interest rate coincides with the rate of return prevailing in all connections until the date on which the reference interest rate is to be revised for the first time and, therefore, the Parent Company's Directors consider that the differences arising from the changes in interest rate that could arise will not be material.

When the maturity of the loans is subject to express annual renewal at the decision of the lender or the associated terms and the conditions to be fulfilled used to calculate the future borrowing costs cannot be estimated reliably, the aforementioned financing is recognized at nominal value.

Payable to suppliers and trade payables are not interest bearing and are stated at their nominal value, which does not vary substantially from their fair value.

The Group writes-off the financial liabilities only when obligations, specified in the contract that generates them, have been met, cancelled or expired.

Financial assets and financial liabilities held for trading

Financial assets or financial liabilities held for trading are those which are classified as held for trading from initial recognition. A financial asset or financial liability is classified as held for trading if it:

- Originates or is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- Forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or
- Is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial assets and financial liabilities held for trading are initially recognised at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

After initial recognition, they are recognised at fair value through profit or loss. Fair value is not reduced by transaction costs incurred on sale or disposal. Accrual interest and dividends are recognised separately.

The Group does not reclassify financial assets or financial liabilities into or out of this category while recognised in the consolidated statement of financial position, except when there is a change in the classification of hedging financial instruments.

Determining the fair value of financial assets and liabilities

The fair value of the financial assets and liabilities is determined as described below:

- The fair value of the financial assets and liabilities, under standard terms and conditions, which are traded in active and liquid markets, will be based on quoted market prices.
- The fair value of other financial assets and liabilities (excluding those mentioned in the paragraph above) will be determined according to generally accepted valuation models on the basis of discounted cash flows using the observable market transaction prices and the quotations of the contributors for similar instruments.

The Directors of the Parent Company consider that the carrying amount of the financial assets and liabilities included in the amortised cost recognised in the current consolidated financial statements approximates their fair value. Furthermore, substantially all of the financial assets and liabilities at December 31, 2016 and 2015 correspond to instruments valued at amortised cost.

Equity instruments

An equity instrument represents a residual share in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Parent Company are recognised in equity at the proceeds received, net of direct issue costs.

g) Classification of current and non-current balances

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within twelve months from the end, financial assets held for trading, with the exception of financial derivatives which settlement exceeds a year and cash. Assets that do not meet these requirements are marked as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, and financial liabilities held for trading, with the exception of financial derivatives which settlement exceeds a year, and in general all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

h) Corporate income tax and deferred tax

The expenses or income due to taxes on profit are related to the part of expenses or income for current taxes and the part corresponding to the expenses or income for deferred tax.

The current tax is the amount that the Company pays as a result of tax payments on the corresponding profits produced in a year. The deductions and other tax advantages in the tax rate, excluding the withholding of tax and payment on account, as well as losses compensated in tax from previous years and effectively applied to the current tax year, result in a lesser amount of current tax.

Expenses or income due to deferred taxes correspond to the recognition and cancellation of assets and liabilities due to deferred taxes. These include the provisional differences that are identified as those amounts payable and redeemable deriving from the differences between the amounts on books in assets and liabilities and their tax value, as well as the negative taxable base pending compensation and the credits for tax deductions not applied in tax. Such amounts are registered applying to the provisional difference or credit that corresponds to the type of lien that should be recuperated or paid.

Liabilities due to deferred taxes are recognized for all the different tax bases, except for those deriving from the initial recognition of goodwill value or of other assets and liabilities in an operation which affects neither the tax results nor the accounting results and is not a combined trading.

On the other hand, the assets due to deferred taxes are only registered when they are considered possible when the Company considers that is possible to generate future taxable profits in order to pay taxes and not resulting from the initial recognition, except in a business combination, of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The remaining deferred tax assets (tax losses and deductions pending) are only recognized if it is probable that the consolidated entities will have sufficient future taxable profits against which to utilize them.

Current tax and deferred tax are recognized against the consolidated statement of profit or loss, except when they are associated with transactions that are recognized in equity, in which case the current tax and deferred tax is also recognized in equity. When the current tax and deferred tax arise from the accounting of a business combination, the tax effect is recognized in the accounting of the combination.

At each closing date, the assets due to deferred taxes registered are considered, making the corresponding corrections to these if there is doubt whether such can be redeemed. Furthermore, at each closing date, the assets due to deferred taxes which are not registered in the statement of finance position and are recognized possible as redeemable with future tax benefits.

i) Revenues and expenses

Revenues and expenses are recognized depending on an accrual basis, that is to say, when the actual flow of related assets and service occurs, notwithstanding the time of occurrence of financial or money flow resulting from these. Revenues are valued at their fair values of the consideration received, deducting discounts and taxes.

Sale revenue is recognised when the Company transfers the significant risks and rewards incidental to the ownership of the sold asset, which include not having effective control over the asset and not being able to manage it.

Revenues associated with the rendering of services are recognised in the consolidated statement of profit or loss by reference to the stage of completion at the reporting date when revenues, the stage of completion, the costs incurred and the costs to complete the transaction can be estimated reliably and it is probable that the economic benefits derived from the transaction will flow to the Group.

j) Termination benefits

Under current legislation, the Group companies are required to pay termination benefits to employees, under certain conditions. Termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying financial statements at December 31, 2016 do not include any provision in this connection, since no situations of this nature are expected to arise.

k) Provisions and contingencies

The Directors of the Parent Company in the elaboration of these financial statements for the year ended on December 31, 2016 differentiate between:

- a) Provisions: credit balances that cover current obligations arising from past events, whose cancellation is likely to lead to the exit of resources, but which are undetermined with regards to the amounts and/ or time of cancellation, and
- b) Contingent liabilities: possible obligations emerged as consequences of past events, whose future materialisation is conditioned by the occurrence or non-occurrence of one or more future events not wholly within the Group's control.

The consolidated financial statements of the year ended on December 31, 2016 include all provisions with respect to which one considers the possibility of occurring such an obligation is greater than otherwise. The contingent liabilities are not registered in the financial statements at December 31, 2016, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are valued at their present value of the best possible estimate of the amount required to cancel or transfer the obligation, taking into account the information available on the event and its consequences, and the adjustments are registered as they emerge on updating the said provisions as financial costs according to their accrual periods.

The compensation to be received from a third party at the time of liquidating the obligation, as long as there are no doubts to that such refund will be perceived, is registered as an asset, except

for those cases in which there is a legal attachment for which part of the risk is outsourced, and in virtue of which the Company is not obliged to respond; in such case, the compensation will be taken into account in order to estimate the amount for which, if applicable, the corresponding provision appears.

l) Offsetting balances

Balance only offset each other, and are presented in the consolidated statement of financial position on a net basis, when debtor and creditor balances arising from transactions in which, contractually or by operation of a legal regulation, contemplating offset and the intention to settle on a net basis exists or the simultaneous realization of the asset and the settlement of the liability.

m) Activities with environmental impact

Environmental activity is defined as any action intended to prevent, regulate or repair damage to the environment.

Investments in environmental activities, if any, are valued at acquisition cost and capitalized as cost of assets in the year in which they are incurred.

Environmental protection and improvement expenses are charged to consolidated statement of profit or loss in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

Provisions for probable or certain, litigation in progress and indemnities or obligations of an undetermined amount of an environmental nature, not covered by insurance policies, are constituted at the time when the liability or obligation that determines the indemnity or payment rises.

n) Transactions with related parties

The Group performs all the intercompany transactions at market values. Additionally, the transfer pricing is adequately supported so that the Directors of the Parent Company consider that there are no significant risks in this connection that might give rise to significant liabilities in the future.

o) Consolidated Statement of Cash Flow

The meanings of the following expressions in the consolidated statement of cash flow prepared using the indirect method are:

- Cash flows: inflows and outflows of cash and cash equivalents, this includes investments that are short term, highly liquid insignificant risk of changes in value.
- Operating activities: typical activities of the Companies of the Group, as well as other activities that could not be classified as investing or financing activities.
- Investing activities: the acquisition, sale or disposal of long-term assets and other investments not included in cash and cash equivalents. The Group, according to IFRS 7, assess to disclose the cash flows attending to the appropriateness to their nature. Investing cash flows include cash flows relating to the acquisitions and disposals of vehicles under repurchase agreements independently whether ownership, in accounting terms, has been transferred under the agreements (see Note 3(c)).
- Financing activities: activities which produce changes in the size and composition of equity and liabilities that are not part of operating activities.

p) Financial information by segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur in expenses, whose operating results are regularly reviewed by the Group's chief decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

q) Adjusted EBITDA

Management has presented the performance measure Adjusted EBITDA because it monitors this performance measure at a consolidated level and it believes that this measure is relevant to an understanding of the Groups' financial performance. This includes all of the income and expenses of the year except for:

- Income or expense arising from income tax.
- Financial income and expenses.
- Fixed asset amortisation expenses and buy back renting costs.
- Income and expenses that the Directors considered non-recurring due to their nature (see Note 11(f)).
- Impairment and profit/loss on disposal of fixed assets.

Adjusted EBITDA is not a defined performance measure in IFRS. The Group's definition of Adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

r) Adjusted EBIT

Management has presented the performance measure Adjusted EBIT because it monitors this performance measure at a consolidated level and it believes that this measure is relevant to an understanding of the Groups' financial performance. This includes all of the income and expenses of the year except for:

- Income or expense arising from income tax.
- Financial income and expenses.
- Income and expenses that the Directors consider non-recurring due to their nature (see note 11(f)).

Adjusted EBIT is not a defined performance measure in IFRS. The Group's definition of Adjusted EBIT may not be comparable with similarly titled performance measures and disclosures by other entities.

s) Conversion of business abroad

The conversion into euros of business abroad whose functional currency is not that of a hyper-inflationary country has been carried out by applying the following criterion (IAS 21.39):

- Assets and liabilities, including goodwill and adjustments to net assets arising from the acquisition of the businesses, including comparative balances, are converted at the closing exchange rate at each statement of financial position date;

- Revenues and expenses are converted at the exchange rates prevailing on the date of each transaction; and
- Exchange rate differences resulting from the application of the above criteria are recognised as translation differences in other comprehensive income;

This same criterion is applicable to the conversion of the financial statements of the companies accounted for using the equity method, recognising the translation differences corresponding to the Group's shareholding in other comprehensive income.

In the presentation of the consolidated statement of cash flow, the cash flows of foreign subsidiaries and joint ventures are translated to euros using the exchange rates prevailing at the date they were incurred.

Translation differences recorded in other comprehensive income are recognised in profit or loss as an adjustment to profit or loss on the sale, following the criteria set forth in the sections relating to subsidiaries and associates.

4. Business combinations and Goodwill

Cost of the business combination

At December 18, 2014 the Parent Company took control of the Goldcar Group through several operations in a single transaction. Information on the acquisition process is detailed in the consolidated financial statements for the year 2014.

Moreover, in the purchase agreement signed between Car Rentals Topco, S.L. and Alcor Sociedad Estratégica S.L., a contingent future consideration was established. This consideration is subject to the attainment of a specified minimum corporate EBITDA (as defined in this agreement) during the years 2014, 2015 and 2016. In this sense, the degree of compliance with the corporate EBITDA (as defined in this agreement) is independent each year as long as a series of contingent conditions are additionally met which can only be verified at the moment of divestment of the buyer.

At the acquisition date, and at December 31, 2016 and 2015, the Directors of the Sole shareholder of the Parent Company estimated that the fair value of such contingent consideration will be €0 since its probability of occurrence cannot be estimated, nor valued reliably.

Goodwill

The balance at year end 2016 under the "Goodwill" heading assigned to each of the cash-generating units is as follows:

Company	In € thousands 2016
Goldcar Spain S.L.	115,737
Goldhire Portugal Lda.	44,851
Goldcar Italy S.r.L.	27,009
Goldcar France S.à.r.l.	1
Total	187,598

Goodwill had no movements during 2016.

The movement for the year 2015 under the heading "Goodwill," which has been allocated to each cash-generating unit has been the following:

Company	In € thousands			
				2015
	Balance at Dec. 31, 2014	Additions	Retirements	Balance at Dec. 31, 2015
Goldcar Spain S.L.	115,737	–	–	115,737
Goldhire Portugal Lda.	44,851	–	–	44,851
Goldcar Italy S.r.L.	26,683	326	–	27,009
Goldcar France S.à.r.l.	1	–	–	1
Goldcar Fleets Spain, S.L.U.	214	–	(214)	–
Total	187,486	326	(214)	187,598

The goodwill corresponds to the difference between the fair value of the acquired assets and assumed liabilities and the cost of the business combination at the date of acquisition of each identified cash-generating unit. In this sense, the consideration paid for the business combination includes amounts corresponding to know-how, benefit of the acquired synergies, expected growth of the business and workforce. These benefits are not recognised separately from the goodwill since they do not meet the criteria to be considered identifiable intangible assets.

The Group has defined as cash-generating units the different companies acquired in the business combination. A breakdown of the acquired companies is detailed in the following section.

The goodwill derived from the business combination explained in this note is not tax deductible.

Impairment analysis

Moreover, as indicated in Notes 3(a) and 3(d), the Group has performed the corresponding impairment test according to IAS 36.

The recoverable amount of the assets allocated to the CGUs has been calculated based on its value in use calculated as the present value of the future cash flows discounted at a discount rate considering the risk inherent in these flows.

The calculations of value in use and fair value use cash flow projections over five-years based on the budgets approved by management. Cash flows estimated as of the year in which the CGU achieves a stable rate of growth are extrapolated using the estimated growth rates indicated below.

Company	Perpetual growth rate	Post-tax discount rate
Goldcar Italy S.r.L.	1.5%	8.2%
Goldhire Portugal Lda.	1.5%	9.4%
Goldcar Spain S.L.	1.5%	8.7%

Management determined the budgeted gross margins based on past experience and forecast market performance. Perpetual growth rates are coherent with the forecasts included in industry reports. The discount rate uses post-tax values and reflects specific risks related to the CGU.

Because the recoverable amount is considerably higher than the carrying amount of the net assets, specific information from the impairment test sensitivity analysis is not included.

5. Intangible assets

The movement in the accounts corresponding to intangible assets and their accumulated amortisation during the year 2016 and 2015 is as follows:

	In € thousands				
	2016				Balance at Dec. 31, 2016
	Balance at Dec. 31, 2015	Additions	Retirements	Transfers	
Cost					
Trademarks	18,919	–	–	–	18,919
Other intangible assets	4,130	2,909	172	(569)	6,642
Total cost	23,049	2,909	172	(569)	25,561
Accumulated depreciation					
Other intangible assets	(359)	(502)	(5)	–	(866)
Total amortisation	(359)	(502)	(5)	–	(866)
Net value					
Trademarks	18,919	–	–	–	18,919
Other intangible assets	3,771	2,407	167	(569)	5,776
Total net book value	22,690	2,407	167	(569)	24,695

	In € thousands				
	2015				Balance at Dec. 31, 2015
	Balance at Dec. 31, 2014	Additions	Retirements	Transfers	
Cost					
Trademarks	18,829	–	–	90	18,919
Other intangible assets	1,246	2,981	(7)	(90)	4,130
Total cost	20,075	2,981	(7)	–	23,049
Accumulated depreciation					
Other intangible assets	(5)	(358)	4		(359)
Total amortisation	(5)	(358)	4		(359)
Net value					
Trademarks	18,829	–	–	90	18,919
Other intangible assets	1,241	2,623	(3)	(90)	3,771
Total net book value	20,070	2,623	(3)	–	22,690

Trademarks

Under the caption “Trademarks,” the Group registers certain commercial trademarks acquired from the company Alcor Sociedad Estratégica, S.L. amounting to €18,829 thousand. Based on an analysis of all the relevant factors, Group Management considers that there is no foreseeable limit to the period over which these trademarks are expected to generate net cash inflows for the Group and, therefore, the trademarks have been classified as intangible assets with indefinite useful lives. Accordingly, they are not amortised although their classification as assets with indefinite useful lives is reviewed at the end of each year and it is consistent with the Group’s related business plans.

The intangible assets with indefinite useful lives were assigned jointly with goodwill and their impairment has been analysed jointly with that goodwill (see note 4).

The Company has analysed the impairment of each intangible asset under development by calculating the recoverable amount thereof based on its fair value.

6. Property, plant and equipment

The movement of the property, plant and equipment accounts and their accumulated depreciation for the years 2016 and 2015 is detailed below:

	In € thousands				
	Balance at Dec. 31, 2015	Additions	Disposals	Transfers	Balance at Dec. 31, 2016
Cost					
Land and buildings	370	–	(234)	–	136
Technical facilities and other property, plant and equipment ...	77,043	95,299	(38)	(72,115)	100,189
Property, plant and equipment in the course of construction and advances	51	221	–	(19)	253
Total cost	77,464	95,520	(272)	(72,134)	100,578
Accumulated depreciation					
Land and buildings	–	(6)	–	–	(6)
Technical facilities and other property, plant and equipment ...	(567)	(19,358)	–	18,840	(1,085)
Total depreciation	(567)	(19,364)	–	18,840	(1,091)
Impairment					
Technical facilities and other property, plant and equipment ...	(403)	(302)	40	–	(665)
Accumulated impairment	(403)	(302)	40	–	(665)
Total net book value	76,494	75,854	(232)	(53,294)	98,822

	In € thousands				
	Balance at Dec. 31, 2014	Additions	Disposals	Transfers	Balance at Dec. 31, 2015
Cost					
Land and buildings	370	–	–	–	370
Technical facilities and other property, plant and equipment ...	113,348	81,192	–	(117,497)	77,043
Property, plant and equipment in the course of construction and advances	2,521	46	–	(2,516)	51
Total cost	116,239	81,238	–	(120,013)	77,464
Accumulated depreciation					
Technical facilities and other property, plant and equipment ...	341	(21,917)	–	21,009	(567)
Total depreciation	341	(21,917)	–	21,009	(567)
Impairment					
Technical facilities and other property, plant and equipment ...	–	(593)	190	–	(403)
Accumulated impairment	–	(593)	190	–	(403)
Total net book value	116,580	58,728	190	(99,004)	76,494

The main additions in 2016 and 2015 relate mainly to vehicles.

In the normal course of its business, the Group directly acquires vehicles for rental and subsequent sale to third parties after the end of their estimated period of possession. The transfers correspond mainly to the vehicles that are sold and are therefore reclassified in the "Inventories" heading on the date on which the change of use is agreed.

The impairment losses of Technical facilities and other property, plant and equipment corresponds to valuation adjustments arising as a result of missing or stolen vehicles at year-end, based on the net book value of such vehicles.

At December 31, 2016 fully depreciated property, plant and equipment total €533 thousand (€577 thousand in 2015) and are technical installations and other items of property, plant and equipment.

At December 31, 2016 and 2015, there are no firm commitments to sell and/or purchase assets.

At December 31, 2016, certain transportation elements have been pledged to secure the proceedings described in Note 14(c) which have net book value of €36 thousand (€703 thousand in 2015).

The policy of the Group is to take out insurance policies to cover the potential risks to which its fixed assets are subject. At December 31, 2016, the mentioned policies nearly cover the net book value of said elements.

7. Trade and other receivables and Financial investments

In connection with the Group's main activity, which is the renting of vehicles, its sales are mainly paid in cash causing the average credit and collection periods to be virtually zero. For this reason, there is no significant impairment in the accounts receivables.

Due to Management accounts receivable management policy and the Group's type of business, there are no provisions for significant insolvencies in this respect nor has there been any movement of this type of provisions in 2016 or 2015.

Additionally, the Group's accounts receivables recorded under the heading "Trade and other receivables" of the consolidated statement of financial position mainly comprise amounts due from manufacturers and, to a lesser extent, vehicle dealerships, primarily for vehicle sales derived fundamentally from sales of vehicles subject to repurchase agreements for which the transaction has taken place.

At December 31, 2016, the Group has derecognised an amount of €19,168 thousand (€16,978 thousand in 2015) in respect of factoring without recourse operations with a total fixed limit of €20,000 thousand, and a variable limit for individual operations depending on the balance receivable that gave rise to the corresponding credit (see Note 14(b)).

The heading "Financial investments" mainly comprises the amounts receivable from manufacturers, primarily for vehicle sales with repurchase agreements, and reflect the fair value of the repurchase price (see Note 3(c)) of vehicles that have not yet been bought back.

The Group reflects trade receivables at nominal value, provided that they do not differ significantly from their fair value.

8. Consolidated net equity and equity

a) Equity

Share capital and share premium

The share capital of the Parent Company is represented by 21,500,000 shares of €1 par value each, with a share premium of €193,500 thousand, which have been created through the

incorporation of the Parent Company and two share capital increases of 17,197,000 and 4,300,000 shares each, executed through a public deed on December 18, 2014. All of the shares were fully subscribed and paid as of December 31, 2016.

The shares of the companies that comprise the Group are not listed on any official organised market.

At December 31, 2016 and 2015, the shareholders of the Parent Company who are legal persons are International Car Rentals III S.à.r.l. and Alcor Sociedad Estratégica, S.L. owning 80% and 20% of the shares, respectively.

Legal reserve

Under the Consolidated Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. Such reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for that purpose.

At the end of the year 2016, the Parent Company's legal reserve had not been legally constituted.

Capitalisation reserve

Appropriations shall be made to the capitalisation reserve in accordance with articles 25 and 62 of the Spanish Corporate Income Tax Law, which stipulates that this reserve must be appropriated in the amount of the reduction in the income tax base for the year to which the tax group is entitled. The right to a reduction in the income tax base of the tax group amounts to 10% of the increase in the capital and reserves of the tax group, as defined in this article, and in no case may exceed 10% of the income tax base of the tax group for the tax period prior to the reduction and the integration referred to in section 12 of article 11 of the Law and the offsetting of tax losses. However, in the event that the tax group has insufficient taxable income to apply the reduction, the amounts pending can be applied in the tax periods ending during the two successive years following the close of the tax period in which the right to the reduction was generated, together with the reduction that could apply in that year, subject to the aforementioned limit. The reserve is non-distributable and is subject to the tax group maintaining the increase in capital and reserves during a period of five years from the end of the tax period in which the reduction was generated, except in the event that the Company incurs accounting losses.

Consolidated reserves

Details by company of this heading at December 31, 2016 and 2015 are as follows:

	In € thousands 2016	In € thousands 2015
Car Rentals Parentco S.A.U.	(92)	–
Car Rentals Subsidiary S.A.U.	13,387	(897)
Goldcar Spain S.L.	2,005	(476)
Pulsar Rent a Car S.L.U.	(18)	–
Goldcar Hellas S.à.r.l.	(1,366)	–
Car Rentals Italy S.r.L.	(713)	(226)
Goldcar Italy S.r.L.	(649)	(274)
Goldshire Portugal Lda.	8,691	8
Goldcar Fleets Spain S.L.U.	(249)	29
Goldcar Fleetco S.A.	(7)	–
Goldcar Master S.L.	74	8
Goldcar France S.à.r.l.	(653)	–
Total	20,410	(1,828)

Basic earnings per share

The basic earnings per share in relation to continuing operations recognised for 2016 and 2015 are presented below, expressed in Euros per share:

	2016	2015
Total profit for the year (in € thousands)	24,512	22,169
Weighted average of shares outstanding (thousands)	21,500	21,500
Basic earnings per share (Euros)	1.1401	1.0311

Since there is no dilutive effect on the earnings per share, the basic and diluted earnings per share are the same.

9. Financial debt and Derivatives

Long term financial liabilities

The balance of the accounts registered under the heading “Financial debt” and “Derivatives” at the end of the years 2016 and 2015 are the following:

	In € thousands		
	2016		
	Long-Term	Short-Term	Total
Senior Facility	301,274	5,585	306,859
Derivative financial instruments	183	–	183
Other debt with financial institutions	–	22	22
Total	301,457	5,607	307,064

	In € thousands		
	2015		
	Long-Term	Short-Term	Total
Senior Facility	303,332	4,385	307,717
Derivative financial instruments	277	–	277
Other debt with financial institutions	–	72	72
Total	303,609	4,457	308,066

Almost all the financial debt has a floating interest rate.

The detail of the due dates of the debt that is registered under the heading “Financial debt” of the non-current liabilities is as follows:

	In € thousands	
	2016	2015
	Senior Facility	Senior Facility
2017	–	4,878
2018	7,087	7,228
2019	31,152	30,992
2020	263,035	260,234
Total	301,274	303,332

Characteristics of the Group’s financial debt

Within the process of taking control of the Group carried out on December 18, 2014 (see Note 1 for a full description), the company Car Rentals Subsidiary, S.A.U. entered, as the debtor, along with Car Rentals Parentco, S.L.U., as the Parent Company, into a syndicated global financing agreement with several financial institutions. Both companies are Group companies. The financing totals an amount of €450,000 thousand and it was subdivided in two parts:

- Senior Facility: the loan has a total nominal value of €325,000 thousand. The amortised cost at December 31, 2016 of the mentioned loan amounts to €306,859 thousand (€307,717 thousand in 2015) and its aim is to finance the share purchase of the foreign companies comprising the Group (Goldhire Portugal Lda. and Goldcar Italy S.r.L.), the purchase of certain trademarks, to cancel the previously existing debt and to increase the operational flexibility of the Group. The senior facility was issued in two tranches and their most significant traits are the following:
 - “Tranche A” was granted for a total amount of €50,000 thousand. The Group will annually amortise the accumulated drawn amounts through annual repayments until the due date, December 18, 2019.
 - “Tranche B” was issued for a total amount of €275,000 thousand. The Group will amortise this amount through one sole payment to be made at the date of maturity which is June 18, 2020.

The financing through Tranche A, as well as the financing through Tranche B bear a variable interest rate at Euribor-indexed (adjusted) plus a margin. The margin is computed on the basis of the leverage ratio of the Group which can range from 3.25% up to 3.75% for Tranche A and from 5% up to 5.50% for Tranche B.

- A revolving credit facility with an initial limit of €125,000 thousand to finance the working capital of the Group in order to fuel its growth. This facility matures on December 18, 2019 and accrues interest on floating market rates based on Euribor plus a margin that is conditioned to certain financial figures of the Group measured at the date of disposal. At December 31, 2016

and 2015, no amount has been drawn from this facility. During 2015, there were two extensions of the credit facility limit amounting to €25,000 thousand and €12,000 thousand. Furthermore, in 2016, there was an extension of €13,000 thousand, raising the limit at the close to €175,000 thousand. In addition, at the beginning of 2017, the Group has extended this credit facility by an additional €75,000 thousand.

The effective interest rate of the senior facility for the year 2016 has been 7.33% (7.83% in 2015) and it has resulted in financial expenses amounting to €24,304 thousand in 2016 (€24,573 thousand in 2015), which are registered under the heading "Financial costs" of the consolidated statement of profit or loss (See Note 11(e)).

Moreover and in accordance with said financing agreement, the Group has provided several guarantees to the creditor financial institutions and it is required to comply with several economic and equity ratios in relation to the consolidated financial statements as detailed in Note 14.

Derivative Financial Instruments

At March 18, 2015, the Group, through its subsidiary Car Rentals Subsidiary, S.A.U., entered into derivative financial instruments to hedge its exposure to the interest rates of the syndicated financing described above. These financial instruments have been formalised through the following operations:

- An interest rate SWAP maturing on December 31, 2017 with a notional amount of €50 million in which the Group pays a fixed monthly rate of 0.04% and charges a variable interest rate based on Euribor 1 M. This instrument would hedge tranche A of the syndicated financing.
- Two CAP agreements with a fixed interest rate (strike) of 1.50%. The two agreements have the same conditions maturing both on December 18, 2017 and having each notional amounts of €137.5 million. The benchmark interest rate is Euribor 6 M. This instrument would hedge tranche B of the syndicated financing.

10. Public Administrations and tax position

Reconciliation of accounting profit/loss and tax base

The income tax is calculated on the basis of accounting profit or loss determined by application of generally accepted accounting principles which does not necessarily coincide with the taxable profit or the tax base.

The reconciliation between the accounting result and the taxable income of the estimated corporate income tax corresponding to December 31, 2016 and December 31, 2015, is as follows:

	In € thousands		
	2016		
	Additions	Reductions	Total
Accounting profit before tax	–	–	28,534
Permanent differences	1,203	(2,213)	(1,010)
Temporary differences	–	(172)	(172)
Capitalization Reserve	–	(2,064)	(2,064)
Tax loss carryforwards from previous years	–	(23)	(23)
Tax base	1,203	(4,472)	25,265

	In € thousands		
	2015		
	Additions	Reductions	Total
Accounting profit before tax	–	–	30,817
Permanent differences	3,071	(5,071)	(2,000)
Temporary differences	5,563	(6,230)	(667)
Tax base	8,634	(11,301)	28,150

Reconciliation of the consolidated accounting profit or loss before income tax to taxable income

The reconciliation of the accounting profit before income tax to the tax result corresponding to the tax period in 2016 and 2015 is as follows:

	In € thousands	
	At Dec. 31, 2016 Profit	At Dec. 31, 2015 Profit
Accounting profit before tax	28,534	30,817
Tax charge	7,387	8,705
Deductions	(3,077)	(220)
Non-deductible expenses	305	870
Non-taxable income	(514)	(795)
Capitalisation reserve	(516)	(610)
Prior year adjustments	(46)	46
Tax loss carryforwards/ Unrecognised tax credits	483	652
Total tax expense recognised in the consolidated statement of profit or loss	4,022	8,648

Details of the tax expense/(tax income) in the consolidated statement of profit or loss are as follows:

	In € thousands	
	At Dec. 31, 2016	At Dec. 31, 2015
Current tax		
For the period	7,164	8,670
Prior year adjustments	6	–
Previously unrecognised tax deductions	(2,629)	(256)
Tax loss carryforwards/ Unrecognised tax credits	(63)	–
Subtotal	4,478	8,414
Deferred tax		
Property, plant and equipment	(169)	188
Tax deductions not recognised in previous years	(455)	–
Prior year adjustments	168	46
Subtotal	(456)	234
From continuing operations	4,022	8,648

In 2016, the Company generated a deduction in order to avoid double taxation amounting to €2,732 thousand, of which €2,277 thousand have been applied in the settlement of the current year, with the remaining €455 thousand pending application for future years. The balance of the deduction pending application is expected to be fully utilised in 2017.

Withholdings and payments on account made during 2016 amounted to €5,168 thousand (€9,710 thousand in 2015).

Deferred tax assets and liabilities

Details of the Deferred tax assets at the consolidated statement of financial position at December 31, 2016 and 2015 are as follows:

	In € thousands	
	Dec. 31, 2016	Dec. 31, 2015
Limit on deductibility of amortisation/depreciation	415	466
Tax loss carryforwards	305	349
Deductions	455	–
Others	15	130
Total	1,190	945

Regarding the limit on the deductibility of amortisation/depreciation (applicable in 2013 and 2014) was partially recovered in 2015 as it related to the depreciation of the fleet of vehicles expected to be withdrawn from service between 2015 and 2017.

In relation to the negative tax bases and given that they were generated independently by a Spanish company under the individual income tax regime, the recoverability of the negative tax bases will depend on the tax bases generated by that company for the periods beginning after January 1, 2015.

Furthermore, the detail of the heading “Deferred tax liabilities” registered in the consolidated statement of financial position at December 31, 2016 and 2015 is the following:

	In € thousands	
	Dec. 31, 2016	Dec. 31, 2015
Other	–	219
Total	–	219

At end of the year 2016, there are no pending deductions nor temporary differences related to investments in depending companies and related parties or to interests in joint ventures for which deferred tax liabilities have not been recognised.

The negative tax bases registered in in the accompanying consolidated statement of financial position have no temporary limit.

The current tax rates applicable to the Spanish companies in the group for the years beginning on or after January 1, 2015 and following are set at 28% and 25%, respectively.

In relation to the deduction for reinvestment of extraordinary profits established in article 42 of the Royal Legislative Decree 4/2004, of March 5, for which the Revised Text of the Corporate Tax Law is approved by, the following information is provided.

Period	Gains	Deduction Applied	Reinvestment Period
2010	3,265	355	2009-2013
2011	1,747	210	2010-2014
2012	1,238	149	2011-2014
2013	964	116	2012-2014

The Group has a commitment to maintain the assets and liabilities for which it received a deduction for reinvestment for five years, or three years in the case of moveable property, unless the amount obtained or the carrying amount, if lower, is to be reinvested.

Years open to inspection

Under current tax regulation, taxes cannot be deemed definitive until they have been inspected by the tax authorities or the corresponding prescription period of four years has passed. As a consequence of the possible different interpretations of the current tax regulation, among other reasons, additional liabilities could arise as a result of an inspection. In any case, the Directors of the Parent Company believe that in the case that the mentioned liabilities arise they would not significantly affect the financial statements.

At December 31, 2016, the Parent Company has the year 2014 open to inspection since it has been incorporated in that year and at December 31, 2015 and 2016. The subsidiaries have all of the main applicable taxes open to inspection by the tax authorities since January 2013, except for the income tax which is open to inspection since the year 2012. Subsidiaries with tax residence in countries other than Spain, are open to inspection their taxes based on current tax laws in each country. The Directors of the Parent Company believe that, in the event that an inspection takes place, no additional relevant liabilities will arise.

Tax consolidation

The Spanish companies comprising the consolidated Group will be taxed from January 2015 onwards under the consolidated tax regime established in Chapter VI of the Title VII of the Spanish Corporation Law (27/2014) of the Income Tax.

Moreover, the Spanish companies comprising the consolidated Group have applied the special regime for groups of entities in relation to the value added tax established in Chapter IX of Title IX of the Value Added Tax Law (37/1992) to the operations carried out from January 1, 2015 onwards.

11. Income and expenses

a) Revenue

Revenues mainly derive from the commercialization of self-drive vehicle hire. In this context, the Group does not have clients that represent more than 10% of the total revenue.

Furthermore, in the normal course of its business, the Group acquires vehicles to be used for rental and subsequent sale to third parties after the end of their estimated period of possession. When these vehicles are sold, they are reclassified to "Inventories" on the date the change of use is agreed upon and, consequently, the income derived from the sale is recorded as part of "Revenue."

The breakdown of the revenue by geographical market is detailed in section h) of this Note 11.

b) Personnel

The average number of Group employees during the years 2016 and 2015, detailed by categories, is the following:

Professional Categories	Number of Employees	
	2016	2015
Senior management	5	5
Other management personnel	21	20
Technicians, professionals and support personnel	109	87
Administrative staff	78	59
Sales and similar personnel	446	347
Other qualified personnel	83	104
Unskilled workers	157	168
Total	899	790

Additionally, the distribution by gender of Group personnel at the end of the years 2016 and 2015, detailed by categories, is as follows:

Professional Categories	2016		2015	
	Male	Female	Male	Female
Directors	10	–	8	–
Senior management (not directors)	2	–	2	–
Other management personnel	21	1	19	3
Technicians, professionals and support personnel	67	29	50	38
Administrative staff	35	42	34	29
Sales and similar personnel	230	225	157	176
Other qualified personnel	63	36	93	38
Unskilled workers	188	42	99	17
Total	616	375	462	301

The average number of Group employees with a disability greater than or equal to 33% during the year 2016 is 13 (6 in 2015).

c) Leases

Operating leases—lessor

At December 31, 2016 and 2015 there are no significant non-cancelable operating leases to which the Group companies are considered lessors.

Operating leases—lessee

Operating leases in which the Group acts as a lessee relate to the leases of offices, buildings and land located in different settings of Spain and the European community. The Group pays a fixed monthly fee which is updated by indexes that correct the effect of inflation. Moreover, the Parent Company is present in numerous Spanish airports by means of the entity A.E.N.A. (Aeropuertos Españoles y Navegación Aérea) to which it pays fixed and variable fees. In this sense, the variable fees are calculated on the basis of invoicing, facility use, and airport area and they cannot be lower than 9.25% of the turnover generated in the corresponding airports. During the current year, the Spanish airport concessions with expiry in October 2016 were put up for auction. The Group has been awarded several of these concessions, the new conditions of which are the payment of a fixed part plus an 8% variable fee, without having an assured minimum.

In addition to acting as a lessee as explained above, the Group is also a lessee of rental vehicles without a driver.

Moreover, the Group classifies as an operating lease certain vehicles that are destined to car rental and that have been acquired from manufacturers or dealerships. These vehicles are subject to repurchase agreements (See Note 3(c)).

The expenses of the year resulting from operating leases ascend to €89,917 thousand (€73,928 thousand in 2015) and their detail is disclosed below:

	In € thousands	
	2016	2015
Buy back renting costs	51,697	42,777
Renting costs	14,140	11,404
Airport royalties	18,568	15,164
Other leases	5,512	4,583
Total	89,917	73,928

Buy back renting costs with the amortisation expenses detailed in Notes 5 and 6 are classified under the heading "Fixed asset amortisation and buy back renting costs" of the accompanying consolidated statement of profit or loss.

Future minimum payments under non-cancellable operating leases are detailed below, excluding future increases due to inflation:

	In € thousands	
	2016	2015
Less than one year	19,957	7,028
One to five years	38,459	4,246
More than five years	7,219	503
Total	65,635	11,777

d) Other operating expenses

External services

The fees for financial audit and other professional services provided by the auditors of the consolidated financial statements of the Group, KPMG Auditores S.L., as well as the fees invoiced by the auditors of the financial statements of the companies included in the consolidation perimeter and of the entities that are considered related by means of control, common ownership or management, have been the following in 2016 and 2015:

Description	In € thousands			
	2016		2015	
	Main Auditor	Other Auditors	Main Auditor	Other Auditors
Audit services	98	13	97	14
Other assurance services	6	—	—	—
Total	104	13	97	14

e) Income and expenses resulting from financial instruments

The financial expenses correspond mainly to the financing described in Note 9 which refers to the "Senior Facility."

f) Other non-recurring income and expenses

The Group recognises under this heading, mainly those non-recurring expenses resulting from the hiring of professional services, other expenses related to other fixed assets, other vehicle expenses, allowance and attendance expenses relating to the Board of Directors, extra payments to certain employees, severance payments and sundry others. No significant income was included.

	In € thousands	
	2016	2015
Transaction expenses	–	282
Restructuring	1,149	1,344
Litigation, claims and penalties	775	271
Opening up new markets	292	50
Grants and donations	156	37
Other non-recurring items	1,135	257
Total	3,507	2,241

g) Subsidiary contribution to the consolidated profit

The contribution made by each of the companies comprising the Group to the consolidated results for the year ended 2016 and 2015 is the following:

	In € thousands	
	2016 Result attributable to the Parent Company	2015 Result attributable to the Parent Company
Car Rentals Topco S.L.U.	(504)	(68)
Car Rentals Parentco S.A.U.	(20)	(91)
Car Rentals Subsidiary S.A.U.(*)	2,772	(846)
Goldcar Spain S.L.	17,670	17,396
Car Rentals Italy S.r.L.	111	(487)
Goldcar Italy S.r.L.	897	(375)
Goldcar Fleetco Italy S.R.L.	23	–
Goldhire Portugal Lda.	5,588	8,683
Goldcar Fleets Spain S.L.U.	(22)	(65)
Goldcar Fleetco S.A.	(350)	(7)
Goldcar Master S.L.	381	66
Goldcar France S.à.r.l.	(979)	(653)
Goldhire Fleetco Portugal Lda.	(31)	–
Goldcar Hellas S.A.	(529)	(1,366)
Goldcar Rental, d.o.o.	(435)	–
Pulsar Rent a Car S.L.U.	(60)	(18)
Total	24,512	22,169

h) Operations by geographical market

A breakdown of the revenue and non-current assets by geographical market at December 31, 2016 and 2015 is detailed below:

	In € thousands			
	2016		2015	
	Revenue	Non-current assets (*)	Revenue	Non-current assets (*)
National (Spain)	190,482	96,959	194,931	58,726
Rest of the European Union	117,256	29,782	93,966	42,424
Other countries	1,644	–	11	–
Total	309,382	126,741	288,908	101,150

(*) Excluding goodwill

i) Foreign currency

The breakdown of the balances and transactions in foreign currency at the close of the years 2016 and 2015, respectively, is as follows:

	In € thousands			
	Accounts receivable	Accounts payable	Total Revenues	Total Expenses
Croatian kuna (HRK)	302	(405)	1,452	(1,886)

12. Related parties balances and transactions

a) Remuneration of the Group's Directors and senior management

The aggregate annual remuneration paid to the Senior Management of the Parent Company in wages and salaries totalled an amount to €445 thousand (€581 thousand in 2015). The amount for year 2016 includes the remuneration of a member of senior management who ceased his activity during the year. The Parent Company's senior management does not receive any other remuneration other than the wages and salaries mentioned above.

The Directors of the Parent Company, (other than those referred to in the preceding paragraph, for the case in which the Group's Senior Management are part of the Board of Directors), have received attendance fees, diets and remuneration amounting to €105 thousand during the year ended December 31, 2016 (€90 thousand in 2015).

Additionally, the Group establishment a Long Term Bonus Agreement with Directors and certain managers subjects to several milestones only verifiable in the case and moment of divestment of shareholders of the Parent Company. As of December 31, 2016, the Directors of the Parent Company have estimated that the fair value of this bonuses is € zero.

Moreover, a director has granted a loan to the Company amounting to €500 thousand. This loan accrues a variable interest rate and has repayment terms that are conditional on the achievement of certain milestones, only verifiable in the case and moment of divestment by the majority shareholder of the Parent Company. As of December 31, 2016, the Directors of the Parent Company have estimated that the fair value of the accrued interest is € zero since the probability of this occurrence cannot be estimated nor can it be reliably valued.

The Board of Directors consists of 10 men.

The Parent Company has not assumed any commitments with its Directors or the Group's senior management regarding pensions, life insurance, advance payments, loans or any of the sort. The amount of the civil liability insurance policy accrued in the year by the Group amounts to €16 thousand.

b) Information regarding conflict of interest situations with the Directors

During 2016 and 2015 the Directors of the Parent Company have not communicated to the Company's shareholder any situation regarding themselves or their related parties in which there could be an indirect or direct conflict of interest with the Parent Company. In this sense, the term "related parties" refers to the one defined under Spanish Corporation Law, except for the Director Juan Alcaraz Alcaraz, which ones have been disclosed in note c) below.

c) Balances and transactions with other related parties

At December 31, 2016 and 2015, the main balances and transactions of the Group related to transactions with Alcor Sociedad Estratégica, S.L. (one of the shareholders of the Goldcar Group, see Note 8).

Moreover, the main operations with related parties were:

- Operating expenses resulting from the lease of buildings for an amount of €945 thousand with related companies to Alcor Sociedad Estratégica, S.L. (€965 thousand in 2015) and non-significant advisory services expenses by these entities.
- Operating expenses resulting from vehicles repair for non-significant amounts.
- Consulting Contract with Laurence Marlor amounting to €6 thousand during year 2016.
- Loan amounting to €500 thousand granted by Laurence Marlor.

13. Segment information

IFRS 8 regulates, in certain entities, reporting financial and descriptive information about an entity's reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. An operating segment is defined as a component of an entity:

- that engages in business activities from which it may earn revenue and incur in expenses (including revenue and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to decide about the resources that should be allocated to the segment and assess their performance; and
- for which discrete financial information is available.

The Group only operates in the car rental segment. In this sense, the information that serves as a base to the maximum authority in the decision making process regarding Group operations is structured according to the different offices in which each of the subsidiaries operates.

14. Other information

a) Guarantees and obligations derived from the financing agreement

The main guarantees granted by the Group to the creditor financial institutions upon the issuing of the syndicated financing described in Note 9 are disclosed below:

- A pledge on the shares of the depending companies Goldcar Spain S.L. and Goldhire Portugal Lda.

- Additionally, every material (as defined in global funding agreement) Group company will be considered a guarantor of the obtained financing. According to the financing agreement, a Group company will be considered material if its assets or individual EBITDA (*) amount to at least 5% of those of the Group's. In this sense, at the closing of each year, the Group shall evaluate if the material restricted subsidiaries comply with the Coverage Test (Guarantor Coverage Test) which establishes that the total of assets and EBITDA(*) of the guarantors are higher than 80% of those of the Group. At December 31, 2016 and 2015, the Group considers that the granted guarantees are enough to comply with what is established in the agreement reached with its financial creditors.
- In the same way, guarantees are granted on the bank accounts and trade receivables of Goldcar Spain S.L. and Goldhire Portugal Lda. The trade receivables comprise receivables with clients, manufacturers of vehicles subject to repurchase agreements, and other Group companies. Additionally, Goldcar Spain S.L. has entered into a senior mortgage commitment on its owned vehicles.
- Moreover, Goldcar Spain has entered the financing as a debtor and guarantor. Goldcar Fleetco, S.A. has also entered the financing as a guarantor and guarantees have been issued over its shares and bank accounts.
- According to the financing agreement and provided that there are drawn amounts in any of the syndicated loans or the revolving policy, a number of mandatory conditions are established. Such conditions are measured on the basis of certain ratios and financial levels to be estimated on the consolidated financial information of the Goldcar Group. These ratios are the total banking ratio (total consolidated net debt/ consolidated EBITDA) and the interest coverage ratio (consolidated EBITDA/ total net payment of interests). At December 31, 2016 and 2015, the Group believes that all of the conditions included in the agreements are met.

(*) EBITDA, as defined in global funding agreement.

b) Information on the management of capital and the nature and level of financial risks

The Group's financial risk management is centralised in its Financial Management, which has established the required mechanisms to control exposure to the fluctuations in interest and exchange rates, as well as credit and liquidity risk. The detail of the capital management policy and the main risks affecting the Group are as follows:

i. Capital management policy

The aim of the Group's capital management is to achieve a financial structure that optimises the cost of capital and maximises short- and medium-term liquidity while maintaining a solid financial position. This policy makes it possible to reconcile creating value for the Shareholders with access to financial markets at a competitive cost, which is in line with the overall Group strategy of increasing sales through the expansion of its operations in Spain and abroad.

The Group's financial structure rests fundamentally on the syndicated financing described in Note 9 which has an available balance at December 31, 2016 of €175,000 thousand (€162,000 thousand available in 2015) that will enable the Group, along with other factors, to fuel its growth. In addition, at the beginning of 2017, the Group has extended this credit facility by an additional €75,000 thousand.

As part of its capital management policy the Group regularly monitors, inter alia, the following consolidated aggregates:

- Net financial debt: represents the sum of all the debt, both long and short term, less the amounts included in cash balances.
- Net financial debt/EBITDA: represents the sum of dividing net financial debt by EBITDA.

In this context, the syndicated financing obtained in the year 2014 includes conditions related to the compliance with certain economic and equity ratios that are associated with the consolidated financial statements of the Group.

ii. Financial risk management policy

Credit risk

Credit risk is the risk that a debtor may become insolvent in relation to applicable contractual obligations, giving rise to a loss for the Group. In general the Group's policy to mitigate such risk consists in collecting in cash the transactions related to its ordinary car rental activity from its final customers. However, the Group maintains trade receivables with wholesalers and travel agencies.

In 2016 and 2015, in general, the main receivables are from solvent vehicle manufacturers, which have historically settled payables by their due dates. Cash and cash equivalents are deposited in financial institutions with high credit ratings.

Liquidity risk

This risk refers to both, the risk in which the Group might find difficulties in selling a financial instrument quickly enough without incurring in significant additional costs, as well as the risk resulting from not having sufficient liquidity at the moment in which the payment obligations of the Group need to be met.

The policy of the Group is to hold cash through leading financial institutions in order to be able to meet its future obligations. It also monitors the structure of its consolidated statement of financial position by maturity on an ongoing basis in order to detect as soon as possible any inappropriate short- and medium-term liquidity structures using a strategy aimed at ensuring stable sources of financing and the arrangement of credit facilities for amounts which are sufficient to cover the projected needs.

The Group arranged non-recourse factoring facilities amounted to €39,500 thousand (€35,000 thousand in 2015) that can be applied to certain trade receivables with a maximum limit of €20,000 thousand according to the guarantees and obligations derived in the syndicated financing agreement (see Note 14(a)).

Market risk

Market risk is defined as the risk of variation in the fair value or the future cash flows of a financial instrument due to changes in interest rates, exchange rates or other price risks.

• Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities that bear interest at a fixed rate and the future cash flows from assets and liabilities tied to a floating interest rate. The aim of interest rate risk management is to achieve a balanced debt structure that makes it possible to minimise the cost of the debt over several years with reduced volatility in the consolidated statement of profit or loss.

The indebtedness of the Group is tied to Euribor. However, as it is disclosed in Note 9, at March 18, 2015, the Group has entered into derivative financial instruments to cover the future fluctuations of the syndicated financing interest rate, hence, it has been able to minimise its exposure to the variations in interest rates. The SWAP and the two CAP with low strikes (1.5%) will allow the Group to minimise the possible impact.

- **Exchange rate risk:**

The Group virtually carries out its operations in euros, which is the local currency of all of the companies comprising the Goldcar Group. Consequently, the exchange rate risk is considered to be a residual risk.

Sensitivity analysis

The Group's Finance Department considers interest rates to be the main market risk. Therefore, the aforementioned hedges were entered into. The interest rate sensitivity analysis shows that an increase of 100 basis points in the Euribor in 2016 would increase finance costs by approximately €1,100 thousand (in 2015 finance costs would rise by approximately €479 thousand), but the hedges contracted in 2015 would considerably minimise this impact. However, a fall in the Euribor in 2016 and 2015 would have a notable impact on the consolidated statement of profit or loss as the Euribor would be at near-zero levels.

c) Legal proceedings, claims in progress and/or contingencies

As a normal part of its activity the Group receives various administrative and labour claims that are evaluated on an annual basis by the Group's legal department together with its external advisors to determine, where appropriate, the equity impact based on an estimate of probability of occurrence on the basis of which the appropriate provisions are recorded.

Furthermore, throughout each year the Group enters into commercial agreements with its main clients consisting of discounts, commissions or the like, having recorded in these financial statements the best estimate that such agreements may have in respect of them.

Other information

In 2012 the Spanish National Competition Authorities (now replaced by the Spanish National Markets and Competition Commission—CNMC) undertook administrative proceedings on two counts. The first case was raised jointly against subsidiary Goldcar Spain, S.L., and its parent company in that year, Alcor Sociedad Estratégica, S.L., as well as AENA and several other vehicle rental sector companies. The second jointly concerned the subsidiary Goldcar Spain, S.L and Alcor Sociedad Estratégica, S.L, in addition to other vehicle rental sector companies and associations.

The first case stemmed from possible anti-competitive conduct, namely the sharing of sensitive business information on self-drive car hire companies that rent AENA commercial premises. The Spanish National Competition Authorities (CNC) issued a ruling on this procedure on January 2, 2014, although it imposed no fine. The Directors and legal independent advisers of the Group believe it is not probable for significant economic responsibilities to derive for the Group.

On the second was resolution of July 30, 2013, whereby the Spanish National Competition Authorities imposed a fine of €15,456 thousand. Furthermore, in relation to the appeal filed by the subsidiary company, Goldcar Spain, S.L., a judgement was delivered on March 16, 2016. The judgement partially considers the appeal, annuls the resolution in the particular relating to the determination of the amount of the fine and orders that the proceedings be referred to the Spanish National Competition Authorities so that it dictates another in which to set the amount in accordance with the legal criteria of duly substantiated graduation. Against the judgement, the subsidiary company Goldcar Spain, S.L. has filed a cassation appeal before the Supreme Court, requesting the complete annulment of the Resolution. At the date of the preparation of these consolidated financial statements, the proceedings are pending indication for vote and judgement, and therefore no judgement has been served.

Pursuant to the agreements adopted in the context of the Group's takeover of this subsidiary described in Note 4, which included the commitment by the seller to keep the Group harmless in the event that it had to face the claim described above and considering the guarantees provided in this commitment, the subsidiary company Goldcar Spain, S.L. does not consider that there is any liability related to this aspect.

In relation to the situation explained above, real guarantees have been formed over certain vehicles (see Note 6).

During 2016, the Italian Competition and Market Authority started inspections of several entities in the vehicle rental sector, including the Goldcar Group. On November 20, 2016, the Italian Competition Authority imposed a penalty of €2 million on the Goldcar Group for alleged infringements related to the consumer code. Subsequent to the close of 2016, in accordance with Italian law and as a preliminary procedure necessary in order to appeal against the sanctioning sentence, the Group has paid the mentioned amount in year 2017. The appeal was filed on February 17, 2017 before The Italian Administrative Court of the Region of Lazio. The Directors of the Parent Company consider the likelihood that the appeal will not be successful as remote, based, among other things, on the assessments made by its legal advisors, who consider that there are sufficient arguments, from the point of view of both procedure and substance, to obtain the partial or total annulment of the decision of the Italian Competition Authority. The Directors of the Parent Company have therefore considered any contingencies that could arise were the appeal filed by the Parent Company not successful to be remote and therefore no provision has been recorded in this regard in these consolidated financial statements.

Other aspects

At December 31, 2016 the Group is supported by financial institutions to cover the guarantees resulting from the ordinary course of business for a total amount of €19,764 thousand (€10,658 thousand in 2015).

At December 31, 2016 and 2015, there are no significant contingent assets.

d) Average period of payments to suppliers.

The Information on Late Payments to Suppliers is as follows:

	Days	
	2016	2015
Average period of payments to suppliers	31.51	27.59
Ratio of paid transactions	31.14	27.22
Ratio of outstanding operations	34.25	34.03
In € thousands		
Total payments made	74,576	95,335
Total pending payments	9,903	5,454

e) Subsequent events

No significant events have occurred since the reporting date that could affect the consolidated financial statements at December 31, 2016 except that on June 16, 2017, Europcar Group, the European leader in vehicle rental services and a major player in mobility markets, has signed an agreement with the Company shareholders to acquire Car Rentals Topco and subsidiaries.

The acquisition is subject to customary conditions precedent, including the approval of antitrust authorities, and is expected to close in the second half of 2017.

As a consequence of this agreement, the Directors of the Parent Company have estimated that the fair value of contingent future consideration established in the purchase agreement signed between Car Rentals Topco, S.L. and Alcor Sociedad Estratégica S.L. (see Note 4) is €17,763 thousand. Based on events outside the control of the Group, that arise subsequently to the end of 2016, the corresponding liability has been booked in the Interim Condensed Consolidated Financial Statements for the six month period ending June 30, 2017.

Additionally, as a consequence of the mentioned agreement, the Directors of the Parent Company have estimated that the fair value of the bonus to pay to the Directors and certain managers of the Group (see Note 12(a)) is €3,300 thousand. Based on events outside the control of the Group, that arise subsequently to the end of 2016, the corresponding liability has been booked in the Interim Condensed Consolidated Financial Statements for the six month period ending June 30, 2017.

Preparation of the consolidated financial statements

The preparation of this consolidated financial statements has been carried out by the Directors of Car Rentals Topco, S.L. at its meeting held on October 6, 2017. The mentioned consolidated financial statements comprise the consolidated statement of financial position, the consolidated statement of profit or loss and the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow and the notes to the consolidated financial statements. All the documents mentioned above have been signed in all of their pages by the Directors.

**Exhibit A—Europcar Groupe S.A. Registration Document
(Annual Financial Report) for the year ended
December 31, 2016**

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**REGISTRATION
DOCUMENT**

including the annual financial report

2016

Europcar



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2016

REGISTRATION DOCUMENT

including the annual financial report

GENERAL COMMENTS

This Registration Document (hereinafter the “Registration Document”) also includes:

- the annual financial report that must be prepared and published by all listed companies within four months of the start of each fiscal year, in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General regulation; and
- the annual management report of the Management Board of Europcar S.A., which must be submitted to the General Meeting of shareholders called to approve the financial statements of each fiscal year, in accordance with Articles L. 225-100 *et seq.* of the French Commercial Code.

Two cross-reference tables presented in Section 7.7 of this Registration Document on pages 373 to 375 identify the information related to these two reports.

In this Registration Document, the terms the “Company”, “Europcar Groupe” and “Europcar Groupe S.A.” mean the Europcar Group, the holding company of the Group, and the words, “Europcar” and “the Group” should be understood as references to Europcar Groupe S.A. and all companies included in the consolidation scope.

In this Registration Document, figures related to the Corporate Countries do not include the data related to the Irish subsidiary, a former Group franchisee acquired by Europcar on December 12, 2016. Figures related to franchisees include the data related to this Irish franchisee.

The Sections of these documents not included by reference in this document are either irrelevant to current investors or are addressed in another part of the Registration Document.

Pursuant to its general regulation, notably Article 212-13, the French Financial Markets Authority (the “AMF”) registered this Registration Document on April 12, 2017 under number R.17-015. This document may only be used in support of a financial transaction if supplemented by a securities note approved by the AMF. It was prepared by the issuer and is the responsibility of its signatories.

It was registered, pursuant to the provisions of Article L. 621-8-1-I of the French Monetary and Financial Code, after the AMF had verified that it is complete and comprehensible, and that the information it contains is consistent. It does not imply authentication by the AMF of the accounting and financial information contained therein.

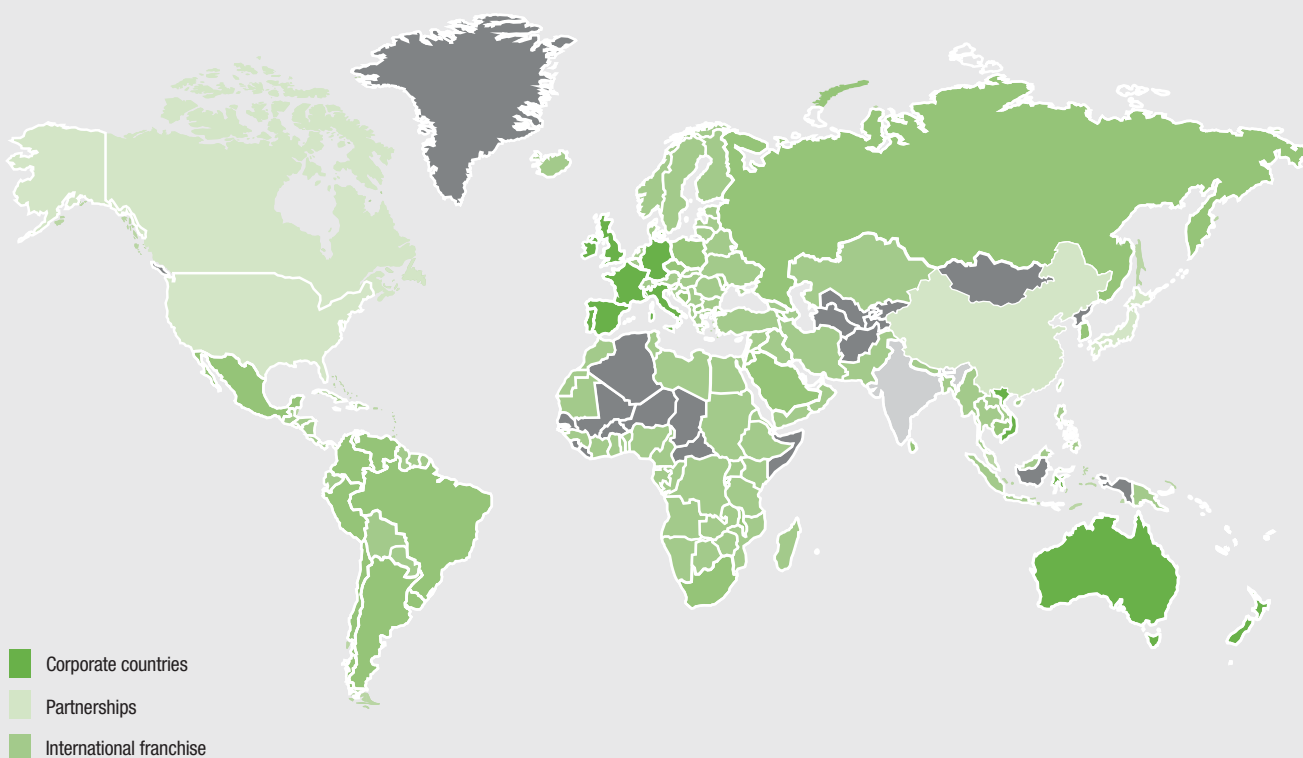
Copies of this Registration Document may be obtained free of charge from Europcar Groupe S.A., 2 rue René Caudron, Bâtiment OP, 78960 Voisins-le-Bretonneux, as well as on the websites of Europcar Groupe (www.europcar-group.com) and the AMF (www.amf-france.org).

Pursuant to Article 28 of EU regulation 809/2004, the following information is incorporated by reference in this Registration Document:

- the consolidated financial statements of the Group for the years ended December 31, 2013 and 2014, contained in Section 20.1.1 on page 293, which in turn make reference to Annex II of the Base Document filed with the AMF on May 20, 2015 under number I.15-041 (the “Base Document”);
- the report of the Statutory Auditors on the consolidated financial statements of the Group for the years ended December 31, 2013 and 2014, contained in Section 20.1.2 of the Base Document, on pages 293-294 (inclusive);
- the comparison of results for the years ended December 31, 2014 and 2013, contained in Section 9.2 of the Base Document on pages 165-171 (inclusive);
- the consolidated financial statements of the Group for the year ended December 31, 2015 contained in Section 3.4 on page 147 of the Registration Document filed with the AMF on April 14, 2016 under number R.16-021 (the “2015 Registration Document”);
- the report of the Statutory Auditors on the consolidated financial statements of the Group for the year ended December 31, 2015, contained in Section 3.4 of the 2015 Registration Document, on pages 243-244 (inclusive);
- the comparison of results for the years ended December 31, 2015 and 2014, contained in Section 3.4 of the 2015 Registration Document on pages 147-152 (inclusive).

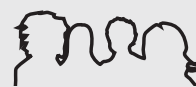
KEY FIGURES

A **dense network of local stations** to serve clients all over the world



130

Presence in over
130 countries
and territories



3,754

points of sales worldwide

2,035

stations operated
as franchises

1,719

stations operated
directly or
by agents

 2016 enabled us to strengthen our leadership on our core business and develop on the market of new mobilities, thanks to strategic acquisitions. 2016 also showed excellent operating and financial performance despite the difficult market climate.

CAROLINE PAROT
CEO

One of the world's **largest car rental networks**



213,800

A vehicle fleet that is serviced regularly and environmental friendly



66

Years of experience



Over **6,461**
employees

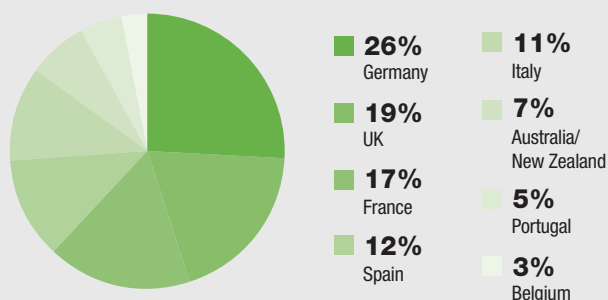


€ **2,151**

million of revenue in 2016

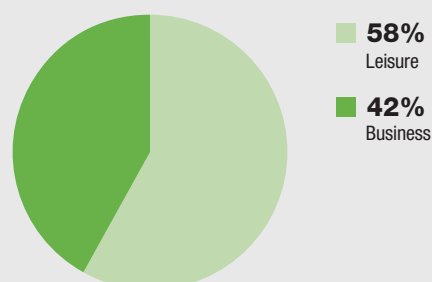
Breakdown of **2016 revenue**

Rental Revenue by region (2016)⁽¹⁾



(1) Rental income excluding franchises

Rental Revenue by customer (2016)⁽²⁾



(2) 2016 figures for the nine Europcar "Corporate Countries" alone

GROUP

HISTORY

1949



Founding of Europcar in Paris by Raoul-Louis Mattei under the name "l'Abonnement Automobile"

1951

Creation of the "Europcars®" brand.

1957



Signing of a cooperation agreement with Hertz.

1970

Raoul-Louis Mattei sells Europcars to Régie Renault.

1971



Europcars acquires a new visual identity with a new logo and a new color: orange.

1949

1989



Europcar celebrates its 40th anniversary. The Group replaces the orange color with green.

1991

Acquisition of Compagnie des Wagons-lits by Accor, which thus becomes the shareholder of Europcar International.

1996

The subsidiaries in Switzerland and the Netherlands are acquired by franchisees.

2001



Europcar launches a new online booking tool. This is a fundamental breakthrough for Europcar: thanks to www.europcar.com (or to local versions), the 200,000 vehicles of the fleet can be accessed in 118 countries.

2003

Europcar becomes the European car rental leader thanks to a strategy based on the increase in the number of operating franchises and the development of numerous sales partnerships with travel agents, airlines companies, etc.

2004

Creation of Europcar Asia Pacific, comprising nine countries. Europcar also opens up to South America.

1973

Creation of subsidiaries in Germany, Belgium, the Netherlands and Switzerland.

1974



The “s” disappeared, the brand then became “Europcar®”. Creation of subsidiaries in Spain, the UK, Italy and Portugal.

1979

The Europcar network now comprises 212 agencies in France, 743 in Europe, Africa and the Middle East, with a fleet of 9,000 vehicles and more than 1,000 employees serving an increasingly international customer base.

1980



To bolster this image, Europcar becomes involved in sports sponsoring. The Group sponsors a Formula 1 Renault team and the Paris-Dakar rally.

1988

Renault is replaced by Compagnie des Wagons-lits and then Volkswagen. InterRent and Europcar merge.

2005

Europcar joins the United Nations Global Compact launched by Kofi Annan at the World Economic Forum in Davos. The Group has thus adopted the ten fundamental principles of the Global Compact concerning the respect of Human Rights, Labor standards, the environment and the fight against corruption.

2006



Eurazeo takes control of Europcar, becoming the sole shareholder of Europe's number one car rental group.

2012



Europcar revamps its brand with a new positioning “Moving your way”, together with a change in its logo.

2015

Success of Europcar's Initial Public Offering. The story of Europcar has convinced a very wide range of French and international investors, who have joined the Group in its new development phase.

2016

Acquisition by Europcar of its Irish franchisee, bringing the number of the Group's Corporate Countries to 10.

KEY FIGURES AND SIGNIFICANT EVENTS OF THE YEAR

Key figures

The reconciliation between GAAP and non-GAAP aggregates are provided in Sections 3.1 “Analysis of the Group’s earnings” and 3.2 “Liquidity and capital resources”.

	Year ended December 31				
<i>In millions of euros</i>	2016	2015	2014	2013	2012
Total Revenue *	2,151	2,142	1,979	1,903	1,936
Rental Revenues *	2,002	1,992	1,823	1,756	1,781
Rental Day Volume (<i>in millions</i>)	59.9	57.1	52.8	50.7	50.7
Revenue Per Transaction Day (RPD) (<i>in euros</i>) ⁽¹⁾	33.4	34.9	34.5	34.6	35.1
Average Fleet Size in units (<i>in thousands</i>) ⁽²⁾	213.8	205.4	189.3	183.6	186.0
Fleet Financial Utilization Rate ⁽³⁾	76.5%	76.1%	76.4%	75.6%	74.4%
Average Fleet Unit Costs/Month (<i>in euros</i>) ⁽⁴⁾	(245)	(253)	(248)	(260)	(284)
Adjusted Corporate EBITDA ⁽⁵⁾ *	254	251	213	157	119
Adjusted Corporate EBITDA margin	11.8%	11.7%	10.8%	8.3%	6.1%
Operating income (IFRS) *	263	222	138	174	141
Net profit/(loss) *	119.3	(56)	(112)	(63)	(111)
Corporate Free Cash Flow ⁽⁶⁾	157	86	159	128	60
Cash flow after payment of High Yield interest	126	21	85	54	(7)
Total Net Debt (including estimated debt equivalent of fleet operating leases) ⁽⁷⁾ *	3,265	3,057	3,148	2,818	2,949
Net Corporate Debt ⁽⁷⁾	220	235	581	525	568
Net Corporate Debt/Adjusted Corporate EBITDA	0.9x	0.9x	2.7x	3.3x	4.8x

* As set forth in the consolidated financial statements and the notes to the financial statements.

These figures are presented on a reported basis. Please note that changes to certain aggregates can however be influenced by changes to exchange rates. Please refer to Chapter 3.

(1) RPD (revenue per transaction day) corresponds to rental revenue for the period divided by the Number of Rental Days for the period. This aggregate, like revenue, may be impacted by currency effects, notably in relation to pound sterling. Readers should refer to Section 3.1 “Analysis of the Group’s earnings” for a discussion of change in RPD.

(2) Average fleet of the period is calculated by considering the number of days of the period when the fleet is available (period during which the Group holds or finances the vehicles), divided by the number of days of the same period, multiplied by the number of vehicles in the fleet for the period.

(3) The 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.

(4) The average fleet costs per unit per month is the total fleet costs (fleet holding costs and fleet operating cost) excluding interest expense included in fleet operating lease rents and insurance fees divided by the average fleet of the period divided by the number of months in the period.

(5) Adjusted Corporate EBITDA is defined as recurring operating income before depreciation and amortization not related to the fleet, and after deduction of the interest expense on liabilities related to rental fleet financing. The Group reports Adjusted Corporate EBITDA, as it believes that this aggregate provides investors with additional information useful in assessing the Group’s performance. The Group believes these indicators are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Group’s industry. The Group further believes that investors, analysts and rating agencies will use Adjusted Corporate EBITDA to measure the Group’s ability to meet its future debt repayment obligations. Adjusted Corporate EBITDA is not a recognized measure under IFRS, and should not be seen as an alternative to operating income or net profit as a measure of operating results, or to cash flow as an indicator of cash generation. Reconciliation with accounting aggregates is presented in Section 3.1 “Analysis of the Group’s earnings”.

(6) Corporate free cash flow is defined as free cash flow before the impacts of the fleet and acquisitions of subsidiaries. The Group believes that Corporate free cash flow is a useful indicator because it measures the Group’s liquidity based on its ordinary activities, including net financing costs on borrowings dedicated to fleet financing, without taking into account (i) past disbursements in connection with debt refinancing, (ii) costs that, due to their exceptional nature, are not representative of the trends in the Group’s results, (iii) financial investments, and (iv) cash flows in relation to the fleet analyzed in a separate manner as the Group makes acquisitions using asset-backed financing. Reconciliation with accounting aggregates is presented in Section 3.2 “Liquidity and capital resources”.

(7) Total net debt includes net corporate debt and total fleet net debt. The latter includes all financing in relation to the fleet whether or not it is recorded in the balance sheet. In particular, the off-balance sheet fleet debt, i.e. the estimated debt equivalent of fleet operating leases 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). Reconciliation with the debt recognized in the balance sheet prepared in accordance with IFRS is provided in Section 3.2 “Liquidity and capital resources”.

Significant events during fiscal year 2016

Our growth in 2016

The Group's growth in 2016 was sustained by the leisure activity's strong dynamics as well as by the sharp expansion of the low-cost business.

On the leisure segment, Europcar Groupe has pursued different initiatives to sustain the development of its two principal brands Europcar® and InterRent®. In the framework of the Europcar® brand, the Group continued to develop "Keddy by Europcar®", a dedicated service for tour-operators, travel agencies and brokers; rolled-out an ancillary program in all the Corporate Countries ahead of the summer season, and signed new partnerships. The Group also continued the deployment of InterRent®, its low-cost brand, in its Corporate Countries (92 stations at the end of 2016) and through franchisees (in 40 affiliated countries at the end of 2016).

On the business segment, Europcar Groupe has won several new large corporate accounts and renewed several significant contracts. A strong focus has also enabled the Group to progress significantly on the small and medium-sized businesses (SME) segment.

Through its Ubeeqo International subsidiary, the Group has continued to expand organically and non-organically in new mobilities in both the Leisure and Business segments.

Furthermore, the Group has continued its efforts to improve its customer experience and strengthened its presence in the new mobility solutions market.

Acquisitions in 2016

ACQUISITION OF THE 3RD FRENCH FRANCHISEE

On July 1, 2016, Europcar Groupe acquired Locaraise, the number three French franchisee in terms of revenue. Locaraise has 19 stations and an average fleet of 2,200 vehicles; a large proportion of its customers are small and medium-sized businesses. In 2015, Locaraise generated revenue of approximately €17 million. The investment was made by the Group's French subsidiary, Europcar France, and represented a cash outflow of €9 million.

ACQUISITION OF BLUEMOVE BY UBEEQO

On June 9, 2016, through its Ubeeqo International subsidiary, Europcar Groupe acquired a 99% majority stake in Bluemove, a technology start-up in the field of mobility and the leader in car-sharing in Spain.

INVESTMENT IN WANDERIO

On July 19, 2016, Europcar Groupe took a minority equity investment through Europcar Lab (its entity dedicated to innovation) in Wanderio, an Italian start-up created in 2013. Wanderio's aim is to simplify the lives of consumers by offering the best means of transport from point A to point B, based on two criteria: price and trip length. Europcar's investment will provide significant support to increase Wanderio's presence in Europe.

ACQUISITION OF BRUNEL

On August 16, 2016, Europcar Groupe acquired Brunel, a ride-hailing company based in London. Brunel is a leader in private chauffeur services available through mobile applications. It mainly targets business customers across a range of industries, notably in fields such as investment banking, law, consulting and financial institutions.

ACQUISITION OF THE FRANCHISEE IN IRELAND

On December 12, 2016, Europcar Groupe acquired Europcar Ireland, one of the largest franchisees in terms of revenue. With this acquisition, the Group expands its network of subsidiaries from nine to ten countries, benefits from substantial flows of leisure customers coming from all of its subsidiaries, and strengthens its presence in the mobility segment with the acquisition of both vehicle rental and car-sharing businesses. With a long-standing presence in Ireland, Europcar Ireland is a major actor in its market. Europcar Ireland has developed a network of 19 stations (cars and light commercial vehicles), including five airport locations, and an average fleet of approximately 5,000 vehicles.

ACQUISITION OF GUIDAMI BY UBEEQO

On December 23, 2016, Europcar Groupe acquired GuidaMi, the leading self-service car-sharing company in Milan, through its subsidiary, Ubeeqo International. 99% of GuidaMi's share capital was acquired as part of the acquisition. Ubeeqo nevertheless has an option to purchase the remaining 1% of GuidaMi's share capital until 2018.

These strategic acquisitions represent a new step in Europcar's strategy of offering a complete range of mobility solutions to its customers and realizing its ambitious acquisition program designed in particular to accelerate the creation of added value for its shareholders.

New bond issue maturing in 2022

On June 2, 2016, Europcar announced the successful issue of fungible bonds for the amount of €125 million due 2022 and a yield 100 basis points below the initial issue. The reduced yield to worst of 4.5140%, or 4.8790% yield to maturity, reflects the Group's improved credit profile. These bonds are fungible with the existing bonds due 2022, which were issued in June 2015 for the total nominal amount of €475 million and bearing interest at the fixed rate of 5.750%, bringing the total amount of the issue to €600 million. The proceeds from the bond issue amount to €131 million. Europcar will use the net proceeds from these new bonds to finance its targeted acquisition program, franchises and new mobility services, as well as for the Company's general corporate purposes.

Optimization of the financing backed by the fleet

On September 27, 2016, Europcar Groupe announced the improvement of the terms and conditions of its Senior asset Revolving Facility (SARF) and related interest rate swaps. Europcar Groupe also renegotiated the financing of its fleet in the United Kingdom, and renegotiated, or entered into new, fleet operating leases in order to support growth and improve profitability.

The senior tranche of the SARF, rated "A" by Standard & Poor's, was increased by €200 million, bringing it to €1.3 billion, with an improvement of 20 basis points on the margin, i.e. Euribor +150 bp. The final maturity was extended from July 2019 to July 2020. In addition, the interest rate hedging instruments were restructured and increased by €200 million to reach €1.2 billion.

New customer experience strategy

During the first half of 2016, Europcar Groupe launched a new customer experience strategy, in particular, with the deployment of two structuring projects aiming to enhance brand preference and brand differentiation:

- the "Customer First" program, designed to provide an improved rental experience for all of the Group's customers through a comprehensive approach offering a better quality of service;
- the "Air Force One" project in key airports, the main purpose of which is to improve and differentiate customer experience at the counters in the main airports in which the Group operates. This project covers in particular the management of peak periods and queues, fleet and staff forecasting tools and new processes which, when implemented, will improve the services provided to customers.

New Group organization and acceleration of the deployment of its strategy with the appointment of Caroline Parot, Chairperson of the Management Board

The new Group organization was deployed in two steps: the first consisted of assigning defined responsibilities among the members of the Management Board, the second consisted of launching the project to organize the Group by Business Unit and establishing new governance bodies.

In July 2016 the Group chose a new organization by Business Unit to better take into account its "Customers" in order to accelerate the development of its "Go To Market" strategy. As a result, the Management Board decided to launch a project to adapt the organization of the Group around five "business units": (i) BU Cars, (ii) BU Vans & Trucks, (iii) BU Low-cost, (iv) BU New Mobility, and (v) BU International Coverage. This new organization reflects the Group's commercial strategy and allows significant focus on the activities associated with its core business while developing new commercial opportunities.

In the context of the new Group organization by Business Unit, which has been in effect since January 1, 2017, the Company has redefined the responsibilities of the members of its Management Board in order to optimize the deployment of this strategy.

On November 25, 2016, the Supervisory Board of the Company announced the appointment of Caroline Parot as Chief Executive Officer of the Company. She replaced Philippe Germond, with the objective of accelerating the deployment of the Group's strategy to become a leader in mobility solutions worldwide.

Kenneth McCall, member of the Management Board, was appointed Deputy Chief Executive Officer of the Company on July 22, 2016, in charge of Corporate Countries and Operations.

Fabrizio Ruggiero, member of the Management Board, was appointed Deputy Chief Executive Officer of the Company on July 22, 2016, in charge of Sales, Marketing, Customers & InterRent.

In addition, other appointments were also made within the Company on that date:

- Jean-Claude Poupard was appointed Chief Financial Officer of the Company;
- Raoul Colantoni was appointed Europcar Italy Managing Director;
- Gary Smith was appointed Europcar UK Managing Director; and
- Franck Rohard was appointed Europcar Groupe General Secretary.

Europcar Groupe launches its first global employee share ownership plan

On November 10, 2016, Europcar announced the launch of its first share ownership plan reserved for employees of the Europcar Groupe in 10 countries. In accordance with the 13th and 14th resolutions of the Combined General Meeting of the Company's shareholders held on May 10, 2016, on August 31, 2016 the Company's Management Board decided to carry out a capital increase in favor of the members of Europcar's Group Savings Plan or Group International Savings Plan as part of the Esop 2017 Plan. The above-mentioned capital increase was completed on February 24, 2017, for a total nominal amount of €21,787,312, representing 1.86% of the Company's share capital at that time.

Ambitions 2020

The Group has entered an acceleration phase of its strategy with a high ambition for the future: to become a world leader in mobility solutions. By 2020, this ambition is expected to result in revenues in excess of €3 billion, through organic growth as well as acquisitions, and an adjusted Corporate EBITDA margin greater than 14% (excluding the New Mobility Division). This 2020 ambition was presented at the Group's Investor Day on October 4, 2016. Under Ambitions 2020, the Group aims to take advantage of its leading European position, the strength of its assets, the implementation of its new organization and its ability to develop new mobility solutions to reach this ambition.

2016 financial performance and 2017 forecasts

Europcar Groupe has achieved the financial objectives that were revised in July 2016.

Total revenue showed organic growth of 2.6% ⁽¹⁾ over that of 2015, reaching €2,151 million. This significant change was driven by the growth of vehicle rental revenues, up 3.1% at constant exchange rates.

Adjusted Corporate EBITDA rose sharply reaching €253.9 million (+3.2% at constant exchange rates) compared to €250.6 million in 2015. This increase results from good operating leverage, continued cost structure optimization efforts and improved fleet utilization rates.

Europcar Groupe had net income of €119.3 million, in strong contrast with the loss of €55.8 million in 2015.

Net corporate debt is noticeably down to €220 million at December 31, 2016 (compared to €235 million at December 31, 2015), due to the complete reworking of the Group's financial structure following the initial public offering.

Debt linked to the fleet reached €3,045 million at December 31, 2016, compared to €2,821 million at December 31, 2015. This change resulted from an increase in the volume of the fleet in line with the growth in business and a change in vehicle families.

Moreover, on February 28, 2017, the Group announced its 2017 objectives in line with its Ambitions 2020 Plan announced at its Investors' Day on October 4, 2016:

- organic growth in revenue above 3%;
- adjusted corporate EBITDA margin (excluding New Mobility Solutions) above 11.8%;
- conversion rate for operating free cash flow (corporate) greater than 50%;
- dividend distribution ratio greater than 30%.

The Group also reaffirmed its strategic ambition through the deployment of its acquisition plan to increase value creation for its shareholders.

A detailed description of performance for the year 2016 is shown in Section 3.2 "*Liquidity and capital resources*". The 2017 outlook is described in Section 3.7 "*Outlook for fiscal year 2017*" of this Registration Document (see also Section 3.8.2 "*Objectives for the year ending December 31, 2020*").

⁽¹⁾ At constant scope and exchange rates and excluding the effect of oil.

Significant post-closing events

Strategic partnership with Shouqi Car Rental in China

On January 12, 2017, Europcar Groupe and Shouqi Car Rental, one of the leading car rental companies in China and part of the Beijing Tourism Group, announced a worldwide commercial partnership. This partnership represents an excellent opportunity for Europcar to benefit from the growing flow of Chinese tourists throughout the world - particularly in Europe - and to give its customers access to one of the leading car rental networks in China. This cooperation between Europcar and Shouqi is a key strategic step for the two organizations, whose networks are complementary, to extend their global reach.

Europcar's 100% stake in Ubeeqo International

On February 17, 2017, Europcar acquired the minority interest held by the founders of Ubeeqo, representing around 24% of the capital of Ubeeqo International. As of the date of this Registration Document, Europcar Groupe indirectly holds 100% of the capital and voting rights of Ubeeqo International through its Europcar Lab subsidiary.

Proceedings by the French competition authority

On February 27, 2017, the French Competition Authority dismissed proceedings related to practices in the car rental sector. A notice of complaint was issued on February 17, 2015. Europcar France lodged its statement of defense brief on May 20, 2015. The rapporteur for the French Competition Authority submitted a report to the College on June 2, 2016. Europcar France replied to this report on September 5, 2016. The hearing before the French Competition Authority's College took place on December 12, 2016. On February 27, 2017, the French Competition Authority dismissed the case on the grounds that the practices alleged by the investigation departments had not been established. This decision may be subject to appeal before the Paris Court of Appeals.

In its financial statements as at December 31, 2016, the Group maintained the provision of €45 million reflecting, as of the year ended December 31, 2016, its best estimate of the financial risks in the event of an appeal and if the Paris Court of Appeals were to impose a fine notwithstanding Europcar France's arguments in defense of its position. For a description of this arbitration and the settlement agreement see Section 2.7 "*Regulatory, Legal and Arbitration Proceedings*".



OVERVIEW OF EUROPCAR AND ITS ACTIVITIES

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The figures related to the Corporate Countries do not include the Irish subsidiary, a former franchisee acquired by Europcar on December 12, 2016.

1.1 HISTORY AND DEVELOPMENT

1.1.1 Corporate name

The name of the Company is "Europcar Groupe".

1.1.2 Place and number of registration

The Company is registered with the Versailles Company Register under number 489 099 903.

1.1.3 Date of incorporation and duration

The Company was created on March 16, 2006 for the purpose of Eurazeo's acquisition of the Europcar International Group.

The Company has a legal life of 99 years as from its registration with the Versailles Company Register, subject to early dissolution or extension.

1.1.4 Registered office, legal form and applicable law

The Company's headquarters are at 2 rue René Caudron, Bâtiment OP, 78960 Voisins-le-Bretonneux (Tel.: 00 33 1 30 44 90 00).

Since March 9, 2015, Europcar Groupe is a public limited company (*société anonyme*) with a Management Board and a Supervisory Board under French law governed in particular

by the provisions of Book II of the French Commercial Code. Before March 9, 2015, the Company was a limited liability company (*société anonyme*) with a Board of Directors.

The Company's fiscal year begins on January 1 and ends on December 31 of each year.

1.1.5 History and development of the Group

The Group's origins date back to 1949, with the creation in Paris of the car rental company L'Abonnement Automobile by Raoul-Louis Mattei and the pooling in 1961 of the networks of L'Abonnement Automobile and of Système Europcars, another car rental company based in Paris. In 1965, the two groups officially merged to form the Compagnie Internationale Europcars. After its acquisition by the French car manufacturer

Renault in 1970, the Compagnie Internationale Europcars was developed throughout Europe, in particular through new subsidiaries and the acquisition of existing business segments. The Compagnie Internationale Europcars' corporate name (the holding company acting as franchisor) was changed to Europcar International in 1981.

In 1988, Wagons-Lits acquired Europcar International from Renault and then sold 50% of the share capital of Europcar International to Volkswagen AG. At the same time, Europcar International merged with the German car rental network InterRent, whose sole shareholder was Volkswagen AG. Accor acquired Wagons-Lits in 1991 and became a shareholder with a 50% stake in Europcar International, while Volkswagen held the remaining 50%. In December 1999, Volkswagen AG acquired Accor's stake, thus becoming the sole shareholder of Europcar International. Starting in 1999, the Group actively expanded beyond Europe, in particular through the development of franchises.

On May 31, 2006, Eurazeo acquired, through the Company (created for such purpose) the entirety of the share capital of Europcar International from Volkswagen AG.

In 2006, the Group continued its expansion through external growth and acquired Keddy N.V. (Belgium) and Ultramar Cars S.L. (Spain).

In 2007, the Group acquired the UK headquartered operations of National Car Rental and Alamo Rent A Car covering Europe, the Middle East and Africa (EMEA zone) from Vanguard Car Rental Holdings LLC ("Vanguard"). Vanguard was subsequently acquired by Enterprise Holdings, Inc. ("Enterprise"). From 2008 to 2013, the Group had a commercial alliance with Enterprise relating to the National and Alamo brands operated by Europcar. This alliance ended in August 2013, although the Group continued to operate the brands National® and Alamo® in EMEA until March 2015.

In addition, in 2007, the Group acquired one of its Spanish franchisees, Betacar.

In 2008, the Group expanded its direct presence in Asia-Pacific through the acquisition of ECA Car Rental, its main franchisee in Asia-Pacific, operating in Australia and New Zealand.

In 2011, the Group started its development of new mobility solutions by establishing a strategic joint venture with Daimler AG to create Car2go Europe GmbH. At the date of this Registration Document, the Group holds 25% of the share capital of Car2go Europe GmbH.

In 2013, the Group deployed its low-cost brand in Europe, InterRent®, dedicated to leisure travelers. InterRent® offers a competitive car rental service without compromising quality of service. As of December 31, 2014, InterRent® was deployed in six Corporate Countries in Europe (France, Germany, Italy, Portugal, Spain and the United Kingdom) and 40 countries through the franchise network.

At the end of 2014, the Group acquired, through its French subsidiary Europcar France, 100% of the shares of Europhall, an important franchisee of Europcar France for the "East" region. The Group also acquired a stake of 70.64% in Ubeeqo, a French start-up created in 2008 that offers car-sharing solutions. At the date of this Registration Document, Ubeeqo is 100%-owned by Europcar Lab SAS, a French subsidiary of the Group, and operates in France, Belgium, Germany, the United Kingdom, Spain (*via BlueMove*) and Italy (*via GuidaMi*).

On June 26, 2015, the Group was successfully listed on the regulated market of Euronext Paris.

In July 2015, the Group acquired, *via* its English subsidiary Europcar Lab UK, a majority stake of 60.8% in E-Car Club, the United Kingdom's first all-electric pay-per-use car club.

On December 18, 2015, the Group joined the SBF 120 stock market index comprising the 120 top stocks in terms of liquidity and market capitalization, listed on Euronext Paris.

In 2016, the Group acquired its third-largest French franchisee, Locaraise, and its Irish franchisee, GoCar, the leading car-sharing company in Ireland. The latter acquisition brought the number of Corporate Countries to 10.

1.2 GROUP PROFILE

The Group is the European leader in rental vehicles and one of the main players in the mobility sector. With operations in over 130 countries and territories, Europcar offers its customers one of the largest vehicle rental networks, both directly and through its franchises and partners. The Group operates through three main brands, Europcar®, InterRent®, the Group's low-cost brand, and Ubeeqo®. Customer satisfaction is paramount for the Group and its employees: this commitment drives the continuous development of new services. Europcar Lab, for instance, was created to gain a better understanding of the future challenges of mobility through innovation and strategic investments such as Ubeeqo and E-Car Club.

The Group provides vehicles to its customers for short- and medium-term business and leisure rentals through its network of 3,754 stations (including stations operated by agents and franchisees). With an average fleet of 213,789 vehicles and a volume of 59.9 million rental days in its Corporate Countries in 2016 (compared to 205,353 vehicles and 57.1 million rental days in 2015), the Group uses its extensive knowledge of the vehicle rental industry to provide a wide range of mobility solutions.

For the year ending December 31, 2016, the Group generated consolidated revenues of €2,150.8 million and Adjusted Corporate EBITDA of €253.9 million. The Group's revenues are composed of rental revenue generated by its subsidiaries through directly- or agent-operated rental stations (revenues of €2,002.4 million in 2016, of which 93% was generated in Europe and 7% in the Rest of the World, its two operating segments), additional services revenue generated by its subsidiaries through directly- or agent-operated rental stations (revenues of €97.1 million in 2016), as well as royalties and fees received from its franchises (€51.3 million in 2016, of which 63% was generated in Europe and 37% in the Rest of World). For further information on the composition of the Group's

revenue and the definition of Adjusted Corporate EBITDA, see the Section *"Key figures and significant events of the year"* in this Registration Document and Section 3.1 *"Analysis of the Group's earnings"*.

Europcar's Brands

Europcar operates its business through three main brands:

- Europcar® is the Group's core brand. It is used worldwide directly and through its franchisee network in order to serve a wide range of market segments, from high-end to cost-conscious, as well as a portfolio of diversified customers, from large corporates (business) to individual leisure customers;
- InterRent® has been deployed by the Group since 2013 to target the low-cost segment in order to expand its customer portfolio;
- Ubeeqo® was acquired by the Group in November 2014 in order to expand its mobility solutions offer. Ubeeqo® is a wholly-owned subsidiary of Europcar as of the date of this Registration Document, as a result of Europcar's acquisition on February 17, 2017 of the 24.3% minority interest held by Ubeeqo's founders. The acquisition of Ubeeqo® enables the Group to offer its customers access to a multi-mode reservation platform allowing customers to choose the means of motorized transport that best suits them: self-service, chauffeur-driven cars or car rental from an agency, as well as car-sharing services (general public or companies).

The purpose of this strategy is to offer the Group's customers a clearly differentiated and coherent portfolio of brands, to reinforce Europcar's position in its key markets.

Europcar®

Europcar Service Offerings

Europcar's goal is to provide the mobility solution that best meets its customers' needs in a market where expectations are constantly changing.

Europcar offers mobility solutions extending from short-term vehicle rental, via its three main brands, Europcar®, Ubeeqo® and InterRent®, and chauffeur services to car-sharing and a platform offering mobility services. Ubeeqo, a specialist in car-sharing, and E-Car Club, a car-sharing start-up offering an

entire fleet of electric vehicles in the United Kingdom, have broadened the Group's mobility offer through its subsidiary, Europcar Lab.

Europcar Customers

The Group's products and services are offered to a large range of business and leisure customers. Business customers include large corporates and small and medium-sized businesses, as well as companies that rent vehicles to provide vehicle

replacement services to their customers. Leisure customers are mainly private individuals who rent a vehicle for the purpose of vacation travel or for everyday or occasional urban or long-distance travel. Reservations can be made directly through the Europcar mobile site, Europcar websites, reservation centers, in stations or indirectly through travel agents, tour operators, brokers or the mobile and websites of Ubeeqo and E-Car. Revenue generated by each Corporate Country is either balanced across customer categories or more heavily influenced by one or other category, depending in particular on the geographic location.

Europcar's Network

Europcar's network consists of 3,754 rental stations either directly operated by the Group or operated by agents and franchises. In order to strengthen its international operations, the Group has entered into partnerships (particularly in the United States, Canada and Japan) and commercial and general sales agency arrangements. Europcar has eight Corporate Countries in Europe and two in Australia and New Zealand. Rental stations within these Corporate Countries are mainly directly operated by the Group and by agents. Franchise stations strengthen the network in certain Corporate Countries (particularly in France, the Group's birthplace) and especially in other countries. This network of franchisees makes it possible to offer customers a consistent and continuous offering worldwide, increase the Group's brand visibility, and increase its revenue from royalties.

As of December 31, 2016, the Group had 2,495 rental stations in Europe, of which 1,027 were directly-operated by the Group, 602 were agent-operated and 866 were franchises. At the same date the Group had 1,259 rental stations in the Rest of the World, of which 76 were directly-operated by the Group, 15 were agent-operated and 1,168 were franchises.

Europcar Fleet

During the year ended December 31, 2016, the Group took delivery of approximately 293,300 vehicles and operated an average rental fleet of 213,800 leisure and light commercial vehicles in the Corporate Countries (+4.1% over 2015). In 2016, Europcar's approximate average fleet holding period was 8.8 months (8.1 months for vehicles (cars and trucks) covered by buy-back commitments). The Group purchases its vehicles from a range of manufacturers with whom it has longstanding relationships, including primarily Volkswagen, Fiat Group, General Motors, Renault-Nissan, PSA, Hyundai, Daimler and Ford.

The Group views fleet management as a key component of its expertise. The Group has significantly increased its fleet financial utilization rate in recent years through focused actions: it reached 76.5% in 2016. Fleet management and the improvement of the fleet financial utilization rate are based on internal Group procedures, on the Revenue and Capacity Management teams that were established during 2012 at a centralized level and throughout all operating subsidiaries and on the centralized "GreenWay®" system and its various specialized modules.

Europcar Lab

The Group created Europcar Lab in the second half of 2014 to study mobility market usages and search for new mobility solutions opportunities with mobility actors worldwide, whether such opportunities be with customers, partners, or technology or mobility expert consultants. Europcar Lab is intended to be an ideas incubator for new products and services that provide mobility solutions for the Group. It aims to support internal projects and secure minority and majority stakes in innovative structures. Europcar Lab holds stakes in Ubeeqo International (100% owned as of the date of this Registration Document) and E-Car Club (80% owned).

1.3 PRESENTATION OF THE GROUP'S MARKET AND COMPETITIVE ENVIRONMENT

The market information presented in this Section was obtained from Passport, a tool provided by Euromonitor. Market shares have been calculated on the basis of the revenue generated by each of the players in the sector.

1.3.1 General presentation of the vehicle rental market

Present in over 130 countries and territories worldwide in 2016, Europcar is a global operator and the European leader in vehicle rentals. The Group's strategic positioning is based on (i) ten "Corporate Countries" in which it has long been present and has extensive experience (Germany, Australia, Belgium, Spain, France, Italy, New Zealand, Portugal, the United Kingdom and recently Ireland); and (ii) a network of franchises, agents, partnerships and general sales agency agreements that enable the Group to reinforce its network in certain Corporate Countries (notably in France) and to extend its presence throughout the world. Accordingly, this network allows the Group to cover nearly the entire world market estimated at approximately €57.0 billion in 2015 (source: Euromonitor).

The vehicle rental industry is generally characterized by intense competition with global, local and regional actors. It is based primarily upon price and customer service quality, including the availability and return of vehicles, ease of vehicle reservation, reliability, the location of rental stations and product innovation. In addition, competitive positioning is also influenced by advertising, marketing and brand reputation.

The use of technology has increased pricing transparency among vehicle rental companies by enabling customers to more easily compare on the Internet the rental rates available from various vehicle rental companies for any given vehicle.

The European vehicle rental market

The vehicle rental market in Europe ⁽¹⁾ represented approximately €13.3 billion in value in 2015 (source: Euromonitor). The European Corporate Countries represented a total estimated market of €10.0 billion in value in 2015 (an increase of around 3.2% over 2014).

In Europe, the main vehicle rental companies generally operate through a combination of directly operated stations and stations operated by agents or franchisees. The European market is distributed fairly evenly between the business and leisure market segments, with some differences from one country to the next. The European market is also characterized by the need for an extensive network of rental agencies in order to cover the entire targeted customer base. Moreover, even though they may have regional, continental or global strategies, each of the players operating on the European market must (i) ensure that they comply with the laws and regulations of each country, which may change at any time, and (ii) adapt to the multiple regional differences in consumer habits. The many operating complexities mentioned above represent a challenge for operators wishing to enter or expand their presence in Europe.

The European market is relatively fragmented compared with the US market. The five largest operators in the European market represented approximately 60% of market share in the Corporate Countries in 2015, whereas the three largest operators in the US market represented approximately 95% of market share in the United States in 2014 (source: AutoRentalNews). This difference is due to the presence in several European countries of strong local players that have relatively significant market shares. The Group has two main competitors, Avis Budget Group and Hertz, in each of the European countries in which it operates. In addition to these two players, other companies and brands have significant market share and footprints in certain countries, in particular Sixt in Germany, Enterprise in the United Kingdom and Goldcar, mainly in Spain. The market shares of the main players of the vehicle rental industry in the Corporate Countries in Europe where Europcar has a presence were approximately 26% for Europcar, 18% for Avis, 15% for Hertz, 6% for Sixt and 8% for Enterprise in 2015 (source: Euromonitor).

(1) 28 countries of the European Union, Norway, Switzerland, Bosnia-Herzegovina, Montenegro, Serbia, Kosovo and Macedonia.

The market in the rest of the world

In 2015, North America represented an estimated market of €25.4 billion. Asia-Pacific was estimated at €10.6 billion, followed by Africa and South America, estimated at €3.2 billion and €2.7 billion, respectively (source: Euromonitor).

In the North American market, the Group entered into commercial alliances with various partners in order to promote the cross-referral of customers and offer services in over 130 countries. The Group is also present in Asia-Pacific (in particular

in two Corporate Countries, Australia and New Zealand, which together represented a market with an estimated value of €1.3 billion in 2015, and through a commercial cooperation agreement in Japan) and in South America. Moreover, the Group operates in the Middle East and Africa through a well-developed franchise network, partnerships and general sales agency arrangements. In January 2017, the Group entered into a partnership with the Chinese group, Shouqi, enabling it to have a presence in the Chinese market and to provide customer cross-referrals.

1.3.2 Growth drivers and general market trends

Macroeconomic conditions and demand for vehicle rentals

Demand for vehicle rentals is tied to macro-economic conditions in the countries where the Group does business. In particular, demand is correlated with changes in gross domestic product (GDP) and with inflows of international travelers, which in turn is tied to levels of air and rail traffic.

Customer segments' diversity helps reduce the sensitivity of the vehicle rental business to the economic environment: demand in the business segment is generally tied to the macro-economic environment, with significant differences between countries. It is particularly driven by GDP in key markets, through the general business climate and expenditures on business travel. In the leisure segment, including vehicle rentals in airports, demand is mainly driven by changes in inflows of international travelers, and is therefore closely correlated with airline activity.

New mobility solutions

The vehicle rental industry has been undergoing structural changes tied to technological advances and the resulting changes in customer preferences and behaviors. Technological improvements have enabled providers of mobility solutions to develop innovative new products and services to respond to the constantly evolving needs of their customers. Consumer demand has migrated towards more flexible and economic mobility solutions with a smaller impact on the environment, in particular to solve the problem of increased traffic and to adapt to government policies limiting the use of vehicles in urban areas.

Accordingly, the way people use vehicles has been changing over the last few years: the acquisition and ownership of vehicles are increasingly irrelevant to actual usage. This change has accompanied the supply and expansion of various services traditionally offered by companies that concentrate all their activities on the mobility market, such as vehicle rental

companies and companies offering car-sharing and ride-sharing services, as well as platforms (like Europcar Groupe and Ubeeqo). More generally, this market also includes operators whose activities or services are related and complementary (such as insurance companies, vehicle leasing companies, car park operators, car manufacturers, tour operators, travel agencies, companies offering micro-mobility, telematics solutions or data storage that develop new mobile applications).

New mobility solutions are being developed in particular in the following areas:

- car-sharing, which was initially based on business-to-consumer, or B2C, models, as well as peer-to-peer, or P2P, models, but now also includes business-to-business, or B2B, models, and may be based on either a one-way or round-trip itinerary;
- intermodal solutions providing a digital platform that brings together different means of transportation (public transport, rental vehicles, taxis and other mobility solutions) in order to be able to offer the best possible itinerary to customers for any given trip;
- transportation services offering the possibility of traveling in a vehicle driven by a professional or private driver, as well as ride-sharing solutions offering subscribers the possibility of sharing rides in vehicles driven by a private individual.

Accordingly, the new players in the mobility solutions market and vehicle rental companies are all benefiting from the decreasing number of vehicle owners in capitals and large European cities. They are currently targeting different user needs, notably in terms of rental duration, with vehicle rental companies mostly providing longer-term rentals than other companies. Nevertheless, the Group believes that vehicle rental companies are well positioned to seize growth opportunities in the new mobility solutions market. Indeed, such companies can capitalize on key competitive advantages such as brand recognition, customer diversity, fleet size and fleet-management expertise, network density and experience in the industry.

The development of the low-cost market segment

As has been the case in other industries, the European vehicle rental market has seen the development of low-cost offers in recent years to meet increased demand for more affordable services. The low-cost market segment may be defined as all low-price rental offers including a reduced number of services and providing less recent vehicles and a more limited selection of categories, brands and models. This market segment represented approximately 14% of the vehicle rental market (around €1.4 billion in value) in the Corporate Countries in Europe in 2015 (Source: BCG estimate of the size of the low-cost market in 2015 ⁽¹⁾).

This segment is mainly covered by a certain number of independent players with a business model and brand strategy specific to this market segment (less modern vehicles, more limited service offering, lower costs). However, the low-cost segment is characterized by the increased presence of the main players in the vehicle rental sector through strategies based on the development of differentiated offerings under another brand that is clearly identified as low-cost.

The Group is present in the low-cost segment through its InterRent® brand. This brand has been progressively deployed since 2013 and competes with some of the leading players in the vehicle rental sector as well as with independent players with varying market shares in different countries. In the United Kingdom, the principal players include the low-cost brands of established companies in the industry, such as Greenmotion and Easirent. In Germany, the principal players include the low-cost brands of established companies in the sector, such as Firefly, as well as independent players such as Buchbinder and Star Car. In France, the Group principally competes with independent companies such as Ada, Ucar, France Cars and Rent a Car. In Spain, Italy and Portugal, the low-cost market developed rapidly in order to provide targeted offers at low-cost to a significant number of leisure customers. The principal market players in these countries are independent companies such as Goldcar, RecordGo and Centauro in Spain, and Sicily by Car in Italy and Goldcar and Drive on Holidays in Portugal.

1.3.3 Information by Corporate Country

The vehicle rental market in the Corporate Countries generated total revenue of approximately €10 billion in 2015, an increase of more than 3.2% over 2014 (Euromonitor estimate of the size of the car rental market in the 10 Group countries in 2015).

The Group provides an analysis below of the markets in which it operates via its Corporate Countries. Market share in each Corporate Country is calculated on the basis of revenue (excluding royalties received from franchisees).

GERMANY

The German vehicle rental market generated total revenue of approximately €2.2 billion in 2015, (i.e. growth of 6.5% versus 2014).

The Group is the second-largest player in this market, with a market share of approximately 28.2% in 2015 (versus 28.4% in 2014). The Group's main competitors are Sixt, Avis Budget, Hertz and Enterprise, with respective market shares of approximately 33%, 13%, 9% and 4% in 2015, compared to approximately 31%, 14%, 10% and 5% in 2014.

(1) On the basis of revenue generated in 2015 by the "low-cost" brands of the principal participants in the vehicle rental market and local independent companies that disclose their positioning and "low-cost" revenue.

BELGIUM

The Belgian vehicle rental market generated total revenue of approximately €0.3 billion in 2015 (i.e. growth of 4.2% versus 2014).

The Group is the leader in this market, with a market share of approximately 42% in 2015 (versus 41.6% in 2014). The Group's main competitors are Avis Budget, Hertz and Sixt, with respective market shares of approximately 19%, 11% and 7% in 2015, compared to 19%, 12% and 7% in 2014.

SPAIN

The Spanish vehicle rental market generated total revenue of approximately €1.5 billion in 2015 (a 5.5% increase over 2014).

The Group is the leader in this market, with a market share of approximately 20.2% in 2015 (versus 19.9% in 2014). The Group's main competitors are Avis Budget, Hertz, Enterprise, Goldcar and Sixt, with respective market shares of approximately 17%, 13%, 11%, 7% and 6% in 2015, compared to 17%, 13%, 10%, 6% and 6% in 2014.

FRANCE

The French vehicle rental market generated total revenue of approximately €2.7 billion in 2015 (stable in relation to 2014).

The Group is the leader in this market, with a market share of approximately 23% in 2015 compared to 22% in 2014. The Group's main competitors are Avis Budget, Hertz, Sixt and Ucar, with respective market shares of approximately 14%, 13%, 4% and 4% compared to approximately 14%, 13%, 5% and 4% in 2014.

ITALY

The Italian vehicle rental market generated total revenue of approximately €1.0 billion in 2015 (unchanged from 2014).

The Group is the third-largest player in this market, with a market share of approximately 20% in 2015 (versus 19% in 2014). The Group's main competitors are Avis Budget (acquisition of Maggiore in 2015), Hertz and Sixt, with respective market shares of approximately 38%, 24% and 7%, compared to approximately 24%, 24% and 7% in 2014.

PORTUGAL

The Portuguese vehicle rental market generated total revenue of approximately €0.4 billion in 2015 (an increase of approximately 5.5% compared to 2014).

The Group is the leader in this market, with a market share of approximately 34% in 2015 compared to approximately 33% in 2014. The Group's main competitors are Avis Budget, Hertz and Choice Car, with respective market shares of approximately 19%, 12% and 10% compared to approximately 19%, 12% and 10% in 2014.

UNITED KINGDOM

The UK vehicle rental market generated total revenue of approximately £1.5 billion in 2015 (an increase of more than 3.7% compared to 2014).

The Group is the second-largest player in this market, with a market share of approximately 29.6% in 2015 (slightly down by 0.5 point compared to 2014). The Group's main competitors are Enterprise, Hertz, Avis Budget and Sixt, with respective market shares of approximately 31%, 14%, 11% and 7% in 2015, compared to approximately 30%, 14%, 11% and 7% in 2014.

AUSTRALIA

The Australian vehicle rental market generated total revenue of approximately AUD 1.5 billion (equivalent to approximately €1.0 billion), an increase of 3.6% compared to 2014.

The Group is the third-largest player in this market, with a market share of approximately 11.0% in 2015 (versus 11.1% in 2014). The Group's main competitors are Avis Budget and Hertz with respective market shares of approximately 33% and 28% in 2015, compared to approximately 36% and 31% in 2014.

NEW ZEALAND

The New Zealand vehicle rental market generated total revenue of approximately NZD 0.5 billion (equivalent to approximately €0.3 billion), an increase of approximately 3% compared to 2014.

The Group is the fourth-largest player in this market, with a market share of approximately 7.3% in 2015 (versus 6.7% in 2014). The Group's main competitors are Avis Budget, Hertz and Tourism Holdings, with respective market shares of approximately 43%, 23% and 12% in 2015, compared to 41%, 23% and 12% in 2014.

1.3.4 Information by Business Unit

In 2016, the Group decided to adopt a new Group organization by Business Units, which has been in effect since January 2017. These five Business Units are Cars, Low-cost, Vans & Trucks, International Coverage & New Mobility Services.

The Group provides an analysis of three of these Business Units below.

CARS

The car rental market in the Group's Corporate Countries is estimated at approximately €10 billion (Source: Euromonitor). With revenue of approximately €1.8 billion in 2016, the Group is the European leader in this segment, with a market share of approximately 18%.

VANS & TRUCKS

The Vans & Trucks rental market in the Group's Corporate Countries is estimated at approximately €2.4 billion ⁽¹⁾. With revenue of approximately €212 million in 2016, the Group has a market share of approximately 9% in this segment.

LOW-COST

The low-cost car rental market in the Group's Corporate Countries is estimated at approximately €1.4 billion ⁽²⁾. With

revenue of approximately €82 million in 2016, the Group has a market share of approximately 6% in this segment.

NEW MOBILITY SERVICES

The new mobility solutions market is experiencing growth after mainly, in urban environments in most of the Corporate Countries. At this stage, it is difficult for the Group to obtain estimates of the current size of this market or its potential for future growth. In 2016, the Group achieved revenue of about €5 million in this market segment.

INTERNATIONAL COVERAGE

This BU comprises all of the Group's activities outside its 10 Corporate Countries. The market is estimated at about €47 billion (Source: Euromonitor 2015). In 2016, the Group received about €45 million in commissions from its franchisees and its commercial partners corresponding to the revenue of the International Coverage BU.

Refer to Section 1.6.7 "Group organization" and Section 5.1.5 "Other management bodies" of this Registration Document for more information on the management of the Group and the Corporate Countries within the new organization Group built into five Business Units.

1.4 STRATEGY

Europcar Groupe is the European leader in vehicle rental with a global reach through a strong network of franchisees and partnerships, and a major player in mobility markets. The Group operates in a growing market supported by structural trends in vehicle rental and mobility solutions. Its established leadership and innovation confer a competitive advantage in a changing environment and underpin the Group's ambition to become a global leader in mobility solutions. The Group's initial public offering and the associated optimization of its balance sheet structure have been major steps in the Company's growth, providing the resources to accelerate its strategy.

Europcar Groupe intends to reinforce this leadership in all of its countries and develop in both the vehicle rental segments and the emerging segment of new mobility solutions, highlighting the growth in its customer base, the improved quality of its services and the extension of its solutions portfolio. Even

though the outlines of the new mobility solutions market are yet to be defined, it offers opportunities for Europcar to offer solutions to meet customers' constantly evolving needs. To that end, Europcar Groupe's ambitions are structured around two areas:

- **consolidate its position as number one in Europe through four main pillars:**
 - **reinforce its "customer centric" approach to improve its service offers:** Europcar Groupe intends to pursue a strategy focused on its customers' current and future needs. The appointment of a Director of Customer Experience at the end of 2015 and the launch of its Customer First project, with ambitious goals, reflect this desire,

(1) Source: 2015 McKinsey report.

(2) Source 2015 BCG report.

- **develop the Group's presence on the "Low-cost" and "Vans & Trucks" segments:** setting up a new organization by Business Unit will enable the Group to deploy its know-how and benefit from its assets, taking into account the specific characteristics of each business model in order to accelerate the creation of value,
- **pursue operational excellence:** since the end of 2011, in particular through its Fast Lane transformation program, the Group has laid down the foundation for sustainable, profitable growth. The Group intends to continue to increase its efficiency at all levels of the organization,
- **increase its presence:** the financial headroom now enjoyed by the Group allows it to plan external growth transactions aimed at acquiring customer bases or accelerating certain "go-to-market" initiatives on the fragmented vehicle rental market;
- **grow beyond the Company's current model, via three main levers:**
 - **boost its international coverage for all the services provided by Europcar Groupe.** Supported by its network of franchisees, partners and sales representatives, the Group intends to continue to strengthen and expand internationally. In addition, the Group aims to extend its presence where opportunities present themselves. Developing partnerships responds to a policy of meeting our customers' needs.
 - **invest in New Mobility Services** and explore adjacent models. Europcar Groupe aims to create an ecosystem of mobility services that complements its vehicle rental offering. The Group plans to leverage key competitive

advantages such as customer diversity, fleet size, fleet management expertise and its network density to seize opportunities resulting from new mobility trends to better respond to customers' needs,

- **leveraging its network.** The Group's network is the backbone of its business, organized throughout both its stations and back-office operations, enabling it to operate efficiently on a large scale. Europcar Groupe considers that its network makes all the difference in a new mobility ecosystem. Accordingly, the Group plans to continue to optimize its network in a dynamic manner and leverage its know how to develop its network as a service.

Faced with the rapid changes in the mobility services segment, Europcar Groupe considers that its ambitions will best be achieved by organic growth initiatives and supported by partnerships and/or acquisitions. In particular, the Group estimates that about half of its revenue growth ambitions by the fiscal year ending December 31, 2020 (or about €500 million), should be associated with external growth transactions (refer to Section 3.8.2 "*Objectives for the year ending December 31, 2020*" of this Registration Document). The objective in terms of growth in the Group's revenue, all Business Units combined, should accordingly be more than €500 million from acquisitions and between €300 and €500 million from organic growth. The Group's margin for financial manoeuvre allows it to consider acquisitions. Moreover, based on the acquisition opportunities that the Group may select and their timings, the Group may ask its shareholders and/or financial partners for additional financial resources in order to accelerate the achievement of its ambitions.

Key enablers to deliver our ambitions

1) Our people

The Group's ambitions are shared and supported by its 6,461 employees (on a full-time equivalent basis). The Group employs competent and highly committed employees across the ten countries in which the Group is established. The success of the Group's strategy and growth depends on the experience and strength of its management team. The Group's senior management team has been renewed over the last four years and is now composed of executives with complementary backgrounds from top-tier companies in various industries. The Group's top management is supported by an organizational structure consisting of highly complementary international and local teams that have the knowledge, passion and vision to lead the Group in the execution of its strategy.

2) Our assets and know-how

The Group has a number of key assets that form the levers/foundations of its business model and are vital to its future development:

- a dense and global network with a majority of stations close to where its customers live and work;
- a large and diversified customer base, with a strong improvement in customer satisfaction (as measured in 2016 by our NPS), and a CRM system that allows it to leverage close customer relationships implemented over the coming years;
- a flexible and low-risk fleet, together with strong skills in logistics, maintenance, and optimization of utilization rates;
- a strong portfolio of brands.

Europcar considers that the assets and the know how that have made the Company the clear car rental industry leader it is today will enable it to capture attractive market trends while retaining its operational excellence and leadership (see Section 1.5 “*The Group’s competitive strengths*”).

3) Customer Experience

The Group serves more than 5.5 million drivers every year. Combined with its operational excellence, the delivery of a different kind of experience can be a strong lever to create more value.

Over the last year, the Group has initiated a comprehensive program named “Customer First”, aimed at analyzing the expectations and preferences of Europcar’s best customers in order to increase their satisfaction through differentiated service levels. The Group’s end goal is to increase customer loyalty and repurchase intentions. This approach is being implemented across all distribution channels and all countries to address the full range of customer contact points throughout the whole organization.

The Group intends to take advantage of the initial feedback to focus more closely on customers and their consumption habits to improve its service propositions in a constantly changing environment.

4) Group Digitalization

Digitalization is a disruptive force in the mobility market and the Group considers this to be a great opportunity to improve customer experience. The Group is working on four main areas in which digitalization is used as a tool to accelerate its development, in a manner that is fully consistent with the Customer First program described above:

- accelerate online revenue and direct-to-brand growth: the Group currently receives 60% of its bookings on line but believes this share will increase in the future, notably for the direct-to-brand segment;
- expand the digital experience to improve the conversion rate and value per user;
- enhance satisfaction through a personalized approach and customer experience, using preferences already set *via* the Internet;
- improve and enrich the Group platforms, offering more combined mobility services.

5) A new organization by Business Unit in order to better meet customer expectations and anticipate industry challenges

As part of its ambitions, the Group has decided to organize itself into five Business Units in order to better meet customer new expectations, to be better positioned to seize emerging business opportunities and to be more efficient in the face of competition. The roll out of this new organization was implemented at the beginning of January 2017.

- “Cars” Business Unit, the objective of which is to reinforce the Group’s number one position in Europe.
- “Vans & Trucks” Business Unit, the Group’s intends to make the European leader.
- “Low-cost” Business Unit, the objective of which is to become the leader in Europe.
- “New Mobility” Business Unit, with which the Group aims to address new usages.
- “International Coverage” Business Unit, for which the ambition is to expand the Europcar Groupe’s services globally.

The development of each of these business units will be strongly supported by:

- a very granular network, representing 3,754 stations in more than 130 countries, in airports, railway stations and city and suburban centers; and
- the Group’s key functions, namely Commercial, Customer Experience, Finance, Human Resources, IT, Legal and Marketing & Innovation (through Europcar Lab).

6) Cash flow generation/financial headroom

The Group’s initial public offering and the concomitant optimization of the balance sheet structure was a major step in the Company’s development. The resulting significant reduction in net corporate debt enables the Group to implement its strategy. In addition, the Group’s resilient, low-risk business model will help to generate regular cash flow. These financial capacities enable the Group to sustain its organic and external growth. Moreover, based on the acquisitions opportunities that the Group may select and their timings, the Group may ask its shareholders and/or financial partners for additional financial resources in order to accelerate the achievement of its ambitions.

1.5 THE GROUP'S COMPETITIVE STRENGTHS

01

1.5.1 Market growth supported by structural trends in vehicle rental and mobility solutions

Vehicle rental market growth in the Corporate Countries should continue to rise in the short- and medium-term due to several positive structural factors: GDP growth, the increase in the number of leisure trips and in air traffic as well as new methods of use in terms of mobility. The value of the vehicle rental industry in the Group's Corporate Countries in Europe should continue to increase by approximately 2.5% and 2.4% in 2016 and 2017 respectively (source: *KPMG Study 2014*).

Furthermore, the Group believes that changing perceptions of car ownership should foster increasing growth in the vehicle leasing market. These changing perceptions stem in particular

from the increase in costs related to vehicle ownership and public policies towards car usage in urban centers.

These market dynamics contribute to a growing population of potential users of vehicle rental services and to the market trend towards mobility solutions and other innovative service offerings. This should provide the Group with new revenue opportunities, in particular given the high levels of urban density in Europe.

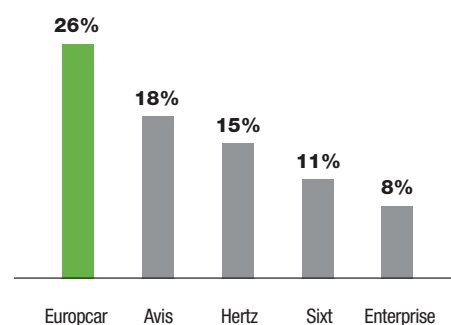
1.5.2 Established leadership and innovation conferring competitive advantages

With over 65 years of experience, Europcar has a worldwide presence and is one of the key players in the mobility industry. The Group has a wide and international network serving a broad range of customer mobility needs based on sophisticated revenue and fleet capacity management. The Group leverages these strengths to deploy innovative solutions and services to better serve changing customer mobility usages.

In 2015, the Group was the leading European vehicle rental organization. More specifically, it is number one in France, Belgium, Spain and Portugal, number two in Germany and the United Kingdom and number three in Italy (source: Euromonitor). In 2015, the Group's competitive positioning within the franchisee countries in Europe was also excellent.

The chart below sets out the market share of the Group and its principal competitors in Corporate Countries in Europe in 2015:

EUROPCAR'S 2015 MARKET SHARES IN CORPORATE COUNTRIES IN EUROPE



Source: Euromonitor

The Group believes that this leading position in Europe is sustainable due to, among other things, the scale of its operations (average fleet of 213,789 vehicles in its Corporate Countries in 2016), and the quality of its network, its triple brand strategy (Europcar®, Ubeeqo® and InterRent®) and its ability to manage complex operating systems and financing structures in a flexible and efficient manner. Over the 2009 to

2015 period, the Group's market share in Corporate Countries in Europe remained stable between 24.5% and 26% (source: *Euromonitor*). The European vehicle rental market is one of the most difficult to penetrate due to the multiplicity and diversity of jurisdictions with different rules and regulations and with regional differences in consumer habits. The Group believes that its extensive local presence and professional expertise allow it to respond effectively to the complex and highly diverse nature of its markets.

Moreover, the Group's solid positioning across various countries in Europe allows it to track and anticipate changing levels of demand and market trends and therefore to better manage the size of its fleet. The Group is also consolidating its network through acquisitions of franchisees.

The Group has a global footprint, with approximately 3,754 stations (including franchises) in over 130 countries and territories in 2016 and numerous general sales agency (GSA) arrangements and partnerships. Franchises enable the Group to extend its network and are a source of high-value growth with lower risk, while its partnerships and alliances provide additional market penetration in growing markets.

The Group's GSA strategy, (approximately 32 GSA arrangements at end-2016 versus 30 at end-2015) and partnerships with major airlines and travel intermediaries allow the Group to be present at points of entry for inbound and outbound traveler traffic. The Group relies on partners in addition to its franchisees, particularly in the United States, Canada and Japan, as well as on commercial and general sales agency arrangements. In the United States the Group concluded a partnership with Advantage Opco ("Advantage") through which the Group can service its customers in the United States under its Europcar® brand and via the Advantage network, and Advantage can serve its customers under its own Advantage-Rent-A-Car brand via the Europcar network in regions in which the Group operates. This alliance allows the Group to extend its proprietary network and improve its services for its customers in the United States. In February 2015, the Group also entered into a new agreement with a general sales agent in the United States ("Discover the World"), which improves outbound flows of United States customers to Corporate Countries. Moreover, in order to develop its activities in China, the Group entered into a two year general sales agency agreement (which came into force on April 21, 2014), which was recently renewed for a further two years, with an online Chinese travel agency pursuant to which the agency has been appointed to act as a non-exclusive representative authorized to promote and offer Europcar's rental services. This agreement allows the Group to promote outbound flows of customers from China into its Corporate Countries.

The Group's network, particularly in its Corporate Countries, is supported by its proprietary GreenWay® system, a powerful and effective reservation platform and revenue capacity and fleet management tool. The Group's network is also commercially supported by the use of forecasting models that help to determine pricing while also optimizing the distribution, planning, allocation and yield of the fleet according to demand.

The Group has a diversified customer base of approximately 5.5 million drivers in 2016 that it reaches through a wide variety of distribution channels

The Group's efficient fleet management benefits from central coordination and local initiatives, leveraging strong, longstanding partnerships with vehicle manufacturers. In addition, the Group takes a pragmatic approach to fleet management, optimizing the mix between pan-regional and local contracts, maintaining short- and long-term flexibility in volume commitments and vehicle holding periods to meet fluctuations in demand, particularly seasonal, and adapt to changing economic conditions. This efficiency also relies on repurchase commitments the Group has obtained from manufacturers that give it the flexibility to react to changes in demand.

The Group leverages this extensive experience and know-how in the vehicle rental industry to focus on innovation, enhance the customer experience and seize opportunities arising from new mobility trends. In response to targeted customer mobility needs, the Group has a "Lab" that is designed to draw on these technological innovations proposed by in-house and external innovators to design new products and services in the area of mobility solutions. This enables the Group to stay at the forefront of this rapidly evolving and expanding market. The Group also holds majority stakes in Ubeeqo (2014), a French start-up specializing in car-sharing and fleet and mobility solutions for the business market, and E-Car Club (2015), the first all-electric pay-per-use car-sharing club in the United Kingdom. Europcar is also a stakeholder in a joint venture with Daimler, Car2go Europe, which is also present in the consumer car-sharing market.

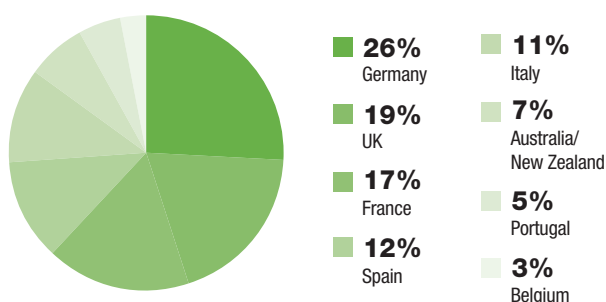
1.5.3 Diversified business model

01

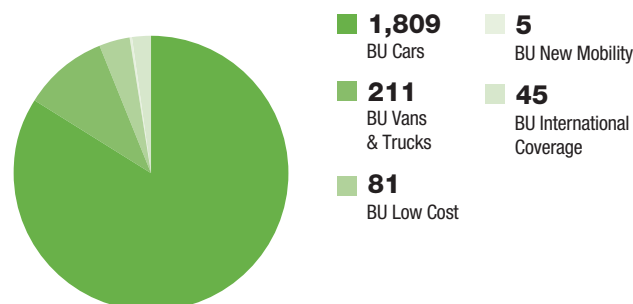
The Group's business model is based on a well-balanced and complementary revenue base, which optimizes fleet utilization and its network and related costs and allows it to limit dependency on specific sectors or industries.

The Group has a broad customer base, well balanced between business and leisure customers (which generated 41.9% and 58.1%, respectively, of total Group rental revenue in 2016). This mix helps the Group manage seasonality over the year (with leisure peaks during the summer and business demand more stable throughout the year) and during the week (weekend for leisure and weekdays for business). The Group's contractual relationships with numerous large corporate customers, as well as with small and medium-sized businesses across multiple industries contribute to the stability of the Group's business rental revenue, in particular during periods outside of tourist seasons and during business days. The Group's leisure activity involves rentals that are longer in duration and generate more revenue per transaction day than business rentals. The Group also addresses the leisure segment through its portfolio of partnerships with recognized leaders in the travel industry, including major European airlines, tour operators and hotel groups, such as EasyJet, Air Caraïbes, TUI, Accor and Aeroflot. Within the leisure segment, the Group benefits from its core brand Europcar® in the medium and upscale markets and is deploying its InterRent® brand in the low-cost market.

The Group's revenue base is also geographically diverse. The Group's rental revenue (excluding royalties received from its franchisees) in Corporate Countries for the year ending December 31, 2016 was as follows:



BREAKDOWN OF GROUP RENTAL REVENUE IN CORPORATE COUNTRIES BY BUSINESS UNIT IN 2016



Source: Company

The Group's revenue base is optimized between airports, where customer traffic is relatively higher, and non-airport locations. In 2016, the Group's network included directly- and agent-operated stations in 291 airports. These stations represented 17% of corporate and agent-operated stations in 2016, and yet generated 43% of the Group's rental revenue in the same year.

This diversification, along with the Group's operating expertise and effective management and information systems, allows it to reach to a high fleet financial utilization rate, which was 76.5% in 2016.

The Group's diversified customer base and network are supported by a flexible fleet that has one of the highest proportions of buy-back agreements in the industry, a diverse fleet supply and flexible fleet financing. Approximately 92% of Europcar's 2016 fleet vehicles delivered were covered by such buy-back agreements. This high level of buy-back agreements not only limits risk by providing greater fleet cost visibility, but it also increases flexibility, with the commitments generally allowing for a five to eight month buy-back period deliberately chosen by the Group in order to manage the seasonality inherent to the business. The sourcing of the Group's fleet is also diversified in terms of automobile manufacturers and brands: in 2016, approximately 30% of its fleet was acquired from Volkswagen, 14% from General Motors, 14% from Fiat, 11% from Renault, 10% from Peugeot Citroën, 7% from Daimler, 4% from Hyundai-Kia, 2% from Ford and the remaining 8% from other manufacturers. The Group can periodically and opportunistically enter into multiyear framework contracts (generally for a two-year term) with certain manufacturers to ensure fleet availability.

In order to optimize its financing conditions, the Group uses diversified asset-backed financing represented by the fleet, including securitization, capital market financing (bond financing), revolving credit facilities and operating leases.

This wide diversification of sources of revenue, fleet and financing provide the Group with a business model tailored to limit risks and optimize revenue and costs.

1.5.4 Operational excellence

The Group continued to pursue initiatives from the Fast Lane program in 2016. Following the success of the Fast Lane program between 2012 and 2016, Europcar will further strengthen its operational excellence to support profitable organic growth. Growth is expected to be sustained by strengthening the commercial strategy by Group segment and cost management including optimization of its network and extension of its shared services logic. Special attention continues to be given to enriching and improving the customer experience through the Group's digital transformation. The Group plans to be able to offer a dedicated customer experience entirely on mobile devices very soon. In addition, the Group plans to allocate investments of approximately €10 million over the 2016-2018 period to rework its customer relations management system. Better knowledge

of customers, differentiation of products and services through innovation, transparent and fluid customer relations, simplified procedures and custom help are the key words of this focus on transformation. In this context, the Group also plans to strengthen its commercial strategy *via* its direct channels to offer services adapted to new customer expectations in terms of mobility and create a stronger link between its brands and customers to increase the rate of loyalty.

Since January 2017, as part of its new organization, the set of initiatives designed to strengthen the Group's operational excellence are now monitored at the Business Unit and/or support function level or at the level of the Corporate Countries, with a view to delivering the Ambition 2020 targets announced by the Group in October 2016.

1.5.5 Strong operational cash flow generation

The Group's experience with respect to the management of its fleet and operating costs, together with its diversified fleet financing (including operating leases) and its ability to control non-fleet working capital requirements (in particular by harmonizing payment terms across the Group) have contributed to stronger cash generation. This has also allowed the Group to manage its total net debt recorded on the balance sheet (consisting of both its fleet financing debt, which is

asset-backed, and its corporate debt), giving the Group a sound financing foundation as well as financial flexibility. In 2016, the ratio of the Group's operational free cash flow to Adjusted Corporate EBITDA increased sharply, from 35% as of December 31, 2015 to 62% as of December 31, 2016.

The Group believes that this track record strongly positions it to benefit from future market growth.

1.5.6 Dynamic and experienced management team

The success of the Group's strategy and growth depends on the experience and strength of the management team. The Group's senior management team has been renewed over the last four years and is now composed of complementary backgrounds at top-tier companies in various industries. Caroline Parot,

has been appointed CEO since November 2016, following the departure of Philippe Germond. She leads a team of executives with extensive business and operating expertise, as well as in-depth understanding of the vehicle rental services industry and new mobility solutions.

1.6 DESCRIPTION OF THE GROUP'S BUSINESS

1.6.1 Europcar's brands

The Group has decided to focus its strategy on its three main brands, Europcar®, InterRent® and Ubeeqo® targeting a wide range of customer segments for vehicle rentals:

- Europcar® is the Group's core brand. It is used worldwide directly and through the Group's franchisee network in order to serve a wide range of market segments, as well as a portfolio of diversified customers, from "Large Corporates" (among business customers) to individual leisure customers. The Group aims to maintain customers' brand trust by offering high quality innovative services and simple and transparent offers and services. To promote the brand, the Group uses highly visible sponsorships, particularly in sports (such as its sponsorship of Arsenal, the English soccer team, and Benfica, the Portuguese soccer team), as well as co-marketing campaigns with car manufacturers. The Group also has international partnerships with airlines, major hotel groups, railway companies and credit card companies that both promote the brand and generate demand;
- InterRent® has been deployed by the Group since 2013 to target the low-cost leisure segment in order to expand its customer portfolio. The low-cost market represents approximately 14% of the vehicle rental market (approximately €1.4 billion in value) in the Corporate Countries in Europe in 2015 (source: BCG Study, on the basis of revenue generated in 2015 by the low-cost brands of the principal participants in the vehicle rental market and local independent companies that disclose their positioning and low-cost revenue). As of December 31, 2016, the brand was deployed in seven Corporate Countries: six in Europe plus New Zealand, with 92 rental stations, located mainly in airports and train stations, and an average fleet of 13,617 vehicles at end-December 2016. In addition, the brand is available in 40 franchised countries. The brand, whose slogan is "drive, save, enjoy", targets cost-conscious leisure travelers with a customized offer. The InterRent® brand uses a separate website and reservation system that are managed independently from the Europcar® brand platform. InterRent® stations are either separate from Europcar® stations or use a separate counter in a Europcar® station. The purchase and maintenance of vehicles as well as administrative functions are managed at the Group level in order to benefit from economies of scale and a better cost-efficiency ratio;
- Ubeeqo® offers its B2B and B2C customers access to a multi-modal reservation platform allowing customers to choose the means of motorized transport that best suits them: self-service, chauffeur-driven cars or car rentals from

an agency, as well as car-sharing services (general public or companies). The Ubeeqo brand is now present in France, England, Germany, Luxembourg and Belgium. It has been present in Italy since December 2016 through GuidaMi and in Spain through Bluemove since June 2016.

The purpose of this strategy is to offer the Group's customers a clearly differentiated and coherent portfolio of brands, to reinforce Europcar's position on its key markets.

1.6.1.1 Europcar brand®

Europcar® is the Group's core brand and offers short-term vehicle rental. Europcar® offers a wide variety of recent models of passenger cars and light commercial vehicles for rental on a daily, weekly or monthly basis, with rental charges computed on a limited or unlimited mileage rate. While vehicles are usually returned to the location from which they are rented, the Europcar network also allows one-way rentals from and to selected locations.

To increase the visibility of the Europcar® brand, the Group is developing various initiatives *via* a variety of channels: traditional media, such as radio and print advertising, Internet and email marketing and mobile device applications. Europcar develops co-marketing initiatives with car manufacturers to support its product launches, such as the #europcarousel operation with Mercedes-Benz in 2016 for the Selection product, which guarantees that the customer will be allocated the exact luxury model that he or she reserves, and its mobility partnerships with PSA, Renault Nissan and Smart. Sports sponsorship, such as the English soccer team Arsenal and the Portuguese soccer team Benfica, has also contributed to the attractiveness of the Europcar® brand and its image, around the slogan "Moving your way". The Group also has international partnerships with airlines, major hotel groups, railway companies and credit card companies that both promote the brand and generate demand.

The Group has been recognized with numerous awards since 2000, including at the World Travel Awards, an event that recognizes excellence in the global travel and tourism industry. In 2016 Europcar received awards there for the World's Leading Green Transport Solution Company and the World's Leading Leisure Car Rental Company Website, as well as Europe's Leading Car Hire, Europe's Responsible Tourism Award, Australasia's Leading Car Hire, Africa's Leading Car Hire, Middle East's Leading Car Hire and Mexico & Central America's Leading Car Hire).

In February 2016, Europcar received the TripAdvisor® “Travelers’ Choice 2016” award in the “preferred brands” category for four of its European subsidiaries: France, Spain, England and Germany.

EUROPCAR® SERVICE OFFERINGS

TARGETED, DIFFERENTIATED OFFERINGS

The Group uses its knowledge of the market to develop and progressively roll out new mobility products and services. Examples of innovative Europcar® branded products and services launched in all or part of its network include:

- customized packages:
 - FitRent: a mid-term (minimum of 30 days without any time-commitment) rental product targeting small and medium-sized enterprises (SMEs). This product was launched at the beginning of 2014 and is available in France, Portugal, Belgium, Spain, Italy and Germany. It offers car and truck rentals, flexible terms, a simple, all-inclusive offer (in particular mileage, insurance, additional driver) and convenient monthly reporting and billing,
 - AutoLiberté: a subscription-based car rental product targeting urban customers in France. This service offers, on a monthly fixed-price basis, two levels of subscription according to vehicle category. This product guarantees fixed rates on rentals. With this product, the Group aims to increase customer loyalty and benefit from customers’ growing demand for mobility solutions other than individual car ownership,
 - Funway: a program offering one-year discounts to occasional customers who rent a vehicle for a week-end or during a holiday period. Funway thus encourages repeat business and promotes brand loyalty among occasional vehicle renters;
- time-saving services:
 - Deliver&Collect (formerly “ToMyDoor”): a service for both business and leisure customers that enables the rental vehicle to be delivered to the customer and/or be returned to a chosen location, eliminating the need for the customer to come to the rental station. At present, this service is available in the United Kingdom, with the aim of launching it in other countries during the second half of 2017,
 - E-ready: a service that allows the customer to fill out an online customer profile (including, in particular, his/her driving license number). The station can then prepare the rental contract prior to the customer’s arrival and thus limit time at the counter. The “E-ready” customer has access to a dedicated sales counter,
- Keylocker a self-service kiosk from which customers can collect their keys directly. The main advantages are saving time (waiting and service time) and flexibility, allowing customers to access their vehicles outside normal agency opening hours. The service has been launched in five stations in Germany;
- premium services:
 - Selection: a premium mobility service that offers customers a unique rental experience by delivering high-end cars. The service offer can be customized and is based on five pillars: a guaranteed model, a specific counter in the station, an exclusive customer service telephone line, a network of dedicated “Selection” stations, and a dedicated digital platform (available since the first quarter of 2016),
 - Chauffeur services: a service targeting business and leisure customers, providing a chauffeur and additional services along with a vehicle rental. This service was launched in the United Kingdom in 2014 and is also available in France and Germany, as well as in various franchises in Switzerland, Russia, Austria, Denmark and Dubai;
- targeted broker products:
 - Keddy by Europcar®: this product, launched in March 2015, is available in Germany, France, Spain, Portugal, Belgium and the United Kingdom. It is tailored for tour operators, travel agencies and online brokers that market to leisure customers who are price-sensitive but looking for more services than typically available in the low-cost segment.

OTHER ANCILLARY PRODUCTS AND SERVICES

The Group offers its customers a range of additional services and equipment on a fee basis, including those described below:

- protection: the Group offer its customers a range of optional insurance products and coverage such as physical damage insurance, theft protection, headlight and tire protection, supplemental liability insurance and Personal Accident Insurance, which provides accidental death, permanent disability and medical expense protection (which can include personal effects coverage);
- equipment: the Group also offers navigation systems, child seats, winter equipment and roof racks, as well as other equipment depending on the agency and availability;
- other services: the Group also invoices its customers for additional services, such as refueling or specific locations such as airports (surcharge). Fees for certain categories of drivers such as, for example, young drivers may also be charged.

LOYALTY PROGRAM

The Europcar® brand has a free loyalty program called "Privilege", which provides customers with a range of rewards and services. This program, which was revamped in 2014, is designed to improve customer retention in an industry characterized by a low retention rate of leisure customers. The program provides specific benefits such as free upgrades and weekends with free rentals depending on four levels of loyalty (Privilege Club, Privilege Executive, Privilege Elite and Privilege Elite VIP) based on the number of rentals made or days' rental by the loyalty program customer. For each level of loyalty, specific benefits have been defined and a complete Customer Relationship Management (CRM) plan has been implemented to maintain an ongoing relationship with members and to send specific and exclusive offers to program members for their leisure rentals. Through this specific CRM plan, 70% of program members have repeated their rentals from Europcar from one year to the next in the last three years as compared to 30% for non-members. There are specific benefits for each loyalty level. In addition to fostering loyalty, information generated by the program enables the Group to develop new offers targeted to customer demand and improve commercial synergies among Europcar users in the business and leisure segments. As of December 31, 2016, the Privilege program had 1.7 million members.

CUSTOMER SATISFACTION

The Group tracks customer satisfaction levels based on its "Promoter Score" program in place since 2011, which gathers feedback from customers as to whether they would recommend Europcar to friends and family. The Group's continued efforts to improve the customer experience was reflected by a net increase in the Group's "Promoter Score" (determined by collecting customer opinions after each rental and based on the percentage of customers who indicated that they were "very likely" or "extremely likely" to recommend Europcar), from 58% in 2011 to 66% in 2012, 72% in 2013, 79% in 2014 and 44.9% in 2015. Since 2015, Europcar has made changes to customer satisfaction measurement by monitoring a more structured performance indicator, driving towards excellence, the "Net Promoter Score" (NPS), i.e. the difference between the "promoters" and "critics" of the brand. Detailed analysis of the NPS has identified ways to improve the score and monitor the performance of actions undertaken. The method used for gathering customer reviews (email) has been harmonized. The Group's NPS was accordingly 49.6% in 2016, up 4.8 points compared to 2015.

All Group employees are involved in this Net Promoter Score via a part of their variable compensation. Rental station scores are reviewed weekly and action plans implemented based on these reviews.

The Group has also launched online reviews and ratings on its websites to foster transparency, interaction and customer confidence.

1.6.1.2 InterRent® brand

InterRent® targets the low-cost segment and aims at enhancing the Group's customer portfolio. The low-cost market represented about 14% of the vehicle rental market (about €1.4 billion in value) in the Corporate Countries in Europe in 2015 (source: BCG Study, on the basis of revenue generated in 2015 by the low-cost brands of the principal participants in the vehicle rental market and local independent companies that disclose their positioning and low-cost revenue).

The brand, whose slogan is "drive, save, enjoy", targets cost-conscious leisure travelers with a customized offer. The InterRent® brand uses a separate website and reservation system that are managed independently from the Europcar® brand platform. InterRent® stations are either separate from Europcar stations or use a separate counter in a Europcar station. The purchase and maintenance of vehicles as well as administrative functions are managed at the Group level in order to benefit from economies of scale and a better cost-efficiency ratio.

InterRent® offers a simple and direct customer service that meets the requirements of cost-sensitive leisure customers. Cars available are often not as new as those offered under the Europcar® brand, with a more limited selection of categories (mini, economy, compact and family), brands and models. In keeping with the low-cost model, InterRent® offers customers the lowest prices, and a service offering that is more limited than under the Europcar® brand. For example, one-way rentals are not available. Rentals must also be prepaid. InterRent® reservations must be made through the brand's separate website and reservation system. Front-office InterRent® operations are managed separately from the Europcar® brand, while fleet sourcing, maintenance and back-office functions are managed by the Group together with the operations of the Europcar® brand to benefit from economies of scale and a better cost-efficiency ratio.

The InterRent® brand was first tested in Spain and in Portugal in late 2011. The brand was first deployed in 2013 in six Corporate Countries in Europe and New Zealand and was available at 92 rental stations, primarily at airports and train stations, as of December 31, 2016 (refer to Section 1.6.6 "Europcar's network" for the geographical distribution), with an average fleet of 13,617 vehicles in 2016 against 7,776 vehicles in 2015.

The Group is also actively developing its InterRent® franchise network, with franchises in place in 40 countries as of December 31, 2016, covering the Mediterranean basin, but also with the desire to reinforce the brand's presence particularly in Europe and the Middle East (Dubai, Oman, Abu Dhabi).

InterRent® is managed from Madrid by a dedicated team in charge of defining the brand's strategy worldwide to further improve its competitiveness. The Group is currently investing in social media campaigns and projects to promote the brand through its website.

1.6.1.3 The Ubeeqo® brand

Ubeeqo® offers its B2B and B2C customers access to a multi-modal reservation platform allowing customers to choose the means of motorized transport that best suits them: self-service, chauffeur-driven cars or car rentals from an agency, as well as car-sharing services (general public or companies). The Ubeeqo® brand is now present in France, England, Germany, Luxembourg and Belgium. It has been present in Italy since December 2016 through GuidaMi and in Spain through Bluemove since June 2016.

For more information on the Ubeeqo® brand, see Section 1.6.3 "Mobility solutions" of this Registration Document.

1.6.2 Europcar Lab

Extending its offerings of mobility solutions is part of a Group policy to respond to changes in the market and consumer expectations. The Group focuses in particular on developing intermodal solutions with digital access to local mobility solutions from a defined local area, guaranteed proximity of a vehicle and ability to extract value from unused vehicles and parking spaces.

The Group created Europcar Lab to study mobility market usages and search for new mobility solutions opportunities with mobility actors worldwide, whether such opportunities be with customers, partners, or technology or mobility expert consultants. Europcar Lab is intended to be an ideas incubator for new products and services that provide mobility solutions for the Group. Europcar Lab aims to support internal projects, as well as secure minority and majority stakes in innovative structures. Europcar Lab is structured around a dedicated team of six individuals including a director.

Europcar Lab is a Group legal entity with its own premises. It is managed by Fabrizio Ruggiero, a member of the Company's Management Board and Deputy CEO responsible for sales, marketing, customers & InterRent.

Europcar Lab activities are intended to meet the transportation challenges of the Group's customers through:

- a multi-modal proposition to provide the customer with fully integrated transportation solutions that fully connect the customer and the offer in real time;
- a local transportation solution focused on a well-defined ecosystem: this solution already exists for the Group with its "ExCel London" partnership, under which Europcar offers specific vehicle rentals at this London business center; and
- Drive & Share, a product currently being tested in France. It allows customers, through the GoMore peer-to-peer platform, to earn money through car-sharing.

1.6.3 Mobility solutions

The Group's specific mobility solutions currently include:

■ Ubeeqo

In November 2014, the Group acquired a 70.64% interest in Ubeeqo International, a French start-up company established in 2008 and one of the pioneers in mobility and fleet management services for companies and more recently for individuals. The acquisition is part of Europcar's strategy to expand its mobility solution offering to respond to customer needs by providing simple, turnkey

solutions. This acquisition allowed the Group to sustain Ubeeqo's development in new mobility technologies in Europe. In 2015, Europcar Lab increased its interest in Ubeeqo International to 75.7% via a capital increase not subscribed by the founders, who held the remaining shares. The founders continue to manage Ubeeqo's development with the support of Europcar. The shares were subject to reciprocal put and call options between the founders and the Company. In 2016, the Group's holding in Ubeeqo was accounted for using the equity method.

On February 17, 2017, Europcar Lab acquired a minority stake from the founders of Ubeeqo International, thus bringing its holding in Ubeeqo International to 100% of the capital and voting rights as of the date of this Registration Document.

Through its solutions and technologies, Ubeeqo encourages individuals to travel differently, by making better use of cars when they are indispensable, or by using an alternative where possible. In plain terms, Ubeeqo, present in France, Luxembourg and Belgium, as well as in the United Kingdom and Germany since 2015 and in Spain and Italy since 2016, offers various services such as a mobility app (location, reservation and payment for mobility solutions from a single application), car-sharing services (general public or in companies) or connected fleet management solutions for companies. Ubeeqo plans to continue integrating these recent acquisitions in Spain and Italy, as well as its expansion in Europe and in countries where Europcar benefits from a network of franchises, to build its global footprint.

In this way, Ubeeqo is able to propose innovative and complementary solutions to companies, in particular:

- “Ubeeqo Fleet”: a car-sharing solution that promotes private fleet sharing within a company and between companies, designed principally for industrial sites, on a lease-type financing model (average contract duration: 40 months);
- “Ubeeqo Benefits”: a multimodal alternative to the company car, providing employees with access to a fleet of shared cars and a mobility stipend to fund personal travel needs (train, taxi and car rental), along with a one-stop application;
- “Ubeeqo Office”: providing a company with a private car-sharing station, available to employees to facilitate professional and personal travel. The economic model for this product is “pay per use”, especially designed for city-based headquarters;
- “Ubeeqo Street”: a self-service car service, in a closed-loop arrangement (at the end of the reservation, the car must be returned to its departure location) in the main European cities (Paris, Berlin, Hamburg, Brussels, London, Madrid, Barcelona, Milan). The vehicles are available in the city, in business districts and at railway stations. Using the Ubeeqo application or *via* the Internet, the customer can reserve a vehicle for a few hours or several days;
- “Ubeeqo for Business”: the mobility application is available with a Business account, thereby providing employees with the ability to select the most appropriate mobility solution (car-sharing, car rental or VTC) and guaranteeing the employer a single invoice and detailed reporting. Its

current customer base includes several blue chip French companies, such as Danone, L'Oréal, Airbus, Michelin. Its solutions aim to provide customers with significant savings, enhanced employee satisfaction and a reduced impact on the environment.

More recently, the Company invested in the private market by opening its multimodal reservation platform for individuals in Paris, London, Berlin, Hamburg and Brussels. With the Ubeeqo application, users may choose the means of motorized transport that best suits them: car-sharing *via* “Ubeeqo Street”, car rentals at stations *via* Europcar, or chauffeur-driven cars *via* (i) Allocab in Paris, (ii) Addison Lee in London, (iii) BetterTaxi in Hamburg and Berlin, and (iv) CarAsap in Brussels. The platform, which also includes payment and invoicing, intends to expand its services over the next few months. This service will be gradually extended to Madrid, Barcelona and Milan.

■ *E-Car Club*

In July 2015, Europcar Lab acquired a majority stake in the share capital of E-Car Club, the UK's first entirely electric pay-per-use car club. E-Car Club's vision is to improve local mobility, while reducing costs and the environmental impact of its users' travel. The company deployed its original car-sharing solution in several British agglomerations like London, Hertfordshire, Northamptonshire, Oxfordshire, Buckinghamshire, Warwickshire and Fife, around ecosystems such as universities, local public authorities or even residential building programs. E-Car Club will be able to rely on Europcar's support to implement an ambitious deployment plan.

■ *Car2go Europe*

Through Car2go Europe, a joint venture with Daimler in which the Group holds a 25% stake, the Group has also developed car-sharing services for individuals. Car2go Europe is a car-sharing service aimed at making rental vehicles available to subscriber customers in European cities. Initially launched in Hamburg and Vienna in 2011, the service was rolled out in a number of major European cities including Turin and Madrid in 2016. The Group records its stake in Car2go Europe under the equity method.

■ *Wanderio*

Wanderio is an Italian start-up created in 2013, in which Europcar Lab acquired a 20% stake in 2016. Its goal is to simplify the lives of customers by providing the best means of transport to go from point A to point B, based on two criteria: price and trip length. Europcar's investment will provide significant support to increase Wanderio's presence in Europe.

■ Brunel

Brunel is a leader in private B2B chauffeur services available through a mobile application. It mainly targets business customers across a range of industries, in particular investment banks, law firms, consulting firms and financial institutions. The acquisition of Brunel represents a new step

in the Europcar strategy of offering a complete range of mobility solutions to its customers, with a large choice to meet the time and convenience needs of each trip. Brunel services are also available internationally through a network of partners in 75 countries, covering 480 cities.

1.6.4 Customers (Business/Leisure)

The Group's products and services are offered to a large range of business and leisure customers. Business customers primarily include large corporates, small and medium-sized businesses, as well as entities renting vehicles to provide temporary vehicle replacement services. Leisure customers primarily include individuals renting vehicles for their personal needs, in particular for travel during holidays and weekends, directly or indirectly *via* tour operators, brokers and travel agencies.

The business and leisure segments have different and complementary characteristics, particularly in terms of seasonality of demand, which allows for better management of the Group's network (both in terms of stations and the fleet utilization rate). The Group believes that maintaining an appropriate balance between business and leisure rentals is important to maintain and enhance its overall profitability and the consistency of its operations throughout its network. Consolidated revenue generated by the business and leisure

customer segments remained relatively stable during the last few years. For the year ended December 31, 2016, leisure rentals accounted for approximately 58% of the Group's rental revenue (excluding fees received from franchises), with business rentals accounting for the remaining 42% (against 56% and 44% respectively in 2015).

Certain of the Corporate Countries in Europe (Germany and Belgium) are more geared towards business customers, while others (Spain, Italy and Portugal) are more geared towards leisure customers and others (France and the United Kingdom) have a balance between business and leisure customers. The Corporate Countries in the Rest of World operating segment (Australia and New Zealand) are more active in the leisure market. The table below shows the breakdown of the Group's revenues from rental activities (excluding fees received from franchisees) by business and leisure customer segments in the Corporate Countries for the year ended December 31, 2016:

BREAKDOWN OF THE GROUP'S RENTAL REVENUE BY CUSTOMER SEGMENT IN THE CORPORATE COUNTRIES IN 2016

Corporate Countries	For the year ended December 31, 2016	
	Business	Leisure
Germany	60%	40%
United Kingdom	46%	54%
France	39%	61%
Italy	32%	68%
Spain	27%	73%
Australia/New Zealand	18%	82%
Belgium	61%	39%
Portugal	21%	79%
TOTAL	42%	58%

With approx. 5.5 million drivers recorded in Europcar's reservation system in 2016, the Group believes that its customer portfolio is one of the strongest and most diverse in the European vehicle rental industry.

Business customers

Business customers who rent a vehicle from the Europcar network include large corporates, small and medium-sized companies as well as vehicle-rental companies offering replacement services. Most business customers rent cars from the Europcar network on terms that the Group has negotiated (either directly or, in the case of small and medium-sized enterprises, through travel agencies). The Group also categorizes rentals to customers of companies offering support services and vehicle replacement as business rentals.

Revenue from business customers tends to be primarily concentrated during the period from Tuesday through Thursday each week. Revenue from business customers is less subject to seasonal change.

LARGE CORPORATES

Europcar has several contracts with large corporates (such as Siemens, Bosch, Henkel, AL JAZEERA Group, Pierre & Vacances and Center parcs), signed in 2016, for which it is the exclusive or preferred provider of rental vehicles to their employees or members, sometimes at the global level.

These contracts are concluded at pre-negotiated rates and service-levels. Many of the Group's business customers have direct access to Europcar's IT system *via* dedicated micro-sites, providing such customers with reservation and invoicing interfaces specifically tailored to their needs. When the volume of rental transactions with a particular customer is significant, Europcar may locate an "implant" rental station directly on the customer's premises.

Vehicle rental contracts are typically signed with large corporates based on competitive tenders at the end of which one or more suppliers are selected. The Group organizes the structure of its sales teams for large corporates based on the general requirements of different industry sectors to ensure that it uses its knowledge of these sectors to propose appropriately tailored offers.

SMALL AND MEDIUM-SIZED BUSINESSES

Europcar is the exclusive or preferred provider of rental vehicles to employees of numerous small and medium-sized businesses (SMEs) at pre-negotiated rates and conditions. This customer segment is characterized by a large number of accounts, which limits exposure to any single customer.

The Group is focused on further penetrating this customer segment, in which it sees opportunities for profitable growth. An example, in 2014, the Group launched its FitRent product aimed at small and medium-sized companies (SMEs) (see "*Europcar® Offerings*" under Section 1.6.1.1 "*The Europcar® brand*").

This segment experienced sustained growth and now has a specific B2B portal with services and information tailored to business customers.

In 2016, Europcar also launched an innovative partnership with Taxeo. This service enables the Group's business clients to recover VAT, where appropriate, on their employees' travel from one country to a European Union member country

REPLACEMENT VEHICLES

The vehicle replacement rental industry principally involves the rental of vehicles to insurance and leasing companies, vehicle dealers and other entities offering vehicle replacement services to their own customers. *Via* insurance companies, the Group offers its *services to* individuals, whose vehicles were damaged in accidents, are being repaired or are temporarily unavailable. In order to strengthen this business, Europcar has entered into several agreements with insurers, dealerships, repair shops and vehicle leasing companies. The Group seeks to further develop its activities in this customer segment by expanding its existing customer base (including in franchised countries) and through the implementation of incentives and special offers through the Group's principal partners.

Leisure customers

Leisure customers primarily include individuals renting vehicles for their personal needs, in particular for travel during holidays and weekends, directly or indirectly *via* tour operators, brokers and travel agencies. The Group also serves a portion of its leisure customers through partnerships to expand its customer base.

Leisure rentals are typically longer in duration and generate more revenue per transaction than business rentals (other than vehicle replacements). Leisure rental activity is more seasonal than business rental activity, with heightened activity during the spring and summer (particularly in France, Southern Europe, Australia and New Zealand, in December and January for these two countries). Leisure rental activity also tends to be higher on weekends than mid-week. For further discussion of the seasonality of the Group's business, see Section 1.6.9 "*Seasonal nature of the business*".

INDIVIDUALS

This segment includes all individual customers contracting directly with Europcar. Individuals book directly under the Europcar® brand through the brand's website or using the Europcar® app, cell phones or tablets, through call centers and vehicle rental stations and under the InterRent® brand through the brand's dedicated website or the InterRent® app, cell phones or tablets (see *"Europcar's Direct Distribution Channels"* under Section 1.6.5 *"Distribution Channels"*). The Group intends to further develop its activities in this customer segment following the optimization of its E-commerce Department in order to accelerate the trend in reservations on websites and mobile applications and the signing of new agreements with general sales agents in order to stimulate international demand, in particular in China, India, Russia and Brazil.

In recent years, with the development of new mobility services, new uses have appeared. For instance, individual customers of our services, in particular under the Ubeeqo and E-Car brands, no longer only use our services for leisure but also for daily use throughout the week. These new services also offer new vehicle usage methods, ranging from very short-term rentals to those lasting less than a day.

PARTNERSHIPS TO REACH LEISURE CUSTOMERS

Europcar has partnerships with several players in order to offer mobility services to their customers. These exclusive or preferential partnerships allow Europcar to expand its leisure customers. Business is generated through Europcar's distribution on partners' channels or through participation in partners' loyalty programs.

Europcar currently has international partnerships in different sectors that represent a significant portion of its rental revenue, including:

- in the airline sector, partnerships with airlines such as easyJet (exclusive partnership in place since 2003 and renewed in April 2014 for a three-year term), Aeroflot (exclusive partnership signed in December 2013 for a five-year term), Emirates (partnership signed in March 2014, under which Europcar customers who are members of the Skywards frequent flier program receive miles in Emirates' frequent flier programs for every rental), Qatar Airways (in the context of the Qatar Privilege Club) and more recently Air Caraïbes (March 2016); and

- in the hotel sector, partnerships with large groups such as Accor for business, marketing and communication purposes (partnership established January 1, 2000 and renewed most recently in 2015 for three years with tacit renewal for successive two year periods) and Hilton (in the context of the Hilton Honors program); and
- in the railway sector, partnerships with Thalys.

The Group also has marketing partnerships with credit card companies, credit institutions and organizations offering loyalty programs, such as HSBC and Amex (Membership rewards).

Europcar's contractual relationships with its principal commercial partners typically have terms of between two and four years.

The Group plans to increase its development on this customer segment through the signature of partnerships in new sectors (cruise ships, banks, insurance, etc.).

TOUR OPERATORS, TRAVEL AGENTS AND BROKERS

Europcar works in close collaboration with various tourism-industry intermediaries, leveraging their marketing positioning to improve the Group's visibility and reputation and to enter additional distribution channels.

Europcar has agreements at the international and national levels with several travel agencies (including online travel agencies) that work directly with Europcar or through tour operators or brokers to offer vehicle rentals to end customers, either on a stand-alone basis or as part of packages.

In addition, Europcar has multi-year agreements with certain major tour operators to serve their customers' leisure-destination needs. Tour operators are traditional partners, combining vehicle rental with hotels and flights to offer packages to end customers.

Brokers are leisure intermediaries who sell vehicle rental services to end customers on their own behalf or on behalf of the vehicle rental companies.

The Group considers that it maintains ongoing, balanced relationships with these different intermediaries. These relations based on a multi-brand or multi-product strategy allow the Group to benefit from additional contributions made to its activities, in particular during low season, or for certain partners, from intermediaries' early payments especially during high season, a period when the Group guarantees them a certain level of vehicles.

1.6.5 Distribution Channels

The Group's customers have access to various mobility offers of Europcar through a variety of distribution channels.

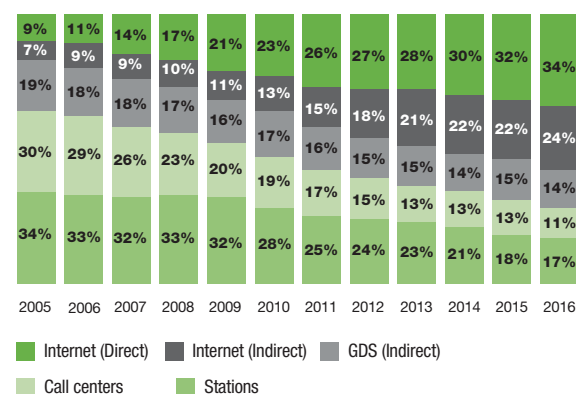
They may book rental vehicles under the Europcar® brand in the worldwide network through local, national or toll-free telephone calls handled by call centers; directly through stations; or, in the case of replacement vehicle rentals, through a proprietary dedicated system serving the insurance industry. Additionally, customers may make reservations for rentals worldwide through the Group's websites and using its apps or cell phones and tablets. These channels are known as "direct" booking channels as they are controlled by the Group.

Customers may also book vehicles through indirect distribution channels, such as travel agents, brokers, or other third-party travel websites. Such third-party actors often utilize a third-party operated computerized reservation system, known as a global distribution system or "GDS", to contact Europcar and make the reservation on behalf of the customer.

Reservations for the InterRent® brand are made and mainly prepaid on the brand's specific website. The Group mainly uses indirect distribution channels for the InterRent® brand through brokers, travel agents and tour operators and is targeting a progressive shift to direct distribution channels in order to optimize profitability.

The following chart sets out the breakdown in reservations by distribution channel including direct channels "controlled" by the Group (stations, call centers, Europcar-controlled websites) and indirect distribution channels (intermediaries' websites and GDS) over the period from 2005 to 2016 in the Corporate Countries.

BREAKDOWN OF RESERVATIONS BY DISTRIBUTION CHANNEL IN PERCENTAGE TERMS FROM 2005 TO 2016



Source: Company

As shown, the Group uses varied distribution channels to better service its customers. Online reservations (direct and indirect Internet as well as GDS reservations) represented 72% of the Group's total number of reservations in 2016.

Europcar's direct distribution channels

INTERNET

The Group has invested in its websites and applications, with a view to the growing role of e-commerce. Over the last 24 months, more than 80 websites operated for Corporate Countries and Europcar franchisee countries, as well as its partners, have been migrated to a new e-commerce platform. In 2015, Europcar launched a B2B portal on its websites to better serve its customers and capture online Business customers especially on the SME market. Lastly, in 2016, the mobile site was completely redesigned, leading to growth in smartphone sales of more than 100% year-on-year, with the share of mobile sales now regularly exceeding 30% of online sales. These initiatives also include the increasing digitalization of customer transactions from one-click booking to mobile check-in and check-out.

Europcar uses its websites to both inform and serve its customers, providing online reservation systems and information about its services. Europcar enables reservations from customers via its country-specific websites, including Europcar.com and Europcar.biz, mobile applications, as well as through Internet micro-sites accessible (i) by customers of the partners with whom it has an exclusive relationship and (ii) by employees of Europcar's large corporate accounts. Such micro-sites dedicated to business accounts enable Europcar to address the needs of customers without intermediaries. Europcar also offers direct reservations through the websites of its partners, such as EasyJet. Reservations for the InterRent® brand are mainly made and prepaid over the brand's specific website.

Online reservations facilitate price comparisons, thereby increasing competitive pressure in the industry. Nevertheless, sales through these channels carry lower direct distribution costs than traditional distribution channels and result in a simplified and enhanced customer experience.

In 2016, the Group received the "Best car rental website" award from World Travel Awards.

TRADITIONAL DIRECT DISTRIBUTION CHANNELS

Although vehicle reservations are increasingly moving towards e-commerce, Europcar continues to maintain its traditional direct distribution channels. Traditional direct distribution channels include Europcar® call centers and rental stations. These channels remain important indeed and are complementary to Internet channels since, among other things, they are more conducive to the sale of ancillary services.

The Europcar® call center network consists of Group call centers located in Germany, Portugal, Belgium (partially outsourced), Australia/New Zealand and the United Kingdom. The call centers in Berlin and Cologne, Germany (covering Germany), in Madrid, Spain (covering France, Italy, Spain and the United Kingdom) and in Sofia, Bulgaria (covering Australia, Belgium, France, Italy, Spain and the United Kingdom) are outsourced and handle approximately 80% of calls from Europcar customers who wish to make a reservation or request.

INDIRECT DISTRIBUTION CHANNELS (INTERNET, GDS)

Classic indirect distribution channels are represented by vehicle rental brokers and intermediaries such as travel agents and tour operators, who use computerized reservation systems, also called global distribution systems (GDS), which allow reservations on the Europcar network. The Group pays third party distributor fees for each reservation.

Over the last few years, the percentage of reservations made *via* GDS has decreased from 17% of the Group's total number of reservations in 2010 to 14% in 2016. Inversely, indirect reservations *via* the Internet have increased from 13% of the Group's total number of reservations in 2010 to 24% in 2016 (compared with 22% in 2015).

Although these indirect distribution channels provide the Group with access to a broader customer base than through its direct distribution channels alone, the indirect customer segment can face stronger competition, as intermediaries and partners generally distribute rental vehicles from several players in the sector. Therefore, Europcar seeks to conclude exclusive or privileged "strategic" partnerships, under which the Company is the only or the first rental vehicle service provider.

Europcar has signed local agreements with large tour operators and travel agents, which target business customers in particular. Europcar is not an exclusive supplier for these tour-operators and agents, who choose to make reservations for business customers who do not have a direct agreement with a vehicle rental company, at local level. When a customer has a relationship with both Europcar and a tour-operator, the latter acts as the distribution channel and makes reservations in accordance with the conditions negotiated with the customer.

Tour-operators generally offer vehicle rentals as an independent service or as part of a global offering including other services such as air tickets or hotel rooms and are generally compensated by the difference between its resale price to customers and Europcar's selling price to tour operators. Travel agents and most of the brokers, who act as Europcar agents, rent vehicles at a price determined by Europcar and receive a commission on this price.

Third party travel websites have also grown in importance as a distribution channel for Europcar. Currently, the Group is partner of several major online travel portals, which offer three distinct marketing benefits:

- expand the geographical zone addressable by the Group and thus increase Europcar's network of potential customers particularly from the non-European market;
- implement dynamic pricing strategies sensitive to short term demand and supply trends of vehicles at specific locations with the global service offering of these travel portals;
- indirectly benefit from the links between these travel portals and airlines that are not yet partners in the Europcar network.

The development of the indirect digital distribution channels has also benefited from the growing presence of car rental brokers in the market. Europcar has signed agreements with most of the major car rental brokers in Europe. Customers have access to a large range of offers from car rental companies and can directly reserve *via* the broker's website.

The Group enjoys balanced relationships with intermediaries from the tourism industry. These include the following:

- the vehicle rental industry in Europe consists, as regards the major players, of companies operating under strong and recognizable brands, including Europcar. Moreover, these companies have developed attractive geographical networks for customers. This direct relationship between customers and the brand, and the proximity of services offered to customers to the places where they need mobility favors the adoption of balanced partnerships between the vehicle rental company and intermediaries in the tourism sector addressing a complementary target;
- vehicle rental companies are able to adjust their fleet sizes to match demand, in particular when their vehicles are acquired through buy-back programs, which is the case for the majority of Europcar's fleet. The Group believes that it has variable vehicle capacity, as contrasted with the fixed capacity that may characterize other sectors, such as the hotel sector, which enables it to manage its various distribution channels consistently;

- vehicle rental companies benefit from volume commitments in low season and prepayments in high season from certain intermediaries, and in return, offer these intermediaries guaranteed availability in high season; and
- in their principal markets, agents rent the Group's vehicles at a price determined by Europcar and receive in compensation a commission on this price.

The size of Europcar's network, the availability of its fleet and the quality of its service are the principal factors of its success in this distribution channel. The Group intends to reinforce its presence in this distribution channel by developing its Keddy by Europcar® offer and by signing new partnerships with tour operators, travel agencies and brokers (including in the franchised countries).

1.6.6 Europcar's network

The Group operates directly mainly in Europe through its directly-operated and agent-operated stations and internationally through its franchises as well as *via* partnerships and general sales agency arrangements. The Group's directly- and agent-operated stations are located in the countries which the Group refers to as "Corporate Countries", in which the Group has a long-standing local presence and expertise. Franchise stations extend the Europcar network both in Corporate Countries (particularly in France) and around the world, providing expanded services to our customers, increased brand awareness and revenue. This global network gives the Group extensive geographic coverage of both business and leisure customers, with individual Corporate Countries either weighted to one customer category or the other or balanced between them, depending on the geographic location.

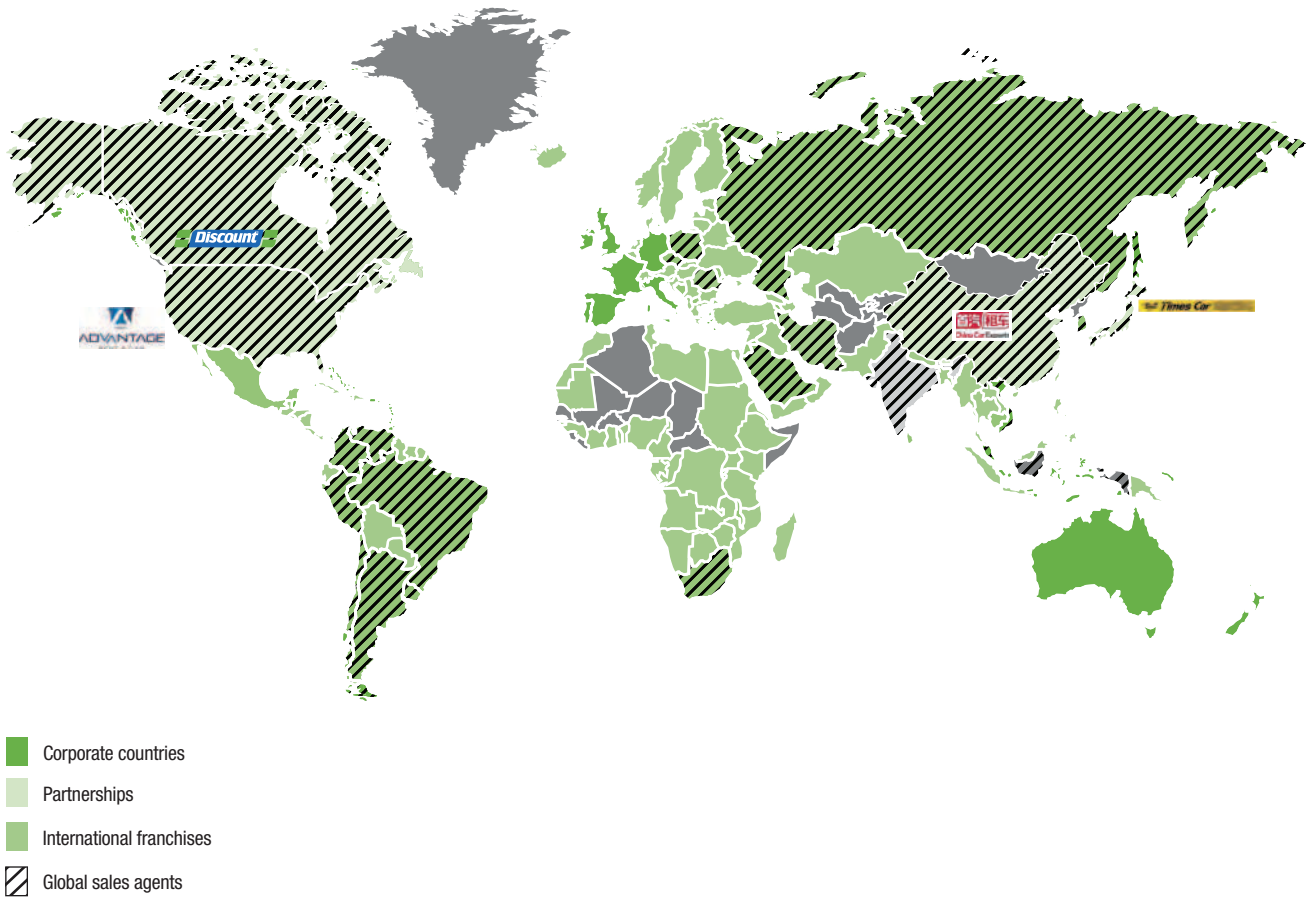
The density of the Europcar network in the Corporate Countries enables to address customer demand for proximity and convenience in such countries, while the international scope of the Europcar network provided by franchisees, partnerships and other commercial and sales agency agreements significantly enhances the Group's ability to capture business from customers traveling outside of their home countries and provides a basis for the Group's continued growth and expansion.

The organizational structure of the Group's operations in each country is tailored to local market dynamics, in particular the nature of the customer base, which may be more business or

leisure based and more local or tourist based, and also reflects the historical development of the Group (including the corporate versus agent/franchise mix of the stations in each country). In addition to airport stations, the Europcar network includes agencies at other major travel points such as railway terminals, city and suburban centers, hotels, resorts and office buildings. The Group is continuing to optimize its network in order to better serve the needs of its customers and to attract new ones. In particular, the Group is strengthening its network of downtown rental stations in order to capture growth related to the changing user habits for vehicles, which presuppose far less purchase and possession. Certain of the Corporate Countries in Europe (Germany and Belgium) are more geared towards business customers, while others (Spain, Italy and Portugal) are more geared towards leisure customers and others (France and the United Kingdom) have a balance between business and leisure-customers. The Corporate Countries in the Rest of World operating segment (Australia and New Zealand) are more active in the leisure market.

The Group believes that maintaining a balance between business and leisure customers is an important part of preserving and enhancing the profitability of its business and the consistency of its operations. The locations of stations (airports or other locations) also reflect the specificities of each country's customer base.

The following map presents the Group's global network (defined broadly to include - in addition to directly-operated - agent-operated and franchise stations, strategic partnerships and general sales agency arrangements) throughout the world:



Through this network of franchisees, strategic partnerships and general sales agents, the Group was ranked fourth worldwide in the vehicle rental market in 2015 (source: Euromonitor, on the basis of the companies' revenues).

(source: Euromonitor, on the basis of the companies' revenues)

The following table sets out the number of rental stations (broken down by type) having generated revenue for the year ended December 31, 2016:

2016					
Stations					
	Group	Agents	Franchisees	Total	of which InterRent
Europe					
Germany	246	223	0	469	27
United Kingdom	270	9	10	289	32
France	278	80	222	580	8
Italy	28	191	1	220	16
Spain	160	35	3	198	36
Belgium	15	14	0	29	0
Portugal	30	50	0	80	3
Franchisees outside of Corporate Countries	-	-	630	630	-
TOTAL EUROPE	1,027	602	886	2,495	122
<i>of which stations in airports</i>	224	26	-	-	-
Rest of World					
Australia	59	9	51	119	-
New Zealand	17	5	0	22	-
Franchisees outside of Corporate Countries	0	0	1,118	1,118	-
TOTAL REST OF WORLD	76	14	1,169	1,259	-
<i>of which stations in airports</i>	35	6			
TOTAL GROUP	1,103	616	2,035	3,754	122

Promoting cross-border activity and inbound traffic in Corporate Countries

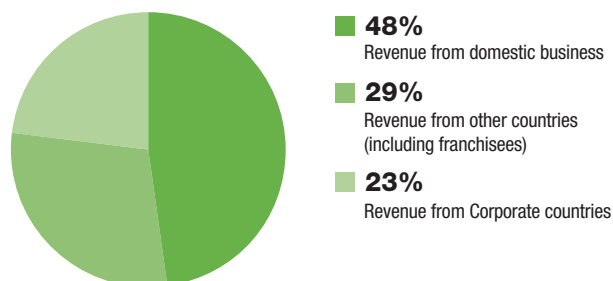
The density of the Group's network in the Corporate Countries enables the Group to address customer demand for proximity, while the international coverage of its network considerably enhances its ability to capture business from customers traveling outside of their home countries.

The Group is maintaining and growing its domestic rental business (reserved vehicles, checked out and returned in a single country), and is actively developing its international rental business (in which vehicles are reserved through its direct and indirect Europcar distribution channels in one country and checked out in another country). Internationally sourced rentals represent an additional source of reservations and revenue for the Group's domestic operations.

In order to develop the Group's international business, management has defined key regional markets outside the Corporate Countries in which it is actively promoting the

development of cross-border inbound business to the Corporate Countries. In addition to the promotion of international business through cross-country conferences between franchisees, the development of international business is supported through joint marketing efforts with international partners and business customers, including, for example, campaigns with vehicle manufacturers in connection with the launch of new car models.

The chart hereafter shows the breakdown of revenue for the year ended December 31, 2016 between domestic business and inbound business from Corporate Countries and the Rest of the World (including franchised countries). For the purposes of this table, domestic rentals are defined as rentals that are reserved, checked-out and returned in the same country, while rentals from Corporate Countries and from the rest of the World (including franchised countries) are rentals in which vehicles are (i) reserved through the Group's direct and indirect distribution channels by customers resident in a given country and (ii) checked-out in another country.

**2016 VEHICLE RENTAL REVENUE BREAKDOWN
IN THE LEISURE SEGMENT BY SOURCE**

Source: Company

1.6.6.1 Operating models

As indicated above in this Registration Document, the Group's network is based on different operating models: directly-operated, agent-operated or franchise, as may be further extended through partnerships, commercial cooperation agreements and general sales agency arrangements. In general, directly-operated stations are located in larger airports and cities, while franchise and agent-operated stations are located in smaller airports and cities to provide full coverage for the Group's customers throughout the Corporate Countries.

The Group's revenues are composed of vehicle rental revenues generated by its directly-operated rental stations or by the agent-operated rental stations of its subsidiaries (€2,002 million in revenues in 2016, of which 93.1% was generated in Europe and 6.9% in the Rest of the World, the Group's two operating segments), additional services revenue generated by its directly-operated and agent-operated rental stations (€97 million of revenues in 2016), as well as royalties and fees received from its franchisees (€51 million in 2016, of which 63% was generated in Europe and 37% in the Rest of the World).

**1.6.6.2 Stations operated directly
by the Group or by its agents****(A) STATIONS OPERATED DIRECTLY BY THE GROUP**

As of December 31, 2016, the Group directly operated 1,103 stations, all located in the Corporate Countries. Each of these stations is managed through one of nine Corporate Countries, which owns (or leases) the rental fleet and station sites and employs the stations' staff. The Managing Director of each Corporate Country is responsible for managing the fleet in the relevant Corporate Country and for overseeing the local sales and marketing, Human Resources and legal functions.

The revenue generated by stations directly operated by the Group is included in the Group's consolidated revenue. It represented 83% of the revenue generated by rental activities in 2016 (stable compared with 2015).

(B) AGENT-OPERATED STATIONS

As of December 31, 2016, agents operated 616 stations, all located in the Corporate Countries. Agent-operated stations use a Group rental fleet. The sites and employees of agent-operated stations are the responsibility of the agents. Relationships with agents are managed by the Managing Director of the Corporate Country in question.

The revenue generated by these stations is included in the consolidated revenue of the Group and agents are paid a commission (which is accounted for as an expense in the consolidated financial statements of the Group) based on the revenue of the relevant stations. This represented 17% of the revenue generated by rental activities in 2016 (stable compared with 2015).

(C) STATION LOCATIONS

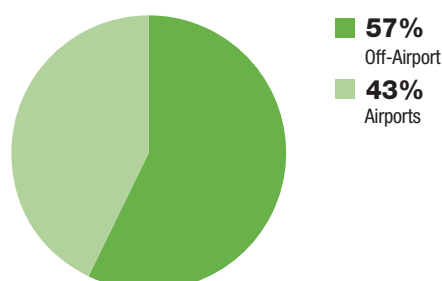
The Europcar network rents vehicles to its customers from stations located in airports, railway terminals, hotels, resorts, office buildings, and other urban and suburban locations. The locations vary depending on local market dynamics as well as on the density of the Group's network in the country.

Airport locations are important for the Group, as they enable it to offer convenience to customers travelling by air and to benefit from the growth in business in these areas. This is one of the Group's main sources of revenues. Airport stations generally generate higher revenue than other stations.

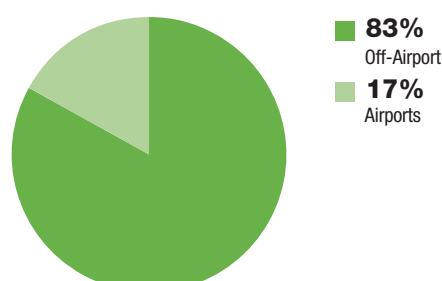
The following charts provide a breakdown in percentage of the number of directly- and agent-operated stations and of the Group's rental revenues in Corporate Countries (excluding fees

received from franchises) between stations located at airports and other locations in 2016:

BREAKDOWN BY REVENUE



BREAKDOWN BY NUMBER OF STATIONS



Source: Company

The following table presents a breakdown of the Group's rental revenue in Corporate Countries (excluding fees received from franchises) between stations located at airports and other locations in 2016:

BREAKDOWN OF THE GROUP'S RENTAL REVENUE IN CORPORATE COUNTRIES BETWEEN STATIONS LOCATED AT AIRPORTS AND OTHER LOCATIONS IN 2016

Corporate Countries	Airport	Off-Airport
Germany	22%	78%
United Kingdom	40%	60%
France	41%	59%
Italy	59%	41%
Spain	64%	36%
Australia and New Zealand	76%	24%
Belgium	25%	75%
Portugal	54%	46%
TOTAL	43%	57%

Source: Company

AIRPORT CONCESSIONS

Through its extensive network of airport stations, Europcar has access to airports' high passenger volumes. The number of rental stations in airports as a percentage of the Group's total number of stations remained stable at between 14% and 17% over the period from 2011 to 2016. Airport business is highly related to the levels of air travel at the relevant airport, and customers often make vehicle rental reservations at the same time as their flight reservations. Partnerships with airlines also underpin this business (See Section 1.6.4 "Customers (Business/Leisure)").

In order to operate airport stations, Europcar (or the relevant agent or franchisee) has entered into a concession or similar leasing, licensing or other such agreements or arrangements granting it the right to conduct a vehicle rental business at the relevant airports. Europcar's concessions are granted by the airport operators, following either negotiation or bidding for the right to operate a vehicle rental business in such airports.

Access to airports is relatively costly, and the airports' operators control the number of locations made available to vehicle rental companies. The terms of an airport concession agreement typically require payment to the airport's operator of concession fees based upon a specified percentage of revenue generated

by Europcar at the airport, subject to a minimum annual fee. Under most concession arrangements, Europcar must also pay fixed rent for terminal counters or other leased properties and facilities. Some concession arrangements are for a fixed length of time (generally three to five years), while others create operating rights and payment obligations that, as a formal matter, may be terminated at any time. Concession arrangements generally impose on Europcar specific covenants which include certain price restrictions and quality of service requirements. Under most concession agreements, if the revenue generated by the concessionaire increases or decreases, the airports' operators may modify the concession, in particular with respect to the number of parking lots granted to the concessionaire and the rate of concession fees.

The terms of concession arrangements typically permit Europcar to seek complete or partial reimbursement of concession fees from customers to the extent permitted under local regulations.

OTHER STATIONS

In addition to airport stations, the Europcar network includes agencies at other major travel points such as railway terminals, city and suburban centers, hotels, resorts and office buildings. This market is considerably more fragmented than the airport market, with numerous smaller vehicle rental businesses, each with limited market share and geographical distribution, competing with larger organizations such as Europcar. When compared to airport stations, other stations typically deal with a greater range of customers, use smaller rental facilities with fewer employees and, on average, generate fewer transactions per period than airport locations. Rental stations located at or near railway terminals are operated pursuant to concession agreements similar to those described above for airport stations. Railway stations, particularly those serving high-speed trains, generally generate higher traffic volume than other non-airport stations. A dense network in the outskirts of big cities is also essential as it brings us closer to customers and their needs, in particular small- and medium-sized businesses.

1.6.6.3 Franchisees

During the year ended December 31, 2016, franchisees operated approximately 2,035 stations, including 866 stations in Europe and 1,169 stations in the Rest of the World. Fees from franchisees received by the Group stood at €51.3 million for the year ended December 31, 2016, of which 63% was generated in Europe and 37% in the Rest of the World. For further information on the franchisee network, please refer to the map presented in Section 1.6.6 "Europcar's network".

Franchise arrangements have provided the Group with a cost-effective route to expand into small and medium-sized local or regional markets and internationally. The franchise network changes in accordance with any franchise buyouts, the performance of franchisees and the market in which they are situated, as well as the policy for extending the network.

The Group continues to expand the Europcar network (i) by adding new franchisees in the few countries in which it has a limited or does not have a presence and (ii) by developing its service offering under the Europcar® brand to allow Group franchisees to better address market needs. The current focus of the Group's international network expansion includes large markets in Latin America and the Asia-Pacific region.

The Group is also developing its InterRent® franchise network, with franchises in place in 36 countries as of December 31, 2016, around the Mediterranean basin but also with the aim of strengthening the brand's presence notably in Europe and the Middle East (Dubai, Oman, Abu Dhabi).

MANAGEMENT OF THE FRANCHISES

The Group manages its franchise network based on a regional approach, with four regional directors and with annual global and regional franchise conferences.

Compliance with the terms of the Group's franchise agreements and the uniformity of service quality across the network are controlled through informal visits to franchisee locations and through regularly scheduled audits by the Group's Internal Audit Department. Regional franchisee conferences are held on an annual or semi-annual basis to establish best practice guidelines and to promote inter-regional and intra-company business within the Europcar network.

The Group supports the promotion of the brand's image by franchisees through:

- local marketing with advertising assistance and resources;
- branding and signage;
- product structuring;
- airline and hotel partnerships; and
- access to card programs to promote customer loyalty.

Franchisees share the costs associated with these brand initiatives

The Group has implemented initiatives aimed at further integrating franchisees, including information *via* an intranet platform and monthly newsletters.

The Group also seeks to encourage cross-border sales between franchisees and directly-operated stations. It also aims to build on its franchise network to increase inbound and outbound flows as part of the development of general sales agency arrangements worldwide.

CHARACTERISTICS OF FRANCHISE OPERATIONS

Franchisees operate using their own fleet and employees and have the exclusive right to use the Group's brand under license for specified services and for a pre-determined brand. Franchise agreements generally cover a specific portion of a country (e.g., a region or a city) or the entire country, in which case each franchisee may operate directly or through sub-franchise or agency agreements between it and third parties.

Franchisees initially pay an entrance fee, and, upon renewal of their contracts, a territory fee, for the exclusive right to use the franchise rights in the area covered by the agreement for the agreed services and brands. The franchisees pay royalties representing a percentage of the revenue generated by the vehicle rental operations, a reservation fee based on the number of reservations made through the Group's reservation system and, if applicable, a fee to use the Group's IT systems. Franchisees are required to send monthly financial reports to the Group, which form the basis of the calculation of royalties. In return for the payment of fees and royalties, franchisees benefit from the Group's expertise, access to its reservation system, worldwide network, international brand, customer base and information technology systems. Royalties and fees paid by Europcar network franchisees in the Corporate Countries and Franchise Countries totaled €51.3 million for the year ended December 31, 2016 (versus €52.7 million for the year ended December 31, 2015 - See Section 3.1.2.2 "*Analysis of Group results*", (a) "*Revenue*"). The underlying rental revenue generated by the franchisees is recorded as revenue only by the franchisees themselves. Other than in a very limited number of cases, franchisees are exclusive to the Europcar network, meaning that they agree not to work with any other vehicle rental group or to operate a vehicle rental business under their own name for the duration of the franchise agreement. Most of the franchise agreements concluded by the Group provide that when a Europcar network customer makes a reservation relating to the territory of a franchisee, that customer becomes a customer of the said franchisee.

Franchisees hold (or rent from third parties) and finance their fleet independently from the Group. Franchisees may benefit from agreements with buy-back commitments signed at the Group level, but are free to conclude their own fleet supply agreements with automobile manufacturers. Franchise contracts provide that franchisees are required to respect the Group's fleet standards (mileage, maintenance, safety etc.). In

order to ensure that franchisees respect the Group's standards, an exhaustive review of their fleet is realized based on operating data (mileage, holding period) and, through sampling, a physical verification of the fleet is carried out during visits of rental stations operated by franchisees.

In general, the Group's franchise contracts do not permit the franchisee to terminate the agreement prior to the expiration of the agreed term. In most cases, local franchisees are entitled to be indemnified by the Group (either pursuant to applicable law or under the terms of the franchise agreement) should the franchise agreement be terminated by the Group before the expiration of its term. The Group retains the right in most cases to terminate a franchise agreement in the event the franchisee fails to meet its contractual obligations, notably payment of royalties and fees, or takes actions that risk damaging the Group's brand and reputation. Franchisees may generally also terminate the agreements concluded with the Group in the event of a material breach of the agreement by the Group.

1.6.6.4 Commercial cooperation agreements

The Group has entered into commercial cooperation agreements with certain entities to provide cross-referrals and cross-services in various countries. These agreements allow the Group's customers to be served in certain locations while also increasing in-bound flows. Revenue generated by strategic partnerships represented less than 1% of the revenue generated by the Group's rental activities in 2016, unchanged from 2015.

At the date of this Registration Document, the Group had entered into four commercial cooperation agreements allowing its customers to access its services in the United States, through an agreement entered into with Franchise Services North America in June 2013 relating to the Advantage-Rent-A-Car® brand (which was subsequently transferred to The Catalyst Capital Group, Inc.), in Canada through an agreement entered into with Discount Car and Truck Rentals Ltd in October 2013, and in China via an agreement signed on January 12, 2017 with one of the leading car rental firms in China, Shouqi Car Rental. The partnership with Shouqi Car Rental was entered into in order to benefit from the growing flow of Chinese tourists worldwide – and in particular in Europe – and to give Europcar's customers access to one of the leading car rental networks in China.

Under the agreement regarding the Advantage-Rent-A-Car® brand, Europcar® brand customers are served by the Advantage-Rent-A-Car® brand in the United States, and Advantage-Rent-A-Car customers are served by Europcar in the Rest of the World.

The partnership between Europcar and the Chinese Shouqi Car Rental group ("Shouqi") came into effect on January 12, 2017. In return for a commission on the volume generated, it allows the Group to service its customers in China under its Europcar® brand *via* the Shouqi network. Reciprocally, it allows Shouqi to service its clients under its own brand, *via* the Europcar network, in regions where the Group operates. This alliance allows the Group to extend its proprietary network and improve its services for its customers in China.

Pursuant to the agreement with Discount Car and Truck Rentals Ltd, the partners seek to expand the leisure business in Canada.

The Group has had an exclusive long-term partnership with Times Car Rental (previously Mazda Car Rental) since 2006, through which it seeks to encourage cross-referrals and offer cross-border services. Times Car Rental is a leading Japanese car rental company with a fleet of approximately 27,000 vehicles and over 440 rental stations throughout Japan in 2016. This partnership is visible through co-branding at certain of the 172 Europcar partner stations as of December 31, 2016. Times Car Rental supports the Group's cross-border activity in Japan.

1.6.6.5 Commercial and general sales agency arrangements

A key part of the Group's sales strategy is the development of its network of general sales agents. The Group strives to enter into commercial and general sales agency arrangements in countries where it has limited or no presence, in order to ensure significant commercial presence in such countries and to benefit from the travel flows from the United States and emerging countries to Europe and Australia. General sales agents (GSAs) sell the Group's services, in exchange for a commission. All costs related to running the GSA's business are the responsibility of the GSA including but not limited to insurance, rent, general office expenses and any travel within the country or region needed to promote or sell the product.

At the end of 2016, a total of approximately 32 agreements had been signed worldwide, including in the United States and Asia. For example, in order to develop its business activities in China, the Group entered into a two-year GSA arrangement with a Chinese online travel agency which, pursuant to the terms and conditions of this agreement, was appointed as non-exclusive agent authorized to promote and sell Europcar's vehicle rental services. The agent receives a commission paid by the Group and based on the volume of vehicle rental services sold to its customers.

1.6.7 Group organization

GENERAL MANAGEMENT OF THE GROUP AND CORPORATE COUNTRIES

The Group's strategy and development are defined and overseen by the Management Board. To ensure the efficient execution of the Group's objectives, in June 2016 the Management Board defined specific areas of responsibility for each of its members. Since the departure of Philippe Germond, the Management Board now has three members: Caroline Parot, CEO, Kenneth McCall, Deputy CEO - Countries and Operations, and Fabrizio Ruggiero, Deputy CEO - Sales, Marketing, Customers & InterRent.

During 2016, the Group's organization continued to be based on management of the Group's activities at local level by a Corporate Country, which implements the strategy and objectives set by the Group. Management of the Group's activities outside the Corporate Countries consists of management of franchisees, partnerships and commercial agency agreements. Dedicated management teams at the Group level (Human Resources, Fleet, Finance, Operations & Network, Commercial, IT and Legal) also oversee the execution of the Group's strategy.

In July 2016, operating in very rapidly changing markets with new mobility needs, the Group came up with a proposal to

modify the Group's organization, with the aim of optimizing the Group's competitiveness and agility and accelerating growth. The Group wished to capitalize on its customer-focused vision in an optimal manner to ensure sustainable growth. The Management Board accordingly decided to launch a project to organize the Group around five Business Units reflecting the Group's commercial strategy and a very strong focus on the activities linked to its core business, while also developing new business opportunities:

- BU Cars;
- BU Vans & Trucks;
- BU Low-cost;
- BU New Mobility;
- BU International Coverage.

These new Business Units benefit from the network's strength in different Corporate Countries as well as the experience of their managers.

The support functions ensure the implementation of the Group's strategy and bring their expertise to the Business Units and Corporate Countries.

This project, which was implemented in January 2017, also provides the Group with new management bodies to better achieve the Group's ambition. For this purpose the Group has created:

- a Group Executive Committee whose task is to roll out the Group's strategy within the Business Units. It is managed by the Chairperson of the Management Board and includes the other Management Board members as well as the heads of each Business Unit and the heads of the following support functions: Commercial Director, Head of Customer Experience, Finance Director, HR Director, IT Director, Legal Director and Marketing Director;

- a Committee of Country Managing Directors whose role is to ensure the smooth roll-out of the Business Unit strategy at the local level and operational excellence in business management. It is run by Kenneth McCall and includes all Corporate Country Managing Directors.

Refer to Section 1.3.4 "Information by Business Unit" for more information on each of the Business Units and Section 5.1.5 "Other management bodies" of this Registration Document for more information on the management of the Group and the Corporate Countries within the new Group organization built around five Business Units.

1.6.8 Fleet

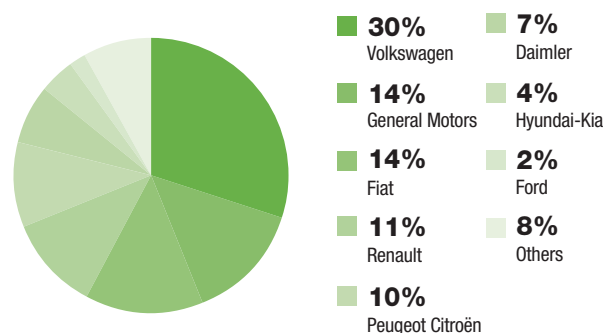
Unless otherwise indicated, this Section relates solely to the fleet operated directly by Europcar under the Europcar® and InterRent® brands, and not to the fleet owned by Ubeeqo and E-Car, nor that operated by franchisees and independently owned (or leased from third parties) (for more information about the franchisee fleets, see "Characteristics of franchise operations" under Section 1.6.6.3 "Franchisees").

Europcar believes it is one of the largest purchasers of vehicles in Europe. Europcar's fleet is sourced from various manufacturers, including Volkswagen (with the brands Volkswagen®, Audi®, Seat® and Skoda®), General Motors, Fiat, Renault-Nissan, PSA (Peugeot®, Citroën®, DS®), Daimler (Mercedes®, Smart®), Ford, BMW and Toyota. Volkswagen AG was Europcar's largest supplier of vehicles in 2016. During the year ending December 31, 2016, approximately 30% of Europcar's fleet was acquired from the Volkswagen group, 14% from General Motors, 14% from Fiat, 11% from Renault, 10% from Peugeot Citroën, 7% from Daimler, 4% from Hyundai-Kia, 2% from Ford and the remaining 8% from other manufacturers. The Group currently uses 42 different models provided by 21 car manufacturers.

The diversity of Europcar's fleet allows the Company to meet the rental demands of a broad range of customers. The fleet consists of 11 main vehicle categories, based on general industry standards - mini, economy, compact, intermediate, standard, full-size, premium, luxury, mini-vans, trucks and convertibles. The fleet varies by brand, with the fleet offered under the Europcar® brand covering the full range of vehicles (from the mini category to the Selection category, comprising "prestige" and "fun" vehicles), and the fleet offered under the InterRent® brand corresponding to the most frequently requested types of vehicles in the low-cost segment. The InterRent® offer is limited to four categories: mini, economy, compact and intermediate. Some cars are used only for the InterRent® brand. These vehicles do not have the same equipment as those rented under the Europcar® brand and

often have longer holding periods and higher mileage. For further information, see Section 1.3 "Presentation of the Group's market and Competitive environment" of this Registration Document.

The following chart illustrates the diversity of the Group's fleet in terms of deliveries by manufacturer (expressed as a percentage of total acquisitions by the Group) for the year ending December 31, 2016.



Source: Company

The Group believes that Europcar is one of the largest purchasers of European vehicles and the largest in the European vehicle rental industry. During the year ended December 31, 2016, the Group took delivery of approximately 293,300 vehicles and operated an average rental fleet of 213,800 passenger and light commercial vehicles (up by 4.1% versus 2015). For the year ended December 31, 2016, Europcar's approximate average vehicle holding period was 8.8 months (8.1 months for vehicles (cars and trucks) covered by buy-back commitments). Some of the sourcing agreements with manufacturers allow Europcar's franchisees to benefit from the terms and conditions of these agreements, including the buy-back provisions. For more information on the buy-back programs with carmakers, see Section 1.6.8.2 "Fleet sourcing and planning".

The following table provides a breakdown of the Group's average fleet size by Corporate Country between the categories "cars" and "light commercial vehicles" for 2016.

Corporate Countries	For the year ended December 31, 2016	
	Cars	Light Commercial Vehicles
Germany	90%	10%
United-Kingdom	86%	14%
France	80%	20%
Italy	95%	5%
Spain	97%	3%
Australia/New Zealand	97%	3%
Belgium	90%	10%
Portugal	93%	7%

Source: Company

1.6.8.1 Fleet management

Europcar's central Fleet Department, supported by the local Fleet Departments in each of the Corporate Countries, manages the overall fleet planning process. In addition to negotiating the acquisition of fleet vehicles from manufacturers, the Fleet Department is involved in the process of planning and the geographical deployment of vehicles, vehicle in-fleeting and de-fleeting, and the monitoring of fleet utilization rates.

Europcar's fleet is managed to optimize costs, including economic depreciation, acquisition and disposal costs, maintenance and repair costs, taxes and financing costs, against a set of pre-defined needs and constraints, including marketing needs, maximum fleet movements (*i.e.*, the maximum quantity of vehicles that can be in-fleeted or de-fleeted during a given period) and maximum exposure to a single manufacturer. This process relies extensively on data collected and processed by the GreenWay® IT system (see Section 1.6.11.1 "*The GreenWay® system*").

Europcar is able to respond to seasonal fluctuations in demand through continuous optimization of fleet management (see Section 1.6.9 "*Seasonal nature of the business*"). Through its daily management, Europcar is able to adjust its fleet size by modifying acquisition plans and/or holding periods to meet both expected and unforeseen variations in demand. Through its flexible contracts with vehicle manufacturers, Europcar can increase its orders for vehicles in advance of the peak season, and use the flexibility of the holding periods, ranging generally from five to eight months to de-fleet the vehicles once demand is less pronounced. Europcar is also able to react rapidly to geographical changes in demand by re-directing the delivery of new vehicles to sites where demand is especially strong. The Group makes every effort to optimize the fleet financial utilization rate, which reflects the Number of Rental Days per available days for the period from the first date of service of a vehicle to its sale date.

The Group has significantly increased its fleet financial utilization rate through targeted actions, reaching 76.5% in 2016 (an increase of 0.4 points versus 2015) in a context of significant increase of the average fleet to 213,800 vehicles (a 4.1% increase versus 2015). Although the Group believes that its financial utilization rate is close to the optimum rate achievable in the industry, it continues to regularly study ways to improve it in each of the Corporate Countries and for both of its brands. Current initiatives to this end include focusing on reducing the time between receipt of the new vehicle and first rental use of the vehicle, the time between each rental and the time between last rental and disposal of the vehicle, as well as on improving the processes for accident and repair management and optimization of the process for InterRent® brand vehicles.

The Group calculates its fleet financial utilization rate as the percentage of the total actual rental days of the fleet out of the theoretical total potential Number of Rental Days of its fleet of vehicles. The theoretical total potential number is equal to the number of vehicles held over the period, multiplied by the total number of days over the period. Another methodology used in the industry is based on the Number of Rental Days per actual available days of fleet, which excludes the days when the fleet is held but not available for rental (vehicle preparation at in-fleeting, maintenance periods and vehicle preparation at de-fleeting). This would lead to a higher fleet financial utilization rate than the aforementioned rate reported by the Group.

Europcar operates central logistics centers for in-fleeting and de-fleeting of vehicles, including car parks at various locations, typically airports, in the Corporate Countries. From these locations, vehicles are either transported by logistics companies or driven to the rental station where they are needed.

1.6.8.2 Fleet sourcing and planning

The fleet sourcing and planning processes are supervised locally by the Fleet Department of each Corporate Country. Purchase contracts are negotiated depending on the manufacturers, either at country or international level. The annual or multi-year agreements define the acquisition and disposal terms and the volumes of vehicles and model mix to be acquired over the contractual period. Over half of the volumes purchased by the Group are purchased through pan-European agreements. The Group also relies on its local teams to negotiate local agreements and maintain sufficient flexibility to benefit from spot deals.

The Group considers at-risk purchases when appropriate, based on its systematic analysis of at-risk purchases versus buy-back mechanisms. It considers the choice of models and options as well as used vehicle market dynamics and its capacity to absorb resale volumes.

Purchase contracts for the coming year are generally concluded at the end of each calendar year, in order to anticipate market trends, and are readjusted throughout the year on a monthly basis to ensure maximum reactivity to market demand. The Group is therefore able to adapt its fleet capacity to rental market demand.

The Group records all of its vehicle fleet either on the balance sheet or, with respect to vehicles acquired through leases that meet the definition of an operating lease, off balance sheet. The following table summarizes the Group's fleet asset and financing structure:

	Fleet asset base	Net operating debt
On balance sheet	Rental fleet	On-balance sheet fleet financing debt (EF Finance Notes, SARF, UK fleet financing, Asset financing in Australia, etc.)
	Fleet working capital requirements due to buy-back commitments	
Off-balance sheet	Fleet finance under operating leases	Debt equivalent of fleet operating leases

Source: Company

The Group finances the acquisition of the vehicles in its fleet by various means, in particular through asset-backed financing (see Section 3.2 *"Liquidity and capital resources"* and Note 2 *"Significant accounting policies"*, Section 2.10

"Rental fleet", paragraph (i) *"Vehicles purchased with a manufacturer or dealer buy-back commitment"* in the consolidated financial statements included in Section 3.4 of the Registration Document. The Group benefits from a flexible asset-backed financing structure with loan to value ratio (i.e. 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 the Securitifleet companies) of between 86.5% in the 1st quarter and 89.8% in the 2nd quarter of 2016:

The diversity of financing available to acquire the fleet vehicles allows the Group to limit the impact of such acquisitions on the Group's cash flows. Please refer to Section 3.2 *"Liquidity and capital resources"*.

1.6.8.3 Vehicle buy-back commitments

Europcar acquires, subject to availability, a majority of its vehicles pursuant to various fleet purchase programs established with the manufacturers. Under these contractual programs, Europcar purchases vehicles from the vehicle manufacturers or dealers. Manufacturers or dealers undertake, subject to certain terms and conditions, to grant Europcar the right to sell those vehicles back to them at a pre-determined price during a specified time window (after which the repurchase transaction is automatically triggered if it has not already occurred). If the vehicle is bought from a vehicle dealer, the obligations of the vehicle dealer under the buy-back commitment must be guaranteed by a vehicle manufacturer. Vehicles purchased by vehicle rental companies under a buy-back commitment are referred to as *buy-back vehicles*. The minimum buy-back period under these buy-back commitments generally varies from 5 to 8 months for passenger cars and from 6 to 24 months for light commercial vehicles.

Repurchase prices for buy-back vehicles are contractually based on either (i) a predetermined percentage of original vehicle price and the month in which the vehicle is repurchased or (ii) the original capitalized price less a set economic depreciation amount, in either case subject to adjustments depending upon the condition of the car, mileage and holding period requirements.

The proportion of the fleet covered by buy-back commitments can differ by Corporate Country. In addition, the proportion of the total fleet covered by buy-back commitments at any given time may be less than the proportion of vehicles purchased with buy-back commitments during the year given that "at risk vehicles" generally have a longer holding period (12 to 24 months). Repurchase programs limit Europcar's potential residual risk with respect to vehicles purchased under the programs, allow Europcar to arrange financing on the basis of the agreed repurchase price and provide Europcar's fleet managers with flexibility to respond to changes in demand.

In addition, the high percentage of buy-back vehicles in Europcar's fleet allows the Group to be less dependent on the used car market. These programs operate to the benefit of the car manufacturers as well, since the return of the vehicles to them within a short time period enables them to resell the vehicles more quickly through their dealership networks as newer models.

Approximately 93% of Europcar's fleet in units operated in 2016 (compared with 92% in 2015) was covered by buy-back commitments, *i.e.* one of the highest rates of all vehicle rental companies ⁽¹⁾.

The visibility and flexibility conferred by the Group's buy-back strategy are important. The Group has long been committed to maintaining a high rate of fleet purchases in units acquired under buy-back commitments. On average, the Group estimates that over 93% of the vehicles purchased over the past 10 years were covered by buy-back commitments.

1.6.8.4 "At risk" vehicles

A number of vehicles are acquired by Europcar from carmakers or dealers without the benefit of any buy-back commitment. These vehicles fall under the category of "at risk" vehicles. See Section 2.2.5 *"Risks related to the Group's holding of vehicles not covered by buy-back agreements"*.

The Group considers "at-risk" purchases when appropriate, based on its systematic analysis of at-risk purchases versus buy-back mechanisms. It considers the mix of models needed for its fleet as well as remarketing capabilities and second hand market dynamics. Europcar disposes of "at risk" vehicles through a variety of channels, including sales to individuals, wholesalers, brokered retail sales and auctions. To meet market demand, Europcar has set up an electronic platform for online sales: 2ndmove.eu.

1.6.8.5 Maintenance

Europcar arranges for each vehicle to be inspected and cleaned at the end of every rental and to be maintained according to the manufacturer's recommendations. Europcar must follow the maintenance specifications of the respective manufacturers in order to maintain the warranty and repurchase commitment on the vehicle. Europcar operates vehicle maintenance centers at certain rental stations in the Corporate Countries. These centers provide maintenance and light repair facilities and monitoring and processing of more seriously damaged vehicles for which repairs are handled by specialized bodywork companies. The objective is, on the basis of detailed appraisals, to optimize repair costs and lead times in order to limit the impact on the use of the vehicle. For the most badly damaged vehicles, the choice is made between repairing the vehicle or selling it in its current condition.

1.6.9 Seasonal nature of the business

The Group's revenue fluctuates throughout the year in line with customer demand. June to September are very busy months of the year, with the leisure customer business characterized by higher demand for vehicle rentals during the summer period and school holidays, in line with increased activity in the transportation sector. As a result, the Group's revenue for these periods is higher compared to the average for the rest of the year. The leisure market is also characterized by increased demand on weekends as compared with the workweek. In a complementary manner, the business activity is fairly stable throughout the year, with a slight decrease in demand during the summer vacation months, although it is more concentrated in mid-week (from Tuesday through Thursday).

Management of seasonality is a key part of Europcar's business model. The Group aims to capture business during high season while also taking into account fleet holding costs in the periods before and after the high season (known as the "shoulder"), with the goal of keeping its fleet financial utilization rate under control.

Please refer to Section 3.1.1.2 *"Main factors that can impact the Group's earnings"* of the Registration Document.

(1) Source: publications by Avis, Hertz and Sixt.

1.6.10 Suppliers

This Section discusses suppliers and the volume of purchases, excluding expenses related to the acquisition, registration and insurance of the fleet ("cost of purchases excluding fleet"). For more information on the fleet and the Group's insurance arrangements, see Section 1.6.8 "*Fleet*" and Section 2.6 "*Insurance and risk management*" of this Registration Document.

The Group's cost of purchases excluding fleet and taxes ⁽¹⁾ is, on average, approximately one quarter of the total consolidated annual revenues of the Group. These costs are broken down as follows: 40% related to indirect purchases or overheads (IT and telecommunications, call centers, real estate and maintenance of the station network and its installations at an operating capacity, sales and marketing, communications and advertisement, office supplies, uniforms, consulting and services) and 60% related to direct purchases related to customer service and the maintenance of the Group's fleet in operating condition, as well as making the fleet available (maintenance and repair, intense repair services following accidents, preparation and cleaning services, transportation services for the geographic redistribution of the fleet according to the needs of the Group's customers). See 1.6.11 "*IT system*" for a description of the Group's IT needs and "*Europcar's direct distribution channels*" under Section 1.6.5 "*Distribution Channels*" for a description of the call centers.

The operating needs of the Group so far have been processed on a country-by-country basis with an annual average volume of expenses generally proportional to its share in the Group's annual consolidated revenue. As a result, the Group currently has relationships with a multitude of suppliers (currently around 20,000 yearly active suppliers) for a very broad range

of categories of products and types of services. The share of value added services relating to labor intensive activities is close to 50%.

In 2016, working in consultation with all countries that have a head of purchases in post, the Group identified three strategic priorities for purchasing in coming years:

1. Operational excellence, with the P2P (Purchase-to-Pay) solution launched in 2014 playing a key role

P2P aims to provide full transparency on the nature and volume of both operating purchases and those directly linked to customer services, to facilitate the engagement process while ensuring control, to identify opportunities for Group-wide purchasing economies of scale and enhancing the flexibility of Supplier Accounting within the Shared Services Center;

2. Corporate Social Responsibility (CSR)

In preparation for the upcoming decree implementing the Sapin 2 Law, Europcar has designed a CSR strategy to identify and manage supplier risks, which is being rolled out from 2017. The aim is to bring all Group partners into compliance with the Company's Ethics Code. The procedure will also help in rationalizing the Group's panel of suppliers;

3. Sourcing strategy

The Group plans to move from a country-by-country or service-by-service purchasing system to a system in which categories of purchases are managed together allowing the Group to benefit from economies of scale and common tender submissions for multiple countries.

1.6.11 IT system

IT systems and telecommunications are vital parts of Europcar's management of its network of points of sale and customer reservations *via* multiple distribution channels. Part of the IT solutions are designed, developed, implemented, operated and maintained by the Group's IT Department, which is ISO 9001 Quality certified.

Europcar continuously invests in improving its IT system in order to further enhance its ability to offer innovative and cost-effective services. All IT projects are centrally and regularly evaluated against business needs. Technical projects, which are aimed at establishing and ensuring the continuity of services, are

given special attention. Application projects, which are aimed at maintaining and enhancing system operating capabilities, are assessed against the expected added value to the Group, including growth of revenues, reduction of costs and mitigation of risks (legal, regulatory, obsolescence or performance related).

To support its efforts to develop and implement innovative mobility solutions, the Group has implemented a plan to revamp its IT system's architecture by 2020, making it more open and flexible and thereby facilitating the integration of third-party applications. Several modules and innovations have been put in place in order to build on the Group's operating

(1) Expenses for goods and services incurred by the Group's directly-operated rental stations only, excluding stations operated by agents or franchisees.

excellence (new mobile applications or applications that are being improved or developed on other platforms), promote data-based decisions (Big Data), adapt products and prices in real time (Dynamic Pricing) and, more generally, accelerate digital development and strengthen the customer relationship management strategy (Cloud CRM).

1.6.11.1 The GreenWay® system

Europcar's information system is built around the centralized GreenWay® application, which offers a single shared solution that can handle all the functional needs of the vehicle rental business: customer management (individuals and companies), pricing management, fleet management, management of reservations and distribution systems, management of branch rental operations and billing services. The proprietary system was designed specifically for Europcar's vehicle rental business and was first implemented in 1994.

GreenWay®, which has been in operation since 2014 on a highly scalable architecture (Java/Linux), allows for over 10,000 concurrent user connections. Today, the system manages more than 12 million reservations and 10 million rentals on a yearly basis. More than 10,000 people are GreenWay® users and most of them are located in the 1,750 stations of the Europcar network. Around 200,000 vehicles are continuously monitored by the system in order to optimize fleet utilization. The full functionality of the Greenway system® is available 24/7 at the head offices and rental stations of 10 of our Corporate Countries as well as in franchises in Switzerland, Austria and Norway. The majority of the Europcar network's franchise sites are linked to GreenWay® for reservations.

InterRent® operates as Business Support Software an IT platform, Rentway, distinct from that of GreenWay®. This application is externalized and based on a system operated on a SaaS (Software as a Service) basis.

1.6.11.2 Other IT applications and systems

Other major applications and systems used by the Group are "Oracle Financials" for financial management and accounting, "Datawarehouse" for in-depth analyses of Company data and "Ataraxia" for the management of accidents, damages and maintenance of vehicles.

The Group also uses collaborative cloud computing solutions such as "Google Apps" for office needs and the "Salesforce" software to optimize business relationships for the sales teams.

Cloud solutions are also being implemented, as part of the digital transformation of the business (such as connected cars, keyless access to cars, mobile applications and social media leveraging).

The Group's main suppliers of IT include Cap Gemini (hosting production centers and maintenance of the GreenWay® software), Sopra Steria (production outsourcing services), Unisys (installation and maintenance of workstations), Dell & Lenovo (servers and workstations), IBM (servers), Hitachi and NetApp (storage), CISCO (network equipment), Colt and InterXion and Telehouse (telecom networks for data transfer). Salesforce is also one of our principal providers of SaaS-mode solutions.

1.6.11.3 Continuity of IT system services

Significant safety measures are in place to ensure the security of Europcar's systems, applications and data (and that of its customers).

Careful attention is paid to security systems and the protection of proprietary data against destruction, theft, fraud or abuse. 24-hour operational systems provide protection against, among other threats, computer viruses, spam, phishing and denial of service attacks as well as against robot price grabbing through the use of captchas.

Most Group systems, including GreenWay®, the websites, Oracle Financials and the Datawarehouse, are implemented on a proprietary infrastructure, centralized in two production centers running simultaneously 24/7. Each center runs infrastructure capable of delivering the entirety of the software services used in production on its own and provides full real-time physical duplication of production data. These production centers are located near Paris, France, and comply with the following minimum safety rules: a distance of 30 and 60 kilometers between the two centers, independent and multiple electric power supplies, redundant cooling systems, and double electric power supplies for all computer equipment. The objective is to maintain at least 99.98% up-time for each of the centers.

The Group periodically verifies its disaster recovery plan by carrying out annual unit tests for each application group, and by carrying out a large scale test of one of the two production centers every 18 months. Each of the simulation tests is covered by a report entailing, if need be, the implementation of an improvement plan.

1.6.12 Regulation

The Group's business is subject to numerous regulatory regimes throughout the world, in particular with respect to the environment, personal data, consumer protection and franchise operation. Compliance with these rules, which may differ considerably from one country to the next, is generally managed at the local level by each of the Group's Corporate Countries, subject to supervision and review by the Group's Legal Department.

1.6.12.1 Consumer Protection Regulations

The Group offers services to individual consumers and is therefore subject to Consumer Protection Regulations.

CONSUMER PROTECTION REGULATIONS IN THE EEA

The European Commission has invited the competent authorities in Member States to implement measures necessary to ensure compliance with EU and national consumer protection legislation.

NON-DISCRIMINATION ON PRICES

Directive 2006/123/EC of the European Parliament and of the Council of December 12, 2006 on services in the internal market prohibits unjustified discrimination in the provision of a service on the basis of a consumer's nationality or place of residence in all of the European Union Member States.

The European Commission is particularly vigilant with respect to compliance with the principle of non-discrimination in the single market. The Group has moved to a policy of offering the same prices in each local market, irrespective of which European country the customer or the reservation comes from. The same rule is recommended to all franchisees.

UNFAIR COMMERCIAL PRACTICES

Directive 2005/29/EEC of the European Parliament and of the Council of May 11, 2005 on unfair commercial practices by companies towards consumers in the internal market sets the principle of a general prohibition against unfair commercial practices towards consumers, in particular misleading practices.

In order to ensure free and informed consent by the consumer, the Group is committed to providing consumers with easily accessible and totally transparent offer documentation. With the intent of offering its consumers even more transparency, the Group revised its general rental conditions in order to simplify and modernize them, and to harmonize them between the various countries in which it operates. These new general rental conditions were introduced at the start of January 2016.

UNFAIR CONTRACT TERMS

Directive 93/13/EC of the Council of April 5, 1993 on unfair terms in contracts concluded with consumers (modified by Directive 2011/83/EU of October 25, 2011 on consumer rights) aims to protect European consumers against unfair terms in the contracts they conclude with professionals. The regulations concerning unfair contract terms apply to the vehicle rental agreements proposed by the Group's companies to its individual consumer customers.

National consumer rights authorities and/or associations ensure that the general terms and conditions drawn up by professionals are free from any unfair terms. This can lead to dialogue with these authorities and/or associations. Accordingly, legal procedures may sometimes be initiated with their support or upon their own initiative.

With respect to France, in particular, the Unfair Terms Commission under the responsibility of the Minister for Consumer Affairs, examines agreements proposed in a business sector and then issues recommendations for eliminating unfair terms in the sector's agreements. In its recommendation No. 96-02 of June 14, 1996 on vehicle rental, the Unfair Terms Commission recommended the elimination of 44 clauses concerning the formation, execution and termination of rental agreements, and the related pricing, payment and insurance.

The provisions of the Group's general rental conditions are regularly reviewed in order to ensure their compliance with the regulations on unfair contract terms.

COMMITMENTS

In the context of the cooperative process between the national authorities of Member States of the European Union that are responsible for applying legislation for the protection of consumers pursuant to regulation EC No. 2006/2004, a dialogue was opened by the competent national authorities and the European Commission aimed at improving consumer experiences (in particular the transparency and suitability of contractual terms) within the European Union. In this respect, the Group made strong commitments to the European Commission in 2015, including the adoption of new general rental conditions and the clarification of the insurance and contractual guarantee policy in the event of damage caused to the vehicle. The Commission welcomed the commitments made by the Group. In 2016, the Group continued its discussions with the European Commission and the competent national authorities to continue improving its practices in this area.

CONSUMER PROTECTION REGULATIONS IN AUSTRALIA AND NEW ZEALAND

Europcar Australia is required to comply with the Competition and Consumer Act of 2010 (the "CCA"), which applies to most of its activities in the Australian market, in particular its commercial dealings with its partners and customers. The primary purpose of the CCA is to ensure consumer protection and to improve competition between economic players. In this regard, it lays down some general rules on anti-competitive agreements between competitors, anti-competitive restrictions in the vertical procurement chain, unilateral anti-competitive conduct, objectionable conduct, untruthful or misleading conduct, protection of consumers as regards unfair contract terms and other unfair commercial practices, and consumer guarantees. Europcar New Zealand is subject to similar rules in New Zealand.

1.6.12.2 Protection of personal data

In the course of its business, the Group gathers and processes information that is subject to laws and regulations on the protection of personal data, both in Europe and in other regions where the Group does business. Personal data concerning the Group's customers is principally processed using Europcar's information system, "GreenWay®" and in the Group's databases used to fulfill its commercial obligations (such as carrying out a rental agreement), for statistical purposes, for marketing, for reporting and for customer relations management (such as monitoring customers' accrued entitlements under a loyalty program).

The Group's companies and international franchises undertake to collect and process customer data in compliance with applicable European regulations on personal data protection. They also ensure the preservation of the Group's image and reputation.

PROCESSING PERFORMED WITHIN THE EUROPEAN ECONOMIC AREA

Directive 95/46/EC of the European Parliament and of the Council dated October 24, 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the "personal data directive"), supplemented by Directive 97-66 of the European

Parliament and of the Council dated December 15, 1997 concerning the processing of personal data and the protection of privacy in the telecommunications sector, provides the framework for data protection in all of the countries of the European Economic Area (the "EEA").

The personal data directive applies to both automated and non-automated processing of personal data where such data is intended to be contained in a file. These operations include the collection, retention and dissemination of personal data. It requires controllers of personal data established in a Member State of the EEA or using means of processing located on the territory of a Member State to take certain measures upstream of the data collection, during its preservation and until its deletion. The directive applies to data processed automatically (such as a database of customers) and data held in or intended to be held in non-automated files, which can be searched by specific criteria (such as traditional paper filing systems or an alphabetical card index of customer data).

Note that regulation 2016/679 of the European Parliament and Council, of April 27, 2016, on *the protection of natural persons with regard to the processing of personal data and on the free movement of such data*, was adopted in 2016. It will come into force as from May 25, 2018 and replaces Directive 95/46/EC on data protection.

The new rules include provisions on (i) the right to be forgotten; (ii) clear and explicit consent by the person concerned for the use of their personal data; (iii) the right to transfer data to another service provider; (iv) the right to be informed in the event that data are stolen; (v) the guarantee that policies on privacy protection should be explained in clear and comprehensible language; and (vi) stricter application and fines of up to 4% of a company's total global revenue, in the aim of discouraging breaches of the rules.

Any Group entity breaching these obligations can be subject, depending on the country in which it occurs, to administrative, civil or criminal penalties.

Although personal data law has for the most part been harmonized in the EEA, the transposition of the personal data directive into the national laws of the Member States has led to regimes that can vary and may be more restrictive than the regime imposed by the personal data directive.

PROCESSING PERFORMED OUTSIDE THE EUROPEAN ECONOMIC AREA

The Group is present in numerous countries outside of the EEA, where it has occasion to process personal data both on its own behalf and on behalf of its business customers and commercial partners.

Although there is no international law harmonizing all of the principles applicable to the protection of personal data, the regulatory framework applicable within the EEA serves as a reference, first, because it is stringent and was a pioneer in this area of regulation, and, second, because it has influenced legislation in numerous countries that have used it as a model, in particular in North Africa, Latin America and Asia.

TRANSFER OF PERSONAL DATA OUTSIDE THE EUROPEAN ECONOMIC AREA

The Group transfers personal data to its franchisees and/or partners outside the EEA in strict accordance with rental agreements between the franchisees and/or partners and their customers. The franchise agreements to which the Group's companies are parties contain a personal data protection provision pursuant to which the franchisees undertake to comply with the same obligations as those incumbent upon Group companies.

For certain agreements that require data to be transferred outside the EEA, Group policy proposes the use of standard contractual clauses drafted by the European Commission so that personal data can be transferred.

1.6.12.3 Environmental regulation

As of December 31, 2016, the Group used approximately 325 fuel storage installations (165 tanks and 165 fuel pumps) in its Corporate Countries.

Each Corporate Country is responsible for ensuring that its storage facilities comply with local regulations in that country in order to ensure that they (i) are properly reported to the competent authorities of the countries in which they are located; and (ii) have been replaced or upgraded to comply with applicable requirements on the detection of leaks and protection against spills, overflows and corrosion. The Group has the necessary authorizations and registrations for its activities. In France, for example, stations with tanks do not require prior authorization but must be reported to the competent authorities. Depending on the volumes pumped and the nature and amount of product storage used, some are considered "classified installations" for the protection of the environment.

Similarly, each Corporate Country is responsible for any remediation obligations that it may incur under local regulations.

ENVIRONMENTAL REGULATION WITHIN THE EEA

The use of tanks to store petroleum products, including gasoline, diesel and used oil; the use, storage and handling of various dangerous substances (including fuels and lubricants); and the production, storage, transport and disposal of waste (including used oils, mud from washing vehicles and used water) are regulated by Directives No. 96/82/EC dated December 9, 1996 (the "Seveso II" directive), which was repealed by Directive 2012/18/EU, and Directive 2008/98/EC of the European Parliament and of the Council dated November 19, 2008 on waste.

Pursuant to Seveso II, any industrial or agricultural operation liable to create risks or result in pollution or nuisance, in particular for the health and safety of local residents, is a classified installation. Activities that are governed by the legislation on classified installations are listed following a nomenclature that classifies them as requiring either authorization, registration or reporting, depending on the significance of the risks or problems that may be caused. The legislation on classified installations gives the State the authority (i) to authorize or refuse to authorize the operation of an installation; (ii) to regulate (in other words, to require compliance with certain technical provisions); (iii) to monitor; and (iv) to impose penalties.

Regulation of classified installations is expected to change under Directive 2012/18/EU of the European Parliament and of the Council dated July 4, 2012 on the control of major-accident hazards involving dangerous substances, called the "Seveso III" directive, which entered into effect on August 13, 2012. The purpose of the Seveso III directive is to align the list of dangerous substances covered by the directive with the new classification system for dangerous substances contained in regulation (EC) No. 1272/2008 of the European Parliament and of the Council dated December 16, 2008 on classification, labeling and packaging of substances and mixtures, known as the "CLP regulation", and to progressively replace the current system by June 1, 2015. The CLP regulation establishes new methods for the classification of substances and creates new categories of hazards that have been incorporated into the Seveso III directive. Seveso III was transposed into French law by Law No. 2013-619 dated July 16, 2013, with the Articles entering into force on June 1, 2015, by Decree No. 2014-284 dated March 3, 2014 and by Decree No. 2014-285 of March 3, 2014 modifying the nomenclature of classified installations for the protection of the environment.

Directive 2008/98/EC dated November 19, 2008 on waste defines the hierarchy for waste prevention and management as follows: prevention, reuse, recycling, other recovery (in particular energy recovery) and disposal. This provision was transposed into French law by Article L. 541-1 of the French Environmental Code. It also specifies the obligations of waste producers and waste holders with regard to the waste hierarchy, requires waste producers and waste holders to classify their waste and to package and label their hazardous waste, and prohibits mixing

of hazardous waste with other waste or materials outside of a classified installation for the protection of the environment. In managing its waste, the Group takes all necessary measures to ensure that its activities comply with applicable regulations.

Europcar has obtained the ISO 14001 certification (the environmental management standard of the International Organization for Standardization) for its environmental management systems in Germany, the United Kingdom, Italy, Spain, Portugal, Belgium and France. The certification also covers rental stations operated directly by the Group.

The Corporate Countries monitor and, if necessary, perform remediation relating to the disposal of waste and/or substances originating from installations that they currently rent or hold or that they have in the past rented or held. The cost of such remediation as well as costs relating to environmental harm caused by the activities of a Corporate Country could be significant. The Group's estimated probable losses in that regard are the subject of provisions in its consolidated financial statements. As of December 31, 2015, the total amount provisioned to cover the Group's environmental liabilities was €275,000, representing the estimated cost to study any on-site environmental problems that may require monitoring and/or remediation, as well as the estimated costs of carrying out that remediation. Cost estimates are prepared site by site on the basis of precedents, and are refined as the environmental study at the site in question progresses.

In France, the Group maintains an updated table listing the oil installations and classified installations that it operates in order to ensure that they are monitored. In that regard, periodic regulatory inspections of classified installations are performed every five years by an approved organization (Dekra until 2015 and Bureau Veritas thereafter). In the event of non-compliance, the Group carries out remediation.

In connection with its activities, the Group is also subject to European energy efficiency regulations (Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency dated October 25, 2012). The directive establishes a common framework for the promotion of energy efficiency in the European Union. Pursuant to Article 8 of the directive, transposed by Article L. 233-1 of the French Energy Code, all large businesses such as the Group must perform energy audits covering the entire business every four years (and for the first time by December 5, 2015 at the latest). Article 13 of the directive, transposed in Article L. 233-4 of the French Energy Code, provides for penalties in the event that these audits are not performed in a timely manner. For the Group, these penalties could consist of fines of up to 2% of the Group's revenues (excluding taxes) in France for the most recently closed fiscal year. These audits must be performed by external consultants or by qualified internal auditors.

ENVIRONMENTAL REGULATION IN AUSTRALIA AND NEW ZEALAND

In Australia, the operation of oil tanks, in particular underground tanks, is regulated at both the state and the federal level. The regulations consist of a combination of specific rules and general principles contained in environmental laws. Environmental regulation is relatively uniform and is tied to the Australian Standard AS 1940-1993.

The operation of underground oil tanks is a particular focus of regulation due to the risk of contaminating groundwater and generating leaks that may be difficult to detect. Generally, the regulatory framework is intended (i) to implement preventive measures to reduce the risk presented to human health and to the environment resulting from the operation of underground tanks; (ii) to conserve resources and detect leaks quickly in order to avoid the need for extensive remediation work; (iii) to remediate sites when the regulated activity has ceased; and (vi) to ensure that businesses governed by the regulations use best practices. In order to meet these objectives, obligations are imposed such as the installation of leak-detection systems, the performance of groundwater testing and the preparation of a written, auditable plan for the protection of the environment by each regulated installation. The reporting and information system for leaks must also be the subject of a written plan. The removal of underground oil tanks must be reported to local authorities and is governed by the Australian Standard AS 4976-2008.

Europcar New Zealand is subject to environmental rules in New Zealand that are similar to those applicable in Australia.

STORAGE TANK COMPLIANCE PROGRAM

Each of the operational subsidiaries in the Corporate Countries has implemented a storage-tank compliance program intended to ensure that tanks are properly registered with the competent authorities of the countries in which such tanks are located and are either replaced or brought into compliance with applicable requirements for the detection of leaks, spills and overflows and protection against corrosion. However, there can be no assurances that these tank systems will remain at all times free of undetected leaks or that the use of these tanks will not result in significant spills. The Corporate Countries regularly work with third party organizations to verify or certify, where necessary, the compliance of their classified installations.

Employee training in environmental risk management is implemented and managed at the level of the Corporate Countries.

1.6.12.4 Regulation of franchises

The Group has an extensive network of franchisees and as such is subject to European franchise regulations and applicable national regulations as designated in the franchise agreements.

At European level, this means Commission regulation (EU) 330/2010 dated April 20, 2010, on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in light of guidance on vertical restraints.

Franchising is also governed by the laws of the various countries where the Group operates through franchisees. In order to ensure harmonized management of its franchise network, the large majority of franchise agreements that the Group enters into internationally are governed by French law. Article L. 330-3 of the French Commercial Code includes an obligation to inform prior to the signature of any franchising agreement. The Group's franchise agreements that are governed by French law comply with this obligation.

1.6.12.5 Business ethics program

In 2016, the Group adopted a new Ethics Program supported by a Code of Ethics and Commitments. Both documents aim to make stakeholders aware of the key ethical principles applied by Europcar without seeking to draw up an exhaustive or exclusive list. These principles apply in full to all Group activities. The Company's ethical commitments address the following key

areas: (i) the environment, (ii) anti-corruption, (iii) competition, (iv) data protection, (v) Human Resources, (vi) customers. The Group's Code of Ethics and Commitments is based on various international undertakings to which the Company has signed up, including, (i) the UN universal declaration of human rights, (ii) the European convention on human rights, (iii) the various ILO conventions, including in particular Conventions 29, 105, 138 and 182 (on child labor and forced labor), 155 (health and safety at work), 111 (discrimination), 100 (equal compensation), 87 and 98 (freedom of association, right of association and collective bargaining), (iv) OECD guidelines for multinationals, (v) the UN convention on the rights of the child and (vi) the UN Global Compact. All Group employees must apply these principles.

The Sapin 2 Law came into force on December 11, 2016, setting new obligations to identify and prevent corruption. Provisions include: (i) implementation of an anti-corruption code of conduct, a corruption risk map, procedures for evaluating customers, suppliers, intermediaries and strict accounting control procedures; (ii) implementation of a corruption whistleblowing system; (iii) the creation of a new anti-corruption agency with powers to sanction anyone falling short of their Sapin 2 obligations, (iv) arrangements allowing deferred prosecution agreements in corruption investigations, which should radically change the way investigating authorities and industry players approach this matter.

The Group continues to update its Ethics and Compliance Program in light, notably, of the new Sapin 2 requirements.

1.7 ORGANIZATION CHART

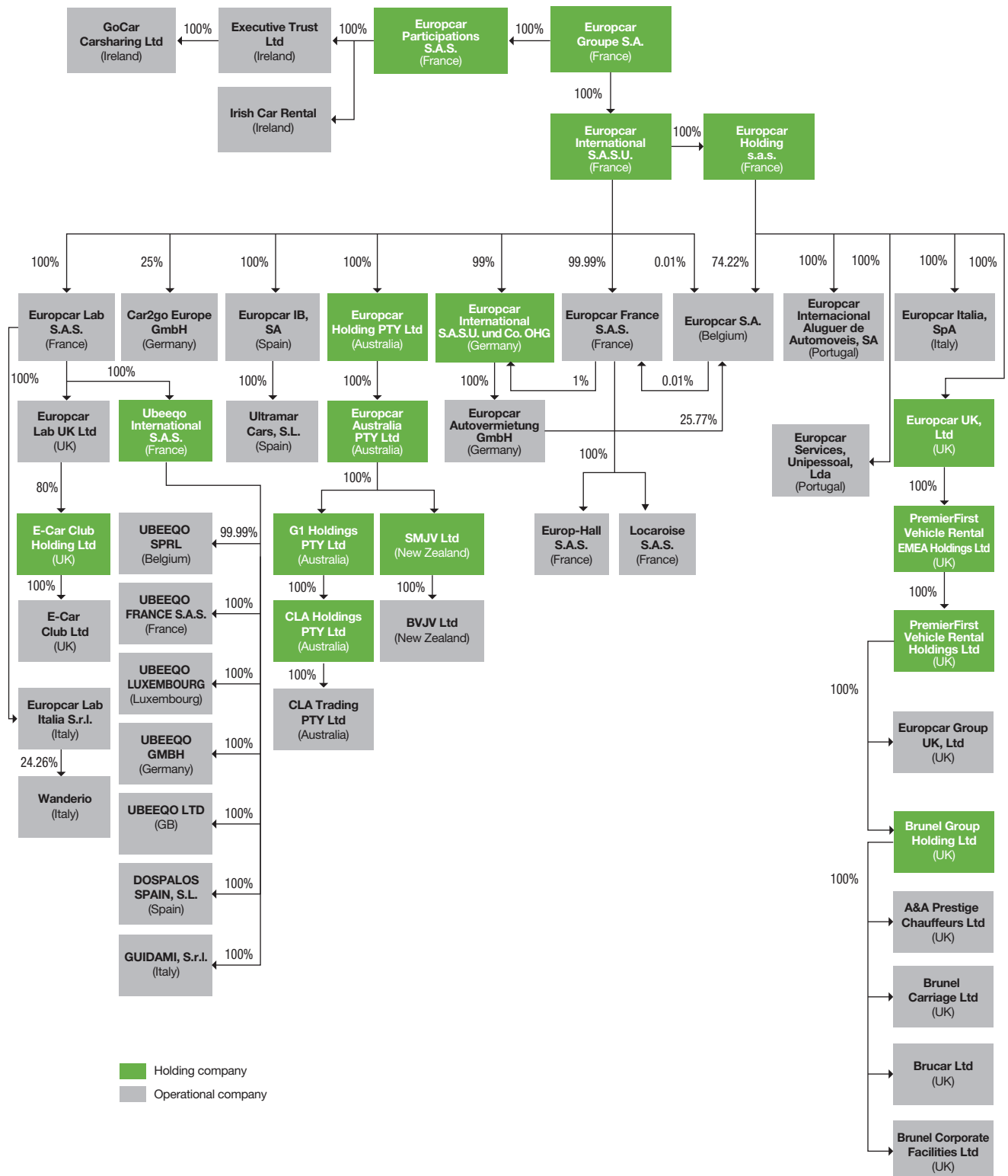
The Company, the Group's non-operational holding company, directly or indirectly holds all of the entities comprising the Group and as such lays down certain broad policies, for instance, determining the Group's strategy and the resources necessary for its implementation, as well as its commercial policy.

The Company assists its Corporate Companies through a number of support functions. On September 28, 2006, it concluded with Europcar International S.A.S.U. a services

agreement pursuant to which the Company provides ECI with its know-how regarding fleet management, sales, marketing, communications, Human Resources management, accounting, finance, operations and legal services. In consideration for these services, the Company receives monthly payments from Europcar International S.A.S.U.

1.7.1 Simplified Group organizational chart

The following chart presents the legal organization of the Group as well as the percentage that Europcar Groupe S.A. holds directly or indirectly in the share capital and voting rights of its subsidiaries as of the date of this Registration Document.



1.7.2 Subsidiaries and equity investments

1.7.2.1 Significant subsidiaries

The Company's principal direct and indirect subsidiaries are described below:

- **Europcar International S.A.S.** ("ECI") is a French single-shareholder simplified stock company (*société par actions simplifiée*), the registered office of which is located at 2 rue René Caudron, Bâtiment OP, 78960 Voisins-le-Bretonneux, France, and registered with the Versailles Trade and Companies Register under number 542 065 305. The Company directly holds 100% of the share capital and voting rights of ECI. ECI's main role is as an operational holding company for the Group. It directly or indirectly holds the majority of the Group's subsidiaries and equity investments. At the date of this Registration Document, ECI is the holder of some of the Group's principal trademarks, including Europcar®. It negotiates and manages the Group's international agreements and partnerships. It manages and operates the principal information systems;
- **Europcar Holding S.A.S.** is a French single-shareholder simplified stock company (*société par actions simplifiée*), the registered office of which is located at 2 rue René Caudron, Bâtiment OP, 78960 Voisins-le-Bretonneux, France, and registered with the Versailles Trade and Companies Register under number 428 713 937. The Company indirectly holds 100% of the share capital and voting rights of Europcar Holding S.A.S. Europcar Holding S.A.S. directly or indirectly holds some of the Group's subsidiaries and centralizes the Group's finances;
- **Europcar France S.A.S.** is a French single-shareholder simplified stock company (*société par actions simplifiée*), the registered office of which is located at 2 rue René Caudron, Parc d'Affaires "Le Val Saint Quentin", Bâtiment L, 78960 Voisins-le-Bretonneux, France, and registered with the Versailles Trade and Companies Register under number 303 656 847. The Company indirectly holds 100% of the share capital and voting rights of Europcar France S.A.S. Europcar France S.A.S.'s principal business is short-term vehicle rental in France;
- **Europcar International S.A.S.U. und Co OHG** is a German partnership, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRA83202. The Company indirectly holds 100% of the share capital and voting rights of Europcar International S.A.S.U. und Co OHG. Europcar International S.A.S.U. und Co OHG is the Group's holding company in Germany;
- **Europcar Autovermietung GmbH** is a German limited liability company, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRB42081. The Company indirectly holds 100% of the share capital and voting rights of Europcar Autovermietung GmbH. Europcar Autovermietung GmbH's principal business is short-term vehicle rental in Germany;
- **Europcar S.A.** is a Belgian limited liability corporation (*société anonyme*), the registered office of which is located at 281 rue Saint-Denis, 1190 Forest, Belgium, and registered with the Belgian Trade Register under number 0 413 087 168. The Company indirectly holds 100% of the share capital and voting rights of Europcar S.A. Europcar S.A.'s principal business is short-term, medium-term and long-term vehicle rental in Belgium;
- **Europcar UK Limited** is an English limited liability company, the registered office of which is located at James House, 55 Welford Road, Leicester LE2 7AR, United Kingdom, and registered with the Registrar of Companies of England and Wales under number 875561. The Company indirectly holds 100% of the share capital and voting rights of Europcar UK Limited. Europcar UK Limited is the Group's holding company in the United Kingdom;
- **Europcar Group UK Limited** is an English limited liability company, the registered office of which is located at James House, 55 Welford Road, Leicester LE2 7AR, United Kingdom, and registered with the Registrar of Companies of England and Wales under number 1089053. The Company indirectly holds 100% of the share capital and voting rights of Europcar Group UK Limited. Europcar Group UK Limited's principal business is short-term vehicle rental in the United Kingdom;
- **Europcar Italia S.p.A.** is an Italian single-shareholder stock company, the registered office of which is located at 32 Corso Italia, 39100 Bolzano, Italy, and registered with the Bolzano Trade Register under number 207101. The Company indirectly holds 100% of the share capital and voting rights of Europcar Italia S.p.A. Europcar Italia S.p.A.'s principal business is short-term vehicle rental in Italy;
- **Europcar Internacional Aluguer de Automoveis S.A.** is a Portuguese limited liability corporation, the registered office of which is located at 17 Rua Carlos Alberto Mota Pinto, Lisbon, 10996095, Portugal and registered with the Lisbon Trade Register under number 500074135. The Company indirectly holds 100% of the share capital and voting rights of Europcar Internacional Aluguer de Automoveis SA. Europcar Internacional Aluguer de Automoveis SA's principal business is short-term vehicle rental in Portugal;
- **Europcar IB S.A.** is a Spanish company, the registered office of which is located at 16-18 Avenida del Partenon, 2a planta, Campos de las Naciones, Madrid, 28042, Spain, and registered with the Madrid Trade Register under number 5999. The Company indirectly holds 100% of the share capital and voting rights of Europcar IB S.A. Europcar IB S.A.'s principal business is short-term vehicle rental in Spain;

- **CLA Trading Pty Limited** is an Australian limited liability company, the registered office of which is located at 158 Mickleham Road - Tullamarine, Victoria, VIC 3044, Australia, and registered with the Victoria Trade Register under number ACN 282 220 399. The Company indirectly holds 100% of the share capital and voting rights of CLA Trading Pty Ltd. CLA Trading Pty Ltd's principal business is short-term vehicle rental in Australia;
- **BVJV Limited** is a New Zealand limited liability company whose registered office is located at 848 Colombo street, Christchurch, New Zealand and is registered with the commercial registry under number AC 117 1885. The Company indirectly holds 100% of the share capital and voting rights of BVJV Limited. The main business of BVJV Limited is short term vehicle rental in New Zealand;
- **Executed Trust Ltd.** is a company formed under Irish law whose registered office is located at 35 Northwood Court, Northwood Business Park, Dublin 19, and registered with the Dublin Company Register under number 22423. The Company indirectly holds 100% of the share capital and voting rights of Executed Trust Ltd. whose business activity is short-term vehicle rentals in Ireland.

For a description of the Group's other consolidated subsidiaries, see Note 36 "Group Entities" to the 2016 financial statements included in Section 3.4 "Consolidated financial statements and Statutory Auditors' report" of the Registration Document.

1.7.2.2 Acquisitions and disposals of subsidiaries in 2016

On July 1, 2016, Europcar France, bought out its franchisee Locaraise, the third-largest franchise by revenue, acquiring all the shares in each of Locaraise S.A.S.'s subsidiaries: Car-Fast Sarl, Prepare Auto Sarl and Locaraise Gestion et Administration Sarl. Locaraise has 19 branches from the north of the Paris region to the south of the metropolitan area of Lille. Revenue was around €17 million in 2015.

On August 16, 2016, acting through its UK subsidiary Europcar Group UK Limited, the Group acquired 100% of the capital of the UK company Brunel Group Holdings Limited, parent of the Brunel group which specializes in ride-hailing and private chauffeuring. Brunel Group Holding Limited itself holds 100% stakes in UK companies A&A Prestige Chauffeurs Limited, Brunel Carriage Limited, Brucar Limited and Brunel Corporate Facilities Limited. Following this acquisition, the Group can now meet the highest needs of business customers with bespoke personalized services.

As part of the Group's internal reorganization, Europcar International S.A.S. sold the shares in Europcar Participations S.A.S. (formerly "EC 2 S.A.S.U.") to the Company on December 9, 2016.

On December 12, 2016, as part of the buyout of its Irish franchisee, the Group, acting through its subsidiary Europcar Participations S.A.S., acquired 100% of the capital of the Irish companies Executive Trust Limited and GoCar Carsharing Limited, specialists in vehicle rental and car-sharing, respectively. With these acquisitions the Group has extended its network of subsidiaries from 9 to 10 countries and boosted its presence in the mobility sector.

1.7.2.3 Equity Investments

As part of its mobility strategy, in September 2016 the Group, acting through its Italian subsidiary Europcar Lab Italia S.p.A, took a 20% non-controlling stake in Wanderio S.p.A, an Italian start-up whose aim is to offer an online multimodal search and comparison platform where customers can find the best means of transport from A to B, by price and journey time.

As of the date of this Registration Document, the Group also holds a 25% stake in the capital and voting rights of Car2go Europe GmbH. Car2go Europe GmbH is consolidated by the equity method in the Group's consolidated financial statements. See Section 3.4 "Consolidated financial statements and Statutory Auditors' report".

1.7.2.4 EC Finance Plc

EC Finance Plc is an autonomous special-purpose financing vehicle formed in connection with the issuance of the EC Finance Notes, which are used to finance part of the Group's fleet. All of EC Finance Plc's common shares are held by TMF Trustee Limited, an English entity, in its capacity as trustee for a charitable trust established under English law. EC Finance Plc has no material operations. The Company is deemed to indirectly control EC Finance Plc, which is included in the Group's scope of consolidation. For more information on the EC Finance Notes, see Section 3.2.3 "Description of the financing as of December 31, 2016" of this Registration Document.

1.7.2.5 Securitifleet Entities

Securitifleet S.A.S.U. and Securitifleet S.p.A are, respectively, 100% and 94% held by Securitifleet Holding S.A., which in turn is controlled by Sanne Capital Market (Ireland) Limited, an autonomous special purpose vehicle governed by Irish law:

- **Securitifleet S.A.S.U.** is a single-shareholder simplified stock company (*société par actions simplifiée*), the registered office of which is located at 57 Avenue de Bretagne, 76100 Rouen, France, and registered with the Rouen Trade and Companies Register under number 443 071 816. Securitifleet S.A.S.U. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar France S.A.S.; and

- **Securitifleet S.p.A.** is an Italian stock company, the registered office of which is located at 32 Corso Italia, 39100 Bolzano, Italy, and registered with the Bolzano Trade Register under number 205586. Securitifleet S.p.A. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar Italia S.p.A.

Securitifleet GmbH and Securitifleet S.L. are, respectively, 90% and 95% held by Securitifleet Holding Bis S.A.S.U., itself controlled by Structured Finance Management Corporate Services (Ireland) Limited, an autonomous special purpose vehicle governed by Irish law:

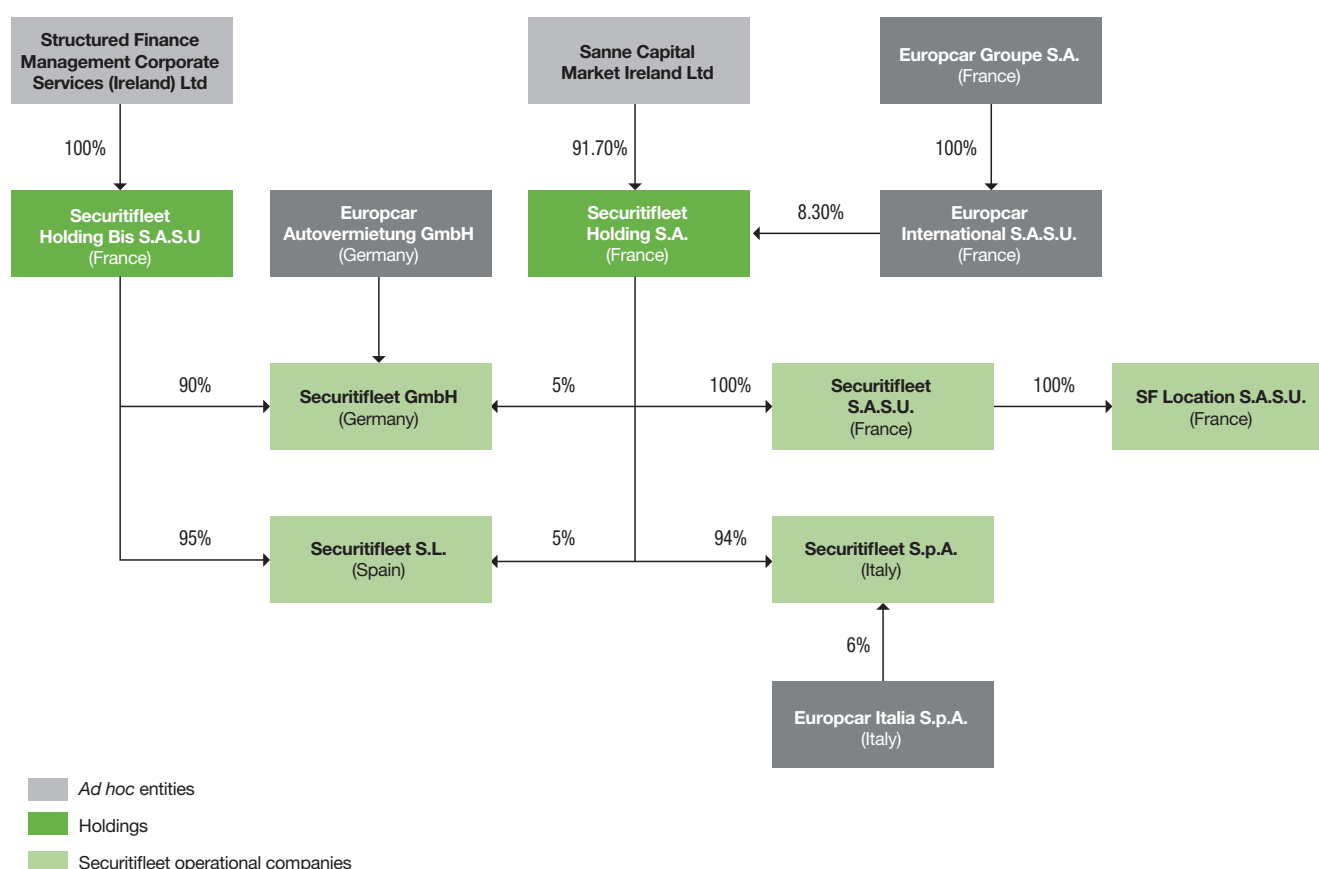
- **Securitifleet GmbH** is a German limited liability company, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under

number HRB 91341. Securitifleet GmbH is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar Autovermietung GmbH;

- **Securitifleet S.L.** is a Spanish limited liability company, the registered office of which is located at C/Trespaderne, 19 Madrid, Spain, registered with the Madrid Trade Register, Sheet M (310,150), Book 17.955, page 92, and holding Tax Identification Code B-83382549. Securitifleet S.L. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar IB S.A.

The above-mentioned Securitifleet entities are included in the Group's scope of consolidation.

The following organizational chart sets forth the legal organization of the Securitifleet companies at the date of this Registration Document. For a presentation of the links between the Europcar operating entities and the Securitifleet companies, please see the graphic shown in Section 3.2.3 "Description of the financing as of December 31, 2016".



1.8 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

1.8.1 Research and development

The Group does not conduct any research and development activities. However, it is constantly searching for innovative solutions. In 2014, it created Europcar Lab, an ideas incubator to support the Group's strategic projects.

Please see Section 1.6.2 "*Europcar Lab*" for a description of Europcar Lab.

1.8.2 Intellectual property, licenses, usage rights, and other intangible assets

The Group holds most of the material intellectual property rights used in connection with its business, which enables it in the vast majority of cases to provide services to its customers without dependence on third parties.

Most of these rights are held by ECI and ECG, with the remainder (for distinctive marks used in a particular country) held by local Group entities.

The Group's intellectual property rights primarily comprise:

- (i) rights to distinctive marks, such as trademarks or domain names, in particular those including the names "Europcar", "InterRent" and "Keddy". These intellectual property rights are registered or in the process of being registered in most of the countries where the Group does business, in order to protect them appropriately for the related activities; and
- (ii) rights relating to the "GreenWay®" technology, the Group's complete commercial software solution, principally in the areas of fleet management, e-commerce, reservations and global distribution, as well as rental activities.

In connection with several partnerships and franchise agreements outside of France (in particular with (i) Discount Car & Truck Rentals Limited in Canada, (ii) AMAG Services AG in Switzerland and Lichtenstein, (iii) ARAC GmbH in Austria, (iv) Ostergaard Biller and (v) InterRent AS in Norway, and where the services provided so require, ECI grants its partners and franchisees a license to certain of its intellectual property rights (in particular to its trademarks and GreenWay® technology) in a given territory. ECI is also party to a cross-licensing

agreement with Advantage OpCo ("Advantage") pursuant to which (i) Advantage grants ECI an exclusive license to certain "Advantage" trademarks in the countries where the Group is present or has a franchise, with the exception of the United States (although the license does cover Puerto Rico) and (ii) ECI grants Advantage an exclusive license to the "Europcar®" trademark in the United States (but not covering Puerto Rico). The licenses are non-exclusive and non-transferable for a duration equal to the term of the joint venture or franchise agreements in connection with which they are granted. These licenses are not the subject of specific fees, but instead are taken into account in the overall negotiation of the partnership or franchise agreements to which they apply. Under the partnership with the Chinese group Shouqi Car Rental, a cross-license agreement was also entered into with the latter, under the terms of which (i) Shouqi granted to Europcar International SASU an exclusive license on certain brands in the countries where the Group operates or has a franchise, and (ii) Europcar International S.A.S.U. granted to Shouqi an exclusive license on the "Europcar®" brand in China. The licenses are non-exclusive and non-transferable for a duration equal to the term of the partnership agreement in connection with which they are granted.

For details of the valuation of the Group's brands, see Note 16 "*Intangible assets*" to the 2016 financial statements included in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report*".

1.9 PROPERTY, PLANT AND EQUIPMENT

01

As of December 31, 2016, the Group held property, plant and equipment with a gross value of €285.0 million (against €282.1 millions as of December 31, 2015). The Group also leases some of its fixed assets, in particular certain buildings and technical equipment. For 2016, rental charges totaled €70 million (against €67.1 million at December 31, 2015).

Property, plant and equipment owned or leased by Group entities consists mainly of:

- administrative buildings and offices, for the Group's administrative and commercial needs, in all of the countries where the Group does business.

The Company's registered office is in Voisins-le-Bretonneux, (78960, France) where it occupies Bâtiment OP of the "Parc d'Affaires le Val Saint-Quentin", which includes 5,900 square meters of rental office space, as well as parking spaces. This is leased by Europcar International under a commercial office lease signed on May 4, 2011, with a fixed duration of nine years and three months as from October 1, 2012. The initial nine year three month duration is fixed and irrevocable, Europcar International having waived its right to terminate the lease at the end of the first three three-year terms thereof,

The Company also occupies 528 square meters on the 6th and 7th storeys of an office complex in Paris's 17th arrondissement (75017), 24, rue de Prony, leased by Europcar International under a commercial office lease signed on July 4, 2016, with a duration of nine years, including six years fixed, as from August 1, 2016,

Each of the Corporate Countries occupies its own registered office and the Group owns the buildings that house the German registered office;

- rental stations, primarily located in or near airports and train stations, as well as in business and residential neighborhoods. The Corporate Countries rent or operate the majority of the Group's 1,034 directly managed stations, pursuant to concessions awarded by governmental authorities and leases with private entities. The leases and concession agreements generally require the payment of rent or minimum concession fees, and in certain countries also require the relevant Corporate Country entity to pay or reimburse operating fees, additional rent, or concession fees that are greater than the guaranteed minimum, calculated based on a percentage of revenue or sales at the locations in question;
- technical infrastructure for servers and data centers;
- fueling equipment and car washing installations in its stations in each Corporate Country.

This property, plant and equipment is used as security for the Group's corporate financing, as explained in more detail in Note 17 "*Property, plant and equipment*" to the 2016 financial statements included in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report*".

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RISK FACTORS

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Investors should consider all of the information set forth in this Registration Document, including the following risk factors as set out in this Chapter. Such risks are, as of the date of this Registration Document, the risks that the Group believes, were they to occur, could have a material adverse effect on its business, financial results, financial position and prospects. The Group believes that, as of the date of this Registration Document, there are no significant risks other than those presented in this Chapter. The attention of investors is drawn to the fact that additional risks that are not known at the date hereof, or whose occurrence as of the date hereof is not considered likely to have a material adverse effect on the Group's business, its results of operations, financial position or prospects, image, reputation or on the market share price of the Company, may exist or occur.

The figures concerning Corporate Countries do not include the Irish subsidiary, a former franchisee acquired by Europcar on December 12, 2016.

2.1 RISKS RELATING TO THE GROUP'S INDUSTRY AND MARKETS

2.1.1 Risks related to the high level of competition in the vehicle rental industry

The vehicle rental industry is a competitive market. The Group competes at the international level primarily with a number of global vehicle rental companies such as Hertz, Avis, Enterprise and Sixt. The Group also competes in specific regions or countries with a number of smaller regional companies (such as GoldCar in Europe). In particular regions, some of the Group's competitors and potential competitors may have greater market share, more technical staff, larger customer bases, lower cost bases, more established distribution channels or greater brand recognition and may adapt more rapidly than the Group does to respond to expectations and changes in demand in the regions in which they operate. On a worldwide basis, some of these competitors and potential competitors may have greater financial or marketing resources.

Price is one of the industry's main competitive factors. Pricing is significantly affected by the supply of vehicles available for rent relative to demand, and oversupply of rental vehicles relative to demand can result in intense pricing pressure as vehicle rental companies seek to maintain high fleet utilization rates. Vehicle rental companies adjust fleet size based on their demand and

supply forecasts as well as competitive positioning strategies. A number of variables complicate the accuracy of such forecasts, including the variability of other vehicle rental companies' fleet sizes and the relative dispersion of the European market, which may lead to mismatches between supply and demand.

The Group's competitors may also seek to compete aggressively on the basis of price in order to protect or gain market share. The Group risks losing rental volume if its prices are not competitive with its competitors. If competitive pressures require the Group to match competitors' prices but the Group is not able to reduce operating costs correspondingly, then the Group's results of operations and financial position could be materially and adversely affected.

Furthermore, the emergence of new mobility solutions creates opportunities but also carries risks. The arrival of new potential competitors such as companies offering car-sharing and car-pooling services and their growing presence in the mobility market may also affect the Group's competitive position.

2.1.2 Risks related to structural changes in the vehicle rental industry

The vehicle rental market has been undergoing structural changes that have affected its competitive dynamics in recent years.

The increasing use of the Internet for vehicle rental reservations is a significant structural change that has increased competitive transparency and thus potential price pressure in the vehicle rental industry. This price pressure is expected to continue, even though the rate of increase in the percentage of vehicle rental reservations made through the Internet (including through rental brokers) has slowed in recent years. The percentage of reservations for the Group made through the Internet thus rose from 27% in 2008 to 54% in 2015 and 57% in 2016. This increase is due, among other things, to the ease of use of this distribution channel (including for last minute bookings) and the fact that it enables price and service comparisons. This heightened transparency has the effect of increasing, and

may continue to increase, competitive pressure, as well as the homogenization of offers such that price could increasingly become the primary, or even sole, differentiating factor. These trends could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

With increased pricing transparency and the recent economic downturn, individuals and businesses have been increasingly focused on low-cost travel and many companies have implemented measures to reduce business travel costs. As a result, the vehicle rental market has also witnessed increased demand for smaller economy vehicles, and more generally the low-cost market, which has required providers to adjust their fleet and adapt the cost structure associated with these offers. Failure to adapt to these market changes, together with increased competition, could have a material adverse effect on the Group's profitability.

2.1.3 Risks related to weakening macro-economic conditions or a fall in travel demand in the regions in which the Group operates

The Group benefits from an international network and operates primarily in Europe. The Group generated 92.9% and 7.1% of its total revenue (before intra-group eliminations and holdings) in Europe and the Rest of the World, respectively, for the year ended December 31, 2016. Demand for vehicle rentals in a given region, and corporate rentals in particular, is affected by trends in the gross domestic product (GDP). Declines in or stagnation of GDP negatively impacts the level of vehicle rental demand. For example, the vehicle rental industry in general and the Group in particular were negatively affected by the global financial and ensuing economic crisis beginning in 2008/2009 and again in Europe in 2011/2012 by the sovereign debt crisis. Such crises resulted in a tightening of the credit markets, a reduction in business and leisure travel, reduced consumer spending and an increase in volatility of fuel prices, all of which negatively affected the vehicle rental industry, particularly corporate rentals. Although macro-economic conditions have improved globally and in the Group's key markets since 2014, current conditions in, and the outlook for, the Euro-zone economy remain uncertain, with a persistent risk of stagnation or deflation, as well as the potential reemergence of a sovereign debt crisis. In particular, in January 2016, the International Monetary Fund (IMF) released its growth forecasts in the Euro-zone of 1.7% in 2016 and 1.5% in 2017.

A deflationary environment in Europe would limit the Group's growth prospects and any deterioration in the Euro-zone economy could adversely affect the Group's business, results of operations, financial position and prospects.

Vehicle rental demand, particularly in the leisure segment, is also affected by trends in air travel, which themselves are in turn affected both by macroeconomic conditions as well as by specific factors such as flight ticket prices, fuel price trends, work stoppages, terrorist incidents (or a perceived heightened risk of incidents), natural disasters, epidemics, military conflicts or government responses to any of these events. With respect to terrorist incidents such as the attacks in Paris in November 2015, and in European capitals in 2016, the Group believes that it has had limited impact on its financial performance for the 2016 fiscal year. Nevertheless, if repeated attacks were to occur in Europe, it could have a significant adverse effect on the Group's activities, results of operations and financial position. In order to limit the negative effect, specific insurance was subscribed during the 2016 fiscal year (see Section 2.6.1.3 "*Risks related to the Group's business (excluding its fleet)*"). Rentals at its airport rental stations were responsible for 43% of the Group's total rental revenue for the year ended December 31, 2016. The Group has significant alliances and partnership arrangements with

a number of major airlines that generate a significant source of demand for its services. Accordingly, a substantial portion of Group revenue is strongly correlated with the level of air traffic. Any event that disrupts or reduces business or leisure air travel could therefore have a material adverse effect on

the Group's business, results of operations, financial position and prospects.

Uncertainty and volatility with respect to economic conditions and air travel frequency levels also complicate demand trend projections and hence fleet management.

2.1.4 Risks related to the imminent exit of the United Kingdom from the European Union

In a referendum, the United Kingdom chose to leave the European Union ("**Brexit**"). The negotiations for this withdrawal and the future relationship with the European Union could last several years. Brexit and the uncertainties related to the negotiations may negatively affect economies worldwide, market conditions and may contribute to the instability of the financial markets and the global currency markets, in particular relating to the volatility in the value of the pound sterling or the

euro. As the effects of Brexit cannot be anticipated, they may have a material adverse effect on the Group's business, results of operations, financial position and prospects. See Note 28 "*Financial risk management*" regarding foreign exchange risk in the 2016 financial statements, presented in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report*".

2.1.5 Risks related to the highly seasonal nature and sensitivity to weather conditions of the vehicle rental industry

The third quarter of the year has historically been the Group's strongest quarter due to higher levels of leisure travel in the summer months. As an example, for the year ended December 31, 2016, the third quarter accounted for 32.9% of the Group's revenue for the year and 62.6% of its Adjusted Corporate EBITDA. Any occurrence that disrupts rental activity during the second or third quarters could have a significant material adverse effect on the Group's revenues and profitability, given the existence of substantial fixed costs.

Vehicle rental demand is also highly sensitive to weather conditions. The tendency towards last minute reservations (itself resulting in part from the increasing weight of Internet-based distribution channels) has increased this sensitivity. Bad weather, particularly in the summer months, could reduce demand during this critical period of the year. A sharp reduction in demand due to poor weather may not be anticipated by the Group's fleet management planning, and could have a material adverse effect on the Group's revenues and profitability.

The Group purchases vehicles for its fleet based on anticipated fluctuations in demand, in particular seasonal fluctuations. The necessary variation in fleet levels also results in higher levels of debt in the summer months compared to other times of year, as additional capital is required to fund fleet acquisitions. The Group manages its cost base and investment decisions in line with forecast activity levels and prior experience. Any difference between forecasted and actual activity, in particular during peak periods, could have a material adverse effect on pricing both during the peak periods and in the "shoulder" periods before and after them and therefore on the Group's business, results of operations and financial position.

2.1.6 Risks related to the rapid development of the vehicle rental industry, in particular due to the advent of new mobility solutions

The vehicle rental industry has been evolving and is facing further and potentially substantial structural changes due to changing customer preferences and usages combined with and driven by technological change. The evolution of the mobility solutions market poses risks in addition to opportunities, (see Sections 1.3 “*Presentation of the Group’s Market and Competitive Environment*” and 1.4 “*Strategy*” of this Registration Document), to the extent that the Group could fail to adapt quickly enough to meet customer expectations and seize opportunities in this evolving market. In addition, there is a risk of “cannibalization” of products or services proposed by new entrants in the vehicle rental market or by other parties in related markets, which may gain more market acceptance and could result in the decline of vehicle rental use.

In order to keep pace, the Group must concentrate its resources on the products, services and technologies that it believes, according to its estimates, will provide the most value or will achieve substantial customer acceptance and in which it has or can acquire or develop the appropriate technical expertise for their operation (see Sections 1.6.2 “*Europcar Lab*” and 1.6.3 “*Mobility Solutions*” of this Registration Document). Due to the evolving nature of the technologies and customer

usages, however, the Group’s efforts and investments may not turn out to be appropriately focused on products and services that could gain market acceptance.

As part of the Group’s strategy to expand into new mobility solutions, it has entered into and may continue to enter into long-term agreements and joint ventures with strategic partners and may make acquisitions such as those of Bluemove, Brunel and E-Car Club. However, joint ventures and acquisitions are themselves subject to risks inherent to this type of structure or transaction (see Section 2.2.10 “*Risks related to the deployment of the Group’s strategy*” of this Registration Document).

The Group’s prospects depend in part on its ability to maintain a product and service portfolio that is attractive to its existing and prospective customers and to continue to introduce new products and services successfully on a timely basis. The Group’s failure to keep pace with change in the vehicle rental industry or to invest in products or technologies that will become commercially accepted with a view to ensuring the successful marketing of new services within the desired timeframe, may lead to a loss of market share and could adversely affect the Group’s business, results of operations, financial position and prospects.

2.2 RISKS RELATED TO THE BUSINESS

2.2.1 Risks related to the Group’s ability to develop and maintain favorable brand recognition

The Group invests in its brands and incurs substantial expense to promote its brands, including through partnerships and advertising campaigns. Factors affecting brand recognition are often outside the Group’s control, however, and such efforts may not be successful (for examples, see Sections 2.4.3 “*Risks related to the protection of intellectual property rights*” and 2.7 “*Regulatory, legal and arbitration proceedings*” of this Registration Document). The Group is also in the process of rolling out its InterRent® and Ubeeqo brands, and no assurances can be given that these will become as well-established as the Europcar® brand in the segments targeted. More generally,

unfavorable publicity concerning the Group’s brands or the industry, and in particular, as the Group’s leisure rental activity is increasingly reliant on online sales, any negative publicity on the Internet or social media, could have a material adverse effect on its business, results of operations, financial position and prospects.

The risk of reputational damage to the Group is magnified by the existence of its extensive network of franchisees, agents and independent partners (see Section 1.6.6 “*Europcar’s Network*” of this Registration Document). While the Group has implemented brand guidelines (“Brand Guidelines”) that

specify the conditions under which its partners, franchisees and agents may reproduce and/or represent its brands and it ensures, in particular via Internet monitoring, that franchisees, agents and partners adhere to its standards and thereby uphold and promote its brands that they use under license, any failure

by them to do so could adversely affect the Group's brands reputation. This could in turn make it more difficult for the Group to attract new franchisees, agents or partners and thus compromise its growth strategy.

2.2.2 Risks related to the potential inability for the Group to continue operations on acceptable terms at major airports and train stations

For the year ended December 31, 2016, revenue generated by rentals from airport stations represented 43% of total Group rental revenue in Corporate Countries. The number of rental stations in airports as a percentage of the Group's total number of stations remained stable at 17% over 2016. The Group operates airport and train station rental locations under contracts that have typical terms of three to five years. While historically such arrangements have been renewed, the commercial terms

may be adjusted and there can be no assurance that they will be renewed on similar terms (in particular due to an upward trend in commissions paid to airports to be passed on to the end consumer, where applicable). A potential inability for the Group to continue operations on acceptable terms at major airports and train stations currently within the Europcar network could have a material adverse effect on the Group's business, results of operations and financial position.

2.2.3 Risks related to the Group's rental fleet supply

The Group's fleet is composed of vehicles purchased from a number of car manufacturers. During the year ended December 31, 2016, the Group acquired approximately 30% of its fleet from Volkswagen group, 14% from General Motors, 14% from Fiat, 11% from Renault, 10% from Peugeot Citroën, 7% from Daimler, 4% from Hyundai Kia, 2% from Ford and the remaining 8% from other manufacturers, with the fleet mix by manufacturer varying by country. Any of these car manufacturers may decide to significantly curtail production or sales to the vehicle rental industry as a result of a number of factors. In general, car manufacturers limit the number of vehicles sold to short-term rental companies to a percentage of their total sales of new vehicles. This percentage varies between 8 and 15% depending on the manufacturer. In addition, depending on market conditions, sales of vehicles to rental companies may be less profitable for automobile manufacturers than other sales channels or may not suit their marketing and branding strategy at a given time. Indeed, sales to the vehicle rental industry have historically been relatively less profitable for car manufacturers

due to sales incentive and other discount programs that allow fleet purchasers such as Europcar to decrease the average holding costs for their vehicles. Fleet supply and holding costs could increase if car manufacturers implement strategies to limit sales to the vehicle rental industry or improve the profitability of such sales (e.g., by offering lower discounts or repurchase prices), and there can be no assurance that the Group will be able to pass on such increased costs to its rental customers. If the Group is unable to obtain favorable pricing and other terms when it acquires vehicles and is unable to pass on increased costs to customers, the Group's results of operation and financial position could be materially adversely affected. For further information on the Group's expenses related to vehicle purchases and costs related to purchasing and selling vehicles, see "Cost structure and operational efficiency indicators" in Section 3.1.1.2 "Main factors that can impact the Group's Earnings", and 3.3.1 "Investment History" of this Registration Document.

2.2.4 Risks related to the financial position of the car manufacturers and dealers upon which the Group relies to supply its fleet

The Group relies to a significant extent on contractual agreements with a limited number of car manufacturers and dealers; Volkswagen, Fiat, General Motors and Renault represented approximately 69% of the purchases made by the Group to supply its fleet in 2016.

The automobile industry has, in the past, been significantly impacted by the economic recession, which seriously challenged U.S. car manufacturers in particular, and ultimately led to filings for Chapter 11 Bankruptcy Protection by Chrysler and General Motors in 2009. Although such car manufacturers have since seen improvements in their financial positions and benefited from funds received as part of the U.S. federal government automobile industry bail out, they and other automakers outside the U.S. could be vulnerable to uncertain market conditions and risks associated with renewed economic downturns in the U.S. and Europe. Furthermore, changes in the car industry could accelerate the concentration of car manufacturers, ultimately resulting in the disappearance of certain brands or models.

During 2016, “Volkswagen gate” had little effect on the Group’s fleet. Even though if a slight drop in the residual values of diesel vehicles has been noted, due to the buy-back agreements covering the large majority of the volumes, the Group’s fleet costs have not been impacted. Nonetheless, at the date of this Registration Document, it has been noted that manufacturers have reduced the proportion of diesel vehicles in favor of gasoline vehicles for 2017.

The vehicle purchase policy is still chiefly “buy-back”. The portion of diesel in our purchases of passenger cars went from 59% in 2015 to 52% in 2016 and 46% in 2017. This decrease mainly concerns small vehicles in the mini, economy and compact ranges. Due to the savings in use, which remain favorable (lower consumption, price per liter and recovery of VAT), we have not noticed any fall in demand for diesel from our customers, either individual or corporate. With very rare exceptions, there has been no impact on the demand for brands involved or suspected to be involved in “diesel gate”.

In general, in the event that investigations on pollutant emissions affect car manufacturers, the portion of “at risk” vehicles without a buy-back clause in the Group is low, and, at the date of this Registration Document, the Group does not anticipate any significant adverse impact on its results of operations or financial position.

We note that for our short-term rental activity, there is still no demand from clients for electric vehicles. Limited range, lengthy recharge time and limited infrastructure are still a real deterrents for customers. On the other hand, while hybrid vehicles are well regarded, manufacturers still offer a very limited choice. By 2020, we predict an increasing number in the offer of hybrid vehicles, and by 2023, we anticipate that technical constraints for electric vehicles will have diminished.

Any economic or financial distress affecting manufacturers, dealers and their suppliers of vehicle components, could also cause them to raise the prices the Group pays for vehicles or to reduce the capacity of the Group to supply its fleet. As a result, there is no guarantee that the Group will continue to be able to obtain vehicles at competitive terms and conditions or in the form of the particular vehicle sales arrangements on which the Group currently relies. In particular, the Group relies on buy-back agreements (whereby the Group’s vehicles are repurchased by the manufacturer or dealer on pre-established terms after a certain pre-determined period) to limit potential residual risk with respect to residual value of the vehicles, to enable financing on the basis of the agreed repurchase price and to provide flexibility for fleet management. If vehicle acquisition costs increase and the Group is unable to pass on all or part of increased costs to its customers, or if the Group is unable to supply itself with vehicles by benefiting from buy-back agreements at competitive terms and conditions, the Group’s results of operations and financial position may be materially and adversely affected.

Furthermore, although the aforementioned U.S. car manufacturers that benefitted from Chapter 11 Bankruptcy Protection under U.S. law in 2009 have always been able to meet their buy-back agreements with the Group, the Group could incur material expenses following a manufacturer or dealer default under its agreements with the Group as a result of bankruptcy proceedings or otherwise, or in the event a manufacturer or dealer is unwilling to repurchase vehicles whose residual value has decreased. In these circumstances, the Group may be unable to dispose of its vehicles at the prices specified under the buy-back agreement or calculated based on the guaranteed depreciation, or it may be unable to receive contractual premiums. Failure by a manufacturer or dealer to fulfill its aforementioned obligations could leave the Group with a substantial and uncertain unpaid claim particularly with respect to vehicles that have been (i) resold for an amount less than the amount contractually guaranteed and therefore subject to a payment obligation from the manufacturer or dealer for the

loss incurred by the Group or (ii) returned to the manufacturer or dealer but for which the Group may risk not receiving any payment or only partial payment. Such failure to perform could lead the Group to incur a substantial loss.

In the case of insolvency or default of a car manufacturer or dealer, it may not be possible to recover all amounts owed to the Group under buy-back agreements in certain jurisdictions. If automobile car manufacturer or dealer were to become insolvent, applicable bankruptcy laws may prohibit the Group from asserting its rights with respect to the buy-back agreement under certain circumstances. Where the payment claims are

secured by a retention of title provision, the enforcement of the security may be significantly delayed due to the time necessary to regain control of vehicles. Moreover, in some jurisdictions, the Group may still be subject to certain residual liabilities as a matter of law. The default probability of a manufacturer is monitored on a monthly basis through ratings by Standard & Poor's and Moody's. However, a downgrade of one or more manufacturers would have a material adverse effect on the eligibility of vehicles for financing and on the advance rate of the financing, and therefore on the Group's liquidity.

2.2.5 Risks related to the Group's holding of vehicles not covered by buy-back agreements

Approximately 93% of the fleet operated by Europcar in 2016 was covered by buy-back agreements. Residual values of the remaining vehicles not covered by buy-back agreements, referred to as "at risk" vehicles, are exposed to adverse pricing conditions and uncertainties in the used vehicle market. The Group's ability to sell its vehicles in the used vehicle market place could become severely limited as a result of a number of factors, including the macro-economic environment, model changes, legislative requirements (e.g., changes to environmental legislation or vehicle taxes), and oversupply by manufacturers of new vehicles. A decline in used vehicle prices or a lack of liquidity in the used vehicle market may severely hinder the Group's ability to resell "at risk" vehicles without a loss on investment and could adversely affect the Group's profitability.

Although the Group has entered into several multi-year agreements for the buy-back of vehicles, the current relatively low percentage of "at risk" vehicles in the Group's rental fleet could increase as a result of market conditions or if manufacturers were reluctant to agree to sales with buy-back agreements or if they offered less attractive buy-back terms. Market trends in certain jurisdictions tend towards greater demand for low-cost vehicles, which may result in an increase in the percentage of "at risk" vehicles in the Group's fleet, since they are less costly to purchase than vehicles purchased in the context of buy-back agreements. Automobile manufacturers may cease granting buy-back agreements or may modify the terms of repurchase programs from one year to another, rendering the purchase of vehicles in the context of such programs less attractive. The Group's vehicles covered by buy-back agreements may also fail to meet repurchase conditions, in particular condition and mileage requirements for returned vehicles. Vehicles that

fail to meet repurchase conditions become "at risk" vehicles. For the year ended December 31, 2016, the percentage of vehicles covered by buy-back agreements converted into "at risk" vehicles was 7%.

The Group relies on buy-back agreements for a substantial portion of its fleet financing. If the Group were to fail to purchase a significant part of its fleet through buy-back agreements at acceptable conditions, vehicle related debt financing would become more difficult to obtain on acceptable terms. See Section 2.3.3 "*Risks related to the Group's potential inability to continue financing vehicle acquisitions for its fleet*" of this Registration Document.

Fleet holding costs represent a significant portion of the Group's operating expenses and buy-back agreements enable the Group to determine a substantial portion of its fleet holding cost expense in advance. Any increase in the proportion of "at risk" vehicles in the Group's fleet would decrease the Group's ability to determine its fleet holding cost expense in advance. In addition, any reduction in the residual values of "at risk" vehicles could cause the Group to sustain a loss during the ultimate resale of such vehicles and would affect its liquidity by decreasing the value of the asset base upon which financing is based. Any increase in the share of "at risk" vehicles in the Group's fleet would increase its exposure to fluctuations in the residual value of used vehicles.

Buy-back agreements provide increased flexibility to adjust the size of the Group's fleet to respond to seasonal fluctuations in demand or in the event of an economic downturn, because such programs typically allow vehicles, under certain conditions, to be returned sooner than originally expected without risk of loss. This flexibility has enabled the Group to optimize its fleet

holding costs and increase its profitability. There can be no assurance that the Group will be able to maintain the current percentage of vehicles covered by buy-back agreement in its rental fleet or that the same level of fleet-management

flexibility will be maintained in the future, which could have a material adverse effect on the Group's results of operations and financial position.

2.2.6 Risk related to manufacturer recalls

Vehicles in the Group's fleet may be subject to recalls by their manufacturers. Under certain circumstances, recalls may cause the Group to attempt to retrieve rented vehicles from customers or to decline to rent available vehicles until the steps described in the recalls can be applied. If a large number of vehicles are the subject of simultaneous recalls, or if the necessary replacement parts are not in adequate supply, the Group may struggle to serve its customers for a period of several months.

The Group could also potentially face liability claims if recalls concern vehicles that it has already re-sold. Depending on their number and severity, recalls could materially adversely affect the Group's revenue, reduce the residual value of the vehicles involved, create customer service problems and harm the Group's general reputation and the consumer's view of the Group's brand.

2.2.7 Risks related to the contractual relationships with certain key partners and distribution channels

In the leisure segment, the Group relies on a number of key targeted partnerships and distribution channels, which generate significant rental revenue and accounted for 37% of its vehicle rental reservations in 2016 (for more information on the Group's partnerships in the leisure segment, see the information under "Partnerships to Reach "Leisure" "Customers" in Section 1.6.4 "Customers" ("*Business*"/"*Leisure*")" of this Registration Document), including, in particular:

- in the airline sector, partnerships with airline companies such as EasyJet, Aeroflot, Emirates, Skywards and Air Caraïbes;
- in the hotel sector, partnerships with large groups such as Accor and Hilton Honors;
- in the railway sector, partnerships with Thalys;
- marketing partners such as credit card companies, credit institutions or organizations offering loyalty programs, such as Membership rewards (American Express rewards program), HSBC and Home Away; and

- distribution channels such as traditional and online travel agencies or global distribution systems that connect travel agents, travel service providers and corporations to the Group's reservation system.

In the business segment, the Group also has numerous exclusive or non-exclusive contracts with large corporations, which cumulatively generate a substantial portion of the Group's consolidated revenue.

The loss of certain of these partnerships, distribution channels or contracts, unfavorable changes in their terms, including commission schedules or financial arrangements, the potential termination of certain of these contracts (a certain number of which may be terminated at any time by partners), a reduction in the volume of sales from certain partners or channels, or a party's inability to process and communicate reservations to the Group could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.8 Risks related to contractual relationships with certain key suppliers in addition to automobile manufacturers

The Group has a number of contractual agreements with suppliers other than car manufacturers, in particular insurance providers, information technology suppliers and call center suppliers. The Group relies mainly on AIG and in Spain depends on Allianz in relation to the mandatory insurance cover for its business to the extent that few insurance companies in Spain grant such policies (see Section 2.4.2 “*Risks Related to Liability and Insurance*” and Section 2.6.1 “*Insurance*” of this Registration Document). The Group also has important relationships with several suppliers of software and services that it uses to operate its systems, manage reservations and its fleet and provide certain customer services. The Group has outsourced a number of its call centers and is reliant on such suppliers with respect to a significant portion of its calls from customers.

The suppliers on which the Group relies may be unwilling to extend contracts under terms that are favorable to the Group, or they may seek to renegotiate existing contracts with the Group. The Group cannot guarantee that the suppliers on which it relies will properly provide the services and products it needs for the operation of its business or will provide such services on competitive terms. The occurrence of any of these risks may create operational problems, damage the Group's reputation, result in the loss of customers and have a material adverse effect on the Group's business, results of operation and financial position.

2.2.9 Risks related to contractual relationships with franchisees and agents

Royalties received from franchisees represented €51.3 million for the year ended December 31, 2016.

For the contracts in force in 2016, in addition to an entrance fee, when franchisees renew their contracts, they pay a fee for the exclusive use of the brands determined and held by the Group for a given territory defined in their contracts. The franchisees also pay to the Group a reservation fee depending on the distribution channel used, as well as royalties equal to a percentage of the revenue generated by their vehicle rental operations with a guaranteed minimum.

In 2016, the Group completed a comprehensive review of its franchise contracts in order to roll out new Group projects. In the new franchise contract model, additional remuneration streams to those mentioned above are provided for, depending on the additional services to which the franchisee subscribes.

This new model franchise contract is currently proposed for renewals of franchise contracts covering the Europcar and InterRent brands and to each new entity wanting to join our networks. Five contracts have been renewed and/or signed for the Europcar brand in 2016 and approximately 28 contracts should be renewed in 2017, 21 in 2018, 16 in 2019 and 25 in 2020. One new contract has been signed for the InterRent brand in 2016 and approximately seven contracts should be renewed in 2017, 18 in 2018 and 12 in 2019.

The Group cannot guarantee that all of its franchise contracts will be renewed or renewed according to the terms and conditions proposed by the Company in the new franchise contract. The Group may lose franchisees to competitors who

may offer more favorable terms and conditions. If one or more of the Group's franchisees were to leave the Europcar network, the network's geographic coverage could be reduced; if the Group was unable to secure agreements with replacement franchisees at terms and conditions that are at least equally favorable, the Group's profitability and prospects could be materially adversely affected. The loss of certain franchisees could also weaken the Group's brands.

Moreover, franchisees are independent operators and their employees are not Group employees. Consequently, the Group's franchisees may not operate in a manner fully consistent with the Group's standards and requirements or may not hire and train qualified managers and other personnel. If this were to occur, the Group's image and reputation could suffer.

The Group also operates certain rental stations through agents in its Corporate Countries. From time to time the validity or enforceability of certain terms and provisions of these agency agreements have been and may in the future be challenged by the Group's agents or third parties. To the extent a court or regulatory authority were to find a term or provision to be invalid or unenforceable and if such finding were determined to be applicable to all of the Group's agency agreements in a particular jurisdiction, the Group's results of operations could be materially adversely affected.

In addition, the Group faces risks with respect to the actions of, or failures to act by, its franchisees and agents. Although the Group monitors compliance by its franchisees with its practices and expertise, and under certain circumstances

is entitled to terminate their agreements in case of non-compliance with contractual standards, the Group may be unable to detect certain significant problems that may arise. Moreover, the actions of franchisees and agents may not be clearly distinguishable from the Group's own, which may expose the Group to liability or reputational damage. Failure of franchisees or agents to comply with applicable laws and

regulations may expose the Group to liability, damages and unfavorable publicity that could adversely impact the Group's business, results of operations or financial position (for further information on the management and operation of franchisee activities, see Section 1.6.6.3 "*Franchisees*" of this Registration Document).

2.2.10 Risks related to the deployment of the Group's strategy

The Group's strategy depends in part on its ability to continue to expand into geographic areas where the Group has little or no experience and where competitive pressures, particularly on prices, may be substantial. It also depends on its ability to identify and successfully exploit opportunities in the changing mobility solutions markets and more generally to adapt its commercial strategy to evolving customer preferences and customer mix in its existing markets. The Group has a global presence in over 130 countries and territories (directly and through franchises and partnerships) and may expand into additional countries in connection with its development strategy, including into emerging markets in Asia, Africa, Latin America and Eastern Europe (for more information on the Group's development strategy, see Section 1.4 "*Strategy*" of this Registration Document). Operations in emerging markets are inherently subject to higher economic, political and legal risks than in developed markets.

The Group's forays into new markets or market segments may take the form of franchise arrangements in line with the Group's traditional approach, a joint venture or partnership with another company, or the acquisition of an existing business. However, the Group may not be successful in identifying appropriate opportunities, potential franchisees, joint venture *partners*, alliances or agents, or in entering into agreements with them. The Group's partners may also have economic or business interests or goals that are inconsistent with the Group's or they may be unable or unwilling to fulfill their obligations under the joint venture or other agreements. Furthermore, they may benefit from knowledge acquired under these joint venture agreements. In addition, certain of the Group's debt instruments and facilities place certain limitations on the Group's ability to make acquisitions, enter into joint ventures or other partnership arrangements (see Section 3.2 "*Liquidity and Capital Resources*" of this Registration Document).

In the event that the Group chooses to expand by means of new franchise agreements, the Group could face additional risks, including (i) possible conflicts of interests with the new franchisees, (ii) lack of expertise in local franchise laws, (iii) unfavorable commercial terms, (iv) the Group's difficulty in maintaining uniform standards, control procedures and policies and (v) the possible failures of a franchisee to fulfill its contractual obligations. An expansion into new markets or customer segments through a new franchise agreement could also involve a significant amount of management time, potentially disrupting ongoing business.

In the event that the Group chooses to expand by means of one or more acquisitions, the Group could face additional risks, including: (i) potential disruption of the Group's ongoing business, changing, in particular, the Group's business profile in ways that could have unintended negative consequences, and monopolization of management's time; (ii) potential failure to achieve anticipated synergies; (iii) difficulty integrating the acquired businesses; and (iv) exposure to unknown and/or contingent or other liabilities, including litigation arising in connection with the acquisition and/or against any businesses the Group may acquire.

If the Group makes acquisitions in the future, acquisition-related accounting expenses may affect the Group's financial position and results of operations. In addition, the financing of any significant acquisition may result in changes in the Group's capital structure, including the incurrence of additional indebtedness. The Group may not be successful in addressing these risks or any other problems encountered in connection with any acquisitions.

Any one of these factors could result in delays in implementation of the Group's growth strategy, increased costs or decreases in the amount of expected revenues related to the expansion and have a material adverse effect on the Group's results of operations, financial position and prospects.

2.2.11 Risks related to personnel costs

The Group's financial performance is affected by trends in wage levels and benefits granted to personnel. The Group has a substantial number of employees who are paid wage rates at or slightly above the statutory minimum wage. If statutory minimum wage rates increase in one or more countries in which the Group directly operates, the Group would then be required to increase the wages of its employees in order to meet the minimum wage requirements, and impacting also wages paid to employees whose wage rates are slightly above minimum wage. A shortage of qualified employees also could require the Group to increase wages and benefit offerings in order to compete effectively in the hiring and retention of qualified employees or to retain more expensive temporary employees. Due to competitive conditions in the Group's business, any such increases in labor and benefits costs could be difficult

for the Group to recover through contemporaneous price increases, and there can be no assurance that the Group would be able to absorb such cost increases through efforts to increase efficiencies in other areas of its operations. For the year ended December 31, 2016, the Group's personnel costs totaled €339.2 million (or 18% of the Group's total operating expenses for the year). Accordingly, increased labor and relating charges, particularly in Germany, France and the United Kingdom, where the Group has more employees, could have a material adverse effect on the Group's results of operations and financial position.

2.2.12 Risks related to the Group's ability to retain the members of its senior management team and retain and attract key personnel and highly-qualified staff

The Group relies on a number of key employees, both in the Group's management and the Group's operations, with specialized skills and extensive experience in their respective fields. The Group believes that the growth and success of its business will depend on the Group's ability to attract highly skilled and qualified personnel with specialized know-how in the vehicle rental and mobility solutions industry. The Group's senior management team has extensive experience in the markets in which the Group operates, and the Group's success depends to a significant degree upon the continued contributions of that team. If the Group were to lose any members of its

senior management team, the Group's ability to successfully implement its business strategy, financial plans, marketing and other objectives, could be significantly affected.

While the Group places emphasis on retaining and attracting talented personnel and invests in extensive training and development of its employees, there can be no assurance that the Group will be able to retain or hire personnel with equivalent expertise.

2.2.13 Risks related to the potential failure or unavailability of the Group's centralized information systems, or the Group's inability to keep pace with new information technology developments

The Group relies heavily on information systems to record reservations, process rental and sales transactions, manage its fleets of vehicles, account for its activities and otherwise conduct its business. The Group has centralized its information systems and relies on communications service providers to link its systems with the business locations these systems serve (see Section 1.6.11 "IT System" of this Registration Document). A major failure of IT or other systems, or a major disruption

of communications between the system and the locations it serves, could cause a loss of reservations, slow rental and sales processes, interfere with the Group's ability to manage its fleet and otherwise materially adversely affect its ability to manage its business effectively. The Group's systems design and business continuity plans may not be sufficient to appropriately respond to any such failure or disruption.

In addition, to achieve its strategic objectives and remain competitive, the Group must continue to develop and enhance its information systems in order to meet market needs and keep pace with new information technology developments. This may require investment in and development of new proprietary software or other technology, the acquisition of equipment and software, or upgrades to the Group's existing systems. The Group has invested in its information systems, including under its transformation program (with IT development expenses excluding software and hardware of €5 million in 2016), but no

assurance can be given that the Group will be able to anticipate such developments or have the resources to acquire, design, develop, implement or utilize, in a cost-effective manner, information systems that provide the capabilities necessary for the Group to compete effectively. In addition, regulatory changes may require the Group to bring its IT system to applicable standards, which may entail significant costs. Any failure to adapt to technological developments could have an adverse effect on the Group's business, results of operations and financial position.

2.2.14 Risks related to the Group's potential failure to protect customer data against security breaches and cyber-attacks

The Group's systems regularly possess, store and handle customer data, including personal data concerning millions of individuals and non-public data concerning many businesses. Failure by the Group to maintain the security of the data it holds or the integrity of its systems, whether as the result of the Group's own error or the malfeasance, errors or malicious acts of others, could harm the Group's reputation and give rise to significant liabilities. Third parties may have the technology or expertise to breach the security measures put in place by the Group to protect customer transaction data. The Group's security measures may not prevent security breaches that could result in temporary interruptions to the service concerned or a temporary interruption to the operations of the Group entity targeted in the attack, and likely to cause substantial harm to its business and results of operations and damage to its reputation. The Group intends to rely on encryption and/or authentication technology licensed from third parties to securely transmit sensitive data, including credit card numbers. However, advances in technology, new discoveries in the field of cryptography, or other developments may compromise or

affect the effectiveness of the technology the Group uses to protect customer transaction data. In addition, anyone who is able to circumvent the Group's security measures could misappropriate proprietary information or cause interruptions in the Group's operations (see Section 1.6.11 "*IT System*" of this Registration Document for further information on the Group's IT system).

In addition, the payment card industry ("PCI") imposes strict customer credit card data security standards to insure that the Group's customers' credit card information is protected. Failure to meet the PCI data security standards could result in substantial increased fees to credit card companies, other liabilities and/or loss of the right to collect credit card payments.

Any failure to protect customer data, or any security incident resulting in a breach of the Company's IT data by third parties, could damage the Group's reputation and brand or result in administrative investigations or material civil or criminal liability, which would substantially harm the Group's business, results of operations and financial position.

2.2.15 Risks related to the Group's potential failure to detect fraud

The scale and nature of the Group's businesses expose it to the risk of numerous frauds, which could adversely affect its results of operations, its financial position and harm its image. The Company may be exposed to various types of fraud, targeting it directly or targeting its customers. Furthermore, with the increasing complexity of technology and the accelerated rate

of new service introductions or new applications related, in particular, to billing and customer relations management, new types of fraud that are more difficult to detect or counter could also develop. In the event of such occurrence or the failure to detect these new types of fraud, the Company's revenue, results of operations and reputation could be affected.

2.2.16 Risks associated with the international nature of its customer base and operations

The Group has operations (directly or through franchises, agents or partnerships) in over 130 countries and territories and may expand into additional countries in connection with its development strategy. Operating in many different countries exposes the Group to various risks, which include: (i) multiple, and sometimes conflicting, foreign regulatory requirements and laws that are subject to change in each of the countries in which the Group operates, including laws relating to the following areas: taxes, automobile-related liability, consumption, marketing, insurance rates, insurance products, consumer privacy, data protection, fight against money laundering and corruption, labor law, cost and fee recovery, price controls

and the protection of the Group's brands and other intellectual property rights; (ii) the effect of foreign currency translation, as well as limitations on the Group's ability to repatriate income; (iii) varying tax regimes, including consequences from changes in applicable tax laws; (iv) local ownership or investment requirements, as well as difficulties in obtaining financing in foreign countries for local operations; and (v) potential political and economic instability, labor strikes, natural disasters, war, and terrorism. The occurrence of these risks may, individually or in the aggregate, materially adversely affect the Group's business, results of operations or financial position.

2.2.17 Currency fluctuation risks that could adversely affect its profitability

Although the Group reports its results in euro, the Group conducts business in countries that use currencies other than the euro, and the Group is therefore subject to risks associated with currency fluctuations. Of the Group's total consolidated revenue for the year ended December 31, 2016, 7.3% was generated outside the Euro-zone.

The Group's results of operations may be affected by both foreign currency translation effects and by exchange rate fluctuations. The Group is exposed to translation effects when one of the Group's subsidiaries incurs costs or earns revenue in a currency that is different from its functional currency. The Group is exposed to currency fluctuations when the Group converts currencies that the Group may receive from its operations into the currencies required to pay the Group's debt, or into currencies which the Group uses to purchase vehicles, incur fixed costs or pay for services. Such transactions could result in a gain or loss depending on fluctuations in exchange rates.

The Group's results are also exposed to foreign currency translation risk as its sales in several countries are invoiced in currencies other than the euro while its consolidated revenue is reported in euro. Therefore, the Group's financial results in any given period are materially affected by fluctuations in the value of the euro relative to the British pound, Australian dollar and other currencies. Currency exchange rates have been especially volatile recently, in particular concerning the euro/pound sterling exchange rate following Brexit. Brexit could increase the volatility of this exchange rate in particular. Currency fluctuations may make it difficult for the Group to predict and/or provide guidance on the Group's results. If the value of the euro declines against currencies in which the Group's obligations are denominated or increases against currencies in which the Group's revenue is denominated, the Group's results of operations and financial position could be materially adversely affected.

See Note 28 "Financial risk management - Market risk - Foreign exchange risk" in Section 3.4 "Consolidated financial statements and Statutory Auditors' report" of this Registration Document.

2.2.18 Risks related to natural disasters that could disrupt the Group's supply chain

Natural disasters affecting countries that are important suppliers of electronics or other key components to global car manufacturers could result in disruptions to the supply of vehicles by manufacturers. For example, the earthquakes and related disasters that occurred in Japan in 2011 resulted in a disruption of the supply of electronic components for automobiles from Japanese manufacturers and, as a result, in the supply of vehicles.

In the event that one or more of the Group's vehicle suppliers were unable to satisfy the Group's purchase requirements, the Group would have to increase the number of vehicles it purchases from other manufacturers, or start purchasing

vehicles from one or more manufacturers from which it does not typically purchase vehicles. There can be no guarantee that, in such a circumstance, the Group would be able to purchase a sufficient number of vehicles at purchase prices equal to those for the vehicles the Group currently purchases, or at all. If the Group is not able to purchase sufficient quantities of vehicles on competitive or acceptable terms and conditions, or if a manufacturer from whom it purchases a significant number of vehicles or equipment is unable to continue to supply the Group with vehicles, then the cost of purchased vehicles may increase. These rising costs could have a material adverse effect on the Group's results of operations and financial position.

2.3 RISKS RELATING TO THE GROUP'S FINANCIAL STRUCTURE AND PROFILE

2.3.1 The Company is a holding company whose ability to generate cash comes from its subsidiaries

The Company is a holding company and its principal assets consist of direct and indirect stakes in its different subsidiaries that generate the Group's cash flow (see Section 1.7.1 "Simplified Group Organization Chart" of this Registration Document). The Company's ability to generate cash to meet its debt service obligations or to pay dividends on its shares is dependent on the earnings and the receipt of funds from its subsidiaries. If the profits of its operating subsidiaries decrease, the Group's profits and cash flow could be affected.

The cash flow of the Group's parent company is primarily derived from dividends, interest and repayments on intra-group loans and asset transfers by its subsidiaries. The ability

of the Group's operating subsidiaries to make these payments depends on economic, commercial, contractual, legal and regulatory considerations. Any potential decrease in profits, or potential failure by the Group's subsidiaries to make payments to other Group subsidiaries or to the Company could have a material adverse effect on the ability of the subsidiaries or the Company to repay their debt and meet other obligations, which could have a material adverse effect on the Group's business, results of operations and financial position.

2.3.2 Risks related to the Group's substantial indebtedness

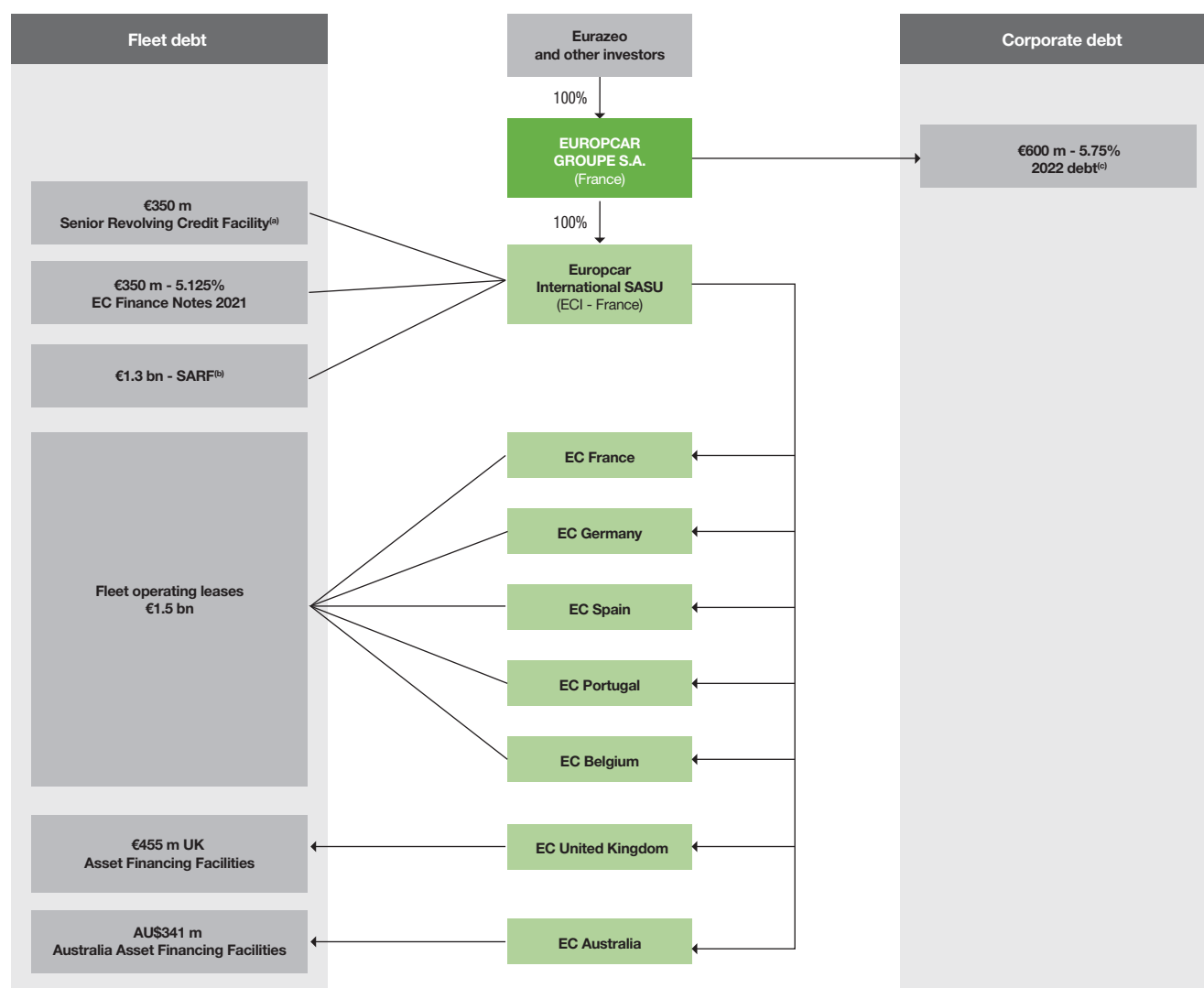
The financing is described in Section 3.2.1 "*General Presentation*" of this Registration Document.

As of December 31, 2016, the Group's total consolidated financial liabilities stood at €2,177.7 million (€2,065.0 million as of December 31, 2015). The Group has also entered into off-balance sheet commitments under operating lease financing arrangements, whose outstanding amount is estimated at €1,460.5 million at December 31, 2016 (€1,323.4 million as of December 31, 2015). See Section 3.2 "*Liquidity and Capital Resources*" of this Registration Document for more information on the Group's debt structure on- and off-balance sheet.

The increase in financial liabilities (financial debts on the balance sheet) in 2016 in the amount of €113 million is mainly associated with the issuance of a new tranche of €125 million

of senior notes assimilable to existing senior notes expiring in 2022 intended for the financing of the acquisitions made in 2016 (Locaraise and Europcar Ireland) and future acquisitions. The increase in off-balance sheet commitments of €137 million corresponds exclusively to the increase in the off-balance sheet fleet debt (financing agreements for operating leases), which enabled the Group to finance the growth of its fleet to meet the dynamic activity and the increase in the number of rental days.

The following chart provides a summarized view of the Group's financial debt structure (including the estimated debt equivalent of operating leases) as of December 31, 2016. Each financing is described in Section 3.2.3.1 "*Corporate Debt*" (for corporate debt) and Section 3.2.3.2 "*Debt Related to Fleet Financing*" (for fleet debt) of this Registration Document.



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(a) The Existing Senior Revolving Credit Facility was repaid on May 28, 2015 with the Senior Revolving Credit Facility (RCF), which has an amount of €350 million. Margin of 2.50% if the leverage ratio (as defined in the terms of the RCF) is lower than 2.0: 1.0 or 2.75% if greater than 2.0:1.0.

(b) Amendments to the SARF were signed on September 14, 2016. These amendments increased the amount of FCT Senior Notes that may be issued by the FCT Issuer under the SARF from €1.1 billion to €1.3 billion, and decreased the margin applicable in respect of the FCT Senior Notes from 1.7% to 1.5% (before the amortization period) and extended the maturity to 2020.

(c) The Notes were issued on June 10, 2015 for a total principal amount of €475 million. New fungible notes were issued on June 2, 2016 for €125 million, bringing the total principal amount of these Notes to €600 million.

The total amount of the Group's financial liabilities that relate to fleet financing at December 31, 2016 is approximately €1,734 million. These liabilities are mostly backed or secured by assets, mainly vehicles. They consist of €13 million under the €350 million (the "Senior Revolving Credit Facility" or "RCF"), €693 million under the Senior asset Revolving Facility (the "SARF", of a total amount that may be refinanced by senior notes backed by assets of €1,300 million), £280.4 million (€328 million) under the UK fleet financing facilities agreements, €350 million in the form of secured senior subordinated

notes issued by EC Finance plc (the "EC Finance Notes"), AUD 141.2 million (€96.8 million) under the Australia and New Zealand fleet financing facilities agreements and €33.6 million under the Portugal fleet financing facilities agreements (that finance a portion of the Portuguese fleet). The Group also finances its vehicle fleet by means of operating lease financing agreements recorded off-balance sheet with an estimated outstanding value of €1,460.5 million ⁽¹⁾ as of December 31, 2016.

(1) The estimated debt financed through operating leases represents the carrying amount of the vehicles concerned and is calculated based on the purchase prices and depreciation rates of corresponding vehicles (based on contracts with car manufacturers).

Furthermore, a significant portion of Group's assets is pledged to secure the consolidated debt referred to above. The SARF and, indirectly, on a second ranking basis, the EC Finance Notes, are secured by the Securitifleet Collateral, as defined below under Section 2.3.4 "*Risks related to covenants included in the Group's debt instruments*" of this Registration Document. The Securitifleet Collateral includes certain of the shares and assets of the special purpose entities established in the context of the Group's asset-backed financing and controlled by trusts (the "**Securitifleet Companies**"), to purchase and own vehicles and lease them to the local Europcar operating companies in France, Germany, Italy and Spain including the vehicle fleets in these jurisdictions, subject to certain exceptions. The Securitifleet Companies benefit from a performance guarantee (in the form of a joint and several guarantee) from Europcar International S.A.S.U. ("**ECI**"). The EC Finance Notes also benefit from the ECI guarantee. The Senior Revolving Credit Facility is secured by shares held in certain subsidiaries (in particular, an effective first ranking basis for the shares of ECI) and the bank account balances of certain subsidiaries.

The Group's substantial indebtedness could have important consequences, in particular:

- requiring the Group to dedicate a substantial portion of the Group's cash flow from operations to payment of the Group's debt, thereby reducing the funds available for (i) working capital, (ii) distributing dividends, (iii) capital expenditures and (iv) other general corporate purposes such as purchasing and leasing vehicles;
- limiting the Group's flexibility in planning for or reacting to changes in the rental vehicle business;
- placing the Group at a competitive disadvantage compared to any of the Group's competitors that might be less leveraged;

- increasing the Group's vulnerability to both general and industry-specific adverse economic conditions;
- limiting the Group's ability to borrow additional funds and increasing the cost of any such borrowing; and
- restricting the Group from making strategic acquisitions or exploring new business opportunities.

Any of these or other consequences or events could have a material adverse effect on the Group's results of operations and/or financial position.

In addition, the Group may incur substantial additional indebtedness in the future to the extent that such indebtedness is incurred in compliance with certain covenants included in the Group's debt instruments (see Section 3.2.3 "*Description of the financing as of December 31, 2016*" of this Registration Document for a description of the Group's debt instruments) including covenants under its credit facilities or under operating lease financing arrangements (as the Group calibrates drawings under its revolving credit facilities and leasing to correspond to the Group's fleet needs (see Section 3.2 "*Liquidity and Capital Resources*" of this Registration Document)). If new debt is added to the Group's current debt levels, the risks to which the Group is exposed at the date of this Registration Document could intensify. Although, following the initial public offering and the associated refinancing, the ratio of net debt to the Group's Adjusted Corporate EBITDA has decreased significantly, these risks may have a material adverse effect on the Group's business, results of operations and financial position. For further information on the Group's indebtedness, see Section 3.2 "*Liquidity and Capital Resources*" of this Registration Document.

2.3.3 Risks related to the Group's potential inability to continue financing vehicle acquisitions for its fleet

The Group relies significantly on fleet asset-backed financing to purchase vehicles for its domestic and international vehicle rental fleets. Currently, the Group mainly relies on the SARF and the outstanding EC Finance Notes (see Section 3.2 "*Liquidity and Capital Resources*" of this Registration Document).

If the Group's access to asset-backed financing were reduced or the cost of such financing were to increase, the Group may not be able to refinance or replace its existing asset-backed financing or continue to finance new vehicle acquisitions through asset-backed financing on favorable terms, or at all. The Group's asset-backed financing capacity could be

decreased, or financing costs could be increased, as a result of risks and contingencies, many of which are beyond the Group's control, including, without limitation:

- requirements by the rating agencies that provide credit ratings for the Group's asset-backed indebtedness to change the terms or structure of the Group's asset-backed financing, including increased credit enhancement (i) in connection with the incurrence of additional or refinancing of existing asset-backed debt, (ii) upon the occurrence of external events, such as changes in general economic and market conditions or deterioration in the credit ratings of the Group's principal

- vehicle manufacturers, including Volkswagen group, Fiat, General Motors, Renault or Peugeot Citroën, or (iii) otherwise;
- the insolvency or deterioration of the financial position of one or more swap counterparties or financial institutions acting in certain capacities under the asset-backed financing of the Group;
- the occurrence of certain events that, under the agreements governing the Group's existing asset-backed financing, could result, among other things, in particular in (i) an amortization event pursuant to which payments of principal and interest on the relevant indebtedness may be accelerated, or (ii) a liquidation event of default pursuant to which the security trustee or relevant creditors would be permitted to require the sale of fleet vehicles that collateralize the asset-backed financing; or
- legislative changes that negatively impact the Group's asset-backed financing structure.

Any disruption to the Group's ability to continue to finance new vehicle acquisitions through asset-backed financing, or any negative development in the terms of the asset-backed financing available to the Group could cause the Group's cost of financing to increase significantly and have a material adverse effect on the Group's financial position and results of operations. The assets that collateralize the Group's asset-backed financing may not be available to satisfy the claims of the Group's unsecured creditors. The terms of the Group's outstanding indebtedness permit the Group to finance or refinance new vehicle acquisitions through other means, including secured financing that is not limited to the assets of special purpose subsidiaries. The Group may seek in the future to finance or refinance new vehicle acquisitions through such other means. No assurances can be given, however, as to whether such financing will be available, or as to whether the terms of such financing will be comparable to the existing asset-backed financing.

2.3.4 Risks related to covenants included in the Group's debt instruments

The Group and the Group's subsidiaries are subject to restrictive covenants contained in the Group's debt instruments. These covenants restrict, in certain circumstances, the ability of certain of the Group's subsidiaries to make payments to the Group which could, in turn, affect the Group's ability to make payments under the Group's debt instruments. These covenants, however, do not include requirements to maintain a certain rating or any repayment or interest step-up clauses based on a downgrade in the Group's credit rating.

The Senior Revolving Credit Facility and the Indentures governing the outstanding Notes and EC Finance Notes contain customary default provisions and provide that any payment event of default or acceleration with respect to aggregate indebtedness of €35 million or more (in the case of the Senior Revolving Credit Facility and the Notes) or €30 million or more (in the case of the outstanding EC Finance Notes) of the Company or its subsidiaries is also an event of default thereunder. The Senior Revolving Credit Facility, the UK fleet financing facilities agreements and certain of the Group's other financing also require the Group or certain of the Group's subsidiaries to maintain specified financial ratios and satisfy financial tests. The Group's ability or the ability of the Group's subsidiaries to satisfy these financial tests can be affected by events beyond the Group's control, and there can be no assurances that the Group or its subsidiaries will satisfy them.

A breach of any of these covenants, ratios, tests or restrictions could result in an event of default under the Senior Revolving Credit Facility, the outstanding Notes, EC Finance Notes or hinder the Group's ability to borrow under the Senior Revolving Credit Facility or other indebtedness, which could have a material adverse effect on the Group's ability to operate the Group's business and to make payments under the Group's debt instruments. Upon the occurrence of any event of default under the Senior Revolving Credit Facility, the lenders thereunder could cancel the availability of the facilities and elect to declare all amounts outstanding thereunder, together with accrued interest, immediately due and payable. If the Group was unable to repay these amounts, the lenders could, subject to the terms of the applicable RCF intercreditor agreement, proceed against the collateral granted to them to secure repayment of these amounts. If the lenders under the Senior Revolving Credit Facility demand repayment of these amounts, there can be no assurances that the assets of the Group's subsidiaries would be sufficient to repay those amounts in full, or to satisfy all of the Group's other liabilities which would be due and payable.

The SARF also includes substantial restrictive covenants applicable to certain of the special purpose entities established in the context of the Group's asset-backed financing, including Securitifleet Holding S.A. ("Securitifleet Holding"), the special purpose entity providing financing for the fleet purchasing and leasing activities of the Securitifleet Companies in France, Italy, Spain and Germany. Failure to satisfy these covenants and conditions could result in a decrease in the advance rate and an increase in the margin under the SARF, or a default thereunder. In addition to customary default provisions, the SARF provides that any acceleration with respect to the Senior Revolving Credit Facility, the Notes, or the EC Finance Notes will constitute a "level 2" event of default under the SARF (see Section 3.2 "*Liquidity and Capital Resources*" of this Registration Document). A breach of any of these covenants, ratios, tests or restrictions could result in an event of default under the SARF or hinder the ability of Group companies to borrow under such facilities. Upon the occurrence of any event of default under the SARF (including as a result of acceleration of the Senior Revolving Credit Facility or the Notes), the lenders thereunder could cancel the availability of the facilities and elect to declare all amounts outstanding under the SARF, together with accrued interest, immediately due and payable.

The Group's debt instruments include covenants whose aim is to, *inter alia*, limit the ability of the Company and certain of its subsidiaries to:

- incur additional indebtedness;
- pay dividends or make any other distribution;
- make certain payments or investments;
- issue security interests or guarantees;
- sell or transfer assets or shares;
- enter into transactions with affiliated companies; and
- merge or consolidate with other entities.

These limitations are subject to various conditions and exceptions, including the ability to distribute dividends and make investments under certain circumstances. However, these covenants could limit the Group's ability to finance its future operations and capital needs and its ability to pursue business opportunities and activities that may be in its interest. In addition, the Group's ability to comply with the covenants in its debt instruments may be affected by events beyond its control.

The obligations of Securitifleet Holding under the SARF together with its obligations to repay the proceeds borrowed under a proceeds loan between EC Finance plc and Securitifleet Holding (the "**Securitifleet Proceeds Loan**") (which would allow EC Finance plc to repay the proceeds of the EC Finance Notes) are secured directly or indirectly by the following shared collateral:

- a first priority share pledge over a limited percentage of shares of Securitifleet Holding held by ECI;
- a first priority pledge over Securitifleet Holding's bank accounts;
- a first priority and, where appropriate, subsequent ranking, security interest over a limited percentage of shares held by each of the Group's operating companies in the relevant Securitifleet entity in its jurisdiction (other than the limited percentage of shares held by Europcar Italy in Securitifleet Italy with respect to the EC Finance Notes);
- a first priority and, where appropriate, subsequent ranking, security interest over receivables (including bank accounts and the fleet vehicles) in respect of each of the Securitifleet Companies (other than in respect of Securitifleet Italy with respect to the EC Finance Notes) and subject to certain exceptions in Spain; and
- a first priority and, where appropriate, subsequent ranking, share pledge over certain receivables (including under buy-back agreements from vehicle manufacturers) of each of the Securitifleet Companies (other than Securitifleet Italy with respect to the EC Finance Notes), subject to certain exceptions in Spain

All assets subject to the liens in the foregoing paragraph are collectively referred to herein as the "**Securitifleet Collateral**".

The Securitifleet Collateral secures the SARF and the Securitifleet Proceeds Loan (and, hence, indirectly the EC Finance Notes) on a shared *pari passu* basis and enforcement proceeds from such collateral would be paid first to the senior lenders under the SARF and then to EC Finance plc under the Securitifleet Proceeds Loan (and, as a result, indirectly to the holders of EC Finance Notes) pursuant to the priority of payments in the Intercreditor Agreement.

The hedging banks (responsible for the hedging transactions concerning the SARF) do not benefit from Securitifleet Collateral: they benefit from the same collateral as the lenders under the RCF.

2.3.5 Risks related to the Group's ability to generate cash and/or secure financing to fund its indebtedness or foreseeable liquidity requirements

The Group's ability to make payments on and to refinance its debt, to acquire vehicles in its fleet and to fund planned capital and development expenditures or opportunities that may arise, such as acquisitions of other businesses, will depend on its future performance and its ability to generate cash and/or obtain financing, which to a certain extent, are subject to macro-economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this Section, many of which are beyond the Group's control.

There can be no assurances that the Group will generate sufficient cash flows from operations or that future borrowing will be available in an amount sufficient to enable it to pay its debts, or to fund other liquidity needs. If future cash flows from operations and other capital resources are insufficient to pay the Group's obligations as they mature or to fund liquidity needs, the Group may be forced to reduce or delay its business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of its debt. There can be no assurances that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, the terms of the Group's existing and future indebtedness may limit its ability to pursue any of these alternatives. For a description of the Group's financial liabilities, including financial derivative instruments, by relevant maturity based on the remaining

contractual periods as of December 31, 2016, see Note 28 "Financial Risk Management" on the liquidity risk of the 2016 consolidated financial statements as set forth in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report*" of this Registration Document.

The Group believes that it will have sufficient resources to repay or refinance the current portion of its debt and lease obligations and to fund its foreseeable liquidity requirements over a 12-month period from the date of filing this Registration Document. However, as the Group's debt matures, the Group anticipates that it will seek to refinance or otherwise extend its debt instruments' maturities. The Group's ability to invest in its businesses and refinance maturing debt obligations could require access to the credit and capital markets and sufficient bank credit lines to support cash requirements. The Group may also experience difficulties in obtaining financing in foreign countries for local operations. If the Group is unable to access the credit, securitization and capital markets, the Group could experience a material adverse effect on its liquidity, financial position or results of operations. In addition, the Group's available financing could be decreased, or its financing costs increased, as a result of factors which are beyond its control, including the insolvency, deterioration of the financial position, a change in law or a change in credit policy of one or more of the Group's lenders, certain of which are local or regional lenders.

2.4 REGULATORY AND LEGAL RISKS

2.4.1 Risks related to compliance with current or future regulations applicable to the Group's business

As it operates in over 130 countries and territories all over the world, the Group is subject to a vast array of international, national and local laws and regulations. See Section 1.6.12 "*Regulations*" of this Registration Document.

Changes to laws, regulations, case law or any other rules applicable to the Group's activities, as well as, more broadly, any changes in the decision-making process of the competent authorities could give rise to the Group's liability or have a

material and unforeseeable impact on its business in France, within the European Union or in other jurisdictions. Changes to laws, regulations or other applicable rules, as well as the review of case law or changes in how it is applied and interpreted could have a significant adverse effect on the Group's operating costs, competitive position or outlook. While the Group keeps track of and monitors the regulations it is subject to, its activities in France or abroad may be in breach of the applicable laws and regulations and give rise

to liability. Non-compliance by the Group with the laws and regulations to which it is subject, both in France and abroad, could potentially also lead to different types of sanctions, including the restriction, suspension or ban of certain activities and the imposition of fines, payment of compensation or other penalties. Any of these incidents could have a material adverse effect on the Group, its financial position, results of operations, reputation or prospects. Even if the changes to laws, rules or regulations do not apply directly to the Group, their effects on its customers or partners may have an indirect and material impact on how the Group carries out its business or the associated costs, as well as on the demand for the services the Group supplies.

2.4.1.1 Risks related to compliance with Consumer Protection Regulations

The Group's business and its business practices are highly regulated with respect to consumer protection and any changes in these laws, regulations or their interpretation, in particular in terms of rules related to price transparency, non-discriminatory pricing, unfair terms or misleading advertising, could affect the Group's reputation as well as its business both in terms of logistics and costs, which could have a material adverse effect on the Group's financial position and results of operations. For example, the adoption of regulations affecting or limiting the sale of supplementary insurance or a new interpretation of regulations by the competent authorities could entail a reduction or loss of these revenue sources and have a material adverse effect on the Group's profitability.

Moreover, in the context of the cooperative process between the national authorities of Member States of the European Union that are responsible for applying legislation for the protection of consumers pursuant to regulation EC No. 2006/2004, a dialogue was opened by the European Commission aimed at improving consumer experiences (in particular the transparency and suitability of contractual terms) within the European Union. In this respect, the Group made undertakings to the European Commission during the 2015 fiscal year, including the adoption of new general rental conditions and the clarification of the insurance and contractual guarantee policy in the event of damage caused to the vehicle. In January 2017, the European Commission praised the Group's commitments. Throughout the 2016 fiscal year, the Group continued its discussions with the European

Commission and the relevant national authorities to continue improving its practices. If they conclude that the Group has made insufficient changes to its sales policy it could have a material adverse effect on the Company's revenue and results of operations (see "Consumer Protection Regulations in the EEA" under Section 1.6.12.1 "Consumer Protection Regulations" of this Registration Document).

Finally, in most jurisdictions in which the Group operates, the Group passes various costs on to its customers, including airport concession fees, as separate fees in connection with vehicle rentals. Nevertheless, the industry may in the future be subject to potential legislative or administrative changes that may limit, constrain and/or prohibit the possibility to indicate, bill and collect these separate fees, which would result in such costs being reallocated back to the Group. If such measures were adopted at the national or European level, they could have a material adverse effect on the Group's revenue, results of operations or prospects.

2.4.1.2 Risks related to compliance with personal data protection regulations

Changes in the regulations for protection of personal data could also have a material adverse effect on the Group's business. European directives and regulations as well as national rules in the various countries where the Group operates restrict the types of data it can collect on people it deals with or wishes to deal with, as well as the way it collects, stores and uses the data that it is allowed to collect. In addition, the centralized nature of the Group's IT systems requires a regular cross-border flows of customers' and prospects' data beyond the country where it was taken. If this data flow becomes illegal or starts to generate additional infrastructure costs the Group's capacity to serve its customers may be materially affected for an indefinite period.

Other legislative changes or bilateral agreements on customer data processing, customer data confidentiality and data security could also have a material adverse effect on the Group's business.

Also, although the Group has in place procedures to keep personal and banking data secure, data theft, piracy of security systems, identity fraud or theft of customers' banking data could have a material adverse effect on the Group's reputation, revenues, results of operations or prospects.

2.4.1.3 Risks related to environmental and health and safety rules

The Group has its own installations for storing petroleum products as well as centers for washing and maintaining vehicles. The Group's businesses are subject to environmental laws and regulations, particularly as regards (i) owning and operating petroleum product storage facilities, e.g. gasoline and diesel, and (ii) production, storage, transportation and disposal of waste, including sludge from vehicle washes, waste water and other hazardous substances.

Environmental legislation has progressed significantly in recent years and continues to develop. Public authorities and courts can impose fines or civil or criminal penalties, and order repairs or clean-ups of pollution in the event of non-compliance with environmental regulations. Also, in some cases, the authorities can amend or revoke the Group's operating licenses, which could force it to close down temporarily or permanently the installations in question and pay the resulting costs of closure, maintenance and repair. Bringing the Group into compliance with environmental law and regulations could have an effect on its results of operation and financial position.

Each Group Corporate Country is responsible for ensuring that its storage facilities comply with local regulations in that country in order to ensure that they (i) are properly reported to the competent authorities of the countries in which they are located; and (ii) have been replaced or upgraded to comply with applicable requirements on the detection of leaks and protection against spills, overflows and corrosion. However, there can be no assurance that daily use of these tank systems may not result in leaks which, while insignificant on a daily level, have a cumulative material effect over time.

Furthermore, international law and regulations have historically and will likely continue to contemplate numerous measures related to greenhouse gas emissions and climate change. If

rules designed to cap emissions or tax the companies seen as responsible should come into force, it could affect demand for the Group's services and the vehicle fleet and/or other costs could rise with adverse implications for its results of operation and financial position.

The laws, regulations, charters, Ethics Codes and certifications to which the Company subscribes are shown in Section 4.5.2 "*Promote a responsible purchasing policy*", "*Promote business ethics and responsible purchasing*", of this Registration Document.

2.4.1.4 Risks related to compliance with regulation of franchisees

The Group has national and international franchisees that help the Group achieve wide territorial coverage and contribute to its revenue. Legislative, regulatory, administrative and jurisprudential changes as well as changes in the conditions, application or interpretation of old and recent texts under French law governing such contractual relationships, particularly changes in precedents impacting the content of contracts (through, for example, a legal review of terms and conditions previously negotiated), or limiting the franchiser's ability to cancel franchise contracts (for example, by requiring an indemnity payment in the event of termination), or refusing the renewal or transfer of these agreements, could have a material adverse effect on the Group's business, financial position and results of operations.

Although independent, franchisees must comply with the knowledge requirements and standards defined by the Group, in compliance with the laws and regulations applicable to their business. Non-compliance by franchisees with these rules could have a material adverse effect on the Group's reputation and business in the countries affected.

2.4.2 Risks related to liability and insurance

The Group's business generates significant risk with respect to automobile civil liability. Vehicles from the Group's fleet entrusted to its customers or employees may be involved in cases of physical injury and death or property damage caused to third parties. The Group has purchased an automobile insurance program covering civil liability for bodily injury (including death) and property damage to third parties resulting from the use of its rented vehicles. If the Group were not able to renew its automobile insurance under acceptable commercial terms, or to find alternative and equivalent coverage, it would be unable to rent its vehicles. Historically, automobile insurance premiums calculated per rental day, have both trended upward

and downward, reflecting trends in the insurance market and the Group's own loss ratio. The availability and cost of coverage should remain the controlling factors in the future. Furthermore, there are only a limited number of insurers that are prepared to offer multinational automobile insurance programs. For example, the Group has implemented an insurance program in Belgium, France, Germany, Italy, Portugal and the United Kingdom (the "Europrogramme") with AIG Europe Ltd. ("AIG"). There can be no assurance that the Group's insurance premiums will not increase in the future, in particular in countries where signed insurance policies are not profitable for insurance companies.

Historically, a significant share of the Group's exposure to civil liability, in particular automobile civil liability, has remained the Group's responsibility under its insurance policies. As part of the Europrogramme, accidents, or the share of accidents related to automobile civil liability, less than or equal to €500,000 per accident are "self-insured" by the Group. In this case, AIG covers third parties, under local insurance policies subscribed to by the Group's subsidiaries, and is then reimbursed by the Group. There can be no assurance that the remaining amount payable by the Group will not significantly increase in the future. Furthermore, with respect to insured risks, there can be no assurance that current or future liability claims will not exceed the Group insurance policy levels. The occurrence of such an event could have a material adverse effect on the Group financial position. See Section 2.6 "*Insurance and Risk Management*" of this Registration Document.

Moreover, the Group bears the risk of damages to vehicles it owns and to its business beyond its automobile fleet. The Group has decided not to purchase an insurance policy against these risks. Over the long run, the Group considers that insuring property damage to its fleet and theft of vehicles would be greater than or equal to actual costs of damages and theft. Nevertheless, there can be no assurance that the Group will not be exposed to non-insured damages from asset-related risks, whose levels may be greater than historical levels, and which could have a material adverse effect on the Group's financial position and results of operations. See Section 2.7 "*Insurance and Risk Management*" of this Registration Document.

2.4.3 Risks related to the protection of intellectual property rights

The Group's business and its future growth depend in particular on its ability to obtain, maintain and protect its trademarks, domain names, "GreenWay®" technology (see Section 1.6.11.1 "*The GreenWay® System*" of this Registration Document) and other intellectual property rights. The Group grants operating licenses of its trademarks and other intellectual property rights (including those it uses under licenses) to its franchisees, agents and service providers (see Section 1.8.2 "*Intellectual Property, Licenses, Usage Rights, and Other Intangible Assets*" of this Registration Document). The Group, its franchisees, agents or service providers may not be able to adequately protect these trademarks and other intellectual property rights against challenges to their validity, violations and abusive use by third parties, in particular in markets in which the Group has not been active in the past.

Furthermore, certain intellectual property rights that the Group uses were granted to it by partners under reciprocal license agreements under which Europcar International SAS is granted an exclusive license on certain brands in countries where the Group operates or has a franchise, excluding countries where the partner operates directly (see Section 1.8.2 "*Intellectual*

Property, Licenses, Usage Rights, and Other Intangible Assets" of this Registration Document). An inability to continue using these intellectual property rights could have a material adverse effect on the Group's business. Moreover, the Group relies on this third party to take adequate measures in order to protect and enforce its intellectual property rights, which it has granted to the Group under a license. It is also possible that disputes arise as part of the Group's use of trademarks subject to licenses, particularly when the interests of the licensor and those of the Group diverge as market conditions change. The Group may be ordered to pay significant damages and interest, discontinue the sale of services violating the intellectual property rights in question and incur additional expenses to sign, where applicable, licenses allowing it to use the disputed intellectual property rights.

Similarly, any material violation of the Group's intellectual property rights could entail disputes, which may also result in costs and commercial uncertainty for the Group. Any of these incidents could have a material adverse effect on the Group, its financial position, results of operations or prospects.

2.4.4 Risks related to regulatory, legal and arbitration proceedings

In the ordinary course of its business, the Group is involved or at risk of being involved in a certain number of regulatory, legal or arbitration proceedings, the more significant of which are described in Section 2.7 “*Regulatory, Legal and Arbitration Proceedings*” of this Registration Document. In certain of these proceedings, claims of a significant amount have been made against companies of the Group or are likely to be made individually or jointly and sanctions, in particular administrative ones, could be imposed on companies of the Group. If any, the imposition of sanctions on companies of the Group could have

a material adverse effect on the Group's business, its financial position, results of operations and prospects. In addition, any provisions recorded by companies of the Group, with respect to regulatory, legal and arbitration proceedings in its financial statements could be insufficient (for a description of these disputes, see Section 2.7 “*Regulatory, Legal and Arbitration Proceedings*” of this Registration Document), which could have a material adverse effect on the Group's business, results, financial position, liquidity or prospects, independently of the claim's underlying validity.

2.4.5 Risks related to competition law

The Group's activities may be subject to legal action or investigations with respect to competition, marketing practices and price setting, which could impact the Group's business, results of operations and financial position. The Group could be held liable for any failure to comply with competition law, either directly or indirectly (including because of a failure by one of the Group's agents, franchisees or partners) by both the competition authorities and the injured parties, which could result in significant negative consequences for the Group, particularly with respect to its reputation, financial position or prospects. Certain Group entities are subject to investigations by different administrative authorities relating to competition law and/or marketing practices and price setting.

On February 27, 2017 the French Competition Authority dismissed proceedings related to the car rental sector, deeming that the practices alleged by the plaintiffs had not been established.

As this decision may be subject to appeal before the Court of Appeals of Paris, the provision of €45 million, recorded on December 31, 2015 in non-current charges (see notes 12 and 35 in Section 3.4 “*Consolidated financial statements and Statutory Auditors' report*”) was maintained as at December 31, 2016 and will only be reversed during the first half of 2017 if there is no appeal.

The imposition of fines or damages which could potentially be payable by the Group as a result of procedures relating to competition law could have a material adverse effect on the Group's liquidity and financial position, leading it to seek additional financing or resources.

2.4.6 Tax risk

By operating in many countries, the Group is subject to multiple and complex tax situations. The Group is located in countries where the laws and tax regulations in effect as well as the legal decisions of courts and/or local tax authorities are constantly evolving.

This environment does not always allow the Group to establish clear or definitive guidelines with respect to the tax regulations applicable to its business, transactions or intra-group reorganizations (past or future) which could as a result be based on an erroneous interpretation of French or foreign tax laws and regulations.

As such, the Group cannot guarantee that these interpretations will not be called into question by the relevant tax authorities. More generally, any failure to comply with tax laws and regulations in countries in which the Group or Group companies are located or operate may lead to tax reassessments, the payment of default interest, fines and penalties. In addition, tax laws and regulations may change or be modified in their interpretation and in their application by the relevant courts and authorities, in particular with respect to initiatives decided at an international or community level (such as the OECD, G20 or European Union). Any of these elements may lead to an increase in the Group's tax burden and have a material adverse effect on its financial position and results.

Taxation applicable to the ownership and commercial use of vehicles in Europe is rapidly evolving over time and varies from country to country. In the context of its operating activities, Europcar may be subject, in particular but not exclusively, to fleet, circulation or registration taxes, also known as "ecological taxes". These taxes could have a material adverse effect on the Group's results of operations in that this additional tax burden would not be passed on to its customers.

French and foreign tax rules could limit the Group's ability to benefit from tax deductions on interest, which may lead to a reduction in the Group's net cash.

Several European countries in which Europcar operates have implemented restrictive rules with respect to the tax deductibility of loan interest and other similar financial expenses. These changes could have an impact on Group companies that have relatively high debt levels. In general, these rules limit the deduction of interest under net financial expenses that exceed a certain threshold such as a percentage of EBITDA, or which do not respect debt/equity ratios.

Even when regulations of a particular regime allow for a deferral of the rejected interest deductions over future fiscal periods, the Group's ability to make tax deductions of this interest could depend on a number of factors, such as its ability to record future taxable income as well as restrictions related to the duration of the permitted deferral.

With respect to French tax regulations, Articles 212 bis and 223 B bis of the French General Tax Code, created by Article 23 of Finance Law No. 2012-1509 for 2013, limit the

portion of net financial expenses that can be deducted from corporate income tax, subject to certain conditions and exceptions, to 85% for tax years ended as from December 31, 2012 and to 75% for tax years starting from January 1, 2014.

In addition, as provided for in French regulations on undercapitalization, the deduction of interest paid on loans granted by a related party and, subject to certain exceptions, on loans granted by third parties but guaranteed by a related party, is authorized under certain conditions but subject to limitations, pursuant to the provisions of Article 212 of the French General Tax Code.

The impact of all such regulations on the Group's ability to deduct interest paid on loans could increase the Group's tax burden and have a material adverse effect on the Group's effective tax rate, financial position and results. Nevertheless, given current regulations and the Group's tax situation, the Group does not expect these limits to have a material adverse impact on its cash.

The Group's future results, French and foreign tax regulations and tax audits or disputes could limit the Group's ability to use its tax loss carryforwards and, as a result, have a material adverse effect on the Group's financial position.

The Group has significant tax loss carryforwards, for which the tax impacts are described in Note 14 "Tax" in Section 3.4 "Consolidated financial statements and Statutory Auditors' report" of this Registration Document.

The ability to effectively use these losses will depend on various factors including (i) the ability to record taxable income and the balance between income and losses, (ii) the general limit applicable to French tax loss carryforwards, under which the percentage of losses that can be carried forward to offset the portion of taxable income exceeding €1 million is limited to 50% for fiscal years ending as from December 31, 2012, as well as certain more specific restrictions related to using certain categories of deficits, (iii) limits to the use of tax losses that may be imposed by foreign laws and regulations, (iv) consequences of present or future tax audits or disputes and (v) potential changes in applicable laws and regulations.

These factors could increase the Group's tax burden and have a material adverse effect on the Group's effective tax rate, financial position and results.

2.4.7 Risks related to labor law

With an average annual headcount of 6,461 in 2016, the Group is subject to multiple national labor laws that are both complex and constantly changing. New regulations and laws could impact the content of contracts, or limit the Group's ability to maintain its current operating conditions or raise labor costs and could have a material adverse effect on the Group's business, financial position and results of operations.

The Group also uses a number of temporary workers and outsources services, mainly for the moving and cleaning of vehicles in high season and in compliance with the legislation applicable to the countries in which the Group operates.

The Group is located in countries where laws, applicable regulations as well as their interpretation by the relevant courts or authorities may rapidly change. The Group cannot guarantee that its interpretation, past or present, of the laws and regulations applicable in France or abroad is correct and will not be contested on different grounds by its employee-representative bodies, its employees or former employees before the relevant authorities. If such claims were heard, the Group could be exposed to the questioning of its practices and/or sanctions, which could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.4.8 Risks related to retirement pensions

The Group has obligations relating to defined benefit pension plans, in particular in the United Kingdom. The Group's financial obligations depend on the future performance of the assets, the level of interest rates used to determine future commitments, actuarial forecasts and experience, changes in the retirement regimes and applicable regulations. Given the large number of variables that determine the financial obligations of retirement regimes, which are difficult to forecast, and given that there may be regulatory changes, the future obligation to finance

in cash the retirement regimes of the Group and other post-employment benefit plans may be more significant than the amounts estimated at December 31, 2016 (see paragraph 2.16 "Employee Benefits" in Note 2 "*Significant Accounting Policies*" of the consolidated financial statements included in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report*" of this Registration Document). If this were to occur, such financial obligations may have an adverse effect on the Group's financial position or results of operations.

2.5 FINANCIAL RISKS

The Group's activities expose it to a variety of financial risks: market risk (in particular foreign exchange risk and interest rate risk), credit risk, price risk and liquidity risk. The Group's overall risk management program seeks to mitigate the potential negative impacts of volatility in the financial markets on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group Treasury Department is responsible for risk management, and submits its proposals for financial transactions for approval by the Management Board. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. The Group considers that its exposure at December 31, 2016 has not changed significantly during the last 12 months and therefore the policy implemented to mitigate such exposure remains consistent with prior years. A detailed analysis of these risks can be found in Note 28 "*Financial Risk Management*" as set forth in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report*". Regarding the financial risks related to the effects of climate change and the measures taken by the Company to reduce these risks by implementing a low-carbon strategy in all areas of its business, see Section 5.2.4 "*Report by the Chairman of the Supervisory Board on corporate governance and internal control*" of this Registration Document.

2.6 INSURANCE AND RISK MANAGEMENT

2.6.1 Insurance

In the ordinary course of business, the Group is exposed to three principal categories of risks that may be subject to insurance policies: (i) motor vehicle liability, (ii) damage to property (vehicles owned by the Group) and (iii) risks related to its business (excluding its fleet).

A Dedicated Insurance and Risk Management Department oversees in a centralized manner the insurance strategy of the Group's fleet as well as the other business related risks management processes. This centralized management is carried out in connection with dedicated personnel located in each Corporate Country. The Group does not manage insurance covering its franchises, which remains their own responsibility in accordance with the terms of the standard franchise contracts implemented by the Group.

In the context of external growth, the Group is required to analyze the insurance coverage in the companies it acquires, ensure that the risk management and insurance strategy is adequate and that all the necessary insurance policies required for the business are in place. When insufficient guarantees are identified in a newly acquired entity, it may take several months before adequate insurance policies in compliance with the Group's risk management strategy become effective for the recently acquired entity.

In countries in which the Group operates, it is generally required by liability laws to purchase insurance covering its risks related to motor liability against bodily injury and accidental death or property damage caused by its customers to third parties and resulting from the use of its vehicles, whether they are owned, rented or loaned. If these vehicles are not insured by the Group, they cannot be put into circulation. As a result, coverage of the Group's motor vehicle liability is critical for the running of its business.

2.6.1.1 Motor vehicle liability

EUROPROGRAMME (BELGIUM, FRANCE, GERMANY, ITALY, PORTUGAL AND THE UNITED KINGDOM)

To address the risk of its motor liability, the Group has implemented an insurance program in Belgium, France, Germany, Italy, Portugal and the United Kingdom, the "Europrogramme". The Europrogramme is a corporate insurance program allowing each subsidiary operating in each country participating in the program to benefit from motor vehicle liability insurance from its local AIG Europe Ltd. ("AIG") branch, established in the country in which the subsidiary operates.

Under the Europrogramme, third party claims or the share of third party claims related to motor liability less than or equal to €500,000 per accident are "self-financed". In this case, AIG covers third parties, under local insurance policies purchased by the Group's subsidiaries, and then recovers sums up to this amount, according to the relevant subsidiary, by:

- (i) Euroguard Cell 0, acting as deductible fund manager on behalf of Europcar Belgium, France, Italy and Portugal, up to a maximum of €500,000 per accident and within an annual aggregate limit actuarially set each year by country, in accordance with the Deductible Funding Agreement (DFA);
- (ii) Europcar Germany, up to a maximum of €100,000 per claim, and Europcar UK up to a maximum of €500,000 per claim, according to Loss Reimbursement Agreements (LRA);
- (iii) Euroguard Cell 9, the Group's reinsurance captive within Euroguard Protected Cell (PCC), a company separate from the Group, intervenes in order to cover:
 - a. a line of €400,000 in excess of €100,000 per claim for Europcar Germany claims,
 - b. the part of the claims under €500,000 in excess of the annual aggregate limit for the DFA of Belgium, France, Italy and Portugal.

The share of claims triggering the Group's motor vehicle liability that exceed the threshold of €500,000 per claim is transferred to AIG. The maximum coverage limit provided for by the insurance policy, including the amount of €500,000 per claim that is the Group's responsibility as described above, stands at a total of at least €100 million per member country of the Europrogramme, £85 million in the United Kingdom and, may, in certain countries, exceed this amount when required by local legislation.

For the year ended December 31, 2016, the estimated total cost of the Europrogramme was €77.4 million. The insurance policies comprising the Europrogramme were renewed as from January 1, 2016 for three years ahead of the original expiry date of December 31, 2016, on more favorable terms than those struck in 2014. This new long-term agreement, which took effect on January 1, 2016, defines the general framework of the Europrogramme and its annual renewal conditions, in particular the factors that determine the amount of premiums and fees payable by the Group for each year of the program.

SPAIN

Europcar Spain's motor vehicle liability is not covered within the Europrogramme. Since January 1, 2009, it has been insured through a standard risk transfer policy purchased from Allianz Spain. This insurance policy expires on December 31, 2017 and stipulates, in particular, the amount of premiums and fees payable by Europcar Spain in order to benefit from this coverage. The limits of this policy stand at €70 million for bodily injury and €15 million for property damage, which may be increased under certain conditions with additional coverage of €50 million ("voluntary" coverage) for bodily injury, accidental death and property damage. The total cost of the insurance premium for the year ended December 31, 2016 stood at €10.2 million.

AUSTRALIA AND NEW ZEALAND

The motor liability risks which the Group is exposed to as a result of its operations in Australia and New Zealand are covered by the "Third Party Bodily Injury" mandatory regime administered by the State and automatically purchased during a vehicle's registration, combined with an "Own Damages" policy covering the vehicle's market price and a "Third Party Property Damages" policy with a limit of approximately AUD 30 million (or approximately €20.5 million), executed on May 1, 2014 with Allianz for a period of one year and placed with QBE on May 1, 2015, renewed in 2016 and to be renewed again in 2017.

For the year ended December 31, 2016, the total cost (including the share of "self-financed" risks and premiums) of the Group to cover its risks and mainly its motor liability risk (Europrogramme, Spain, Australia and New Zealand combined) was €94.3 million, of which €91.1 million for the countries being part of the Europrogramme that corresponds to the coverage of accidents "self-financed" by the Group, the insurance premium of the AIG excess layer, claims management fees, administrative and brokerage fees as well as related taxes. In 2016, for Spain the insurance cost to cover in particular motor vehicle liability risk was €10.2 million and for Australia and New Zealand the cost was €0.2 million. The average claims maturing time during which the costs of claims are borne by the Group is approximately three years. Liability insurance is by nature long-tail insurance and the most severe claims may remain active for several years, or even tens of years or more in extreme cases. Motor liability insurance cost, stated on a comparable basis (per rental day) have historically trended both upward and downward, reflecting (i) the cost of the market capacity in terms of motor liability insurance and (ii) the Group's own motor liability claims records, these two factors being significantly influenced by the availability of insurance capacity on the market and increases in property damage claims and especially severe bodily injury claims (cases of death and disability). The Group estimates that these two factors will continue to influence insurance costs in the future.

IRELAND

The risks related to motor vehicle liability for Europcar Ireland are covered outside of the Europrogram, through a local insurance policy with AIG Europe Ltd ("AIG"). This policy is renewed annually and provides for the amount of premiums and fees payable by Europcar Ireland to benefit from this coverage.

Under this policy, AIG indemnifies third parties for unlimited bodily injury amounts, and property damage may be indemnified up to a €30 million limit.

Europcar retains a share of the expense of each claim, up to a maximum of €7,500. The total cost of the insurance premium for the year ended December 31, 2016 stood at €4.9 million.

Since 2015, Europcar Ireland has been committed to an active approach to claims reduction, in particular through the installation of devices on its fleet of vehicles that encourage responsible driving. These measures tend to improve the costs related to these claims.

2.6.1.2 Property damage – vehicles owned by the Group

In most countries in which the Group operates, the Group does not insure the property damage to its vehicles and is taking the charge related to the risk of damage to its fleet. Over the long run, the Group considers that insuring property damage to its fleet and theft of vehicles would be greater than or equal to actual costs of damages and theft. The Group's rental agreements generally stipulate that the customer is, subject to certain exceptions, responsible for any deterioration or damage (including damage as a result of theft) to the rented vehicles.

The cost of damages to the Group's vehicles for collisions in which third parties are not involved, the cost of damages to the Group's vehicles for which the Europcar driver is responsible and the cost of stolen or missing vehicles, as well as damages caused to the Group's property, are expensed as they are incurred. For the year ended December 31, 2016, expenses related to damages caused to the fleet (including repair work) and to the loss or theft of vehicles, net of recoveries, was €114 million.

The cost of damages to property or of theft not insured by the Group is partly offset by (i) proceeds from the sale of damage or theft waivers and (ii) the recovery of deductibles that remain applicable (see Section 2.6.1.4 "Optional coverage offered to customers" below).

2.6.1.3 Risks related to the Group's business (excluding its fleet)

In order to manage other risks related to the Group's business, or to comply with applicable laws, the Group has purchased and implemented other insurance programs, including a general liability insurance program, an environmental liability insurance program, an employer's practice liability insurance program related to employment practices, an insurance program covering fraud and misconduct, a directors and officers liability insurance program, a terrorist event insurance program covering direct damage to one of its facilities and a property damage and loss of earnings program.

These insurance programs have been purchased from non-affiliated insurance companies for amounts deemed by the Group as reasonable given its risk profile, and secured terms and conditions considered by the Group as reasonable.

The Company has purchased a specific directors and officers insurance program for the Company's executives and major shareholder in order to cover certain risks related to its flotation. It covers, in particular, defense and investigation fees, damages and interest, as well as insurable fines and penalties related to claims filed by the Company's new shareholders and proceedings initiated by the relevant stock market authorities

following non-compliance with applicable regulations. This insurance policy took effect as of the date of the admission to trading of the Company's shares on Euronext Paris for a six-year term.

Any increase in claims or the potential failure by the Group or its subsidiaries to renew its insurance contracts under terms and conditions at least as favorable, could have a material adverse effect on the Group's business, results from operations and financial position.

2.6.1.4 Optional coverage offered to customers

WAIVERS IN THE EVENT OF DAMAGE OR THEFT

The Group generally proposes ancillary products to its customers, such as partial waiver to recover, damage and theft protection, franchise buy-back product according to which the Group waives or limits its right to hold its customers financially liable for damage to the vehicle or losses to the Group. The purchasing this type of product transfers, for an additional fee or premium, the customer's total or partial cost liability to the Group.

PROTECTION AGAINST COSTS RELATED TO FLAT TIRES, BROKEN WINDSHIELDS AND HEADLIGHTS

The Group proposes a product that covers the customer's financial liability in the event of a flat tire, broken windshield and headlight during the ordinary use of the rented vehicle.

PERSONAL INSURANCE (PERSONAL ACCIDENT INSURANCE ("PAI") AND SUPER PERSONAL ACCIDENT INSURANCE ("SPAI"))

The Group proposes insurance products that allow occupants of its vehicles or their beneficiaries to receive lump sum indemnities in the event of accidental death or permanent disability following an accident occurring during the rental period. These products also contain a "medical expenses" component.

Such indemnities will be granted in addition to the compensation received by passengers considered third parties by the mandatory motor liability insurance regime and by a not-at-fault driver of the vehicle rented from the Group.

In the event where the driver of the vehicle rented from the Group is at fault, and as a result not covered under the mandatory motor liability insurance regime, insurance offered by the Group represents the driver's sole source of compensation (excluding a social security regime or insurance purchased elsewhere by the individual for personal use).

These three broad categories of products are available in sales agencies and from Europcar's website. The Group has purchased PAI/SPAI from a leading market insurer. The program was standardized for all Corporate Countries in March 2015 to enhance clarity for customers.

Any Group change in the legal or contractual conditions enabling the proposal and sale of these services, or the potential failure by the Group or its subsidiaries to propose them for sale to its customers or under less favorable terms and conditions could have a material adverse effect on the Group's business, results from operations and financial position.

2.6.2 Risk management

Risk management relates to measures implemented by the Group to identify and analyze the risks to which it is exposed in the ordinary course of business. Risk management is considered a priority by the Group's management and is closely followed by the Group Internal Audit Department. The Group's internal control and risk management procedures are based on a set of measures, policies, procedures, behaviors and customized actions aiming to ensure that the necessary measures are taken to:

- ensure the efficiency of operations and the efficient use of resources; and
- identify, analyze and control risks that could have a material effect on the Group's assets, results, operations or achievement of its objectives, whether they are operating, commercial, legal or financial or related to compliance with laws and regulations.

The Group's internal control system is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) principles as well as international standards, as defined notably by the Institute of Internal Auditors (IIA). The Supervisory Board, through the Audit Committee, is responsible for monitoring the effectiveness of the internal control and risk management systems put in place by the Management Board. The Audit Committee ensures the relevance, reliability and implementation of internal control procedures and identification, hedging and management of the Group's risks in relation to its activities as well as accounting and financial information. The Company draws up and manages, under the supervision of the Internal Audit Department and the Chairman of the Management Board, the risk map and the risk management program.

The Group's risk management program integrates, in particular, the unpredictable nature of financial markets, and seeks to minimize their potentially negative effects on the Group's financial performance by using derivative financial instrument in order to hedge certain exposures, in particular those related to interest rate fluctuations. The Group's Treasury Department is tasked with managing financial risks

under the control of the Group Chief Financial Officer. The Group Treasury Department identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. All of these hedging operations are either coordinated and validated centrally or directly executed by the Group Treasury Department.

Controlling risk exposure in each country in which the Group's companies operate depends on local management teams, who are as close as possible to the risks related to the activities they exercise or supervise.

For further information on risk management, please refer to the report by the Chairman of the Supervisory Board and in particular *"Internal control and risk management procedures"* in Section 5.2.4 *"Report by the Chairman of the Supervisory Board on corporate governance and internal control"* of this Registration Document.

The risk map

The risk map was established at the Group by the Internal Audit Department on the basis of global risks as identified by management. In 2016, 45 significant risks, either internal or external to the Group, were identified. Risks are ranked depending on the estimated impact of each risk and the likelihood of its occurrence. Risks identified as having severe impacts and a strong probability of occurring are mapped as "highly critical". Conversely, risks identified as having little impact and a weak probability of occurring are mapped as "moderately critical". The resulting map obtained for a given year provides a comparative tool with the previous year's map, and helps in understanding the development of risks to which the Group is exposed. The map allows the Group to set up a dashboard with the estimated degree of control of each of the identified risks and to identify those that must be dealt with in priority, as well as to ensure that internal control is adequate to prevent and detect them. The risk map also helps to update the audit plan, in particular on topics that are identified as requiring increased supervision.

The Group's Internal Audit Department regularly updates the risk map at the level of the Group and its related subsidiaries on a rolling basis. The risk map is presented to the Audit Committee and Management Board, which then studies and analyzes the actions and specific monitoring of certain risks (see "Internal control and risk management procedures" in Section 5.2.4 "*Report by the Chairman of the Supervisory Board on corporate governance and internal control*" in this Registration Document).

Fraud prevention and the fight against corruption and money-laundering

The Group's Internal Audit Department oversees identification and fraud prevention processes for all of its activities.

The Group has implemented a signed reporting policy. Under this policy, the managers of the Group's subsidiaries sign an annual compliance letter. The purpose of the compliance letter is to (i) notice and analyze non-compliance situations and risks

and present any corrective measures taken, (ii) ensure that all employees have participated in training related to the Group's values charter, conflicts of interest, personal data protection and competition law over the course of the fiscal year, and (iii) confirm in particular the absence of any conflicts of interest, and compliance with anti-corruption rules, personal data protection, labor laws and human rights.

Risks related to operations of the Group's international franchisee network are subcontracted to an external audit firm. At times, external auditors are called upon to cover certain business sectors with respect to technical issues that cannot be covered internally.

Despite the care and rigor applied to producing and monitoring this risk map, in the context of changing legislation and uncertain and fundamentally changing markets, some risks may have been underestimated or not identified. The emergence of these risks or of impacts exceeding those expected could have a material adverse effect on the Group's activities, results of operations and financial position.

2.7 REGULATORY, LEGAL AND ARBITRATION PROCEEDINGS

The Group is involved in a number of legal, regulatory and arbitration proceedings in the ordinary course of its business. In accordance with the accounting standards applied to the Group, a provision is recognized in the statement of financial position when the Group has an obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated.

At the date of this Registration Document, the Group is not aware of any legal, regulatory or arbitrage proceedings other than those mentioned below, that might have or have had in the last twelve months a material adverse effect on the Company's or Group's financial position or results.

Proceedings by the French Competition Authority

On February 27, 2017 the French Competition Authority dismissed proceedings related to the car rental sector. The proceedings began with visits and the seizures at the premises of several rental companies, including Europcar France, in January 2008. Legal proceedings challenging certain aspects of these inspections and seizures of items have been ongoing since 2008 and led to a ruling by the First President of the Paris Court of Appeals on May 6, 2015, annulling the inspections at Europcar France's premises, ordering that all items seized be returned and forbidding their use in evidence by any person or authority. The ruling specified that there was no reason to

cancel the investigation and its processes as a result of the appeal against the conduct of the inspections. On February 17, 2015, the French Competition Authority sent a notice of complaint to Europcar France and a number of its current and past parent companies. They alleged that, for several years (dating back to 2003 in the first case and 2005 in the second), they, first, received periodic information from airport operators on the activities of their competitors in these airports and, second, applied a surcharge in railway stations which the French Competition Authority allege was agreed with some of their competitors. Europcar France lodged its statement of

defense brief on May 20, 2015. Further to filing its statement of defense, the rapporteur for the French Competition Authority submitted a report to the College on June 2, 2016. Europcar France replied to this report on September 5, 2016. The hearing before the French Competition Authority's College took place on December 12, 2016. On February 27, 2017, the French Competition Authority dismissed the case on the grounds that the practices alleged by the investigation departments had not been established. This decision is likely to be subject to appeal before the Paris Court of Appeals.

In its financial statements as at December 31, 2016, the Group retained the provision of €45 million reflecting, as of the year ended December 31, 2016, its best estimate of the financial risks in the event of an appeal and if the Paris Court of Appeals imposes a fine, notwithstanding Europcar France's arguments in defense of its position. See Note 35 of the consolidated financial statements as at December 31, 2016 in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report*" of this Registration Document.

Proceedings by the Italian Competition Authority

On July 29, 2015, the Italian Competition Authority (the "IAA") launched an investigation at the head office of Europcar Italy S.p.A as part of an I 791 investigation targeting the vehicle leasing business, involving ANIASA (the Italian Association of Car Rental Companies) and its members. This procedure relates to a potential exchange of commercial information and a possible collusion between members of the association who conduct long-term rental, of a nature that may be liable to restrict competition. On December 7, 2016, the IAA sent Europcar Italia S.p.A. notice of complaint that it issued once the enquiry phase was deemed complete by the IAA and highlighted their latest findings. These findings may be confirmed by the IAA following their analysis, evidence gathered by their team of investigators, responses from the various parties to the notification of grievances received by the IAA and the arguments of the parties during the final hearing. The deadline for responses to the notification of grievances received by Europcar Italia S.p.A. was February 3, 2017 and the final hearing took place

on March 1, 2017. The notice of complaint indicates that an exchange of sensitive information between companies active in the vehicle leasing business took place through ANIASA. This act constitutes a restriction of competition by its very object according to the terms of Article 101 TFEU and consequently is a serious breach of competition law. Regarding Europcar Italia S.p.A., the notice of complaint states that the company is only active in short-term vehicle rentals and is therefore not implicated by the charges that could be upheld in the context of the ongoing procedure. As a result, and to the extent that Europcar Italia S.p.A. is not present in the vehicle leasing market (to which the proceedings relate), Europcar Italia S.p.A. is not on the list of companies likely to be fined by the IAA, subject to the IAA confirming the findings contained in its notice of complaint. The IAA's decision is expected to be handed down within 6 to 8 weeks after the date of the hearing. The IAA's decisions are subject to appeal before the Lazio Administrative Court, the Italian Council of State.

Proceedings in the Federal Court of Australia

The Australian Competition and Consumer Commission ("ACCC") brought a case before the Federal Court of Australia against CLA Trading Pty Ltd ("Europcar Australia"). The ACCC charges Europcar Australia's rental agreements contained unfair clauses regarding contractual guarantee policy and consumer liability in the event of damage caused to the vehicle. The Authority also considers that some statements on the Europcar Australia website were misleading as the information provided to consumers on the scope of their liability in the event of damage was insufficiently precise. Europcar Australia has accepted some of the facts alleged and is cooperating with the ACCC. Europcar Australia has also proposed new general terms and

conditions which the ACCC has not objected to. Following the hearing on October 26, 2015, at which Europcar Australia and the ACCC supported a common facts presentation and common submission (a joint submission indicates that the ACCC and Europcar Australia reached agreement during a preliminary mediation phase in respect of the sanction to be requested of the Australian Federal Court), the Federal Court of Australia rendered its decision on April 19, 2016 and sentenced Europcar Australia to publish a limited corrective notice in the print media and handed down a fine of AUD 100,000. This decision is final.

Dispute with former franchisee and sub-franchisees in Brazil

Two of the Group's sub-franchisees in Brazil, Rentax Locação e Comércio de Veículos Ltda. ("Rentax") and Horizon Distribuidora Veículos Ltda. ("Horizon"), have filed a suit against Europcar International and its former Brazilian franchisee, Cia Ec Br de Franquias e Locação de Veículos Ltda. ("EC-BR"), claiming unfair termination of the franchise agreement between Europcar International S.A.S.U. and EC-BR. Rentax and Horizon are claiming approximately BRL 19,525,151, (around €6 million). Europcar International S.A.S.U. is seeking to have the case dismissed on statute of limitations grounds and, in particular, arguing that (i) there is no contractual relationship with these two sub-franchisees, and (ii) there was nothing improper by Europcar International S.A.S.U. in the termination of the EC-BR contract.

In the court of first instance, it was found that the suit filed by Rentax and Horizon was not time-barred and that if Europcar International S.A.S.U. were found liable it would have no recourse against EC-BR. A recourse action being an action

by which a person against whom proceedings are initiated, involves a third party to respond to the allegations that may be declared against him or her. On appeal, this ruling was partly overturned by the Court of Appeal, which found that Europcar International S.A.S.U. could seek recourse against EC-BR, claiming back from EC-BR any payment Europcar International S.A.S.U. would make in compliance with a court ruling against it. Europcar International S.A.S.U., considering that the Appeal Court had failed to consider all its arguments about the statute of limitations, appealed to the São Paulo Court of Justice on September 8, 2014. In a ruling handed down on March 17, 2015, the São Paulo court upheld the ruling that the plaintiffs' suit was not time-barred. No date has yet been set for the court of first instance hearing on the substance of the case. Its decision on the statute of limitations was appealed to the Superior Court of Justice. This appeal is still pending.

Excessive interchange commission applied by MasterCard and Visa

Following the opening of an investigation by the European Commission into interchange commissions (commission that is received by banking organizations for a commercial transaction and justified by the mechanisms implemented by the banking institutions of the cardholder and trader for which the transaction is conducted), the European Union determined that the interchange commissions applied by MasterCard and Visa were too high. Following this decision, a company sued

MasterCard in the English courts and obtained damages for losses related to this practice going back to 1992.

On September 16, 2016, Europcar Group UK Limited sued MasterCard and Visa in the Competition Appeal Tribunal in London with the aim of obtaining damages for losses incurred in the periods from 1992 to 2008 and from 2010 to 2016, respectively estimated at 7,000,000 pounds sterling including interest and 3,000,000 pounds sterling including interest.

Dispute with a former franchisee in Israel

In July 2016, Kalrom Leasing and Financing Ltd. and Kalrom Motors & Engineering Equipment Ltd (together, "Kalrom") sued Europcar International, Europcar France and Europcar Group UK before the Lod District Court in Israel for damages for alleged non-compliance with several contractual provisions and early unfair termination of the international franchise agreement binding them. The total amount of claims made by Kalrom was

more than €3 million. Europcar International and its subsidiary filed counterclaims amounting to €1 million for unpaid amounts, and are currently contesting the competency of the Israeli jurisdiction insofar as the franchisee contract contains an arbitration clause appointing the Chamber of Commerce of Paris.

Labor Disputes

The Group faces individual disputes related to dismissals on personal grounds as well as individual disputes in the ordinary course of business. The Group also faces individual disputes

for dismissals on economic grounds in the context of internal restructurings carried out in prior years, as well as individual or collective disputes relating to restructurings.

Litigation with twenty-four former employees

The Group is defending proceedings for interim relief brought before the Rambouillet Labor tribunal (*Conseil de prud'hommes*) in which twenty-four employees and their union are challenging the automatic transfer of their employment contracts following the transfer of APS GreenWay's business from the Group to an IT services provider. On June 24, 2015, the tribunal

dismissed the employees' demands. On July 17, 2015, the latter appealed. The appeal hearing took place on February 9, 2016 and a decision rejecting all the employees' demands was rendered by the Court of Appeal on April 12, 2016. No further appeal has been lodged as of the date of this Registration Document.

Litigation with Philippe Guillemot

Following his dismissal as CEO of the Company on February 13, 2012, Philippe Guillemot sued the Company for payment of around €2.5 million in termination of employment compensation as set out in his contract. The Company claimed that Mr. Guillemot had been dismissed for gross misconduct and was therefore not entitled to any contractual compensation. In the court of first instance, the Versailles Commercial Court ruled

in favor of Mr. Guillemot. In a ruling dated July 1, 2014, the Versailles Court of Appeal dismissed this ruling in its entirety and found for the Company. Mr. Guillemot has in turn appealed, seeking to have the appeal court ruling set aside. On July 5, 2016 the Court of Cassation dismissed all of Mr. Guillemot's demands in its decision.

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FINANCIAL AND ACCOUNTING INFORMATION

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The quantified data on Country Subsidiaries do not include data on the Irish subsidiary, former franchiser acquired by Europcar on December 12, 2016.

3.1 ANALYSIS OF THE GROUP'S RESULTS

Readers are urged to read the information below regarding the Group's financial earnings and position together with the consolidated financial statements for the years ended December 31, 2016 and 2015, as reported in Section 3.4 "Consolidated financial statements and Statutory Auditors' report" of this Reference Document.

In this Chapter, the Group presents some financial information and other data for the periods indicated above in order to make it easier for readers to understand the Group's activity. In particular, the Group presents the Adjusted Corporate EBITDA indicator, which refers to current operating earnings before depreciation and amortizations not linked to the rental fleet, after deducting interest expenses linked to debts used to finance the fleet. Adjusted Corporate EBITDA is not a recognized metric

under IFRS and has no single generally accepted definition. The Group considers that Adjusted Corporate EBITDA, which covers all costs relating to the rental fleet including depreciation expenses and interest expenses linked to the fleet, offers investors additional material information to measure the Group's performance, particularly due to the fact that this aggregate is used by the Group to monitor its performance (see Section 3.1.1.3. "Summary description of the principal income statement items", paragraph on "Adjusted Corporate EBITDA"). Furthermore, the Group has identified certain impacts linked to interest rate fluctuations (primarily the pound sterling, the Australian dollar and the New Zealand dollar) and restated certain data for the year ended December 31, 2015 at constant exchange rate for the year ended December 31, 2016.

3.1.1 General Presentation

3.1.1.1 Overview

With more than 65 years of experience, the Group is the leader in vehicle rental in Europe and a major player in the mobility sector. With agencies in more than 130 countries and territories, Europcar offers its customers one of the largest vehicle rental networks either directly or through its franchise holders and partners. The Group operates through the three main trademarks, Europcar®, InterRent® and Ubeeqo®. Customer satisfaction is central to the mission of the Group and its employees: this commitment nurtures the constant development of new services. Accordingly, Europcar Lab was created and developed as an ideas incubator to research new mobility solutions products and services for the Group. The purpose of Europcar Lab is to support in-house projects and acquisitions of non-controlling or controlling interests in innovative structures, such as the strategic investments in Ubeeqo, E-Car and Brunel.

As such, with an average fleet of 213,789 vehicles (cars and light commercial vehicles) and a volume of 59.9 million rental days in its "Country Subsidiaries" (Australia, Belgium, France, Germany, Italy, New Zealand, Portugal, Spain and the United

Kingdom) in 2016, the Group relies on its in-depth knowledge of the sector and of vehicle rental to provide a broad range of mobility solutions.

The Group is structured into two main operating segments, Europe and the Rest of the World. The two segments share similarities ranging from the nature of the services provided, the category of target clients to the management of the seasonal nature of the business. The main difference between these two segments lies in the dynamism of the economic area, the organization of the customer base, the interdependence between the countries for managing customer contracts and the fleet and daily operational management:

- the European sector includes the European countries where the Group operates its fleet directly (Belgium, France, Germany, Italy, Portugal, Spain, United Kingdom), grouped together on the basis of common criteria of service, customers and distribution, and European franchised countries (Austria, Denmark, Finland, Greece, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland, Turkey) which have similar economic characteristics and display synergies in fleet negotiation and customer management and in

the seasonal nature of activities. During the year ended December 31, 2016, the Group generated consolidated revenue of €1,997.2 million in Europe (*i.e.*, 92.9% of the Group's consolidated revenue before intra-group eliminations and holdings) and €164.3 million of Adjusted Corporate EBITDA (*i.e.* 64.7% of the total);

- the Rest of the World includes the other countries in which the Group operates directly (Australia and New Zealand), in addition to all the franchised countries that are not included in the Europe segment. During the year ended December 31, 2016, the Group generated €159.4 million in consolidated revenue in the Rest of the World (*i.e.*, 7.4% of the Group's consolidated revenue before intra-group eliminations and holdings) and €33.9 million of Adjusted Corporate EBITDA (*i.e.* 13.4% of the total).

In addition, "Elimination and Holdings" covers the support services for the two operating segments of Europe and Rest of the World such as IT, legal, tax, e-commerce, fleet, financing, insurance, marketing, sale and transformation departments. It includes personnel costs, IT costs, sales and marketing expenses and, in return, management commissions paid by the two operating segments. During the year ended December 31, 2016, "Elimination and Holdings" represented Adjusted Corporate EBITDA of €55.6 million (*i.e.* 22% of the total).

In parallel with this country-based organization, the Group has, since January 2017, chosen an organization based on Business Units to better address the different markets on which the Group operates and to better respond to the needs of its customers. This organization by Business Units is structured around the Cars, Vans & Trucks, Low-Cost, New Mobility and International Coverage Business Units. For 2016, the Cars Business Unit generated €1,809 million in revenue, the Vans Business Unit €211 million, the Low-Cost Business Unit €81 million, the New Mobility Business Unit €5 million and the International Coverage Business Unit €45 million.

3.1.1.2 Main Factors That Can Impact the Group's Results

Some key factors as well as past events and operations impacted and could continue to impact the Group's operating results, in particular (i) the momentum of the vehicle rental sector and the attractiveness of the Group's services, (ii) macro-economic conditions, (iii) the rental day volume and the revenue per day generated by rental activities, (iv) the seasonal nature of the vehicle rental business, (v) the effects of the transformation program, (vi) the Group's cost structure and operational efficiency, (vii) the financial charges, (viii) changes to the Group's scope of consolidation and (ix) exceptional exogenous factors such as attacks. A more detailed description of each of these factors is presented below.

SECTOR DYNAMIC AND ATTRACTIVENESS OF THE GROUP'S SERVICES

The vehicle rental sector is currently undergoing intensive changes owing, in particular, to the changes in consumer habits and technological advances.

- *The development of e-commerce.* In recent years, e-commerce has changed the booking habits of customers. E-commerce allows the Group to respond to the constantly changing needs of its customers and to be attentive to their expectations. The Group has invested in its websites and mobile applications to keep up with the growing development of e-commerce. It has also entered into local agreements with a number of major tour operators and travel agents targeting in particular the "leisure" customer segment and partnerships with several Internet travel portals (see Section 1.6.5 "*Europcar direct distribution channels*"). The percentage of vehicle rental bookings made online (including through rental brokers) has risen sharply in recent years and accounted for 57% of bookings in 2016 (*versus* 54% in 2015). Online bookings also allow greater transparency on prices and can therefore lead to stronger competitive pressure in the sector.
- *Technological changes and changes to offers.* To remain competitive, vehicle rental companies should develop a management model that includes information and telecommunications systems that are effective while being complementary to those of their partners, with regard to the recording of customer bookings through multiple distribution channels and strengthening their capacity to offer innovative and less expensive services. The Group invests regularly in improving its information system, built around the GreenWay centralized system, and has set up a 2020 plan to continuously modernize the architecture of its information system. This translates into a perpetual adaptation and improvement of the functionalities of this tool.
- *Changes in demand on the premium and low-cost segments.* The Group considers that transport sector consumers tend to focus on either premium offers or on so-called low-cost offers. The changes in demand on the premium segment present new growth opportunities for vehicle rental companies capable of capitalizing on their trademark recognition to develop new services. The Group believes that it can leverage the established recognition of its leading trademark Europcar® to develop new premium services such as its "Selection" offer and its chauffeur services (see "*Europcar® Services Offer*" paragraph in Section 1.6.1.1 "*The Europcar® trademark*"). In addition, as demand is also evolving towards the low-cost segment and small budget vehicles, the sector's players have responded to the trend by adapting the composition of their fleet and developing new low-cost offers. To address this new trend, the Group initially launched its InterRent® trademark on the low-cost market in 2013, then accelerated its deployment as initially planned. As at December 31, 2016, the trademark had been

deployed in six Country Subsidiaries in Europe (92 rental agencies located primarily at airports and railway stations) and in the 36 franchised countries (see Section 1.6.1.2 “*The InterRent® trademark*”). This specific market trend allows the Group to propose a product and services to meet this growing demand.

- *The new mobility solutions.* The vehicle rental activity sector is undergoing structural changes linked to technological advances and the resulting changes in consumer preferences and behavior (See the Section on “*Growth factors and general market trends*”). This momentum in the sector is a source of growth opportunities for vehicle rental companies capable of focusing their investments on the products, services and technologies that they consider will have a strong value added or will be widely accepted by consumers and for which they have or can acquire or develop the technical expertise necessary for their operation. The Group draws on its extensive experience and its know-how in the vehicle rental sector to innovate and grab opportunities arising from new mobility trends. In addition, in response to the targeted mobility needs of its customers, the Group set up Europcar Lab, which is designed as an ideas incubator for researching new products and services in mobility solutions for the Group and its purpose is to support in-house projects and acquisitions of interests in innovative structures, such as the strategic investments in Ubeego, E-Car and Brunel. (See Section 1.6.3 “*Mobility Solutions*”).
- *The price dynamic.* The vehicle rental sector is a competitive market and price is a key competitive factor. The Group seeks to capitalize on the density of its network, its sector expertise, its operational excellence and the recognition of its trademarks to enhance its capacity to propose attractive rates in terms of the value for money ratio of the services proposed while improving its profitability. Supply and demand on the market impact both the Group's fleet financial utilization rate and its pricing position. During periods of high demand or when demand exceeds supply, the fleet financial utilization rate increases and the competitive pressure on prices falls. On the contrary, a fall in demand or excess supply of vehicles over demand can exert downward pressure on prices in the context of available fleet management. The available fleet management capacity (size and geographic distribution) of the different players of the vehicle rental sector also has an impact on the Group's fleet financial utilization rate and its pricing position. For more information about the Group's fleet financial utilization rate, see Section 3.1.1.2 in “*Cost structure and operating efficiency indicators*”. Europcar's Revenue and Capacity Management teams are in charge of the central management of the fleet financial utilization rate, its localization and prices as in the hospitality and aviation sectors.

- *Regulatory developments.* The Group operates in numerous countries that have multiple regulations likely to change, especially related to the environment, personal data, consumer rights and in connection with the operation of franchises (see Section 1.6.12 “*Regulation*”). Regulatory changes can affect the activities and operating results of the Group, especially if such changes were to introduce additional mandatory constraints.
- *Exceptional events with an impact on the economic environment.* Natural disasters such as the floods which crippled traffic can have an adverse impact on vehicle rental. Terrorist attacks can also have an impact on the vehicle rental market in the short and medium term.

MACRO-ECONOMIC CONDITIONS

The demand for vehicle rental and, more particularly, the demand from the “business” segment is influenced by the macro-economic situation of countries in which the Group operates and in particular by the change in gross domestic product, especially in Europe: in 2016, the Europe operating segment represented 64.7% of consolidated Adjusted Corporate EBITDA generated by the Group.

Demand is also influenced by the change in air and railway traffic and underlying factors to these changes, such as currency fluctuations or geopolitical events, that can affect passenger flows (see Section 1.3.2 “*Growth factors and general market trends*”). During the fiscal year ended December 31, 2016, agencies in airports directly run by the Group and by agents represented 43% of the revenue generated by the Group's rental activities *versus* 57% for agencies outside airports, thanks to the dense network of the nine Country Subsidiaries. The Group also entered into important alliances and partnership agreements with several major aviation companies. Thus, a significant part of the Group's revenue is correlated to the level of air traffic.

REVENUE GROWTH INDICATORS

Revenue covers (i) income from the rental of vehicles net of discounts and rebates, (ii) commissions on services related to the vehicle rental activity and (iii) fees received from the Europcar franchise network.

The following indicators are generally used to analyze changes in the Group's consolidated revenue: (i) the activity volume measured by the rental day volume, and (ii) the average revenue per day generated by the vehicle rental activities.

RENTAL DAY VOLUME

The rental day volume corresponds to the rental day volume invoiced to customers including each day or period shorter than one day for which a vehicle rental is invoiced to a client (the **"Rental Day Volume"**).

The Rental Day Volume is influenced by a certain number of factors, including in particular the factors described in Section 3.1.1.2 *"Sector Momentum and Attractiveness of the Group's Services"* and Section 3.1.1.2 *"Macro-Economic Conditions"* above, the seasonal nature of the activity, the changes in the Group's services offering and customer portfolio and the Group's efforts to ensure profitable growth in line with its strategy (see the Section 1.4 *"Strategy"*).

REVENUE PER DAY GENERATED BY RENTAL ACTIVITIES

The revenue per day corresponds to the consolidated revenue generated by the rental activities, divided by the Rental Day Volume for the period under consideration (the **"RPD"**). The variation of the RPD is calculated with respect to the previous year and can be presented at constant exchange rate to correct exchange rate fluctuations (primarily the impacts linked to the pound sterling, the Australian dollar and the New Zealand dollar).

The RPD depends on the following main factors:

- *the Group's pricing position.* The prices practised by the Group generally reflect (i) the positioning of the services proposed by the Group and the related price policy, (ii) the sale of additional services and equipment for a price (such as insurance products and optional protection, equipment, etc.), (iii) the specific market conditions and customer structure of geographical areas where the Group proposes its services, (iv), the Revenue Capacity Management used to manage customer demand, pricing and suitability of the fleet (category/price and optimized distribution within the network), as well as (v) competitive intensity and (vi) the average duration of the rental;
- *the composition and diversity of the Group's fleet.* The Group's fleet includes eleven main categories of vehicles in line with the sector's standards - mini, budget, compact, medium, standard, sedan, premium, luxury, vans, trucks and convertible cars. The different trademarks propose different fleets: the Europcar® trademark covers a full range of vehicles while the InterRent® trademark offers a narrower panel of vehicles which are also perceived as less expensive by customers. The diversity of the Group's fleet allows it to respond to the rental demands of a broad range of customers. Generally, higher category vehicle rentals have a higher RPD than lower category vehicles but the latter represent less substantial costs for the Group and generally help to maintain similar profitability;

- *typology of the Group's customer base: business or leisure* (see Section 1.6.4 *"Customers ("Business"/"Leisure")"*). Generally, leisure rentals are for longer periods and present a higher RPD compared to business rentals. Furthermore, longer-term rentals generate in principle a lower RPD than short-term rentals but present a different cost structure which generally allows the Group to maintain similar profitability (see Section 3.1.1.2 *"Cost structure and operational efficiency"*);
- *geographical diversity.* The Country Subsidiaries cater to different types of customers and present different strategies in terms of price and composition of the vehicle fleet. Some of the Country Subsidiaries (in Belgium and Germany) generate a more substantial portion of their revenue on the "business" segment, others (in Spain, Italy and Portugal) generate more revenue on the "leisure" segment and others, finally, are present on the two customer segments in a more balanced manner (in France and in the United Kingdom). The Country Subsidiaries in the Rest of the World (in Australia and in New Zealand) are more present in the "leisure" segment;
- *the growth momentum of the different Business Units.* Each Business Unit is backed by one or several markets which have their own momentum in terms of demand, price, products and services; consequently, they have different RPDs and revenue growth figures; and
- *the fluctuation of certain exchange rates.* As RPD is measured in euros, the fluctuation of exchange rates, especially, between the euro and the pound sterling and the euro and the Australian dollar are likely to impact the RPD. Consequently, the Group monitors the RPD mainly at constant exchange rate.

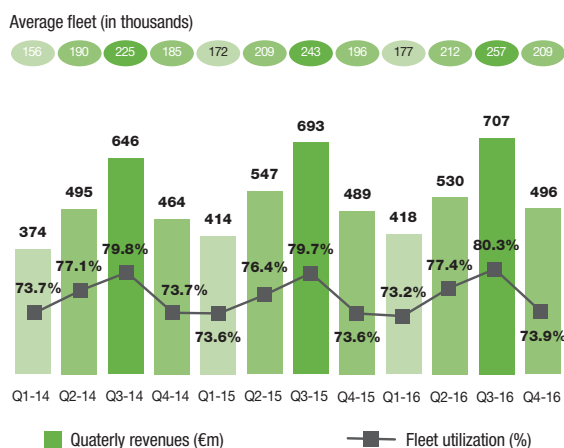
SEASONAL NATURE OF THE BUSINESS

The vehicle rental business sector is highly seasonal and sensitive to climate conditions (see Section 1.6.9 *"Seasonal Nature of the Business"*). There is generally a peak in activity from June to September. The "leisure" segment is characterized by higher demand during the summer period and school holidays and benefits from higher activity in the transport sector. As such, the Group's revenue and Adjusted Corporate EBITDA are higher during these periods compared to the rest of the year. For example, the Group generated 62.6% of its Adjusted Corporate EBITDA in the third quarter of the year ended December 31, 2016 (*versus* 61.5% in 2015). The "leisure" customer segment is also characterized by an increase in demand for week-end rentals over mid-week rentals. In a complementary way, demand from the "business" customer segment is relatively stable during the year, with a slight drop during the summer holidays period and more focused on the mid-week (Tuesday to Thursday).

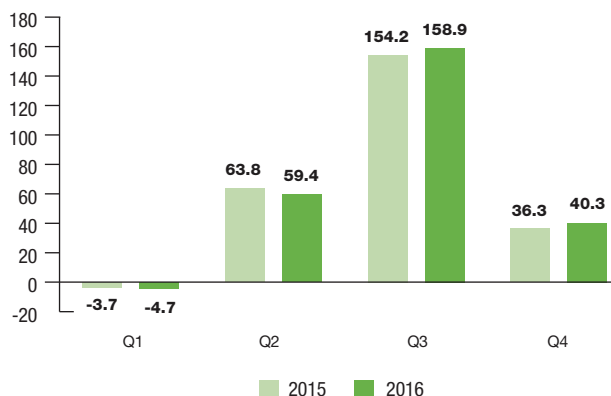
For the fiscal year ended December 31, 2016, leisure rentals represented 58% of the revenue generated by the Group's rental activities *versus* 42% for business rentals.

Managing the seasonal nature of the business efficiently is an important aspect of the Group's financial model. The Group strives to seize business during peak periods (weekly or annually) while staying attentive to fleet holding costs in the periods preceding and following these periods (low or normal by describing the annual peaks as high or elevated), with the objective of maintaining its fleet financial utilization rate, comprised between 73% and 80% for each quarter, for example. The Group addresses these fluctuations in demand through flexible contracts with the vehicle suppliers. These contracts allow the Group to increase its vehicle orders when it expects a surge in activity and to use short-term buy-back arrangements (which generally vary between five and eight months) to reduce the number of vehicles once the high demand falls (see Section 1.6.8 "The Group's Fleet").

The chart below presents the changes in consolidated revenue in millions of euros, the fleet financial utilization rate and the average fleet per quarter during fiscal years 2015 and 2016:



The chart below presents changes in the Group's Adjusted Corporate EBITDA by quarter in millions of euros during fiscal years 2015 and 2016.



In 2016, the Group continued the initiatives of the Fast Lane program. As part of the new organization based on Business Units implemented at the beginning of 2017, all initiatives aimed at strengthening the Group's operational excellence is now monitored at the level of Business Units, support functions and Country Subsidiaries.

COST STRUCTURE AND OPERATIONAL EFFICIENCY

The Group's operating costs, as presented in the management income statement, mainly consist of fleet holding costs (excluding estimated interest included in operating lease rents that the Group analyzes in the financial expenses concerning the fleet within the *Adjusted* Corporate EBITDA⁽¹⁾), operational expenses in connection with the fleet operating, rental and revenue-related costs, personnel costs and network and head office overhead costs. They therefore exclude other operating income and expenses (included in a separate item of the income statement) and non-recurring income and expenses (included in a separate item of the income statement), as well as all financial costs in connection with the financing of the fleet.

The Group's operating costs, as presented in the management income statement, represented 85% of the Group's sales in 2016. The Group considers that this operating cost base is 70% variable and 30% fixed or semi-fixed as described below.

Costs considered variable are:

- *fleet holding costs* (which represented 27% of the operating cost base and 23% of sales in 2016). These costs include:
 - costs in connection with vehicle rental agreements, which represented 23% of the operating cost base for 2016 and correspond to (i) depreciation expenses concerning both vehicles purchased with manufacturer or dealer buy-back commitments and "at risk" vehicles (based on monthly depreciation rates negotiated as part of the buy-back agreements, as regards vehicles purchased with a buy-back arrangement, net of volume rebates, or on the difference between the purchase price and estimated residual value of at risk vehicles, as regards the latter, adjusted monthly based on vehicle market values) and (ii) operating lease expenses,
 - costs in connection with the purchase and sale of vehicles, which represented 2.1% of the operating cost base for 2016, mainly consisting of (i) the cost of vehicle accessories, (ii) costs linked to the integration of new vehicles into the Group's fleet, and (iii) costs linked to the sale of used cars and vehicles acquired through buy-back schemes, and
 - taxes on vehicles, which represented 2% of the operating cost base for the 2016 fiscal year.

(1) In the IFRS income statement, payments under operating leases are recorded in full under "fleet holding costs" with no distinction between the amortization expense and the estimated financial expense component.

These costs are variable, insofar as the Group is capable of adapting and adjusting its fleet, thanks to the flexibility offered by the buy-back agreements it enters into with car manufacturers. Europcar is able to increase its vehicle orders in the lead up to the high season, and use the flexibility offered by the holding periods, generally lasting from five to eight months, to sell vehicles off when the demand slackens. Europcar is also able to respond to short-term peaks in demand by an optimal distribution of new vehicles joining the fleet (see Section 1.6.8.1 "*Fleet Management*"). The key indicators monitored for these costs are: (i) the average size of the fleet, (ii) the average fleet cost per unit per month, and (iii) the fleet financial utilization rate (as described below).

- *fleet operating, rental and revenue-related costs* (which represented 41% of the operating cost base and 35% of sales in 2016). These costs include:
 - fleet operating costs, which represented 13% of the operating cost base for the year ended December 31, 2016, and include insurance costs (the cost of third party liability and vehicle damage insurance policies, and the cost of self-insurance), repair and maintenance costs as well as costs incurred for damaged and stolen cars, and for the reconditioning of vehicles before they are repurchased by the car manufacturers or dealers. These costs vary according to the average size of the fleet and, to a lesser extent, the Number of Rental Days,
 - commission and fees linked to revenue from ordinary activities, including commission paid to agents operating rental agencies covering personnel costs and agency overhead costs (excluding the vehicle fleet) as well as commission paid to travel agencies, brokers and other business partners, and the fees and duties paid for airport and rail station concessions. These costs represented 16% of the operating cost base for the 2016 fiscal year, and vary according to the sales generated by the underlying rental business, and
 - rental costs, which represented 13% of the operating cost base for the 2016 fiscal year, and which cover the cost of transferring vehicles from one site to another, vehicle washing costs and fuel costs. Rental costs are, in theory, incurred once per rental; consequently, a shorter rental will incur approximately the same cost as a rental over a longer period.

Costs considered to be fixed or semi-fixed include personnel costs, network and head office overhead costs and information system costs, which represented approximately 30% of the operating cost base for the 2016 fiscal year. These costs and expenses can vary depending on a number of factors, including an increase in the number of employees, the launch of marketing campaigns, and the continued roll-out of the

Shared Services Center to all countries. Expenses incurred in the network of agencies can also fluctuate depending on how the business is developed.

COST STRUCTURE AND OPERATIONAL EFFICIENCY INDICATORS

As part of the Group's transformation program, significant savings have been made on fleet unit costs and other operating expenses, expressed in numbers of vehicle rental days or as a percentage of sales.

The Group uses the following indicators to control and rationalize costs linked to the fleet:

- *average fleet in the period*. The average fleet in the period is calculated by taking into account the number of days in the period during which the fleet is available, divided by the number of days in the same period, multiplied by the number of vehicles in the fleet during the period. The size of the average fleet in the period, and therefore of the fleet holding costs, varies according to forecasted demand and Number of Rental Days, and, in particular, to the effects of seasonal fluctuations;
- *average fleet cost per unit per month*. The average fleet cost per unit per month corresponds to the total monthly fleet costs (fleet holding and operating costs, excluding estimated interest included in operating lease rents for vehicles in the fleet, and insurance costs), divided by the average fleet in the period. The Group also analyzes the fleet holding cost per unit per month (excluding estimated interest included in operating lease rents for vehicles in the fleet) and, separately, the monthly operating cost per fleet unit (excluding insurance costs). The average fleet cost per unit per month is impacted by both macroeconomic conditions affecting car manufacturers and by the Group's bargaining power vis-à-vis manufacturers for its vehicle supply agreements. The average cost per unit for small, economy vehicles tends to be less than the average cost per unit for larger vehicles;
- *fleet financial utilization rate*. The fleet financial utilization rate corresponds to the ratio of the Number of Rental Days to the number of days included in the fleet financial availability period, it being understood that the fleet financial availability period corresponds to the period in which the Group holds the vehicles. The higher the fleet financial utilization rate, the fewer vehicles are necessary in the fleet to generate a given quantity of rental days (see Section 1.6.8 "*Fleet*"). Optimized management of the fleet size by the purchase and sale of vehicles, as well as the higher number of longer term rentals, contribute to the rise in the fleet financial utilization rate.

Fleet management and the improvement in the fleet financial utilization rate are based on the Group's internal procedures, and on the "Revenue and Capacity Management" teams set up over the course of 2012. These teams and the tools at their disposal are among the Group's main annual investments.

FINANCIAL EXPENSES IN CONNECTION WITH FLEET FINANCING AND OTHER BORROWINGS

The financial expenses include the following expenses, in particular:

- financial expenses in connection with fleet financing, which vary depending on the financing option selected or available: financing through operating leases based primarily on the capacity of the manufacturers' captive finance companies, banks and other companies specializing in leasing vehicles or financing through debt or securitization for the fleet of vehicles recorded in the balance sheet. IFRS treats the accounting of financial expenses differently, depending on the type of financing used. In the IFRS income statement, operating lease rents, including the estimated portion corresponding to interest, are recorded as operating income under fleet holding costs, while financial expenses connected to the other types of financing for the vehicle fleet included in the balance sheet are recorded as financial income under cost of gross debt. In order to facilitate the Group's monitoring of performance, these two types of financial expense are grouped together as one line in the calculation of the Adjusted Corporate EBITDA (see Section 3.1.1.3 "Adjusted Corporate EBITDA") in the management income statement;
- financial expenses in connection with the High Yield bond loan for corporate financing;
- other financial income and expenses including, in particular, expenses in connection with other borrowings, the amortization of transaction costs, any redemption premiums, and foreign exchange differences.

CHANGES TO THE SCOPE OF THE GROUP

In 2016, the Group accelerated its external growth by investing in two areas:

- the buy-back of franchises:
 - in July 2016, the Group acquired Locaraise, the third largest French franchise in terms of sales, which stood at approximately €17 million in 2015. Locaraise is present in the north of France, with 19 agencies and an average fleet of 2,200 vehicles,
 - in mid-December 2016, the Group acquired Europcar Ireland, one of its largest franchises in terms of sales, which stood at approximately €50 million in 2015. Europcar

Ireland has a network of 19 rental agencies, including five in airports, and an average fleet of approximately 5,000 vehicles (cars and light commercial vehicles);

- the purchase of companies offering new Mobility solutions, such as:
 - Bluemove, acquired in June 2016 via Ubeeqo, a technological start-up in the field of mobility and leading car-share provider in Spain. It offers users a fleet accessible 24/7, thanks to a special application, and boasts a community of 47,000 registered customers as at mid-2016, with a presence in Madrid, Seville, Malaga and Barcelona,
 - Wanderio, a minority investment acquired in July 2016 via Europcar Lab, a start-up that is building a search and multimodal comparison platform,
 - Brunel, a "ride hailing" firm based in London and a leader in private chauffeur services available via a mobile application, acquired in September 2016. It mainly targets Business customers in various sectors including, in particular, investment banking, law and consulting firms and financial institutions,
 - GuidaMi, acquired in December 2016 via Ubeeqo, the leading self-service car-share provider in Milan.

3.1.1.3 Summary description of the principal income statement items

Except where otherwise indicated, the description provided below is based on the income statement prepared in accordance with IFRS.

INCOME FROM RECURRING OPERATIONS (REVENUE)

Income from recurring operations is designated by the term "revenue" or "consolidated revenue" in this document.

Revenue includes vehicle rental income (net of discounts and rebates and excluding intra-group sales and value added taxes on sales), fees from the services related to vehicle rental (including fuel), and the fees received from the Europcar franchise network:

- revenue drawn from vehicle rentals covers the rental income generated by the agencies operated directly by the Group and the income generated by the rental agencies operated by agents;
- income related to services that complement the vehicle rental activity include the revenue from fuel sales and the fees received for managing "Major Accounts" fleets; and

- the revenue drawn from the rental activity of the franchises consists of the annual fees, entry and territorial fees and other fees, such as the reservation fees invoiced by Europcar, collection costs and the costs of the IT services provided to the franchises. The fees paid to the Group by its franchisees are determined on the basis of the rental revenue generated by the franchisees in their regions.

FLEET HOLDING COSTS

Fleet holding costs represent the “depreciation costs” on vehicles acquired under contracts with repurchase clauses or on at-risk vehicles, the costs on vehicle rental agreements, the costs related to the purchase and sale of vehicles, and the taxes on the vehicles (see Section 3.1.1.2 “*Cost structure and operational efficiency*”).

COSTS RELATING TO THE OPERATION, RENTAL AND ORDINARY BUSINESS REVENUE OF THE VEHICLE FLEET

The costs for operation, rental and ordinary revenue of the vehicle fleet consists of the operating costs of the fleet (including insurance costs), commissions and fees related to ordinary revenue, and rental-related costs. See Section 3.1.1.2 “*Cost structure and operational efficiency*”.

PERSONNEL COSTS

Personnel expenses represent wages and salaries (including charges for bonuses and profit-sharing), payroll taxes, post-employment benefits and other items. Personnel costs are tracked separately and differentiated between the personnel present in the rental agencies and the personnel directly the network who are present in the headquarters of each of the Group's operational subsidiaries or in the Group's corporate offices or in the Shared Services Center in Portugal created in 2014.

NETWORK AND HEADQUARTERS OVERHEAD COSTS

The corporate headquarters and network overheads include costs related to the vehicle rental agencies (including rental charges and network overheads), the costs for the corporate offices of the Company and the Group's Country Subsidiaries (including rental charges, travel costs and the audit and consulting fees incurred at the local level and in the holding company), as well as the related sales and marketing costs, IT costs and telecommunication costs.

The head offices of the Group's Country Subsidiaries perform a number of commercial and operational activities defined by the Group in line with local characteristics, such as the management of “Major Accounts” customers and the administration of sales, the “*Revenue and Capacity Management*” services, reservations and customer services, e-commerce and marketing, vehicle purchase, logistics and maintenance, as well as support functions such as finance and Human Resources.

NON-FLEET AMORTIZATION AND DEPRECIATION EXPENSES

Non-fleet amortization and depreciation expenses primarily reflect allocations to the amortization of intangible assets (software and operating systems owned by the Group), and depreciation of property, plant and equipment (computer equipment) and impairments.

OTHER INCOME AND EXPENSES

Other income and expenses reflect net income resulting from certain commercial agreements, reversals of excess provisions, gains or losses on the sales of property, plant and equipment and other items (such as retrocessions pursuant to rental contracts or tax penalties).

OTHER NON-RECURRING INCOME AND EXPENSES

Other non-recurring income and expenses consists of the costs related to acquisitions of companies and reorganization costs and other operating costs.

Acquisition costs include the costs incurred to integrate the acquisitions, such as legal and accounting fees, the costs of dismissal and the consulting fees for the dismissals resulting from streamlining the network of rental agencies and support functions, impairment of property, plant and equipment and transfer costs, costs to terminate leases and restore buildings conducted in the context of integrating the businesses acquired.

Reorganization expenses represent the costs incurred to restructure operations during economic slowdowns, or in order to adapt the local organization or the Group structure to changing economic conditions. These expenses include staff reduction expenses, consultancy fees, asset write-offs and transfer costs, and early lease termination costs incurred as part of restructuring programs.

Unusual, abnormal and infrequent items are presented separately as “Other non-recurring income and expenses” to provide a clearer picture of the Group's performance.

NET FINANCING COSTS

Net financing costs include the gross financial debt cost, including the net financial expense on borrowings intended to finance the fleet, net financial expenses on other borrowings (excluding estimated interest included in the operating lease rents which are recognized in operating profit or loss), and other financial expenses and income. Other financial income and expenses primarily represent the impact from the trading of derivative financial instruments, the amortization of transaction costs, foreign exchange differences, the financial components of employee benefits (discounting effect, excepted yield from plan assets), dividend income, results on financial instruments that are recognized in the income statement, and the ineffective portions of the profit or loss on cash flow hedging instruments, as well as other charges related to refinancing or prepayment of certain financing arrangements.

INCOME TAX

Income tax for the year represents current and deferred taxes. Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, and subject to any adjustment to tax payable in respect of previous years.

The amount of deferred tax is based on the expected pattern of realization or early payment of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax asset can be utilized. This probability is assessed on the basis of the following:

- the existence of temporary differences that will give rise to taxation in the future; and
- forecasts of taxable profits.

SHARE OF PROFIT/(LOSS) OF ASSOCIATES

The share of profit or loss of equity association is the portion of the profit from the entities over which the Group exerts substantial control, without however controlling them, primarily Car2go Europe and Ubeego in 2016.

In addition to the IFRS explained above, the Group also uses non-GAAP measures, particularly Adjusted Corporate EBITDA in order to reflect its operating performance more effectively.

ADJUSTED CORPORATE EBITDA

In order to assess the performance of its activities, the Group uses the indicator "Adjusted Corporate EBITDA", which describes recurring operating income before non-fleet amortization and depreciation, after deducting the interest expense on liabilities that finance the fleet. Adjusted Corporate EBITDA represents all costs related to the vehicle fleet (including fleet-related depreciation and interest expense).

The Group believes that Adjusted Corporate EBITDA is a key indicator because it measures the performance of the Group's ordinary business, including all the financial costs related to fleet financing (which are the fleet depreciation expenses included in the fleet holding costs and the expenses on borrowings intended to finance the fleet included in IFRS financial profit or loss), without taking into account the impact of the costs related to past disbursements (non-fleeting depreciation and amortization) or those abnormal costs that are not representative of the trends in the Group's results.

Adjusted Corporate EBITDA is not a measurement recognized under IFRS and does not correspond to a single, generally accepted definition. It must not be considered a substitute for operating income (loss) or net profit (loss) as a measurement of operating results or of cash flows as an indicator of liquidity. Other issuers may calculate Adjusted Corporate EBITDA differently from the definition used by the Group. The calculated reconciliation of this aggregate with recurring operating income, which appears in the IFRS income statement, is described in Section 3.1.2.2 "Analysis of results" below.

3.1.1.4 Significant accounting policies

For a description of the Group's significant accounting policies, see Note 2 "Significant accounting policies" in the Group consolidated financial statements for the year ended December 31, 2016 included in Section 3.4 "Consolidated financial statements and Statutory Auditors' report" of this Reference Document.

3.1.2 Comparison of results for the years ended December 31, 2016 and 2015

3.1.2.1 Key indicators

	Year ended December 31		Changes	Changes at constant exchange rates
	2016	2015		
Total revenue <i>(in euro million)</i>	2,151	2,142	0.4%	3.0%
Rental revenues <i>(in euro million)</i>	2,002	1,992	0.5%	3.1%
Rental Day Volume <i>(in million)</i>	59.9	57.1	4.9%	-
RPD <i>(in euros)</i> ⁽¹⁾	33.4	34.9	(4.2)%	(1.7)%
Average rental duration <i>(in days)</i>	6	6	(0.2)%	-
Average fleet size in units <i>(in thousands)</i> ⁽²⁾	213.8	205.4	4.1%	-
Average fleet costs per unit per month <i>(in euros)</i> ⁽³⁾	(245)	(253)	(2.8)%	0.1%
Fleet financial utilization rate ⁽⁴⁾	76.5%	76.1%	(0.4)pt	-
Adjusted Corporate EBITDA <i>(in euro million)</i>	254	251	1.3%	3.2%
Adjusted Corporate EBITDA margin	11.8%	11.7%	0.1pt	-

(1) Revenue per day (RPD) is the revenue from the rental divided by the number of days of rental for the relevant period.

(2) Average fleet for the period is calculated by taking into account the number of days in the period during which the fleet is available (period during which the Group holds the vehicles), divided by the number of days in the same period, multiplied by the number of fleet vehicles during the period. At December 31, 2016, the fleet consisted of 213,789 vehicles (+4.1% over December 31, 2015).

(3) The unit average costs of the fleet per month represents the total costs of the fleet (fleet holding and operating costs), excluding interest expense included in charges related to operating leases and insurance costs, divided by the average fleet for the period, with the average fleet for the period itself divided by the number of months in the period.

(4) The fleet financial utilization rate corresponds to the ratio of the Number of Rental Days to the number of days in the fleet financial availability period; it is specified that the fleet financial availability period represents the period during which the Group holds the vehicles.

3.1.2.2 Analysis of the Group's results

The comments in this Section refer to the IFRS presentation of the income statement and the management aggregates monitored for strategic management of the Group. The management aggregates are established in order to reflect and improve the visibility of the Group's economic performance.

MANAGEMENT INCOME STATEMENT

<i>In millions of euros</i>	2016	2015	Change
Revenue	2,150.8	2,141.9	0.4%
Fleet holding costs, excluding estimated interest included in operating leases	(488.8)	(491.9)	(0.6)%
Fleet operating, rental and revenue related costs	(753.3)	(727.0)	3.6%
Personnel costs	(339.2)	(347.4)	(2.4)%
Network and headquarters overhead costs	(215.9)	(218.5)	(1.2)%
Other income	9.7	14.2	(31.8)%
Personnel costs, overhead costs for headquarters, network IT and other	(545.4)	(551.6)	(1.1)%
Fleet financial costs	(62.0)	(65.5)	(5.4)%
Estimated interest included in operating leases	(47.5)	(55.3)	(14.0)%
Fleet financial costs, including estimated interest included in operating leases	(109.5)	(120.7)	(9.3)%
Adjusted Corporate EBITDA	253.9	250.6	1.3%
Margin	11.8%	11.7%	0.1pt
Depreciation, amortization and impairment expense	(32.3)	(32.8)	(1.4)%
Other non-recurring expenses and income	(20.7)	(61.8)	(66.5)%
Non-fleet financial profit/(loss)	(59.1)	(162.1)	(63.5)%
PROFIT/LOSS BEFORE TAX	141.7	(6.1)	-
Income tax	(6.6)	(37.6)	-
Share of profit/(loss) of associates	(15.8)	(12.1)	30.6%
NET PROFIT/(LOSS) FOR THE PERIOD	119.3	(55.8)	-

IFRS INCOME STATEMENT

<i>In millions of euros</i>	2016	2015	Change
Revenue	2,150.8	2,141.9	0.4%
Fleet holding costs	(536.3)	(547.2)	(2.0%)
Fleet operating, rental and revenue related costs	(753.3)	(727.0)	3.6%
Personnel costs	(339.2)	(347.4)	(2.4%)
Network and headquarters overhead costs	(215.9)	(218.5)	(1.2%)
Other income	9.7	14.2	(31.8%)
Depreciation, amortization and impairment expense	(32.3)	(32.8)	(1.4%)
Current operating income	283.5	283.3	0.1%
Other non-recurring expenses and income	(20.7)	(61.8)	-
Operating income	262.8	221.5	18.6%
Net financing costs	(121.1)	(227.6)	-
Profit/loss before tax	141.7	(6.0)	-
Income tax	(6.6)	(37.6)	-
Share of profit/(loss) of associates	(15.8)	(12.1)	30.6%
NET PROFIT/(LOSS) FOR THE PERIOD	119.3	(55.8)	
NET PROFIT (LOSS), SHARE ATTRIBUTABLE TO EUROPCAR GROUPE SHAREHOLDERS	119.5	(55.6)	

The table below presents the reconciliation of recurring operating profit (loss) with adjusted recurring operating profit (loss), with Adjusted *Corporate* EBITDA and with adjusted consolidated EBITDA. The Group presents the adjusted recurring operating profit (loss), the adjusted consolidated EBITDA and the adjusted *Corporate* EBITDA because it believes that these measurements give investors important, additional information for assessing the Group's performance. The Group believes that these data are frequently used by analysts, investors and other parties interested in the assessment of companies in its sector. Moreover, the Group

believes that investors, analysts and ratings agencies will examine the adjusted recurring operating income, the adjusted consolidated EBITDA and the adjusted *Corporate* EBITDA in order to measure the Group's ability to meet its debt payment obligations. Neither the adjusted recurring operating income, adjusted consolidated EBITDA nor the adjusted *Corporate* EBITDA constitutes a recognized measurement under IFRS; they must not be considered an alternative to operating profit (loss) or net profit (loss) as a measurement of operating results or to cash flows as an indicator of liquidity.

<i>In millions of euros</i>	2016	2015
Adjusted consolidated EBITDA	754.5	766.0
Fleet depreciation (IFRS)	(181.9)	(184.4)
Fleet depreciation included in operating leases ⁽¹⁾	(209.3)	(210.3)
Total fleet depreciation	(391.2)	(394.7)
Estimated interest included in operating lease rents ⁽¹⁾	(47.5)	(55.3)
Fleet financial costs	(62.0)	(65.5)
Fleet financial costs, including estimated interest included in operating leases	(109.5)	(120.7)
Adjusted Corporate EBITDA	253.9	250.6
Depreciation, amortization and impairment expense	(32.3)	(32.8)
Reversal of fleet financial costs	62.0	65.5
Reversal of estimated interest included in operating lease rents	47.5	55.3
Adjusted recurring operating income (loss)	331.0	338.6
Estimated interest included in operating lease rents	(47.5)	(55.3)
Current operating income ⁽²⁾	283.5	283.3

(1) The charges related to fleet vehicle operating leases include a depreciation expenses, an interest expense and, in some cases, a small management fee. For contracts that do not stipulate a precise distribution of rents among these components, the Group makes estimates of this breakdown on the basis of the information provided by the lessors. In addition, since the interest expense included in operating leases is essentially a fleet financing cost, the management of Europcar examines the fleet holding costs and the Group adjusted operating profit (loss) excluding this expense.

(2) As presented in the consolidated income statements.

(A) REVENUE

The following table shows the change in Group consolidated revenue for fiscal years 2016 and 2015, total and by type of income:

<i>In millions of euros</i>	2016	2015	Changes	Changes at constant exchange rates
Vehicle rental income	2,002.4	1,991.9	0.5%	3.1%
Other revenue associated with car rental	97.1	97.4	(0.3)%	3.4%
Franchising business	51.3	52.7	(2.6)%	(2.1)%
TOTAL REVENUE	2,150.8	2,141.9	0.4%	3.0%

Revenue for fiscal year 2016 totaled €2,151 million, up 0.4% over 2015. Restated for the foreign exchange effects of the pound sterling and the Australian dollar, this increase is 3.0%. Excluding the consolidation of Locaraise ⁽¹⁾ and Brunel ⁽²⁾, Group consolidated revenue improved by 2.4% at constant exchange rates. This significant increase was carried by the growth in vehicle rental activity, which was up 2.7% on a like-for-like basis.

The Group believes that the increase in revenue generated by the rental operations was driven primarily by the initiatives launched in 2016, the most important of which were:

- the continued implementation of new sales tools designed for better organization and coordination with business customers for small and medium enterprises;
- investments in the Group's digital platform which improves the retention rate of our "Business" customers and increases the "direct to brand" portion of the "Leisure" segment;

(1) Europcar France acquired Locaraise, one of its French franchisees, in the third quarter of 2016 and consolidated it as of the third quarter. Over 2015, Locaraise recorded equivalent annual revenue of around €17 million.

(2) Europcar acquired London-based Brunel, a "ride-hailing" company, on September 7, 2016 and consolidated it as of the 3rd quarter of 2016

- the implementation of an organization by business unit, thus improving an understanding of the “Vans & Trucks” and “low-costs” markets via InterRent®;
- the launch of our AirForce One program designed to improve the customer experience in airports by improving management of lines at the counters, vehicle availability, accelerated rental agreement preparation, on-line check-in, etc.;
- the launch of new products adapted to different customer profiles, including FitRent, Selection and Deliver & Collect.; and
- the continuation of our program to sell additional services, such as the sale of additional protection (insurance products) or specific equipment (winter equipment, infant seats, navigation systems, etc.).

The revenue generated by vehicle rentals, which rose 3.1% at constant exchange rates, benefited from a 4.9% jump in Number of Rental Days, with 59.9 million rental days in 2016. This growth was primarily driven by the countries in southern Europe, particularly Italy and Spain. The countries in Northern Europe suffered from the terrorist attacks in France and Belgium; in the UK, the strong competition in the “business” segments was reinforced by the wait-and-see period seen before the Brexit vote.

Revenue in the Business segments declined with a loss in Number of Rental Days, particularly in the “Assistance” and “Leasing” segments. The share of the Business segment fell from 44% in 2015 to 42% in 2016 while, on the other hand, the “leisure” segment rose from 56% to 58% in 2016.

Volume in the “Leisure” segments rose sharply thanks to a focus on the most profitable activities through a marketing and human investment. The development of the InterRent® brand contributed to this growth.

At constant exchange rates, rental revenue per day (RPD) declined 1.7% in 2016. This change in RPD basically reflects four phenomena:

- a mix effect with significant growth in InterRent® volume, which presents a lower facial RPD;
- a slight fall in RPD in the “leisure” segments, partially related to the price cuts needed following the attacks in Brussels and Nice which primarily affected France;
- a slight increase in the “business” segments thanks to a positive mix effect resulting from declines in the “Replacement” segments, with an average RPD lower than the other segments;
- the extension of the rental period for utility vehicles in line with the Group's strategy to limit one- to two-day rentals that impact the utilization rate and profitability.

Other income from vehicle rentals were adversely affected by the drop in business customers, who are the heaviest users of fuel sales, but without a significant impact on operating profit given the savings achieved on the gasoline supply costs.

Revenue from the franchisees fell slightly, primarily because of the reduction in fees invoiced on the French franchisee Locaraise that was purchased by Europcar France.

(B) FLEET HOLDING COSTS

IFRS fleet holding costs decreased 2.0% at reported exchange rates and 0.9% at constant exchange rates to €536.3 million in 2016. These fleet holding costs include operated fleet depreciation charges (vehicles acquired and financed through financing recorded on the balance sheet) and rental payments under vehicle operating leases, including the financial component in accordance with accounting standards (vehicles financed through leases).

By definition, rental payments under operating leases include an interest component. As explained below, the accounting for fleet financing expenses depends on the type of financing (operating lease or other type of financing). For the sake of clarity, the Group consolidates all fleet financing expenses in its management income statement, analyzing them together as part of Adjusted *Corporate* EBITDA (see Section 3.1.1.3, “Adjusted *Corporate* EBITDA”); it excludes these expenses from its analysis of fleet holding costs.

Adjusted for the estimated financing costs of operating leases (totaling €47.5 million in 2016 and €55.2 million in 2015), the change in fleet holding costs was attributable to the increase in business activity, continued improvements in the monthly cost per vehicle and a slight decrease in the utilization rate:

- adjusted for the estimated financing costs of operating leases, fleet holding costs increased 2.4% at constant exchange rates, reflecting the increase in the level of the fleet, which increased by 4.1%, thereby boosting revenue;
- fleet holding costs per vehicle improved slightly, with a 1.6% decrease in the average monthly holding cost per fleet unit (at constant exchange rates) to €189.4 per vehicle. This continued improvement resulted from streamlining the composition of the vehicle fleet by category to better align it with the needs of the Group's customers, improving logistical management of fleet additions and disposals and harmonizing procedures to track the mileage of vehicles in the buy-back program;
- in addition, the fleet financial utilization rate improved slightly (by 0.4 percentage point) to 76.5%. In light of the very strong increase in the average fleet level, the Group's operating excellence and, in particular, the expertise of the Revenue and Capacity Management Department available in every Corporate Country have made it possible to maintain the financial utilization rate at a positive

level by better matching the composition of the Group's fleet with customer demand, improving management of customer demand and optimizing fleet distribution. The purpose of these initiatives is primarily to reduce the time lag between the date of delivery of new vehicles and the date on which they are first used, the time period between each rental and the time lag between the last rental and the sale or return of the vehicles, as well as to improve the process of managing accidents and repairs and, more generally, to improve the utilization rate of the fleet operated under the low-cost InterRent® brand.

(C) FLEET OPERATING, RENTAL AND REVENUE-RELATED COSTS

Fleet operating, rental and revenue-related costs increased 3.6%, and 6.5% at constant exchange rates, to €753.3 million in 2016, in line with a significant increase in revenue.

- Fleet operating costs rose 2.5% at reported exchange rates and 5.3% at constant exchange rates due to an increase in damages to our vehicles caused by our customers. This increase was covered by recovery of the deductible charge to customers and by higher sales of additional insurance products. The insurance cost per day decreased in 2016, mainly due to better monitoring of claims and better detection of fraud involving damage caused by Europcar customers.
- Costs associated with rental increased 2.4% at reported exchange rates and 5.8% at constant exchange rates despite a more than 5% increase in the Number of Rental Days. This change was related to transportation and vehicle-washing expenses, a decrease in the price/sale of fuel and an increase in the minimum wage in some countries.
- Commissions and fees associated with revenue generated by ordinary activities increased 5.6% at reported exchange rates and 7.9% at constant exchange rates. This increase was primarily attributable to the increase in commissions paid to airport authorities, in particular in Portugal, Spain and Australia, and to fees charged to distribute our "leisure" products *via* the Internet and through brokers.

(D) PERSONNEL COSTS

Personnel costs totaled €339.2 million in 2016, a decrease of 2.4% at reported exchange rates and 0.2% at constant exchange rates. This €0.7 million decrease at constant exchange rates is primarily due to the failure to meet 2016 targets.

(E) NETWORK AND HEAD OFFICE OVERHEAD COSTS

Network and head office overhead costs include costs associated with the vehicle-rental stations (including rental fees and network overhead costs), expenses related to the head offices of the Company and of Group Corporate Countries (including rental fees, travel expenses and auditing and consulting fees incurred at local and holding-company level), as well as related commercial and marketing fees, IT-system-related expenses and telecommunication expenses.

The head offices in Group Corporate Countries perform certain commercial and operational activities defined by the Group in accordance with local needs, such as management of major customer accounts and sales administration; "Revenue and Capacity Management" activities; reservations and customer service; e-commerce and marketing; vehicle purchasing, logistics and maintenance; and support functions such as Finance and Human Resources.

Network and head office overhead costs decreased 1.2% to €215.9 million. This reduction in expenditure is the result of the end of the Group's sponsorship of the Europcar Cycling Team and effective cost control, in particular of telecommunication expenses.

Conversely, costs related to rental stations increased in order to support our current and future development, including an increase in new station openings (+69) for both the Europcar® and InterRent® brands.

IT expenses also increased sharply, reflecting allocations to projects designed to digitize our businesses, to improve Customer Experience tools and processes.

(F) DEPRECIATION AND AMORTIZATION CHARGES, EXCLUDING THE VEHICLE FLEET

Excluding the vehicle fleet, depreciation and amortization charges decreased by €0.4 million to €32.3 million in 2016.

(G) OTHER INCOME

Other income and expenses dropped €4.5 million to €9.7 million for the period ending on December 31, 2016. This figure primarily includes income from commercial agreements, gains or losses from the disposal of fixed assets and other operating income and expenses.

(H) OTHER NON-RECURRING INCOME AND EXPENSES

In 2016, other non-recurring income and expenses comprised expenses totaling €20.7 million, which mainly included the following:

- €17 million of restructuring costs, including severance expenses for top management and the further transfer of back-office activities from the countries to the Shared Services Center in Portugal;
- commissions and fees related to past and future acquisitions;
- a refund of the business tax from the tax authority;
- expenses related to various Group Transformation projects (business unit restructuring, CRM tool, etc.).

In 2015, such income and expenses represented a net expense of €61.8 million, which mainly included the following:

- €24 million of restructuring costs, including severance expenses related to restructuring of the German network and some local head offices;
- €11.5 million of commissions and fees related to the initial public offering. The remaining €23.8 million of expenses were deducted from the share premiums;
- a provision of €45 million based on an estimate of the financial risk associated with the case currently pending before the French Competition Authority if the latter should decide to impose a fine in spite of the grounds for defense raised by the Group. See Note 35 "*Risks and Litigation*" to the Consolidated Financial Statements for the period ending on December 31, 2016; and
- a net reversal of €23.4 million related to the conclusion of a settlement agreement with Enterprise on April 29, 2015 ending all disputes with that company. See Note 8 "*Extraordinary Results*" to the Consolidated Financial Statements for the period ending on December 31, 2016.

(I) ADJUSTED CORPORATE EBITDA

Adjusted Corporate EBITDA is equal to the current operating income before depreciation and amortization not connected with the vehicle fleet and after deduction of the interest expense connected with the debt serving fleet financing.

The Adjusted Corporate EBITDA has increased by 1.3% (3.2% at constant exchange rates), going from €250.6 million in 2015 to €253.9 million in 2016. The margin of the Adjusted Corporate EBITDA as a percentage of revenue continued to progress, going from 11.7% in 2015 to 11.8% in 2016.

In view of the significant revenue growth, margin on variable costs ⁽¹⁾ has increased by €5.7 million at constant exchange rates. The margin on variable costs rate is 42.2%, resulting mainly from the increase in the rental days by 4.9%. This performance was also made possible by improved management of the usage rate of vehicles, up 76.5% over the 2016 fiscal year, which is higher than 2015 (up 0.4 points) despite a significant increase in the operated fleet level.

Financial charges related to the fleet (estimated interest related to simple rentals and financial charges related to the financing of the fleet on the balance sheet) fell by 9.3% and went from €120.7 million in 2015 to €109.5 million in 2016, despite a 4.1% increase in the average fleet level above the 2016 fiscal year compared to 2015. This performance was achieved mainly by the renegotiation of the terms of the SARF (see Section 3.2 "*Cash Flow and Capital of the Group*" in this Reference Document).

Despite a difficult environment since the beginning of 2016, marked by bombings, floods, Brexit, and severe competition, the Group has demonstrated the strength and resilience of its model.

(J) NET FINANCING COSTS

The 2016 IFRS net financing costs are a net charge of €121.1 million compared to €227.6 million in 2015. In 2016, this item mainly includes:

- to the extent of €62.0 million, interest charges relating to loans intended for financing the fleet carried on the balance sheet, compared to €65.5 million last year, decreasing despite the substantial increase in the average fleet, mainly by virtue of the renegotiation of the terms of the SARF in 2016;
- to the extent of €32.2 million, interest charges relating to other loans (subordinated notes in the Corporate debt) compared to €56.3 million. This significant decline is connected with the restructuring of the Corporate debt occurring at the end of the 1st half of 2015 in the context of the IPO. Between June 2015 and June 2016, the Company carried nothing more than a Corporate bond amount of €475 million that bore interest at 5.75%, from which the Group reissued

(1) The margin after variable costs corresponds to consolidated total revenues net of fleet holding costs (excluding estimated interest included in operating lease rents) and costs relating to the operation, rental and proceeds of fleet activities.

€125 million in June 2016 to pursue its policy of external growth; refer to the Section "Key Figures and Important Events of the Fiscal Year", in "New Bond Issue Maturing in 2022";

- to the extent of €7.8 million associated with the current amortization of bond transaction costs; and
- to the extent of €19.1 million of other financial costs mainly associated with differences in currency exchange, the cost of updating pension obligations and with the cost of setting up the line of financing.

(K) INCOME TAX BENEFIT/(EXPENSE)

Income taxes decreased €31.0 million, going from €37.6 million in 2015 to €6.6 million in 2016. Improving the performance of the Group/Country Subsidiaries resulted in an increase in current tax in certain countries; however, the Group has benefited from the positive impacts on deferred tax, particularly taking into account the decline in the corporate tax rate in France from 34.43% to 28.92%.

(L) SHARE IN INCOME OF COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

The share in income of companies accounted for using the equity method represented a loss of €15.8 million in 2016 compared to a loss of €12.1 million in 2015, due to the losses generated by Car2go Europe in connection with the phase of the geographic development of its activities and with the losses generated by Ubeeqo, acquired in November 2014.

(M) NET PROFIT/(LOSS)

The net profit/(loss) is a profit of €119.3 million in 2016, against a loss of €55.8 million in 2015. This significant improvement was caused in part by improvement in operating performance and a significant reduction in financing costs as well as, on the other hand, by the fact that 2015 was a year of transition for the group and the fact that it included non-current items: costs of the IPO, restructuring of the financial structure, a net charge for certain processes.

3.1.2.3 Adjusted Corporate EBITDA and Revenue per Operating Sector

In this Section, the revenue of each Country Subsidiary includes the income from franchise activities in the territory thereof.

(A) EUROPE

The table below shows (i) the distribution of the revenue generated in Europe by Country Subsidiaries and in other European countries and (ii) the Adjusted Corporate EBITDA generated in Europe for the fiscal years ended December 31, 2016 and 2015:

In millions of euros	Year ended December 31,		Changes	Changes at constant exchange rates
	2016	2015		
Total revenue				
Germany	546.8	544.5	0.4%	0.4%
United Kingdom	404.5	465.2	(13.0)%	(1.8)%
France	365.0	360.8	1.2%	1.2%
Italy	241.6	219.5	10.1%	10.1%
Spain	242.7	218.0	11.3%	11.3%
Portugal	112.5	103.8	8.4%	8.4%
Belgium	61.1	62.5	(2.2)%	(2.2)%
Others European countries (franchises, Brunel)	23.1	17.9	29.0%	28.4%
TOTAL EUROPE	1,997.2	1,992.2	0.3%	3.0%
ADJUSTED CORPORATE EBITDA (EUROPE)	164.3	191.0	(14.0)%	(11.7)%

REVENUE

The revenue of the Europe operating segment has improved by 0.3% (3.0% at constant exchange rates) to reach €1.997 billion. This performance is the result of progress in the volume of the Number of Rental Days in the InterRent® and "Leisure"

portion as well as negative change in the RPD resulting from a mixed effect connected with the growth in InterRent® revenue, lengthening of the duration of rental for commercial vehicles to improve profitability, and a year characterized by terrorist attacks and Brexit.

Germany

The revenue generated by the Group in Germany increased by 0.4% to reach €547 million. This progress is primarily driven by the growing Number of Rental Days for the Leisure portion and the InterRent® brand. The RPD suffered mainly from the presence of increased competition with competitors and from the decline in the number of tourists coming from the United States

United Kingdom

The revenue generated by the Group in the United Kingdom fell 1.8% at constant exchange rates, at €405 million for 2016. This downturn is partly related to the vote on Brexit and less business coming from the United States leading to increased competition in the domestic "Business" and "Leisure" segments.

France

The revenue generated by the Group in France increased by 1.2% to reach €365 million. Excluding Locaraise (acquired in the third quarter of 2016), revenue is stable, reflecting very good performance considering the impacts of the terrorist attacks in Paris, Brussels, and Nice as well as the very significant floods in the Paris region.

Italy

The revenue generated by the Group in Italy grew by €22.1 million, that is, 10.1%, to reach €242 million for the fiscal year ended December 31, 2016. This growth was brought about by the increase in the Number of Rental Days recorded in "Leisure", both direct and indirect. The growth in InterRent® and in commercial vehicles was particularly strong in 2016.

This growth in revenue with a stable costs structure enabled Italy to greatly increase its profitability.

Spain

The revenue generated by the Group in Spain grew by €24.7 million, that is, 11.3%, to reach €243 million for the fiscal year ended December 31, 2016. This growth was supported by a strong increase in the number of days in the three segments, those being direct and indirect "Leisure" as well as InterRent®.

The RPD has declined mainly because of the mechanical effect connected with InterRent®.

Profitability increased thanks to higher revenue and good cost control.

Portugal

The revenue generated by the Group in Portugal grew by €8.7 million, that is, 8.4%, to reach €113 million for the fiscal year ended December 31, 2016. This strong growth was brought about by a significant increase in the Number of Rental Days, but suffered a decline in RPD due to increased competition this year on the Portuguese market.

Belgium

The revenue generated by the Group in Belgium declined 2.2% to reach €61.1 million for the fiscal year ended December 31, 2016, despite the terrorist attack at the Brussels airport in March. The Number of Rental Days is stable, with a drop in RPD.

Other European countries (Franchises)

The income from franchise activities in the other European countries (that is, outside of the Country Subsidiaries) increased by €0.4 million, to reach €18 million for the fiscal year ended December 31, 2016.

It is noted that the income from franchise activities at the Country Subsidiaries amounted to €14.0 million in 2016 compared to €14.5 million in 2015, with the acquisition of the French franchise Locaraise in the 3rd quarter of 2016 having offset growth in royalties.

Brunel

Brunel, acquired in September 2016, a "ride hailing" company based in London, contributed to the extent of €4.8 million. This company is a leader in personal driving services available on a mobile application. It targets mainly business customers in the varied industries, particularly investment banks, law offices, consulting firms, and financial institutions.

ADJUSTED CORPORATE EBITDA

In 2016, the Group's Adjusted *Corporate* EBITDA in Europe declined by close to €27 million (-14% and -11.7% at constant exchange rates). Countries in Northern Europe have suffered while those in the south have seen their profitability improve, sometimes strongly. The margin of Adjusted *Corporate* EBITDA of the Group in Europe has declined by 1.4 points to 8.2%.

(B) REST OF WORLD

The following table shows the revenue and Adjusted *Corporate* EBITDA generated in the Rest of World for the fiscal years ended December 31, 2016 and 2015:

In millions of euros	Year ended December 31,		Changes	Changes at constant exchange rates
	2016	2015		
Total revenue				
Australia and New-Zealand	141.7	137.3	3.2%	3.9%
Others countries from the rest of the world (franchises)	17.8	18.8	(5.5)%	(5.5)%
TOTAL REST OF THE WORLD	159.4	156.1	2.1%	2.8%
ADJUSTED CORPORATE EBITDA	33.9	32.1	5.8%	6.1%

REVENUE
Australia and New Zealand

The revenue generated by the Group in Australia and New Zealand grew by 3.2% and 3.9% at constant exchange rates, to reach €142 million for the fiscal year ended December 31, 2016. This growth was brought about by the increase in the Number of Rental Days in the Brokers segment as well as by RPD.

Other Rest of World countries (Franchises)

The income from franchise activities in other Rest of World countries declined by 5.5%, reaching €17.8 million for the fiscal

year ended December 31, 2016. The declines in revenue in Russia and Greece penalized overall performance.

ADJUSTED CORPORATE EBITDA

The Group's Adjusted *Corporate* EBITDA in Rest of World rose by 5.8% and 6.1% at constant exchange rates, to reach €33.9 million for the fiscal year ended December 31, 2016. The margin of Adjusted *Corporate* EBITDA rose 0.7 points to 21.3%. This improvement in Adjusted *Corporate* EBITDA margins was brought about by the significant growth in revenue in Australia and New Zealand.

(C) ELIMINATION AND HOLDINGS

The following table shows the revenue from the Elimination and Holdings segment and the Adjusted *Corporate* EBITDA corresponding to the fiscal years ended December 31, 2016 and 2015:

In millions of euros	Year ended December 31,		Changes
	2016	2015	
TOTAL REVENUE	(5.9)	(6.3)	(6.9)%
ADJUSTED CORPORATE EBITDA	55.6	27.6	101.7%

REVENUE

Between 2015 and 2016, revenue represented by Elimination and Holdings improved by €0.4 million, to reach €(5.9) million for the fiscal year ended December 31, 2016. This development resulted mainly from the change in the elimination of intra-group fees billed for revenue generated by the countries in 2016.

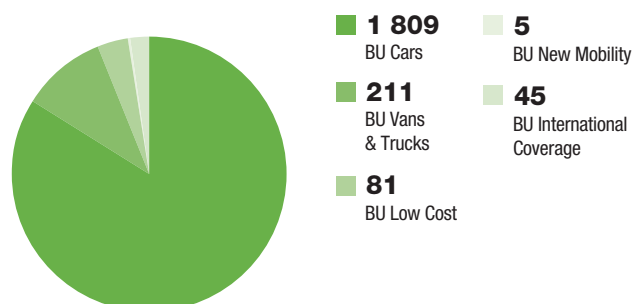
ADJUSTED CORPORATE EBITDA

The Adjusted *Corporate* EBITDA of Elimination and Holdings increased by €28 million, to reach €55.6 million for the fiscal year ended December 31, 2016. Three factors explain this performance:

- lower payroll costs deriving from the failure to reach the 2016 annual targets;
- lower marketing costs connected with the termination of the Team Europcar cycling sponsorship;
- lower interest charges related to the financing of the fleet.

3.1.2.4 Breakdown of 2016 revenue by Business Unit

In millions of euros



(A) CARS

The revenue of the Cars BU is indeed our core business, weighted at 84% of overall revenue. There was positive growth between 2016 and 2015, mainly in the countries of Southern Europe.

(B) VANS & TRUCKS

The revenue of the Vans & Trucks BU remains at the level of last year. The revenue volumes are mainly in the countries of Northern Europe. Their performance has been driven by more rental days, but a drop in RPD, this the result of pressure on prices and an increase in average rental duration. Italy and Spain are growing strongly but represent small business volumes.

(C) LOW-COST

This activity is continuing growth of about 70%. The Southern European Countries, the main markets, grew greatly between 2015 and 2016. This growth generated by the volume of rental days did not take place to the detriment of RPD.

(D) NEW MOBILITY

The acquisition of the company Brunel in 2016 enabled the revenue in this BU to soar.

(E) INTERNATIONAL COVERAGE

Revenue is down slightly this year, mainly because of poor performance in Greece, Russia, and Israel.

03

3.2 THE GROUP'S LIQUIDITY AND CAPITAL RESOURCES

3.2.1 General overview

The IPO on June 29, 2015 made it possible for Europcar Groupe to reshape its capital structure and improve its corporate credit profile. Thanks to the implementation of its Fast Lane transformation plan, Europcar strengthened its business model leading to a strong improvement in its financial performance and credit profile.

In 2015, Europcar redeemed all its 11.5% senior subordinated notes due 2017 for €324 million and its 2018 9.375% subordinated notes for €400 million (including payment of redemption premiums totaling €56 million) with a portion of the proceeds from the €475 million capital increase from the initial public offering (€441 million in net proceeds) and the proceeds of the €475 million issue of 5.75% notes due 2022 completed on June 10, 2015 ⁽¹⁾.

In the first half of 2015 in the context of its initial public offering, Europcar also set up its new Senior Revolving Credit Facility (RCF). Signed on May 12, 2015, it entered into effect on May 28, 2015. The proceeds were used to repay the Existing Senior Revolving Credit Facility (€300 million as of December 31, 2014). The new €350 million Senior Revolving Credit Facility expires in May 2020 and bears interest at Euribor +250 bps ⁽²⁾. The Group also took advantage of the IPO to renegotiate its Senior asset Revolving Facility ("2") ⁽³⁾. The amendments signed on May 12, 2015, entered into effect on June 17, 2015. The amount of Senior FCT Notes that may be issued by the FCT Issuer under the SARF, which is the fleet financing line on the balance sheet, was increased from €1.0 billion to €1.1 billion to support operating growth, and the maturity of the SARF was extended by 2 years to 2019. The interest rate on the Senior

(1) Issue price of 99.289%.

(2) For a leverage ratio below 2x and Euribor +275bps for leverage above 2x.

(3) This fleet financing facility has been given an A rating by S&P.

FCT Notes (before the amortization period) was decreased from Euribor+220bps to Euribor+170bps. In addition, swap instruments covering the SARF structure were extended to 2019.

In 2016, Europcar continued to work on securing and optimizing its main sources of funding. In June 2016, the Group issued a new tranche of €125 million in senior notes fungible with the outstanding senior notes due 2022, increasing the total amount of the issuance to €600 million. Reducing the conditions to 4.5140% yield to worst, or 4.8790% yield to maturity, reflects the Group's improved credit profile and investor appetite for the company's prospects. The issue proceeds of €131 million will allow the Group to finance its acquisitions program. In 2016, Europcar also finalized a transaction to renegotiate and optimize its Senior asset Revolving Facility (SARF). On September 14, 2016, the Group signed amendments (i) to increase the amount of the facility from €200 million to €1.3 billion to meet the additional financing needs resulting from the Group's increased activity, (ii) to improve the margin by 20 basis points, or Euribor +150bps, and (iii) to extend the final maturity from July 2019 to July 2020. In addition, interest rate hedging instruments were restructured with improved financial positions and were increased by €200 million to €1.2 billion. In 2016, Europcar also worked steadily to optimize and reduce the margins on its other sources of fleet financing, particularly in the UK.

The completion of these transactions brings significant benefits to the Group, including:

- a significant reduction in its interest expense;
- an extension of the maturities on most of its indebtedness;
- securing its main sources of fleet financing essential for its activity;
- the establishment of a simpler and more flexible long-term capital structure; and
- the extension of and increase in the hedging of its exposure to interest rate fluctuations.

Since the initial public offering, the Group has considerably reduced its corporate debt leverage ⁽¹⁾, which stood at 0.9x as of the year ended December 31, 2016 compared with 0.9x as of the year ended December 31, 2015 and 2.7x as of the year ended December 31, 2014.

As a result of the deleveraging and the improved profitability of the Company in recent years, the rating agencies Moody's and S&P revised the Group's ratings in July 2015. Moody's

upgraded the corporate rating (stable outlook) by 2 notches to B1 from B3 (positive watch). S&P has assigned a B+ corporate rating (stable outlook) from B (positive watch). In 2016 the two rating agencies confirmed that these ratings would be maintained.

3.2.1.1 Financial Resources

The Group's principal financing needs include fleet financing, working capital requirements, capital investment, interest payments and loan repayment. The Group may also need financing for acquisitions.

The Group's principal regular sources of liquidity are its operating cash flows as well as its financing, a substantial portion of which is dedicated to and secured by the fleet and is recognized on the balance sheet. The Group's ability to generate cash flow from its operating activities in the future will depend on its future operating performance, which Chapter 2 "Risk factors" depends to a certain extent on external factors including the risk factors described in Chapter 2 "Risk factors". The Group also has cash and cash equivalents to finance its ongoing business requirements. In addition, the Group holds cash and cash equivalents that are considered "restricted cash" when it is (i) used to cover future settlement of insurance claims or (ii) is not immediately available to finance the activity of subsidiaries. This includes, in particular, cash that is held within certain special purpose entities set up for vehicle rental activities.

In 2016, the Group's primary sources of financing were as follows:

- *cash generated from operating activities*, which totaled €99.5 million in 2016 compared with €10.9 million in 2015. This significant increase reflects the Group's improved performance and profitability, as well as better working capital management, particularly for the vehicle fleet recorded on the balance sheet (a negative change of €20.6 million in 2016, compared with €232.8 million in 2015);
- *available cash*. Cash and cash equivalents totaled €154.6 million as of December 31, 2016 (compared with €146.1 million as of December 31, 2015). The Group also has restricted cash (defined as cash used to cover the future settlement of insurance claims or cash that is not immediately available to finance the activity of subsidiaries) which totaled €105.2 million as of December 31, 2016 (compared with €97.4 million as of December 31, 2015);

(1) Corporate net debt/Adjusted corporate EBITDA.

- *indebtedness.* As of December 31, 2016, the total amount of the Group's consolidated gross indebtedness was €2,144 million (compared with €2,065 million as of December 31, 2015). The Group believes that €1,734 million relates to fleet financing (*versus* €1,659 million at the end of 2015). In this respect, this debt is essentially secured or backed by assets, primarily vehicles. In addition, to finance its fleet, the Group also uses operating leases, the outstanding amount of which totaled €1,461 million ⁽¹⁾ at December 31, 2016 (compared with €1,323 million at December 31, 2015). In accordance with IFRS, this amount is not recorded on the balance sheet. See Section 3.2.3 "*Description of financing at December 31, 2016*" of this Reference Document for a more detailed description of the Group's financing.

The Group believes that its financing needs for its daily operations in 2017 will consist primarily of its working capital requirements, interest expense and repayment of its loans.

3.2.1.2 Debt

As of December 31, 2016, the total amount of the Group's consolidated corporate net debt was €220 million compared with €235 million as of December 31, 2015.

On the same date, the total Fleet Net Debt, which is backed by assets, amounted to €3,045 million compared with €2,821 million as of December 31, 2015. From this amount, €1,584 million is recognized on the balance sheet with the balance of €1,461 million corresponding to operating leases. The estimated debt related to vehicles financed under operating leases corresponds to the net carrying value of the applicable vehicles calculated on the basis of their purchase price and depreciation rates (on the basis of the contracts signed with automakers). In accordance with IFRS, this amount is not recorded on the balance sheet. In addition, the loan-to-value ratio (LTV) as of December 31, 2016 was 88.3% ⁽²⁾ (compared with 94% as of December 31, 2015).

(1) The estimated outstanding value related to the vehicles financed through operating leases corresponds to the carrying amount of the vehicles in question. This amount is calculated from the purchase prices and depreciation rates of the corresponding vehicles (based on contracts signed with the manufacturers).

(2) Corresponds to the net debt of Securitifleet Holding, Securitifleet companies and EC Finance plc (total of €986.3 million at the testing date) divided by the total value of the net assets on the balance sheets of these companies (€1,117.4 million as of December 31, 2016).

The table below presents a breakdown of Corporate Net Debt and Total Net Debt (including the estimated outstanding value of the fleet financed through operating leases).

<i>In millions of euros</i>	At December 31	
	2016	2015
2022 Senior Unsecured 5.75% Notes	600	475
Senior Revolving Credit Facility	13	81
FCT Junior notes ⁽¹⁾ , accrued interest, capitalized costs of financing agreements and other costs ^{(2) (3)}	(203)	(150)
CORPORATE GROSS DEBT RECOGNIZED ON BALANCE SHEET (A)	410	406
Short-term investments ⁽⁴⁾		
Cash held by operating and holding entities and short-term investments ⁽⁴⁾	(189)	(171)
CORPORATE NET DEBT RECOGNIZED ON BALANCE SHEET (B)	220	235
2021 Senior Secured 5.125% Notes	350	350
Senior asset Revolving Facility	693	658
FCT Junior notes ⁽¹⁾ , capitalized costs of financing agreements and other	200	142
Fleet financing in the UK and Australia and other fleet financing facilities	491	509
FLEET GROSS DEBT RECOGNIZED ON BALANCE SHEET (C)	1,734	1,659
Investissements de court terme de la flotte		
Cash held by fleet-owning entities and short-term fleet investments	(150)	(161)
FLEET NET DEBT RECOGNIZED ON BALANCE SHEET (D)	1,584	1,498
<i>Gross debt recognized on balance sheet (A)+(C)</i>	<i>2,144</i>	<i>2,065</i>
<i>Net debt recognized on balance (B)+(D)</i>	<i>1,804</i>	<i>1,733</i>
ESTIMATED DEBT EQUIVALENT RELATED TO VEHICLES FINANCED UNDER OPERATING LEASES, OFF-BALANCE SHEET ⁽⁵⁾ (E)	1,461	1,323
TOTAL NET FLEET DEBT INCLUDING FLEET-RELATED OFF-BALANCE SHEET COMMITMENTS (D)+(E)	3,045	2,821
TOTAL NET DEBT INCLUDING FLEET-RELATED OFF-BALANCE SHEET COMMITMENTS (B)+(D)+(E)	3,265	3,057

(1) The proceeds from the FCT Junior Notes subscribed by Europcar International S.A.S. ("ECI") provide the overall credit enhancement and, where applicable, additional liquidity. The FCT Junior Notes are used only to finance the fleet debt requirement. FCT Junior Notes are subscribed by ECI using available cash or draws on the Senior Revolving Credit Facility.

(2) For countries where fleet costs are not financed through special purpose entities (i.e. Securitifleet entities), the cash used to finance the fleet, which could have been financed by fleet debt, is restated from the net fleet debt with a de-risk ratio.

(3) Including accrued interest not due on financial assets (Euroguard).

(4) Includes the Group's insurance program (see Section 2.6 "Insurance and Risk Management").

(5) The estimated outstanding amount related to the fleet financed through operating leases corresponds to the carrying amount of the vehicles in question. This amount is calculated from the purchase prices and depreciation rates of the corresponding vehicles (based on contracts signed with the manufacturers). The Company's financial management verifies the consistency of the external information transmitted to it.

3.2.2 Analysis of cash flows

3.2.2.1 Analysis of management cash flows

The Group believes that corporate free cash flow is a useful indicator because it measures the Group's liquidity based on its ordinary activities, including net financing costs on borrowings dedicated to fleet financing, without taking into

account (i) disbursements in connection with debt refinancing, (ii) financial costs which, due to their exceptional nature, are not representative of the trends in the Group's results, (iii) financial investments, and (iv) cash flows in related to the fleet, analyzed separately, because the Group makes its acquisitions through asset-backed financing.

The table below shows the calculation of corporate free cash flows, as well as the grouping of certain items deemed significant in analyzing the Group's cash flow, including cash flow relating to changes in the rental vehicle fleet, in fleet-related trade receivables and trade payables, and in fleet-related financing and other facilities financing working capital requirements that are principally used for fleet-related needs. This presentation

differs from the IFRS statement of cash flows primarily due to the analytic grouping carried out and the items that do not affect cash flow, which vary based on the financial indicator used as the starting point (in this case, Adjusted Corporate EBITDA, as presented below, compared with pretax profit in the IFRS statement of cash flows).

MANAGEMENT CASH FLOWS

In millions of euros

	December 2016	December 2015
Adjusted Corporate EBITDA	254	251
Other non-recurring income and expenses	(28)	(73)
Acquisitions of intangible assets and property, plant and equipment, net of disposals	(31)	(24)
Changes in provisions and in non-fleet working capital requirement	(15)	(28)
Income tax paid	(23)	(40)
Corporate Free Cash Flow	157	86
Net interest paid on high-yield borrowings	(31)	(65)
Cash flow after payment of high-yield interest	126	21
Change in vehicle fleet, working capital requirements, fleet financing and working capital facility	(153)	(87)
Acquisitions and proceeds from disposal of financial assets	(27)	(8)
Acquisitions of subsidiaries, net of cash acquired and other investment transactions	(46)	(24)
Increase in share capital	-	448
(Purchases)/Sales of treasury shares	(5)	-
High-yield Note	130	(308)
Payment of financing and other costs	(6)	(20)
Increase/(decrease) in cash and cash equivalents before effect of foreign exchange differences	19	22
Cash and cash equivalents at beginning of period	229	206
Effect of foreign exchange differences	0	1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	248	229

CORPORATE FREE CASH FLOW

Corporate free cash flow is defined as free cash flow before the impacts of the vehicle fleet and acquisitions of subsidiaries. Free cash flow was reflected in the €157 million in cash generated in 2016 (compared with €86 million in 2015), also affected by non-recurring items:

- *adjusted Corporate EBITDA* increased by €3 million, from €251 million in 2015 to €254 million in 2016. In an international climate troubled by the terrorist attacks in Paris, Nice and Brussels, this increase reflects the solid operational leverage, continued efforts to optimize cost structure and improvement in fleet utilization rate;
- in 2016, *other non-recurring income and expenses* primarily include reorganization costs of €(18) million and consulting fees linked to external growth transactions;
- *investments in property, plant and equipment and intangible assets, net of the net value of disposals*, which totaled €31 million, consisted primarily of IT developments designed to improve customer experience for €14.4 million and the purchase of computer equipment for €5 million;
- *changes in provisions and non-fleet working capital* represented a cash outflow of €15 million in 2016, compared with €28 million in 2015;
- *income tax paid* in 2016 represented a cash outflow of €23 million in 2016 compared with €40 million in 2015, i.e. a reduction of €17 million including instalments disbursed in France and Spain over 2015, as well as adjustments for previous years and the settlement of disputes in the UK in 2015.

OTHER COMPONENTS OF CASH FLOW

The decrease in *net interest paid on high-yield borrowings* results from the refinancing of corporate bonds in June 2015 as part of the Group's initial public offering.

The *change in the fleet recorded on the balance sheet, fleet receivables and payables, fleet finance and working capital facility* covers the following items:

- first, fleet-related impacts. Given the asset-backed financing, the net impact of the various components (change in the fleet, in working capital and in fleet financing) is primarily the result of temporary lags between (i) the delivery of a vehicle and payment for this delivery, and (ii) the possibility of securitizing these vehicles and, therefore, their financing. Changes from one year to the next may thus be significant; and
- second, changes in credit facilities.

In 2016, the net impact represented a cash outflow of €153 million, compared with a cash outflow of €87 million in 2015. The change is mainly due to a decrease in cash inflows from credit facilities linked to the fleet.

Disbursements relating to *acquisitions and proceeds from the disposal of financial assets* totaled €27 million in 2016, compared with €8 million in 2015. They essentially reflect acquisitions of financial assets made by the captive insurer Euroguard, financing made to our equity subsidiary Ubeeqo for €11.6 million, and the acquisition of the Irish franchise at the end of December 2016 for €22.4 million.

Disbursements relating to *acquisitions of subsidiaries net of cash acquired* totaled €46 million in 2016, compared with €24 million in 2015. In 2016, they largely reflected the Group's investments in new mobility solutions, including investment in the Car2go capital increase (€6.3 million), the acquisition of Brunel in the UK (€6.3 million), the minority stake taken in Wanderio (€1.1 million), the purchase of an additional 19% stake in our subsidiary E-Car (€0.8 million), as well as the acquisition of franchisees (Locaraise in France for €8.3 million and Europcar Ireland for €23.6 million).

In 2016 the Group issued a *new senior note* due 2022 for €125 million at an issue price of 99.289%, bearing a coupon of 5.75%.

Finally, disbursements relating to *transaction costs* totaled €6 million in 2016, compared with €20 million in 2015, as a result of the refinancing carried out during the two years.

3.2.2.2 Analysis of cash flows according to IFRS

The Group's principal cash flow drivers are its operating performance as reflected in its operating profit before changes in working capital, cash related to financing transactions, interest on its corporate debt, cash flow relating to acquisitions and disposals of the fleet, and cash from (used by) investing activities.

In millions of euros	IFRS	
	December 2016	December 2015
Net cash generated from (used by) operations	(7.2)	(166.1)
Net cash generated from (used by) investing activities	(104.1)	(55.2)
Net cash generated from (used by) financing activities	130.6	243.3
NET CASH GENERATED FROM (USED BY) FINANCING ACTIVITIES	19.3	22

(A) NET CASH GENERATED FROM (USED BY) OPERATIONS

The table below summarizes the net cash flows generated by the Group's operations for the years ended December 31, 2016 and 2015.

<i>In millions of euros</i>	IFRS	
	December 2016	December 2015
Operating income before changes in working capital	257.1	266.2
Change in the vehicle fleet recorded on the balance sheet and fleet working capital	(146.8)	(198.0)
Changes in non-fleet working capital	4.0	(57.3)
Cash generated from operations	114.3	10.9
Income taxes received/(paid)	(22.7)	(39.7)
Net interest paid	(98.8)	(137.3)
NET CASH GENERATED FROM (USED BY) OPERATIONS	(7.2)	(166.1)

CASH GENERATED FROM OPERATIONS

Cash generated from operations represented a cash inflow of €114.3 million in 2016, compared with a cash inflow of €10.9 million in 2015. Although operating profit before changes in working capital generated less cash this year, despite a higher net profit, changes in fleet and non-fleet working capital more than offset this decline.

Cash outflow from changes in the vehicle fleet and in fleet working capital totaled €146.8 million in 2016, compared with €198.0 million in 2015. The change is due to the different mix of buy-back vehicles recorded on the balance sheet, generating payables and receivables, and leasing vehicles that do not appear in the balance sheet.

Changes in non-fleet working capital represented a cash inflow of €4.0 million in 2016. The increased activity has generated

demand for more cash, although the improvement in working capital, both in terms of trade receivables and trade payables, has had a positive impact on the net requirement.

INCOME TAX RECEIVED/(PAID)

Income tax paid in 2016 represented a cash outflow of €22.7 million in 2016, compared with €39.7 million in 2015, i.e. a reduction of €17 million including instalments disbursed in France and Spain over 2015, as well as adjustments for previous years and the settlement of disputes in the UK in 2015.

NET INTEREST PAID

The decrease in *net interest* paid, which fell from €137.3 million in 2015 to €98.8 million in 2016, is due to the corporate bond refinancing carried out in connection with the IPO in June 2015.

(B) NET CASH USED BY INVESTING ACTIVITIES

The Group's net cash used by investing activities for the years ended December 31, 2016 and 2015 are analyzed below:

<i>In millions of euros</i>	IFRS	
	December 2016	December 2015
Acquisition of intangible assets and property, plant and equipment	(36.9)	(29.2)
Proceeds from disposal of intangible assets and property, plant and equipment	6.1	5.4
Acquisitions and proceeds from disposal of financial assets	(27.5)	(7.5)
Acquisition of subsidiaries, net of cash acquired	(45.8)	(23.9)
NET CASH USED BY INVESTING ACTIVITIES	(104.1)	(55.2)

Net cash used by investing activities represented a cash outflow of €104.1 million in 2016 compared with €55.2 million in 2015.

Investments in property, plant and equipment and intangible assets, net of the net value of disposals, which totaled

€31 million, principally reflect IT developments primarily designed to improve the customer experience for €14.4 million and the purchase of computer equipment for €5 million.

Disbursements relating to *acquisitions and proceeds from the disposal of financial assets* totaled €28 million in 2016, compared with €8 million in 2015. These essentially correspond to acquisitions of financial assets made by the captive insurer Euroguard, the financing granted to our equity subsidiary Ubeeqo for €11.6 million, and the Irish franchisee acquired in December 2016 for €22.4 million.

Disbursements relating to *acquisitions of subsidiaries net of cash acquired* totaled €46 million in 2016, compared with

€24 million in 2015. In 2016, these essentially corresponded to the Group's investments in new mobility solutions, including to the investment in the Car2go capital increase (€6.3 million), the acquisition of Brunel in the UK (€6.3 million), the minority stake taken in Wanderio (€1.1 million), and the purchase of the additional 19% stake in our subsidiary E-Car (€0.8 million), as well as the acquisition of franchisees (Locaraise in France for €8.3 million and Europcar Ireland for €23.6 million).

(C) NET CASH GENERATED FROM (USED BY) FINANCING ACTIVITIES

The table below summarizes the Group's net cash generated from (used by) financing activities for the years ended December 31, 2016 and 2015.

<i>In millions of euros</i>	IFRS	
	December 2016	December 2015
Capital increase (net of related expenses)	-	448.2
(Purchases)/Sales of treasury shares	(4.8)	-
Notes issued	130.6	471.6
Bond redemption	-	(780.0)
Change in other borrowings	11.3	123.3
Payment of transaction costs	(6.5)	(19.8)
NET CASH GENERATED FROM (USED BY) FINANCING ACTIVITIES	130.6	243.3

Net cash generated from financing activities represented a cash inflow of €130.6 million in 2016, compared with a cash inflow of €243.3 million in 2015. The Group's initial public offering and

refinancing had a significant impact in 2015, while receipts in 2016 were primarily due to the issue of the new €125 million senior note due 2022.

3.2.3 Description of financing as of December 31, 2016

The Group uses various financing arrangements to fund the acquisition of its fleet and other general, non-fleet financing needs. The Group's corporate debt (*i.e.* the debt that is not intended to finance the fleet) is currently composed primarily of senior subordinated notes and the Senior Revolving Credit Facility (RCF). The Group's fleet financing consists primarily of the Senior asset Revolving Facility (the "SARF") and the related securitization, senior secured notes, operating leases and facilities intended to finance the fleet in UK, Australia and

New Zealand. The primarily items composed the Group's financial liabilities are described below, with a description of the corporate debt followed by a description of the fleet financing arrangements.

The Group's main lenders are Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, BNP Paribas, RBS, Lloyds, HSBC, Crédit Industriel et Commercial, Société Générale and some of their affiliates.

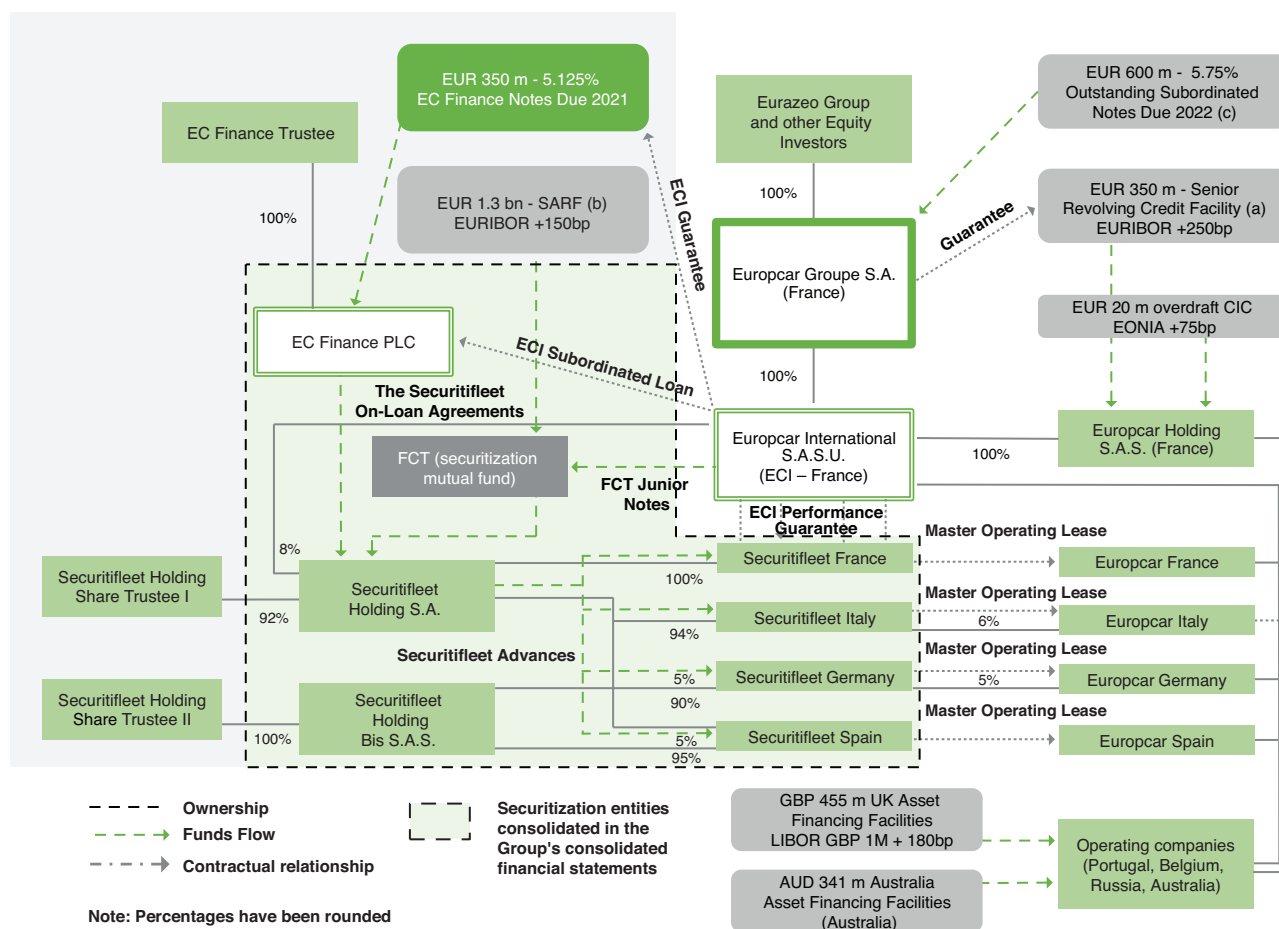
The following table presents a summary of the Group's financial debt (on-balance sheet and the estimated debt equivalent for vehicles financed using operating leases) as of December 31, 2016.

Financing (in millions of euros)	On- or off- balance sheet	Security Interests or Asset-backed	Corporate Debt or Fleet Financing	Amount at December 31, 2016		Interest rate before refinancing	Maturity
				Recurring	Non- recurring		
2022 Outstanding Senior Subordinated Notes	On balance sheet	Yes (Pledge on ECI shares held by Europcar Groupe S.A.) (Guaranteed by certain subsidiaries)	Corporate	-	600.0	5.75%	2022
Senior Revolving Credit Facility (RCF)	On balance sheet	Yes (pledge of certain assets)	Corporate and Fleet	13.0		Euribor plus a margin that varies on the basis of a leverage ratio (2.50% at the date of this document)	2020
Inc: dedicated to financing of the FCT Junior Notes ⁽¹⁾	On balance sheet	-	Fleet	13		-	2020
Capitalized costs of financing agreements	-	-	Corporate and Fleet	(7.8)	(17.4)	-	-
Accrued interest	-	-	Corporate and Fleet	10.8	-	-	-
SARF/FCT Senior Notes	On balance sheet	Yes (Securitifleet security interests)	Fleet	693		Euribor plus a margin of 1.50% that varies on the basis of the financing by FCT Junior or Senior Notes and certain events (2.20% in case of certain breaches)	2020
EC Finance Notes	On balance sheet	Yes (Securitifleet security interests)	Fleet	-	350.0	5.125%	2021
UK fleet financing	On balance sheet	Yes	Fleet	328	-	Primarily LIBOR +1.80%	Dates vary depending on lines
Fleet financing in Australia and New Zealand	On balance sheet	Yes	Fleet	96.8	-	Various conditions depending on the lenders	Renewed annually
Fleet financing in Portugal	On balance sheet		Fleet	33.6	-	Various conditions depending on the lenders	Renewed annually
Other debt	On balance sheet		Fleet	45.7	20.6	-	
Bank overdrafts	On balance sheet		Corporate and Fleet	11.3	-	Eonia +0.75%	-
TOTAL GROSS DEBT RECOGNIZED ON BALANCE SHEET				1,224.4	953.2		
Estimated outstanding value of the fleet financed through operating leases ⁽²⁾	Off balance sheet	-	Fleet	1,460.5	-	-	Essentially renewed annually

(1) FCT Junior Notes are issued by the FCT and subscribed by ECI, which finances them through the Group's cash and RCF draws. These notes finance the portion not financed by the SARF and the EC Finance Notes.

(2) The estimated outstanding value of the fleet financed through operating leases represents the carrying amount of the vehicles in question and is calculated on the basis of the purchase prices and depreciation rates of the corresponding vehicles (based on contracts signed with the manufacturers).

The following graph presents the Group's financial debt as of December 31, 2016.



In reviewing liquidity, the Group uses Corporate free cash flow as a metric.

Rating

STANDARD & POOR'S

On July 8, 2015, following the initial public offering, the rating agency Standard & Poor's raised its long-term corporate credit rating on Europcar Groupe and its wholly owned financing subsidiary Europcar International from B to B+ with stable outlook. The agency confirmed the B+ rating and stable outlook in its publication of July 5, 2016.

The agency also upgraded the issue rating on Europcar Groupe's €350 million revolving credit facility (RCF) from B+ to BB- following the initial public offering. This rating was upgraded again on January 29, 2016 to BB. The agency confirmed the rating on July 5, 2016.

The agency also upgraded the issue rating on EC Finance's €350 million senior secured notes due 2021, intended to finance the fleet, from B to B+ following the initial public offering. The agency confirmed the rating on July 5, 2016.

(a) The Existing Renewable Senior Credit Facility was repaid on May 28, 2015 with the new €350 million Renewable Senior Credit Facility ("RCF"). 2.50% margin if the leverage ratio (as defined under the terms of the RCF) is less than 2.0: 1.0 or 2.75% if greater than 2.0: 1.0.

(b) Amendments to the SARF were signed on September 14, 2016. These amendments, inter alia, increased the amount of FCT Senior Notes that can be issued by the FCT under the SARF from €1.1 billion to €1.3 billion. They also reduced the margin on FCT Senior Notes from 1.7% to 1.5% (before amortization) and extended the maturity to 2020.

(c) The notes were issued on June 10, 2015 for a principal amount of €475 million. The proceeds from this issue were used to redeem the 2018 Outstanding Senior Subordinated Notes. New similar notes were issued on June 2, 2016 for €125 million, bringing the principal of these notes to €600 million.

The agency also upgraded the issue rating on the €475 million senior notes due 2022 from CCC+ to B- following the initial public offering. This rating was maintained and confirmed by the agency after the additional €125 million tranche was issued, bringing the total amount of the 2022 senior notes to €600 million.

In addition, in the context of the implementation of the new Standard & Poor's methodology for sovereign risk ratings within the SARF, on February 24, 2017 the agency confirmed that the SARF, which is intended for fleet financing, had retained its A rating.

MOODY'S

On July 7, following the initial public offering, Moody's Investors Service upgraded Europcar Groupe's corporate family rating (CFR) from B3 to B1. The agency confirmed this rating and the stable outlook on December 13, 2016.

Following the initial public offering, Moody's also changed the rating on the 2022 senior notes for an initial amount of €475 million, transferred to the company by Europcar Notes Limited on completion of the initial public offering. Moody's changed the provisional rating (P) B3 to a definitive rating B3, and upgraded the rating on the €350 million 2021 Senior Secured Notes from B3 to B2. These notes were all confirmed by Moody's on December 13, 2016, with a stable outlook.

3.2.3.1 Corporate Debt

(A) SENIOR NOTES

Within the framework of the Refinancing, on June 10, 2015, Europcar Notes Limited, a limited liability special-purpose vehicle under Irish law (the "**Note Issuer**"), issued senior notes for an amount of €475 million bearing interest at an annual rate of 5.75% repayable in June 2022 (the "**Notes**") under the terms of a bond issue agreement (indenture) dated June 10, 2015 between the Note Issuer, as issuer, and The Bank of New York Mellon, as trustee. These Notes were listed for trading on the Euro MTF Market of the Luxembourg stock exchange.

The proceeds from the issue of these Notes were allocated to redeem in full the Outstanding Subordinated Notes due 2018 and to pay an early redemption premium of €19 million and approximately €10 million of issuance costs with the remainder to be used for general corporate purposes.

On June 2, 2016, the Group announced the successful issue of a new €125 million tranche of senior secured notes, bringing the total amount of the issue to €600 million. The issue proceeds of €131 million were used to finance the Group's acquisition program and to cover its general funding requirements.

SECURITY AND GUARANTEES OF THE NOTES

The Notes are secured by a second-priority security interest on ECI shares held by the Company subordinated to the first-priority security interest on ECI shares held by the Company from which lenders under the RCF benefit.

RANKING OF THE NOTES

The Notes are:

- equal in right of payment to all existing and future indebtedness that is not subordinated in right of payment to the Notes (including indebtedness under the Senior Revolving Credit Facility);
- secured by a second-priority security interest on ECI shares ranking junior to the first-priority security interest on such shares in favor of the lenders under the RCF;
- subordinated to the indebtedness of the Company that is secured by property and assets that do not secure the Notes (including indebtedness under the RCF and the SARF) to the extent of the value of the assets securing such indebtedness;
- effectively subordinated to all existing and future indebtedness and other liabilities (including trade payables) of each Company subsidiary that is not a guarantor of the Notes (including indebtedness under the RCF and the SARF); and
- with a higher rank senior in right of payment to all existing and future indebtedness of the Company that is expressly subordinated in right of payment to the Notes.

OPTIONAL REDEMPTION OF THE NOTES

Before June 15, 2018, the Company may redeem early all or part of the Notes, upon not less than 10 nor more than 60 days' notice before the redemption date, at a redemption price of 100% (expressed as a percentage of par) increased by interest accrued and not paid and by additional amounts due, if applicable, on the redemption date through the payment of a make-whole premium.

Moreover, the Company may, prior to June 15, 2018, redeem early, with the net cash proceeds from an equity issue (other than an IPO), up to 40% of the principal amount

of the Notes issued, upon not less than 10 nor more than 60 days' notice before the redemption date, at a redemption price of 105.75% of the principal amount increased by interest accrued and not paid without paying a make-whole premium, if applicable, on the redemption date, provided that:

- (i) at least 60% of the principal amount of the Notes originally issued (excluding Notes held by the Company and its affiliates) remains outstanding immediately after any such redemption; and
- (ii) the Company makes such redemption not more than 90 days after the consummation of any such equity offering.

At any time after June 15, 2018, the Company may redeem all or part of the New Notes upon not less than 10 nor more than 60 days' notice before the redemption date, at the following redemption prices (expressed as percentages of the principal amount thereof), plus accrued and unpaid interest at the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on June 15 of the years set out below:

Year	Redemption Price
2018	102.875%
2019	101.438%
As from 2020	100.000%

Moreover, in the event of certain changes to tax regulations, the Company may redeem in full the New Notes at a price of 100% (expressed as percentages of the principal amount thereof) plus accrued and unpaid interest and any additional amounts due, if applicable, to the redemption date.

CHANGE IN CONTROL AND SALE OF ASSETS

Upon the occurrence of certain cases of change in control, Noteholders may require the Company to redeem all or part of their Notes at a purchase price equal to 101% (expressed as a percentage of par) plus accrued interest on the redemption date. The Company will be required to inform holders of the change of control and the terms of this optional repurchase within 30 days of the occurrence of a change of control event. After the listing of the Company's shares, a "change of control" means any person or group of persons acting in concert (within the meaning of Article L. 233-10 of the French Commercial Code) (other than Eurazeo or a member of the Eurazeo Group) obtaining the direct or indirect control within the meaning of Article L. 233-3 of the French Commercial Code of the share capital or voting rights of Europcar Groupe.

COVENANTS

The indenture pertaining to the Notes contains commitments (covenants) that will limit the ability of the Company its subsidiaries to:

- incur additional indebtedness;
- make restricted payments;
- sell assets and use the cash proceeds thereof;
- merge, make acquisitions or consolidate;
- engage in transactions with affiliates;
- create security guarantees; and
- restrict the payment of dividends by subsidiaries.

These covenants are subject to important exceptions and qualifications. As of the date of this Reference Document, all the Company's subsidiaries are restricted subsidiaries (as defined in the indenture pertaining to the Notes).

EVENTS OF DEFAULT

The indenture pertaining to the Notes contains the customary events of default, including nonpayment of the principal or interest of the Notes, certain failures with respect to other notes under the indenture pertaining to the Notes or contracts pertaining to the collateral, failure to pay certain debts or to execute certain orders, and the bankruptcy of the Company or of a significant subsidiary or of any collateral ceasing to exist (as such terms are defined in the indenture pertaining to the Notes). The occurrence of an event of default will permit or require the accelerated repayment of all of the Notes.

(B) SENIOR REVOLVING CREDIT FACILITY

The Senior Revolving Credit Facility was agreed on May 12, 2015 with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit du Nord, Crédit Industriel et Commercial, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC France and Société Générale (the "**RCF Lenders**") and became effective on May 28, 2015 (RCF). The RCF consists of a revolving credit facility, covered by a first-priority guarantee of an amount of €350 million, providing for credit advances ("**Advances under the Senior Revolving Credit Facility**" or "**RCF Advances**") or letters of credit ("**RCF Letters of Credit**") denominated, in both cases, in euros, pounds sterling, US dollars or in any other currency agreed with the RCF lenders, for a maximum outstanding amount of €350 million at any time and made available, as applicable, under certain conditions, to Europcar Groupe, ECI and certain Group operating subsidiaries.

The Senior Revolving Credit Facility is divided into two sub-facilities: a €250 million sub-facility, which may be drawn down solely through RCF Advances (the **"Revolving Sub-Facility"**), and a €100 million sub-facility, which may be utilized through RCF Advances or RCF Letters of Credit (the **"L/C Sub-Facility"**). The maximum aggregate amount of the RCF Letters of Credit shall not exceed €100 million. The available amount of the Facility is equal to the total available commitments of the RCF Lenders, less any **"Excess Securitization Amount"**. Unless stated otherwise, capitalized terms set forth and used in this Section entitled **"Senior Revolving Credit Facility"** have the same meaning as set forth in the Senior Revolving Credit Facility.

The Group will be entitled to request from time to time additional credit commitments (**"Incremental Commitments"**) in an aggregate principal amount not exceeding €100 million provided that certain conditions are satisfied, namely: (i) that no case of default has arisen or continues to exist under the Facility; (ii) that the Additional Commitment is authorized under the indenture pertaining to the Notes, the EC Finance Notes and the SARF; and (iii) that if the Additional Commitments are incurred for a separate tranche, the opening commission fees and the margin (and any applicable ratchet) on such tranche do not exceed the initial margin of the facility (and any applicable ratchet) by more than 1%, and the maturity date of such a tranche does not precede that of the facility (such date may be extended, if applicable).

The Incremental Commitment may be provided (i) either by way of increase of the Revolving Sub-Facility commitments or the L/C Sub-Facility commitments or (ii) by way of a separate tranche (**"Incremental Facility Tranche"**). It may be only by way of RCF Advances.

A **"Qualifying Listing"** refers to any Listing of all or part of the share capital of Europcar Groupe on any public exchange or public market provided that:

- (i) following such listing, the Leverage Ratio (x) on the previous Quarter Date (*pro forma* for the repayment of financial indebtedness occurring on or about the date of such listing) or Leverage Ratio (y) within six months following such listing is less than 2.00: 1; and
- (ii) the proceeds of such listing are used to, *inter alia*, redeem in full the Outstanding Subordinated Notes Due 2017.

"Quarter Date" means any of March 31, June 30, September 30 and December 31 of each year.

"Leverage Ratio" on each Quarter Date means the ratio of Total Net Debt (as defined in the RCF) to Corporate EBITDA (as defined in the RCF) on such Quarter Date for the 12-month period ending on such Quarter Date.

"Total Net Debt" is equal, without accumulation, to the total amount in circulation of (i) the Notes less the capitalized financing costs connected to such bonds, (ii) the amounts of the RCF Advances made available less the Junior FCT Notes, (iii) bank overdrafts drawn by Europcar Holding, (iv) for the fleets of the United Kingdom, Australia and New Zealand, gross total debt less the net book value of the fleet and (v) any debt not intended for the financing of the fleet less cash deposited into a Group account opened at a bank ranked at least "P-2" by Moody's or "A-2" by S&P (with the exception of the cash of the Securitifleet companies) and cash equivalents from which each of the Group's entities benefits.

"Excess Securitization Amount" means the portion of any Securitization proceeds received by any member of the Group exceeding an aggregate amount of €50,000,000.

"Securitization" means any factoring programs, receivables securitization or other receivables financing of the Group on a recourse basis not exceeding an aggregate amount of €150,000,000.

The purpose of the RCF is to finance (i) the Group's working capital requirements and general corporate needs, (ii) interest payments due by the Company or any other borrower, (iii) repayment of inter-company loans, and (iv) permitted acquisitions, it being specified that the RCF may not be used to finance the prepayment, repayment, purchase, defeasance or redemption of the Notes.

RCF ADVANCES

The RCF Advances are made available to the Company, ECI, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar International S.A.S.U. & Co. OHG, Europcar France S.A.S., and Europcar IB S.A.U., as the initial borrowers, and under certain conditions, to other subsidiaries of Europcar Groupe (each a **"Borrower under the RCF"** or **"RCF Borrower"**).

RCF Advances may be granted in euros, pounds sterling or US dollars or any other currency requested by the RCF Borrowers and agreed by the Agent provided that such currency is available and freely convertible into euros on the wholesale market on the relevant dates of quotation and utilization.

RCF LETTERS OF CREDIT

RCF Letters of Credit may be issued under the RCF at the request of an RCF Borrower.

RCF Letters of Credit may be issued in euros, pounds sterling or US dollars or any other currency requested by the Borrowers and agreed by the Agent provided that such currency is available and freely convertible into euros on the wholesale market on the relevant dates of quotation and utilization.

The aggregate amount of the RCF Letters of Credit issued shall not exceed €100 million.

The expiry date of the RCF Letters of Credit falls on or before thirty (30) calendar days before the maturity date of the facility (as extended, as the case may be).

The term of RCF Letters of Credit is 12 months or less or, for RCF Letters of Credit whose aggregate amounts do not exceed €30,000,000, 18 months or less.

GUARANTEES

Guarantees have been granted by Europcar Groupe, ECI, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar France S.A.S., Europcar International S.A.S.U. & Co. OHG, Europcar IB S.A.U., Europcar Italia S.p.A. and Europcar UK Limited.

In addition, other subsidiaries of the Group may accede, under certain conditions, to the new Senior Revolving Credit Facility as guarantors in the future.

INTEREST

The interest rates *per annum* applicable to NSRCF Advances under the New Senior Revolving Credit Facility are based on EURIBOR (or LIBOR for drawings in currencies other than euros) plus a borrowing margin, it being specified that EURIBOR or LIBOR will be deemed equal to zero in the event of a negative interest rate.

The applicable margin is 2.75% for an RCF Advance to any RCF Borrower if the Leverage Ratio is equal to or greater than 2: 1, and 2.50% if no event of default has occurred or is occurring under the RCF and the Leverage Ratio for the 12 months preceding the most recent Quarter Date is less than 2: 1.

MATURITY AND REPAYMENTS OF RCF ADVANCES

The Senior Revolving Credit Facility will mature 5 years from its effective date (the “**RCF Maturity Date**”).

Each RCF Advance must be repaid on the last day of the interest period relating thereto but may be repaid by way of a new Advance. Each RCF Advance repaid (except pursuant to a mandatory prepayment), will thereafter be available for redrawing until one month prior to RCF Maturity. All RCF Advances must be repaid at the RCF Maturity.

MANDATORY PREPAYMENT

Subject to certain exceptions, the RCF will be automatically subject to mandatory prepayment and cancellation in full upon the occurrence of one of the following events:

- a change in control; or
- the listing of the shares of any of the Group's members on a regulated market or other trading market; or
- on a disposal of all or substantially all of the assets of the Group.

Furthermore, if, at any time, as a result of any Securitization, the outstanding amounts of the RCF Advances and RCF Letters of Credit exceed the available amount of the Facility, the Borrowers must repay (without cancellation) within three business days the outstanding RCF Advances up to such excess amount or reduce the amount of the Securitization proceeds. The Borrowers shall be entitled to redraw any RCF Advances which has been so repaid.

A “**change in control**” is deemed to have taken place if any person or group of persons acting in concert (under Article L. 233-10 of the French Commercial Code), other than Eurazeo or a member of Groupe Eurazeo, obtains direct or indirect control of the capital or the voting rights of the Company under Article L. 233-3 of the French Commercial Code.

CANCELLATION

Undrawn amounts under the RCF may be cancelled by the Company at any time in whole or in part on five business days' notice on condition that the cancelled amount must be for a minimum amount of €10 million.

SECURITY

The RCF is secured, subject to certain applicable limitations, by (a) a first-priority security interest on (i) the shares of ECI and of certain direct or indirect subsidiaries of ECI (Europcar Holding S.A.S., Europcar France, Europcar UK Limited, Europcar Autovermietung GmbH, Europcar Italia S.p.A., Europcar IB S.A.U. and Europcar International S.A.S.U. & Co. OHG) and (ii) the bank accounts of Europcar Groupe, ECI, Europcar Holding S.A.S., Europcar France, Europcar International S.A.S.U. & Co. OHG, Europcar IB S.A.U., Europcar Italia S.p.A., and by (b) a first-priority security interest on intra-group receivables under certain cash management agreements (cash pooling) entered into between Europcar Holding S.A.S., as cash pool manager, and other subsidiaries of the Group.

On the occurrence of a Qualifying Listing, all the security interests mentioned (other than those granted on the shares in significant subsidiaries or the receivables under the cash pooling arrangements) may be released at the request of Europcar Groupe.

FEES AND COMMISSIONS

The Company must pay the following fees: (i) fees on the unused revolving loan commitments of the lenders, (ii) letters of credit participation fees on the outstanding amount of each Letter of Credit, (iii) the fronting fees due to the issuing bank for each Letter of Credit, and (iv) other customary fees of the RCF (including arrangement fees, coordination fees and agents' fees).

RANKING

The RCF ranks senior to all other subordinated debt of each RCF Borrower.

The RCF ranks *pari passu* with hedging transactions in right of payment and in connection to its security (except the above-mentioned first-priority security interest on ECI shares which does not secure hedging transactions).

RCF lenders rank at least *pari passu* with all amounts owed to unsecured creditors except for those amounts benefiting from a higher rank under law or an intercreditor agreement.

FINANCIAL COVENANT

The RCF specifies that the Group must maintain a ratio of cash flow to total debt service of no less than 1.10: 1.

Total debt service will be defined as the aggregate of the interest and associated fees during any given 12 month period plus repayment of financial liabilities, the latter being subject to certain limitations.

COVENANTS

Subject to certain exceptions related to materiality tests, grace periods and carve-outs, the Senior Revolving Credit Facility specifies certain undertakings (covenants), namely: (i) a negative security interest in respect of Group assets, (ii) a limitation on financial indebtedness, (iii) a restriction on the payment of dividends, issuing stock, payments to shareholders and investor debt, (iv) restrictions on asset disposals, and (v) limitations on mergers, acquisitions and permitted investments.

EVENTS OF DEFAULT

The Senior Revolving Credit Facility contains, subject to exceptions related to materiality tests, grace periods and carve-outs, a certain number of customary events of default including the following: (i) failure to pay the principal amount, interest, fees and other amounts, (ii) noncompliance with certain commitments and other obligations, (iii) substantial inaccuracy in representations and warranties, (iv) cross defaults or defaults which are accelerated with another significant debt, (v) certain cases of insolvency, (vi) the actual or presumed invalidity of any collateral or subordination clause under the terms of the Intercreditor Agreement, (vii) a significant audit qualification, and (viii) the occurrence of a significant unfavorable event.

GOVERNING LAW

The Senior Revolving Credit Facility is governed by French law.

3.2.3.2 Debt related to fleet financing**(A) SENIOR ASSET REVOLVING FACILITY OR SARF**

The SARF was entered into between Crédit Agricole Corporate and Investment Bank, as **"Lending Bank"** and Securitifleet Holding as borrower.

The SARF was initially entered into on July 30, 2010 and amended on August 26, 2010, November 4, 2010, January 11, 2011 and April 5, 2012. The SARF was further amended on March 4, 2014 in certain respects, principally to (i) add two additional banks to the facility, (ii) reduce the margin of senior notes issued by the FCT Issuer under the facility from 2.70% to 2.20% (before the amortization period) and from 3.75% to 2.75% (after the amortization period), (iii) reduce the maximum amount of senior notes that may be issued by the FCT Issuer from €1.1 billion to €1 billion, (iv) provide the borrower with flexibility to request weekly advance and repayment dates rather than monthly settlement dates only, and (v) extend the maturity of the SARF from July 2014 to January 2017. The Senior asset Revolving Facility provides a committed facility of €1.0 billion to Securitifleet Holding. Drawings are made available to Securitifleet Holding (the **"SARF Borrower"**) for the sole purpose of financing fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet companies.

The additional amendments to the SARF were signed on May 12, 2015 and became effective on June 17, 2015 (the **"2015 Amendments"**). The 2015 Amendments (i) reduced the applicable margin with respect to the FCT Senior Notes from 2.2% to 1.7% (before the amortization period) and from 2.75% to 2.25% (after the amortization period), (ii) reduced the rate of non-use from 1% to 0.75% in the potential event where the rate of use would be less than or equal to 50% and from 0.75% to 0.5% in the potential event where the rate of use would be greater than 50%, (iii) extended the maturity of the SARF to the settlement date following January 2019, (iv) increased the amount of the Senior Notes which could be used by the FCT Issuer under the SARF of €1 billion to €1.1 billion, and (v) enabled the participation of two new banks, Lloyds Bank and HSBC France (or, if applicable, Regency Assets Limited, its sponsored conduit supplying asset-backed commercial paper), the latter replacing Barclays Bank plc. ECI and the banks also agreed to (i) allow the sub-leasing of vehicles by a local subsidiary (namely Europcar France S.A.S., Europcar Autovermietung GmbH, Europcar Italia S.p.A. or Europcar IB S.A.) to another local subsidiary, except for Europcar Italia S.p.A., under intra-group master operating sub-lease agreements, and (ii) treat such sub-leased vehicles as eligible vehicles for the amended SARF.

New amendments to the SARF were signed on September 14, 2016 and entered into force on September 17, 2016 (the **"2016 Amendments"**). The 2016 Amendments: (i) reduced the margin and the margin applicable to the FCT Senior Notes from 1.7% to 1.5% (before the repayment period) and from 2.25% to 2.05% (after the repayment period); (ii) extended the maturity of the SARF to the payment date following January 2020; and (iii) increased the amount of the senior notes that may be issued by the FCT Issuer under the SARF from €1.1 billion to €1.3 billion.

Lastly, additional amendments to the SARF were signed on February 9, 2017 to enable the securitization program to be made compliant with the new methodology published by the rating agency Standard & Poor's relating to sovereign risk (the 'Rating above the sovereign' methodology) and thus to maintain its single A rating. These amendments provide, in particular, for the inclusion of new concentration limits on rental fleets in Spain and Italy funded through the SARF.

Lending Bank assigned its claims arising under the SARF, together with all security and ancillary rights related thereto, to the FCT Issuer which in return issued (i) **"FCT senior notes"** to be subscribed by Crédit Agricole Corporate and Investment Bank (or, as the case may be, LMA, its sponsored multi-seller asset-backed commercial paper conduit), The Royal Bank of Scotland plc, Société Générale, Deutsche Bank AG, London Branch, Natixis, (or, as the case may be, Magenta, its sponsored multi-seller asset-backed commercial paper conduit), BNP Paribas (or, as the case may be, Matchpoint, its sponsored multi-seller asset-backed commercial paper conduit), HSBC France (or, if applicable, Regency Assets Limited, its sponsored asset-backed commercial paper conduit), and any other entity which may subscribe for or acquire FCT Senior Notes as senior subscriber(s) in an aggregate amount of €1.3 billion (after the 2016 Amendments), and (ii) **"FCT Junior Notes"** to be subscribed for from time to time by ECI.

FINAL MATURITY DATE

The SARF will be terminated on the earlier of the following dates: (i) the settlement date in January 2020, (ii) the start of a Non-Enforcement Amortization Period (namely, the date on which a Level 1 Event of Default is declared (as defined below)), (iii) the start of an Enforcement Amortization Period (namely, the date on which a Level 2 Event of Default is declared (as defined below)), and (iv) the date on which an RCF is repaid (unless all or part of such facility is refinanced in amounts equal to or greater than the existing amount of such facility), the first of such dates being the **"SARF Termination Date"**. The final maturity date of the Senior asset Revolving Facility will be the date occurring six months after the Senior asset Revolving Facility Termination Date (the **"SARF Final Maturity Date"**).

SARF ADVANCES, REVOLVING PERIOD AND AMORTIZATION PERIOD

During the period between March 4, 2014 and the SARF Termination Date (the **"SARF Revolving Period"**), advances (**"SARF Advances"**) are made to Securitifleet Holding subject to the terms and conditions set out in the SARF as amended on March 4, 2014. Following the occurrence of the Senior asset Revolving Facility Termination Date and until the SARF Final Maturity Date (the **"SARF Amortization Period"**), Securitifleet Holding is required to apply all available amounts towards the amortization of the outstanding Advances in accordance with the priority of payments set out in the SF Intercreditor Agreement (as defined below), as described below. All SARF Advances will be fully due and payable on the SARF Final Maturity Date.

SARF ADVANCE RATE

SARF Advances (The rate applicable to the **"SARF Advance Rate"**) is determined in light of the aggregate **"Borrower Asset Value"** (as defined below) of all Securitifleet companies, the credit enhancement mechanics confirmed with Standard & Poor's, and the concentration limits applicable to carmakers and vehicles as defined in the SARF, the master operating lease agreements and the terms and conditions of the FCT Junior Notes.

In particular, the SARF Advance Rate is calculated by reference to the **"Senior Asset Funding Limit"** which is sized principally on the basis of (A) the aggregate Borrower Asset Value of all Securitifleet Companies (subject to certain limitations) as the same is reduced by (B) the applicable **"Credit Enhancement Amount"**. The Credit Enhancement Amount is determined by aggregating (i) the amount determined by the application of the rate determined using Standard & Poor's Credit Enhancement Matrix applicable to the corresponding Credit Enhancement Asset, and (ii) the amount exceeding the concentration limits applicable to carmakers and vehicles defined in the SARF.

BORROWER ASSET VALUE

Drawing under the Senior asset Revolving Facility by Securitifleet Holding will depend on the aggregate of all Borrower Asset Values of the Securitifleet Companies.

In relation to any Securitifleet Company acting as borrower under the Securitifleet On-Loan Agreements (as defined below), the Borrower Asset Value is calculated monthly as the aggregate of the following items:

- the vehicle fleet residual value—which comprises the aggregate residual value of the vehicle fleet plus capitalized costs for any purchased vehicles for which registration is pending, less any aggregate provisions for badly damaged, stolen or converted vehicles—of the vehicle fleet owned by the relevant Securitifleet Company;

- the amount of the vehicle provider receivables—which comprise the receivables owed to such Securitifleet Company by any car dealer or manufacturer pursuant to the relevant Securitifleet Company's disposal of any vehicle under any buy-back agreement—payable to the relevant Securitifleet Company;
- the amount of VAT receivables, which comprise any VAT repayment receivables owed or to be owed by a taxation authority to the relevant Securitifleet Company that are payable to such Securitifleet Company;

minus

- the aggregate amount of any debt outstanding and due by the relevant Securitifleet Company to vehicle providers (excluding any amount in respect of VAT related thereto) to the extent the maturity date of such payables falls after the second succeeding SARF settlement date (as defined below); and
- the aggregate amount of the capitalized costs related to each vehicle fleet (excluding the vehicle fleet of Securitifleet GmbH) delivered and accounted for by a Securitifleet Company (excluding Securitifleet GmbH) but for which the corresponding invoice has not yet been received or booked; and
- the aggregate amount of all VAT payments owed by the relevant Securitifleet Company to a taxation authority in its relevant jurisdiction at such time (excluding for the avoidance of doubt such VAT payments due by Europcar Autovermietung GmbH in relation to the resale by Securitifleet GmbH of its vehicles).

MARGIN

The interest rate applicable to the FCT Senior Notes is equal to the sum of the EURIBOR rate applicable to the relevant interest period plus 1.50% (in each case before the SARF Amortization Period) or 2.05% (in each case during the SARF Amortization Period). In the case of breach of certain obligations (subject to reservations pertaining to their importance, the grace period and other exceptions) with respect to a vehicle fleet availability service agreement or a fee agreement concerning the provision of legal services in Germany (a “**DSP Material Breach**”), the margin applicable to the FCT Senior Notes (for the interest periods terminating before the SARF Amortization Period) will be automatically and immediately 2.05% from the date of the *DSP Material Breach* until the *DSP Material Breach* is remedied or waived.

The interest rate applicable to the FCT Junior Notes is equal to the sum of the EURIBOR rate applicable to the relevant interest period plus 2.25%.

FLEET SERVICING

All Europcar operating companies in France, Germany, Spain and Italy (each an “**Operating Company**”), pursuant to servicing agreement (each a “**Servicing Agreement**”), acts

as a services provider (each, in such capacity, a “**Services Provider**”) in respect of the vehicle fleet (and other assets) owned by the related Securitifleet Company.

Implementation pursuant to the terms of a vehicle fleet disposal services agreement, and of an engagement letter and fee agreement regarding the provision of legal services in Germany, a disposition services provider provides certain disposition services in relation to the recovery of the fleet under certain conditions.

ECI PERFORMANCE GUARANTEE

ECI granted in favor of each Securitifleet company certain performance guarantees (together the “**ECI Performance Guarantee**”) pursuant to which it guarantees as co-surety the full payment when due of all amounts (including, without limitation, rental payments under the master operating leases, expenses, fees, costs, indemnity and other amounts due as a result of the non-performance or incomplete performance by the relevant Operating Company of any of its obligations) due to each Securitifleet company by the relevant Operating Company with respect to certain of their respective payment obligations, in particular under the master operating lease agreements and the management services agreements, up to an amount equal to the available cash. The benefit of the ECI Performance Guarantee was assigned in favor of the Senior Facility Lending Bank acting as the fronting bank under the SARF but not in favor of the trustee for the Outstanding Subordinated Notes or the holders of the EC Finance Notes, directly or indirectly.

Any event of default under the Senior asset Revolving Facility, the SARF borrower can be directed by the facility instructing party to call the ECI Performance Guarantee and exercise any right it is entitled to exercise in accordance with the terms of the ECI Performance Guarantee.

SECURITY

Securitifleet Holding's obligations under the SARF are secured by the Securitifleet collateral described below under Section 3.2.3.2.2 “*Securitifleet Collateral*” which also indirectly benefit holders of EC Finance Notes. In addition, however, the obligations of Securitifleet Holding under the Senior asset Revolving Facility are also secured by the vehicle fleet and receivables held against vehicle providers under manufacturer buy-back agreements in Italy and Catalonia, as well as the bank accounts of Securitifleet Italy and the shares held by Europcar Italy in Securitifleet Italy. The Noteholders do not benefit, either directly or indirectly, from this additional Securitifleet collateral.

FEES

The SARF Borrower pays fees on the unused underwriting commitments of holders of FCT Senior Notes, documentary credit fees, and other customary fees in respect of the SARF (including arrangement fees, ticking fees and agency fees).

RANKING

The Senior asset Revolving Facility ranks senior to the Securitifleet Proceeds Loan both in interest and principal and any other subordinated indebtedness of each SARF Borrower. See "SF Intercreditor Agreement".

COVENANTS

The covenants applied to Securitifleet Holding are divided into Level 1 Undertakings and Level 2 Undertakings. Any breach of a Level 1 Undertaking, which is not cured within its applicable grace period (if relevant), shall result in a Level 1 Event of Default, and correspondingly any breach of a Level 2 Undertaking, which is not cured within its applicable grace period (if relevant), shall result in a Level 2 Event of Default.

Undertakings relate to delivery of financial statements, compliance with accounting policies, notification of Level 1 defaults and maintaining bank accounts with suitably rated banks. The Level 2 Undertakings include in particular (i) information obligations (including notification of a Level 2 Event of Default), (ii) the maintenance of the necessary authorizations, licenses and consents, (iii) compliance with laws and regulations, in particular tax laws, (iv) a negative pledge regarding the assets or business of Securitifleet Holding, (v) restrictions on the granting of loans by Securitifleet Holding, (vi) a limitation on the financial indebtedness of Securitifleet Holding, (vii) a limitation on the granting of guarantees by Securitifleet Holding, (viii) restrictions on the rights of Securitifleet Holding as shareholder of certain Securitifleet companies, and (ix) the maintenance of bankruptcy-remoteness criteria including restrictions on mergers.

The agreement also provides for two levels of representations and warranties. The Borrower Level 1 Representations and Warranties relate to the accuracy of historical financial statements, ranking, no conflicts, and no events of default and no withholding. The Borrower Level 2 Representations and Warranties relate to other representations and warranties.

EVENTS OF DEFAULT

There are two levels of event of default under the Senior asset Revolving Facility Agreement:

- (i) a "**Level 1 Event of Default**" which, subject to any agreed exceptions, materiality tests, grace periods and carve-outs, consists of (i) misrepresentations made under borrower Level 1 Representations and Warranties, (ii) breach of any Level 1 Undertaking, and (iii) the replacement of the Lending Bank without a replacement assignee bank being appointed; and
- (ii) a "**Level 2 Event of Default**" which, subject to any agreed exceptions, materiality tests, grace periods and carve-outs, consists of (i) non-payment of amounts due under the SARF, (ii) misrepresentations made under borrower Level 2

Representations and Warranties, (iii) the violation of any Level 2 Undertaking, (iv) the occurrence of an insolvency event of Securitifleet Holding, (v) enforcement of security or security ceasing to be valid, binding and enforceable or losing the benefit of a priority ranking, (vi) the occurrence of a material adverse change affecting Securitifleet Holding, (vii) any audit qualification by the Statutory Auditors concerning Securitifleet Holding's financial statements to the extent it materially adversely changes the current or future value of Securitifleet Holding's assets, (viii) breaches relating to Securitifleet Holding's obligations under Securitifleet shareholder arrangements and to compliance with the recommendations made by the Senior Facility Lending Bank or the FCT Issuer as part of its consultation procedure, (ix) misrepresentations and/or breaches by Securitifleet Holding in relation to any security or encumbrance, (x) acceleration under the Senior Revolving Credit Facility of the outstanding EC Finance Notes or of Notes, and (xi) termination or breach of any material operating license.

The occurrence of a Level 1 Event of Default will commence a "**Non-Enforcement Amortization Period**" during which, in particular:

- (i) any outstanding advance will become a term advance repayable on a monthly basis during the amortization period *via* all cash collections received;
- (ii) each Securitifleet company will be prohibited from ordering new vehicles from vehicle providers and granting new advances under the SARF; and
- (iii) each Operating Company, acting as lessee under the relevant master operating lease agreement and an intra-group sub-lease agreement, will be prohibited from, due to the prohibition that applies to Securitifleet Companies:
 - extending the duration of any base operating lease or sub-lease in force on the amortization commencement date, and
 - entering into any new base operating lease or sub-lease with the relevant Securitifleet Company or Operating Company.

The occurrence of a Level 2 Event of Default will trigger an "**Enforcement Amortization Period**" during which (i) the relevant instructing party will be entitled to accelerate all advances granted to Securitifleet Holding in accordance with the provisions of the *SF Intercreditor Agreement*, and (ii) all securities granted to the FCT Issuer will be enforceable in accordance with the provisions of the *SF Intercreditor Agreement*.

GOVERNING LAW

The Senior asset Revolving Facility Agreement is governed by French law.

(B) SECURITIFLEET COLLATERAL

The undertakings of Securitifleet Holding under the SARF together with its obligations to repay the proceeds of the EC Finance Notes to EC Finance Plc (as defined below) under a loan agreement (the “**Securitifleet Loan**”) are secured directly and indirectly by:

- a first priority security interest on the shares of Securitifleet Holding held by ECI;
- a first priority security interest on the shares in each of the Securitifleet Companies (other than shares held by Europcar Italy in Securitifleet Italy);
- a first priority security interest on receivables held by Securitifleet Holding in respect of each of the Securitifleet companies (other than in respect of Securitifleet Italy);
- a first priority security interest on the balances in Securitifleet Holding's bank accounts;
- a first priority security interest on certain receivables (including under buy-back agreements from carmakers) of each of the Securitifleet Companies (other than Securitifleet Italy), with certain exceptions in Spain; and
- a first priority security interest on certain assets (including bank account balances and the vehicle fleet) of each Securitifleet Company from time to time (other than Securitifleet Italy), with certain exceptions in Spain.

All above-mentioned assets subject to security interests are collectively referred to herein as the “**Securitifleet Collateral**”. The Securitifleet Collateral secure the Senior asset Revolving Facility and the Securitifleet Proceeds Loan on a shared *pari passu* basis and enforcement proceeds from such collateral will be paid first to the senior lenders under the Senior asset Revolving Facility pursuant to the amortization priority of payments in the SF Intercreditor Agreement. Such senior lenders, in addition, benefit from direct security over the assets of Securitifleet Italy. The holders of the EC Finance Notes indirectly benefit only from a negative pledge in respect of the assets of Securitifleet Italy.

The security agent for the EC Finance Notes acts as agent for the trustee for the EC Finance Notes and the holders of such EC Finance Notes in respect of the EC Finance Notes Collateral (as defined below). A common security agent acts as the agent for the SARF creditors and the EC Finance Notes trustee and as the security agent for the EC Finance Notes and the holders of EC Finance Notes in respect of the shared Securitifleet Collateral and in accordance with the provisions of the SF Intercreditor Agreement.

(C) SECURITIFLEET LOAN AGREEMENTS

Securitifleet Holding acts as the financing entity for the vehicle fleet purchasing and leasing activities of the Securitifleet Companies. Securitifleet Holding has used the proceeds from

funding under the Securitifleet Proceeds Loan related to the EC Finance Notes, together with drawings under the SARF, to on-lend, directly or indirectly, as required by certain jurisdictional limitations, said amounts to the Securitifleet companies (each such transaction a “**Securitifleet Advance**”) under the “**Securitifleet On-Loan Agreements**”.

Securitifleet Holding has entered into revolving facilities with Securitifleet Spain, Securitifleet Italy, Securitifleet France and Securitifleet Germany pursuant to which Securitifleet Holding has advanced funds to Securitifleet Spain, Securitifleet Italy, Securitifleet France and Securitifleet Germany from time to time.

Except as otherwise required by law, all payments under the Securitifleet Advances are made without deductions or withholding for, or on account of, any applicable tax. In the event that any Securitifleet company is required to make any such deduction or withholding, it is further required to gross-up each payment to Securitifleet Holding to ensure that Securitifleet Holding receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

Each Securitifleet On-Loan Agreement provides that the Securitifleet Companies will make all payments pursuant thereto on a timely basis in order to ensure that Securitifleet Holding can satisfy its payment obligations under the Senior asset Revolving Facility and the Securitifleet Proceeds Loan, taking into account administrative and timing concerns and limitations, including under the SF Intercreditor Agreement. As the SF Intercreditor Agreement only permits payments to be made on a settlement date falling on the 17th of each month, semi-annual interest payments on the EC Finance Notes are funded by Securitifleet Holding to ECF on the settlement date preceding the relevant semi-annual interest payment date on the EC Finance Notes (which is on the first of the following month). ECF is permitted to invest such funds in highly-rated liquid securities held in an account pledged for the benefit of the EC Finance Noteholders. Any surplus funds in such account following an EC Finance Notes interest payment date may be remitted to Securitifleet Holdings for investment in the Securitifleet Companies. Pursuant to the ECI Subordinated Loan, ECI has the option to extend to ECF amounts sufficient to enable ECF to satisfy its payment obligations under the EC Finance Notes that are not funded through payments on the Securitifleet Proceeds Loan.

Each Securitifleet company has been created with a limited corporate purpose and is required by the terms of the Securitifleet On-Loan Agreements to which it is a party, which incorporate limitations substantially similar to those provided in the EC Finance Notes Indenture (as defined below), to use the proceeds of the relevant Securitifleet Advances made available under its Securitifleet On-Loan Agreement to acquire and lease vehicles to the Europcar operating company in its jurisdiction.

(D) FCT JUNIOR NOTES

The subscription proceeds of the FCT Junior Notes subscribed by ECI set forth the overall credit enhancement and, as applicable, the remuneration of the FCT accounts (in the event of a negative interest rate being applicable to these accounts) as well as an additional liquidity requirement, which is an amount determined by application of a fixed percentage of the vehicle fleet residual value (which, for each Securitifleet Company, is comprised of the aggregate residual value of a given Securitifleet Company's vehicle fleet plus capitalized costs for any purchased vehicles for which registration is pending, less any aggregate provisions for badly damaged or stolen vehicles or vehicles the value of which has decreased significantly, with the amount equal to the product of the percentage of the loss adjustments and the residual value of the fleet being deducted), to the amount of the securitization financing (as defined below) at the level of the FCT Issuer, on a cross-collateralized basis among all the Securitifleet Companies (including any residual risk, such as interest rate risk). The amount and rate of the credit enhancement and liquidity required amount is calculated monthly (such amount being adjusted on the date on which each advance is made under the Senior asset Revolving Facility) and is applied towards the determination of the amount of the FCT Junior Notes to be issued in connection with each advance drawdown from time to time under the Senior asset Revolving Facility on the basis of the advance rate and the liquidity required amount.

The FCT Junior Notes are issued for a nominal amount of €1,000. They accrue interest on the basis of the principal amount issued for each interest period which ends on each settlement date. The amount of interest due on each settlement date for each FCT Junior Note is calculated on a date immediately preceding this settlement date as follows:

- (A) an amount equal to (i) the sum of all interest amounts due to be received under the SARF Agreement on such settlement date; plus (ii) the swap floating amount due to the FCT Issuer by the swap counterparties on such settlement date, (iii) the aggregate interest amount accrued on a liquidity enhancement cash reserve account and an Italian withholding tax reserve account up to such calculation date; plus (iv) the FCT "Additional Amount" due to be paid by Securitifleet Holding to the FCT on such settlement date (being an amount payable by Securitifleet Holding to the transaction administrator for the account of the FCT Issuer, deemed to be €140,000 per month, subject to certain modifications); less (v) the swap fixed amount due to be paid by Securitifleet Holding to any swap counterparties on that settlement date; less (vi) the aggregate of all **Senior Note** coupons due to be paid in relation to all Senior Notes on such settlement date; divided by
- (B) the aggregate outstanding amount of all Junior Notes; multiplied by
- (C) the principal outstanding amount of such Junior Notes.

(E) EC FINANCE NOTES

On July 31, 2014, EC Finance plc ("**ECF**") issued €350,000,000 5.125% Senior Secured Notes due 2021 (the "**EC Finance Notes**"). The EC Finance Notes are admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

The EC Finance Notes were issued pursuant to an indenture, dated as of July 31, 2014 (the "**EC Finance Notes Indenture**") among ECF as issuer, The Bank of New York Mellon as trustee, transfer and principal paying agent, and The Bank of New York Mellon (Luxembourg) SA as registrar and as Luxembourg paying and transfer agent. The EC Finance Notes are obligations of ECF, and are guaranteed by ECI on a senior unsecured basis.

Under the Securitifleet Proceeds Loan Agreement between ECF and Securitifleet Holding the Securitifleet Proceeds Loan funding was made available to Securitifleet Holding in an amount equal to the aggregate principal amount of the EC Finance Notes. Securitifleet Holding then makes Securitifleet Advances to Securitifleet Companies. ECF and ECI entered into the "**ECI Subordinated Loan**" pursuant to which ECI has the option to extend to ECF amounts sufficient to enable ECF to satisfy its payment obligations under the EC Finance Notes that are not funded through payments on the Securitifleet Proceeds Loan.

GUARANTEES

The EC Finance Notes are the obligations of ECF and are guaranteed on a senior unsecured basis by ECI (the "**ECI Guarantee**"). The ECI Guarantee is a general senior obligation of ECI, which ranks equally in right of payment with all existing and future indebtedness of ECI that is not subordinated in right of payment to the ECI Guarantee and in the event of an enforcement of the ECI Guarantee, the **ECI Performance Guarantee**. Such ECI Guarantee ranks senior in right of payment to all existing and future indebtedness of ECI that is subordinated or otherwise junior in right of payment to the ECI Guarantee.

The ECI Guarantee is subordinate to any existing or future debt and any other liabilities of ECI secured by the property and assets of ECI and its subsidiaries to the extent of the value of the property and assets securing this debt, including the Senior Revolving Credit Facility and certain fleet financing contracts. In the event of bankruptcy or insolvency, the secured lenders have a priority claim over all collateral of ECI securing the debt they hold.

The obligations of Securitifleet Holding under the Securitifleet Proceeds Loan are secured directly or indirectly by the Securitifleet Collateral. See Section 3.2.3.2. (B) "*The Securitifleet Collateral*".

RANKING OF THE EC FINANCE NOTES

The EC Finance Notes:

- are general senior obligations of ECF;
- are guaranteed on a senior unsecured basis by ECI;
- rank equally in right of payment with all existing and future indebtedness of ECF that is not subordinated in right of payment to the EC Finance Notes; and
- rank senior in right of payment to all existing and future indebtedness of ECF that is subordinated or otherwise junior in right of payment to the EC Finance Notes.

EC FINANCE NOTES COLLATERAL

EC Finance Notes benefit directly from the security interests granted to the notes security agent on behalf of the EC Finance Notes trustee and of holders of the EC Finance Notes (the **"EC Finance Notes Collateral"**) in the following rights, property and assets:

- the balance in English bank accounts of ECF and ECF's rights under the ECI Subordinated Loan; and
- ECI's rights under the Securitifleet Proceeds Loan.

Proceeds Loan, ECF (and indirectly the EC Finance Noteholders) also benefits, indirectly, from the Securitifleet Collateral. See Section 3.2.3.2.2 *"The Securitifleet Collateral"*.

EVENT OF PREPAYMENT

Since January 15, 2017, ECF or ECI may redeem all or, from time to time, a part of the EC Finance Notes upon not less than 10 nor more than 60 days' notice prior to the redemption date, at the following redemption prices (expressed as percentages of the principal amount thereof), plus accrued and unpaid interest to the redemption date (subject to the right of EC Finance Notes' holders of record on the relevant record date to receive interest due on the relevant interest payment date), and which vary according to the periods set out below, commencing on January 15, 2017:

Year	Redemption Price
January 15, 2017 to July 15, 2017	103.844%
July 15, 2017 to July 15, 2018	102.563%
July 15, 2018 to July 15, 2019	101.281%
July 15, 2019 and thereafter	100.00%

In addition, in the event that ECI becomes obligated to pay additional amounts (as defined in the EC Finance Notes Indenture) to EC Finance Notes' holders as a result of changes affecting withholding taxes applicable to payments on the EC Finance Notes, ECI may redeem the EC Finance Notes in whole (but not in part) at any time at a price equal to 100% of the principal amount of the EC Finance Notes plus accrued and unpaid interest at the redemption date.

Any optional redemption made under this Section shall be irrevocable.

CHANGE OF CONTROL AND ASSET SALES

Upon the occurrence of certain change of control events, each holder of the EC Finance Notes may require ECF or ECI to repurchase all or a portion of its EC Finance Notes at a purchase price equal to 101% of the principal amount of the EC Finance Notes, plus accrued and unpaid interest to, but not including, the date of purchase. ECF or ECI must inform holders of the change of control and the terms of this optional repurchase within 30 days of the occurrence of a change of control event.

If ECI sells assets under certain circumstances, ECI is required to make an offer to purchase the EC Finance Notes at 100% of the principal amount of the EC Finance Notes, plus accrued interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets.

COVENANTS

The EC Finance Notes Indenture contains covenants that, among other things, limit the ability of ECF, ECI, Securitifleet Holding, Securitifleet Companies and their Restricted Subsidiaries to:

- respect a maximum loan-to-value ratio of all Securitifleet companies' indebtedness over the total value of certain of the Securitifleet Companies' assets of 95%, compliance to be tested on a quarterly basis;
- respect covenants limiting the activities of ECF and the Securitifleet Companies;
- incur additional indebtedness;
- make restricted payments, including dividends or other distributions;
- create certain security interests;
- sell assets;
- in the case of restricted subsidiaries, enter into arrangements that restrict dividends or other payments to the Company;
- in the case of restricted subsidiaries, guarantee or secure debt;
- engage in transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the Company's assets and the assets of its subsidiaries on a consolidated basis; and
- take any action that would materially impair the security interest.

These covenants are subject to important exceptions and qualifications. Currently, all of the subsidiaries of ECF, ECI, Securitifleet Holding and Securitifleet Companies are Restricted Subsidiaries (as defined in the EC Finance Notes Indenture).

EVENTS OF DEFAULT

The EC Finance Notes *Indenture* contains customary events of default, including, among others, the non-payment of principal or interest on the EC Finance Notes, certain failures to perform or observe any other obligation under the EC Finance Notes Indenture or security documents, the failure to pay certain indebtedness or comply with judgments and the bankruptcy or insolvency of ECF, ECI, a Securitifleet Company or a significant subsidiary. The occurrence of any default event would permit or require the acceleration of all obligations outstanding under the EC Finance Notes Indenture.

SF INTERCREDITOR AGREEMENT

In connection with entering into the SARF and the issuance of the EC Finance Notes, an intercreditor agreement was entered into with, *inter alia*, the Senior Facility Lending Bank under the SARF and the trustee for the EC Finance Notes on July 30, 2010, which agreement was amended on March 4, 2014, July 31, 2014, May 12, 2015 and again on September 14, 2016 (the "**SF Intercreditor Agreement**").

The *SF Intercreditor Agreement* sets out, among other things:

- the relative ranking of certain of Securitifleet Holding's debt;
- when payments can be made in respect of Securitifleet Holding's debt;
- when and under what terms enforcement action in respect of this debt can be taken;
- the terms on which any part of this debt will be subordinated upon the occurrence of certain insolvency events;
- dispositions related to revenue;
- security amendment principles setting out when security and guarantees may be modified by the common security agent without prior consent from the trustee or holders of EC Finance Notes; and
- limitations to any petition action in certain time periods and to the recourse which may be taken against Securitifleet Holding and any of the Securitifleet companies.

(F) SUBSTANTIAL OPERATING LEASES

The Group finances a portion of its fleet in all of its Corporate Countries through operating leases. The Group has entered into large framework operating lease agreements, respectively, with financial institutions and the financing arms of the Group's main car suppliers, which are negotiated at a Group level.

The Group's main operating lease agreements with financial institutions are described below.

CM-CIC AGREEMENTS IN GERMANY AND BELGIUM

The operating lease agreements with CM-CIC are the Group's main operating leases with financial institutions. The Group's German Operating Company and CM-CIC Leasing GmbH,

Frankfurt/Main entered into a vehicle sale and leaseback master agreement dated January 30, 2009 (as amended from time to time), for a term of three years, for the sale and leaseback of vehicles to be purchased from the manufacturers Volkswagen AG, Audi AG, Seat Deutschland GmbH, SkodaAuto Deutschland GmbH, Volkswagen AG Marke Volkswagen Nutzfahrzeuge and Volkswagen Gebrauchtfahrzeughandels- und Service GmbH under certain purchase agreements. Over the course of 2011, the line was extended to Belgium and France with a volume of up to € 500 million. Local operating lease agreements were entered into by CM-CIC and Europcar entities in France and Belgium. The parties agreed to extend the term of the line for Germany and Belgium until the end of 2014 and to reduce the line to €410 million; the maturity of the line was further extended to mid-2015. In August 2015, the parties entered into a global framework agreement setting out the general terms and conditions of the leases until mid 2016 which have been supplemented by local lease contracts. Amendments to leases were signed on June 30, 2016 to extend the repayment date of the global line of credit until December 31, 2017.

OPERATING LEASES WITH CAR MANUFACTURERS' FINANCIAL ENTITIES

Europcar International S.A.S.U. and some of the Group's main car suppliers, such as Daimler, Volkswagen, Fiat and Renault have put in place, at the local level, operating lease agreements between the Group's local operating companies and the car suppliers' financial entities. These operating leases are entered into on the basis of a detailed fleet plan per country agreed between the parties. These agreements roll on a yearly basis.

In addition, the Group has entered into several base operating lease agreements for the purpose of purchasing and leasing activities of the vehicle fleet.

(G) INTEREST RATE SWAP CONTRACTS AND CAP CONTRACTS

As at the date of this Reference Document, the Group has entered into two interest rate swap contracts and two cap contracts.

The first interest rate swap contract was originally entered into by the Group in December 2010. Under this swap contract, as amended several times over the years, the Group pays a fixed interest of between 0.284% and 0.744% of the nominal amount of €1 billion (*i.e.*, an average interest rate of 0.642%) and receives interest equal to 1 month EURIBOR. The termination date of this swap contract is fixed at July 17, 2019.

On September 15, 2016 the Company amended the swap contract in order to extend the termination date of July 17, 2019 to October 17, 2020 (the "**Extension Period**") and to lower the average interest rate payable to 0.516%.

In July 2011, the Group entered into the second interest rate swap contract, with a start date of December 19, 2011. Pursuant to this swap contract, amended several times over the years up to the date of this Reference Document, the Group pays interest at a fixed rate of 1.099% on the outstanding nominal amount of €600 million and receives interest equal to 6 month EURIBOR. The termination date of this contract is July 19, 2020.

On August 4, 2016, the Company amended this swap contract in order to extend the termination date of July 19, 2020 to June 19, 2021 and to lower the interest rate payable to 0.96%.

On September 16, 2016, the Company entered into two interest rate cap contracts each with a nominal principal amount of €100 million terminating on October 17, 2020 to

meet the increase of €200 million to the SARF amount made in September 2016, and by which the Company is hedged against an increase in the 1 month EURIBOR floating rate above 0%.

(H) FACILITIES FOR THE FINANCING OF THE FLEET IN THE UK

The Group currently finances its fleet in the UK on a stand-alone basis through its subsidiaries including Europcar Group UK Limited ("ECGUK"), Europcar UK Limited ("ECUK"), and certain subsidiaries of ECUK, pursuant to one facility in the form of an overdraft (for an amount of £5 million) and five finance lease or operating lease facilities (for a total amount of £455 million).

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The following table presents the Group's fleet funding arrangements in the United Kingdom, which are described below:

Funding	On- or off-balance sheet	Security Interests or Asset-Backed	Term/ Maturity	Amount drawn down as at Dec. 31, 2016 (in GBP millions)	Amount available as at Dec. 31, 2016 (in GBP millions)	Interest Rate
Club Facility	On balance sheet	Yes (financed fleet and other assets)	2019	280.4 (approx. €328 million)	119.6 (approx. €140 million)	Libor +1.80%
Lex Autolease Facility	Off balance sheet	Yes (title over the financed fleet)	2019	37.2 (approx. €43.5 million)	17.8 (approx. €20.8 million)	Libor +2.00%
<i>Lloyds Facility</i>						
Overdraft Facility	On balance sheet	Yes (title to financed fleet and other assets)	Reviewed annually	0.0	5.0 (approx. €5.8 million)	Libor +1.75%

THE "CLUB" FACILITY

On October 1, 2014, ECUK entered into a committed vehicle funding agreement (the "**Club Vehicle Funding Agreement**") with Lombard, United Dominion Trust, HSBC and GE Capital (hereafter the "**Club Vehicle Funders**") pursuant to which the Club Vehicle Funders granted to ECGUK, as hirer (the "**Club Hirer**"), a £425 million aggregate facility, to finance the purchase of the Group's UK fleet vehicles. On September 20, 2016, an amendment to the Club Facility was signed in order to extend the maturity by one year to September 2019, to lower the margin by 20 bps, i.e. Libor +180 bps, and to reconfigure the banking syndicate (exit of GE Capital Equipment Finance Limited and entry of Santander Asset Finance Plc by conversion and increase of the previously independent Santander Facility, signed on October 10, 2014 for an initial amount of £30 million). The amount of the Club Facility is now £400 million, together with an uncommitted "Seasonal Facility" of £100 million, provided by the banks participating in the Club Facility, in each year between the

months of May and October. The Club Facility brings together the following four funding facilities entered into on a bilateral basis:

- £150 million under the funding facility entered into with Lombard North Central PLC;
- £100 million under the funding facility entered into with HSBC Equipment Finance Limited;
- £100 million under the funding facility entered into with United Dominion Trust Limited; and
- £50 million under the funding facility entered into with Santander Asset Finance Plc.

The Club Vehicle Funding Agreement was initially entered into for a term of three years, with two successive options for one year extensions exercisable on the first and second anniversaries of the date of the agreement. Under the amendment entered into on September 20, 2016, ECG UK exercised its second extension option, having exercised the first option on October 1, 2015.

The obligations of the Club Hirer under the Club Facility are guaranteed by ECUK, PremierFirst Vehicle Rental EMEA Holdings Limited, PremierFirst Vehicle Rental Holdings Ltd., PremierFirst Vehicle Rental Franchising Ltd. and Provincial Assessors Ltd. (collectively the **"Club Guarantors"**).

SECURITY

The Club Hirer's obligations under the facility are secured by way of: (i) title in the assets funded, (ii) fixed charges on the bank account into which such proceeds are paid, (iii) guarantees from the Club Guarantors, (iv) debentures from each of the Club Hirer, PremierFirst Vehicle Rental Franchising Limited and Provincial Assessors Limited, and (v) a security assignment of the manufacturer's buy-back commitments relating to assets funded by the Club Vehicle Funders.

COVENANTS

The facility contains affirmative and negative covenants customary for this type of facility including restrictions on creation of security interests over the assets of certain members of ECGUK, the periodic delivery of financial and other information, and certain financial covenants and fleet tests.

In particular, ECUK must ensure that:

- the net assets of ECGUK are not less than GBP 60 million;
- the ratio of earnings before interest, tax, depreciation and amortization to fixed charges must not be less than 1.00; and
- the ratio of coverage of the fleet must be no more than 1.00.

As at December 31, 2016, ECUK complied with all these financial covenants.

Subject to certain permitted exceptions, the facility also includes restrictions on making distributions (including by way of dividend).

EVENTS OF DEFAULT

The facility contains events of default customary for these types of agreements, including, (i) breach of the terms of the Club Vehicle Funding Agreement, (ii) breach of certain other funding or rental agreements, (iii) insolvency and cross default provisions, (iv) repayment default and (v) non-compliance with covenants.

THE LEX AUTOLEASE FACILITY

On October 1, 2014 ECGUK entered into a master contract hire agreement with Lex Autolease Limited to finance the purchase of the Group's UK fleet vehicles *via* an operating lease facility of £55 million. The master contract hire agreement ends on December 31, 2019.

The borrowers' obligations under the new Lex Autolease facility is secured by way of title in the assets funded. The facility contains affirmative and negative covenants customary for this type of facility. The facility also contains customary events of default for this type of facility.

THE LLOYDS FACILITIES

On October 1, 2014, ECGUK entered into two working capital facilities with Lloyds: an overdraft with a limit of £5 million and a revolving credit facility with a limit of £15 million.

The overdraft (the 'Overdraft Facility') was renewed in 2016, in contrast to the revolving credit facility that terminated on September 29, 2016, and has not been extended.

THE OVERDRAFT FACILITY

On October 1, 2014, ECGUK and PremierFirst Vehicle Rental Holdings Limited, as borrowers, and Lloyds, as lender, entered into an overdraft facility agreement pursuant to which Lloyds provided a £5 million net/£10 million gross overdraft facility to ECGUK and certain of its subsidiaries for general overdraft purposes (the **"Overdraft Facility"**). Lloyds reviews the facility periodically and at least once a year.

Interest is payable on all advances under the Overdraft Facility at the annual rate which is the sum of the then applicable margin, LIBOR and the mandatory costs (if any). In addition to the interest charges, commitment fees are payable. Interest is payable on all amounts owing under the Overdraft Facility at the annual rate which is the sum of the applicable margin and the then applicable base rate.

The Overdraft Facility may be cancelled by Lloyds at any time and all outstanding advances, together with accrued interest, may become immediately due and payable.

On the occurrence of certain events, including a change of control, the Overdraft Facility may be cancelled and all outstanding advances, together with accrued interest, may become immediately due and payable.

Obligations under the Overdraft Facility are secured by English law debentures granted by certain members of the Europcar UK Group in favor of Lloyds.

The Overdraft Facility contains affirmative and negative covenants customary to this type of agreement including periodic delivery of financial information and maintenance of certain financial performance targets.

The Overdraft Facility letter sets out events of default customary for these types of facilities including, subject to certain cure periods, events of default for non-payment, breaches of representations and warranties and undertakings, and insolvency-related events.

(I) ASSETS FINANCING IN AUSTRALIA AND NEW ZEALAND

As at December 31, 2016, National Australia Bank (NAB), Toyota Financial Services (TFS), Commonwealth Bank of Australia, Westpac Bank, Bank of Queensland, Mercedes Financial Services, Alphabet (BMW) Financial Services and other Australian and New Zealand financial institutions have provided Europcar Australia and Europcar New Zealand with senior credit facilities (the “**Australian and New Zealand Asset Financing Facilities**”), including revolving and non-revolving fleet operating and finance leases for up to AUD341 million. These facilities are renewed annually and finance the fleet in Australia and New Zealand.

The facilities are secured by fixed and floating charges over Europcar Australia and Europcar New Zealand assets, including goodwill and uncalled capital and called but unpaid capital, together with the relative insurance policy assigned. There are also performance guarantees for the facilities.

These facilities include covenants. In particular, Europcar Australia must ensure that:

- its minimum net worth, *i.e.*, total shareholders' equity, is always greater than AUD 58 million;
- its fleet utilization rate is above 70% on average over the year; and

- its minimum cumulative net profit before tax is within 85% of the Company's budget.

At December 31, 2016, Europcar Australia complied with all these financial covenants.

3.2.3.3 Equity

The equity attributable to the owners of the Group totaled €630.5 million as of December 31, 2016 compared to €561.4 million as of December 31, 2015. The increase in Group equity is almost exclusively linked to the positive income generated by the Group in 2016, which amounted to €119 million. This increase was partially offset by various effects, including negative translation differences in the amount of €24 million, and actuarial losses related to pension plans totaling €23 million.

3.2.3.4 Contractual obligations and off-balance sheet commitments

Refer to Section 3.2.3 “*Description of funding at December 31, 2016*” and to Note 33 “*Off-balance sheet commitments*” to the consolidated financial statements for the year ended December 31, 2016.

3.3 INVESTMENTS

3.3.1 Investment History

The Group's capital expenditures are primarily related to infrastructure and IT systems equipment, and to the equipment and modernization of the rental agencies.

If the acquisition is recognized in the balance sheet, the expenses relating to the acquisition of vehicles are not recorded as a capital expenditure, but as operating expenses.

3.3.1.1 Rental Vehicle Fleet

The Group recognizes its entire fleet of vehicles, either on the balance sheet, or off-balance sheet for vehicles acquired under on lease agreements that meet the criteria for operating leases. The Group's gross expenses relating to the acquisition of vehicles totaled €2.4 billion, €2.4 billion and €1.9 billion for the years ended December 31, 2016, 2015 and 2014 respectively. These expenses are primarily financed by *specific* loans. The revenue from the sale of vehicles at the end of their period of use is used to repay these loans.

The following table shows the composition of the Group's rental vehicle fleet, by type of **acquisition and financing**:

Type of acquisition and financing	% of total volume of vehicles purchased		
	2016	2015	2014
Vehicles purchased with manufacturer or automobile dealer buy-back arrangement financed via <i>the</i> balance sheet	46%	46%	43%
Vehicles purchased with manufacturer or automobile dealer buy-back arrangement and financed through rental agreements that meet the criteria for operating leases	46%	46%	49%
TOTAL FLEET PURCHASED WITH BUY-BACK ARRANGEMENTS	92%	92%	92%
Vehicles purchased without manufacturer or dealer buy-back arrangement ("at risk" vehicles)	7%	7%	7%
Vehicles financed through rental agreements qualifying as finance leases	1%	1%	1%
TOTAL PURCHASES OF RENTAL FLEET	100%	100%	100%

For more information on the Group's rental vehicle fleet, see Section 1.6.8 "*Group Fleet*"; for more information on the cash flows related to vehicle purchases, see Section 3.2 "*Liquidity and capital resources*".

3.3.1.2 Capital Expenditures

The Group's capital expenditures (acquisitions of intangible assets and property, plant and equipment, net of disposals) rose to €31 million in 2016, up from €23.8 million in 2015. These items represent expenditures for IT development and for expenditures for other equipment (computer hardware and software, furniture, furnishing, fixtures and fittings).

IT development expenditures are related to installation of new business tools for better organization and coordination with business customers for small and medium enterprises. In addition, the launch of new products for use by customers, but also to improve the Customer Experience, required a set of IT expenditures.

3.3.1.3 Acquisitions/Joint Ventures

In 2016, the Group continued to expand by buying back two franchises in France and Ireland and by increasing its presence in the mobility sector.

Through Ubeeqo, an innovative start-up in the mobility segment in which Europcar has a majority stake, the Group acquired Bluemove, the car-sharing leader in Spain, and GuidaMi, the benchmark player in closed loop car-sharing in Milan.

In the UK, the Group acquired Brunel, a company specializing in private chauffeured services available on mobile applications, which targets mainly business customers.

In Italy, the Group also acquired a 20% stake in Wanderio, a multi-mode research and comparison platform.

3.3.2 Investments in Progress

Refer to Section 3.3.3. "*Future Investments*" below.

3.3.3 Future Investments

To support its efforts to develop and implement innovative mobility solutions, the Group plans to continue its investments as part of its 2020 plan designed to improve its information system architecture to make it more open and flexible in order to facilitate the integration of apps developed by third parties (see Section 1.6.11 "Information Systems").

The Group's strategies for 2020 provide for the possibility of assessing any acquisition that will expand its scope by purchasing in countries in which the Europcar brand already operates, by acquiring direct competitors in the vehicle rental

market, or by acquiring companies developing in the new mobility market.

At the registration date of this document, and with the exception of the obligations associated with the purchase of vehicles financed by *special* loans which can be repaid with the proceeds from the sale of vehicles at the end of their useful life, the Company has not entered into any other significant commitment for future investments (see Note 33 "Off Balance Sheet Commitments" in the Group's consolidated financial statements for the year ended December 31, 2016).

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3.4 CONSOLIDATED FINANCIAL STATEMENTS AND STATUTORY AUDITORS' REPORT

Consolidated statement of income

<i>In thousands of euros</i>	Notes	At December 31, 2016	At December 31, 2015
REVENUE		2,150,758	2,141,923
Fleet holding costs	5	(536,295)	(547,186)
Fleet operating, rental and revenue related costs	6	(753,303)	(726,990)
Personnel costs	7	(339,158)	(347,388)
Network and head office overhead costs	9	(215,897)	(218,475)
Depreciation, amortization and impairment expense	10	(32,335)	(32,781)
Other income	11	9,699	14,216
CURRENT OPERATING INCOME		283,469	283,319
Other non-recurring income and expenses	12	(20,721)	(61,774)
OPERATING INCOME		262,748	221,545
Gross financing costs		(94,189)	(121,768)
Other financial expenses		(28,855)	(117,780)
Other financial income		1,983	11,956
Net financing costs	13	(121,061)	(227,592)
PROFIT/LOSS BEFORE TAX		141,687	(6,047)
Income tax benefit/(expense)	14	(6,628)	(37,637)
Share of profit/loss of associates accounted for under the equity method	18	(15,765)	(12,074)
NET PROFIT/(LOSS) FOR THE PERIOD		119,294	(55,758)
Attributable to:			
■ Owners of ECG		119,493	(55,602)
■ Non-controlling interests		(199)	(156)
Basic earnings per share attributable to owners of ECG (<i>in euros</i>)	26	0.834	(0.449)
Earnings per share attributable to owners of ECG (<i>in euros</i>)	26	0.825	(0.449)

Consolidated statement of comprehensive income

In thousands of euros	At December 31, 2016			At December 31, 2015		
	Before tax	Tax income/ (expense)	After tax	Before tax	Tax income/ (expense)	After tax
Net profit/(loss) for the period	125,922	(6,628)	119,294	(18,121)	(37,637)	(55,758)
Items that will not be reclassified to profit or loss	(22,561)	5,129	(17,432)	4,179	(1,087)	3,092
Actuarial gains/(losses) on defined benefit pension plans ⁽¹⁾	(22,561)	5,129	(17,432)	4,179	(1,087)	3,092
Items that may be reclassified subsequently to profit or loss	(27,859)	-	(27,859)	3,574	(20)	3,554
Foreign currency differences	(24,051)		(24,051)	12,271		12,271
Effective portion of changes in fair value of hedging instruments	(3,665)	-	(3,665)	(8,697)	(20)	(8,717)
Net change in fair value of available-for-sale financial assets	(143)		(143)	-	-	-
Other comprehensive income for the period	(50,420)	5,129	(45,291)	7,753	(1,107)	6,646
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	75,502	(1,499)	74,003	(10,368)	(38,744)	(49,112)
Attributable to:						
■ Group			74,202			(48,934)
■ Non-controlling interests			(199)			(178)

(1) Given the changes in the discount rate at December 31, 2016 based on the first-tier corporate bonds in Germany (2% at December 31, 2015 versus 1.30% at December 31, 2016) and the United Kingdom (3.85% at December 31, 2015 versus 2.60% at December 31, 2016), the employee benefit obligation for these two countries were remeasured by €(11.1) million and €(9.5) million respectively.

Consolidated statement of financial position

<i>In thousands of euros</i>	Notes	At December 31, 2016	At December 31, 2015
ASSETS			
Goodwill	15	459,496	457,072
Intangible assets	16	715,209	713,136
Property, plant and equipment	17	84,102	89,236
Equity-accounted investments	18	14,083	22,035
Other non-current financial assets	19	67,820	57,062
Deferred tax assets	14	58,743	55,730
TOTAL NON-CURRENT ASSETS		1,399,453	1,394,271
Inventories	20	16,843	15,092
Rental fleet recorded on the balance sheet	21	1,640,251	1,664,930
Rental fleet and related receivables	22	720,623	574,652
Trade and other receivables	23	365,200	357,200
Current financial assets	19	77,003	37,523
Current tax assets		35,585	33,442
Restricted cash	24	105,229	97,366
Cash and cash equivalents	24	154,577	146,075
TOTAL CURRENT ASSETS		3,115,311	2,926,280
TOTAL ASSETS		4,514,764	4,320,551
Equity			
Share capital		143,409	143,155
Share premium		647,514	767,402
Reserves		(111,681)	(74,341)
Retained earnings (losses)		(48,706)	(274,821)
Total equity attributable to the owners of ECG		630,536	561,395
Non-controlling interests		730	961
TOTAL EQUITY	25	631,266	562,356
LIABILITIES			
Financial liabilities	27	953,240	801,183
Non-current financial instruments	29	56,216	52,090
Employee benefit liabilities	30	139,897	119,295
Non-current provisions	31	18,640	25,168
Deferred tax liabilities	14	107,848	131,132
Other non-current liabilities		246	306
TOTAL NON-CURRENT LIABILITIES		1,276,087	1,129,174
Current portion of financial liabilities	27	1,224,442	1,263,783
Employee benefits	30	3,247	2,944
Current tax liabilities		39,227	24,511
Rental fleet related payables	22	679,678	662,722
Trade payables and other liabilities	23	440,065	424,974
Current provisions	31	220,752	250,087
TOTAL CURRENT LIABILITIES		2,607,411	2,629,021
TOTAL LIABILITIES		3,883,498	3,758,195
TOTAL EQUITY AND LIABILITIES		4,514,764	4,320,551

Consolidated statement of changes in equity

	Share attributable to ECG							Non-controlling interests	Total equity
<i>In thousands of euros</i>	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Treasury shares	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	-	-	-	-	(55,602)	-	(55,602)	(156)	(55,758)
Foreign currency differences		-		12,271	-	-	12,271	(22)	12,249
Effective portion of changes in fair value of hedging instruments		-	(8,697)	-	-	-	(8,697)	-	(8,697)
Net change in fair value of available-for-sale financial assets			-	-	-	-			-
Actuarial gains/(losses) on defined benefit pension plans			-	-	4,179	-	4,179		4,179
Income tax relating to components of other comprehensive income			(20)	-	(1,087)	-	(1,107)		(1,107)
Other comprehensive income/(loss)			(8,717)	12,271	3,092	-	6,646	(22)	6,624
Capital increase preferred shares	73	1,437	-	-	-	-	1,510	-	1,510
Capital increase through capitalization of premiums	99,406	(99,406)	-	-	-	-	-	-	
Capital decrease	(441,483)	-	-	-	441,483	-	-	-	
Capital increase IPO	38,776	436,224	-	-	-	-	475,000	-	475,000
IPO fees	-	(23,831)				-	(23,831)	-	(23,831)
Share-based payments	-	-	-	-	2,624	-	2,624	-	2,624
Cancellation of treasury shares	-	-	-	-		31	31	-	31
Purchase of shares from non-controlling interests	-	-	-	-	(1,457)	-	(1,457)	(1,835)	(3,292)
Change in non-controlling interests	-	-	-	-	(711)	-	(711)	2,024	1,313
Transactions with owners	(303,228)	314,424			441,939	31	453,166	189	453,355
BALANCE AT DECEMBER 31, 2015	143,155	767,402	(45,488)	(28,884)	(274,821)	31	561,395	961	562,356

	Share attributable to ECG							Non-controlling interests	Total equity
<i>In thousands of euros</i>	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Treasury shares	Total		
BALANCE AT JANUARY 1, 2016	143,155	767,402	(45,488)	(28,884)	(274,821)	31	561,395	961	562,356
Net profit/(loss) for the period	-	-			119,493	-	119,493	(199)	119,294
Foreign currency differences	-	-		(24,051)	-	-	(24,051)	-	(24,051)
Effective portion of changes in fair value of hedging instruments		-	(3,665)	-	-	-	(3,665)	-	(3,665)
Change in fair value of financial assets available for sale			(143)	-	-	-	(143)	-	(143)
Actuarial gains/(losses) on defined benefit pension plans			-	-	(22,561)	-	(22,561)	-	(22,561)
Income tax relating to components of other comprehensive income	-	-	-	-	5,129	-	5,129	-	5,129
Other comprehensive income/(loss)			(3,808)	(24,051)	(17,432)	-	(45,291)	-	(45,291)
Increase in share capital	254	(254)	-	-		-		-	
Treasury shares purchased or sold			-	-		(4,877)	(4,877)	-	(4,877)
Appropriation of profit through the issue premium	-	(119,634)	-	-	119,634	-	-	-	-
Other			(4,604)	-	4,420	-	(184)	(32)	(216)
Transactions with owners	254	(119,888)	(4,604)	-	124,054	(4,877)	(5,061)	(32)	(5,093)
BALANCE AT DECEMBER 31, 2016	143,409	647,514	(53,900)	(52,935)	(48,706)	(4,846)	630,536	730	631,266

Consolidated cash flow statement

<i>In thousands of euros</i>	Notes	At December 31, 2016	At December 31, 2015
Profit/(loss) before tax		141,687	(6,047)
Reversal of the following items			
Depreciation and impairment charge on property, plant and equipment	17	14,894	15,277
Amortization and impairment charge on intangible assets	15, 16	17,056	17,893
Change in provisions and employee benefits ⁽¹⁾	30, 31	(23,015)	999
Recognition of share-based payments		(304)	2,624
Costs related to the IPO		-	8,692
Profit/(loss) on disposal of assets		-	(394)
<i>Total net interest costs</i> ⁽²⁾		<i>98,617</i>	<i>127,303</i>
<i>Redemption premium</i>			<i>56,010</i>
<i>Amortization of transaction costs</i>		<i>7,813</i>	<i>42,340</i>
<i>Amortization of bond issue premiums</i>			-
<i>Other non-cash items</i>		<i>346</i>	<i>1,465</i>
Financing costs		106,776	227,118
Operating income before changes in working capital		257,094	266,162
Changes in the rental fleet recorded on the balance sheet ⁽³⁾		(20,643)	(232,851)
Changes in fleet working capital	22	(126,151)	34,869
Changes in non-fleet working capital	23	3,997	(57,243)
Cash generated from operations		114,297	10,937
Income taxes received/(paid) ⁽⁴⁾		(22,744)	(39,669)
Net interest paid		(98,746)	(137,334)
Net cash generated from (used by) operations		(7,193)	(166,066)
Acquisition of intangible assets and property, plant and equipment	15, 16, 17	(36,905)	(29,172)
Proceeds from disposal of intangible assets and property, plant and equipment		6,109	5,384
Other investments and loans		-	-
Acquisitions and proceeds from disposal of financial assets		(27,562)	(7,563)
Acquisition of subsidiaries, net of cash acquired ⁽⁵⁾		(45,740)	(23,872)
Net cash used by investing activities		(104,098)	(55,223)
Capital increase (net of related expenses) ⁽⁶⁾		-	448,203
(Purchases)/Sales of treasury shares		(4,877)	
Issuance of bonds ⁽⁷⁾		130,625	471,623
Redemption of bonds ⁽⁸⁾		-	(780,010)
Change in other borrowings ⁽⁹⁾		11,271	123,310
Payment of transaction costs		(6,451)	(19,820)
Swap cash payment		-	-
Net cash generated from (used by) financing activities		130,568	243,306
Cash and cash equivalents at beginning of period		229,368	206,317
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences		19,277	22,018
Effect of foreign exchange differences		(138)	1,033
Cash and cash equivalents at end of period	24	248,507	229,368

(1) In 2016, the change in employee benefits was due to a downward trend in the discount rate (in Germany and the UK).

(2) In 2016, reduction in net interest expense following the renegotiation of interest rates on borrowings at the time of the IPO.

(3) 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.

(4) In 2016, reduction in taxes paid compared with 2015 given installments paid in France and Spain in 2015, and in the United Kingdom prior year's regularizations and payment received in 2016 from the British tax authorities after the settlement of a litigation.

(5) Including, in 2016 the acquisition of the Locaraise, French franchisee, for €8.3 million, the Irish franchisee for €23.6 million, Brunel for €6.3 million, and an equity interest in Wanderio for €1.1 million, the exercise of the first step in the Ecar put for €0.8 million, and the subscription to the Car2go capital increase for €6.3 million.

(6) In 2015, represents capital increases on May 15 and June 26 in a total amount of €476.5 million net of fees paid (€8.7 million recognized as other non-current expenses and €19.6 million of the €23.6 million allocated to the issue premium).

(7) In 2015, linked to the issue of the €475 million in high yield bonds issued at 99.289% (see Note 27); in 2016, a new bond issue for €125 million.

(8) In 2015, linked to early redemption of the €324 million and €400 million high-yield bonds, and to payment of redemption premiums of €56 million.

(9) In 2016, repayment of the RCF.

Notes

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NOTE 1 GENERAL OVERVIEW

1.1 General information

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

ECG changed its governance on February 24, 2015 to take the form of a joint stock company with a Management Board and a Supervisory Board.

ECG is the ultimate parent company of Europcar Groupe (the "Group") which, leverages all of its experience in car and utility vehicle rental for short and medium terms, offers various mobility solutions to its customers. Under its Europcar and InterRent brands, the Group covers a wide range of markets and customers, both private and business, with services ranging from luxury to low-cost.

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

1.2 Main events of the period

In 2016, the Group made several acquisitions thereby implementing its ambitious program to offer a complete line of mobility solutions to its customers and to strengthen its presence in the vehicle rental industry. It also completed a new bond issue and optimized its fleet asset-backed financings.

- On May 19, 2016 the Group announced the acquisition of Locaraise, the 3rd largest French franchisee, by its subsidiary Europcar France. Locaraise has a long-established commercial presence in the Northern region of France. This transaction was completed in July, 2016.
- On June 2, 2016 the Group announced the success of its offering of €125 million of additional Senior Notes. The improved conditions at 4.5140% yield to worst or 4.8790% yield to maturity reflect the enhanced credit profile of the Group and investors' appetite in the company's prospects. The Notes will be fungible with the existing €475 million 5.750% Senior Notes due 2022 issued in June 2015, increasing the total principal amount of this bond to €600 million. The proceeds of the additional notes amount to €131 million. Europcar intends to use the net proceeds of the additional Senior Notes primarily to fund its acquisition program, as well as for its general corporate purposes.
- On June 9, 2016, Europcar acquired Bluemove through Ubeeqo, the innovative mobility start-up in which Europcar took a majority share. Bluemove is a mobility tech start-up and car-sharing leader in Spain.
- On July 19, 2016 the Group announced the acquisition, through its Lab (dedicated to innovation), of a minority stake (20%) in the start-up Wanderio, a multimodal search and comparison platform. Wanderio is an Italian start-up created in 2013.
- On August 16, 2016 the Group acquired, through its UK subsidiary Europcar Group UK, 100% of the capital of the British company Brunel Group Holdings Limited, the parent company of the Brunel group. Brunel is a ride-hailing business and a leading provider of chauffeur and executive driver services, which itself holds 100% of the shares of British companies A&A Luxury Chauffeurs Limited, Brunel Carriage Limited, Brucar Limited, and Brunel Corporate Facilities Limited. Through this acquisition, Europcar is able to meet its corporate customers' highest expectations thanks to a dedicated tailor made service. These services are also available worldwide through a global network of partners in 75 countries, covering 480 cities.
- On September 27, 2016, the Group announced improved terms and conditions for its SARF (Senior asset Revolving Facility) and the associated interest rate swaps. The senior tranche of the fleet securitization (SARF), "A" rated by Standard & Poor's, has been increased by €200 million to €1.3 billion with an improved margin by 20 bps to Euribor +150bps. The renegotiation has extended the final maturity from July 2019 to July 2020. In addition, the related interest rate hedging instruments have been restructured and increased by €200 million to €1.2 billion with improved financial terms.
- On December 12, 2016, the Group finalized the acquisition of Europcar Ireland, one of its biggest franchisees in terms of revenue. Through this acquisition, the Group extends its corporate network from 9 to 10 countries, benefiting from strong leisure flows coming from all its subsidiaries, and strengthens its mobility footprint with the acquisition of the car rental and car-sharing activities. Indeed, in addition to the car rental activities, the Group also acquires Europcar Ireland's car-sharing service that was launched in 2012 under the brand GoCar.
- By the end of December 2016, the Group acquired GuidaMi through Ubeeqo, an innovative start-up in the mobility market, in which Europcar owns a majority share. GuidaMi the station-based car-sharing reference company in Milan.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Principles of account preparation

The consolidated financial statements of Europcar Groupe were prepared in accordance with the principles defined by the International Accounting Standards Board (IASB) as adopted by the European Union. This framework is available on the website of the European Commission: http://ec.europa.eu/finance/accounting/ias-evaluation/index_en.htm.

The international framework comprises IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The IFRS consolidated financial statements of the Europcar Groupe for the year ended December 31, 2016 were approved by the Management Board on February 27th, 2017 and examined by the Supervisory Board. They are subject to the approval of the Shareholders' Meeting of May 10th, 2017.

The financial statements were prepared under the historical cost convention, except for the valuation of certain financial instruments.

These consolidated financial statements are presented in euros (€), which is ECG's functional currency and the Group's presentation currency. All financial information presented in euros (€) has been rounded to the nearest thousand euros unless otherwise stated.

2.2 Basis of measurement

The accounting policies used to prepare the consolidated financial statements are consistent with those used for the year ended December 31, 2015, with the exception of the following standards, which are mandatory for accounting periods beginning on or after January 1, 2016:

- amendments to IAS 1 – Disclosure initiative, Presentation of Financial Statements;
- amendments to IAS 16 and IAS 38 – Clarifications on acceptable amortization and depreciation methods;
- amendments to IAS 19 – Employee Benefits;
- annual improvements 2010-2012 and 2012-2014;
- amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations.

Application of these new standards and amendments did not have a material impact on Europcar's consolidated financial statements.

In 2016, the Group did not elect to apply ahead of time the amendments approved by the European Union, particularly concerning:

- IFRS 15 – Revenue from Contracts with Customers;
- IFRS 9 – Financial Instruments.

The effects of applying IFRS 15 and its amendments for clarification to the accounting of revenue as from January 1, 2018 are currently being assessed. These should not be significant given the nature of the Group's business. The effects of applying IFRS 9 to financial instruments as from January 1, 2018 are currently analysed and the Group doesn't expect any significant impact.

The following published standards, amendments and interpretations, which are mandatory after 2016 but not yet adopted by the European Union, may affect the Group's financial statements:

- IFRS 16 – Leases;
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration;
- amendments to IFRS 15 – Clarifications to IFRS 15;
- amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses;
- amendments to IAS 7 – Disclosure Initiative, Presentation of Financial Statements;
- amendment to IFRS 2 – Classification and Measurement of Share-based Payments;
- annual improvements 2014-2016;
- amendments to IAS 40 – Transfers of Investment Property.

The effects of applying IFRS 16 on Leases as from January 1, 2019 (subject to adoption by the European Union) will be assessed in 2017.

2.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions which impact the amounts presented for existing assets and liabilities in the consolidated statement of financial position, income and expense items in the consolidated income statement, and disclosures in the notes to the consolidated financial statements.

Due to the uncertainty inherent to all measurement processes, these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Group formulates assumptions and, on this basis, regularly prepares estimates relating to its various activities. These estimates are based on past experience and factor in the economic conditions prevailing at the reporting date and the information then available. Those economic trends are specifically reviewed on a country-by-country basis.

Depending on changes in assumptions, or in the eventuality of conditions differing from those that were initially expected, amounts recorded in future financial statements may differ from current estimates. Future results may also differ from these estimates.

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

- the residual value of at risk vehicles (see “rental fleet”);
- the fair value of vehicles purchased with a manufacturer or dealer buy-back commitment when badly damaged or stolen (see “rental fleet”);
- 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.

In addition, estimates also cover:

- fair value measurement of assets and liabilities during allocation of the acquisition cost of business combinations;
- the value of non-listed equity investments available for sale (see Note 19) and derivative financial instruments recorded at fair value in the Group’s statement of financial position (see Note 29);
- estimates of future cash flows as part of impairment tests for goodwill recorded in the statement of financial position and capitalized assets including trademarks (see Notes 15 and 16);
- amounts of deferred taxes that may be recognized in the statement of financial position (see Note 14);
- measurement of post-employment benefits and other employee benefits (see Note 30);
- provisions for disputes and litigation and valuation of contingent liabilities (see Notes 31 and 35).

2.4 Basis of consolidation

(i) Subsidiaries

Europcar Groupe’s financial statements include the accounts of the parent company ECG, and those of its subsidiaries for the year ended December 31, 2016.

Subsidiaries are all entities (including special purpose entities), directly or indirectly controlled by ECG. Control exists when ECG has the ability to direct an investee’s relevant activities, is exposed to variable returns and has the ability to affect those returns through power over an investee. In assessing control, substantive potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. At the acquisition date, ECG transfers the consideration, acquires the assets and assumes the liabilities of the acquiree.

The assets acquired and the liabilities assumed (including contingent consideration) are valued at fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests in an acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. Depending on the nature of the business combination, the Group may elect to use either of these options.

At the acquisition date, the difference between:

- the fair value of the consideration transferred (including contingent consideration), plus non-controlling interests in the acquired company and, where applicable, the acquisition-date fair value of the acquirer’s previously held equity interest in the acquired company revalued through profit or loss;
- and the acquisition-date fair value of the identifiable assets required and liabilities assumed;

is recorded as goodwill.

If the difference arising from the calculation above is negative, it is recognized directly in the income statement.

Accounting policies of subsidiaries are amended where necessary to ensure consistency with the policies adopted by the Group.

(ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions between equity owners of the Group. In the case of an additional acquisition of shares in a previously-controlled entity, the difference between the consideration paid and the corresponding share acquired in the carrying amount of net assets of the subsidiary is recorded in equity. When the Group ceases to exercise control, any remaining interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss.

The minority shareholders of certain fully consolidated subsidiaries benefit from commitments made by the Group to purchase their shares. In the absence of specific provisions under IFRS, the Group recognizes these commitments as follows: - the value of the commitment at the reporting date is recorded in "Other non-current liabilities"; - the corresponding non-controlling interests are canceled. For acquisitions where control was gained after January 1, 2010, and in application of IFRS 3 revised and IFRS 10, the corresponding entry for this liability is deducted from equity attributable to non-controlling interests up to the carrying amount of the relevant non-controlling interests and deducted from total equity attributable to the owners of ECG to cover any additional amounts. The liability is revalued at each reporting date at the current redemption value, *i.e.* the present value of the exercise price of the put option. Any change in value is recognized in equity. This accounting method has no effect on the presentation of non-controlling interests in the income statement.

(iii) Associates

Associates are entities over which the Group has significant influence enabling it to participate in financial and operating policy decisions.

The Group's interests in associates are consolidated using the equity method. The investment is recorded at cost and adjusted for changes subsequent to the transaction in accordance with the investor's share in the net assets of the associate. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has a legal or implicit obligation to make payments on behalf of the associate.

(iv) Partnerships

Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement. The Group's interests in joint ventures are accounted for under the equity method, as is the case for related companies.

The Group does not have any joint activities.

(v) Special Purpose Entities

Special purpose entities (SPEs), such as SecuritiFleet companies, Euroguard, the Protected Cell Insurance & Reinsurance SPE, FCT Sinople and EC Finance plc are consolidated when the relationship between the Group and the SPE indicates that the SPE is in substance controlled by the Group. SPEs are entities which are created to accomplish a specifically-defined objective.

2.5 Reclassification of exchange gains/losses in profit and loss

Exchange gains/losses recognized in other comprehensive income are reclassified in profit and loss only in the case of a total disposal. A partial disposal is defined by the Group as the disposal of an interest in a subsidiary (and not as a decrease in the investment).

2.6 Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros (€), which is ECG's functional currency and the Group's presentation currency.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation of monetary assets and liabilities are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at the foreign exchange rate at the fair value measurement date.

(iii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the foreign exchange rate at the reporting date, while equity is translated at historical rates. The revenues and expenses of foreign operations are translated into euros at weighted average rates. All resulting exchange differences are recognized as Other comprehensive income within equity.

(iv) Exchange rates

The exchange rates used for the years ended December 31, 2016 and December 31, 2015 are:

	December 31, 2016		December 31, 2015	
	Average rate	Closing rate	Average rate	Closing rate
Sterling (GBP)	1.220	1.168	1.377	1.362
Australian Dollar (AUD)	0.672	0.685	0.677	0.671
US Dollar (USD)	0.903	0.949	0.901	0.919

Source: Banque de France.

2.7 Goodwill

Goodwill recognized in local currency is not amortized and is subject to an impairment test performed at least annually, or more frequently if there is evidence that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated by operating segment and within the corporately-owned rental business segment by country.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted future cash flow method. When this value is less than its carrying amount, an impairment loss is recognized in the income statement. The impairment loss is first recorded as an adjustment to the carrying amount of goodwill allocated to the CGU and the remainder of the loss, if any, is allocated to the other long-term assets of the unit on a pro rata basis.

Goodwill arising from acquisitions of associates is included in "Investments in associates" and the total amount of goodwill is tested for impairment.

Any impairment of goodwill is recorded in "Goodwill impairment expense".

2.8 Intangible assets other than goodwill**(i) Trademarks and licenses*****Trademarks with an indefinite useful life***

The Europcar trademark has been recognized at cost with an indefinite useful life and is not amortized. It is tested annually for impairment based on the relief-from-royalty method.

Impairment charges for trademarks are accounted for in "Other non-recurring income and expenses" in the consolidated income statement.

Trademarks with a finite useful life

Trademarks and licenses that have a finite useful life are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives, or over the life of the underlying contract (10 years). They are tested for impairment if there is evidence that they may be impaired.

The Group does not own any trademarks with a finite useful life.

(ii) Computer software and operating systems

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire them and bring them into use. These costs are amortized over their estimated useful lives (see below). Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. These costs include the costs of the employees allocated to developing the software and a portion of relevant overheads directly attributable to developing the software.

Computer software development costs recognized as assets are amortized over their estimated useful lives (see below).

(iii) Intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization (see below) and impairment losses. They include the right to operate trademarks acquired under a business combination.

(iv) Amortization

Intangible assets are amortized from the date they are available for use. Estimated useful lives are as follows:

- trademarks with a finite useful life: 10 years;
- leasehold rights: 10 years;
- computer software: 3 years;
- operating systems: 5 to 10 years.

2.9 Property, plant and equipment

(i) Directly owned assets

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items of property, plant and equipment and depreciated over their own useful lives. Repairs and maintenance costs are expensed as incurred.

(ii) Leased assets

IAS 17 defines a lease as being an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases (lessee accounting). Owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

(iii) Subsequent costs

The Group recognizes within the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the Group will gain future economic benefit from the item and the cost of the item can be measured reliably. All other costs are expensed in the income statement as and when they are incurred. The cost of repairs and interest on borrowings are recognized as current expenses.

(iv) Amortization

Land is not depreciated. Estimated useful lives are as follows:

- buildings: 25 to 50 years;
- technical equipment and machinery: 6 to 12 years;
- other equipment and office equipment, including specialized tools: 3 to 15 years.

The useful life is reviewed annually.

2.10 Rental fleet

The Group operates a large fleet purchased with or without a buy-back commitment. IFRS treats the accounting of assets and liabilities differently depending on how these acquisitions are financed. Accordingly, vehicles purchased with debt recorded in the balance sheet or through finance leases are recognized in the balance sheet as current assets, given the length of the Group's operating cycle. Vehicles financed by operating leases are not recognized in the balance sheet. In this case, the related commitments are recorded as off-balance sheet commitments.

(i) Directly owned rental fleet

The fleet operated by the Group is acquired through two types of agreement:

- either with a manufacturer or dealer buy-back commitment (buy-back vehicles);
- without a manufacturer or dealer buy-back commitment (at risk vehicles):

Vehicles purchased with a manufacturer or dealer buy-back commitment

One of the characteristics of the automotive industry is the sale/purchase of vehicles with a buy-back commitment from the manufacturer or dealer after a predetermined term, generally less than 12 months.

Such agreements are treated for accounting purposes as operational pre-paid vehicle leases insofar as:

- the Group does not have control of the vehicle because it cannot sell it;
- the contract only gives it the right to use the asset over a limited time; and
- the asset retains a significant part of its value at the time of its repurchase by the manufacturer.

This accounting method is consistent and symmetrical with the recognition adopted by manufacturers, which consider the risks and rewards of ownership not to have been transferred since they retain the residual risk on the asset's value and since this risk is significant.

The amount recorded represents the acquisition cost of the vehicles (net of volume rebates) and is the sum of two amounts representing two distinct current assets:

- the "Vehicle buy-back agreement receivable", representing the agreed buy-back price (the obligation of the manufacturer or dealer); repurchase prices for buy-back vehicles are contractually based on either (i) a predetermined percentage of the original vehicle price and the month in which the vehicle is repurchased, or (ii) the original capitalized price less a set economic depreciation amount, in either case subject to adjustments depending upon the condition of the vehicle, mileage and holding period.
- the "Deferred depreciation expense on vehicles", representing the difference between the acquisition cost of the vehicle and the agreed buy-back price. This asset is depreciated through the income statement on a straight-line basis over the contractual holding period of the vehicle.

In view of the length of time for which these assets are held, the Group recognizes these vehicles as current assets at the outset of the contract.

For stolen vehicles, the Group recognizes an impairment charge against the value of the corresponding "Vehicle buy-back agreement receivable" over a three-month period following the event. For badly damaged vehicles, the Group adjusts the value of the corresponding receivable on the basis of independent appraisal of the damaged vehicle.

Vehicles purchased without a manufacturer or dealer buy-back commitment (at risk vehicles):

Vehicles purchased without manufacturer or dealer buy-back commitment are reported by the Group as "at risk" vehicles.

The value of the vehicles is initially measured at cost, including any import duties, non-refundable purchase taxes and any costs directly attributable to bringing the vehicle to the rental location and preparing it for rental. Upon acquisition, at-risk vehicles are depreciated on a straight-line basis over the planned holding period and projected residual value. Over the holding period, the residual value is regularly reviewed taking into account the state of the used vehicle market, and is adjusted if necessary.

In most cases, the holding period for a car does not exceed 12 months. For vans and trucks, the holding period can range from 12 to 24 months. Consequently, although "at-risk vehicles" are similar to fixed assets, the Group classifies these vehicles in the balance sheet as current assets under "Fleet included in the balance sheet" – see Note 21.

(ii) Fleet financed by leases

The operated fleet may be financed by leases with financial institutions or with the finance divisions of car manufacturers which meet either the finance lease or the operating lease criteria. The accounting principles are in such cases identical to those mentioned in the Section on property, plant and equipment – leased assets.

Operating leases

Contracts in which lessors do not transfer to Europcar the significant risks and rewards of ownership in substance meet the operating lease criteria as defined by IAS 17. Accordingly, the vehicles concerned are not recorded in the balance sheet. The rents paid for these vehicles are disclosed in Note 33 (a) "Operating leases."

Finance leases

By contrast, when Europcar is exposed to a significant residual value risk under leasing arrangements with financial institutions or the finance divisions of car manufacturers, the arrangement is considered to be a finance lease.

In this case, such contracts are recognized in the balance sheet offsetting a liability. These assets are depreciated over their expected useful lives on the same basis as owned assets or over the term of the relevant lease if shorter.

As is the case for "at-risk" vehicles, their average holding period generally does not exceed 12 months. Therefore, vehicles financed under finance lease arrangements are recorded as current assets.

2.11 Receivables and payables related to the rental fleet

Rental fleet related receivables include:

- fleet receivables due by car manufacturers or dealers repurchasing the vehicles after the vehicle has been returned to the car manufacturer at the end of the holding period (buy-back agreements). The fleet receivables are recorded at fair value, which corresponds to their nominal value. These receivables fall due within one year and are impaired if their carrying amount is greater than the estimated recoverable amount;
- the full amount of the Group's VAT receivables, since the major portion of these are fleet-related.

Rental fleet payables are amounts due to car manufacturers or dealers. These payables are recorded at fair value and fall due within one year. Rental fleet related payables include the full amount of the Group's VAT payables, since the major portion of the Group's VAT payables is fleet related.

In addition, the rental fleet and related payables and receivables include the effects of a major operating lease signed in 2009 under which the Group acquires vehicles from a manufacturer and sells them immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement. The asset from the manufacturer and liability to the lessor are of an equivalent amount that cannot be offset in the balance sheet in the absence of an enforceable right held by the Group.

2.12 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the regular course of business, which are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provisions for impairment. A provision is recognized in respect of impairment of trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of a receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered to be indicators for trade receivable impairment.

The impairment loss is recognized in the consolidated income statement in "Fleet operating, rental and revenue related costs" (see Note 6).

2.13 Cash

Cash includes cash and cash equivalents and restricted cash.

(i) Cash and cash equivalents

Cash comprises cash in hand.

Cash equivalents include short-term and highly liquid investments such as marketable securities and obligations with a maturity of less than three months at the acquisition date, readily convertible to a known amount of cash and subject to an insignificant risk of a change in value. Financial instruments classified as cash and cash equivalents are accounted for at fair value through profit and loss.

(ii) Restricted cash

Cash and cash equivalents are considered as restricted when they are (i) used to cover the future settlement of insurance claims or (ii) not immediately available for financing the activity of the subsidiaries. Therefore, cash located in the following fleet and insurance SPEs is considered restricted:

- Securitifleet Holding and Securitifleet Holding Bis;
- FCT Sinople (securitization mutual fund);
- EC Finance Plc; and
- Euroguard, a captive insurance structure.

Restricted cash and restricted cash equivalents are presented separately from cash and cash equivalents.

2.14 Financial instruments

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

The Group classifies its financial assets in the following categories: financial instruments at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial liabilities are classified in the following categories: financial liabilities at fair value through profit or loss and other financial liabilities. Management determines the classification of financial assets and liabilities at initial recognition.

(i) Loans and receivables

This category is for non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, which arise from the lending of money, or supply of goods or services. They include loans acquired, receivables and marketable securities not classified as cash and cash equivalents. Loans and receivables are initially recognized at fair value, including transaction costs. These are subsequently valued at amortized cost, using the effective interest rate method.

For short-term receivables, amortized cost generally equals the nominal amount.

(ii) Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the entity has the positive intention and ability to hold to maturity. These instruments are measured at amortized cost. Held-to-maturity investments are reported as non-current investments if the maturity is greater than 12 months. Otherwise they are reported as current investments (see Note 19).

(iii) Available-for-sale financial assets

“Available-for-sale financial assets” is essentially a residual category for those financial assets that do not meet the criteria of the other categories or that are designated as available-for-sale. This category includes investments in non-consolidated companies (see Note 19).

Financial instruments classified as “available-for-sale” are measured at fair value. Gains and losses arising from changes in fair value are included as Other comprehensive income within equity except for impairment losses and monetary items such as foreign exchange gains and losses. When these investments are derecognized, the cumulative gain or loss inventoried recognized in equity is transferred to the income statement. Where these investments are interest bearing, interest determined using the effective interest method is recognized in the income statement.

Available-for-sale equity investments (e.g., investments in unconsolidated companies) that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost, less any accumulated impairment losses.

Impairment of available-for-sale financial assets

In the case of available-for-sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is also considered in determining whether impairment exists. Where such evidence exists, the cumulative net loss

previously recognized directly in equity is transferred out of equity and recognized in the income statement.

Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement until the sale of the equity instrument. Increases in the fair value of equity securities after impairment are recognized directly in equity.

(iv) Financial liabilities at amortized cost

These financial liabilities include:

- loans and borrowings;
- trade and other payables;
- bank overdrafts.

For short-term trade and other payables, amortized cost generally equals the nominal amount.

Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently measured at amortized cost. The effective interest rate calculation takes into account interest payments and the amortization of transaction costs. Transaction costs are amortized on an effective interest rate basis over the term of the borrowings.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of current borrowings for the purposes of the statement of financial position and statement of cash flows.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(v) Derivative financial instruments

The Group uses derivative financial instruments to manage its exposure to interest rate and foreign exchange risks. In accordance with its treasury management policy, the Group does not hold or issue derivative financial instruments for trading purposes.

When derivatives are held for risk management purposes and when transactions meet the required criteria, the Group applies fair value hedge accounting, cash flow hedge accounting or hedging of a net investment in a foreign operation as appropriate to the risks being hedged.

At the inception of the transaction the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives for undertaking the hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair

values or cash flows of hedged items. The fair values of various derivative instruments used for hedging purposes are disclosed in Note 29.

At December 31, 2016, the Group did not hold any derivative instruments eligible for fair value or net investment hedge accounting.

Cash flow hedge accounting

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognized initially in shareholders' equity (see Consolidated Statement of Comprehensive Income), then recycled to the income statement in the periods during which the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognized in the income statement immediately in "Net financing costs" (see Note 13).

(vi) Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that loans and receivables are impaired. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the reporting date (a "loss event"), and said loss event has an impact on the estimated future cash flows of the financial asset or the portfolio that can be reliably estimated.

Impairment of trade receivables is described in Note 22 and impairment of available-for-sale assets is described above.

2.15 Treasury shares

Europcar Groupe shares held by the parent company are recorded at cost and deducted from consolidated equity. On disposal, the gain or loss and the related tax impacts are recorded as a change in equity.

2.16 Employee benefits

The Group provides post-employment benefits through defined contribution plans as well as defined benefit plans.

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to an independent entity or a fund. The Group has no legal or implied obligation to

pay further contributions after its payment of the fixed contribution if the fund does not have sufficient assets to pay all employee benefits due for current and prior periods. The Group contributes to public pension plans and insurance for individual employees which are deemed to be defined contribution plans. Contributions to the plans are recognized as an expense in the period in which the services are rendered by the employees.

(ii) Defined benefit plans

Plans that do not meet the definition of a defined contribution plan are defined benefit plans. The defined benefit plan operated by the Group defines the amount of pension benefit that an employee will receive on retirement by reference to length of service and final salary.

The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund.

The valuation of the Group's commitments with respect to defined benefit plans is performed by an external independent actuary using the projected unit credit method. This method requires specific actuarial assumptions that are detailed in Note 30 "*Employee Benefits*". These actuarial valuations are performed at the reporting date for each plan by estimating the present value of the amount of future benefits that employees have earned in return for their service in the current and prior periods and factoring in the effects of future salary increases.

Plan assets are usually held in separate legal entities and measured at fair value as determined at each reporting date.

In accordance with IAS 19, the liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

From one fiscal year to the next, the differences between the projected liabilities plus their re-estimated amounts, and the expected level of dedicated assets and their actual level, constitute actuarial differences, which are cumulated within each pension plan. These actuarial differences may result either from changes in actuarial assumptions used at the reporting date or from experience-related adjustments based on changes in prior-period assumptions.

The Group recognizes actuarial gains/losses in the consolidated statement of comprehensive income in the period in which they occur.

Past service costs are recognized immediately as operating expenses in "Personnel Costs".

Unwinding of discounts and the expected return on plan assets are recognized as financial expenses (see Note 13).

(iii) Long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than for pension plans (or post-employment benefit plans), is the future benefit that employees have earned in return for services rendered in the current and prior periods, for example Médailles du Travail (long-service awards) in France and Jubilee awards in Germany. The obligation is calculated using the projected unit credit method and is discounted to its present value. The provision is recognized net of the fair value of any related assets (*i.e.* all the actuarial gains/losses and the past service costs are recognized immediately in the consolidated income statement).

(iv) Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to ECG's shareholders after certain adjustments. The Group recognizes a provision when required by a contractual obligation.

The related expenses are recognized in Personnel costs (see Note 7 "Personnel Costs").

2.17 Provisions

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.

Provision is made for the estimated value of uninsured losses from both known and incurred but not reported third-party claims on an actuarially determined basis. Where these claims are expected to be settled over a longer period of time, the provision made represents the present value of the expected expenditure required to settle the obligation. Any excess of this prepayment over the estimated liabilities is subject to an assessment of recoverability, and a provision is set aside if necessary.

In the normal course of its business activities, the Group is subject to certain claims and investigations relating to compliance with laws and regulations in various jurisdictions, including some with fiscal or competition authorities. The Group generally records a provision whenever a risk represents the probability of a cash disbursement towards a third party without compensation and when the possible loss that may result can be estimated with sufficient accuracy.

A provision on vehicle buy-back and reconditioning costs is recognized over the holding period of the vehicles.

The impact of discounting provisions is recognized in other financial expenses.

2.18 Revenue

Revenue includes vehicle rental incomes, fees from the provision of services incidental to vehicle rental (including fuel), and fees receivable from the Europcar franchise network, net of discounts and excluding inter-company sales, VAT and sales taxes.

Revenue from services rendered is recognized proportionally over the period in which the vehicles are rented out based on the terms of the rental contract. The stage of completion is assessed on the basis of the actual service provided (number of days of rental in the accounting period).

When vehicle rental income is generated by intermediaries (such as travel agencies), the gross revenue is recognized in the consolidated income statement when Europcar:

- has the ability to determine the price;
- performs part of the service; and
- has discretion in intermediary selection.

The commission fees are recorded in the Fleet operating, rental and revenue-related costs line item in the income statement (see Note 6).

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

The Group has launched a loyalty program covered by IFRIC 13 – Customer Loyalty Programs. This program provides a free weekend rental, or discount coupons, after a certain number of rentals eligible for the program have been accumulated. Once acquired, these benefits may be used at the next rental, and are valid for 12 months.

Given its recent nature, the Group considers that the impacts of applying this standard, consisting of:

- considering the benefit accruing to the customer – such as a free weekend of car rental to be used within one year – as a separate component of a sale transaction;
- allocating a portion of the initial rental price to this weekend, and deferring it until the Group has fulfilled its obligations relating to this weekend.

are not material. For this reason, no impact was reported as such in the consolidated financial statements as of the end of December 2016.

2.19 Expenses

(i) Fleet holding costs

Fleet holding costs include vehicle costs such as the costs related to rental fleet agreements with car manufacturers through the recognition of vehicle depreciation charges (see “rental fleet”) or with fund lenders (via lease rents), the taxes related to the vehicle fleet, and the costs incurred for the purchase or sale of vehicles.

Costs related to rental fleet agreements mainly consist of the vehicle depreciation expenses, net of rebates and off-balance sheet fleet operating lease expenses (see in Note 2, Significant Accounting Policies – 2.10 “rental fleet”).

Costs related to the acquisition and disposal of vehicles include the cost of vehicle accessories and costs relating to the conditioning of new vehicles and the disposal of used cars.

Payments made under operating leases are recognized in the consolidated income statement in “Fleet holding costs” on a straight-line basis over the term of the lease.

(ii) Fleet operating, rental and revenue related costs

Fleet operating costs relate to costs incurred during the fleet operating cycle for:

- reconditioning;
- repairs;
- maintenance;
- impairment of badly damaged and wrecked vehicles, thefts; and insurance.

Rental costs include fuel, vehicle transfers, vehicle washing, etc. Costs related to revenue from ordinary activities include commissions, and airport and rail station fees, etc.

(iii) Payments under finance lease contracts

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability.

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2.20 Option plan and similar

The Group has established plans granting free shares to management and certain employees. The fair value of these plans is equal to the value of the free shares on the grant date, and takes into account of the valuation of the restriction during any lock-in period (see Note 8). These plans result in the recognition of a personnel expense spread over the vesting period. The estimated cost to be recognized takes into account the employee turnover rate over the vesting period.

2.21 Other non-recurring income and expenses

(i) Acquisition-related expenses

Acquisition-related expenses include charges incurred in connection with the integration of acquisitions, such as legal and accounting fees, severance and consultancy costs related to headcount reductions due to the streamlining of the rental station network and its support functions, asset write-offs and transfer costs, lease termination and building refurbishment costs carried out for the purpose of integrating acquisitions.

(ii) Reorganization expenses and other non-recurring costs

Reorganization expenses include charges incurred in connection with business restructuring carried out to adapt local or corporate organizational structures to changing business conditions. They include headcount reduction expenses, consultancy fees, asset write-offs and transfer costs and early lease termination costs incurred as part of restructuring programs.

Unusual, abnormal and infrequent items are presented separately in Other non-recurring income and expenses to provide a clearer picture of the Group's performance.

2.22 Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividend income, foreign exchange gains and losses, financing arrangement costs, gains and losses on financial instruments that are recognized in the consolidated income statement, any ineffective portion of the gain or loss on cash flow hedging instruments, and the financial component of pension charges (unwinding of discounts and the expected return on plan assets).

Interest income is recognized in the income statement as it is accrued, using the effective interest method. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

2.23 Income tax benefit/(expense)

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items directly recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, and subject to any adjustment to tax payable in respect of previous years.

The amount of deferred tax is based on the expected pattern of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax asset can be utilized. This probability is assessed based on:

- the existence of temporary differences that will give rise to taxation in the future;
- forecasts of taxable profits.

2.24 Earnings per share

Basic earnings per share are calculated by dividing net income (attributable to shareholders of the parent company) by the average number of shares outstanding during the year. Treasury shares are not taken into account in the calculation of basic or diluted earnings per share. Diluted earnings per share is calculated by dividing net income attributable to shareholders of the parent company by the average number of common shares outstanding during the period, plus the average number of shares that would have been issued had all outstanding dilutive instruments been converted.

2.25 Indicators not defined by IFRS

Adjusted corporate EBITDA, defined as recurring operating income before non-fleet depreciation and amortization, after deduction of the interest expense on certain liabilities related to rental fleet financing. See Note 4 "Segment reporting" for a reconciliation of Adjusted corporate EBITDA to the amounts reported in the consolidated income statement.

NOTE 3 CHANGES IN SCOPE OF CONSOLIDATION

In 2016

- In June 2016, UbeeQo, an innovative mobility sector start-up in which Europcar holds a stake, acquired Bluemove, a Spanish start-up technology leader in the Spanish car-sharing market for individuals, for €8 million. In December, UbeeQo also acquired GuidaMi, a key player in the closed loop car-sharing segment in Milan for €0.6 million. These transactions are part of the Group's acquisition strategy to become the reference player in urban mobility.
- In July 2016, the Group acquired 100% of Locaroise. The €9 million investment was made by the Group's French subsidiary, Europcar France. Since the net assets acquired amounted to €5.6 million, goodwill of €3.4 million was recognized and is primarily related to the synergies the Group expects from this merger. The acquired business's contribution to the Group's revenue and operating results for the period from the date of acquisition until December 31, 2016 was €8 million and €1.9 million respectively.

- In August 2016, the Group acquired 100% of the Brunel Group, a leader in private chauffeur services available on a cell phone app. The investment of €5.4 million (GBP4.6 million) was made by the Group's British subsidiary Europcar UK. The purchase price includes an estimated earn-out of €2.2 million euros (GBP1.9 million). Since the net assets acquired amount to €0.1 million (GBP0.1 million), goodwill of €7.5 million was recognized and is primarily related to the synergies the Group expects from this integration.

The acquired business's contribution to the Group's revenue and operating results for the period from the date of acquisition until December 31, 2016 was €4.8 million and €0.1 million respectively.

- In December 2016, the Group expanded its network of subsidiaries by acquiring 100% of its Irish franchisee. In addition to its car rental business, the Group also acquired Europcar Ireland's car-sharing service, launched in 2012, which operates under the GoCar brand. The €23.6 million

investment was made by the Group's French subsidiary, Europcar Participations (formerly EC2). The Group also granted Europcar Ireland a loan of €22.4 million. The net assets acquired amounted to €(0.3) million and annual revenue is approximately €50 million.

Given the late stage of the acquisition, the company was not included in the scope of consolidation at December 31, 2016. The calculation of the first consolidation discrepancy and the allocation at fair value of the purchase price will be made in the first quarter of 2017. The investment shares are classified in "other non-current investments" in the balance sheet for a total amount of €23.6 million.

- On December 31, 2016, Europcar bought 19% of the capital of E-Car Club Holding, i.e. Centrica's remaining 10% plus 9% from management, who will continue to hold a 20% stake until the same period next year. The holding in E-Car Club thus rose from 60.8% to 80%.

03

In 2015

- The creation of Europcar Lab S.A.S.U. and Europcar Lab UK, Europcar Groupe entities focused on innovation.

This transaction also included the acquisition of a majority stake (60.80%) in the capital of E-Car Club Holding, which holds full ownership of the capital of E-Car Club, the leading car-sharing company that offers a fleet of fully electric vehicles in the United Kingdom with payment per use.

This new acquisition is fully in line with Europcar Lab's strategy to develop mobility market usages, search for new mobility solutions opportunities worldwide and make investments in strategic initiatives allowing the Group to strengthen its leadership in the mobility market.

These companies are all fully consolidated.

- Creation of Europcar Inc., wholly owned and fully consolidated by Europcar Groupe, based in the United States. The purpose of this company will be to manage outbound traffic to Europe.
- EIS E.E.I.G. was the subject of a full transfer of employees' rights under the EC TUPE regulations directive, effective retroactively on January 1, 2015 by Europcar International.
- Travset Business Travel + Service GmbH was also the subject of a full transfer of employees' rights under TUPE on July 1, 2015 by Europcar Autovermietung GmbH.

NOTE 4 SEGMENT REPORTING

Europcar operates a car rental activity:

- first, with its own rental fleet in nine countries (in December 2016, through the acquisition of Europcar Ireland, the Group extended its network of subsidiaries from nine to ten countries; data relating to the Irish subsidiary is not in the 2016 consolidated financial statements and the Group revenue includes its franchise fee);
- and second, through a franchise network present both in the countries in which Europcar operates directly ("domestic franchises"), but especially in the other countries ("international franchises").

In total, the Europcar Groupe is present in more than 130 countries and territories.

The chief operating decision maker within the meaning of IFRS 8 – Operating Segments, is the Group's Executive Committee.

On July 25, 2016, the Group adopted a new organization by segment, or by "type of service", encouraging better integration of these "customers" in order to accelerate the development of its "Go To Market" strategy. The Management Board decided to launch a project to adapt the organization of the Group around 5 "business units", reflecting the marketing strategy of the Group and a major focus on activities relating to its core

business, while also developing new business opportunities: (i) Cars BU, (ii) Vans & Trucks BU, (iii) Low-Cost BU, (iv) New Mobility BU, and (v) International Coverage BU.

In 2016, decision-making is shared between senior executives of the countries and those of the segments, and the Group is managed day to day on the basis of reporting data from individual countries. As a result, the Group continues to present the segment reporting required by IFRS 8 according to two geographic segments.

Indeed, the Group presents two segments: Europe and Rest of the World, within which the nature of the services provided, and the category of customers targeted, are identical. 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 the world: all countries other than those cited above, including Australia and New Zealand, where the Group operates the fleet directly.

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

- revenue: includes vehicle rental income, territorial fees, other commissions related to the Group's trademarks and billed to franchisees, and fuel sales;
- adjusted corporate EBITDA: recurring operating income before depreciation and amortization, after deduction of the interest expense on liabilities 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

December 31, 2016					
<i>In thousands of euros</i>	Note	Europe	Rest of the world	Eliminations & Holding companies	Segment total
Segment revenue		1,997,209	159,441	(5,892)	2,150,758
Current operating income		212,773	35,343	35,353	283,469
Reversal of depreciation and impairment charges		11,371	1,029	19,935	32,335
Net fleet financing expenses	13	(59,823)	(2,442)	315	(61,950)
Adjusted corporate EBITDA of the segments		164,321	33,930	55,603	253,854
Total assets		1,602,962	215,906	2,695,896	4,514,764
Total liabilities		1,660,032	205,786	2,017,680	3,883,498

December 31, 2015					
<i>In thousands of euros</i>	Note	Europe	Rest of the world	Eliminations & Holding companies	Segment total
Segment revenue		1,992,155	156,095	(6,327)	2,141,923
Current operating income		235,975	34,490	12,854	283,319
Reversal of depreciation and impairment charges		11,580	1,047	20,154	32,781
Net fleet financing expenses	13	(56,550)	(3,463)	(5,441)	(65,454)
Adjusted corporate EBITDA of the segments		191,005	32,074	27,567	250,646
Total assets		1,564,929	160,084	2,595,538	4,320,551
Total liabilities		1,645,420	167,286	1,945,489	3,758,195

(i) Information about revenue and services

Revenue and services are distributed as follows:

December 31, 2016				
<i>In thousands of euros</i>	Europe	Rest of the world	Eliminations & Holding companies	Segment total
Vehicle rental income	1,865,005	137,385	-	2,002,390
Other revenue associated with car rental	99,930	3,056	(5,892)	97,094
Franchising business	32,274	19,000		51,274
SEGMENT REVENUE	1,997,209	159,441	(5,892)	2,150,758

December 31, 2015				
<i>In thousands of euros</i>	Europe	Rest of the world	Eliminations & Holding companies	Segment total
Vehicle rental income	1,859,598	132,297	-	1,991,895
Other revenue associated with car rental	100,106	3,595	(6,327)	97,374
Franchising business	32,451	20,203	-	52,654
SEGMENT REVENUE	1,992,155	156,095	(6,327)	2,141,923

(ii) Disclosure by country and customer segment

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Vehicle rental income	2,002,390	1,991,895
<i>Breakdown of customers by segment</i>		
Leisure	58.1%	55.6%
Business	41.9%	44.4%

(iii) Segment information by geographical areas

The Group operates in four main markets: France, Germany, the United Kingdom, and other European countries. Revenue has been identified based on where the rental service is provided. Non-current assets are allocated based on their physical location.

Revenue and non-current assets include items directly attributable to a geographical area as well as those that can be allocated on a reasonable basis. Unallocated items include income and non-current assets related to holding companies and eliminations.

Car rental customers comprise both individuals and corporate customers.

<i>In thousands of euros</i>	France	United Kingdom	Germany	Other European countries	Rest of the world ⁽²⁾	Unallocated items	Total
December 31, 2016							
Revenue from external customers	364,952	409,317	546,789	676,151	159,441	(5,892)	2,150,758
Non-current assets ⁽¹⁾	102,932	113,055	209,469	122,811	35,642	815,544	1,399,453
of which Goodwill	91,878	94,605	180,384	38,374	27,455	26,800	459,496

<i>In thousands of euros</i>	France	United Kingdom	Germany	Other European countries	Rest of the world ⁽²⁾	Unallocated items	Total
December 31, 2015							
Revenue from external customers	360,781	465,227	544,470	621,677	156,095	(6,327)	2,141,923
Non-current assets ⁽¹⁾	98,307	116,148	207,205	135,861	36,329	800,421	1,394,271
of which Goodwill	88,345	96,270	180,384	38,374	26,899	26,800	457,072

(1) The non-current assets presented in "Eliminations & Holdings" primarily reflect trademarks.

(2) The rest of the world primarily corresponds to Australia and New Zealand.

NOTE 5 FLEET HOLDING COSTS

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Costs related to rental fleet agreements ⁽¹⁾	(465,457)	(460,360)
Purchase and sales related costs ⁽²⁾	(37,447)	(54,536)
Taxes on vehicles	(33,391)	(32,290)
	(536,295)	(547,186)

(1) The costs relating to rental fleet agreements mainly consist of: (i) vehicle depreciation expenses, and (ii) fleet operating lease expenses (see Note 2 "Significant Accounting Policies", Section 2.10 "Vehicle fleet").

During the year ended December 31, 2016, the Group recognized a depreciation expense, net of volume rebates, of €203.5 million (€189 million in 2015), in the income statement under the item "Costs related to rental fleet agreements". This depreciation expense relates to vehicles subject to manufacturer or dealer buy-back agreements and "at-risk" vehicles.

"Costs related to rental fleet agreements" also include operating lease payments amounting to €256.8 million (December 2015: €265.5 million) relating to operating lease agreements. The off-balance sheet rental commitments in respect of rental fleets operated under operating leases are presented in Note 33(a) "Operating leases".

(2) The costs related to the acquisition and disposal of vehicles include the costs for vehicle accessories and the conditioning of new vehicles and the sale of used cars.

NOTE 6 FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Fleet operating costs ⁽¹⁾	(239,012)	(233,279)
Revenue-related commissions and fees ⁽²⁾	(286,104)	(270,968)
Inc. trade receivables allowances and write-offs	(9,602)	(6,954)
Rental related cost ⁽³⁾	(228,187)	(222,743)
	(753,303)	(726,990)

(1) Fleet operating costs mainly comprise insurance, repair and maintenance costs as well as the costs incurred for damaged and stolen cars and for the reconditioning of vehicles before they are repurchased by the car manufacturers or dealers.

(2) Ordinary revenue-related costs include commissions for agents and travel agents, and airport and railway concession fees.

(3) Rental-related costs include vehicle transfer costs incurred during the holding period, vehicle washing costs and fuel costs.

NOTE 7 PERSONNEL COSTS

PERSONNEL COSTS

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Wages and salaries ⁽¹⁾	(254,054)	(266,480)
Social security contributions	(67,511)	(68,452)
Post-employment benefits	(5,433)	(6,847)
Other items	(12,160)	(5,609)
	(339,158)	(347,388)

(1) Includes the costs relating to bonuses and profit-sharing, as well as the IFRS 2 impacts on bonus share plans implemented in 2015 in a positive amount of €0.2 million in 2016, compared with an expense of €2.6 million in 2015.

HEADCOUNT

<i>in average number of FTEs</i>	At December 31, 2016	At December 31, 2015
TOTAL HEADCOUNT	6,461	6,324

Data shown in the table above correspond to average annual data. The Group also uses a certain number of temporary workers as well as external service providers, mainly for vehicle

transit and cleaning during peak periods, and in accordance with the applicable legislation in each of the countries in which the Group operates.

NOTE 8 SHARE-BASED PAYMENTS

The Europcar Extraordinary Shareholders' Meeting held on June 8, 2015 authorized the Management Board to award free shares in the Company. The Management Board, at its meeting held on June 25, 2015, pursuant to said delegation of authority approved the decision and the principle of two free share plans.

The first "AGA 13 T1" and "AGA 13 T2" plan benefits members of the Group's Executive Committee.

Vesting of these free shares, following vesting periods of two to three years, and subject to the condition that the employee should be still working for the Company at the end of this period, will depend on the achievement of:

- for the years ended December 31, 2015 and 2016: performance conditions related to the Adjusted Corporate EBITDA; and

- for the year ended December 31, 2017: performance conditions related to: (i) the Adjusted Corporate EBITDA; and (ii) fluctuations in the Company's stock price as compared with movements in the SBF 120 index.

The second free share plan, "AGA 100", benefits the Group's top 100 senior executives. The shares will vest following a two-year vesting period, subject to condition of continuous employment within the Group during the acquisition period and to the achievement performance conditions (i) the Adjusted Corporate EBITDA and (ii) to movements in the Company's stock price as compared with movements in the SBF 120 index.

The number of free shares initially granted was 1,991,844. Movements relating to the free shares in 2016, to which IFRS 2 standard "Share-based payments" applies, are as follows:

	Number of free shares
At the launch of the plan on June 25, 2015	1,991,844
Cancelled	(128,511)
Currently vesting as of January 1, 2016	1,863,333
Cancelled	(403,574)
Currently vesting as of December 31, 2016	1,459,759

The weighted average fair value of the allocated shares was determined on the grant date using the Monte Carlo simulation model.

Since the dividend rate was 2.20% (only for 2017) and the borrowing rate was the risk-free rate +1%, the fair values on the grant date, less the dividends discounted during the vesting period and the discounted cost of non-transferability during the lock-in period, are equal to:

- €11.73 for the AGA 13 T1 plan;
- €6.53 for the AGA 13 T2 plan;

- €5.91 for the AGA 100 plan.

The employer's contribution, at the rate of 30%, was calculated on a basis corresponding to the unit fair value of the shares as estimated on the grant date.

The cumulative charge for these two plans amounts to €3.1 million in 2016 (against €10.2 million at December 31, 2015).

In 2016, the impact on the income statement for services received was a profit of €0.2 million compared with an expense of €2.6 million as at December 31, 2015. The counterpart has been credited to equity.

NOTE 9 NETWORK AND HEAD OFFICE OVERHEAD COSTS

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Network costs ⁽¹⁾	(84,374)	(81,878)
IT costs	(36,022)	(33,983)
Telecom costs	(6,431)	(7,761)
Head office costs ⁽²⁾	(59,269)	(57,424)
Sales and marketing costs	(29,801)	(37,429)
	(215,897)	(218,475)

(1) Network costs consist of rental expenses for premises and network overhead costs.

(2) Head office costs consist of rental and traveling expenses and audit and consulting fees incurred at Group level.

NOTE 10 AMORTIZATION, DEPRECIATION AND IMPAIRMENT EXPENSE

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Amortization of intangible assets	(14,086)	(17,450)
Depreciation of property, plant and equipment	(15,337)	(14,888)
Impairment expense	(2,912)	(443)
	(32,335)	(32,781)

NOTE 11 OTHER INCOME AND EXPENSES

This category includes net income related to certain commercial agreements, the release of provisions and other items.

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Contractual income	1,650	2,204
Release of surplus provisions	959	188
Foreign exchange gains/(losses) on operating activities	2,748	705
Gains (losses) on the disposal of property, plant and equipment	365	394
Other items, net ⁽¹⁾	3,977	10,725
	9,699	14,216

(1) Including, in 2015, a revenue item from the previous year that was recognized for a debt recorded in 2009 and lapsed in 2015.

NOTE 12 OTHER NON-RECURRING INCOME AND EXPENSES

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Addition to/release of provisions for impairment of real estate assets in Spain	443	(613)
Reorganization charges ⁽¹⁾	(17,608)	(24,033)
Inc.: Reorganization – redundancy expenses	(9,199)	(18,897)
Reorganization - professional fees	(8,409)	(5,136)
IPO expenses	-	(8,692)
Employee benefits	-	1,025
Disputes ⁽²⁾	2,330	23,001
Other ⁽³⁾	(5,886)	(52,462)
TOTAL OTHER NON-RECURRING INCOME AND EXPENSES	(20,721)	(61,774)

- (1) The reorganization expenses in 2015 and 2016 were related to the measures taken by several Group entities, or announced before end of the year, to streamline the network and back-office activities.
- (2) In 2015, taking into account the outcome of the dispute between the Company and Enterprise Holdings Inc. both for use of the logo in the UK and for the arbitration proceedings, a portion of the 2014 provision was reversed.
- (3) In 2015, including €45 million provisioned for the financial risk measured by the Group as part of the ongoing proceedings with the French Competition Authorities (see Note 35) and €2.7 million in exceptional bonuses paid to the employees of the Group.

NOTE 13 NET FINANCING COSTS

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Net fleet financing expenses	(61,950)	(65,454)
Net other financing expenses	(32,239)	(56,314)
Gross financing costs	(94,189)	(121,768)
Expense on derivative financial instrument	(461)	(1,465)
Amortization of transaction costs ⁽¹⁾	(7,813)	(42,340)
Foreign exchange losses	(7,444)	(8,164)
Cost of discounting social commitments	(2,270)	(2,125)
Early redemption premiums ⁽²⁾	-	(56,010)
Other	(10,867)	(7,676)
Other financial expenses	(28,855)	(117,780)
Foreign exchange gains	1,983	11,956
Other financial income	1,983	11,956
NET FINANCING COSTS	(121,061)	(227,592)

- (1) Including the refinancing costs that were written-off in advance following redemption of the bond issues: €26.9 million relating to the High Yield bond issues of €400 and €324 million at December 31, 2015.
- (2) Including €56 million in redemption premiums following early redemption of the High Yield bond issues of €324 and €400 million in 2015.

For the year ended December 31, 2016, the total interest expense on financial liabilities at amortized cost amounted to €95.2 million (December 2015: €123.3 million) and the

total interest expense on financial liabilities at amortized cost amounted to €1.0 million (December 2015: €1.5 million).

NOTE 14 TAX**14.1 Tax in the income statement**

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Current tax	(29,272)	(46,794)
Deferred tax ⁽¹⁾	22,644	9,157
TOTAL INCOME TAX EXPENSE	(6,628)	(37,637)

(1) In 2016, deferred tax takes into account the decrease in the corporate tax rate in France from 34.43% to 28.92% as of 2020, introduced by the Finance law for 2016. This change led to a positive impact of €19 million related to the revaluation of deferred tax liabilities calculated on the Europcar brand.

The theoretical tax expense based on ECG's statutory tax rate (*i.e.*, the standard corporate income tax rate in France of 33.33% to which is added the corporate income tax social security contribution of 3.3% on the amount of corporate income tax above €763,000) can be reconciled to the tax expense reported in the income statement as follows:

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Profit/loss before tax	141,687	(6,047)
Statutory tax rate	34.43%	34.43%
Theoretical tax	(48,783)	2,081
Impact of differences in tax rates ⁽¹⁾	24,746	12,814
Permanent differences ⁽²⁾	(234)	(24,649)
Capitalization of losses and temporary differences that were formerly not recognized	23,034	31,541
Unrecognized deferred tax assets	(6,619)	(31,000)
Impact of tax losses ⁽³⁾	(6,619)	(18,725)
Other temporary differences	-	(12,275)
Impact of French business contribution on added value (CVAE) and Italy's regional tax on productive activities (IRAP)	(6,207)	(5,997)
Other ⁽⁴⁾	7,435	(22,427)
Income tax benefit/(expense)	(6,628)	(37,637)
Effective tax rate	4.68%	N/A

(1) In 2016 €19 million related to the decrease in the corporate tax rate in France from 34.43% to 28.92% as of 2020.

(2) Includes, in 2015, €16 million attributable to non-deduction of interest in France.

(3) In 2016, tax losses on previous years not recognized came from Italy (€3 million) and Spain (€3 million). In 2015, almost all unrecognized tax losses came from the France segment (€26 million).

(4) Includes, in 2016, a reversal of provision for tax risk in France for €9 million and €3 million for adjustments on previous years. Includes, in 2015, a provision for tax risks in France for €18 million and €5.7 million for adjustments on previous years.

14.2 Deferred taxes in the consolidated balance sheet

(i) Deferred tax assets and liabilities and temporary differences recognized during the period

<i>In thousands of euros</i>	January 1, 2016	Changes in scope of consolidation	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2016
Property, plant and equipment	(2,254)	(43)	(231)	(40)	244	(2,324)
Intangible assets	(244,848)	-	20,023	-	202	(224,623)
Rental fleet	(6,211)	-	6,099	61	299	248
Investments in subsidiaries	54	-	-	28	(9)	73
Other financial assets	(336)	-	74	-	-	(262)
Receivables and other assets	(4,519)	-	23	4,763	(27)	240
Prepaid and deferred charges	(31)	-	(200)	2,453	(86)	2,136
Employee benefits	14,131	-	(1,831)	3,155	106	15,561
Deferred income	2,679	-	(782)	13	-	1,910
Provisions	19,601	-	(783)	(351)	93	18,560
Derivative liabilities	-	-	-	-	-	-
Other debt	13,768	-	(3,094)	(4,983)	(36)	5,655
Tax losses carried forward	132,564	-	3,378	(1,862)	(359)	133,721
DEFERRED TAX ASSETS/(LIABILITIES)	(75,402)	(43)	22,676	3,237	427	(49,105)
Deferred tax assets	55,730					58,743
Deferred tax liabilities	(131,132)					(107,848)

<i>In thousands of euros</i>	January 1, 2015	Reclassification	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2015
Property, plant and equipment	(1,228)	-	(932)	-	(94)	(2,254)
Intangible assets	(245,514)	-	738	-	(72)	(244,848)
Rental fleet	(2,012)	-	(4,207)	-	8	(6,211)
Investments in subsidiaries	145	-	(94)	-	3	54
Other financial assets	(302)	-	(34)	-	-	(336)
Receivables and other assets	(2,962)	-	(1,566)	-	9	(4,519)
Prepaid and deferred charges	36	-	(67)	-	-	(31)
Employee benefits	18,099	-	(2,877)	(1,087)	(4)	14,131
Deferred income	6,152	-	(3,473)	-	-	2,679
Provisions	17,436	-	2,724	(554)	(5)	19,601
Derivative liabilities	20	-	-	(20)	-	-
Other debt	10,111	-	3,656		1	13,768
Tax losses carried forward	116,409	-	15,288	554	313	132,564
DEFERRED TAX ASSETS/(LIABILITIES)	(83,610)	-	9,156	(1,107)	159	(75,402)
Deferred tax assets						55,730
Deferred tax liabilities						(131,132)

Aside from the French tax group, on which a portion of tax losses have been recognized as deferred tax assets in the amount of the deferred tax liabilities related to the Europcar

trademark, the other deferred tax assets recognized must be used within five years.

(ii) Unrecognized deferred tax assets

Deferred tax assets are recognized up to the amount of available deferred tax liabilities and recoverability projections derived from business plans.

<i>In millions of euros</i>	2016	2015
Relating to temporary differences	23,253	30,198
Relating to tax losses carried forward ⁽¹⁾	91,875	127,942
	115,128	158,140

(1) Unrecognized deferred tax assets related to tax losses carried forward are primarily in France (€56.5 million in 2016 and €84.9 million in 2015), in Spain (€31 million in 2016 and €28.9 million in 2015) and Italy (€3.7 million in 2016 and €6.7 million in 2015). All tax losses, including Spain since 2015, may be carried forward indefinitely. Certain tax jurisdictions (for example France, Spain, Italy) may cap the use of tax losses according to a percentage defined by tax laws which may be modified each year.

NOTE 15 GOODWILL

<i>In thousands of euros</i>	Gross value	Impairment loss	Fair value
Balance at January 1, 2015	638,912	(189,523)	449,389
Acquisitions	4,805	-	4,805
Impairment	-	(443)	(443)
Effect of movements in foreign exchange rates	4,864	(1,543)	3,321
BALANCE AT DECEMBER 31, 2015	648,581	(191,509)	457,072
Balance at January 1, 2016	648,581	(191,509)	457,072
Acquisitions ⁽¹⁾	11,041	-	11,041
Impairment	-	(58)	(58)
Reclassification	6,178	(6,178)	-
Effect of movements in foreign exchange rates	(12,236)	3,677	(8,559)
BALANCE AT DECEMBER 31, 2016	653,564	(194,068)	459,496

(1) Primarily related to the acquisition of Locaraise and Brunel (respectively €3.4 million and €7.5 million)

Goodwill arises from past acquisitions of franchisees in the normal course of the Group's business and from acquisitions of subsidiaries.

15.1 Annual impairment test

In accordance with IAS 36 – Impairment of Assets, the Group performs impairment testing of the carrying value of goodwill. The Group prepares and internally approves formal three-year business plans for each of its geographical segments. For impairment testing purposes, the three-year plan is extended to five years. The 2017 budget and the 2018 and 2019 business plans were prepared taking into account (i) economic growth forecasts in the countries where the Group operates, (ii) current macroeconomic data for each country, (iii) air traffic growth forecasts, (iv) trends in the vehicle rental market and competitive pressure, and (v) new projects and products in the development phase. Beyond 2019, revenue growth

assumptions are conservative, and the projected profit margin is stable. The Group considers that each country corresponds to a cash-generating unit (CGU). When performing impairment tests, the Group calculates cash flows from Adjusted corporate EBITDA and uses the following assumptions:

- adjusted corporate EBITDA according to the three-year plan;
- the terminal value of each CGU is based on a perpetuity growth rate of 2%;
- the weighted average cost of capital (WACC) is applied to the cash flows of each CGU based on the average risk-free rate (average over a five-year period) corresponding to the German risk-free rate for ten year bonds adjusted for a risk premium for each country.

15.2 Goodwill from rental activities held by the Group, analyzed by geographic cash – Generating unit

<i>In thousands of euros</i>	Germany	United Kingdom	France	Italy	Spain	Other countries	Total
Balance at January 1, 2015	180,384	88,865	88,024	-	-	92,116	449,389
Acquisition	-	3,960	764	-	-	-	4,724
Disposal/price adjustment	-	-	-	-	-	81	81
Impairment expense	-	-	(443)	-	-	-	(443)
Effect of movements in foreign exchange rates	-	3,445	-	-	-	(124)	3,321
BALANCE AT DECEMBER 31, 2015	180,384	96,270	88,345	-	-	92,073	457,072
Balance at January 1, 2016	180,384	96,270	88,345	-	-	92,073	457,072
Acquisition	-	7,450	3,591	-	-	-	11,041
Disposal/price adjustment	-	-	-	-	-	-	-
Impairment expense	-	-	(58)	-	-	-	(58)
Effect of movements in foreign exchange rates	-	(9,115)	-	-	-	556	(8,559)
BALANCE AT DECEMBER 31, 2016	180,384	94,605	91,878	-	-	92,629	459,496

Most Recently recognized impairment losses include the following: for the year ended December 31, 2010, €53.8 million of goodwill allocated to an Italian cash-generating unit (full write-down); for the year ended December 31, 2011, €23.7 million of

goodwill allocated to a United Kingdom cash-generating unit and €16.7 million of goodwill allocated to an Australian cash-generating unit (partial write-downs).

15.3 Weighted average cost of capital (WACC)

	France	Germany	Italy	Spain	United-Kingdom	Belgium	Portugal	Australia
WACC	7.04%	6.94%	8.09%	8.37%	8.14%	7.07%	9.67%	8.74%

The terminal value is based on normalized cash flows discounted over an indefinite period, with a perpetuity growth rate of 2%. The risk-free rate is based on the German risk-free rate for bonds with a 10-year maturity (average over a five-year period), adjusted by a risk premium for each country in line with a credit risk premium based on a BB- credit rating.

The Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 5%, in order to reflect the long-term assumptions factored into the impairment tests.

The gearing used when determining the WACC is based on the annual average debt to equity ratio issued by comparable companies on a quarterly basis.

15.4 Sensitivity analysis

Goodwill was subject to an impairment test performed by the Company as described in the "Goodwill" section of Significant Accounting Policies and in section (a) above.

Europcar did not identify any probable scenarios in any countries whereby the CGU's recoverable amount would fall below its carrying amount. The sensitivity analysis performed on the assumptions used indicate that no impairment losses would be recognized in the following scenarios:

- a 1 percentage point increase in the discount rate;
- a 1 percentage point decrease in the growth rate;
- a 5% decrease in adjusted corporate EBITDA.

In 2016, the United Kingdom's decision to exit the European Union ("Brexit") caused uncertainty that may contribute to the volatility of the value of the pound sterling or the euro and have unfavorable effects on the Group's activities in the United Kingdom.

The Group has estimated that, on the Cash-Generating Unit in the United Kingdom:

- a 1-point increase in the discount rate would generate a reduction in the enterprise value of £55 million, without giving rise to any impairment;
- a 1-point decrease in the long-term growth rate would generate a reduction in the enterprise value of £43 million, without giving rise to any impairment;
- a 5% decrease in the Adjusted Corporate EBITDA as of 2017 would generate a reduction in the enterprise value of £37 million, without giving rise to any impairment.

NOTE 16 INTANGIBLE ASSETS

<i>In thousands of euros</i>	Trademarks	Software, operating systems	Intangible assets in progress	Leasehold rights	Total
Gross values					
Balance at January 1, 2015	735,558	234,919	17,137	1,303	988,917
Changes in scope of consolidation	-	113	-	-	113
Other acquisitions	-	478	7,976	75	8,529
Disposals	-	(3,702)	-	(36)	(3,738)
Transfers	-	10,970	(10,960)	-	10
Effect of movements in foreign exchange rates	3,586	691	-	12	4,289
BALANCE AT DECEMBER 31, 2015	739,144	243,469	14,153	1,354	998,120
Balance at January 1, 2016	739,144	243,469	14,153	1,354	998,120
Changes in scope of consolidation	-	7	-	31	38
Other acquisitions	-	3,619	12,061	242	15,922
Disposals	-	(21)	-	(32)	(53)
Transfers	-	2,039	3,186	-	5,225
Effect of movements in foreign exchange rates	(8,871)	(1,742)	-	(66)	(10,679)
BALANCE AT DECEMBER 31, 2016	730,273	247,371	29,400	1,529	1,008,573
Depreciation and impairment losses					
Balance at January 1, 2015	(61,109)	(205,119)	-	(957)	(267,185)
Increases/decreases related to changes in scope of consolidation	-	5	-	-	5
Amortization	-	(17,438)	-	(12)	(17,450)
Disposals	-	3,485	-	(24)	3,461
Transfers	-	462	-	-	462
Effect of movements in foreign exchange rates	(3,582)	(689)	-	(6)	(4,277)
BALANCE AT DECEMBER 31, 2015	(64,691)	(219,294)	-	(999)	(284,984)
Balance at January 1, 2016	(64,691)	(219,294)	-	(999)	(284,984)
Increases/decreases related to changes in scope of consolidation	-	(7)	-	(31)	(38)
Amortization	-	(13,998)	(2,854)	(68)	(16,920)
Disposals	-	-	-	-	-
Transfers	-	(2,036)	-	-	(2,036)
Effect of movements in foreign exchange rates	8,871	1,707	-	36	10,614
BALANCE AT DECEMBER 31, 2016	(55,820)	(233,628)	(2,854)	(1,062)	(293,364)
Net carrying amounts					
At December 31, 2015	674,453	24,175	14,153	355	713,136
At December 31, 2016	674,453	13,743	26,546	467	715,209

16.1 Trademarks

(i) Annual impairment test

In accordance with IAS 36 – Impairment of Assets, the Group has performed an annual impairment test of the carrying amount of the Europcar trademark that has an indefinite useful life (€699 million at December 31, 2016) based on the relief-from-royalty method. This test is performed on a consolidated basis with no country or segment-based allocation.

The value in use of the trademark has been determined based on projections of royalties received within the Europcar network (corporate entities, domestic and international franchisees).

(ii) Key assumptions

The terminal value is based on a perpetuity growth rate of 2%.

The discount rate used in the weighted average cost of capital is applied to the net royalty cash flows of each CGU based on a risk-free rate for 10-year German bonds.

In 2016, it was estimated at 8.72% (9.14% in 2015).

(iii) Sensitivity analysis

A reasonably possible change in the key assumptions on which management has based its determination of the recoverable amount would not cause significant difference between the carrying amount and the recoverable amount. The following table shows the results of the impairment tests and the resulting difference between the recoverable amount and the carrying amount of brands according to different assumptions of the long-term growth rate and weighted average cost of capital.

		Perpetuity growth rate		
		1.0%	2.0%	3.0%
<i>In millions of euros</i>	WACC	7.72%	402	553
		8.72%	258	366
		9.72%	147	227

The tests performed on the Europcar trademark did not result in the recognition of any impairment losses in 2016 and in previous years.

16.2 Software and operating systems

Computer software (the Europcar Greenway® and PremierFirst Speedlink systems) has been recognized at fair value in accordance with IFRS 3 – Business Combinations, based on an analysis of functional aspects. This methodology is based on the calculation of function points for each segment/software of the Europcar and PremierFirst rental reservation and fleet management systems. A function point reflects the functionality of the application which has been used as a basis to calculate its replacement value.

The net book value of this internally developed software amounts to €7.7 million as at December 31, 2016 (in 2015 the net book value amounts to €18.9 million).

The total of the costs for projects capitalized for 2016 is €12.3 million (€7.4 million in 2015).

16.3 Security interests

The total amount of intangible assets (excluding the Europcar brand) is held to secure the senior asset financing loan, as described in Note 27.

NOTE 17 PROPERTY, PLANT AND EQUIPMENT

The Group leases buildings and other equipment under different types of finance lease agreements. As of December 31, 2016, the carrying amount of leased buildings and other equipment was respectively €0 million (2015: €0.1 million) and €5.2 million (2015: €5.7 million).

Property, plant and equipment are held as security against Group corporate financing, as described in Note 27.

<i>In thousands of euros</i>	Land and buildings	Technical equipment	Other equipment	Fixed assets in progress	Total
Gross values					
Balance at January 1, 2015	88,817	8,474	173,123	3,695	274,109
Changes in scope of consolidation	-	-	(53)	17	(36)
Other acquisitions	366	971	15,923	3,302	20,562
Disposals	(4,506)	(477)	(8,404)	(1,551)	(14,938)
Transfers	-	-	1,885	(1,895)	(10)
Effect of movements in foreign exchange rates	747	(2)	1,693	-	2,438
BALANCE AT DECEMBER 31, 2015	85,424	8,966	184,167	3,568	282,125
Balance at January 1, 2016	85,424	8,966	184,167	3,568	282,125
Changes in scope of consolidation	598	54	1,123	-	1,775
Other acquisitions	1,580	1,147	17,337	689	20,753
Disposals	(7,568)	(427)	(3,407)	(1,597)	(12,999)
Transfers	-	-	824	(940)	(116)
Effect of movements in foreign exchange rates	(1,653)	8	(4,938)	-	(6,583)
BALANCE AT DECEMBER 31, 2016	78,381	9,748	195,106	1,720	284,955
Depreciation and impairment losses					
Balance at January 1, 2015	(37,345)	(6,671)	(141,889)	-	(185,905)
Increases/decreases related to changes in scope of consolidation	-	-	36	-	36
Depreciation and impairment charge for the year	(2,429)	(352)	(12,496)	-	(15,277)
Disposals	1,792	413	7,984	-	10,189
Transfers	-	-	(462)	-	(462)
Effect of movements in foreign exchange rates	(151)	2	(1,321)	-	(1,470)
BALANCE AT DECEMBER 31, 2015	(38,133)	(6,608)	(148,148)	-	(192,889)
Balance at January 1, 2016	(38,133)	(6,608)	(148,148)	-	(192,889)
Increases/decreases related to changes in scope of consolidation	(420)	(48)	(752)	-	(1,220)
Depreciation and impairment charge for the year	1,133	(401)	(12,440)	-	(11,708)
Disposals	1,925	404	1,741	-	4,070
Transfers	-	50	(3,123)	-	(3,073)
Effect of movements in foreign exchange rates	348	(6)	3,625	-	3,967
BALANCE AT DECEMBER 31, 2016	(35,147)	(6,609)	(159,097)	-	(200,853)
Carrying amounts					
At December 31, 2015	47,291	2,358	36,019	3,568	89,236
At December 31, 2016	43,234	3,139	36,009	1,720	84,102

NOTE 18 EQUITY-ACCOUNTED INVESTMENTS

AT DECEMBER 31, 2016

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in thousands of €)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2go Europe GmbH (A)	Germany	25.00%	25.00%	(9,589)	-	1,563
Ubeeqo (B)	France	75.71%	75.71%	(6,176)	14,083	-
TOTAL				(15,765)	14,083	1,563

AT DECEMBER 31, 2015

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in thousands of €)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2go Europe GmbH (A)	Germany	25.00%	25.00%	(10,010)	1,776	-
Ubeeqo (B)	France	75.71%	75.71%	(2,064)	20,259	-
TOTAL				(12,074)	22,035	-

(A) CAR2GO EUROPE GMBH – LEVEL OF CONSOLIDATION (100%)

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Non-current assets	31,854	36,455
Current assets	45,131	17,392
Non-current liabilities	(16)	(19)
Current liabilities	(68,444)	(42,690)
NET ASSETS	8,525	11,138
Revenue	67,473	52,324
Net income/(loss)	(26,554)	(40,040)

In 2016, the Europcar Groupe subscribed to one capital increase in Car2go for the amount of €6.250 million.

(B) GROUPE UBEEQO SAS – LEVEL OF CONSOLIDATION (100%)

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Non-current assets	13,098	4,819
Current assets	5,136	5,806
Non-current liabilities	(14,484)	(85)
Current liabilities	(3,471)	(1,884)
Net assets	279	8,656
Revenue	4,860	2,698
Net income/(loss)	(8,158)	(2,919)

Given the planned shareholders' agreement between the Europcar Groupe and the founders of Ubeeqo, none of the shareholders has control of the company as defined by IFRS 10 – none of the parties may make a decision without the agreement of the other (despite a holder percentage of more than 50%), or exercise joint control. Consequently, Europcar Groupe exercises significant influence over Ubeeqo and accounts for it using the equity method.

As at December 16, 2015, Europcar Groupe had injected €5 million during a capital increase. The proportionate share of

its assets is thus 75.7% as from this date (note however, that the loss recorded in the accounts closed as at December 31, 2015 takes the former holding rate of 70.76% into account).

The carrying amount of the Ubeeqo securities, a company in the ramp-up phase, is justified by its value in use.

In 2016, the Group granted a loan to Ubeeqo for an amount of €11.6 million to support its expansion on the car-sharing market (acquisition of BlueMove and GuidaMi).

NOTE 19 FINANCIAL ASSETS

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Other non-current financial assets		
Available-for-sale financial assets	1,224	280
Held-to-maturity investments ⁽¹⁾	36,415	50,838
Deposits and prepayments	6,183	5,928
Other non-current investments ⁽²⁾	23,998	16
TOTAL NON-CURRENT FINANCIAL ASSETS	67,820	57,062
Current financial assets		
Loans ⁽³⁾	34,165	118
Other current financial assets ⁽¹⁾	42,838	37,405
TOTAL CURRENT FINANCIAL ASSETS	77,003	37,523

(1) Including €63.3 million to cover liabilities arising from our captive insurance structure (€72 million at December 31, 2015), mainly consisting of bonds recognized at amortized cost. Because they mature in the very near future, management has concluded that the fair value of these held-to-maturity investments is close to their respective carrying amounts as of December 31, 2016.

(2) In 2016, includes €23.6 million related to Europcar Ireland investment shares (see Note 3)

(3) In 2016, includes the loan granted to Europcar Ireland for €22.4 million (see Note 3) and the loan granted to Ubeeqo for €11.6 million.

No impairment charge was recognized on investments in non-consolidated entities classified as "available-for-sale financial assets".

NOTE 20 INVENTORIES

No material restrictions of title or right of use exist in respect of the inventories listed below:

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Consumables	1,941	1,632
Oil and fuel	13,551	11,779
Vehicles	573	736
Spare parts	306	291
Other items	472	654
TOTAL INVENTORIES	16,843	15,092

Inventories are stated net of provisions of €178,000 (2015: € 152,000).

Vehicles reported in inventory are vehicles not yet in operation at the end of the period.

NOTE 21 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	
	2016	2015
Vehicles purchased with manufacturer or dealer buy-back commitment financed via the balance sheet	46%	46%
Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements that meet the criteria for operating leases	46%	46%
Total fleet purchased with buy-back arrangements	92%	92%
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	7%	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 financed by operating leases is not recorded in the balance sheet and the liabilities for these contracts are recognized as off-balance sheet commitments. The rental fleet recorded in the statement of financial position is broken down as follows:

In thousands of euros	At December 31, 2016	At December 31, 2015
Deferred depreciation expense on vehicles	155,328	258,441
Vehicle buy-back agreement receivables	1,059,333	1,024,702
Fleet purchased with buy-back contracts financed on-balance sheet	1,214,661	1,283,143
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	341,594	306,744
Vehicles acquired through rental agreements qualifying as finance leases without buy-back arrangements	83,996	75,043
TOTAL RENTAL FLEET RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	1,640,251	1,664,930

The fleet is presented net of depreciation or impairment provisions amounting to €4.3 million (2015: €4.7 million) provisions for damaged or stolen vehicles.

NOTE 22 RECEIVABLES AND PAYABLES RELATED TO THE RENTAL FLEET

In thousands of euros	At December 31, 2016	At December 31, 2015
Fleet receivables ⁽¹⁾	612,739	501,522
VAT receivables ⁽²⁾	107,884	73,130
RENTAL FLEET AND RELATED RECEIVABLES	720,623	574,652

- (1) Includes €225 million (December 2015: €245 million) related to a major fleet operating lease signed in 2009, under which the Group acquires vehicles from a manufacturer and resells them immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement.
- (2) Most of the VAT receivables are related to fleet acquisitions and disposals.

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Fleet payables ⁽¹⁾	551,344	567,931
VAT payables	128,334	94,791
TOTAL RENTAL FLEET AND RELATED PAYABLES	679,678	662,722

(1) Includes €225 million (December 2015: €245 million) related to a major fleet operating lease signed in 2009, under which the Group acquires vehicles from a manufacturer and resells them immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement.

The change in working capital requirements related to the rental fleet is detailed below:

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Fleet receivables	(113,926)	(39,257)
VAT receivables	(38,350)	(1,725)
Payables related to fleet acquisition	(15,388)	74,475
VAT payables	41,513	1,376
CHANGES TO THE NEED FOR CASH FLOW LINKED TO THE VEHICLE FLEET	(126,151)	34,869

NOTE 23 TRADE AND OTHER RECEIVABLES, TRADE AND OTHER PAYABLES

23.1 Trade and other receivables

All trade receivables fall due within one year.

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Rental receivables	198,917	209,215
Other trade receivables	86,166	77,804
Other tax receivables	742	870
Insurance claims	22,070	21,378
Prepayments	32,891	32,144
Employee related receivables	556	803
Deposits, other receivables	23,858	14,986
TOTAL TRADE AND OTHER RECEIVABLES	365,200	357,200

Depreciation of doubtful receivables on rental and other trade receivables are as follows:

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Opening balance	(31,493)	(35,297)
Depreciation of bad debts	(8,210)	(6,683)
Receivables written off during the year/period	6,479	8,694
Unused amounts reversed	60	1,874
Foreign currency differences	146	(81)
Closing balance	(33,018)	(31,493)

Additions to/releases of the allowance for bad debts are included in "Fleet operating, rental and revenue related costs" in the consolidated income statement (Note 6).

The schedule of net trade receivables is as follows:

December 31, 2016					
<i>In thousands of euros</i>	Total	Not due	Overdue by < 90 days	Due between 90 and 180 days	Overdue by > 180 days
Trade and other receivables - gross amount	409,354	294,954	47,274	17,125	50,001
Impairment of bad debts	(44,154)	(7,834)	(5,047)	(4,007)	(27,266)
Trade and other receivables - net amount	365,200	287,120	42,227	13,118	22,735

December 31, 2015					
<i>In thousands of euros</i>	Total	Not due	Overdue by < 90 days	Due between 90 and 180 days	Overdue by > 180 days
Trade and other receivables - gross amount	398,743	266,515	62,035	20,581	49,612
Impairment of bad debts	(41,543)	(8,363)	(5,360)	(3,488)	(24,332)
Trade and other receivables - net amount	357,200	258,152	56,675	17,093	25,280

23.2 Trade payables and other liabilities

The fair values of trade payables correspond to their nominal value. All trade payables and other liabilities fall due within one year.

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Trade payables	334,537	304,911
Other tax payables	7,801	8,989
Deposits	41,549	37,379
Employee-related liabilities	54,309	70,403
Liabilities relating to the acquisition of participating interests	1,869	3,292
TOTAL TRADE PAYABLES AND OTHER LIABILITIES	440,065	424,974

23.3 Changes in non-fleet working capital

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Trade receivables	1,032	(17,147)
Other receivables	(17,276)	(9,206)
Tax receivables	128	(327)
Inventories	(2,250)	1,294
Trade payables	33,629	(4,994)
Other debt	5,939	(5,845)
Employee-related liabilities	(16,012)	(13,998)
Tax debt	(1,193)	(7,020)
CHANGES IN NON-FLEET WORKING CAPITAL	3,997	(57,243)

NOTE 24 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Cash-in-hand and at bank	154,344	145,803
Accrued interest	233	272
Cash and cash equivalents	154,577	146,075
Restricted cash	105,229	97,366
Cash and cash equivalents and restricted cash	259,806	243,441

Cash-in-hand and at bank includes €61.3 million (December 2015: €77.7 million) tied up in Securitifleet companies, excluding the two SFH Holdings, and are 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 insurance SPEs are reported as restricted cash. The definition of restricted cash included in Note 2 “Significant Accounting Policies” - “Cash” (2.13).

The reconciliation of cash and cash equivalents presented in the balance sheet and the cash and cash equivalents in the cash flow table is described below:

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Cash and cash equivalents	154,577	146,075
Restricted cash	105,229	97,366
Bank overdrafts ⁽¹⁾	(11,299)	(14,073)
Cash and cash equivalents reported in the cash flow statement	248,507	229,368

(1) Included in current loans and borrowings (see Note 27).

NOTE 25 CAPITAL AND RESERVES**25.1 Share capital and share premium**

As of December 31, 2016, the Europcar Groupe share capital recorded was €143,409,298 and is composed of 143,409,298 shares worth €1 each, 143,401,212 common shares, 4,045 Class C preferred shares and 4,041 Class D preferred shares.

Each Class A share of common stock gives the right to one vote. Class B, C and D shares are preferred shares as defined by Article L. 228-11 of the French Commercial Code, and carry no voting rights. For more information about class A, B, C and D shares, see Section 6.2.3 of the present Registration Document.

The various changes in equity since January 1, 2016 are as follows:

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
01/08/2016	Increase in share capital	16,206	(16,206)	16,206	1.000
01/11/2016	Increase in share capital	8,067	(8,067)	8,067	1.000
02/01/2016	Increase in share capital	15,835	(15,835)	15,835	1.000
03/03/2016	Increase in share capital	1	(1)	1	1.000
03/14/2016	Increase in share capital	92,166	(92,166)	92,166	1.000
03/29/2016	Increase in share capital	39,276	(39,276)	39,276	1.000
04/11/2016	Increase in share capital	36,194	(36,194)	36,194	1.000
04/18/2016	Increase in share capital	11,343	(11,343)	11,343	1.000
04/22/2016	Increase in share capital	36,194	(36,194)	36,194	1.000
05/10/2016	Clearance of 2015 loss	-	(119,632,846)	-	
12/31/2016		143,409,298	647,513,729	143,409,298	1.000

03

At December 31, 2016, the breakdown of equity shareholders 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
Eurazeo	60,544,838	-	-	234	60,545,072	42.41%	42.22%
ECIP Europcar Sarl	9,036,469	-	-	-	9,036,469	6.33%	6.30%
Executives and employees, and float	73,819,905	-	4,045	3,807	73,827,757	51.26%	51.48%
TOTAL	143,401,212	-	4,045	4,041	143,409,298	100.00%	100.00%

As of December 31, 2015, the breakdown of equity shareholders 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
Eurazeo	60,544,838	- -	- -	- -	60,544,838	42.38%	42.29%
ECIP Europcar Sarl	9,036,469	- -	- -	- -	9,036,469	6.33%	6.31%
Executives and employees, and float	73,417,189	147,434	4,045	4,041	73,572,709	51.29%	51.39%
TOTAL	142,998,496	147,434	4,045	4,041	143,154,016	100.00%	100.00%

25.2 Treasury shares

The value of the treasury shares under the liquidity and share buy-back agreements given to Rothschild for ECG shares was €5.1 million as of December 31, 2016.

At December 31, 2016, the impact on the change in equity related to treasury shares was €(4.9) million.

The number of treasury shares held can be analyzed as follows:

	2016
Number of treasury shares at start of period	0
Treasury shares purchased (sold)	640,340
Number of treasury shares at end of period	640,340

25.3 Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. As at December 31, 2016, it also includes a foreign exchange loss of €51.5 million (December 31, 2015: €51.5 million) related to an intra-group loan denominated in pounds sterling made by Europcar Groupe S.A. to its subsidiary Europcar UK Ltd and is classified as quasi-capital.

This loan for a nominal amount of €171 million (denominated in GBP) was repaid in full by Europcar UK Ltd to Europcar Groupe S.A. in December 2011. As the parent company continues to hold the same percentage of the subsidiary and continues to control the foreign operation, no partial disposal was recognized under Sections 48d and 49 of IAS 21.

As at December 31, 2016, Europcar International S.A.S.U. held a loan receivable from its subsidiary in Australia amounting to AUD 14.6million. The translation reserve includes a foreign exchange gain of €1.7 million for this loan (December 31, 2015: €1.5 million).

NOTE 26 EARNINGS PER SHARE

Basic and diluted earnings per share are based on the profit attributable to shareholders of common stock, representing a profit of €119.5 million at December 31, 2016 (loss of €55.6 million at December 31, 2015) and on the weighted

average number of common shares during the year (excluding shares that could be issued given their anti-diluting effect), calculated as follows:

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Gain (Loss) attributable to ordinary shareholders	119,493	(55,602)
Average number of shares outstanding	143,314,753	123,722,277
Earnings per share (in €)	0.834	(0.449)
Diluted earnings per share (in €)	0.825	(0.449)

The potential number of diluting shares was 1,467,845 (including 1,459,759 free shares, 4,045 Class C preferred shares, and 4,041 Class D preferred shares) at December 31, 2016 and 2,371,810 at December 31, 2015.

NOTE 27 LOANS AND BORROWINGS

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Notes issued	950,000	825,000
Other bank loans	20,659	152
Transaction costs/Premiums/Discounts	(17,419)	(23,969)
NON-CURRENT LIABILITIES	953,240	801,183
Renewable Senior Revolving Credit Facility	13,000	81,000
Senior Credit Facility	692,970	658,284
Other borrowings dedicated to fleet financing	361,645	383,976
Finance lease liabilities	96,770	75,771
Bank overdrafts	11,299	14,073
Current bank loans and other borrowings	45,726	47,314
Transaction costs/Premium/Discount – current portion	(7,759)	(7,906)
Accrued interest	10,791	11,271
CURRENT LIABILITIES	1,224,442	1,263,783

Total net debt reconciliation

Total net debt includes net corporate debt and total fleet net debt. The latter includes all financing in relation to the fleet whether or not it is recorded in the balance sheet. In particular, the estimated outstanding value of the fleet financed through

operating leases corresponds to the net book value of the vehicles in question. 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 (based on contracts signed with the manufacturers).

<i>In thousands of euros</i>	Notes	At December 31, 2016	At December 31, 2015
Non-current borrowings and financial debt	27	953,240	801,183
Current loans and borrowings	27	1,224,442	1,263,783
Held-to-maturity investments	19	(36,415)	(50,838)
Other current financial assets	19	(77,003)	(37,405)
Cash and cash equivalents and restricted cash	24	(259,806)	(243,441)
Net debt on the statement of financial position		1,804,458	1,733,282
Estimated outstanding value of the vehicles financed through operating leases		1,460,505	1,323,411
TOTAL NET DEBT		3,264,963	3,056,693

27.1 Analysis of and borrowings and financial debt by maturity

<i>In thousands of euros</i>	At December 31, 2016	< 1 year	From 1 year to 5 years	> 5 years
Notes issued	950,000	-	-	950,000
Other bank loans	20,659	-	20,659	-
Transaction costs/Premiums/Discount ⁽¹⁾	(17,419)	-	-	(17,419)
NON-CURRENT LIABILITIES	953,240	-	20,659	932,581
Renewable Senior Revolving Credit Facility	13,000	13,000	-	-
Senior Credit Facility	692,970	692,970	-	-
Other borrowings	361,645	361,645	-	-
Finance lease liabilities	96,770	96,770	-	-
Bank overdrafts	11,299	11,299	-	-
Current bank loans and other borrowings	45,726	45,726	-	-
Transaction costs/premiums/discount - current portion ⁽¹⁾	(7,759)	(7,759)	-	-
Accrued interest	10,791	10,791	-	-
CURRENT LIABILITIES	1,224,442	1,224,442	-	-

(1) €5.3 million of the transaction costs and premiums relate to the €600 million bond, €4.9 million to the €350 million Bond, €7.3 million for the SARF, and €7.6 million for the RCF.

<i>In thousands of euros</i>	At December 31, 2015	< 1 year	From 1 year to 5 years	> 5 years
Notes issued	825,000	-	-	825,000
Other bank loans	152	-	152	-
Transaction costs/Premiums/Discount ⁽¹⁾	(23,969)	-	-	(23,969)
NON-CURRENT LIABILITIES	801,183	-	152	801,031
Renewable Senior Revolving Credit Facility	81,000	81,000	-	-
Senior Credit Facility	658,284	658,284	-	-
Other borrowings	383,976	383,976	-	-
Finance lease liabilities	75,771	75,771	-	-
Bank overdrafts	14,073	14,073	-	-
Current bank loans and other borrowings	47,314	47,314	-	-
Transaction costs/premiums/discount - current portion ⁽¹⁾	(7,906)	(7,906)	-	-
Accrued interest	11,271	11,271	-	-
CURRENT LIABILITIES	1,263,783	1,263,783	-	-

(1) Transaction costs and premiums represent €9.5 million on the €475 million bond, €6.1 million for the €350 million bond, €5.5 million for the SARF and €10.8 million for the RCF.

27.2 Analysis by subscription currency

As of December 31, 2016, loans and borrowings by currency of origination can be analyzed as follows:

<i>In thousands of euros</i>	At December 31, 2016	EURO	GBP	AUD
Notes issued	950,000	950,000	-	-
Transaction costs	(25,178)	(23,028)	(2,150)	-
Accrued interest	10,791	10,791	-	-
Renewable Senior Revolving Credit Facility	13,000	13,000	-	-
Senior Credit Facility	692,970	692,970	-	-
Other borrowings	361,645	33,660	327,985	-
Finance lease liabilities	96,770	-	-	96,770
Bank overdrafts	11,299	11,299	-	-
Current bank loans and other borrowings	45,726	45,726	-	-
Other bank loans	20,659	20,659	-	-
TOTAL LOANS AND BORROWINGS	2,177,682	1,755,077	325,835	96,770

<i>In thousands of euros</i>	At December 31, 2015	EURO	GBP	AUD
Notes issued	825,000	825,000	-	-
Transaction costs	(31,875)	(28,436)	(3,439)	-
Accrued interest	11,271	11,271	-	-
Renewable Senior Revolving Credit Facility	81,000	81,000	-	-
Senior Credit Facility	658,284	658,284	-	-
Other borrowings	383,976	27,039	356,937	-
Finance lease liabilities	75,771	-	-	75,771
Bank overdrafts	14,073	14,073	-	-
Current bank loans and other borrowings	47,314	47,314	-	-
Other bank loans	152	152	-	-
TOTAL LOANS AND BORROWINGS	2,064,966	1,635,697	353,498	75,771

27.3 Financial clauses

The Group must comply with the following covenants:

(i) For United Kingdom fleet financing facilities

Europcar UK shall ensure that:

- The net present value of Europcar UK Group is not less than 60 million pounds sterling;
- the ratio of earnings before interest, tax, depreciation and amortization to Fixed Charges shall be not less than 1.00;
- fleet cover shall be no more than 1.00.

(ii) For the Senior Revolving Credit Facility

The ratio of cash flow (which shall include, for any given period of 12 months ending on a quarter date, cash on the statement of financial position at the beginning of such period) to total debt service shall at no time be less than 1.10.

Total debt service is defined as the aggregate of the interest and associated fees paid during any given 12 month period plus repayment of financial liabilities, the latter being subject to certain limitations.

(iii) Loan to Value Covenant

The Group is subject to a maximum 95% loan-to-value ratio for all Securitifleet companies debt over the total asset market value of certain Securitifleet entities, compliance that is tested on a quarterly basis.

(iv) For Australian asset financing

Europcar Australia must ensure that:

- the actual minimum value (i.e., the total equity) is always greater than AUD 58 million;
- the fleet utilization ratio is above 70% on average over the year;

- its minimum cumulative net profit before tax is within 85% of the Company's budget;
- no dividends or other payments may be made by a member of Europcar Groupe Australia to another member or shareholder or related party of Europcar Groupe Australia without prior written consent of the bank.

The Group was in compliance with all these covenants at December 31, 2016.

27.4 Notes issued

Loan notes issued are as follows:

	Nominal outstanding amount		Fair value	
	As at Dec. 31 2016	As at Dec. 31 2015	As at Dec. 31 2016	As at Dec. 31 2015
<i>In thousands of euros</i>				
Senior Subordinated Secured 5.125% Notes due in 2021	350,000	350,000	353,281	352,098
Senior Subordinated Secured 5.75% Notes due in 2022	600,000	475,000	596,136	466,673
	950,000	825,000	949,417	818,771

(i) €350 million senior subordinated notes

In July 2014, the Group refinanced its fleet financing debt in France, Italy, Germany and Spain by issuing €350 million worth of senior secured 5.125% notes due in 2021. These notes were issued by EC Finance plc, an SPE, and guaranteed as senior debt by ECI, (the "EC Finance Notes"). This issue was used to redeem the senior secure notes due in 2017 – and also guaranteed by EC Finance plc – in two instalments: €250 million in summer 2010 and €100 million in May 2011. This early redemption therefore generated a redemption premium of €17.1 million.

(ii) €475 million and €125 million senior subordinated notes

On May 27, 2015 senior subordinated notes of €475 million maturing in 2022 were issued at an issue price of 99.289% of the nominal value. These notes bear interest at 5.75%. On June 29, 2015 a portion of the bond proceeds were directly transferred to an escrow account dedicated to the redemption of the unsecured senior subordinated notes maturing in 2018 and bearing interest at 9.375% of €400 million. The remaining proceed was transferred to Europcar Groupe.

On June 29, 2015 a portion of the IPO proceeds was directly transferred to an escrow account dedicated to the redemption of the €324 million of Outstanding Subordinated Notes Due 2017 and bearing interest at 11.50%. The remaining proceed was transferred to Europcar Groupe.

On June 2, 2016, the Group announced the successful issuance of new senior notes for a total of €125 million. Reducing the conditions to 4.5140% of the most unfavorable rate of return, or 4.8790% of the rate of return at maturity, is a reflection of the Group's improved credit profile and investor appetite for the company's outlook. These notes will be ranked with existing senior notes issued in June 2015 which offer a fixed interest rate of 5.750% and mature in 2022 for a total nominal amount of €475 million, thus raising the total to €600 million. The proceeds from the issue totaled €131 million. Europcar will allocate the net proceeds of the new bonds to the financing of its acquisition program and to the general needs of the company.

27.5 Senior Revolving Credit Facility

The Senior Revolving Credit Facility consists of a revolving credit line of €350 million that was signed on May 12, 2015 and took effect on May 28, 2015, with a maturity of five years. This line provides for advances in euros or any other currency as agreed with lenders, and bears interest at the Euribor rate for the relevant advance period plus a margin of 250 basis points (or 275 basis points if certain thresholds are reached). The margin paid in 2016 (250 basis points) is

the lowest allowed under the agreement. The purpose of the facility is to provide funding mainly for:

- financing advances to be made by a borrower to an SPE to contribute to the financing of fleet acquisition;
- working capital needs and general corporate purposes of the Group;
- payment to an SPE pursuant to any operating lease;
- interest payments due by ECG or any other debtor of the Group pursuant to the Senior Revolving Credit Facility and certain other outstanding liabilities of ECG;
- repayment of inter-company loans.

27.6 Dedicated asset financing

(i) Senior asset Revolving Facility intended to finance assets

The SARF 2010 was initially entered into on July 30, 2010, then amended between Credit Agricole Corporate and Investment Bank acting as lender, Securitifleet Holding (as borrower) and ECI (as borrower agent). Drawings are available to Securitifleet Holding for the sole purpose of financing fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet companies exclusively. These drawn down amounts are based on the aggregate of all borrowing bases calculated monthly, in substance representing the aggregate of the vehicle fleet residual value (including vehicles for which registration is pending) and the fleet working capital, including related VAT positions.

The lender assigned its claims arising under SARF 2010, together with all security and ancillary rights thereto, to FCT Sinople. With respect to these claims, FCT Sinople will issue: (i) FCT Senior Notes to be subscribed periodically by Credit Agricole Corporate and Investment Bank, Royal Bank of Scotland plc., Société Générale, Deutsche Bank, Natixis, BNP Paribas and any other entity which may subscribe to or acquire the FCT Senior Notes as senior subscriber, and (ii) FCT Junior Notes to be subscribed from time to time by ECI.

In March 2014, the Group signed an amendment allowing it to extend maturity through July 2017 and to start repayments in January 2017. Europcar also adapted the facility to its financing requirements and limited its commitment to €1 billion. Standard & Poor's has confirmed its A stable outlook rating.

SARF was amended on May 12, 2015 (and effective as of June 17, 2015) primarily to extend the maturity of the facility to July 2019 thereof and to lower the overall interest cost fixed

to EURIBOR (+1.70%), increase the amount from €1.0 billion to €1.1 billion and permit the participation of two new banks in the bank pool, Lloyds Bank and HSBC France.

On September 27, 2016, the Group announced the improved terms and conditions of its securitization ("Senior asset Revolving Facility", or SARF) and the associated interest rate swaps. The Senior tranche of the SARF, which was rated "A" by Standard & Poor's, was increased from €200 million to €1.3 billion euros, with an improved margin of 20 basis points, or Euribor +150 bp. The final maturity was delayed from July 2019 to July 2020. In addition, interest rate hedging instruments were restructured, with improved financial positions, and increased by €200 million to €1.2 billion

Finally, additional amendments to the SARF were signed on February 9, 2017 to make the securitization program compliant with the new methodology published by the rating agency Standard & Poor's regarding sovereign risk ("Rating above the sovereign" methodology), thus allowing it maintain its A rating. These amendments stipulate the inclusion of new concentration limits on the vehicle fleets in Spain and in Italy financed through the SARF.

(ii) United Kingdom fleet financing facilities

The United Kingdom fleet has a stand-alone arrangement through the Group's United Kingdom subsidiaries, including Europcar Group UK Limited, Europcar UK Limited and certain subsidiaries of Europcar UK Limited, comprising a working capital facility and two main leasing facilities (one with Lloyds for GBP 190 million and the other with Lombard for GBP 160 million). In October 2014, all financing lines were renegotiated. In addition to obtaining better conditions and expanding the banking pool, the refinancing via the establishment of a Club Facility increases fleet financing facilities of the UK entities to GBP 455 million, maturing in three years with a two-year extension option.

On September 20, 2016, Europcar signed an amendment to the Club Facility to extend maturity by one year to September 2019, reduce the margin by 20 basis points to LIBOR +180 bp, and recompose the banking pool. The amount of the Club Facility is now GBP 400 million, with an uncommitted "Seasonal Facility" of GBP 100 million provided by the Club Facility banks each year between May and October to cope with the spike in activity.

The total amount guaranteed for the leasing facilities is GBP 455 million (2015: GBP 525 million). Vehicles are acquired from the manufacturers, then sold to lessors and operated through lease-back agreements. As of December 31, 2016, the outstanding amount under those agreements was GBP 317.6 million (2015: GBP 303 million). The majority of the leasing facilities mature on September 30, 2019.

27.7 Australia asset financing

National Australia Bank ("NAB"), Toyota Financial Services, Commonwealth Bank of Australia, Westpac Bank, Bank of Queensland, Mercedes Financial Services and Alphabet Financial Services have granted Europcar Australia and New Zealand senior credit facilities (the "Australian Fleet Financing Facilities"), including renewable and non-renewable operating leases and financing leases capped at AUD 341 million. These facilities are renewed annually in April of each year.

NAB Facilities are secured by fixed and floating charges over Europcar Australia assets, including goodwill and uncalled capital and called but unpaid capital, together with assignment of the related insurance policy. There are also performance guarantees for the facilities.

27.8 Major operating leases

The Group finances a portion of its fleet in all countries in which it is present, including Germany, France, Italy and Spain, through operating leases. In certain countries, the operating companies have entered into comprehensive framework operating lease agreements with financial institutions and manufacturers.

The financing of our operating leases is mostly correlated to the 6-month Euribor rate, in particular due to contractual terms that match the average length of the holding period of cars.

Note 28 "Financial risk management" provides further information on the Group's exposure to interest rate and liquidity risks.

NOTE 28 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program seeks to mitigate the potential negative impacts of volatility in the financial markets on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group Treasury Department is responsible for risk management, and submits its proposals for financial transactions for approval by the Management Board. The Group Treasury Department identifies, evaluates and recommends derivative instruments to hedge financial risks in close collaboration with the Group's operational units. The Management Board decides whether to authorize these recommendations based on formal documentation describing the context, purpose and main characteristics of the transactions. Once the Management Board has approved the transactions, Group Treasury is responsible for implementing the hedges. This procedure is prepared and monitored for the management of all material financial risks, and in particular interest rate and credit risk, as well as for the use of derivative and ordinary financial instruments, and the short-term investment of surplus cash. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either centrally coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. The Group believes that its exposure at December 31, 2016 has not changed significantly during the last 12 months and therefore the policy implemented to mitigate such exposure remains consistent with prior years.

28.1 Market risk

(i) Foreign exchange risk

The Group operates in several countries internationally and is exposed to a foreign exchange risk arising from various currency exposures, primarily the GB pound. Foreign exchange risk arises from translation into euros of the results and net assets of the subsidiaries having a functional currency other than the euro.

The foreign exchange risk related to intra-group financial transactions and, to a lesser extent, transactions with franchisees is somewhat limited with each subsidiary operating in its own market and functional currency.

As of December 31, 2016, the Group did not have any investments in foreign operations other than in the United Kingdom, Australia and New Zealand, the net assets of which could be exposed to a currency risk.

Group summary of quantitative exposure to foreign exchange risk arising from translation of balances into the functional currency.

<i>In thousands of euros</i>	GBP	AUD	Total 2016
Trade and other receivables (including fleet)	103,323	14,240	117,563
Other financial assets:			
Non-current investments	259	85	344
Other financial assets	2	-	2
Cash and cash equivalents	21,217	28,905	50,122
TOTAL FINANCIAL ASSETS	124,801	43,230	168,031
Trade and other payables (including fleet)	93,783	19,950	113,733
Loans and borrowings	325,856	96,771	422,627
Impact of hedging derivatives	-	-	-
TOTAL FINANCIAL LIABILITIES	419,639	116,721	536,360
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	(294,838)	(73,491)	(368,329)

<i>In thousands of euros</i>	GBP	AUD	Total 2015
Trade and other receivables (including fleet)	122,670	10,607	133,277
Other financial assets:			
Non-current investments	338	54	392
Other financial assets	2	-	2
Cash and cash equivalents	6,689	19,101	25,790
TOTAL FINANCIAL ASSETS	129,699	29,762	159,461
Trade and other payables (including fleet)	105,842	16,866	122,708
Loans and borrowings	375,089	75,774	450,863
TOTAL FINANCIAL LIABILITIES	480,931	92,640	573,571
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	(351,232)	(62,878)	(414,110)

At December 31, 2016, if the euro had appreciated or depreciated by 15% against the GB pound, with all other variables held constant, net profit for the year would have increased/decreased by €2.4 million (2015: €3.9 million) and equity would have increased/decreased by €40.7 million (2015: €78.3 million).

(ii) Interest rate risk

With the exception of investments in bonds in the Euroguard insurance program (see "Insurance risks"), the Group does not hold any significant interest-bearing assets. Accordingly, its revenue is not significantly subject to changes in market interest rates.

The Group is exposed to risk that rates on its variable rate financing might rise: on revolving lines of credit. on the one hand, but also from operating leases for vehicles. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

In accordance with its hedging policy, and in respect of certain of its debt instruments bearing interest at variable rates (specifically the SARF, the RCF and most operating leases), the Group hedges a significant portion of the risk of fluctuations in the benchmark rate, which is generally based on

EURIBOR. In 2016 and 2015, a significant part of the Group's borrowings at variable rates were denominated in euro and based on EURIBOR. The Group may also hedge its exposure to fluctuations in LIBOR and/or the Australian benchmark rate in respect of its financing facilities in the UK and Australia.

The Group analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration, among other things refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the various scenarios, the Group manages its cash flow risk on interest rates by using variable-fixed interest rate swaps. These swaps convert variable rate debt to fixed rate debt. Generally, the Group raises long-term borrowings for revolving fleet financing facilities at floating rates and swaps

them into fixed rates that are generally lower than those available if the Group borrowed at fixed rates directly.

The Group is protected against the risk of rising interest rates through two interest rate swaps and two interest rate cap agreements:

- an interest rate swap for a nominal principal amount of €1,000 million maturing on October 17, 2020 in response to the extension of the Facility until July 17, 2020, in which the Group pays a fixed interest rate of 0.5470% and receives a floating interest rate equal to the one-month EURIBOR; and
- an interest rate swap with a nominal principal amount of €600 million maturing in June 2021, for which the Group

pays a fixed interest rate of 0.96% and receives a variable interest rate corresponding to the six-month EURIBOR; and

- two caps with a nominal principal amount of €100 million each maturing on October 17, 2020 in response to the increase of the SARF amount by €200 million completed in September 2016, in which the Group is protected against a variable interest rate increase equal to the one-month EURIBOR above 0%.

An outstanding amount of approximately €0.7 billion in variable-rate credit lines is backed by swaps (see table below), and an outstanding amount of approximately €0.9 billion in variable-rate leases is backed by the swaps.

At closing, the distribution of loans by rate type was as follows:

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Non-current liabilities		
Fixed rate borrowings	962,620	812,118
Variable rate borrowings	(9,380)	(10,935)
<i>variable rate hedged</i>	(9,393)	(11,087)
<i>variable rate not hedged</i>	13	152
	953,240	801,183
Current liabilities		
Fixed rate borrowings	7,443	6,653
Variable rate borrowings	1,216,999	1,257,130
<i>variable rate hedged</i>	701,036	735,350
<i>variable rate not hedged</i>	515,963	521,780
	1,224,442	1,263,783

All interest rate swaps reported by the Group are classified as cash flow hedges.

Tests performed in connection with such hedging instruments showed inefficiency estimated at €0.7 million recorded in the 2016 income statement. (December 31, 2015: €1.8 million).

At December 31, 2016, if interest rates had increased by 100 basis points, the fair value recognized in comprehensive income would have increased by €61.4 million (December 31, 2015: €58.5 million).

At December 31, 2016, if interest rates had increased by 100 basis points, the fair value recognized in comprehensive income would have increased by €64.7 million (December 31, 2015: €61.6 million).

In the year ended December 31, 2016, if interest rates had varied by 1%, interest expense on the unhedged portion of borrowings, all other constants being equal, would have varied by €4.4 million (December 31, 2015: € 5.1 million).

28.2 Credit risk

Credit risk is managed on a Group-wide basis. Credit risk arises on:

- cash and cash equivalents;
- derivative financial instruments;
- deposits with banks and financial institutions;
- arrangements with car manufacturers and dealers;
- customer receivables, particularly outstanding receivables and pending commitments.

For banks and financial institutions, only counterparties that are independently rated are accepted. The utilization of credit limits is regularly monitored.

Loans and receivables credit risk analysis

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Neither past due nor impaired ⁽¹⁾	1,880,539	1,699,488
Past due but not impaired	165,647	125,417
Impaired	34,324	39,310
TOTAL	2,080,510	1,864,215

(1) Net of provisions for stolen and damaged cars (see Note 21).

The maximum exposure to credit risk at the reporting date is the carrying amount of loans and receivables. The Group does not hold any collateral as security.

Loans and receivables neither past due nor impaired relate to a number of independent counterparties for whom there is no recent history of default or expected default.

The Group's credit risk exposure to car manufacturers and dealers primarily arises from:

- the risk of non-recoverability of receivables relating to buyback commitments received from car manufacturers;
- the risk of having to self-finance the receivables referred to in the previous point; and

- the risk of bankruptcy of a significant supplier and the subsequent uncertainty surrounding future supplies.

No single customer accounts for 10% or more of Europcar Groupe's revenue in 2016.

In addition, the Group has implemented procedures to monitor and reduce credit risk exposure that include customer credit limits in the information system, monthly tracking of car manufacturer credit ratings and overdue receivable risk monitoring reporting. The aged analysis of loans and receivables past due but not impaired and excluding financial loans and receivables is as follows:

<i>In thousands of euros</i>	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	1,059,974	-	-	-	1,059,974
Fleet receivables	508,985	92,855	7,218	3,681	612,739
Rental receivables	148,343	32,870	9,862	7,843	198,918
Customers	21,997	1,403	236	6,891	30,527
Other receivables	55,639	-	-	-	55,639
TOTAL AT DECEMBER 31, 2016	1,794,938	127,128	17,316	18,415	1,957,797

<i>In thousands of euros</i>	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	1,024,702	-	-	-	1,024,702
Fleet receivables	444,957	52,969	85	3,511	501,522
Rental receivables	136,290	47,391	13,442	12,092	209,215
Customers	15,719	1,522	412	6,376	24,029
Other receivables	53,715	26	21	13	53,775
TOTAL AT DECEMBER 31, 2015	1,675,383	101,908	13,960	21,992	1,813,243

28.3 Price risk

The Group is not exposed to equity price risk given the non-material amounts of its financial investments classified as either available-for-sale or recognized at fair value through profit or loss. The Group is not directly exposed to commodity price risk but is exposed to the risk of increasing holding costs for vehicles.

28.4 Liquidity risk

The Group is currently monitored by the Moody and Standard & Poor's rating agencies, which have awarded it the following ratings: B1 stable outlook and B+ stable outlook, respectively.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows determined on a consolidated basis. Each operational entity produces liquidity and cash forecasts for internal reporting purposes. Those

forecasts are consolidated at Group Treasury level and analyzed by Group management and operational units.

The budget, on which is based the cash forecast for fiscal year 2017, has been built on assumptions taking into account the impact of the currently uncertain economic environment.

The liquidity risk management strategy is based around maintaining sufficient available lines of credit and guaranteed credit facilities for appropriate amounts. Given the dynamic nature of the underlying businesses—particularly seasonal fluctuations—flexible financing arrangements are provided by guaranteed medium- to long-term revolving lines of credit.

The following table presents the Group's financial liabilities including hedging derivatives by relevant maturity, based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying values, as the impact of discounting is not significant.

<i>In thousands of euros</i>	Fair value	Up to 1 year		From 1 year to 5 years		> 5 years		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2016									
Notes issued	949,417	-	52,438	-	209,750	950,000	62,214	950,000	324,402
Bank borrowings and finance lease liabilities	463,820	130,335	8,781	333,485	15,647	-	-	463,820	24,428
Senior asset financing facility	686,238	-	8,810	686,238	22,759	-	-	686,238	31,569
Other borrowings	78,207	57,561	1,150	20,646	641	-	-	78,207	1,791
Derivative liabilities	56,216	-	-	-	56,216	-	-	-	56,216
Trade and fleet payables	679,678	679,678	-	-	-	-	-	679,678	-
Deposits	41,541	41,541	-	-	-	-	-	41,541	-
TOTAL FINANCIAL LIABILITIES	2,955,117	909,115	71,179	1,040,369	305,013	950,000	62,214	2,899,484	438,406

		Up to 1 year		From 1 year to 5 years		> 5 years		Total	
<i>In thousands of euros</i>	Fair value	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2015									
Notes issued	818,771	-	45,250	-	181,000	825,000	51,432	825,000	277,682
Bank borrowings and finance lease liabilities	529,939	102,810	15,700	437,937 ⁽¹⁾	32,642	-	-	540,747	48,342
Senior asset financing facility	653,856	-	19,300	658,284 ⁽¹⁾	49,858	-	-	658,284	69,158
Other borrowings	62,400	62,400	-	-	-	-	-	62,400	-
Derivative liabilities	52,090	-	-	-	52,090	-	-	-	52,090
Trade and fleet payables	882,234	882,234	-	-	-	-	-	882,234	-
Deposits	37,379	37,379	-	-	-	-	-	37,379	-
TOTAL FINANCIAL LIABILITIES	3,036,669	1,084,823	80,250	1,096,221	315,590	825,000	51,432	3,006,044	447,272

(1) Revolving credit facilities are classified on the balance sheet as current liabilities given their nature.

The table below shows the credit limits and balances with the three major counterparties at the reporting date:

In thousands of euros	At December 31, 2016		At December 31, 2015	
	Credit limit	Utilized	Credit limit	Utilized
Revolving credit ⁽¹⁾	350,000	26,400	350,000	94,400
Senior asset financing lines related to fleet financing	1,300,000	692,970	1,100,000	658,284
Financing other than senior asset financing lines related to fleet financing ⁽²⁾	1,055,680	808,321	1,224,661	877,171

(1) The amounts drawn include the revolving credit facility of €13 million at December 31, 2016 (2015: €81 million) and guarantees given in the course of the Group's operations.

(2) Mainly relates to fleet operations in the United Kingdom, which are financed through credit lines other than the senior fleet financing loan.

28.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

28.6 Insurance risks

The Group's operating subsidiaries located in France, the United Kingdom, Portugal, Belgium, Italy and Germany buy local motor third party liability insurance policies through AIG

Europe Limited entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. Local Europcar entities finance a significant portion of the risk through a franchise funding mechanism managed via another cell (0) located within Euroguard, which acts simply as a fund manager. The funds hosted in this cell are also consolidated.

The Spanish, Australian and New Zealand subsidiaries buy insurance coverage in their local markets using conventional risk transfer mechanisms.

(i) Frequency and severity of claims

The Group uses its auto fleet liability insurance programs to insure against property damage and bodily injury caused to third parties by the drivers of Europcar vehicles. Because auto liability insurance is mandatory, the risk is initially transferred

from ground up to the insurer, but partly funded and reinsured by Europcar as a group on the back end side through various risk self-financing techniques.

The cost of Europcar's auto fleet liability risk is based on a combination of frequency and severity events. Europcar has developed a strategy based on self-financing frequent risks and effectively transferring severity risk to the insurer (applicable to the main countries in which the Group operates, with the exception of Spain, Australia and New Zealand for the reasons set out above):

- operating a large fleet entails significant risk of the occurrence of multiple small third party claims. The expense stemming from these small claims can be predicted with a good level of certainty by actuaries, who factor into their projections the variation in activity and trends observed in the various countries. A line of €500,000 per claim is self-insured in this manner;
- operating a fleet also results in the occurrence of more random and more costly events, essentially bodily injury claims from third parties invoking Europcar's liability. Such events cannot be anticipated by actuaries with a satisfactory level of certainty, which is why the portion of risk exceeding €500,000 is carried by the insurer.

The trend observed in the markets where Europcar operates is an increase in the unit cost of bodily injury claims. This is due to economic, legal and social factors.

(ii) Sources of uncertainty in the estimation of future claim payments

Claims falling within the scope of motor third party liability insurance policies give rise to compensation payable on a case-by-case basis. The Group, by virtue of the self-insurance component of the program, financially bears all claims insured up to €500,000 per claim over the period. Part of the claims occurring during a given insurance period materializes after the expiry of this period due to the late notification of claims and changes during the period subsequent to the period covered (usually due to a deterioration in the health status of the victim or the judicial character of the case). As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

(iii) Changes in assumptions and methodology

The Group did not change any of the main assumptions or methodologies for the insurance contracts disclosed in this note in 2016, other than updating its cost in light of the time value of money.

NOTE 29 DERIVATIVE FINANCIAL INSTRUMENTS

Total interest rate derivatives eligible for hedge accounting.

<i>In thousands of euros</i>	Nominal	Indexing	Fair value at 12/31/2016	Fair value adjustments during period	Impact on financial income	Impact on equity
Interest rate swaps expiring in 2020 ⁽¹⁾ -0.5161%	1,000,000	1-month Euribor	(30,614)	(1,252)	(680)	(572)
Interest rate swaps expiring in 2021 ⁽²⁾ -0.96%	600,000	6-month Euribor	(25,602)	(2,874)	-	(2,874)
Interest rate caps expiring in 2020 – 0%	200,000	1-month Euribor	1,151	219	219	-
ASSET SWAPS	1,800,000		(55,065)	(3,907)	461	(3,446)

(1) Maturity extended until October 2020 and rate renegotiated in 2016 : the rate has been reduced to 0,5161% (in 2015 the rate was 0,8059%).

(2) Maturity extended until July 2021, change in rate at 0.96% and nominal value increased to €600 million (in 2015 the rate was 1,099%).

<i>In thousands of euros</i>	Nominal	Indexing	Fair value at 12/31/2015	Fair value adjustments during period	Impact on financial income	Impact on equity
Interest rate swaps expiring in 2017 (1) -0.8059%	1,000,000	1-month Euribor	(16,753)	3,192	-	3,192
Interest rate swaps expiring in 2020 (2) -1.099%	600,000	6-month Euribor	(22,728)	(803)	900	(1,703)
Asset swaps	1,600,000					
Forward interest rate swaps expiring in 2019 -0.6418%	1,000,000	1-month Euribor	(12,609)	(12,609)	(1,811)	(10,798)
Interest rate swaps expiring in 2015 -0.143%	900,000	1-month Euribor	-	58	-	58
Interest rate swaps expiring in 2015 (3) -2.43%	1,300,000	1-month Euribor	-	-	(554)	554
			(52,090)	(10,162)	(1,465)	(8,697)

(1) Maturity extended until October 2020 and renegotiation of rates in 2016; the rate was reduced to 0.5161% (in 2015, the rate was 0.8059%).

(2) Maturity extended until July 2021, rate change to 0.96% and nominal increased to €600 million (in 2015, the rate was 1.099%).

(3) Wound up in April 2012 in exchange for a cash balance payment of €67 million amortized over the initial term of the swap (January 2015).

The fair value of a hedging derivative is recorded as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the maturity of the hedged item is less than 12 months.

The forward swap agreements qualify for cash flow hedge accounting and therefore the effective portion of changes in fair

value is recognized in equity. In 2016, a charge of €0.7 million was recorded in net financing costs for the inefficiencies generated by the Euribor 1-month forward swap (in 2015, the expense was €1.8 million).

The consideration of credit risk in the valuation of derivatives had no material impact on fair value as of December 31, 2016.

NOTE 30 EMPLOYEE BENEFITS

	At December 31, 2016			At December 31, 2015		
<i>In thousands of euros</i>	Pensions	Other LT employee benefits	Total	Pensions	Other LT employee benefits	Total
Non-current	136,987	2,910	139,897	115,849	3,446	119,295
Current	3,247	-	3,247	2,944	-	2,944
TOTAL	140,234	2,910	143,144	118,793	3,446	122,239

30.1 Net liability recognized in the statement of financial position

The Group has defined benefit pension obligations for some of the Group's employees in the United Kingdom, France, Germany, Italy and Belgium.

<i>In thousands of euros</i>		At December 31, 2016	At December 31, 2015
Present value of funded or partially funded obligations	(A)	(81,626)	(76,045)
Fair value of plan assets	(B)	68,685	71,630
Surplus/(Deficit) at period end ⁽¹⁾		(12,941)	(4,415)
Present value of unfunded obligations	(C)	(127,293)	(114,378)
Unrecognized prior service costs		-	-
NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD		(140,234)	(118,793)
Inc.:			
A statement of financial position liability of		140,234	118,793
A statement of financial position asset of		-	-

(1) *Mainly in the United Kingdom and Belgium.*

30.2 Change in net liabilities recognized in the statement of financial position

<i>In thousands of euros</i>		At December 31, 2016	At December 31, 2015
Net liability for defined benefit obligations at January 1 st		(118,793)	(123,689)
Changes in scope of consolidation		(326)	156
Settlements		(13)	(39)
Contributions paid into plan		1,669	2,901
Benefits paid		3,585	2,662
Current service cost, interest expense and expected return on plan assets		(4,888)	(5,475)
Past service cost		-	(8)
Actuarial gains/(losses) recognized in equity ⁽¹⁾		(22,561)	4,179
Curtailments		887	596
Foreign currency differences		206	(76)
NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD		(140,234)	(118,793)

(1) *Given the changes to the discount rate at December 31, 2016 based on the first-tier corporate bonds in Germany (2% at December 31, 2015 versus 1.30% at December 31, 2016) and the United Kingdom (3.85% at December 31, 2015 versus 2.60% at December 31, 2016), the pension commitments for these two countries were remeasured by €(11.1) million and €(9.5) million respectively.*

30.3 Movement in defined benefit obligations

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Defined benefit obligations at January 1	(190,423)	(191,115)
Curtailments	887	596
Settlements	(13)	(39)
Defined benefit obligations acquired as part of a business combination	(326)	156
Benefits paid	6,187	6,603
Current service cost	(2,616)	(3,349)
Interest on obligations	(4,642)	(4,645)
Actuarial gains/(losses) recognized in equity	(27,877)	5,261
Foreign currency differences	9,904	(3,891)
DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD	(A)+(C)	(208,919)
		(190,423)

30.4 Plan assets

<i>In % (average)</i>	2016		2015	
	Eurozone	United Kingdom	Eurozone	United Kingdom
Equities	0%	18%	0%	17%
Debt	0%	54%	0%	52%
Other assets	100%	28%	100% ⁽¹⁾	32%

(1) Diversified insurance vehicles, which are composed of a mix of equities, bonds and cash, were classified as "other instruments".

30.5 Change in assets of the defined benefit plans

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Fair value of plan assets at January 1	71,630	67,425
Contributions paid into plan	1,669	2,901
Benefits paid	(2,602)	(3,941)
Expected rate of return on plan assets	2,370	2,519
Actuarial gains/(losses) recognized in equity	5,316	(1,082)
Foreign currency differences	(9,698)	3,808
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	(B)	68,685
		71,630

30.6 Expenses recognized in the income statement for defined benefit plans

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Current service costs	1,326	3,107
Interest on obligations	5,749	4,647
Expected rate of return on plan assets	(2,370)	(2,318)
Past service cost	-	7
Curtailments/settlements	(889)	(148)
	3,816	5,295

The expense is recognized in "Personnel costs" and analyzed in Note 7, excluding the financial cost and expected return on plan assets, and amounted to €3.1 million. In the three main countries (France, Germany and United Kingdom), the

estimated charge recognized in the income statement for 2017 on the basis of assumptions at December 31, 2016, amounts to €4.1 million.

30.7 Actuarial assumptions

Group obligations are valued by an external independent actuary, based on assumptions at the reporting date that are periodically updated. These assumptions are set out in the table below:

	2016			2015		
	Eurozone excl. Germany ⁽¹⁾	Germany	United Kingdom	Eurozone excl. Germany ⁽¹⁾	Germany	United Kingdom
Discount rate	1.30%	1.30%	2.60%	2.00%	2.00%	3.85%
Inflation rate	1.50% to 1.80%	1.00%	3.30%	1.00% to 2.00%	1.00%	3.25%
Expected rate of salary increase	1.75% to 3.50%	2.00%	-	2.00% to 3.50%	2.00%	3.25%
Expected rate of pension increase	0.00% to 3.5%	1.00%	3.15%	0.00% to 3.00%	1.00%	3.10%
Expected rate of return on plan assets	1.30% to 2.00%	na	2.60%	1.75% to 2.00%	na	3.85%

(1) The eurozone includes plans in Italy, France and Belgium expressed as a weighted average.

The discount rate is the yield at the reporting date on bonds with a credit rating of at least AA that have maturities similar to those of the Group's obligations.

A 0.25% increase in the discount rate would reduce the benefit obligation by €8.5 million; a 0.25% decrease in the discount rate would increase the benefit obligation by €9.4 million.

The estimated return on plan assets has been determined based on long-term bond yields. All of the plan assets are allocated to United Kingdom and Belgian employees.

Assumptions concerning long-term returns on plan assets are based on the discount rate used to measure defined benefit obligations. The impact of the revised IAS 19 is not material for Europcar Groupe.

Assumptions regarding future mortality rates are based on best practice and published statistics and experience in each country.

30.8 Actuarial gains and losses recognized directly in equity (net of deferred tax)

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Cumulative opening balance	(37,939)	(41,724)
Gain/(loss) recognized during the year/period	(15,892)	3,785
Cumulative closing balance	(53,831)	(37,939)

30.9 Experience adjustments

<i>In thousands of euros</i>	2016	2015	2014	2013	2012	2011	2010
Present value of defined benefit obligations	(68,320)	(63,917)	(61,369)	(50,720)	(47,859)	(42,325)	(38,098)
Fair value of plan assets	63,053	65,992	61,669	49,880	47,155	40,668	36,617
(surplus)/deficit	5,266	(2,075)	(300)	(840)	(705)	(1,657)	(1,481)
Experience adjustments to plan liabilities	(962)	(247)	1,372	313	-	-	850
Experience adjustments to plan assets	5,097	(1,071)	36	1,444	3,174	679	2,434

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30.10 Contributions to defined contribution plans

In 2016, the Group paid contributions to defined-contribution schemes of €3 million (2015: €2.9 million).

NOTE 31 PROVISIONS

<i>In thousands of euros</i>	Insurance claim provisions	Reconditioning provisions	Other provisions	Total
Balance at January 1, 2015	138,183	31,774	80,554	250,511
Provisions recognized during the period	73,743	78,904	76,289 ⁽¹⁾	228,936
Provisions utilized during the period	(77,938)	(76,121)	(34,372)	(188,431)
Provisions reversed during the period	-	-	(20,223)	(20,223)
Transfers	-	-	1,231	1,231
Effect of foreign exchange differences	2,242	403	586	3,231
BALANCE AT DECEMBER 31, 2015	136,230	34,960	104,065	275,255
Non-current	-	-	25,168	25,168
Current	136,230	34,960	78,897	250,087
	136,230	34,960	104,065	275,255
Balance at January 1, 2016	136,230	34,960	104,065	275,255
Provisions recognized during the period	68,221	90,775	20,719	179,715
Provisions utilized during the period	(69,653)	(88,533)	(28,075)	(186,261)
Provisions reversed during the period	(12,825)	-	(9,750)	(22,575)
Changes in scope of consolidation	-	210	297	507
Effect of foreign exchange differences	(5,538)	(1,174)	(537)	(7,249)
BALANCE AT DECEMBER 31, 2016	116,435	36,238	86,719	239,392
Non-current	-	-	18,640	18,640
Current	116,435	36,238	68,079	220,752
	116,435	36,238	86,719	239,392

(1) Including, in 2015, a provision of €45 million for ongoing disputes with the French Competition Authority (see Note 35).

31.1 Insurance claim provisions

Most of these provisions relate to the insurance risks described in the Section “*Financial risk management*”. For the portion of the self-financed automotive liability risk, Europcar annually establishes a cost schedule for the insurance and brokerage costs, taxes and cost of the self-financed portion for each country. The cost is determined by day of rental and is included in the budget instructions sent to each country at the end of the year. Based on the cost per day of rental, Europcar entities set aside funds to cover costs based on the self-financed portion that will pay claims when benefits are actually due to third parties.

31.2 Reconditioning provisions

The provision for reconditioning relates to costs incurred for the present fleet at the end of the buy-back agreement period.

Europcar acquires a large proportion of its vehicles from car manufacturers with buy-back commitments at the end of the contract. These contracts usually stipulate that the vehicles

must be returned at the end of a certain period (less than 12 months) and in a certain “condition” (mileage, cleanliness, etc.). Consequently, the Group has commitments to these manufacturers under these contracts and recognizes a provision to cover the cost of restoring the fleet at the balance sheet date. This cost is determined from statistics compiled by the Fleet Department over the last 6 to 12 months. There are no specific key assumptions, but only statistical support.

31.3 Other provisions

Other provisions relate mainly to reserves for:

- risks and liabilities for damages to cars financed through operating leases;
- restructuring costs (personnel costs and the costs of moving the Group’s head office);
- litigation costs include litigation with franchisees, employee disputes and accident claims.

31.4 Provisions added or reversed in the income statement

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Included in “Fleet operating, rental and revenue related costs”	(10,901)	(2,669)
Included in “Personnel costs”	(2,817)	(6,418)
Included in “Network and head office overhead costs”	(1,486)	(1,015)
Included in “Other income”	(16,996)	(2,779)
Included in “Other non-recurring income and expenses”	(1,328)	13,959
Included in “Net financing costs”	2,158	2,311
Included in “Income tax”	(3,001)	15,687
TOTAL PROVISIONS ADDED OR REVERSED	(34,371)	19,076

NOTE 32 OTHER INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

This note presents the Group’s financial instrument fair value measurement methodology. The Group’s financial risk management policy is described in Note 28 “Financial risk management”.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price: Level 1 in the fair value measurement hierarchy.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated using the discounted cash flow method: Level 2 in the fair value measurement hierarchy.

The carrying value less the provision for impairment of receivables and payables is assumed to be close to the fair value of those items.

Given the maturity of the financial debts, other liabilities and their respective interest rates, management has concluded that the fair value of the financial liabilities is close to their book value, except for bonds maturing in 2020 and 2021, the fair

value of which was determined using the prices quoted on December 31, 2016 and on December 31, 2015 on the Euro MTF Market.

The fair values of the other financial assets and liabilities (investments, other assets, trade receivables and payables) are close to their carrying amounts in view of their short maturities.

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 of euros</i>	Notes	Carrying value	Fair value	Fair value through profit or loss	Fair value through equity	Fair value at amortized cost
Fair value at December 31, 2016						
Customers	23	285,083	285,083	-	-	285,083
Deposits and current loans	19	40,348	40,348	-	-	40,348
Vehicle buy-back agreement receivables	21	1,639,707	1,639,707	-	-	1,639,707
Fleet receivables	22	612,739	612,739	-	-	612,739
Deposits, other receivables and loans	23	23,858	23,858	-	-	23,858
TOTAL OF LOANS AND RECEIVABLES		2,601,735	2,601,735	-	-	2,601,735
Investments in non-consolidated entities	19	1,224	-	-	1,224	-
Other financial assets	19	79,245	79,245	-	-	79,245
Restricted cash	24	105,229	105,229	105,229	-	-
Cash and cash equivalents	24	154,344	154,344	154,344	-	-
Derivative assets	29					
TOTAL FINANCIAL ASSETS ⁽¹⁾		2,941,777	2,940,553	259,573	1,224	2,680,980
Notes and borrowings	27	953,240	1,001,766	-	-	1,001,766
Trade payables	23	440,065	440,065	-	-	440,065
Fleet payables	22	551,344	551,344	-	-	551,344
Bank overdrafts and portion of loans due in less than one year	27	1,224,442	1,224,442	-	-	1,224,442
Derivative liabilities	29	56,216	56,216	-	56,216	-
TOTAL FINANCIAL LIABILITIES ⁽¹⁾		3,225,307	3,273,833	-	56,216	3,217,617

(1) Financial assets and liabilities are not offset as they were not contracted with the same counterparties.

<i>In thousands of euros</i>	Notes	Carrying value	Fair value	Fair value through profit or loss	Fair value through equity	Fair value at amortized cost
Fair value at December 31, 2015						
Customers	23	287,018	287,018	-	-	287,018
Deposits and current loans	19	6,046	6,046	-	-	6,046
Vehicle buy-back agreement receivables	21	1,024,702	1,024,702	-	-	1,024,702
Fleet receivables	22	501,522	501,522	-	-	501,522
Deposits, other receivables and loans	23	14,987	14,987	-	-	14,987
TOTAL OF LOANS AND RECEIVABLES		1,834,275	1,834,275	-	-	1,834,275
Investments in non-consolidated entities	19	280	280	-	280	-
Other financial assets	19	88,236	88,236	-	-	88,236
Restricted cash	24	97,366	97,366	97,366	-	-
Cash and cash equivalents	24	146,075	146,075	146,075	-	-
Derivative assets	29					
TOTAL FINANCIAL ASSETS ⁽¹⁾		2,166,232	2,166,232	243,441	280	1,922,511
Notes and borrowings	27	801,183	839,109	-	-	839,109
Trade payables	32	468,453	468,453	-	-	468,453
Fleet payables	22	567,931	567,931	-	-	567,931
Bank overdrafts and portion of loans due in less than one year	27	1,263,783	1,263,783	-	-	1,263,783
Derivative liabilities	29	52,090	52,090	-	52,090	-
TOTAL FINANCIAL LIABILITIES ⁽¹⁾		3,153,440	3,191,366	-	52,090	3,139,276

(1) Financial assets and liabilities are not offset as they were not contracted with the same counterparties.

The level in the fair value hierarchy at which fair value measurements are categorized, for assets and liabilities measured in the statement of financial position, is as follows:

<i>In thousands of euros</i>	At December 31, 2016	Level 1	Level 2	Level 3
Assets measured at fair value				
Other financial assets	1,224	1,224	-	-
Cash and cash equivalents	259,806	259,806	-	-
TOTAL	261,030	261,030	-	-

<i>In thousands of euros</i>	At December 31, 2016	Level 1	Level 2	Level 3
Liabilities measured at fair value				
Derivative liabilities	56,216	-	56,216	-
TOTAL	56,216	-	56,216	-

Time-frame for recycling items from OCI to profit and loss:

<i>In thousands of euros</i>	At December 31, 2016	2017	2018	2019	2020	2021
Recycling of completed operations	-	-	-	-	-	-
Recycling of operations in progress	56,216	15,769	15,353	13,755	9,803	1,536

NOTE 33 OFF-BALANCE SHEET COMMITMENTS

33.1 Fleet operating leases

The Group's minimum future payments for non-cancellable operating leases as of December 31, 2016 are as follows:

<i>In thousands of euros</i>	At December 31, 2016		At December 31, 2015	
	Total	Including amounts related to rental fleet	Total	Including amounts related to rental fleet
Payable:				
Within 1 year	253,026	190,439	233,581	185,230
From 1 to 5 years	138,479	3,793	115,339	8,002
More than 5 years	35,152	-	37,558	-
	426,657	194,232	386,478	193,232

The Group leases vehicles in Germany, Belgium, Portugal, France, Spain, Australia and New Zealand. The Group also leases facilities and other assets. Facilities and other asset leases run for a period of three to nine years in most instances, usually with an option to renew the lease after that date.

In the year ended December 31, 2016, €256.8 million were recognized as an expense in the income statement for operating leases related to the rental fleet (€265.5 million at December 31, 2015). For assets other than the rental fleet leased under operating leases (mainly rental station facilities), expenses recorded in the 2016 consolidated income statement were €70.0 million (€67.1 million at December 31, 2015).

33.2 Capital commitments for vehicle purchases

During 2016, the Group entered into contracts to purchase vehicles. As of December 31, 2016, current commitments amounted to €1,040 million (December 2015: €1,037.5 million).

33.3 Asset purchase commitments

During 2016, the Group entered into contracts to purchase intangible assets and property, plant and equipment. As of December 31, 2016, current commitments amounted to €0.8 million (December 2015: €0.7 million).

33.4 Contingent assets and liabilities and guarantees

Guarantees given by the Group

- The Group has provided various guarantees (mostly joint and several guarantees) to certain third parties (mainly for fleet leasing transactions) within the normal course of business, as well as some specific purpose guarantees, including a €45 million guarantee to AIG Europe Ltd for the performance of certain obligations of its self-insurance program (Loss Retention Agreement), which could be exercised in the highly unlikely event that Europcar were unable to meet its commitments under such Loss Retention Agreement.
- A December 31, 2016, ECG had given €13.4 million in guarantees to suppliers (December 2015: €26.7 million). Contingent assets totaled €3.2 million (December 2015: €5.1 million).
- Securitifleet SAS and Securitifleet SL respectively own a substantial part of the fleet leased by Europcar France S.A.S and Europcar IB S.A. to their respective clients, and have given their vehicles as a guarantee: for Securitifleet S.A.S, in favor of Crédit Agricole Corporate and Investment Bank, its successors and assignees and, more particularly, in favor of the French securitization mutual fund, FCT Sinople, in accordance with the provisions of Articles 2333ff. of the French Civil Code and, for Securitifleet S.L., in favor of its creditors and its successors and assignees pursuant to a contract known as the "Spanish Securitifleet Financing Agreement" and in accordance with Article 1863 of the Spanish Civil Code. For the requirements of these pledges, Europcar France S.A.S. and Europcar IB S.A. were respectively appointed as third party holders (*tiers convenu* and *tercero poseedor de conformidad*) in accordance with

the provisions of Article 2337 of the French Civil Code and Article 1863 of the Spanish Civil Code, respectively. Consequently, any vehicle returned by customers of Europcar France S.A.S. or Europcar IB S.A. will either have to be made to Europcar France S.A.S. or Europcar IB S.A. in their capacity as agreed third party (*tiers convenu* and *tercero poseedor de conformidad*) or, if applicable, to any other entity substituted for them and under no circumstances to Securitifleet France SAS or Securitifleet S.L.

Guarantees received by the Group

- ECG received a vendor warranty granted by the Volkswagen group at the time of the acquisition of Europcar Groupe in 2006. This guarantee has expired and cannot now be called upon except in relation to certain very specific matters. However, relating to previous implementations or such

specific implementations, the Company may still receive compensation subject to the completion of ongoing litigation or pre-litigation and in agreement with Volkswagen on the final amount of such compensations.

Pledges

- The Group has granted pledges on some of its assets, in particular subsidiaries' shares, receivables, bank accounts and business assets. The assets of the Securitifleet group as well as those related to Securitifleet group operations are pledged in favor of EC Finance Notes holders and the lenders of the SARF 2015. Other assets have been pledged in favor of the lenders of the Senior Revolving Credit Facility, except for certain United Kingdom based assets and Australia/New Zealand based assets which are pledged in favor of the local lenders for those respective territories.

NOTE 34 RELATED PARTIES

Under IAS 24, related parties include parties with the ability to control or exercise significant influence over the reporting entity. All business transactions with non-consolidated subsidiaries are conducted at arm's length. Several members of the Group's management and Supervisory Board are members of the management bodies of companies with which Europcar Groupe S.A. has relations in the normal course of its business activities. All transactions with these parties are conducted at arm's length.

34.1 Transactions with related parties controlled by Eurazeo

Until 2015, the Group had a service agreement with Eurazeo. These services were provided by Eurazeo and billed directly to Europcar Groupe S.A. As of December 31, 2015, income and expenses related to Eurazeo amounted to €1,695 thousand and €1,894 thousand.

The agreement was valid from January 1, 2015 to July 31, 2015.

34.2 Transactions with companies over which Europcar Groupe exercises significant influence

The Group has subscribed to the capital increase of Car2go Europe in line with its 25% stake for the following amounts: €5.7 million in 2012, €5 million in 2013, €5.7 million in 2014, €12.5 million in 2015 and €6.3 million in 2016.

The Group also subscribed to the capital increase of its subsidiary UbeeQo for €4 million at the time of its acquisition in 2014 and for €5.0 million in 2015. It also granted UbeeQo a loan for €11.6 million.

34.3 Compensation of key executives

In 2015, at the time of the Company's IPO, a new governance structure was implemented. Henceforth the Management Board has the authority and responsibility to plan, direct and control the activities of the Group. For this reason, the compensation of its members is detailed below.

In addition to their salaries, the Group provides non-cash benefits to executive officers and contributes to a post-employment defined benefit plan on their behalf. There were no significant transactions with any companies related directly or indirectly to key management members disclosed in the management report of the Europcar subsidiaries.

The senior executives of the Group were compensated as follows during the year. Employee salaries and short-term benefits include salaries, wages and payroll taxes.

<i>In thousands of euros</i>	At December 31, 2016	At December 31, 2015
Employee salaries and short-term benefits	3,400	9,206 ⁽¹⁾
Post-employment benefits	93	59
Termination indemnities	1,874	-
	5,367	9,265

(1) 2015 employee salaries and short-term benefits were modified to include social charges.

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NOTE 35 CONTINGENCIES

In the normal course of its activity, the Group is involved in judicial, administrative or regulatory proceedings. Under the accounting standards applicable to the Group, a provision is recognized on the balance sheet when the Group is bound by an obligation arising from a past event, it is possible that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated.

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

Proceeding of the French Competition 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 competition 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 ADLC's case-handler is expected to submit a report to the Competition Authority College during the first half of 2016. Following the filing of those statements in response, the reporter of the French Competition Authority issued a report to the College on June 2, 2016. Europcar France replied to this report on September 5, 2016. The hearing before the College of Competition Authority took place on December 12, 2016.

On February 27, 2017, the French Competition Authority has rendered a dismissed case decision upon a proceeding in the car rental sector, considering that the alleged practices covered by the investigation services were not established. As this decision may be subject to an appeal before Paris Court of Appeals, the provision of €45 million recorded in non-recurring expenses as at December 31st, 2015 (see Note 12), has been maintained as at December 31st, 2016.

Italian Competition Authority investigation

July 29, 2015, Officers of the Italian Antitrust Authority ("IAA") carried out an inspection at the Europcar Italy's premises in relation to IAA's decision to open an in depth investigation against ANIASA (the Italian Associations of Car rental Companies) and its members (including Europcar Italia), related to the business data exchanges in the main field of the Long Term Car Rental (NLT) in order to verify a possible agreement which restricts competition. On December 7, 2016 L'IAA has sent to Europcar its notification of grievance. This notification of grievance stated that Europcar is only active on the short term car rental market and is not concerned by the incriminated behavior. Europcar has also not been included in the list of company who may potentially be sanctioned. The hearing is scheduled for March 1st, 2017.

Dispute with a former franchisee and sub-franchisees in Brazil

Two of the Group's sub-franchisees in Brazil, Rentax Locação e Comércio de Veículos Ltda. ("Rentax") and Horizon Distribuidora Veículos Ltda. ("Horizon"), have filed suit against ECI and its previous franchisee in Brazil, Cia Ec Br de Franquias e Locação de Veículos Ltda. ("EC-BR"), claiming wrongful termination of the franchise contract concluded between ECI and EC-BR. Rentax and Horizon's claim amounts to approximately 19,525,151 Brazilian real (approximately €6 million).

ECI disputes these claims both on the basis that they are time-barred and on the merits, due to (i) the absence of a contractual link with these two sub-franchisees and (ii) the absence of wrongful behavior in ECI's termination of its contract with EC-BR.

In procedural terms, the lower court ruled that the lawsuit initiated by Rentax and Horizon was not barred by the statute of limitations and that if ECI were found liable, it would not be able to seek recourse against EC-BR. On appeal, the decision was partially overturned by the Court of Appeals,

which found that that ECI could seek recourse against EC-BR, allowing it to obtain repayment from EC-BR of any payment that ECI might make pursuant to an unfavorable legal decision. ECI, considering that the Court of Appeals had not analyzed all of its arguments related to the statute of limitations, filed an appeal with the Court of Justice of Sao Paulo on September 8, 2014. The ruling on March 17, 2015 confirmed that the lawsuit was not barred by the statute of limitations. This decision on the statute of limitations was subject to appeal before the Superior Court of Justice. This appeal is still pending examination

Dispute with a previous franchisee in Israel

Kalrom Leasing And Financing Ltd and Kalrom Motors & Engineering Equipment Ltd have brought an action against Europcar International; Europcar France, Europcar Group UK Ltd before the Lod District Court in Israel, claiming for €3 million in damages on the grounds of breach of agreements and unilateral termination of contracts. However, Kalrom Leasing And Financing Ltd is the debtor of Europcar International and its subsidiaries for approximately €1 million. Europcar entities are currently contesting the venue of the Israeli courts as the Franchise agreement has an arbitration clause which designate the Chamber of Commerce in Paris.

NOTE 36 GROUP ENTITIES

<i>Company name</i>	Local HQ (city)	Country	Consolidation method ⁽¹⁾ (FC/EM)	% interest	% control
Parent company					
Statutory Auditors' report	Voisins-le- Bretonneux	France	FC		
1. Information on consolidated companies					
Europcar International S.A.S.U.	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
EC1	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
Europcar Holding S.A.S.	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
Europcar Lab S.A.S.U.	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
Europcar Lab UK Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
E-Car Club Holding Ltd	Leicester	United Kingdom	FC	80.0%	80.0%
E-Car Club Ltd	London	United Kingdom	FC	80.0%	80.0%
EC Participations.	Voisins-le-Bretonneux	France	FC	100.0%	100%
PremierFirst Vehicle Rental German Holdings GmbH	Weisbaden	Germany	FC	0.0%	0.0%
Ubeeqo S.A.S.	Boulogne-Billancourt	France	EM	75.7%	75.7%
Ubeeqo France S.A.S.	Boulogne-Billancourt	France	EM	75.7%	75.7%
Ubeeqo Luxembourg Sarl	Luxembourg	Luxembourg	EM	75.7%	75.7%
Ubeeqo SPRL	Brussels	Belgium	EM	75.7%	75.7%
Ubeeqo GmbH	Düsseldorf	Germany	EM	75.7%	75.7%
Ubeeqo Limited	London	United Kingdom	EM	75.7%	75.7%
Bluemove	Madrid	Spain	EM	75.7%	75.7%
GuidaMi	Milan	Italy	EM	75.7%	75.7%
Securitifleet Holding S. A	Paris	France	FC	100.0%	8.26%
Securitifleet Holding Bis S.A.S.U.	Paris	France	FC	0.0%	0.0%
EC Finance Plc	London	United Kingdom	FC	0.0%	0.0%
FCT Sinople	Paris	France	FC	0.0%	0.0%
Europcar France S.A.S.	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
Securitifleet S.A.S.U.	Paris	France	FC	100.0%	8.26%
Securitifleet France Location S.A.S.U.	Rouen	France	FC	100.0%	8.26%

<i>Company name</i>	Local HQ (city)	Country	Consolidation method ⁽¹⁾ (FC/EM)	% interest	% control
Parcoto Services S.A.S	Rouen	France	FC	100.0%	100.0%
Europ-Hall S.A.U.	Besançon	France	FC	100.0%	100.0%
Locaraise SAS	Beauvais	France	FC	100.0%	100.0%
Monaco Auto Location SAM	Monaco	Monaco	FC	100.0%	100.0%
Europcar International S.A.S.U. & Co. OHG	Hamburg	Germany	FC	100.0%	100.0%
Europcar Autovermietung GmbH	Hamburg	Germany	FC	100.0%	100.0%
Securitifleet GmbH	Hamburg	Germany	FC	100.0%	5.41%
InterRent Immobilien GmbH	Hamburg	Germany	FC	100.0%	100.0%
Car2go Europe GmbH	Esslingen	Germany	EM	25.0%	25.0%
Car2go Deutschland GmbH	Esslingen	Germany	EM	25.0%	25.0%
Car2go Österreich GmbH	Vienna	Austria	EM	25.0%	25.0%
Car2go Italia S.r.l.	Milan	Italy	EM	25.0%	25.0%
Car2go UK Ltd	Birmingham	United Kingdom	EM	25.0%	25.0%
Ogotrac France S.A.S.	Paris	France	EM	25.0%	25.0%
Car2go Denmark	Copenhagen	Denmark	EM	25.0%	25.0%
Car2go Sweden	Stockholm	Sweden	EM	25.0%	25.0%
Europcar S.A.	Zaventem	Belgium	FC	100.0%	100.0%
Europcar IB S.A.	Madrid	Spain	FC	100.0%	100.0%
Securitifleet S.L.	Madrid	Spain	FC	100.0%	0.41%
Ultramar Cars S.L.	Palma de Mallorca	Spain	FC	100.0%	100.0%
Europcar Lab Italy S.p.A.	Milan	Italy	FC	100.0%	100.0%
Europcar Italia S.p.A.	Bolzano	Italy	FC	100.0%	100.0%
Securitifleet S.p.A.	Bolzano	Italy	FC	99.32%	13.76%
Europcar Internacional Aluguer de Automoveis S.A.	Lisbon	Portugal	FC	100.0%	100.0%
Europcar Services Unipessoal, LDA.	Lisbon	Portugal	FC	100.0%	100.0%
Europcar United Kingdom Limited	Watford	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental EMEA Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Provincial Assessors Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Pension Scheme Trustees Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Europcar Group UK Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Group Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
A & A Prestige Chauffeurs Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Carriage Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brucar Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Corporate Facilities Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Euroguard	Gibraltar	Gibraltar	FC	100.0%	100.0%
Europcar Holding Property Ltd	Melbourne	Australia	FC	100.0%	100.0%
Europcar Australia Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
G1 Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Eurofleet Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Delta Cars & Trucks Rentals Pty Ltd	Victoria	Australia	FC	100.0%	100.0%

<i>Company name</i>	Local HQ (city)	Country	Consolidation method ⁽¹⁾ (FC/EM)	% interest	% control
Eurofleet Sales Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
E Rent a car Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
MVS Holdings (Australia) Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
MVS Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
JSV Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
SMJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
BVJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
Europcar Inc.	Wilmington, New Castle, Delaware	USA	FC	100.0%	100.0%
2. Information on non-consolidated companies					
Vehitel 2000 France S.A.S.	Suresnes	France	NC	20.0%	20.0%
Vehitel 2000 S.N.C.	Suresnes	France	NC	33.33%	33.33%
PremierFirst Marketing Enterprises Middle East Ltd	Dubai	United Arab Emirates	NC	25.0%	25.0%
EIR Autonoleggio SRL	Rome	Italy	NC	100.0%	100.0%
EC 3 S.A.S.U.	Voisins-le-Bretonneux	France	NC	100.0%	100.0%
EC 4 S.A.S.U.	Voisins-le-Bretonneux	France	NC	100.0%	100.0%
Woderio	Rome	Italy	NC	20.0%	20.0%
Executive Trust Limited ⁽²⁾	Dublin	Ireland	NC	100%	100%
Irish Car Rentals Limited ⁽²⁾	Dublin	Ireland	NC	100%	100%
GoCar Carsharing Limited ⁽²⁾	Dublin	Ireland	NC	100%	100%

(1) FC: full integration; EM: equity method; NC: not consolidated.

(2) these entities were acquired through the purchase of our Irish franchisee in December 2016 and will be included in the scope of consolidation in 2017 (see Note 3).

Consolidated special purpose entities (SPEs)

As part of the securitization program for part of the fleet financing for Germany, France, Italy and Spain, SPEs have been incorporated under the name Securitifleet in each of those countries and are either 100% owned or controlled (over 90%-controlled) by one of the following SPEs: "Securitifleet Holding S.A." or "Securitifleet Holding Bis S.A.S.", both registered in France. The Group consolidates all Securitifleet entities, the four local Securitifleet companies as well as the two Securitifleet holding companies, which were created with specific purposes defined by Europcar Groupe.

The Group's operating subsidiaries located in France, Spain, the United Kingdom, Portugal, Belgium, Italy (from January 1, 2008) and Germany (from April 1, 2008) buy local automobile liability insurance policies with Chartis (formerly AIG) entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The

Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. However, the local Europcar entities fund a significant portion of the risks through a Deductible Funding mechanism which is managed via another cell (0) within Euroguard that acts as a fund manager. The funds hosted in this cell are also consolidated.

PremierFirst Vehicle Rental Holdings Limited owns 100% of PremierFirst Vehicle Rental Insurances Guernsey Limited, a captive company based in Guernsey in the Channel Islands. This captive company has two types of business: roadside assistance (RAC) and Personal Accident Insurance (PAI). The profits from the RAC and PAI businesses can mostly be distributed by the captive company under strict rules. 90% of the profits must be distributed within 18 months of the year end.

Since January 2008, PremierFirst Vehicle Rental Limited has participated in the Group insurance scheme described in the first paragraph above.

NOTE 37 GROUP AUDITORS' FEES

The EU legislation to reform the statutory audit market adopted by the EU Directive 2014/56/UE and transposed to the French law under an ordinance dated March 17th, 2016, is applicable since June 17th, 2016. This new legislation introduces the

category of “Non-Audit services” instead of “other diligences and services directly related to the Statutory Auditors’ role”.

Given the change in the regulation, the information in the tables below for 2014, 2015 and 2016 are not comparable.

	PWC France	PWC Network	PWC ⁽¹⁾	Mazars SA	Mazars Network	Mazars	Total
<i>In thousands of euros</i>	2016	2016	2016	2016	2016	2016	2016
Audit of statutory and consolidated accounts	394	414	808	231	413	644	1,452
<i>of which Europcar Groupe</i>	176	-	176	165	-	165	341
<i>of which fully consolidated subsidiaries</i>	218	414	632	66	413	479	1,111
Non-audit services	166	112	278	150	5	155	433
Tax, legal and labor	0	89	89	0	0	0	89
<i>of which Europcar Groupe</i>	-	-	-	-	-	-	-
<i>of which fully consolidated subsidiaries</i>	-	89	89	-	-	-	89
Other non-audit services	166	23	189	150	5	155	344
<i>of which Europcar Groupe</i>	166	-	166	150	-	150	316
<i>of which fully consolidated subsidiaries</i>	-	23	23	-	5	5	28
TOTAL	560	526	1,086	381	418	799	1,885
<i>of which Europcar Groupe</i>	342	0	342	315	0	315	657
<i>of which fully consolidated subsidiaries</i>	218	526	744	66	418	484	1,228

(1) PricewaterhouseCoopers Audit.

In 2016, the non-audit services are comprise of 311 thousand of euros that would have been considered as “Other diligence and services directly related to the Statutory Auditors’ role” before the application of the EU statutory audit legislation.

In 2015, the “other diligence and services directly related to the Statutory Auditors’ role” included specific diligences related to the IPO.

<i>In thousands of euros</i>	PWC ⁽¹⁾		Mazars		Total	
	2014	2015	2014	2015	2014	2015
Statutory audit, certification, review of individual and consolidated accounts	767	798	682	666	1,449	1,464
<i>of which Europcar Groupe</i>	193	163	193	198	386	361
<i>of which fully consolidated subsidiaries</i>	574	634	489	468	1,063	1,102
Other diligence and services directly related to the Statutory Auditors' role	209	601	171	533	380	1,134
<i>of which Europcar Groupe</i>	159	475	112	463	271	938
<i>of which subsidiaries</i>	50	126	59	70	109	196
SUB-TOTAL	976	1,399	853	1,199	1,829	2,598
Other services provided by the networks to fully consolidated subsidiaries						
Legal, Tax, labor	124	108	-	-	124	108
Other	21	-	-	-	21	0
SUB-TOTAL	145	108	0	0	145	108
TOTAL	1,121	1,507	853	1,199	1,974	2,706
<i>of which Europcar Groupe</i>	352	638	305	661	657	1,299
<i>of which subsidiaries</i>	769	868	548	538	1,317	1,406

(1) PricewaterhouseCoopers Audit.

NOTE 38 SUBSEQUENT EVENTS

On February 17th, 2017, the Group has taken control of Ubeeqo hence the percentage of share ownership increased from 75.71% to 100%.

On February 27th, 2017, the French Competition Authority has rendered a dismissed case decision upon a proceeding in the car rental sector, considering that the alleged practices covered by the investigation services were not established. This decision may be subject to an appeal before Paris Court of Appeals.

To management's knowledge, there are no other subsequent events to the closing that might have a material impact on the earnings, assets, business or overall financial position of the Group.

STATUTORY AUDITORS' REPORT

Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Year ended December 31, 2016)

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of Europcar Groupe SA;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Measurement of tangible and intangible assets

The Group tests goodwill and intangible assets with an indefinite useful life for impairment and assesses whether long-term assets present an indication of impairment, in accordance with the methods set out in note 15 - "Goodwill" and note 16 - "Intangible assets" to the consolidated financial statements. We have reviewed the methods used for the aforementioned test, as well as the estimated future cash flows and underlying assumptions, and verified that the information provided in these notes is appropriate.

Provisions

As specified in note 2.17 "*Significant accounting policies - Provisions*" to the consolidated financial statements, the Group records provisions to cover risks. The nature of the provisions recorded in the financial statements under Provisions is described in note 28 - "*Financial risk management - Insurance risks*" and in notes 30, 31 and 35 to the consolidated financial statements. We have reviewed the bases of constitution of these provisions, examined your Company's procedures for identifying, measuring and accounting for such provisions and reviewed the disclosures regarding the provisions provided in the notes to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information related to the Group given in the management report.

We have no matters to report regarding the fair presentation and consistency of this information with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 27, 2017

The Statutory Auditors

PricewaterhouseCoopers Audit

François Jaumain

Mazars

Isabelle Massa

3.5 ANALYSIS OF THE RESULTS OF EUROPCAR GROUPE S.A.

Please read the following information on the Company's profits and losses and financial position in conjunction with the Company's financial statements for the year ended

December 31, 2016, as they appear in Section 3.6 of this Registration Document.

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3.5.1 Revenue of the Company

Europcar Groupe reported revenue of €3,682 thousand in 2016, a decrease of 19% compared with €4,543 thousand for the year ended December 31, 2015. Revenue can be analyzed as follows:

Revenue <i>In thousand of euros</i>	At December 31, 2016	At December 31, 2015
■ Management fees in respect of servicees to subsidiaries (ECI)	2,303	3,197
■ Royalty fees on long-term trademark	1,379	1,346
TOTAL	3,682	4,543

3.5.2 Operating results of the Company

The Company reported an operating loss of €12,650 thousand in 2016, compared with a loss of €9,772 thousand for the

previous fiscal year. The deterioration in operating profit is primarily due the increase of fees not re-invoiced.

3.5.3 Net financing costs

The Company's net financing costs for 2016 amounted to €25,518 thousand, compared with a loss of €135,172 thousand at December 31, 2015, an improvement of €109,654 thousand. This primarily reflects the payment of

early redemption premiums on two convertible bonds and the accelerated amortization of transaction costs recognized in 2015 during debt negotiations.

3.5.4 Other information presented in the Company's separate financial statements for 2016

The Company recorded a pre-tax loss at December 31, 2016 of €38,168 thousand, compared with a loss of €144,944 thousand in the previous year, an improvement of €106,776 thousand.

Exceptional income totaled €6,442 thousand at December 31, 2016, compared with €9,001 thousand in the previous year.

Income tax income totaled €16,078 thousand for the year ended December 31, 2016, compared with €16,310 thousand at December 31, 2015.

Taking into account these items, the Company posted a net loss of €15,648 thousand for the year ended December 31, 2016, compared with a loss of €119,633 thousand for 2015.

At December 31, 2016, the Company's balance sheet totaled €1,447,166 thousand, compared with €1,463,336 thousand at December 31, 2015.

The Company had 14 salaried employees at December 31, 2016.

3.5.5 Proposed appropriation of results

The Combined Shareholders' Meeting of May 10, 2017 will be asked to cover the loss of €15,648 thousand for the year ended December 31, 2016 by deducting the full amount from

additional paid-in capital, the balance of which would therefore be reduced from €647,514 thousand to €631,866 thousand.

3.5.6 Dividends paid for the last three years

Pursuant to Article 243 bis of the French General Tax Code, you are reminded that no dividend has been paid in respect of the last three years.

3.5.7 Table of results for the last five years (article R. 225-102 of the French Commercial Code)

	Year ended Dec. 31, 2012	Year ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2015	Year ended Dec. 31, 2016
Duration of financial period	12	12	12	12	12
Capital at year end					
Share capital (at year end)	782,286,490	446,383,194	446,383,194	143,154,017	143,409,299
Number of common shares	78,228,649	103,810,045	103,810,045	143,154,017	143,409,299
Operations and profit/(loss)					
Revenue excluding taxes	6,446,965	4,975,918	4,041,733	4,542,518	3,682,317
Profit/(loss) before tax, investment, depreciation and amortization, and provisions	(67,220,136)	(77,942,907)	(92,990,176)	(127,161,398)	(29,931,556)
Income tax	18,455,888	17,533,484	11,409,147	16,310,028	16,077,921
Net profit/(loss) for the period	(50,706,748)	(60,018,663)	(104,638,529)	(119,632,847)	(15,648,351)
Distributed earnings (losses)	0	0	0	0	0
Earnings per share					
Profit/(loss) after tax, investment, depreciation and amortization, and provisions	(0.62)	(0.58)	(0.79)	(0.77)	(0.10)
Net profit/(loss) for the period	(0.65)	(0.58)	(1.01)	(0.84)	(0.11)
Dividend paid	0	0	0	0	0
Personnel					
Average headcount	21	12	10	9	12
Payroll	5,623,262	4,529,371	3,740,470	10,114,172	5,628,280
Amounts paid for employee benefit (social security, social services, etc.)	2,580,591	1,751,808	1,418,461	3,180,188	2,217,940

3.6 COMPANY'S FINANCIAL STATEMENTS AND STATUTORY AUDITORS' REPORT

Balance sheet

ASSETS

				Year ended Dec. 31, 2016		Year ended Dec. 31, 2015
<i>In thousands of euros</i>	Notes	Gross carrying amount	Depreciation and amortization Prov.	Net	Net	
Trademark		28,500	-	28,500	25,000	
Intangible assets		28,500	-	28,500	25,000	
Investment securities		1,241,205	-	1,241,205	1,241,195	
Loans		144,544	-	144,544	146,378	
Other financial assets		105	-	105	105	
Financial assets		1,385,854		1,385,854	1,387,678	
NON-CURRENT ASSETS	11	1,414,354	-	1,414,354	1,412,678	
Advance payments on orders		34	-	34	87	
Trade and other receivables	12	7,625	-	7,625	18,858	
Other receivables	12	8,615	-	8,615	20,533	
Marketable securities		5,063	-	5,063	-	
Cash-in-hand and at bank		5	-	5	-	
Deferred bond issue costs	16	10,656	1,820	8,836	8,064	
Bond redemption premiums		3,116	482	2,634	3,116	
CURRENT ASSETS		35,114	2,302	32,812	50,658	
Foreign exchange differences – assets		-		-	-	
TOTAL ASSETS		1,449,468	2,302	1,447,166	1,463,336	

Balance sheet

LIABILITIES

<i>In thousands of euros</i>	Notes	Year ended Dec. 31, 2016	Year ended Dec. 31, 2015
Share capital		143,409	143,154
Share, merger, contribution premiums		647,514	767,402
Legal reserve		-	-
Retained earnings		-	-
Net profit/(loss) for the period		(15,648)	(119,633)
Regulated provisions		23,793	23,793
Equity	19	799,068	814,716
Provisions for risks	20	-	-
Provisions for expenses		-	-
Provisions		-	-
Other non-convertible bonds	13	606,555	476,138
Borrowings from credit institutions		3	4
Financial liabilities		606,558	476,142
Trade and other payables	13	6,816	12,042
Tax and social security liabilities		3,758	12,256
Other debt	13	30,966	148,148
Deferred income		-	32
Operating liabilities		41,540	172,478
LIABILITIES		648,098	648,620
Foreign exchange differences, liabilities		-	-
TOTAL LIABILITIES AND EQUITY		1,447,166	1,463,336

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Income statement

<i>In thousands of euros</i>	Notes	Year ended Dec. 31, 2016	Year ended Dec. 31, 2015
Sales of services	3	3,682	4,543
Reversals of provisions, amortization and transfers of expenses		-	-
Other income	4	672	12,607
TOTAL OPERATING INCOME		4,354	17,150
Other purchases and external expenses	5	(8,456)	(17,282)
Taxes, levies and similar payments		148	(202)
Wages and salaries		(5,628)	(5,321)
Social security contributions		(2,218)	(3,800)
Other expenses		(850)	(317)
TOTAL OPERATING EXPENSES		(17,004)	(26,922)
OPERATING INCOME		(12,650)	(9,772)
Other interest and similar income		12,224	16,878
Foreign exchange gains		6	4
Net proceeds from marketable securities		284	
Financial income	7	12,514	16,882
Interest and similar expense		(36,235)	(118,153)
Depreciation, amortization, impairment and provisions		(1,795)	(33,781)
Foreign exchange losses		(2)	(119)
Financial expense	7	(38,032)	(152,054)
NET FINANCIAL INCOME/(EXPENSES)		(25,518)	(135,172)
RECURRING PROFIT/(LOSS) BEFORE TAX		(38,168)	(144,944)
Exceptional income from management transactions		6,442	4,400
Exceptional income from capital transactions		-	17,323
Reversals of provisions, impairment and transfers of expenses		-	25,000
Exceptional income	8	6,442	46,723
Exceptional expenses on management transactions		-	(20,398)
Exceptional expenses on capital transactions		-	(17,323)
Depreciation, amortization, impairment and provisions		-	-
Exceptional expenses	8	-	(37,721)
EXCEPTIONAL INCOME/(EXPENSES)		6,442	9,002
Income taxes	9	16,078	16,310
NET PROFIT/(LOSS)		(15,648)	(119,633)

Notes to the separate financial statements

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NOTE 1 SIGNIFICANT EVENTS**1.1 Overview and description of the activity performed by the Company**

Europcar Groupe S.A. ("ECG") was incorporated on March 9, 2006 with 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.

ECG is the ultimate parent company of Europcar Groupe (the "Group") which, backed by its experience in car and utility vehicle rental for short and medium terms, offers diverse and varied mobility solutions to its customers. Under its Europcar and InterRent brands, the Group covers a broad range of markets and customers, both private and business, with services ranging from luxury to low-cost.

Europcar Groupe is the European leader in short-term vehicle rentals. ECG was first listed for trading on the Euronext Paris regulated market on June 26, 2015 (Compartment A; ISIN code: FR0012789949; ticker: EUCAR).

The Company's fiscal year begins on January 1 and ends on December 31 each year.

At December 31, 2016, 42.22% of Europcar Groupe's capital was held by Eurazeo, and 57.78% by private and public investors.

1.2 Significant events during the year**a) New bond issue maturing in 2022**

On June 2, 2016, Europcar Groupe issued new senior notes totaling €125 million. The reduction of the terms to 4.5140% at worst, or 4.8790% in yield to maturity, reflects the improvement in the Group's credit profile and investor appetite for the

company's prospects. These notes will be ranked with existing senior notes issued in June 2015 which offer a fixed interest rate of 5.750% and mature in 2022 for a total nominal amount of €475 million, thus raising the total to €600 million. The issue proceeds amounted to €131 million. Including share premium, Europcar will use the net proceeds from the new notes to finance its acquisitions program and to cover the general needs of the business.

b) Governance

During the first half of 2015, and ahead of the Company's IPO, Europcar Groupe strengthened its governance through the establishment of a Supervisory Board and a Management Board. The members of the Management Board were Philippe Germond, Chairman, Caroline Parot, Chair of the Management Board and Chief Financial Officer of Europcar Groupe, Kenneth McCall, Chief Operating Officer, and Fabrizio Ruggiero, Head of Mobility.

On November 25, 2016, the Supervisory Board of Europcar Groupe appointed Caroline Parot as CEO with the objective of accelerating the rollout of the Group's strategy to become a global leader in mobility solutions. Philippe Germond's term of office expired on the same date.

1.3 Subsequent events

On February 27th, 2017, the French Competition Authority has rendered a dismissed case decision upon a proceeding in the car rental sector, considering that the alleged practices covered by the investigation services were not established. This decision may be subject to an appeal before Paris Court of Appeals.

To management's knowledge, there are no other events that might have a material impact on the earnings, assets, business or overall financial position of the Group.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The annual accounts of Europcar Groupe are prepared in accordance with French generally accepted accounting principles for separate financial statements, pursuant to the French General Accounting Plan (ANC regulation 2016-07 of November 4th, 2016 relating to the General Accounting Plan).

The accounting policies used in the preparation of the financial statements for the year ended December 31, 2016 are identical to those used for the year ended December 31, 2015.

They were prepared in accordance with the historical cost convention.

The figures in the Notes are in thousands of euros, unless otherwise stated.

2.1 Intangible assets

This item is comprised of the Europcar trademark for the "long-term" car rental activity (over one year), as well as the InterRent trademark for the low-cost market segment.

2.2 Measurement of non-amortized non-current assets

At each balance sheet date, Europcar Groupe conducts impairment testing to ensure that the fair value of the trademarks at this date is higher than their carrying amount.

Impairment is recognized when the carrying amount exceeds the greater of its fair value amount or its value in use.

2.3 Financial assets

Investment securities and related advances

Investment securities are recorded at their purchase price, including costs directly attributable to their acquisition.

Impairment testing on securities is carried out on the basis of the value of the securities. Value in use is determined using discounted future cash flows based on business plans established by the management of each investment and approved by Europcar's management.

For impairment testing purposes, the three-year plan is extended to five years. The 2017 budget and the 2018 and 2019 business plans were prepared taking into account economic growth forecasts in the countries where the Group operates, current macroeconomic data for each country, air traffic growth forecasts, trends in the vehicle rental market and competitive pressure, as well as new projects and products

in the development phase. Beyond 2019, revenue growth assumptions are conservative, and the projected profit margin is stable.

If this value in use is lower than the carrying amount, impairment is recognized.

Investment securities are recognized at their acquisition price of €1,241,205 thousand. They consist of securities held in Europcar International S.A.S.U. for €1,241,195 thousand, including incidental acquisition costs of €23,793 thousand, amortized on a straight-line basis over five years (fully amortized at December 31, 2016), and other securities held in Europcar Participations for €10 thousand.

2.4 Receivables and payables

Receivables and payables are stated at their nominal value. Impairment is recognized when a risk of non-recovery exists.

Unrealized foreign exchange gains are recognized as translation gains, whereas unrealized foreign exchange losses are recognized as translation losses and are subject to a provision for risks and charges.

Foreign exchange gains and losses corresponding to current accounts are recognized directly in profit or loss without any translation adjustments.

2.5 Liquidity contract and treasury shares

Marketable securities are exclusively composed of Europcar Groupe shares purchased under the terms of two contracts:

- as of July 24, 2015 and for a period of one year renewable by tacit agreement, the Company has appointed Rothschild & Cie Banque, an investment service provider, to implement a liquidity contract on the Europcar share. It, in accordance with Article L. 225-209 of the French Commercial Code, as amended by Article 15 of Law 2012-387 of March 22, 2012 (see Note 15), and in compliance with the charter of Ethics established by AMAFI, also approved by decision of the AMF on March 21, 2011. For the implementation of this contract, resources of up to €7 million may be allocated to the liquidity account;
- on July 26, 2016, ECG instructed Rothschild & Cie Banque to buy shares in the context of its share buyback program.

All these shares are measured at acquisition cost. If their probable market value at the balance sheet date is below their acquisition cost, impairment is recognized.

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2.6 Provisions

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources with no counterparty will be required to settle the obligation, and the amount can be reliably estimated.

If the effect is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.7 Borrowings and bond issuance costs

Borrowings are recorded at their nominal repayment amount. They are not discounted.

For bonds issued above par and redeemable at par, the difference is an issue premium.

For bonds issued below par and redeemable at a higher amount, the difference is a redemption premium.

The redemption premium is recorded in the balance sheet as "deferred expenses," and is amortized over the term of the loan.

The share premium is recorded in the balance sheet as "Other non-convertible bonds", and is amortized over the term of the loan.

2.8 Retirement and post-employment benefits

Europcar gives Company employees retirement bonuses and pensions provided through defined-contribution or defined-benefit plans.

Europcar Groupe has opted not to recognize its pension obligations. The Company's obligations are valued by independent actuaries and are reported in the notes (see Note 21).

2.9 Capital increase expenses

Europcar Groupe has opted to charge the expenses related to the capital increase against the share premium.

Notes to the income statement

NOTE 3 BREAKDOWN OF REVENUE

Europcar Groupe's revenue excludes amounts derived from the rebilling of subsidiaries (see Note 4), and can be analyzed as follows:

	Amounts at Dec. 31, 2016			Amounts at Dec. 31, 2015
	France	Excluding France	Total	Total
<i>In thousands of euros</i>				
Provision of services to subsidiaries	2,303	-	2,303	3,197
Franchise revenue	1,379	-	1,379	1,346
TOTAL	3,682	-	3,682	4,543

NOTE 4 OTHER INCOME

Other revenue consists primarily of:

<i>In thousands of euros</i>	Amounts at Dec. 31, 2016	Amounts at Dec. 31, 2015
Rebiling of fees ⁽¹⁾	299	12,260
Rebiling of insurance	373	347
MISCELLANEOUS		-
TOTAL	672	12,607

(1) See Note 5.

NOTE 5 OTHER PURCHASES AND EXTERNAL EXPENSES

Other purchases and external expenses fell from €10.2 million to €8.8 million at December 31, 2016.

In 2015, external expenses reflected approximately €12 million in fees paid to various financial intermediaries in connection

with the refinancing of the senior credit facilities (Senior asset Revolving Facility or SARF and Revolving Credit Facility or RCF) completed in the context of the Company's IPO. These costs were re-invoiced to the various countries (see Note 4).

NOTE 6 EXECUTIVE COMPENSATION

Members of the Management Board received the following compensation in 2015 and 2016:

<i>In thousands of euros</i>	At Dec. 31, 2016	At Dec. 31, 2015
Salaries and short-term employee benefits	5,144	8,129 ⁽¹⁾
Post-employment benefits	-	-
Termination indemnities	1,100	-
TOTAL	6,244	8,129

(1) Includes the portion for Management Board members for the multi-year compensation plan paid in 2015.

In 2016, Europcar Groupe made payments of €506 thousand to members of the Oversight Committee for directors' fees and other remunerations (after making payments of €122 thousand the previous year).

NOTE 7 NET FINANCING COSTS

Net financing costs amounted to €(25,518) thousand, comprising:

<i>In thousands of euros</i>	Amounts at Dec. 31, 2016	Amounts at Dec. 31, 2015
Other interest and similar income	12,224	16,878
Net income from disposal of marketable securities	284	-
Other	6	4
Financial income	12,514	16,882
Interest on bonds	(31,385)	(53,593)
Interest on the revolving credit facility	(2,755)	(1,765)
Interest on intercompany debt	(2,095)	(6,785)
Amortization of transaction costs	(1,795)	(6,881)
Accelerated amortization of transaction costs ⁽¹⁾	-	(26,900)
Early redemption premiums ⁽¹⁾	-	(56,010)
Other	(2)	(119)
Financial expense	(38,032)	(152,054)
NET FINANCING COSTS	(25,518)	(135,172)

(1) As of December 31, 2015, for early redemption of the €324 million and €400 million bonds.

NOTE 8 EXCEPTIONAL INCOME/(EXPENSES)

Exceptional income/(loss) is primarily composed of:

<i>In thousands of euros</i>	Amounts at Dec. 31, 2016	Amounts at Dec. 31, 2015
Transfer of Ubееqо securities ⁽²⁾	-	17,323
Reversal of provisions ⁽¹⁾	-	25,000
Repayment of VW liability guarantee ⁽⁵⁾	6,028	-
Other non-recurring income ⁽⁴⁾	414	4,400
Exceptional income	6,442	46,723
Transfer of Ubееqо securities ⁽²⁾	-	(17,323)
Compensation paid following the "Memorandum of Understanding" ⁽¹⁾	-	(12,500)
IPO fees and related exceptional payments ⁽³⁾	-	(7,896)
Other exceptional expenses	-	(2)
Exceptional expenses	-	(37,721)
EXCEPTIONAL INCOME/(EXPENSES)	6,442	9,002

(1) These amounts corresponded to the reversal of a provision for €25.0 million related to the dispute between Europcar Groupe and Enterprise Holdings Inc. over the use of the e-logo in the United Kingdom and the associated arbitration proceedings. In 2015, given the outcome of the case, part of the provision recorded was reversed as no longer required (€12.5 million).

(2) Europcar Groupe transferred the Ubееqо shares at their acquisition price (€17.3 million) to Europcar Lab SASU, another member of the Europcar consolidated Group.

(3) Fees related to the IPO in 2015 and related exceptional compensation amounted to €32.5 million. From this of €32.5 million, €23.8 million was charged to the issue premium and €8.7 million was recognized as exceptional expenses.

(4) In 2016, the surplus on reversals of expenses payable for exceptional compensation relating to the 2015 IPO total €0.4 million. In 2015, €4.4 million in fees were reversed as a result of the agreement reached with Enterprise.

(5) In 2016, Europcar Groupe re-invoiced to Volkswagen an amount of €6,028 million, corresponding to litigation indemnities in the context of the liability guarantee (see Note 21).

NOTE 9 INCOME TAX: BREAKDOWN AND TAX LIABILITIES

Breakdown In thousands of euros	Profit/(loss) before tax at Dec. 31, 2016	Current tax	Net profit/(loss) at Dec. 31, 2016	Net profit/loss at Dec. 31, 2015
Recurring profit/(loss)	(38,168)	16,078	(22,090)	(128,634)
Exceptional income/(expenses)	6,442	-	6,442	9,002
TOTAL	(31,726)	16,078	(15,648)	(119,633)

There was no Organic provision for 2016.

As ECG had tax losses in the amount of € 802 million as of December 31, 2016, there would have been no tax to recognize if the Company had been taxed separately.

NOTE 10 TAX GROUP

Europcar Groupe is the parent company of the French tax group comprising Europcar International, Europcar Lab, Europcar Holding, Europcar Participations, Europcar France, Parcoto and Europ Hal. Europcar Groupe is the only entity liable for tax for the entire consolidated tax group.

Each consolidated company is placed in the position it would have been in as regards tax if it had been taxed separately. Tax income and expense on consolidated companies are recognized in the financial statements of Europcar Groupe.

Europcar Groupe, as parent company, recognizes the gain resulting from the effects of tax consolidation in its financial statements. Accordingly, Europcar Groupe recognized tax consolidation income of €16,078 thousand in 2016.

Tax loss carryforwards for the scope of the tax group amounted to €551 million at December 31, 2016.

Profit resulting from the effects of tax consolidation amounts to €19,704 thousand.

Europcar Groupe, as parent company, is liable to pay the corporate income tax for the amount of € 3,626 thousand.

The CICE tax credit is set off against the whole corporate income tax.

Notes to the balance sheet

NOTE 11 STATEMENT OF FIXED ASSETS

<i>In thousands of euros</i>	Amounts at Dec. 31, 2015	Additions during the period	Reductions during the period	Amounts at Dec. 31, 2016
Trademarks ⁽¹⁾	25,000	3,500	-	28,500
TOTAL INTANGIBLE ASSETS	25,000	3,500	-	28,500
Investment securities ⁽²⁾	1,241,195	10	-	1,241,205
Loans and other financial assets	146,483	-	(1,834)	144,649
TOTAL FINANCIAL ASSETS	1,387,678	10	(1,834)	1,385,854

(1) Intangible assets consist of the Europcar trademark for the "long-term" vehicle rental business (more than one year) for €25,000 thousand and the InterRent trademark for €3,500 thousand, acquired in 2016.

(2) Investment securities correspond to the subsidiary Europcar International S.A.S.U., wholly owned by Europcar Groupe, for €1,241,195 thousand, and the wholly owned subsidiary Europcar Participations, acquired in 2016, for €10 thousand.

The securities of the subsidiary Europcar International S.A.S.U. include incidental acquisition expenses (€23,793 thousand). They were the subject of straight-line amortization over five years, and had been fully amortized as of December 31, 2016.

Since these assets have an indefinite life, they are not amortized.

No impairment was recorded on non-current assets.

NOTE 12 AMOUNTS AND MATURITIES OF RECEIVABLES

Receivables <i>In thousands of euros</i>	Amounts Gross amounts at Dec. 31, 2016	1 year maximum	From 1 to 5 years	More than 5 years
Loans	144,544	422	-	144,122
Other financial assets	105	-	105	-
Trade and other receivables	7,625	7,625	-	-
Tax and social security receivables	8,615	8,615	-	-
Associates	-	-	-	-
Deferred expenses	8,836	1,774	6,406	656
TOTAL	169,725	18,436	6,511	144,778

Aged analysis of receivables <i>In thousands of euros</i>	Amounts at Dec. 31, 2016	Amounts at Dec. 31, 2015
Not past due	380	13,435
Overdue by < 30 days	398	-
Overdue by > 30 days and < 6 months	226	19
Overdue by > 6 months and < 1 year	4267	81
Overdue by > 1 year	55	-
TOTAL	5,326	13,535

NOTE 13 AMOUNTS AND MATURITIES OF PAYABLES

OPERATING LIABILITIES

Liabilities <i>In thousands of euros</i>	Gross amounts at Dec. 31, 2016	1 year maximum	More than 1 year
Trade and other payables	6,816	6,816	-
Tax and social security liabilities	3,758	3,758	-
Other debt	30,966	30,966	-
Deferred income	-	-	-
TOTAL	41,540	41,540	-

Aged analysis of trade payables at Dec. 31, 2016

<i>In thousands of euros</i>	Not past due	Due	Due			Total
			< 45 days	≥ 46 days and ≤ 60 days	> 60 days	
Suppliers within the Group	573	0	573	-	-	573
Suppliers outside the Group	98	209	177	-	32	307
TOTAL	671	209	750	-	32	880

Aged analysis of trade payables at Dec. 31, 2015

<i>In thousands of euros</i>	Not past due	Due	Due			Total
			< 45 days	≥ 46 days and ≤ 60 days	> 60 days	
Suppliers within the Group	6,464	53	-	6	47	6,517
Suppliers outside the Group	187	85	-	4	81	272
TOTAL	6,651	138	-	10	128	6,789

FINANCIAL LIABILITIES

Aged analysis of financial liabilities

<i>In thousands of euros</i>	Gross amounts at Dec. 31, 2016	1 year maximum	More than 1 year
Other non-convertible bonds	600,000	-	600,000
Premium	5,117	938	4,179
Accrued interest	1,438	1,438	-
Borrowings from credit institutions	3	3	-
TOTAL	606,558	2,379	604,179

Aged analysis of financial liabilities

<i>In thousands of euros</i>	Gross amounts at Dec. 31, 2015	1 year maximum	More than 1 year
Other non-convertible bonds	475,000	-	475,000
Accrued interest	1,138	1,138	-
Borrowings from credit institutions	4	4	-
TOTAL	476,142	1,142	475,000

NOTE 14 INFORMATION ON RELATED COMPANIES

Gross values <i>In thousands of euros</i>	Amounts at Dec. 31, 2016	Amounts at Dec. 31, 2015
ASSETS		
Ownership	1,241,205	1,241,295
Loans	144,649	146,383
Trade and other receivables	7,249	5,322
Other receivables	-	29,979
LIABILITIES		
Trade and other payables	3,273	6,517
Other debt	30,966	11,419
INCOME STATEMENT		
Operating income	2,975	15,803
Operating expenses	491	-
Financial expense	2,095	6,785
Financial income	12,224	16,850
Tax consolidation benefit	16,078	16,067

The information on related companies corresponds to transactions with subsidiaries included in the scope of consolidation as of December 31, 2016, of which Europcar Groupe is the parent company.

In addition, at December 31, 2015, Eurazeo SA had subscribed to the €475 million high-yield bond in the amount of €15 million.

NOTE 15 MARKETABLE SECURITIES

The number of treasury shares held breaks down as follows:

<i>In number of shares</i>	At December 31, 2015	Increase	Reduction	At December 31, 2016
Amafi liquidity agreement	-	13,500	-	13,500
Rothschild agreement	-	626,840	-	626,840
TOTAL	-	640,340	-	640,340

The value of the treasury shares included in marketable securities under the liquidity and share buy-back agreements for ECG shares was €5,062,802 as of December 31, 2016.

NOTE 16 DEFERRED EXPENSES AND PREMIUMS ON EARLY REDEMPTION OF BONDS

As of December 31, 2016, "Deferred expenses" and "Premium on early redemption of bonds" totaling €11,470 thousand included:

- refinancing costs incurred at the issue of high-yield notes maturing in 2022 in the amount of €475 million, issued in May 2015 for a net amount of €5.7 million;
- the resulting issue premium at the time of this same issue for a net amount of €2.6 million;

- costs related to the renegotiation of the €350 million Revolving Credit Facility maturing in five years and commencing in May 2015, in the amount of €1.2 million;

- refinancing costs incurred on the issue of new senior notes maturing in 2022 in the amount of €125 million, issued in June 2016 for a net amount of €2 million.

These expenses are amortized over the term of the loans.

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NOTE 17 ACCRUED EXPENSES

<i>In thousands of euros</i>	Amounts at Dec. 31, 2016	Amounts at Dec. 31, 2015
LIABILITIES		
Interest accrued on bonds and other borrowings	1,438	1,138
LOANS AND BORROWINGS	1,438	1,138
Supplier creditors excluding fleet	3,236	2,331
Group – Other liabilities – Corporate	2,700	2,922
Trade and other payables	5,936	5,253
Provisions for wages	1,579	6,878
Provisions – Other personnel expenses	10	9
Provisions on accrued social security charges	572	1,182
Withholding tax on wages	-	(159)
Other taxes payable	99	453
Other accrued expenses	-	12
TAX AND SOCIAL SECURITY LIABILITIES	2,260	8,375
TOTAL ACCRUED LIABILITIES	9,634	14,766

NOTE 18 ACCRUED INCOME

<i>In thousands of euros</i>	Amounts at Dec. 31, 2016	Amounts at Dec. 31, 2015
ASSETS		
Accrued interest – Loans	414	2,256
FINANCIAL ASSETS	414	2,256
Interco – Corporate	1,923	4,955
Miscellaneous income receivable	368	368
Other receivables	-	1
TRADE AND OTHER RECEIVABLES	2,291	5,324
TOTAL ACCRUED INCOME	2,705	7,580

NOTE 19 SHAREHOLDERS' EQUITY**19.1 Consolidated statement of changes in equity**

<i>In thousands of euros</i>	Share capital	Share premium	Retained earnings	Net profit/(loss)	Regulated provisions	Equity
Balance at January 1, 2016	143,154	767,402	-	(119,633)	23,793	814,716
Net profit/(loss) for the period	-	-	-	(15,648)	-	(15,648)
Coverage of 2015 loss on issue premium	-	(119,633)	-	119,633	-	-
Capital increase via capitalization of premiums	255	(255)	-	-	-	-
Capital decrease	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2016	143,409	647,514	-	(15,648)	23,793	799,068

19.2 Share capital and share premium

At December 31, 2016, the recorded share capital of the company Europcar Groupe was €143,409,298, consisting of 143,409,298 shares with a par value of €1, €143,401,212 common shares, 4,045 class C preferred shares, and 4,041 class D preferred shares.

Each Category A common share gives an entitlement to one vote. Class B, C and D shares are preferred shares as defined by Article L. 228-11 of the French Commercial Code, and carry no voting rights. For more information about class A, B, C and D shares, see Section 6.2.3 of the present Registration Document.

The various changes in equity since January 1, 2016 are as follows:

Date	Operation	Share capital (in €)	Share premium (in €)	Number of shares	Nominal value (in €)
12/31/2015		143,154,017	767,401,857	143,154,017	1.000
01/08/2016	Increase in share capital	16,206	(16,206)	16,206	1.000
01/11/2016	Increase in share capital	8,067	(8,067)	8,067	1.000
02/01/2016	Increase in share capital	15,835	(15,835)	15,835	1.000
03/03/2016	Increase in share capital	1	(1)	1	1.000
03/14/2016	Increase in share capital	92,166	(92,166)	92,166	1.000
03/29/2016	Increase in share capital	39,276	(39,276)	39,276	1.000
04/11/2016	Increase in share capital	36,194	(36,194)	36,194	1.000
04/18/2016	Increase in share capital	11,343	(11,343)	11,343	1.000
04/22/2016	Increase in share capital	36,194	(36,194)	36,194	1.000
05/10/2016	2015 loss coverage		(119,632,847)		
12/31/2016		143,409,299	647,513,728	143,409,299	1.000

At December 31, 2016, the breakdown of equity shareholders 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
Eurazeo	60,544,838	-	-	234	60,545,072	42.41%	42.22%
ECIP Europcar Sarl	9,036,469	-	-	-	9,036,469	6.33%	6.30%
Executives and employees, and float	73,819,905	-	4,045	3,807	73,827,757	51.26%	51.48%
TOTAL	143,401,212	-	4,045	4,041	143,409,298	100.00%	100.00%

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At December 31, 2015, the breakdown of equity shareholders 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
Eurazeo	60,544,838	-	-	-	60,544,838	42.38%	42.29%
ECIP Europcar Sarl	9,036,469	-	-	-	9,036,469	6.33%	6.31%
Executives and employees, and float	73,417,189	147,434	4,045	4,041	73,572,709	51.29%	51.39%
TOTAL	142,998,496	147,434	4,045	4,041	143,154,016	100.00%	100.00%

19.3 Regulated provisions

In thousands of euros	Amounts at Dec. 31, 2015	Allocations during the period	Reversals during the period (used)	Reversal during the period (unused)	Amounts at Dec. 31, 2016
Accelerated depreciation (see Note 2.3)	23,793	-	-	-	23,793
REGULATED PROVISIONS	23,793	-	-	-	23,793

NOTE 20 PROCEEDINGS OF THE FRENCH COMPETITION AUTHORITY

The French Competition Authority (Autorité de la concurrence – ADLC) has initiated a procedure in the vehicle rental sector. This legal proceeding is detailed on the Note 35 to consolidated financial statements presented in 2016 Registration Document.

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 competition regulations.

On February 27, 2017, the French Competition Authority has rendered a dismissed case decision upon a proceeding in the car rental sector, considering that the alleged practices covered by the investigation services were not established. This decision may be subject to an appeal before Paris Court of Appeals

There is no guarantee that the amount of any fine would not be significantly higher than the provision recognized in Europcar France financial statements and that there wouldn't be any impact on Europcar Groupe financial statements as the ultimate parent company.

Off-balance sheet items

NOTE 21 OFF-BALANCE SHEET COMMITMENTS

21.1 Guarantees

Pursuant to Article 4 of regulation 2010-02 of September 2, 2010 of the French Accounting Standards Authority, repealed and subsequently included in ANC regulation 2014-03, modified by ANC regulation 2016-07 relating to related party transactions and transactions not recorded in the balance sheet, the financial commitments of the Company, given and received, as of December 31, 2016 are as follows:

Guarantees and sureties given

As surety for the Senior Revolving Facility Agreement dated May 31, 2006 as amended, and the relevant coverage documents (ISDA Master Agreement), the Company has made the following pledges to its banks:

- secured and irrevocable deposit of borrowers;
- pledge of Europcar International S.A.S.U. shares held by the Company, for €1,241,194,716;
- pledge of the bank accounts of consolidated companies.

As guarantees and safeties of payments by Europcar Groupe, the company issued two guarantees of payment to the extent of 250,000 euros. Each one relates to the company Chatelier SPRL and Crosby SPRL under the framework of shareholder's agreement of the company Ubeevo.

Guarantees and sureties received

The Company is the beneficiary of a vendor warranty granted by the Volkswagen group at the time of its disposal of Europcar Groupe in 2006. This warranty is expired and can no longer be implemented. However, relating to previous implementations, the Company may still receive compensation subject to the completion of ongoing litigation or pre-litigation and in agreement with Volkswagen on the final amount of such compensations.

21.2 Pension commitments

Legal and contractual retirement indemnities amounted to €228 thousand (€167 thousand in 2015) based on the valuation method prescribed by ANC recommendation No. 2013-02.

The Group has commitments with respect to defined benefit retirement plans. This commitment is assessed by an independent actuary using the projected unit credit method. This method requires the use of the specific actuarial assumptions set out below. These actuarial valuations are performed at the period end for each plan by estimating the present value of the amount of future benefits that employees have earned in return for their service in the current and prior periods and factoring in the effects of future salary increases.

The assumptions are:

- discount rate: 1.3%;
- anticipated long-term inflation rate: 1.75%;
- expected return on the fund: 1.30%;
- expected rate of wage increases: 3.50%.

The 2016 cost of services rendered was €23 thousand, and the financial cost €3 thousand.

21.3 Other commitments

None

Further information

NOTE 22 NUMBER OF EMPLOYEES

	Items at Dec. 31, 2016	
	Salaried personnel	Personnel seconded to the Company
Managers and similar	14	-
TOTAL	14	-

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NOTE 23 FREE-SHARES GRANTS

The Europcar Extraordinary Shareholders' Meeting held on June 8, 2015 authorized the Company's Management Board to award free-shares in the Company. The Management Board, at its meeting on June 25, 2015, and pursuant to said delegation of authority approved the decision and the principle of two free-share plans.

The first plan ("AGA 13 T1" and "AGA 13 T2") is for the benefit of members of the Group's Executive Committee.

The award of these free-shares, following vesting periods of two to three years, and subject to the beneficiary's continued employment with the Company at the end of this period, would depend on the achievement of:

- for the years ended December 31, 2015 and 2016, performance conditions related to Adjusted Corporate EBITDA;

- for the year ended December 31, 2017, performance conditions related to (i) Adjusted Corporate EBITDA and (ii) movements in the Company's stock price as compared with movements in the SBF 120 index.

The second free share plan ("AGA 100") is for the benefit of the Group's top 100 executives. The shares will vest following a two-year vesting period, subject to the beneficiary's continued employment with the Company on the date of allocation and subject to the achievement of performance conditions relating to (i) Adjusted Corporate EBITDA and (ii) movements in the Company's stock price as compared with movements in the SBF 120 index.

A total of 1,991,844 free-shares were originally granted. Changes in the number of free-shares in 2016 were as follows:

	Number of free shares
At the plan issue date of June 25, 2015	1,991,844
Canceled	(128,511)
Currently vesting as at January 1, 2016	1,863,333
Canceled	(403,574)
Currently vesting at December 31, 2016	1,459,759

The weighted average fair value of the allocated shares was determined on the grant date by using the Monte Carlo simulation model.

Since the dividend rate was 2.20% (only for 2017) and the borrowing rate was equal to a risk-free rate of +1%, the fair values on the grant date less the dividends discounted during the vesting period and the discounted cost of non-transferability during the lock-in period are equal to:

- €11.73 for the AGA 13 T1 plan;

- €6.53 for the AGA 13 T2 plan;
- €5.91 for the AGA 100 plan.

The employer contribution at the rate of 30% was calculated on a base corresponding to the unit fair value of the shares as estimated at the grant date.

The plans are expected to be satisfied by new shares.

NOTE 24 SUBSIDIARIES AND AFFILIATES

	Share Capital	% Held	Gross val. securities	Loans, advances	Revenue
Corporate Name	Equity	Dividends received	Val. Net value of securities	Guarantees	Net profit/ (loss)
Subsidiaries (over 50%)					
Europcar International S.A.S.U. (FRANCE)	110,000	100%	1,241,195	144,122	95,394
	220,276	-	1,241,195	-	85,631
EC Participations	10	100%	10	-	-
	10	-	10	-	-
Investments (b. 10 and 50%)					

STATUTORY AUDITOR'S REPORT

Statutory Auditor's report on the financial statements

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Year ended December 31, 2016)

Europcar Groupe

2 rue René Caudron
Bâtiment Op
78960 Voisins-le-Bretonneux

To the shareholders

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of Europcar Groupe S.A. ;
- the justification of our assessments;
- the specific verifications required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2016 and of the results of its operations for the year then ended in accordance with French accounting principles..

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- measurement of investments in subsidiaries: the Company assesses on an annually basis the recoverable value of its investments in subsidiaries in accordance with the methods set out in section 2.3 – “*Financial assets*” of Note 2 – “*Significant accounting policies*” to the financial statements. We have reviewed the methods used for the aforementioned assessment and, based on the information available at the time of our audit, we ensured the estimates made by the Company at December 31, 2016 are appropriate.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Courbevoie, 27 February 2017

The Statutory Auditors

PricewaterhouseCoopers Audit

François Jaumain

Mazars

Isabelle Massa

3.7 OUTLOOK FOR FISCAL YEAR 2017

3.7.1 Group forecasts for the year ending December 31, 2017

Forecasts in terms of revenue and Adjusted Corporate EBITDA as well as distributions presented below are founded on data, assumptions, and estimates considered reasonable by Group Management. They could change or be modified due to uncertainties linked, for example, to the economic, financial, competitive and/or regulatory environment, due to other factors that are unforeseeable as well as certain transactions, if any. In addition, the materialization of certain risks described in Chapter 2 “Risk factors” of this Reference Document could have an impact on the Group’s activities and its ability to achieve these forecasts. No assurance can be given that the Group’s actual results will be in line with the forecasts below. Finally, the Group believes that Adjusted Corporate EBITDA, although a non-GAAP measurement, is a relevant indicator of the Group’s operating and financial performance.

The Group’s forecasts are based on its consolidated financial statements for the year ended December 31, 2016. These forecasts are based on the following main assumptions:

- no material changes in the accounting principles or scope of consolidation as compared to the Group’s consolidated financial statements for the year ended December 31, 2016;
- an estimated annual average GBP/Euro exchange rate of 1.10 and Australian dollar/Euro exchange rate of 0.66.

In line with the commitments made by the Group on Investors’ Day October 4, 2016, the Group is projecting, for the year ending December 31, 2017, that it will continue to generate profitable growth, in line with its “Ambition 2020” plan:

- consolidated revenue growing by more than 3% in 2016, at constant consolidation and exchange rate and excluding the impact of oil-related revenue (organic growth) ⁽¹⁾, compared with 2.6% growth in organic revenue growth in 2016;

(1) Taking into account the current price of oil.

- Adjusted Corporate EBITDA margin of more than that of 2016 by excluding the impact of new mobility levels which is more than 11.8%;
- a ratio of Corporate Operating Free Cash Flow to Adjusted Corporate EBITDA of more than 50%.

Moreover, the Company’s objective is to distribute, subject to shareholder approval, annual dividends equal to at least 30% of its annual net profit in the previous fiscal year.

The Company’s dividend payment policy (see Section 6.7.1 “Dividend Policy”) will take into account, among other factors, its operating results, financial position and the achievement of its objectives as set out in this Chapter, as well as restrictions on dividend payments applicable under the terms of the Group’s debt instruments.

3.7.2 Statutory auditors' report on the profit forecast for the year ending December 31, 2017

[OMITTED]

3.8 INFORMATION ON MEDIUM-TERM TRENDS AND OBJECTIVES

3.8.1 Recent events

A detailed description of the Group's results for the year ended December 31, 2016 is provided in Section 3.1 "*Analysis of Group results*" of this Reference Document.

3.8.2 Objectives for the year ending December 31, 2020

The objectives of the Group described below are not forecasts or estimates of Group profit, but reflect the Group's strategic orientations and action plan, as described in Section 1.4 "*Strategy*".

The Group's management believes the data, assumptions and estimates on which the Group has based these objectives to be reasonable. These are based, in particular, on the Group's expectations regarding economic conditions and market trends. They are likely to evolve or change due to uncertainties related notably to the economic, financial, competitive, and/or regulatory environment, other factors of which the Group is not aware, or due to the occurrence of certain operations. Moreover, the materialization of certain risks described in Chapter 2 "Risk Factors" of this Reference Document could affect the Group's business and its ability to implement the objectives described below. The Group provides no assurance that the objectives described in this Section will be met and makes no commitment to publish updates to this information. Finally, the Group considers that Adjusted Corporate EBITDA, and the associated margin, non-GAAP measurements, are relevant indicators of the Group's operating and financial performance.

The Group has entered an accelerated phase in its strategy with high ambitions for the future: to become a world leader in mobility solutions. This goal, for 2020, is reflected in revenue of over €3 billion, driven by organic growth and by acquisitions, and an Adjusted Corporate EBITDA Margin of more than 14% (excluding the New Mobility Division). There are two reasons for this margin improvement: firstly, a significant leverage effect brought about by the strong growth in Group revenue by 2020 and secondly, the Group's ability to continue its efforts to cut costs. This goal for achieving a Corporate adjusted EBITDA margin of 14% by 2020 relies on stabilizing the profit margin after variable costs, good operational efficiency and strict control of the Group's fixed costs.

This goal for 2020 was introduced on Investors' Day on October 4, 2016. The Group intends to build on its leadership position in Europe, the strength of its assets, its restructured organization, and its ability to develop new mobility solutions to achieve this ambition.

3.9 SIGNIFICANT CHANGE IN THE FINANCIAL OR BUSINESS POSITION

To the Company's knowledge, there has been no significant change in the Group's or Company's financial or business position since December 31, 2016 other than as described in this document.

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3.10 COMMENTS OF THE SUPERVISORY BOARD ON THE MANAGEMENT BOARD'S REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Dear Shareholders,

The Company's Management Board has invited you to attend the Annual Shareholders' Meeting in accordance with the law and the Company's bylaws, in order to present to you the situation and activity of our Company for the year ended December 31, 2016 and to submit for your approval the financial statements of said year and the allocation of income.

You are reminded that, in accordance with Article L. 225-68 of the French Commercial Code, the Supervisory Board is required to present to the Annual Shareholders' Meeting its observations on the report of the Management Board, as well as on the financial statements approved by the Management Board and submitted to the Meeting.

You are advised that the Company financial statements and the consolidated financial statements for the year ended December 31, 2016, as well as the Management report, were provided by the Management Board to the Supervisory Board within the legal and statutory delays.

The resolutions presented to you by the Management Board have been debated and approved by the Supervisory Board.

After verifying and reviewing the Company financial statements, the consolidated financial statements and the Management Board's report, we advise you that the Supervisory Board has no particular comments to make on these documents and invites you to adopt all the resolutions proposed to you by the Management Board.

The Supervisory Board

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“By defining our Corporate Social Responsibility commitments, 2016 marked a new stage in our approach, which is fully aligned with the Group’s overall strategy and values.”

CAROLINE PAROT

4.1 OUR VISION: CSR AMBITIONS 2020

4.1.1 Be an actor for change

STATEMENT FROM CAROLINE PAROT, CEO

As European leader in vehicle rental, Europcar wants to take concrete action to meet the environmental, social and societal challenges facing its market and to act responsibly. Our approach forms an integral part of the overall strategy and values of our Group. With CSR Ambitions 2020, Europcar has defined an ambitious roadmap and strong commitments to support the Group’s CSR transformation.

I am convinced that strengthening our CSR efforts contributes to improving the overall performance of the Group. With this in mind, we are committed to constantly raising the level of our CSR requirements and to increasing our efforts in order to achieve economic, social and environmental success together with all our stakeholders.

Europcar adhered to the United Nations Global Compact in 2005 and was the first car rental group to do so. Since then, as part of a continuous improvement process, the Group’s CSR policy has been constantly enriched and structured around an ambition, that of being an agent of change.

After obtaining ISO 14001 environmental certifications for all of its European subsidiaries, and having established a team and governance dedicated to CSR, this year the Group reached a new milestone in the implementation of its CSR efforts, by defining the *CSR Ambitions 2020* strategy structured around the following four priority areas for the Group:

- a promoter of mobility for all;
- a responsible employer;
- an actor in the fight against climate change; and
- a creator of shared value.

To this end, the Group performed its first materiality analysis during the year by questioning its stakeholders (customers, suppliers and employees) on their expectations regarding corporate social responsibility and comparing them with their

potential effects on Europcar. In total, nearly 900 employees took part in this unique survey which helped define the priority issues and thus enabled the Group to build its strategy. Among the issues identified, the following were found to be of particular importance: customer safety, environmental concerns, business ethics, and the working conditions of the Group’s employees. Although these issues are not new to the Group, they are now at the very heart of its CSR efforts.

Europcar has also maintained its requirement levels as regards the compliance of the published non-financial data, based on the new CSR governance structure, the continued implementation of its CSR Reporting designed with the double objective of compliance and operational supervision.

In the beginning of 2017, the Group obtained the silver level from the Ecovadis independent platform, with a score of 48 and is in the top 30% of ratings by the rating organization. 2017 will moreover be an opportunity for Europcar to strengthen its objectives for 2020, with the deployment of its strategy and the implementation of action plans adapted to the issues identified.

HISTORY OF THE CSR APPROACH:

2005: Adhesion to the principles of the United Nations Global Compact.

2008: Publication of its environmental charter, certified by Bureau Veritas.

2009: Launch of drive for ISO 14001 certification for all of the Group's European operating subsidiaries, renewed every three years since.

2012: Publication of Europcar's first CSR report to meet the non-financial information publication obligations of its reference shareholder Eurazeo.

2013: The Group reaches the Active level of the United Nations Global Compact.

2015: Appointment of a Group CSR Director in charge of defining and steering the CSR strategy for the Group and its subsidiaries.

2016: Launch of the *CSR Ambitions 2020* strategy and establishment of a dedicated governance structure (Strategic CSR Board, CSR Operations Committee, country CSR managers, etc.).

4.1.2 CSR organization and governance

The CSR organization took form in 2015 with the appointment of a Group CSR Director in charge of defining and steering the Group's CSR strategy. This appointment enables the Group to meet its obligation, incumbent on it since its initial public offering, to collect and publish social and environmental information in accordance with Article 225 of French Law No. 2010-788 of July 12, 2010, the so-called "Grenelle 2 Law" (CSR Reporting).

In 2016, in order to accelerate the implementation of the CSR strategy, the Group strengthened its CSR governance around:

- a CSR Sponsor, namely the CEO, in charge of defining the Group's CSR vision and roadmap;
- a Group CSR Director responsible for CSR Reporting and the definition and implementation of the Group's CSR strategy, and a member of C3D (College of Sustainable Development Directors);
- a CSR Coordinator, under the responsibility of the CSR Director, in charge of monitoring the CSR process and the deployment of action plans within the Group;
- a CSR Board, bringing together the main Group departments in order to contribute to the definition of the CSR strategy and to analyze the expectations of the stakeholders;

- a CSR Committee, comprising the CSR correspondents of the Holding Companies and Corporate Countries, in charge of implementing the strategy at country level.

For the purpose of meeting its obligations under the Grenelle 2 Law, requiring the collection and publication of non-financial data, the Group relies on:

- CSR correspondents in the Holding Companies and Corporate Countries, responsible for forwarding non-financial information and implementing the Group's CSR strategy;
- around 80 CSR Reporting contributors across the Group's subsidiaries and departments;
- drafting of a CSR Reporting protocol detailing all the relevant procedures and methodologies for forwarding information, distributed to all CSR Reporting contributors;
- an internal control process to ensure the consistency of the CSR Reporting;
- the appointment of an Independent Third Party Organization to verify the existence and accuracy of the CSR Reporting data in accordance with Decree No. 2012-557 of April 24, 2012.

4.2 EUROPCAR PROMOTER OF MOBILITY FOR ALL

4.2.1 Present an innovating, accessible and transparent offer

Since its creation, Europcar has been committed to presenting a mobility offer that meets the latest expectations of its customers in terms of both the quality of the services and vehicles made available to them and the nature of the products offered. The Group intends to maintain its leading position in the mobility business by presenting a wide range of tailor-made solutions and offerings intended to promote the accessibility of mobility to the widest clientele possible.

With “Europcar Lab”, the Group continues its commitment to innovation with the experimentation on new smart and connected solutions based on the sharing economy and responding to the new uses and new mobility habits of its customers.

Europcar has placed its “customers” stakeholder at the heart of its activities and has undertaken numerous initiatives promoting the “customer-company” dialog, the safety of drivers, and the transparency of its offerings. These issues form an integral part of its approach.

4.2.1.1 Quality of service and accessible offering

MEASURE AND MONITOR OUR QUALITY OF SERVICE

As part of a process of continuous improvement, in 2011 the Group set up a client satisfaction monitoring program using the “Promoter Score” in order to collect its customers’ opinions and find out whether or not they would recommend Europcar to their friends and relatives.

In 2015, Europcar changed its customer satisfaction measurement tool by developing a more powerful performance indicator, the Net Promoter Score (NPS), which corresponds to the difference between the “promoters” and “detractors” of the brand. The detailed analyzes of the NPS have made it possible to identify action plans and monitor the performance of the initiatives taken.

The results obtained show the Group’s continuous efforts to improve the customer experience since 2011:

	2012	2013	2014	2015	2016
Promoter Score	66%	72%	79%	/	/
Net Promoter Score ⁽¹⁾	/	/	/	44.8%	49.6%

(1) As a result of a change in the mode of collecting the questionnaires in May 2015 (returned only by email), the NPS correspond to the weighted average over the May-December period for both years.

The Net Promoter Score sums the number of persons who have answered 9 or 10 out of 10 to the question “Would you recommend Europcar to your friends or to your relatives?” minus the number of people who have answered 6 or less. In 2016, the NPS of Europcar reached 49.6%, i.e. an increase of 4.8 points compared to 2015.

To reward the contribution made by each of its employees to the quality of the services provided, Europcar has linked part of the employees’ variable compensation to their Net Promoter Score. Station scores are reviewed weekly and action plans implemented based on such reviews.

Since 2014, an online assessment and feedback service has been available in order to improve transparency, customer interaction and customer satisfaction levels.

Finally, the Group has a process monitoring tool to manage customer requests and complaints and ensure they are dealt with in the best possible way. This system centralizes all requests, classified by type (duplicate invoice, invoice explanation, payment means, etc.), and monitors the time required to process and solve customer requests.

GUARANTEE THE ACCESSIBILITY OF OUR OFFERINGS TO THE WIDEST CLIENTELE POSSIBLE

The Group wants to make its offerings accessible to the widest clientele possible and presents modern mobility solutions for all users, including those with a specific budget or other requirements.

Affected customers	Details of offering
Students	In France, the Student Box offer gives students discounted rates for both light commercial and leisure vehicle rentals, to facilitate their frequent relocations, in spite of the young drivers' surcharge.
Families	In Italy, the "Family" offering was expanded with the addition of a customized package (insurance, child car seat, additional driver, GPS, etc.).
Bicycle/motorbike riders	The Group now rents motorbikes and bicycles at many of its stations.
People with reduced mobility	In Germany and in the United Kingdom, vehicles fitted with hand controls are available for people with reduced mobility.
Cost-sensitive customers	Since 2013, the Group offers low-cost rental in most European countries under its attractively priced InterRent® brand. This offer allows customers on a low budget to find suitable mobility solutions.

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Europcar also offers several innovative and connected mobility solutions that meet the customers' expectations in terms of more sustainable mobility. Ubeeqo and E-Car Club are two examples of such solutions and are mentioned in Section 4.4.1 "Improve the environmental footprint of its value chain".

IMPROVE THE ACCESSIBILITY OF OUR STATIONS

Europcar is also working to improve the accessibility of its stations for people with reduced mobility. For instance, in 2016 Europcar France committed itself to bringing all of its public areas up to standards over the next five years.

4.2.1.2 Transparent offering

Europcar pays particular attention to the transparency of its offer and has, to this end, initiated a dialog with the European Commission and the competent national authorities responsible for enforcing the legislation on consumer protection as stipulated in regulation EC No. 2006/2004 aiming to improve the customer experience (transparency and adequacy of the contractual conditions). As part of a continuous improvement process, the Group therefore made strong commitments to the European Commission in 2015, including the adoption of new general rental conditions and the clarification of the insurance products and contractual guarantees offered in the event of damage caused to the vehicle. The European Commission welcomed these improvements and the commitments made by the Group. During the year, the Group continued its dialog with the competent national authorities in order to continue with the improvement process of its practices.

4.2.2 Act for the safety of drivers

4.2.2.1 Fleet of recent vehicles

During the year ended December 31, 2016, the Group took delivery of approximately 293,300 vehicles and operated an average rental fleet of 213,800 leisure and light commercial vehicles. In order to meet the expectations of its customers, the Group offers a wide range of vehicles. In 2016, approximately 30% of Europcar's fleet was acquired from Volkswagen, 14% from General Motors, 14% from Fiat, 11% from Renault, 10% from Peugeot Citroen, 7% from Daimler, 4% from Hyundai-Kia, 2% from Ford and the remaining 8% from other manufacturers.

Europcar has a very young fleet and therefore offers its customers vehicles that meet the most recent standards in terms of safety, average fuel consumption and greenhouse gas emissions. The Group's vehicle purchasing model enables an average holding period of 8.8 months across the Group at December 31, 2016.

In 2016, the Group sold over 7 billion mobility kilometers to its customers, of which approximately 60% on Mini, Economy or Compact models.

4.2.2.2 Customer safety

Europcar places the safety of its customers at the heart of its priorities by offering a fleet of recent and constantly maintained vehicles as well as a range of protection products adapted to every need.

The Group's first priority is to offer a fleet of recent vehicles (8.8 months on average for the entire fleet in 2016) that meets the latest safety standards. Furthermore, Europcar must follow the maintenance specifications of the respective manufacturers in order to maintain the warranty and buy-back agreement on the vehicle. The vehicles are therefore subject to specific written procedures that are posted in the preparation sites to ensure inspection and maintenance before each new rental.

All the vehicles are subject to mandatory checks before each departure. In Belgium, for instance, the Group has set up the "Clean & Safe car" program based on a 22-point checklist of items that must be checked before each new rental. The checks include dashboard lights (battery, temperature, brake pads, etc.), levels (gasoline, tire pressure, oil, etc.), rearview mirrors, lights, tires, windshield and body. When needed, lighter repairs are generally carried out in directly operated vehicle maintenance centers in certain rental stations in the Corporate Countries. Major repairs, in particular if related to collision damage, are generally performed by independent contractors.

Lastly, Europcar has identified awareness of road safety principles among drivers as one of its major issues. In New Zealand, a "Drive Safe" guide is systematically sent by e-mail during each online reservation and it is handed to the driver in the station prior to each rental. It recalls the main road safety instructions and the specifics of driving in New Zealand.

INCREASE ROAD SAFETY AWARENESS AMONG DRIVERS

In Spain, the Group was the first car rental company to obtain certification under the international ISO 39001 standard for road traffic safety management systems in 2016. By involving its employees, its suppliers but also its customers, Europcar has implemented a comprehensive prevention approach to road safety issues. This has in particular taken the form of dedicated training courses for employees, campaigns to promote awareness among young drivers, and the creation of a document appended to contracts recalling local regulations and precautionary driving measures at the wheel.

The Group revamped its insurance offering in 2015 to provide greater clarity for its customers.

Three protection levels are now offered: Basic, Medium and Premium. They cover all the risks to which customers may be exposed. All damage types can be covered: from liability insurance, to theft, and from vehicle damage (including glass breakage or punctured tires) to the loss of personal effects in the event of an accident.

All vehicles rented by Europcar are covered by MTPL (Motor Third Party Liability) policies issued by recognized insurance companies in their markets.

Roadside assistance is available 24/7 to all customers in the event of any problem during the rental period (accidents, technical faults, lost keys, etc.). Depending on the nature of the issue, Europcar will find the best solution to ensure the customer's mobility. Response time is specified in the contracts with the assistance providers.

Lastly, the Group offers its customers the option to access a complete range of additional equipment that provides a greater level of safety: winter tires or chains, adapted child seats, etc.

4.3 EUROPCAR RESPONSIBLE EMPLOYER

4.3.1 Generate local jobs

4.3.1.1 Group operations

In the Corporate Countries, the Group is present in nine countries, with 1,103 directly owned rental stations and more than 900 stations operated by agents or franchisees in 2016. The Group offers an extensive geographical network with the goal of covering a diverse range of locations, be they in tourist areas or in business areas.

Europcar offers vehicles to its Leisure and Corporate customers from stations located at airports, railway terminals, hotels, resorts, office buildings, and other urban and suburban locations. With two-thirds of the staff working in the station networks and just one-third in the head offices, the Group is an important local employer:

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WORKFORCE DISTRIBUTION HEAD OFFICES/RENTAL STATIONS **

Workforce at 12/31	2016	
Headcount Head offices	2,541	36%
Headcount Stations	4,503	64%

The staff of the Holdings and the Shared Services Center have been included in the Head offices headcount.

4.3.1.2 A dynamic approach to workforce management

Europcar must constantly respond to two imperatives when managing its workforce. On the one hand, the strong annual and intra-weekly fluctuations of the business require dynamic

management of the Group's workforce to ensure high quality service for its Leisure and Corporate customers throughout the year. On the other hand, Europcar must ensure local presence depending on the business levels in each of the countries where the Group is present.

WORKFORCE DISTRIBUTION BY COUNTRY

Workforce at 12/31 **	2016	
TOTAL	7,044 ✓	100%
Europcar International, Europcar Groupe and Europcar Lab	323	5%
Shared Services Center	342	5%
Germany	1,700	24%
France	1,391	19%
United Kingdom	1,132	16%
Spain	686	9%
Australia	479	7%
Italy	476	7%
Portugal	336	5%
Belgium	120	2%
New Zealand	59	1%

* or ** Throughout this section, an asterisk (*) signifies that the data relate to permanent headcount only; two asterisks (**) signify that the data relate to permanent and fixed-term headcount.

WORKFORCE DISTRIBUTION BY AGE

Workforce at 12/31 *	2016	
Under 25	294	5%
From 25 to 35 years	2,020	32%
From 36 to 45 years	2,032	33%
From 46 to 55 years	1,382	22%
More than 55 years	483	8%

About two-thirds of the permanent workforce are between 25 and 45 years old. About 60% of the permanent workforce have over six years' seniority.

WORKFORCE DISTRIBUTION MANAGERS/NON-MANAGERS *

Workforce at 12/31	2016	
Managers	1,649	27%
Non-managers	4,562	73%

Managers, defined as having responsibility for a team, a budget or a function, account for approximately one-quarter of the Group's workforce, and are divided between headquarters in Corporate Countries and stations.

HIRINGS AND DEPARTURES OVER THE YEAR **

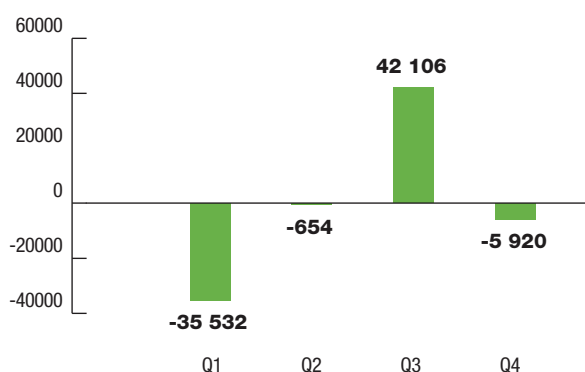
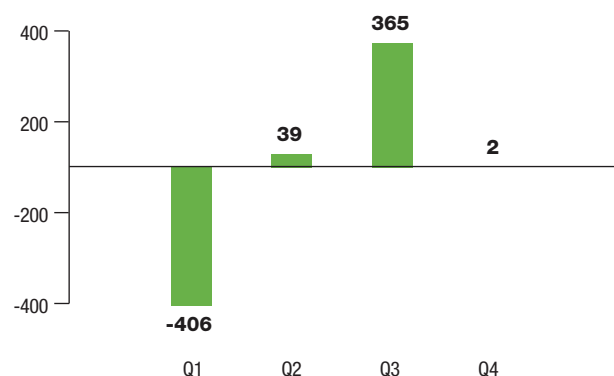
	2016	
Hirings	2,298 ✓	
Number of voluntary departures	955 ✓	51%
Number of departures initiated by employer	457 ✓	24%
Number of departures for other reasons (contract ended, retirement)	463 ✓	25%

WORKING TIME ORGANIZATION

To meet the mobility needs of all its customers, and in view of the seasonality of its business, the Group must take a dynamic approach to workforce management in order to constantly adjust its Human Resources to the current level of business.

The peaks in business are mainly yearly and weekly, but can also be daily, which is why the Group uses different types of employment contracts depending on the country and in compliance with local regulations, from close-ended contracts of a few weeks or months (for fixed-term staff) to weekly or hourly based contracts (including seasonal staff).

The following graphs show that the Group strives to adjust its workforce to the business level throughout the year:

DIFFERENCE FROM THE ANNUAL AVERAGE OF THE FLEET

DIFFERENCE FROM THE ANNUAL AVERAGE FIXED-TERM AND SEASONAL HEADCOUNT


There is a significant correlation between the fluctuation in temporary and seasonal staff and the changes in the average fleet over the year. Mostly located in the United Kingdom,

Germany and Spain, seasonal staff accounted for approximately 2,100 full-time equivalent employees over the year.

WORKING TIME ORGANIZATION

	2016
Proportion of permanent part-time employees *	10.4% ✓
Overtime (all types of contracts) (in hours)	344,871 ✓
Hours of atypical work (all types of contracts) ⁽¹⁾	255,807 ✓
Absenteeism**	4.9% ✓

(1) In 2016, the definition of "atypical working hours" was standardized for all of the entities and corresponds to working hours before 8:00 A.M. or after 8:00 P.M., as well as during weekends and holidays.

To meet its customers' demands, Europcar's rental stations offer extensive opening hours (evenings, week-ends, holidays, etc.). In all the countries, the Group complies with

the applicable regulations and collective bargaining agreements and employees working outside standard hours are paid a premium.

4.3.2 Labor policy and well-being at work

4.3.2.1 Labor policy

The Group's labor policy is built on social dialog, diversity and on training and health/safety policies leading to low absenteeism and accident rates, as well as a balanced gender ratio at Group level.

With operations in seven European countries as well as in Australia and New Zealand, the Group must comply with multiple

and complex national labor laws. In 2016, with the exception of very few individual proceedings, the Group received no type of sanction for failure to comply with the labor regulations of the countries in which it operates. As regulations in the countries where the Group operates are in line with and are very often stricter than ILO (International Labour Organization) directives, the Group is compliant with said directives.

ESTABLISHMENT OF THE FIRST EMPLOYEE SHAREHOLDING PLAN

In 2016, Europcar established an employee shareholding plan enabling all the employees of the Holding Companies and Corporate Countries, in head offices and rental stations, to become even more involved with the Group's results. 34% of the Group's employees subscribed to the shareholding plan, proving its success and the employees' involvement in the Group's strategy.

LABOR RELATIONS, COLLECTIVE BARGAINING AGREEMENTS, CORPORATE CLIMATE

ORGANIZATION OF LABOR RELATIONS

The Group abides by local regulations in all countries with regulated labor relations. Accordingly, in France, Germany, Spain, Italy and Belgium, labor relations are built around works councils which discuss any topics as required, in relation to employment, equal opportunities and equality, the Company's financial position, etc., depending on the country.

In Australia and New Zealand, Europcar is proactive in establishing constructive labor relations through team meetings and monthly telephone conferences, yearly roadshows, and regular bulletins and emails sent to the employees. Furthermore, the Group has established a dedicated email address enabling employees to contact senior management directly.

OVERVIEW OF THE COLLECTIVE BARGAINING AGREEMENTS

Within the Group, 70 collective bargaining agreements are active as of December 31, 2016, including 8 signed during the year. These collective bargaining agreements cover different subjects such as working time organization, pensions or compensation.

SOCIAL BAROMETER AND EMPLOYEE SATISFACTION

For the second year in a row, the Group offered its Corporate Countries and Holding Companies an internal tool to assess the social climate. Every year, the employees are asked to express their level of satisfaction on a scale from 1 to 10 as part of a survey. The results are then consolidated for each country and analyzed by the Human Resources teams, including regional teams, before being passed on to the General Manager of each subsidiary.

HEALTH/SAFETY

During 2016, two collective bargaining agreements on health and safety were signed and seven were active on December 31, 2016. In the majority of the countries where the Group is located, signing health and safety agreements with staff representation bodies is not mandatory. The Group has, however, implemented various measures to reduce the frequency and severity of workplace accidents, which are thus low.

Three types of measures, which vary depending on the countries in which Europcar is present, affect the Group's health and safety policy and may complement each other:

- regulatory measures: when regulations govern these aspects, the Group carefully complies with the legal framework, all data publication requirements, and the stipulated meeting frequency of dedicated committees. This is particularly the case for French subsidiaries, within which the Committees for Hygiene, Safety and Working Conditions (CHSW) meet monthly and for which Risk Assessment Documents are prepared every year;
- standards and independent third parties:
 - in certain countries, such as Spain and Italy, Europcar relies on recognized reference systems and standards, such as OHSAS 18001 ⁽¹⁾, to define its health and safety policy and thus comply with regulations,
 - in other countries, such as Germany and Portugal, the health and safety policies are implemented in collaboration with independent certification bodies, enabling the Group to ensure risks are correctly identified and assessed and to implement action plans and procedures to minimize them;
- proactive measures: in Australia and New Zealand, in addition to frequent inspections of the sites (monthly for sites with car washing equipment and quarterly for other sites), all employees are trained in health and safety practices when they join the Company and annually thereafter. In France, the Group goes further and requires that managers provide an internal report after each accident, in which they note any preventative measures to be implemented so that the accident does not occur again, and that its station employees wear Individual Protection Equipment.

In the Holding Companies, evacuation drills and staff first aid training are carried out regularly.

Workplace accidents	2016
Number of workplace accidents	208
Number of days lost time due to workplace accidents	4,135 ✓
Number of fatal workplace accidents in the year	0 ✓
Workplace accident frequency rate	16.5 ✓
Workplace accident severity rate	0.3 ✓

The activities of Group employees do not cause any occupational illness in any of the Corporate Countries or Holding Companies. In particular, employees of Europcar France are not exposed to levels exceeding the limits set by legislation for any of the factors deemed by legislation to be particularly harsh (cold, noise, posture etc.). However, Europcar France has nonetheless recognized that certain employees, in particular the vehicle preparation agents or customer service agents, could be engaged in tasks deemed "harsh" and a collective bargaining agreement covering this has been agreed with the social partners (unions and management) to mitigate its effects.

COMPENSATION POLICY AND SOCIAL SECURITY

In 2016, all benefits and salaries together amounted to approximately €254 million (compared with €266 million in 2015).

The compensation policy is, depending on the country, based either on pay scales in accordance with the collective bargaining agreements, or internal pay scales set by the Company or on local labor market conditions.

Europcar complies with local regulations which, in certain countries, regulate compensation for working hours outside of the traditional work week (evenings, weekends and holidays) by offering higher pay to those employees affected.

A large proportion of the employees benefit from a variable component of compensation linked to monthly or annual performance objectives depending on the type of position. At the Group level, approximately 20% of the total payroll is variable and based on performance objectives.

(1) OHSAS is an international standard for managing workplace health and safety.

Benefits **	2016
Number of employees covered by optional health insurance	2,726
Number of employees covered by optional death and disability insurance	5,458
Number of employees covered by optional retirement insurance	2,512

In all cases, Europcar complies with its obligations under internal agreements or collective bargaining agreements. A large number of employees receive Company benefits (provident or retirement) providing higher benefit levels than the legal minimums in the countries where the Group is present. Each country applies its own criteria and conditions (age, seniority within the Company, type of contract, executive status) for granting complementary coverage. Depending on the country, these corporate employee benefits may enable the Company to build employee loyalty by offering more favorable terms than those in the local market.

ANTI-DISCRIMINATION

Present in very diverse geographic regions, Europcar is a significant provider of local jobs through its networks of stations and its Corporate Countries.

Within its Holding Companies and Corporate Countries, the Group complies in a proactive way with the different local regulations designed to fight discrimination. The Group communicates internally pursuant to legal requirements and trains employees in compliance with non-discrimination principles, both in the recruitment process, where the Human Resources Departments are trained in non-discrimination, and in the corporate environment. The majority of countries have formal and internally communicated anti-discrimination policies.

In 2016, the publication of the Group Ethics Code reaffirmed Europcar's commitment to the fight against discrimination as regards its employees and its expectations on its commercial partners.

In particular, concerning the employment of people with disabilities, no discrimination is practiced in hiring, and in certain countries where it is allowed, positive discrimination is even practiced where possible.

In two countries, the employment of peoples with disabilities is subject to minimum legal requirements:

- in Italy, regulations require recruitment of a minimum percentage of people with disabilities and the Group complies with the law, with disabled employees making up at least 5% of its headcount;
- in France, despite its efforts to adapt positions and work with ESATs when possible, the Group did not achieve the required 6% of disabled employees in its workforce.

GENDER EQUALITY

Europcar strives to promote the gender equality in all of the anti-discrimination policies of the Group's subsidiaries. In 2016, the publication of its "Group Ethics Code" reaffirmed this commitment by recalling that gender may not be used as a criterion determining selection, promotion and compensation in the Group's businesses.

This commitment is reflected in the figures, which show that the Group's headcount in terms of the gender breakdown is balanced. The Group also ensures that both genders are represented within its management and governance, with a female presence in its Management Board and Supervisory Board of 33% and 40% respectively at year-end 2016.

Gender breakdown	2016	
	Headcount at 12/31	
Men**	3,643 ✓	51.7%
Women**	3,401 ✓	48.3%
Male managers *	985	59.7%
Female managers*	664	40.3%
Men on the Management Board	2	67%
Women on the Management Board	1	33%
Men on the Supervisory Board	6	60%
Women on the Supervisory Board	4	40%

WOMEN AT EUROPCAR

Europcar puts diversity at the heart of its corporate culture. With the development of the community and “Europcar Women”, the Group hopes to support the contribution of women internally at all levels and give them the resources to succeed: training, career development, succession planning, and personal development.

This year, by becoming CEO of Europcar, Caroline Parot also became the second woman to hold CEO functions among the groups included in the SBF 120 stock market index.

4.3.2.2 Talent management

The Group wants to support talented employees throughout their career within the Group by creating a pleasant working environment and paying particular attention to training. The Group is convinced of the need to offer a stimulating managerial policy to further strengthen the employees' commitment and well-being at work and to offer them the opportunity to reach their full potential. At the head office, 90% of the local managers (i.e. those with at least one employee under them) have received training this year on the principles of positive management in a corporate setting (reminders of fundamentals, role-playing and discussion sessions). These training sessions reflect Europcar's ambition to define a genuine managerial career path to support managers in their functions.

TRAINING AND ANNUAL REVIEWS

Europcar attaches great importance to the training of its workforce, which it considers to be a key factor driving its performance. For Europcar, the objectives are to contribute to the skill improvement of each employee and to create a working environment that is stimulating and conducive to identifying new opportunities for the Group.

Adapted training plans are offered to each type of activity, both in the stations, where the employees are real ambassadors for the brand and are therefore trained on service quality and sales, or in the maintenance centers, where the employees are trained on vehicle preparation quality and safety. Europcar also provides training plans that are tailored to the individual activities of the employees of its Holding Companies. All these training plans are defined on the basis of achieving a balance between the economic and performance requirements of the Group, individual aspirations and local regulations.

In 2016, 5,376 permanent and fixed-term employees received 73,961 hours of training. The training themes are varied in nature and depend on the business needs, and can be classified according to these three major areas:

- management training: mentioned above;
- health and safety training: depending on the country, these training courses, which may be obligatory, cover the following subjects: accidental spills/leaks in the station, first aid, evacuation, fire, etc;
- specific activity training: these courses aim to develop the employees' skills and performance and the subjects depend on business needs.

The individual interviews held every year with employees, whether or not they are managers, working in stations or in head offices, make it possible to define training plans that are most closely adapted to the expressed needs. The procedures for annual reviews are formalized and based on performance criteria and objectives, as well as on the areas of commitment and personal development.

Europcar also wants to promote the employment and training of young people. To this end, in some countries the Group takes on apprentices, some of whom are subsequently hired on a permanent basis. This year, there were 122 full-time equivalent employees recruited as apprentices across the Group.

Finally, the Group intends to train the seasonal workforce during their assignments at Europcar. In 2016, this workforce received more than 16,000 hours of training, mainly within Europcar United Kingdom.

ENHANCE TALENT THROUGH MENTORS

Since 2015, Europcar International is a partner of the “Nos quartiers ont des talents” (Our neighborhoods have talent) association. This organization puts together companies and young graduates with four or five years of post-high school education, who come from disadvantaged backgrounds and cannot find employment. The organization looks for male and female sponsors within these companies who will be able to help these young people to better understand the working world by coaching them (reviewing CVs, interview practice, following their progress, etc.).

This year Europcar France has joined this initiative by becoming a partner. At December 31, 2016, 16 Europcar International employees acted as sponsors for young employment seekers in the Ile de France region.

4.4 EUROPCAR ACTOR IN THE FIGHT AGAINST CLIMATE CHANGE

4.4.1 Improve the environmental footprint of its value chain

The environmental footprint of Europcar and its value chain is intimately related to its activities. Although the “carbon” challenge is vital for the Group, which this year launched its *Low Carbon* strategy (see Section 4.4.2 “*Promote sustainable mobility: the Low Carbon strategy*”), it also wants to improve all aspects of its environmental footprint.

As a provider of mobility, the Group holds and maintains on behalf of its customers a substantial fleet of vehicles. By offering for rent new and well-maintained vehicles, the Group minimizes the related environmental impacts and emissions. The environmental footprint of the business is thus shared between the customer as user (usage of the vehicle and fuel consumption), the Group (administration and delivery of the fleet) and its sub-contractors (vehicle washing, preparation and repair).

As the Group does not carry out any industrial activities, the risks of environmental pollution are thus limited and essentially only concern the washing areas and the fuel storage tanks.

Furthermore, Europcar intends to support innovation for the development of new and more sustainable mobility solutions. This commitment takes form in particular through the deployment of the services of its subsidiary Ubeeqo, including within the Group. Two initiatives have already been launched since 2015:

- Bettercar Sharing, provides employees without a company vehicle with courtesy cars they can use for personal and work-related trips at the Europcar International and Europcar France head offices;
- Mobility credits, inviting employees with a company vehicle to opt for vehicles with a lower environmental impact for their daily trips and to mobilize the credits obtained (difference between the cost of their usual company car and the new lower impact vehicle) for their personal mobility needs (train, taxi, larger vehicle for week-ends, etc.).

04

PROMOTE CAR-SHARING BETWEEN EMPLOYEES

Europcar International and Europcar France have also implemented a solution in partnership with Wayz-Up, allowing their employees at the Voisins-le-Bretonneux sites near Paris to car pool for their commute.

4.4.1.1 Organization of the Group and training related to the environment

Each of the Corporate Countries has a CSR correspondent who is in charge of the local implementation of the Group’s environmental strategy and action plans. A number of “key” indicators concerning in particular water and energy consumption, waste generation, and the vehicle fleet’s CO2 emissions are presented in the annual CSR reporting in order to monitor their evolution over time.

Since 2009, the Group strives to ensure that all its European Corporate Countries are ISO 14001 certified. This environmental management system has enabled the Group to identify environmental risk areas and implement tailored procedures and training.

The amount of provisions and guarantees for environmental risks as of December 31, 2016 is thus insignificant (around €30 thousand) and no environmental penalties were imposed on the Group in 2016.

Europcar also wants to develop the training courses on environmental issues intended for its managers and employees. In the United Kingdom, for instance, the regulations and procedures concerning environmental protection are recalled every year during a “Green Month”.

In 2016, for the seventh year in a row, the Group’s initiatives and efforts earned it the World Travel Awards trophy for being the World’s Leading Green Transport Solution Company.

4.4.1.2 Direct environmental footprint: key figures and impacts

Two aspects of the Group’s environmental footprint should be noted in order to interpret the various data published in this Section and to understand the possible scope of action available to Europcar to minimize it. On the one hand, the Group carries part of the environmental footprint of its customers by providing them with a fleet of vehicles; on the other hand, it

also externalizes a substantial part of its environmental footprint mainly in the form of:

- fuel consumption when the vehicles are in use by its customers;
- service providers in charge of vehicle maintenance, vehicle washing, and delivery of the vehicle fleet.

The Group therefore does its utmost to offer adapted solutions and to promote the implementation of best practices at all levels of its value chain in order to achieve the smallest possible environmental footprint. Beyond the issues related to its carbon footprint, presented in the following paragraph, the Group wants to take action on the three aspects of its environmental footprint that it considers require priority attention, namely its energy consumption, its water consumption, and the handling of waste.

The footprint shown below thus only shows the Group's internal consumption:

	2016	
	Consumption	Coverage rate
Water (cu.m.)	369,337 ✓	79%
Electricity (MWh)	19,457 ✓	94%
Renewable energy (MWh)	5,647	81%
Natural gas (MWh)	5,312	79%
Total energy excluding fuel (MWh)	30,416	79%
Fuel consumed internally (L)	8,187,469	100%

The costs related to water and energy consumption are, for a number of stations, included in the premises' rental charges, and it is difficult to obtain more detailed information. The data presented above concerns 100% of the head offices and at least 79% of the directly-owned stations. The Water and Energy data for Europcar Portugal did not have sufficient assurances to be integrated in the consolidated data. This *de facto* entails a coverage rate ⁽¹⁾ of below 100%.

WATER AND ENERGY CONSUMPTION: CAR WASHING AS THE MAIN FOCAL POINT

Vehicle washing consumes large quantities of water and energy as well as chemical products. In stations, it is either subcontracted or performed directly in the station when they have washing facilities operated themselves by subcontractors or Group employees.

Following the analysis performed of the consumption relating to vehicle washing (internal or subcontracted) initiated in 2015, the Group identified several possible paths of improvement. Among them, two initiatives were prioritized:

- **QUICK RETURN:** when the vehicle (in general a very short-term rental) returns in an almost immaculate state on the exterior, it is not washed in a washing gantry, but cleaned by hand as necessary and without water, thus saving substantial amounts of water, energy and chemical products on a Group scale. The number of vehicles prepared in this way increased by around 60% between 2015 and 2016;

- **USE OF RECYCLED WATER:** many stations, including the biggest in all countries, are equipped with a filtration system (hydrocarbon separators, decanters, active charcoal filters) and a used-water recycling system operating in an almost closed circuit. Thanks to these systems, between 70% and 80% of the water required for each wash comes from the recycling circuit, depending on the type of equipment, and only the remaining water required is taken from the water supply network. In the airports of Malaga and Alicante in Spain, almost 100% of the water used for rinsing vehicles in the station is recycled water.

Although present in a number of "hot" countries or areas of water stress, there were no restrictions on water usage in 2016, and the Group did not incur any penalties in this regard.

LIMIT WATER AND ENERGY CONSUMPTION

The Group produces mainly non-hazardous from office uses and paper. The Group considers these impacts to be non-material in relation to its activity and has therefore not implemented a strategy to collect this information. The same applies to the production of food waste which does not represent a major issue for the Group and therefore no action has been taken against food wastage.

(1) For more information on the coverage rate, please refer to the methodology note at the end of the Chapter.

However, Europcar wants to reduce as far as possible, both within its head offices and networks, the level of such waste, improve the recycling thereof, and promote the circular economy. In addition to sorting, collecting and recycling of its “current” waste, several specific initiatives have been launched for this purpose.

- the “Paperless” project has been implemented to promote paperless billing and contract signing procedures;
- the use phase of computer equipment and the end-of-life recycling thereof have been extended to reduce the related impacts.

In 2016, a selective sorting pilot implementation was also set up in the Bordeaux Airport (France) station. This first implementation confirmed the employees’ commitment and indicated possible future improvements and implementations.

The classification of waste as hazardous waste depends on local regulations. The Group mainly produces the following hazardous waste: computer waste and toners for the head offices, and neon lights, batteries and sludge from hydrocarbon separators in the stations. The Group complies with local regulations for waste treatment and implements treatment and recycling procedures guided by its ISO 14001 environmental management system.

Metric tons	2016	
	Consolidated Group data	Coverage rate
Quantity produced	1,487	86%
Quantity recycled	1,426	86%

Europcar also wants to promote as far as possible the implementation of best practices in terms of reducing the water and energy consumptions of its head offices and station networks (LED lighting, water reducers, presence sensors, etc.). In France, the Group carried out energy audits at three of its stations this year in order to identify the main issues and the related recommendations. 2017 will be dedicated to implementing the action plans throughout the network.

In terms of its ground footprint, the Group has areas used permanently for head offices and the network and parking lots are actively managed according to the activity. The orders of magnitude and the types of area occupied by the Group

(basement or on an upper level) are not such as to make ground usage a significant issue for the Group in terms of environmental impact.

On December 31, 2016, the Group had 237 tanks used mainly to stock oil and fuel. The Group complies with local regulations covering the ownership and operation of reservoirs to stock oil and fuel and also uses procedures implemented in compliance with ISO 14001 to reduce leakage risks. Accordingly, the tanks are regularly monitored and a significant number of them are equipped with leak detectors, alarms and double bottoms. One leak was detected in 2016.

SUPPLY OUR SITES WITH RENEWABLE ENERGY

In Germany, since 2012 all the sites (stations and head office) receive only renewable energy from a certified supplier.

Since 2016, the main building of Europcar International and the sites of Europcar France receive only renewable energy. The same applies to 99% of the directly owned stations in France, whereas the other stations (less than three stations concerned) depend on a single supplier in their commune not offering renewable energy.

4.4.2 Promote sustainable mobility: the Low Carbon strategy

Aware of the challenges raised by climate change, this year Europcar launched its proactive *Low Carbon* strategy with

the objective of becoming more effective in reducing its direct emissions and those of its customers.

The table below shows the Group's greenhouse gas emissions for scopes 1 and 2, corresponding to direct (scope 1) and indirect (scope 2) emissions from energy consumption. The table only shows the emissions from internal fuel consumption

across the Group as well as energy consumption of head offices and stations within the CSR Reporting scope (electricity and gas).

SUMMARY OF GREENHOUSE GAS EMISSIONS (SCOPES 1&2)

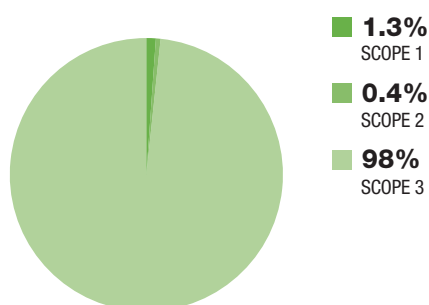
In t CO ₂ eq.	2016	Coverage rate
Scope 1	21,692 ✓	79-100%
Scope 2	6,707 ✓	94%
Total scopes 1 & 2	28,399 ✓	79-100%

As in the environmental data in Section 4.4.1.2, the emissions scope rates concern 100% of the head offices and at least 79% of the stations (excluding Europcar Portugal).

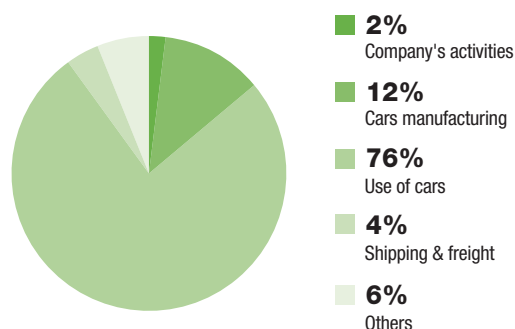
In addition to these relatively low internal emissions sources, most of the Group's emissions lie in the rest of the value chain (scope 3): outsourcing of car washing and repairs, upstream carbon associated with car manufacturing, customers' combustion of oil and fuel, fleet delivery, etc.

For this reason, the Group carried out a study this year in collaboration with Carbone 4, a firm specialized in low carbon strategy, to pinpoint its main sources of greenhouse gas (GHG) emissions, to assess its Scope 3 emissions (indirect emissions other than those caused by the energy it consumes), and to identify an action plan to reduce them (presented in the charts below).

GHG EMISSIONS (SCOPE 1, 2 & 3): BREAKDOWN BY SCOPE



GHG EMISSIONS (SCOPE 3) : BREAKDOWN BY SOURCE



Study carried out by Carbone 4 in October 2016 on the basis of information in the 2015 CSR report.

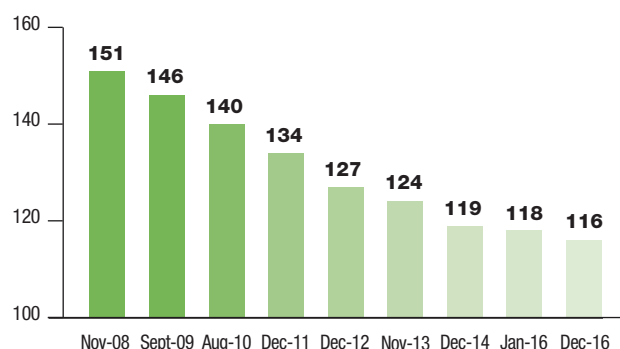
98% of the Group's GHG emissions correspond to Scope 3, i.e. all the indirect emissions other than those caused by the energy consumed by the Group. The fuel used by drivers during the use of the cars has been identified as the main emission source for the Group; it contributes for 76% of the Scope 3 emissions, thus largely exceeding the emissions linked to the manufacture of the vehicles (12%).

Following this study, the Group was able to identify the most effective solutions to reduce its carbon footprint. They are all reflected in the strategy put in place which focuses on three main implementation areas.

1. Reduce the GHG emissions linked to the use of the vehicles

Relying on a fleet of newer vehicles, Europcar already takes on a major challenge, that of offering rental vehicles that carry the latest technology possible and are ever more efficient in terms of fuel consumption and GHG emissions.

CO₂ EMISSIONS OF THE AVERAGE FLEET



Europcar has identified the vehicle use phase as the main factor for reducing its carbon footprint. The Group wants to promote the customers' awareness of eco-driving and provide information helping them to choose the vehicle model that best suits their needs.

2. Develop new and more efficient mobility offerings

Another way to reduce the carbon impact related to the use of vehicles is to present a yet wider offering of very-low emissions mobility by deploying, for instance, the "E-Car club" offer throughout Europe. Furthermore, the Group also wants to increase the use of electric and hybrid vehicles for the delivery and collection of vehicles reserved outside stations.

In eight locations in Germany, for instance, Europcar has tested the delivery and collection of reserved vehicles to the home using a bicycle. This system enables a vehicle to be delivered or collected using only one employee, who uses a folding bicycle for one leg of the journey and stores the bicycle in the vehicle's trunk during the other leg. The environmental gain of this system is not negligible as it eliminates one return trip by car for each such vehicle delivery and collection operation.

3. Promote innovation and share best environmental practices within its networks and activities

Lastly, in order to present the smallest possible direct carbon footprint and to identify new and ever less environmentally harmful opportunities, the Group intends to promote environmental innovation and ensure the dissemination of best practices throughout its networks and businesses. These development areas are not new to the Group which has already taken several initiatives to this end.

In December 2016, a first hackathon dedicated to mobility was jointly organized by Europcar in Berlin. The objective was to encourage the participants to think of ways to reduce the carbon emissions linked to the phase when a customer is using a vehicle. In total six teams participated. The winning team developed a customer application promoting eco-driving via a simple principle: *"the more you eco-drive, the more "green-points" you get and the more discounts you get"*.

REDUCE THE GHG EMISSIONS LINKED TO PROFESSIONAL TRAVEL

In order to minimize its direct carbon footprint, Europcar wants to limit its business travel to strictly necessary travel. Published this year, the new "Travel policy", issued to the employees at the Group's head office, recalls in its preamble that priority must be given to meetings held via teleconferencing for which specific equipment has been installed.

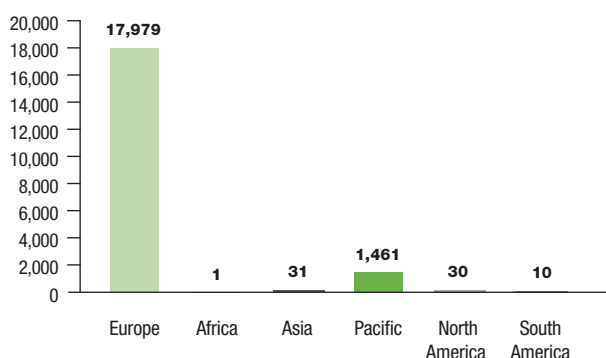
4.5 EUROPCAR CREATOR OF SHARED VALUE

4.5.1 Promote local suppliers and sub-contractors

Breakdown of suppliers and sub-contractors

The Group makes almost 99% of its purchases in the geographic regions where it is present (Europe, Australia and New Zealand) and has contracts with only a limited number of suppliers in Asia or South America (around 40 suppliers) representing a total of 0.3% of the Group's purchasing volumes.

NUMBER OF DIRECT SUPPLIERS



With more than 19,500 suppliers, the Group has essentially two supplier types: Group suppliers (fleet, insurance, bank, IT, etc.) and a very large number of local suppliers enabling each

station to operate locally (repairers, transporters, recruitment agencies, etc.). By the very nature of its business, as well as being a significant provider of local employment, the Group is also a purchaser with relationships with a large number of local suppliers, often small companies.

Two risk levels are regularly monitored by the Group: on the one hand, the potential social risks (which are limited given the geographic areas in which the Group operates) and, on the other hand, the supplier's revenue from Europcar (to anticipate any dependency risk).

Fraud prevention and fight against corruption and money-laundering

The Group's Internal Audit Department oversees identification and fraud prevention processes for all of its activities. This year, the publication of the *Group Ethics Code* is a reminder of Europcar's commitments in terms of business ethics and the fight against corruption.

All of the measures related to fraud prevention and the fight against corruption and money-laundering are presented in further detail in Section 5.2.4 "Report by the Chairman of the Supervisory Board".

TRAIN EMPLOYEES TO FIGHT AGAINST CORRUPTION

In Australia and New Zealand, the Group's employees receive training every two years on the fight against corruption within the framework of training programs relating to the "Competition and Customers" law. A code of conduct governing the relationship with suppliers and specifying the required standards of integrity and conduct must be signed by all employees authorized to send purchase orders. Finally, employees must sign an annual conflict of interests or potential conflict of interests declaration.

In Spain, all employees receive training on the issue once a year by means of a dedicated e-learning module.

In Germany, 100% of the managers also receive such training annually.

4.5.2 Promote a responsible purchasing policy

In addition to strengthening the commercial relationships with its local suppliers, Europcar wants to create shared value by being a driver of environmental and social progress. The Group's desire is to anticipate and minimize any risks that may emerge within its value chain and to encourage its suppliers

to take greater account of the CSR criteria in their work and offerings. Furthermore, Europcar is aware of the regulatory and legal changes underway in terms of vigilance and is taking action to comply therewith.

A dedicated seminar was held this year for the purchasing managers of the Group's Holding Companies and Corporate Countries to inform them of the implementation of its responsible purchasing strategy. The CSR dimension is now an integral part of the Group's purchasing strategy and is based on the implementation of the *Group Ethics Code* in which are listed all the identified risk criteria and its expectations as regards respect for fundamental labor rights, fight against corruption and discrimination, preservation of the environment, and respect for applicable laws and regulations.

Europcar this year defined the framework of its action plan by first mapping the potential risks linked to its value chain and including a new CSR clause in new calls for tender and supplier contracts. In addition, a blog dedicated to purchasing has been set up to facilitate the communication within Group and Corporate Country purchasing departments and to promote the implementation of the responsible purchasing approach.

All of the Group's purchasing managers will be mobilized anew in 2017 to adapt the potential risks linked to each of their purchasing categories to local conditions. The supplier assessments based on CSR criteria and the implementation of corrective action plans to support suppliers are among the main future challenges.

Promote business ethics

In 2016, Europcar published its *Group Ethics Code* and made it its single reference document to ensure consistency between the practices of the employees and the Group's expectations regarding business ethics. This Code has been provided to all of the Group's employees and presents the key principles for Europcar based on a certain number of international references, such as the Universal Declaration on Human Rights, the European Convention on Human Rights, the International Labor Conventions (nos. 29, 87, 105, 138 among others), the United Nations Global Compact, the OECD directives for multinational companies. Europcar's commitments are based on 12 objectives and 48 concrete commitments towards its various stakeholders. They concern in particular respect for national and international regulations and laws, respect for human dignity and rights, preservation of the health and safety of its employees, preservation of the environment, protection of personal data, fight against conflicts of interest, support for all internal and external initiatives that promote the Group's social and environmental progress (these commitments are all presented in Section 5.2.4.4, "*General organization of internal control and risk management*"). The principles presented in this code of ethics define all the CSR criteria that Europcar wants to promote through its responsible purchasing policy.

4.5.3 Raise the franchisee network's awareness and deploy best practices

The Group believes that it is vital that its CSR strategy is implemented as widely as possible and within all businesses for it to have an overall impact and provide tangible results. The ambition is to make corporate social responsibility a new pillar in the franchiser/franchisee relationship in order to raise the CSR awareness of all the actors in Europcar's value chain and to promote the implementation of best practices within its network. In order to further improve the footprint of its activities, in 2017, the Group wants to share the main lines of its strategy, identify best practices, and identify levers for spreading them as widely as possible.

Identify and reward best practices: Europcar Costa Rica in favor of responsible tourism

With its *CSR Ambitions 2020* program, Europcar also wants to highlight that the CSR initiatives and actions taken by its franchises can create value and promote their dissemination

within the network. Certain countries have already described their actions, for instance Europcar Costa Rica, which has made sustainable development a true pillar of its overall corporate strategy by obtaining CST certification (Certification for Sustainable Tourism) issued by the Costa Rica Tourism Board. Among the nine principles that must be met one can mention the fight against greenhouse gas emissions, good waste management, water and energy savings, respect for current standards and regulations, and creation of jobs within local communities... To achieve this certification, Europcar Costa Rica set monthly targets for itself as regards water and energy savings and in particular established a rainwater recovery system for vehicle washing, waste sorting in stations, training of its employees, and awareness-raising among its customers of the principles and challenges of responsible tourism. All these efforts have enabled Europcar Costa Rica to rank among the companies that are nationally acknowledged for their commitment to responsible tourism.

4.6 CONCORDANCE TABLES

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4.7 METHODOLOGY NOTE

Period and Scope of CSR Reporting

The CSR Reporting period is the calendar year from January 1, 2016 to December 31, 2016.

The scope of CSR Reporting covers the Holding Companies (ECI, ECG and the Shared Services Center) and the Corporate Countries (France, Germany, United Kingdom, Italy, Spain, Portugal, Belgium, Australia and New Zealand), including InterRent stations.

It also integrates Europcar Lab's workers and the stations and employees of EuropHall. However the scope does not include the activities of Locaraise or Europcar Ireland, both bought during the year, nor the Ubeeqo E-Car services.

The published data are consolidated at Group level, apart from the data on workforce distribution by country.

CSR Reporting Organization

The organization used for CSR Reporting is set out in a protocol showing all the procedures and methodologies of CSR Reporting. This protocol has been circulated to each CSR Reporting contributor prior to the start of reporting.

Data collection

CSR Reporting is organized and coordinated by the Europcar CSR Director, Pierre Beguerie, in collaboration with the CSR coordinators in the Holding Companies and Corporate Countries. At the level of each subsidiary, data collection is managed by the responsible teams, and mainly concerns Human Resources, Operations, Fleet and Management Audit teams.

Collection tool

To collect and consolidate the data, and ensure the traceability of the data and processes, Europcar used the online non-financial information collection software, Reporting 21. This software has been deployed in all the entities covered by CSR Reporting and has helped around 100 contributors to input the information from the CSR Reporting.

Audit and consolidation of the data

INTERNALLY

Data are audited at the level of each entity by the teams responsible for reporting the information and by internal audit teams. Automatic consistency checks are carried out in the collection software, then by people in the teams in charge of the analysis and consolidation of the data at Group level: comparison of the data between countries, comparison to historic data, the ratio of localized checks (e.g. on the price of resources.) Finally, a part of the data from the Corporate Countries comes from the Shared Services Center, which ensures consistency of data between countries.

VERIFICATION OF THE DATA BY AN INDEPENDENT THIRD PARTY ORGANIZATION

PricewaterhouseCoopers, Audit (PwC), one of the Company's Statutory Auditors, has been appointed by Europcar as the Independent Third Party Organization to verify the presence and accuracy of the non-financial information presented in the Registration Document, pursuant to the Grenelle 2 legislation (see the report and the opinion on fairness in Section 4.8 "ILO report").

Europcar also voluntarily asked PwC to review certain indicators in the context of a limited assurance audit. The data reviewed in this context are flagged by the sign: ✓.

Choice of indicators

To produce its CSR Reporting, Europcar defined a list of indicators consistent with the themes identified in Article 225 of Law No. 2010-788 of July 12, 2010, the so-called Grenelle 2 Law.

This list contains quantitative and qualitative indicators, broken down into five major categories: Environment, Fleet, Social, Societal and Supply Chain. This enables not only the Group's material issues in terms of compliance and dialog with stakeholders to be covered, but also the baseline information to be collected in order to define and steer an actionable and long-term CSR strategy.

Given the Group's business (non-industrial), its geographic location (European countries, Australia and New Zealand), certain themes from the decree applying Article 225 of the Grenelle Law have been deemed irrelevant in relation to the Group's activity and are not covered by the CSR Reporting indicators:

- no framework has been implemented to measure and collect the amounts of non-hazardous waste (mainly paper and office items) produced;

- it has not set up any measurement and collection procedures for food waste;
- the Group's activities do not generate noise pollution or other specific forms of pollution other than the issues discussed in this Chapter (mainly the use and maintenance of cars);
- the Group does not, strictly speaking, consume raw materials, and the issues related to reducing oil and fuel consumption are discussed in this Chapter;
- the Group has not been impacted to date by the consequences of climate change in its host countries;
- the Group's activities do not directly impact biodiversity;
- the Group is not located in countries at risk of human rights violations and complies with all local human rights legislation in the countries where it is located (elimination of forced or compulsory labor and the effective abolition of child labor).

04

Coverage rate

Given the decentralized structure of the Group (more than 1,100 stations in nine countries), data collection and standardization is a complex exercise.

To consolidate the data and communicate unbiased information, the Group has introduced the concept of coverage rate in its CSR Reporting. This concept enables data to be consolidated solely across the scope where they are available, indicator by indicator, and allows entities (mainly stations) to be excluded from an indicator where the data is not available or not homogenous with the rest of the Group.

The coverage rate is calculated for all the indicators in the social, environment and supply chain categories, starting from the reference indicators:

- permanent and fixed-term headcount as of December 31, 2016 for the social indicator;

- total number of rentals during the year for the environment indicator.

For each indicator in these categories, the contributors provided the scope actually covered by the indicator's value, and the value consolidated at Group level is therefore shown with the exact consolidated coverage rate for each indicator.

For the Chapter as a whole, coverage in respect of social information is 100%. Environmental information corresponds to 100% of the head offices and at least 79% of the directly-owned stations. The Water and Energy data for Europcar Portugal did not have sufficient assurances to be integrated in the total data.

Notes on methodology and main limiting factors

The entities included in the CSR Reporting scope are spread across nine countries with substantially different laws and practices.

The choice of indicators and their definitions are discussed upstream with the different contributors from the various entities to achieve indicators that are as closely tailored as possible to circumstances on the ground.

Notes on the definitions of certain indicators

- Unlike the productivity data monitored by the Group, the workforce under the CSR reporting scope includes long-term leave.
- The absenteeism rate excludes maternity and paternity leave.

- The energy and water indicators do not include consumption for vehicle washing by external service providers.

Notes on the greenhouse gas emissions footprint

For CO₂ emissions, the Group's internal consumption of energy was considered (mainly electricity and gas) and fuel (diesel and gasoline). Carbon emission factors specific to each country for electricity consumption were then considered, and the same for the other items. The emission factors used come from the 2014 IEA (International Energy Agency) report on carbon emission factors.

4.8 ILO REPORT

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated environmental, labor and social information presented in the management report.

For the year ended December 31, 2016

To the shareholders,

In our capacity as Statutory Auditor of Europcar Groupe S.A., appointed as an independent third party and certified by COFRAC under number 3-1060 ⁽¹⁾, we hereby report to you our report on the consolidated Human Resources, environmental and social information for the year ended December 31, 2016, included in the management report (hereinafter named "CSR Information"), pursuant to Article L. 225-102-1 of the French Commercial Code.

COMPANY'S RESPONSIBILITY

The CEO is responsible for preparing a company's management report including the CSR Information required by Article R. 225-105-1 of the French Commercial Code in accordance with the CSR reporting protocol used by the Company (hereinafter the "Guidelines"), summarized in the management report under Section 4.7 "Methodology Note" and available on request from the Company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements.

STATUTORY AUDITOR'S RESPONSIBILITY

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved four persons and was conducted between January 2017 and February 2017 during a three-week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement, as well as with the professional guidance issued by the French institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes – CNCC) for this type of engagement, and with ISAE 3000 concerning our conclusion on the fairness of CSR Information ⁽²⁾.

⁽¹⁾ Whose scope is available at www.cofrac.fr.

⁽²⁾ ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

1 Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding Human Resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programs arising from them.

We compared the CSR Information presented in the management report with the list provided in Article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with Article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, *i.e.*, the Company, its subsidiaries as defined by Article L. 233-1 and the controlled entities as defined by Article L. 233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in Section 4.7 "*Methodology Note*" of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the Human Resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important ⁽¹⁾:

- at the parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us ⁽²⁾ on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and we performed detailed tests, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The sample selected represents on average 43% of the headcount considered representative of the social component, and 34% of the number of rentals considered representative of the environmental component.

(1) The list of the CSR Information considered to be the most important is available in the Appendix to this report.

(2) Europcar France S.A.S. and Europcar International S.A.S.U. (France), Europcar International Aluguer de Automoveis SA and Europcar Services Unipessoal LDA (Portugal), Europcar IB S.A. (Spain).

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, February 16, 2017

One of the Statutory Auditors

PricewaterhouseCoopers Audit

François Jaumain
Partner

Pascal Baranger
Director of the Sustainable Development Department

APPENDIX: LIST OF INFORMATION THAT WE CONSIDERED THE MOST IMPORTANT

Quantitative Human Resources information

- Total headcount and breakdown of employees by gender, age and geographic area, including indicators for total headcount, breakdown by age, gender, and geographic area.
- Hirings and dismissals, including hirings, dismissals, layoffs and departures for other reasons.
- Compensation and its change, including the average monthly salary, the amounts of fixed and variable compensation.
- Working time organization, including the proportion of permanent part-time employees, overtime hours, hours of atypical work.
- Absenteeism, including the absenteeism rate.
- Workplace accidents, in particular their frequency and severity, as well as the number of hours of absence related to workplace accidents and the number of accidental deaths in the workplace.
- Total number of training hours, including the total number of training hours indicator and the number of employees trained.

Qualitative Human Resources information

- Compensation policy and social security.
- Training policy.

Quantitative environmental information

- Energy consumption.
- Water consumption.

Qualitative environmental information

- Prevention, reduction or remediation measures for air, water, and soil discharges severely affecting the environment.
 - Waste prevention, recycling and elimination management policies.
 - Greenhouse gas emissions.
 - Water supply depending on local constraints.
- Qualitative environmental information
- Actions taken to prevent corruption.



CORPORATE GOVERNANCE

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5.1 MANAGEMENT AND SUPERVISORY BODIES

On March 9, 2015, the Company changed its legal form to become a public limited company (*société anonyme*) with a Management Board and a Supervisory Board. This involves the separation of the management and executive functions, exercised by the Management Board, from responsibility for oversight, exercised by the Supervisory Board, which oversees

the Management Board's running of the Company. Separating functions in this way ensures an effective balance between the powers of the executive and oversight bodies, in line with the principles of good corporate governance. Prior to this date, the Company was a public limited company with a Board of Directors.

5.1.1 Management Board

Changes in 2016-2017

The table below shows changes made to the Management Board during 2016 and up to the publication date of this Registration Document.

Effective date	Change
07/22/2016	Appointment of Caroline Parot as Deputy CEO
	Appointment of Kenneth McCall as Deputy CEO - Countries & Operations
	Appointment of Fabrizio Ruggiero as Deputy CEO - Sales, Marketing, Customers & InterRent
11/23/2016	Dismissal of Philippe Germond as CEO
	Appointment of Caroline Parot as CEO and resignation of Caroline Parot from her position as Deputy CEO

Composition of the Management Board

The table below shows the composition of the Management Board as of the date of this Registration Document and the main positions and offices held by the members of the Management Board outside the Company (both inside and outside the Group) during the last five years.

MS. CAROLINE PAROT CEO



Business address:

Europcar Groupe S.A.
2 rue René Caudron,
Bâtiment OP
78960 Voisins-le-
Bretonneux

Age and nationality:

45 years
French

Date first appointed:

03/09/2015

Date first appointed as CEO

11/23/2016

Date term of office ends:

03/08/2019

Number of Company shares held:

6,000 common shares
528 Class C preferred
shares
528 Class D preferred
shares

POSITIONS AND OFFICES HELD

Positions and offices currently held at companies controlled ⁽¹⁾ by Europcar Groupe

- CEO of Europcar International S.A.S.U., Europcar Holding S.A.S. and Europcar Services, Unipessoal, Lda
- Permanent representative of Europcar International S.A.S. in her capacity as Chairperson of Europcar France S.A.S.
- Member of the Supervisory Board of Europcar Autovermietung GmbH
- Member of the Board of Directors of Europcar Australia Pty Ltd, CLA Trading Pty Ltd, BVJV Ltd and PremierFirst Vehicle Rental EMEA Holdings Limited
- Member of the Oversight and Development Committee of Ubeeqo International S.A.S.

Positions and offices currently held at companies not controlled ⁽¹⁾ by Europcar Groupe

- Member of the Board of Directors of Car2go Europe GmbH

Other positions and offices held over the last five years

- Member of the Executive Committee of Technicolor

MANAGEMENT EXPERIENCE

- Caroline Parot joined the Group in 2011, serving initially as Group management controller (2011-2012) before taking on the role of Chief Financial Officer in March 2012. She served as Deputy CEO, Finance from May 20, 2015, then Deputy CEO from July 22, 2016, before resigning from this role when she was appointed CEO on November 23, 2016.
- Previously, she had occupied the positions of Group management controller (2009-2011) and member of the Executive Committee (2010-2011) with the Technicolor Group, and in particular was in charge of restructuring Thomson-Technicolor's debt.
- She also served as Technicolor's Chief Financial Officer for the Technology sector (2008-2009) and as controller in the Department of Intellectual Property and License Management (2005-2008).
- Until 2005, she was an auditor with Ernst & Young, where she began her career in 1995.
- Ms. Parot holds a DEA in Mathematical Economics from the Panthéon-Sorbonne University and a Masters in Finance from the École Supérieure de Commerce de Paris. She also holds a DESCF (an accounting and financial diploma).

(1) Articles L. 225-21 par. 2, L 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

MR. KENNETH MCCALL**DEPUTY CEO – COUNTRIES & OPERATIONS MEMBER
OF THE MANAGEMENT BOARD****Business address:**

Europcar Groupe S.A.
2 rue René Caudron,
Bâtiment OP
78960 Voisins-le-
Bretonneux

Age and nationality:

59 years
British

Date first appointed:

03/09/2015

**Date term of office
ends:**

03/08/2019

**Number of Company
shares held:**

8,818 common shares
118 Class C preferred
shares
116 Class D preferred
shares

POSITIONS AND OFFICES HELD*Positions and offices currently held at companies controlled ⁽¹⁾ by Europcar Groupe*

- Managing Director of Europcar UK Limited, PremierFirst Vehicle Rental EMEA Holdings Limited, PremierFirst Vehicle Rental Holdings Limited, Provincial Assessors Limited
- Member and Chairman of the Supervisory Board of Europcar Autovermietung GmbH
- Member of the Board of Directors of Executive Trust Limited, GoCar Carsharing Limited and Irish Car Rentals Limited

Positions and offices currently held at companies not controlled ⁽¹⁾ by Europcar Groupe

- None

Other positions and offices held over the last five years

- Managing Director of Europcar Group UK Limited
- Non-executive Director of SuperGroup

MANAGEMENT EXPERIENCE

- Kenneth McCall joined Europcar Groupe in November 2010 as Managing Director of Europcar Group UK Ltd. He was appointed Chief Operating Officer of the Company on May 4, 2015, then Deputy CEO – Countries and Operations on July 22, 2016.
- Previously, he had served as Chief Executive Officer of DHL Express UK & Ireland from 2008 to 2010, after having served as Managing Director in charge of network and operations at the European level for DHL Express from 2007 to 2008.
- Among his earlier positions, he served as Managing Director of The International Consulting Company (March-October 2007) and as Chief Executive Officer of TNT China (2004-2006), after having held the same positions at TNT Asia/Middle East/Africa/Indian Subcontinent from 1996-2004. He had been with TNT since 1979.
- Mr. McCall completed all of his higher education in Scotland.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

MR. FABRIZIO RUGGIERO

DEPUTY CEO - SALES, MARKETING, CUSTOMERS & INTERRENT
MEMBER OF THE MANAGEMENT BOARD



Business address:

Europcar Groupe S.A.
2 rue René Caudron,
Bâtiment OP
78960 Voisins-le-
Bretonneux

Age and nationality:

47 years
Italian

Date first appointed:

03/09/2015

Date term of office ends:

03/08/2019

Number of Company shares held:

2,000 common shares
234 Class C preferred
shares
234 Class D preferred
shares

POSITIONS AND OFFICES HELD

Positions and offices currently held at companies controlled⁽¹⁾ by Europcar Groupe

- Co-Chairman of the Oversight and Development Committee of Ubeeqo International SAS
- Sole Director of Europcar Lab Italy Srl
- Director of Europcar Italia S.p.A. (Italy)

Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe

- Member of the Board of Directors of Car2go Europe GmbH
- Director of Wanderio S.p.A

Other positions and offices held over the last five years

- Managing Director of Europcar Italia S.p.A.
- General Manager of Leasys
- Member of the Executive Committee of Fiat Group Automobiles

MANAGEMENT EXPERIENCE

- Fabrizio Ruggiero joined Europcar Groupe in May 2011 and has served as Managing Director of Europcar Italia S.p.A. and as Head of Mobility Solutions for Europcar Groupe.
- From 2004 to 2011, he was General Manager of the Italian company Leasys, a company controlled by Fiat Group Automobiles and Crédit Agricole and a leader in "long-term commercial" rentals in Italy.
- Also at Leasys, he served as Director of Sales and Marketing from 2005 to 2007 and as Director of Operations from 2004 to 2005. Mr. Ruggiero had previously been a manager of Bain & Company Italy (Rome office) from 2000 to 2004 and a consultant with Accenture (Rome office) from 1997 to 2000.
- He holds a Masters in business management from the MIP Politecnico di Milano (1999) and a management diploma from the Università degli Studi di Roma (1995).

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

5.1.2 Supervisory Board

The table below shows changes made to the Supervisory Board during 2016 and up to the publication date of this Registration Document.

Effective date	Change
05/10/2016	Reappointment of Jean-Charles Pauze as member of the Supervisory Board
05/10/2016	Reappointment of Armance Bordes as member of the Supervisory Board
05/10/2016	Appointment of Kristin Neumann as member of the Supervisory Board
12/15/2016	Resignation of Jean-Charles Pauze from his office as member of the Supervisory Board

5.1.2.1 Composition of the Supervisory Board

The table below shows the composition of the Supervisory Board as of the date of this Registration Document and the main positions and offices held by the members of the Supervisory Board outside the Company (both inside and outside the Group) during the last five years.

MR. JEAN-PAUL BAILLY

CHAIRMAN OF THE SUPERVISORY BOARD - INDEPENDENT MEMBER



Business address:

38 rue Gay-Lussac
75005 Paris

Age and nationality:

70 years
French

Date first appointed:

06/08/2015

Date term of office ends:

Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2018

Number of Company shares held:

500 common shares

POSITIONS AND OFFICES HELD

Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe

- Director and member of the Audit Committee and the Governance and CSR Committee of Accor Hotels ⁽²⁾
- Director and member of the Audit Committee and the Investment Committee of Edenred ⁽²⁾

Other positions and offices held over the last five years

- Chairman and CEO of La Poste SA
- Member and Chairman of the Supervisory Board of La Banque Postale
- Chairman of the Board of Directors of Post-Immo
- Permanent representative of La Poste on the Board of Directors of Sofipost, Geopost and Post Immo
- Member of the Boards of Directors of Sopasurre and CNP Assurances ⁽²⁾
- Member of the Supervisory Board of La Banque Postale Asset Management

MANAGEMENT EXPERIENCE

- Jean-Paul Bailly has devoted his entire career to public service, by participating in the management and running of two major public companies, the RATP and then La Poste.
- He started his career in 1970 at the Régie Autonome des Transports Parisiens (RATP). In 1978, he became head of Coopération Technique Française in Mexico.
- He joined RATP again in 1982, where he was notably Director of Bus Rolling Equipment, Director of the Metro and RER and Director of Human Resources. In 1990, he was appointed Deputy CEO and then Chairman and CEO from 1994 to 2002.
- He was Chairman and CEO of La Poste from 2002 to 2013 and has served as its Honorary Chairman since October 2013.
- He is also President of Entreprise et Personnel as well as of IMS-Entreprendre pour la Cité, Vice-President of Confrontations Europe and a member of the Board of Directors of Accor, Edenred, the Envol, the ANVIE, the Fondation Jean-Jacques Laffont-TSE, the Fondation de la 2e chance and of Sciences-Po Aix. He is also a member of the Conseil Économique, Social et Environnemental since 1995.
- Jean-Paul Bailly is a graduate of the École Polytechnique and MIT. He is an Officer of the French Legion of Honor and a Commander of the French National Order of Merit.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

(2) French listed company.

MR. PASCAL BAZIN VICE-CHAIRMAN OF THE SUPERVISORY BOARD – INDEPENDENT MEMBER



Business address:

49 Bis route de Montesson
78110 Le Vesinet

Age and nationality:

60 years
French

Date first appointed:

06/08/2015

Date term of office ends:

Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2017

Number of Company shares held:

500 common shares

POSITIONS AND OFFICES HELD

Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe

- Member of the Board of Directors of Alcopa
- Member of the Board of Directors of Modacin France
- Chairman of PB Consulting

Other positions and offices held over the last five years

- Director of Belvédère⁽²⁾
- Director of Darty
- Director of Belron
- Director of Camaïeu

MANAGEMENT EXPERIENCE

- Pascal Bazin was, from June 2014 until the transformation of the Company's corporate structure to a structure with a Management Board and a Supervisory Board, a representative of PB Consulting on the Board of Directors of the Company.
- Pascal Bazin was founder and Chairman of PB Consulting, a consulting firm specialized in professional and strategic coaching and member of the Board of Directors of Modacin France and Alcopa.
- Pascal Bazin was Managing Director (Directeur Général) of Avis Europe Plc from January 2008 to December 2011, where he successfully managed the Company's recovery and led the development of the Group towards new markets such as China and towards new mobility solutions such as car-sharing. He left his position at the end of 2011, following the transfer of his activity to Avis Budget Group, Inc.
- He had joined Avis Europe in 2005 after leaving Redcats, the third largest direct selling group in the world, where he was Managing Director (Directeur Général) of the specialized brands division (division des marques spécialisées) and Vice-President of Development/Strategy.
- Among his previous positions, he was Managing Director (Directeur Général) of many divisions of the cosmetic group Yves Rocher in Southern Europe and North America.
- He started his career in 1980 in the management consulting firm Peat Marwick Mitchell.
- Pascal Bazin graduated from France's École Polytechnique.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

(2) French listed company.

MR. PATRICK SAYER

MEMBER OF THE SUPERVISORY BOARD

**Business address:**

C/o Eurazeo
1 rue Georges Berger
75017 Paris

Age and nationality:

59 years
French

Date first appointed:

02/24/2015

Date term of office ends:

Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2018

Number of Company shares held:

500 common shares

POSITIONS AND OFFICES HELD*Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe*

- Chairman of the Management Board of Eurazeo ⁽²⁾
- Member of the Supervisory Board of ANF Immobilier ⁽²⁾
- Member of the Board of Directors of Accor Hotels ⁽²⁾
- Member of the Board of Directors of I-Pulse (USA)
- Managing Director of Legendre Holding 19
- Chairman of Legendre Holding 25, Legendre Holding 26, CarryCo Capital 1, CarryCo Croissance and CarryCo Croissance 2
- Member of the Board of Directors of Tech Data Corporation (USA) ⁽³⁾

Other positions and offices held over the last five years

- Manager of Investco 3d Bingen (non-trading company)
- Vice-Chairman of the Supervisory Board of Rexel ⁽²⁾
- Member of the Supervisory Committee of Foncia Holding
- Chairman and Vice-Chairman of the Supervisory Board of ANF Immobilier ⁽²⁾
- Chairman of the Supervisory Board of Europcar Groupe and Holdelis
- Member of the Board of Directors of Moncler Srl (Italy), Sportswear Industries Srl (Italy), Edenred, Rexel and Gruppo Banca Leonardo (Italy)
- Managing Director of Immobilière Bingen and Legendre Holding 8
- President of Eurazeo Capital Investissement
- Member of the Advisory Board of APCOA Parking Holdings GmbH (Germany)

MANAGEMENT EXPERIENCE

- Patrick Sayer was a Director of the Company from 2006 until the change in the Company's corporate governance structure to a public limited company with a Management Board and a Supervisory Board.
- Since May 2002, he has been Chairman of the Management Board of Eurazeo.
- He was previously a managing partner of Lazard Frères et Cie in Paris and a Managing Director of Lazard Frères & Co. in New York.
- He is a former Chairman of the Association Française des Investisseurs pour la Croissance (French Association of Investors for Growth) (AFIC), a Director of the Musée des Arts Décoratifs de Paris and a member of the Club des Juristes. He also taught finance at the Université de Paris Dauphine.
- He is also a commercial court judge with the Commercial Court of Paris.
- Mr. Sayer is a graduate of the École Polytechnique and of the École des Mines de Paris.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

(2) French listed company.

(3) Company listed outside France.

MR. PHILIPPE AUDOIN MEMBER OF THE SUPERVISORY BOARD



Business address:

Eurazeo
1 rue Georges Berger
75017 Paris

Date first appointed:

02/24/2015

Age and nationality:

60 years
French

Date term of office ends:

Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2016

Number of Company shares held

1,000 common shares

POSITIONS AND OFFICES HELD

Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe

- Member of the Management Board and Chief Administrative and Financial Officer of Eurazeo ⁽²⁾
- Member of the Supervisory Board of ANF Immobilier ⁽²⁾, Elis ⁽²⁾ and Eurazeo PME
- Chairman of LH APCOA, Legendre Holding 19, Legendre Holding 21, Legendre Holding 27, Legendre Holding 29, Legendre Holding 30, Legendre Holding 34, Legendre Holding 35, Legendre Holding 36, Legendre Holding 41, Legendre Holding 42, Legendre Holding 51, Eurazeo Patrimoine, LH CPK and LH Novacap
- CEO of Legendre Holding 23, Legendre Holding 25, CarryCo Capital 1 and CarryCo Croissance
- Chairman of the Supervisory Committee of Legendre Holding 28
- Chief Executive of Eurazeo Services Lux (Luxembourg)
- Permanent representative of Eurazeo on the Board of Directors of SFGI
- Managing Director of Perpetuum MEP Verwaltung GmbH (Germany)

Other positions and offices held over the last five years

- Vice-Chairman of the Supervisory Board of APCOA Parking AG (Germany)
- Member of the Advisory Board of APCOA Parking Holdings GmbH (Germany)
- Director of Holdéris and Europcar Groupe
- Managing Director of Legendre Holding 33, Legendre Holding 54, Legendre Holding 55, La Mothe, Eurazeo Capital Investissement and Eureka Participation
- Chairman of EP Aubervilliers, Immobilière Bingen, Legendre Holding 8, Legendre Holding 22, Legendre Holding 28, Legendre Holding 26, Legendre Holding 31 (now Les Amis d'Asmodée), Legendre Holding 32 (now Asmodée II), CPK, Novacap Group Bidco, Novacap Group Holding and Ray France Investment,
- Manager of Eurazeo Italia (Italy)

MANAGEMENT EXPERIENCE

- Philippe Audoin was a Director of the Company from 2006 until the change in the Company's corporate governance structure to a public limited company with a Management Board and a Supervisory Board.
- He spent the first 10 years of his career creating and developing his own business. After selling that business, he served as CFO and legal representative ("Prokurist") of the first joint venture between France Telecom and Deutsche Telekom in Germany from 1992 to 1996.
- From 1996 to 2000, he served as Financial, Human Resources and Administrative Director of France Telecom's Multimedia division. He was also a member of the Supervisory Board of Pages Jaunes. From April 2000 to February 2002, he worked for the Arnault Group as CFO of Europ@Web.
- He also taught for 5 years as a lecturer then a senior lecturer in the 3rd year at HEC ("entrepreneurs" option).
- He joined Eurazeo in 2002 as Administrative and Financial Director and was appointed to its Management Board in March 2006
- He is also a member of the Consultative Commission of the Autorité des normes comptables (French Accounting Standards Authority), a member of the AMF's Issuers Committee and Chairman of the Association Nationale des Dirigeants Finance-Gestion (National Association of Finance and Management Executives) (DFCG).
- Mr. Audoin is a graduate of the École des Hautes Études Commerciales (HEC).

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

(2) French listed company.

MS. ARMANCE BORDES

MEMBER OF THE SUPERVISORY BOARD



POSITIONS AND OFFICES HELD

Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe

- Secretary to the Supervisory Board and Deputy General Counsel of Eurazeo⁽²⁾

Other positions and offices held over the last five years

- Manager of Euraleo Srl
- Member of the Board of Directors of Broletto 1 Srl

MANAGEMENT EXPERIENCE

- Armance Bordes joined Eurazeo in 2007. She is Deputy General Counsel Corporate in charge of corporate law and corporate governance and Secretary of the Supervisory Board of Eurazeo.
- She is in charge of monitoring listed equity investments and has participated in several acquisitions and sales of listed companies, as well as in initial public offerings.
- She began her career in the Mergers and Acquisitions Department at the Paris office of Gibson Dunn & Crutcher LLP. She then practiced law at Linklaters LLP in Paris.
- Ms. Bordes is an attorney with a degree from Oxford University and a DEA in English and North American Business Law from the Panthéon-Sorbonne Paris I University.

Business address:

Eurazeo
1 rue Georges Berger
75017 Paris

Age and nationality:

38 years
French

Date first appointed:

02/24/2015

Date term of office ends:

Shareholders' Meeting
called to approve
the financial statements
for the fiscal year ending
December 31, 2019

Number of Company shares held:

500 common shares⁽³⁾

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

(2) French listed company.

(3) Share loan granted by Eurazeo.

MR. ÉRIC SCHAEFER MEMBER OF THE SUPERVISORY BOARD



Business address:

Eurazeo
1 rue Georges Berger
75017 Paris

Age and nationality:

35 years
French

Date first appointed:

02/24/2015

Date term of office ends:

Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2017

Number of Company shares held:

500 common shares ⁽³⁾

POSITIONS AND OFFICES HELD

Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe

- Managing Director of Eurazeo Capital (USA)
- Managing Director of Eurazeo North America Inc.
- Member of the Supervisory Board and the Audit Committee of Asmodee Holding ⁽⁴⁾

Other positions and offices held over the last five years

- Member of the Board of Directors of Holdelis
- Member of the Supervisory Board of Elis ⁽²⁾
- Member of the Audit Committee of Elis ⁽²⁾
- Member of the Supervisory Board of AX
- Permanent representative of Eurazeo on the Board of Directors of Europcar Groupe
- Member of the Board of Directors of Europcar Groupe

MANAGEMENT EXPERIENCE

- Eric Schaefer was a Director of Europcar Groupe from January 2013 to June 2014, then Eurazeo representative on the Europcar Groupe Board of Directors from October 2014 until the change in the Company's corporate governance structure to a public limited company with a Management Board and a Supervisory Board.
- Eric Schaefer is Managing Director of Eurazeo Capital. He is responsible for sourcing and for making investments, as well as monitoring the performance of the companies in the Eurazeo portfolio
- Since his arrival at Eurazeo in 2004, he has specialized in the sectors of corporate services and consumer goods and helped in the structuring and development of Eutelsat, B&B Hotels, Europcar, Elis, Asmodée and CPK.
- Eric Schaefer was named among the Rising Stars in Private Equity in the 40 under 40 category in Dow Jones Private Equity News in 2015, before being part of the 2016 class of Young Leaders selected by the French American Foundation.
- Eric is a graduate of HEC Paris and a finance graduate of the École Polytechnique.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

(2) French listed company.

(3) Share loan granted by Eurazeo.

(4) Formerly Legendre Holding 33 SAS.

MS. ANGÉLIQUE GÉRARD**MEMBER OF THE SUPERVISORY BOARD - INDEPENDENT MEMBER****Business address:**

Iliad
16 rue de la Ville-l'Évêque
75008 Paris

Age and nationality:

41 years
French

Date first appointed:

02/24/2015

Date term of office ends:

Shareholders' Meeting
called to approve
the financial statements
for the fiscal year ending
December 31, 2017

Number of Company shares held:

500 common shares

POSITIONS AND OFFICES HELD*Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe*

- Independent member of the Board of Directors of Association Française de la Relation Client
- Director of Customer Relations at the French Iliad Group
- Chairman of MCRA SAS, Centrapel SAS, Mobipel SAS, Qualipel SAS, Certicall SAS, Equaline SAS, Total Call SAS, Telecom Academy SAS, Resolution Call SAS

Other positions and offices held over the last five years

- None

MANAGEMENT EXPERIENCE

- Angélique Gérard joined the Iliad Group at the end of 1999 after four years with France Telecom. She is currently Director of Customer Relations for the Iliad Group (Free & Free Mobile) and a member of Iliad's Executive Committee.
- She was manager of Memdis from 2003 to 2006, and is Chairwoman of nine subsidiaries of the French telecommunications group Iliad.
- Angélique Gérard is a graduate of INSEAD, of the École des Hautes Études Commerciales and of the Multimedia Institute.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

MS. VIRGINIE FAUVEL MEMBER OF THE SUPERVISORY BOARD - INDEPENDENT MEMBER



Business address:

Allianz
87 rue Richelieu
75113 Paris Cedex 02

Age and nationality:

42 years
French

Date first appointed:

02/24/2015

Date term of office ends:

Shareholders' Meeting
called to approve
the financial statements
for the fiscal year ended
December 31, 2016

Number of Company shares held:

500 common shares

POSITIONS AND OFFICES HELD

Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe

- Member of the Board of Directors and the Executive Committee of Allianz France
- Member of the Board of Directors and the Nominations Committee of Neopost

Other positions and offices held over the last five years

- Member of the Board of Directors of Allianz Vie, Allianz Iard and Cortal Consorts
- Member of the Conseil National du Numérique (French Digital Council)

MANAGEMENT EXPERIENCE

- Virginie Fauvel began her career in 1997 at Cetelem as the Head of Risk Scoring and then as Director of CRM, before becoming Director of world Internet strategy in 2004 and then Director of *the e-business* France unit in 2006.
- She joined BNP Paribas's retail bank next, in 2009, where she directed and developed the online bank before becoming Director of European online banks in 2012. In that capacity, in mid-2013 she launched HelloBank!, the first 100% mobile European bank.
- She joined Allianz France in July 2013 as a member of the Executive Committee in charge of Digital and Market Management.
- In January 2013 she was named a member of the Conseil National du Numérique (French Digital Council).
- Ms. Fauvel is a graduate of the École des Mines of Nancy.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

MR. SANFORD MILLER**MEMBER OF THE SUPERVISORY BOARD - INDEPENDENT MEMBER****Business address:**

444 Seabreeze Blvd Ste.
1002 Daytona Beach,
FL 32118
United States of America

Age and nationality:

64 years
American

Date first appointed:

06/08/2015

Date term of office ends:

Shareholders' Meeting
called to approve
the financial statements
for the fiscal year ending
December 31, 2018

Number of Company shares held:

500 common shares

POSITIONS AND OFFICES HELD*Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe*

- Vice Chairman of the Board & Founding Director of Gateway Financial Holdings of Florida, Inc.
- Founder and Managing Partner of Basin Street Partners LLC

Other positions and offices held over the last five years

- Co-Chairman and Co-CEO of Franchise Services of North America, Inc.
- Member of the Board of Directors of Stonewood Holdings LLC

MANAGEMENT EXPERIENCE

- Sanford Miller has experience in the transportation and tourism industries and strong knowledge of the vehicle rental market.
- He started his career in 1979 at the vehicle rental company Budget Group, Inc. that he joined as North East Field Operation manager, before becoming a franchisee of Budget Rent-a-Car from 1980 to 1987.
- Appointed as Chief Executive Officer of Team Rental Group in 1987, he notably supervised the acquisitions of Cruise America, VPSI, Premier Car Rental and Budget Rent-a-Car; he then served as President, Chief Executive Officer and Chairman of Budget Group from 1997 to 2003, where he supervised the acquisition of Ryder TRS as well as the acquisition of Budget Group by Cendant Corporation.
- From 2003 to 2012, he served as Co-Chairman and Co-Chief Executive Officer of Franchise Services of North America, Inc., where he managed the acquisition of Advantage-Rent-a-Car, the merger with Rent a Wreck Capital and U-Save.
- He also served as member of the Board of Directors of the restaurant chain Stonewood Holdings and of the State University of New York at Oswego Foundation and as President of the American Car Rental Association.
- Sanford Miller is currently Managing Partner of the private investment firm Basin Street Partners that he founded in 2001 and since 2006 has been Vice-Chairman of the Board & Founding Director of the bank Gateway Financial Holdings of Florida, Inc. He is also a management consultant at Gerson Lehrman Group since 2003.
- Sanford Miller holds a Bachelor of Science, Business from the State University of New York, Oswego, NY.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

MS. KRISTIN NEUMANN MEMBER OF THE SUPERVISORY BOARD - INDEPENDENT MEMBER



Business address:

LSG Lufthansa Service
Holding AG
FRA Z/VF
Dornhofstrasse 38
Germany

Age and nationality:

45 years
German

Date first appointed:

05/10/2016

Date term of office ends:

Shareholders' Meeting
called to approve
the financial statements
for the fiscal year ending
December 31, 2019

Number of Company shares held:

500 common shares

POSITIONS AND OFFICES HELD

Positions and offices currently held at companies not controlled⁽¹⁾ by Europcar Groupe

- Member of the Executive Committee of LSG Lufthansa Service Holding AG
- Member of the Supervisory Board of LSG FRA ZE, LSG FRA ZD, LSG MUC and Germanwings GmbH

Other positions and offices held over the last five years

- Member of the Supervisory Board of Solarparc AG

MANAGEMENT EXPERIENCE

- Kristin Neumann began her career in 2000 at Thomas Cook AG as a Specialist and later Head of the IT Department's Planning and Coordination Unit, then Head of Sales Control in the German market (2003), Administrative and Financial Director for continental Europe (2006, and from November 1, Deputy CEO), Administrative and Financial Director for central Europe (2008), member of the Thomas Cook AG Board of Directors (2010), Administrative and Financial Director for the United Kingdom and continental Europe (2012-2014), in particular in charge of restructuring the English market.
- In 2014, she joined LSG Lufthansa Service Holding AG as Administrative and Financial Director and Chief Officer Human Resources.
- Kristin Neumann holds a degree in micro-economics and business management from the Georg-August-Universität Göttingen (Diplom-Kauffrau, 1997) and a doctorate in business administration from the same university (1999), where she also worked as a graduate-level lecturer and Scientific Director (1997-2000).

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

5.1.3 Declarations relating to corporate governance

The Chairman of the Supervisory Board is required to prepare the report provided for in Article L. 225-68 of the French Commercial Code on the Board's composition and gender balance, the conditions in which the Board prepares and organizes its work, and the internal control and risk management procedures the Company has put in place. This report appears in Section 5.2.4 *"Report by the Chairman of the Supervisory Board on corporate governance and internal control"* of this Registration Document.

5.1.3.1 No family ties

As of the date of this Registration Document, to the Company's knowledge, there were no family ties between any members of the Company's Supervisory Board and members of the Management Board.

5.1.3.2 No convictions

To the Company's knowledge, in the last five years, as regards the members of Company's Management and Supervisory Boards: (i) no Board member has been convicted of fraud, (ii) no Board member has been associated with any bankruptcy, receivership or liquidation, (iii) no Board member has been the subject of any accusations or official public sanctions by statutory or regulatory authorities (including designated professional bodies), and (iv) no Board member has been disqualified by a court from acting as a member of the administrative, management or supervisory body of any company or from being involved in the management or performance of business of any company.

5.1.3.3 No conflicts of interest

To the Company's knowledge, and subject to the relationships described in Section 7.2 *"Related Party Transactions"*, as of the date of this Registration Document there were no potential conflicts of interest between the duties of the members of the Supervisory and Management Boards to the Company and their private interests. The Supervisory Board gave a special assignment on the Group's transformation project to Pascal Bazin on February 24, 2016 to support the Group transformation project. Furthermore, a new assignment was allocated to him on March 13, 2017, as described in Section 5.3.2.3 of the Registration Document. The Supervisory Board considered that these assignments were in the Company's interest. Outside of these missions and to the Company's knowledge, there are no service contracts linking the members of the Supervisory Board with the Company or one of its subsidiaries and granting benefits.

Where a conflict of interest arises, the Internal Regulation of the Supervisory Board dictate that the member of the Supervisory Board must inform the Board as soon as he/she becomes aware of an actual or potential conflict of interest and recuse themselves from discussions and votes on related matters.

The Supervisory Board's rules of procedure also set forth that when one of the members of the Supervisory Board has a conflict of interest, or potential conflict of interest, concerning a subject to be discussed by the Board, the Chairman shall ensure, upon recommendation of the Compensation and Nominations Committee which will have already examined the conflict of interest in question, that the information on this subject is not communicated to that member, without prejudice to the latter's obligations.

To the Company's knowledge, as of the date of this Registration Document, there were no agreements or undertakings of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Company's Supervisory or Management Boards was appointed to such position.

On the date of this Registration Document, there are no restrictions accepted by the members of the Supervisory Board and/or the members of the Management Board concerning the assignment within a certain period of time of all or part of their participating interests in the Company's share capital, with the exception of (i) certain provisions of the Investment Agreement dated May 7, 2015 as described in Section 6.4.5 of the Registration Document, (ii) of certain provisions set forth under the terms of the general regulations of the performance share allocation plans of which the members of the Management Board were beneficiaries, as described in Section 5.3.1.3 and 5.3.1.7 of the Registration Document (iii) the rules related to the prevention of insider trading as set forth in the General regulation of the AMF and (iv) the AFEP-MEDEF Code recommendations, imposing a share retention obligation.

5.1.3.4 Independence of the members of the Supervisory Board

In accordance with the provisions of the AFEP-MEDEF Code of Corporate Governance for Listed Companies, in its version of November 2016 (hereinafter the "AFEP-MEDEF Code"), to which the Company refers, and the Supervisory Board's Internal Regulations, the Supervisory Board reviews the circumstances of each of its members annually against the criteria for independence. The Supervisory Board carried out this year's review on February 24, 2017, based on an analysis conducted beforehand by the Compensation and Nominations Committee. All of the criteria recommended by the AFEP-MEDEF Code were used to evaluate the independence of the members of the Supervisory Board.

The application of all of these criteria led the Supervisory Board to retain the following as independent members:

- Mr. Jean-Paul Bailly;
- Mr. Jean-Charles Pauze until his resignation on December 15, 2016;
- Ms. Virginie Fauvel;
- Ms. Angélique Gérard;
- Mr. Pascal Bazin;
- Mr. Sanford Miller;
- Ms. Kristin Neumann.

Mr. Jean-Charles Pauze resigned from his office as member of the Supervisory Board with effect from December 15, 2016.

Until that date, 7 out of 11 members of the Supervisory Board were deemed to be independent, giving a 64% independence ratio at the end of the Shareholders' Meeting of May 10, 2016.

At December 31, 2016, the Supervisory Board had ten members, of which six were independent, representing 60% of the members of the Supervisory Board.

Each member of the Supervisory Board is asked to submit an annual statement to the Company in respect of each of the independence criteria. Under the AFEP-MEDEF Code recommendations, the Supervisory Board may consider that a member who meets the independence criteria nevertheless does not qualify as independent or, conversely, that a director who fails to meet all the criteria may be considered independent.

INDEPENDENCE CRITERIA

	Not be an employee or a corporate officer	No cross-directorships	No business relationships	No family ties	Not be a current or a past auditor	Not have been a director for more than 12 years	Not receive any variable compensation or compensation related to the Company's or the Group's performance	Not hold more than 10% of the stock	Independent
Jean Paul Bailly	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jean-Charles Pauze ⁽¹⁾	✓	✓	✓	✓	✓	✓	✓	✓	✓
Patrick Sayer		✓		✓	✓	✓	✓	✓	
Philippe Audouin		✓	✓	✓	✓	✓	✓	✓	
Virginie Fauvel	✓	✓	✓	✓	✓	✓	✓	✓	✓
Angélique Gérard	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pascal Bazin	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sandford Miller	✓	✓	✓	✓	✓	✓	✓	✓	✓
Armance Bordes		✓	✓	✓	✓	✓	✓	✓	
Éric Schaefer		✓	✓	✓	✓	✓	✓	✓	
Kristin Neumann	✓	✓	✓	✓	✓	✓	✓	✓	✓

⁽¹⁾ Mr. Jean-Charles Pauze resigned with effect from December 15, 2016.

In consideration of his role as Chairman of the Supervisory Board, a specific review was conducted into the independence of Mr. Jean-Paul Bailly. As the table above shows, Mr. Jean-Paul Bailly has and has had no relationship of any kind with the Company or Group except for his service as member and Chairman of the Company's Supervisory Board. Nor has he received any compensation from the Company, other than compensation for his work as Chairman and member of the Company's Supervisory Board. As Chairman of the Supervisory Board in a dual corporate governance structure, Mr. Jean-Paul Bailly has no executive functions and does not take part in the Company's operating decisions. As a result, Mr. Jean-Paul Bailly is deemed to be independent.

On the criterion of business relationships, the AFEP-MEDEF Code states that the evaluation of the significant or non-significant relationship with the Company or its Group must be debated by the Board and the quantitative and qualitative criteria that lead to the evaluation must be explicitly stated in the Registration Document. The review by the Compensation and Nominations Committee of the situation of each member in respect of this criterion found there to be no business relationships as regards any of the independent members. It therefore made no pronouncement on the question of significant relationships.

5.1.3.5 Balance in the composition of the Supervisory Board

As regards international representation, at the date of this Registration Document, the Supervisory Board included two foreign members, one German and one American, a proportion of 20%.

The average age of the members is 51 at the date of this Registration Document.

Following the approval by the Shareholders' Meeting of May 10, 2016 of the resolution on the appointment of Ms.

Kristin Neumann and the reappointments of Mr. Jean-Charles Pauze and Ms. Armance Bordes to the Company's Supervisory Board, the Supervisory Board comprised, between May 10 and December 15, 2016, 11 members, of which four, or about 36%, were women. Since Mr. Jean-Charles Pauze's resignation on December 15, 2016, the Supervisory Board has comprised ten members, of which four, or 40%, are women. This complies with French Law No. 2011-103 of January 27, 2011 on the balanced representation of women and men on Supervisory and Management Boards.

These points are summarized in the table below.

SUMMARY TABLE OF THE COMPOSITION OF THE COMPANY'S SUPERVISORY BOARD AT THE DATE OF THIS REGISTRATION DOCUMENT

Name	Date first appointed:	End of term	Independence	Balanced composition of the Board	Membership of a committee	Attendance rate at Board meetings	Attendance rate at Committee meetings
Jean Paul Bailly	06/08/2015	2019	✓			100%	
Pascal Bazin	06/08/2015	2018	✓		Audit Committee Compensation and Nominations Committee	93%	100%
Patrick Sayer	02/24/2015	2019				87%	
Philippe Audouin	02/24/2015	2017			Audit Committee	80%	100%
Virginie Fauvel	02/24/2015	2017	✓	Women's representation	Audit Committee	100%	100%
Angélique Gérard	02/24/2015	2018	✓	Women's representation	Compensation and Nominations Committee	73%	100%
Sandford Miller	06/08/2015	2019	✓	International representation		93%	
Armance Bordes	02/24/2015	2020		Women's representation		80%	
Éric Schaefer	02/24/2015	2018			Compensation and Nominations Committee	87%	100%
Kristin Neumann	05/10/2016	2020	✓	Women's representation International representation	Audit Committee	73%	100%

5.1.3.6 Terms of office of the members of the Supervisory Board

The terms of office of the members of the Supervisory Board expire on a staggered basis in order to allow for the rolling renewal of the Supervisory Board's membership, in accordance with the recommendations of the AFEP-MEDEF Code.

The terms of Ms. Virginie Fauvel and Mr. Philippe Audouin will end at the conclusion of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2016. Their reappointment for a further four-year term, until the end of the Shareholders' Meeting which will approve in 2021 the 2020 financial statements, will be put to the vote at the Shareholders' Meeting to be held on May 10, 2017.

5.1.4 Application of the AFEP-MEDEF Code

The Company refers to the AFEP-MEDEF Code ⁽¹⁾ and regularly reviews and improves its corporate governance practices.

At its meeting on February 24, 2017, the Supervisory Board reviewed the recommendations of the revised AFEP-MEDEF Code published in November 2016.

As permitted by this Code and by the Law, the Company has set aside or amended some of the Code's provisions to suit its specific circumstances or to comply with other provisions of the Code. These are summarized in the table below, along with the reasons for these choices.

AFEP-MEDEF Code recommendations	Company practice and justification
Establishing a succession plan for executive corporate officers (Article 16.2.2 of the AFEP-MEDEF Code) "The Nominations Committee (or an ad hoc committee) is establishing a succession plan for executive corporate officers. [...]"	At its meeting on December 6, 2016 the Compensation and Nominations Committee discussed the succession plan for the executive corporate officers and issued an action plan to make a recommendation to the Supervisory Board during the 2017 fiscal year to formally adopt a succession plan for the members of the Management Board as well as the members of the Executive Committee (now the Group Executive Committee since January 1, 2017).
Severance payment to the CEO (Article 24.5.1 of the AFEP-MEDEF Code) "[...] The performance conditions set by the Boards for these benefits should be assessed over at least two fiscal years. [...]"	The performance conditions which have been set for Philippe Germond's severance compensation were assessed over the 12 months preceding his termination of service. The terms of Philippe Germond's severance pay were set out in the terms of his corporate office agreement dated September 8, 2014, at a time when the Company did not refer to the AFEP-MEDEF Code. The performance conditions set under the terms of Caroline Parot's corporate officer agreement dated December 22, 2016, in case of termination of her duties as CEO, shall be assessed over 24 months, from January 1, 2019. In case of removal before December 31, 2017 (inclusive), the indemnity will be a lump-sum and equal to her annual fixed compensation. Beyond that date, in case of removal, the degree to which the objectives on the criteria set have been achieved will be assessed either over the average of the last eight quarters ended (this rule applying as of January 1, 2019), or over the average of the quarters ended since January 1, 2017 (this rule applying from January 1, 2018 through December 31, 2018). The above rules were decided by the Supervisory Board on December 15, 2016, upon the recommendation of the Compensation and Nominations Committee, since Mrs Caroline Parot's performance as CEO may only be assessed over two fiscal years as of January 1, 2019.

05

5.1.5 Other management bodies

On July 22, 2016, the Company appointed Mrs. Caroline Parot as Deputy CEO, Mr. Kenneth McCall as Deputy CEO - Countries and Operations and Mr. Fabrizio Ruggiero as Deputy CEO - Sales, Marketing, Customers & InterRent.

Following her appointment as CEO, Mrs. Caroline Parot resigned as Deputy CEO. Since November 23, 2016, the Company has therefore had one Deputy CEO, Mr. Kenneth McCall, in charge of Countries and Operations, and one Deputy CEO, Mr. Fabrizio Ruggiero, in charge of Sales, Marketing, Customers & InterRent.

In addition, during 2016, an Executive Committee and an Engagement Committee provided operational support to the Management Board in preparing and implementing the decisions and strategy defined by the Management Board.

Within the framework of the new Group organization by Business Units as of January 1, 2017, a new Group Executive Committee has been set up to replace the Executive Committee as described below. The role of the Group Executive Committee is to roll out the Group's strategy within the Business Units. The Group Executive Committee is led by Mrs. Caroline Parot.

(1) Available on the following website: <http://www.afep.com/contenu/focus/code-de-gouvernement-d-entreprise-des-societes-cotees>.

Executive Committee

As at December 31, 2016, the Executive Committee comprised, in addition to the members of the Management Board, certain country heads, and certain heads of Group operating functions:

Caroline Parot	CEO
Kenneth McCall	Member of the Management Board, Deputy CEO - Countries and Operations
Fabrizio Ruggiero	Member of the Management Board, Deputy CEO - Sales, Marketing, Customers & InterRent
Marcus Bernhardt	Group Chief Commercial Officer
Jan Löning	Group Customer Experience Director
Didier Fenix	General Manager Europcar France and Europcar Belgium
Benoît Garel	Head of Group Management Control
José Maria Gonzalez	Managing Director Europcar Spain in charge of InterRent
Paulo Moura	Managing Director Europcar Portugal
Reinhard Quante	Managing Director Europcar Germany
Ron Santiago	Managing Director Europcar Australia/New Zealand

Investment Committee

The Investment Committee meets as often as required. Its key missions are to analyze, structure and validate the economic and financial terms of agreements struck with the main partners

and major Group investment proposals (main commercial stakeholders, including customers and partners).

The Committee is chaired by Aurélia Cheval, Group head of Strategy, and supported by the Group's PMO (project management), management control and operating functions.

Group Executive Committee

As of the date of this Registration Document, the Group Executive Committee comprises, in addition to the members of the Management Board and each Business Unit head, the heads of certain Group operating functions, as presented below:

Name	Position within the Group
Caroline Parot	CEO
Kenneth McCall	Deputy CEO - Countries and Operations - Member of the Management Board
Fabrizio Ruggiero	Deputy CEO - Sales, Marketing, Customers & InterRent - Member of the Management Board
Marcus Bernhardt	Director of the International Coverage Business Unit
José-Maria Gonzalez	Director of the Low-cost Business Unit - Managing Director of Europcar Spain
Yvonne Leuschner	Director of the Vans & Trucks Business Unit
Jan Löning	Director of Group Customer Experience - Managing Director of Europcar Germany
Jean-Claude Poupard	Group Chief Administrative and Financial Officer
Géraud-Marie Lacassagne	Group Human Resources Director
Stéphane Deux	Group IT Director
Franck Rohard	Secretary General - Supervisory Board Secretary
Sheila Struyck	Group Marketing Director

5.2 ROLE AND ACTIVITIES OF THE SUPERVISORY BOARD

5.2.1 Main provisions of the Supervisory Board's Internal Regulation

The Supervisory Board's Internal Regulations follows best practices to ensure compliance with the basic principles of corporate governance, in particular those set out in the AFEP-MEDEF Code.

The Internal Regulations were revised by the Supervisory Board at its meeting of February 24, 2017. It complements the Company's bylaws as well as the laws and regulations in force by specifying the duties, composition and operation of the Supervisory Board and its committees, the Audit Committee and the Compensations and Nomination Committee and their interactions. The rules of procedure of the Audit Committee and the Compensation and Nominations Committee are attached as an appendix to the rules of procedure for the Supervisory Board. They were updated on February 24, 2017 in order to bring them into compliance respectively with order No. 2016-315 dated March 17, 2016 concerning the Statutory Auditors and with certain new provisions from the November 2016 version of the AFEP-MEDEF Code

The Internal Regulations of the Company's Supervisory Board may be modified at any time by a decision of the Supervisory Board.

5.2.1.1 Participation in Supervisory Board meetings by video conference or other means of communication

Pursuant to applicable laws and regulations, the use of video conference or other means of telecommunication is authorized for any Supervisory Board meeting: the means used must enable real-time and continuous transmission of speech and, if applicable, video images of the members, who must be visible to everyone. These means must also permit each member to be identified and ensure their active participation in meetings.

Directors participating in a Supervisory Board meeting by means of video conference or other means of telecommunication as described above are deemed present for purposes of calculating quorum and majority. The attendance sheet includes the names of members participating in the Supervisory Board meeting in such manner. The meeting's minutes must indicate the names of those Supervisory Board members deemed present in this manner. The minutes must also mention the occurrence of any technical difficulties that may have interfered with the meeting.

In accordance with Article L. 225-82 of the French Commercial Code, Article 19-III of the Company's bylaws and Article 7.5 of the Supervisory Board's Internal Regulations, participation in Supervisory Board meetings by means of video conference or other means of telecommunication is prohibited for votes on the following decisions:

- appointing or replacing its Chairperson and Vice-Chairperson;
- appointing or removing members of the Management Board;
- statement of the annual and consolidated accounts and review of the Company's and Group's management reports.

5.2.1.2 Matters reserved for the Supervisory Board

Article 20.IV of the Company's bylaws sets limits to the powers of the Management Board.

- a. First, in accordance with applicable laws and regulations, the following acts are subject to the prior authorization of the Supervisory Board:
 - the sale of real property;
 - the total or partial sale of equity investments;
 - the granting of sureties, as well as bonds, endorsements or guarantees.
- b. The bylaws also stipulate that the following transactions relating to the Company require prior authorization:
 - the proposal to the Shareholders' Meeting of any modification of the bylaws;
 - any proposal of draft resolution to the Shareholders' Meeting relating to the issuance of share or other securities giving access, immediately or in the future, to the Company's share capital, and any use of such delegations granted by the Shareholders' Meeting;
 - any transaction in the Company's shares that could lead, immediately or in the future, to a capital decrease (not occasioned by losses) through a decrease in the par value or a cancellation of shares;
 - any proposal to the Shareholders' Meeting to implement a share buy-back program;
 - any proposal to the Shareholders' Meeting to allocate the Company's results and to distribute dividends, as well as any distribution of an interim dividend;

- decisions to change the Company's business or to diversify the Group's activities in a manner involving investments of more than €15 million; and
 - adopting the Company's annual budget and strategic plan. The amounts referred to above may be revised upward by the Supervisory Board's Internal Regulations.
- c. The bylaws also provide that the following transactions relating to the Company or to the subsidiaries it controls within the meaning of Article L. 233-3 of the French Commercial Code, require prior authorization:
- any implementation of an option plan and any allocation of stock subscription or purchase options;
 - any implementation of a free share granting plan and any free granting of shares;
 - any new debt or financing agreement where the transaction or agreement amount exceeds (i) €200 million ⁽¹⁾ in the case of asset-backed debt without any guarantee, with the exception of leasing agreements, and (ii) €75 million ⁽²⁾ in all other cases;
 - settlement agreements in the scope of litigations, in an amount exceeding €10 million;
 - decisions to expand into new countries, whether directly, through the creation of a direct or indirect subsidiary, through equity investments or entry into joint venture agreements or significant collaborations, that is to say collaborations in which the assets contributed by any Group entity (including in cash) exceed a threshold of €15 million, as well as decisions to withdraw from any presence in a given country, except in the event of an emergency;
 - the acquisition, expansion or sale of equity investments by the Company or by one of its subsidiaries in any companies created or to be created in an amount greater than €15 million;
 - the entry into or substantial modification of agreements relating to the exclusive use by a third party of any mark owned by the Company or one of its subsidiaries (other than in connection with a franchise agreement or in the ordinary course of business);
 - any other planned transaction (except for fleet purchase investments) not referred to in the list above, the investment amount of which is greater than €10 million, to the extent that such investments are not included in the budget; and
 - any decision to carry out a merger, spin-off, partial asset contribution or similar transaction involving the Company, and any vote within the Company's subsidiaries relating to a merger, spin-off, partial asset contribution or similar transaction, with the exception of intra-group reorganizations.
- The amounts referred to above may be revised upward by the Supervisory Board's Internal Regulation.
- Any related-party agreement subject to Article L. 225-86 of the French Commercial Code also requires prior authorization by the Supervisory Board.
- Within the limits of the amounts it determines, and under the conditions and for the period it sets, the Supervisory Board may give advance authorization to the Management Board to complete one or more of the transactions referred to in items a. and b. in the paragraph immediately above.

5.2.2 Activities of the Supervisory Board in 2016

Frequency, length and attendance at meetings

During the 2016 fiscal year, the Supervisory Board met physically nine times, with an average meeting length of four hours, except the meeting on May 24, 2016, for which an entire day was devoted to discussing the main strategic directions of the Group as proposed by the Management Board. In addition, the Supervisory Board had six meetings by teleconference of approximately one hour each. Therefore, during the 2016 fiscal year, the Supervisory Board met a total of 15 times (versus 13 meetings in 2015).

The overall attendance rate at meetings of Supervisory Board members was 86% in 2016. The individual attendance rates by member are detailed in the table shown in Section 5.1.3.5 "Balance in the composition of the Supervisory Board" of this Registration Document.

Activities of the Supervisory Board in 2016

The Supervisory Board's activities in 2016 mainly related to the following topics:

- the review of the annual parent company and consolidated financial statements for the fiscal year ended December 31, 2015;
- the review of the annual parent company and consolidated financial statements for the first half of 2016;

(1) €100 million prior to the modification of the rules of procedure of the Supervisory Board on November 7, 2016.

(2) €25 million prior to the modification of the rules of procedure of the Supervisory Board on November 7, 2016.

- the review of the 2016 annual and first and third quarter consolidated financial statements;
- the drafts of corresponding financial press releases;
- the dividend policy;
- the proposals for the allocation of 2015 earnings;
- the review of the financing policy: the Supervisory Board in particular renewed the financial and legal authorizations granted;
- the in-depth strategy review during a full-day seminar;
- the review of the 2017 budget.

In addition, the Supervisory Board has also:

- convened the Combined General Shareholders Meeting of May 10, 2016 and adopted the reports and draft resolutions submitted to it;
- reviewed the Esop 2017 Plan employee shareholding project;
- reviewed the 2015 Registration Document and the report of the Supervisory Board's Chairman as required by Article L. 225-68 of the French Commercial Code;
- acknowledged the financial statements and the regular reports provided by the Chairman of the Audit Committee and the Chairman of the Compensation and Nominations Committee, respectively;
- reviewed the policy of professional and salary equality between men and women; and
- updated its Internal Regulation.

Regarding corporate governance, the Supervisory Board's work mainly related to:

- the change of the Chairman of the Management Board;
- the setting of the severance payment of Mr. Philippe Germond;
- setting the principles, criteria and components of Caroline Parot's compensation as CEO;
- setting the principles, criteria and components of compensation for other Management Board members;
- setting the terms and conditions for distributing the attendance fees for the members of the Supervisory Board for the 2016 and 2017 fiscal years;

- the review of the Company's policy regarding the executives' long term incentive compensation;
- the review of the selection of directors in the scope of the renewal of terms of office and in particular the increase of the number of women in its composition; and
- discussions on the action plan to establish a succession plan for the members of the Management Board and the Executive Committee (now the Group Executive Committee as of January 1, 2017).

The Supervisory Board's reflection on its performance and annual assessment

Once a year, the Supervisory Board should devote a point of its agenda to the assessment of its operations and discuss its performance in view of improving its efficiency, ascertaining that important issues were properly prepared and discussed internally and measuring the actual contribution of each of its members to its work. In addition, the Supervisory Board's Internal Regulation stipulate that a formal assessment must be carried out every three years by an external firm under the direction of the Compensation and Nominations Committee, in order to verify in particular compliance with the working principles of the Supervisory Board and enable areas in which the Supervisory Board's performance and efficiency can be improved to be identified.

Thus, in accordance with the rules of procedure of the Supervisory Board and the AFEP-MEDEF Code recommendations, a formalized evaluation of the composition, organization and functioning of the Supervisory Board and its committees was conducted in late 2016 by an independent outside consultant and presented to the Supervisory Board on February 24, 2017. This evaluation showed that the diversity in the composition of the members of the Board and changes in the functioning of the Supervisory Board are positive. Possible improvements have nevertheless been identified and are already being implemented; they concern in particular: the prioritization of the subjects on the agendas of meetings and the establishment, in conjunction with the members of the Board, of a list of the subjects that will be presented and discussed by the Supervisory Board during the year. The areas for improvement suggested by the report were presented and discussed at the meeting of the Supervisory Board on February 24, 2017, during the agenda item devoted each year to discussing the functioning of the Supervisory Board.

5.2.3 Supervisory Board Committees

Pursuant to Article 20.VI of the Company's bylaws and Article 11 of the Supervisory Board's rules of procedure, the Supervisory Board may form committees charged with examining questions submitted to them by the Board or its Chairman. The Supervisory Board created an Audit Committee and Compensation and Nominations Committee whose composition, duties and workings are described below. The composition of these committees, as decided by the Supervisory Board, complies with the recommendations of the AFEP-MEDEF Code.

5.2.3.1 Audit Committee

COMPOSITION (ARTICLE 11 OF THE SUPERVISORY BOARD'S INTERNAL REGULATION)

In accordance with Article 11 of the Supervisory Board's Internal Regulation, the Audit Committee must be comprised of two to five members chosen from among the members of the Supervisory Board, with particular consideration given to their independence and may not include any senior executive or corporate officer of the Company. In accordance with applicable legal rules, the members of the Audit Committee must have specialized financial/accounting knowledge and at the time of their appointment receive company-specific accounting, financial and operating information.

The Audit Committee members' terms expire at the same time as their terms on the Supervisory Board; however the Supervisory Board may at any time change the composition of the Committee and thus end the term of a Committee member.

The Chairman of the Audit Committee is appointed by the Supervisory Board from among the Committee's members for his/her entire term as a member of this Committee.

The four members of the Audit Committee have the necessary financial and accounting skills in light of their career paths and experience, as described in Section 5.1.2.1 "*Composition of the Supervisory Board*" of this Registration Document.

As of the date of this Registration Document, the Audit Committee comprises the four following members, three of which, including the Chairman, are independent members. As the proportion of independent members within the Audit Committee is three-quarters, the composition of this Committee complies with the recommendations of the AFEP-MEDEF Code.

COMPOSITION OF THE AUDIT COMMITTEE

Members	Independence
Kristin Neumann (Chairwoman)	✓
Philippe Audouin	
Pascal Bazin	✓
Virginie Fauvel	✓

DUTIES (ARTICLE 1 OF THE AUDIT COMMITTEE'S INTERNAL REGULATION)

The duties of the Audit Committee are to oversee the preparation and audit of accounting and financial information and to ensure the effectiveness of risk monitoring and internal operating control mechanisms in order to facilitate the Supervisory Board's oversight of control and verification mechanisms. Within this framework, the Audit Committee provides all advice and recommendations to the Supervisory Board in carrying out the following main duties:

(I) OVERSEEING THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Prior to their presentation to the Supervisory Board, the Audit Committee must review the parent company and consolidated financial statements, annual or half-yearly, and ensure the relevance and constancy of the accounting methods used to establish these statements. The Audit Committee will review, if needed, all major transactions that may have entailed conflicts of interest. The Audit Committee must express an opinion on any significant changes to the accounting principles applied by the Company when preparing its consolidated financial statements (annual or half-yearly) with the exception of changes caused by modified IAS/IFRS.

The Audit Committee must review the scope of consolidated companies and, if need be, the reasons why companies are excluded from the scope.

The Audit Committee must in particular examine provisions and their adjustments and any situation that may generate a significant risk for the Group as well as all financial information and all annual, half-yearly or quarterly reports drawn up in the regular course of business or for a specific transaction (for example a contribution, a merger or a market transaction).

This review must take place insofar as possible two (2) days prior to the review by the Supervisory Board.

The review of the annual and half-yearly financial statements must be accompanied by a presentation from the Statutory Auditors indicating the key points of the legal audit and of the accounting options used as well as a presentation by the Chief

Financial Officer describing the risk exposure and significant off-balance sheet commitments of the Company and its subsidiaries.

The Statutory Auditors must in particular be heard at the time of the Committee meetings dealing with the preparation and control of the annual and half-yearly financial statements in order to report on the execution of their mission and the conclusions of their work.

This allows the Committee to be informed of the main areas of risk or uncertainty regarding the accounts identified by the Statutory Auditors, their audit approach and any difficulties encountered during their mission.

If applicable, the Audit Committee shall make recommendations in order to guarantee the integrity of the financial information.

(II) OVERSEEING THE EFFECTIVENESS OF THE INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS CONCERNING ACCOUNTING AND FINANCIAL INFORMATION

The Audit Committee must ensure the relevance, reliability and implementation of internal control procedures and the identification, hedging and management of the Company's risks in relation to its activities and its accounting and financial information. The Audit Committee monitors the effectiveness of the internal audit, in particular the procedures relating to the preparation and processing of accounting and financial information, without prejudice to its independence.

The Committee must also review the significant risks and off-balance sheet commitments of the Company and its subsidiaries and assess the significance of the shortcomings or weaknesses that are communicated to it and inform the Supervisory Board where necessary. The Committee must in particular interview the persons in charge of the internal audit and regularly examine the business risk map. In addition, the Committee must give its opinion on the organization of the Internal Audit Department and be informed of its audit program. It should receive the internal audit reports or a periodic summary of these reports.

(III) OVERSEEING THE LEGAL AUDIT OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS BY THE COMPANY'S STATUTORY AUDITORS

The Audit Committee must gather and monitor information from the Company's Statutory Auditors (also without the presence of members of the Management Board) notably on their general work schedule, on any difficulties encountered during the exercise of their mission, on changes they consider necessary to the Company's accounts or other records, on any accounting irregularities, anomalies or inaccuracies they may have identified, on uncertainties or significant risks concerning the drawing up and processing of accounting and financial data, on the conclusions drawn from their observations and corrections concerning the period's results compared to those of the previous period, and on any significant internal control weaknesses they may have discovered.

(IV) OVERSEEING THE INDEPENDENCE OF THE STATUTORY AUDITORS

The Committee must steer the procedure for selecting and renewing the Statutory Auditors and submit the results of this selection to the Supervisory Board. In accordance with the regulations in force, the Audit Committee must appoint Statutory Auditors from new firms by conducting a tender process when the term of appointment including renewals has reached the maximum permitted (24 years as co-Statutory Auditor from the date of the Company's IPO). The Audit Committee submits a recommendation based on the results of this selection to the Supervisory Board. It also issues a recommendation on the Statutory Auditors proposed for appointment by the Shareholders' Meeting.

In order for the Audit Committee to monitor the Statutory Auditors' compliance with the rules pertaining to their independence and objectivity throughout the duration of their mandate, the Committee must obtain at the end of every fiscal year:

- as from the fourth fiscal year beginning after June 16, 2016 (i.e., in 2020), the Statutory Auditors' statement of independence, which must include in particular confirmation that non-audit services do not exceed (except with the agreement of the Statutory Auditors' High Commissioner (H3C)) the threshold of 70% of the average of fees paid over the last three consecutive fiscal years for the statutory audit of the financial statements of the Company and the companies it controls, and the Group's financial statements;
- the amount and detailed breakdown of fees paid by category of assignment to the Statutory Auditors and their network during the fiscal year by companies in which the Company has a controlling interest and by its controlling entity; and
- information on the services provided other than certification of the financial statements.

In addition, the Committee must review with the Statutory Auditors the risks pertaining to their independence and the safeguard measures taken to reduce these risks. It must in particular ensure that the amount of the fees paid by the Company and the Group, or the part it represents of the revenue of the Statutory Auditor firms or their networks, is not of a nature to endanger the independence of the Statutory Auditors.

In accordance with the provisions of Article L. 822-11-2 of the French Commercial Code, services other than the certification of the financial statements which are not mentioned in Section II of Article L. 822-11 and in Section I of Article L. 822-11-1 of the French Commercial Code, may be provided by the Statutory Auditors, or members of its network, to the Company or to persons or entities controlling it or which are controlled by it within the meaning of Sections I and II of Article L. 233-3 of the French Commercial Code, subject to approval by the Audit Committee. The procedure for prior approval by the Audit Committee of such services is described in Appendix A of the Audit Committee's Internal Regulation.

COMMITTEE MEETINGS (ARTICLE 2 OF THE AUDIT COMMITTEE'S INTERNAL REGULATIONS AND ARTICLE 11 OF THE SUPERVISORY BOARD'S INTERNAL REGULATIONS)

The Audit Committee may conduct meetings in person or *via* video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Audit Committee's recommendations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Audit Committee meets as often as necessary and, in any event, at least twice a year in connection with the Group's preparation of the annual and interim financial statements.

The Audit Committee's meetings are held prior to the meeting of the Supervisory Board and, to the extent possible, at least two days prior when the Audit Committee's agenda includes examination of interim or annual financial statements prior to their review by the Supervisory Board.

Minutes are prepared for each meeting, in the absence of other provisions, by the meeting's secretary appointed by the Committee's Chairman, under the authority of the Committee's Chairman. The minutes are sent to all members of the Committee. The Chairman of the Committee decides conditions pursuant to which it reports on its work to the Supervisory Board.

The Audit Committee may rely on, if necessary, external experts through requests for technical studies on topics relevant to their skills.

The Committee presents its work at the next Supervisory Board meeting.

Activity of the Audit Committee in 2016

During the 2016 fiscal year, the Audit Committee met six times, with an attendance rate of 100%. In 2016, the Audit Committee examined and/or formed opinions in particular on the following issues:

- the review of the 2015 annual and consolidated and the 2016 first half financial statements;
- the review of the 2016 first and third quarter financial statements;
- the review of the internal control, the actions carried out by the internal audit, and the Risk Map;
- the review of the internal IT control and of the IT systems safety plan.

5.2.3.2 Compensation and Nominations Committee

COMPOSITION (ARTICLE 11 OF THE SUPERVISORY BOARD'S INTERNAL REGULATION)

In accordance with Article 11 of the Supervisory Board's Internal Regulation, the Compensation and Nominations Committee must be comprised of two to five members chosen from among the members of the Supervisory Board, with particular consideration given to their independence and their skills with respect to the selection or compensation of executive directors of listed companies. The Compensation and Nominations Committee may not include any executive director of the Company.

The Compensation and Nominations Committee members' terms expire at the same time as their terms on the Supervisory Board; however the Supervisory Board may at any time change the composition of the Committee and thus end the term of a Committee member.

The composition of the Compensation and Nominations Committee may be modified by the Supervisory Board, acting at the request of its Chairman, and, in any event, must be modified in the event of a change in the general composition of the Supervisory Board.

The Chairman of the Compensation and Nominations Committee is appointed from among the independent members by the Supervisory Board, upon the proposal of the Chairman of the Supervisory Board.

As of the date of this Registration Document, the Compensation and Nominations Committee comprises the three following members, two of which, including the Chairman, are independent members. As the proportion of independent members within the Compensation and Nominations Committee is a majority, the composition of this Committee complies with the recommendations of the AFEP-MEDEF Code.

COMPOSITION OF THE COMPENSATION AND NOMINATIONS COMMITTEE

Members	Independence
Pascal Bazin (Chairman)	✓
Eric Schaefer	
Angélique Gérard	✓

DUTIES (ARTICLE 1 OF THE INTERNAL REGULATION OF THE COMPENSATION AND NOMINATIONS COMMITTEE)

The Compensation and Nominations Committee is a specialized committee of the Supervisory Board whose main duty is to assist the Supervisory Board in constituting the Company's management bodies and determine and regularly evaluate the compensation and benefits received by the members of the Management Board, including deferred benefits and/or severance pay for voluntary or forced departure from the Group.

In this context, the Compensation and Nominations Committee carries out the following duties:

- *proposal of candidates for appointment to the Supervisory Board, to the Management Board and to Board Committees and evaluating the independent nature of the members of the Supervisory Board*

The Compensation and Nominations Committee makes proposals for the appointment of members of the Supervisory Board (either by the Shareholders' Meeting or by co-option) and of the Management Board and for the appointment of members and chairpersons of each of the Supervisory Board's committees.

Concerning the appointment of members of the Supervisory Board, the Committee examines in detail all elements to be taken into account in its deliberation, in particular on the basis of the composition and changes in the shareholder base of the Company, to balance the composition of the Board: gender representation, nationality, international experience, expertise, etc. In particular, the Committee organizes a procedure to select future independent members of the Supervisory Board and conducts its own studies on potential candidates before making any approach to them;

- *implementation of a succession plan for executive corporate officers*

The Compensation and Nominations Committee has drawn up and kept up-to-date a confidential succession plan for the members of the Management Board as well as the members of the Executive Committee, so as to be in a position to quickly propose succession solutions to the Supervisory Board in the event of an unexpected vacancy. Within the performance of the above work, the Committee involves the Chairman of the Management Board;

- *annual evaluation of all offices held by the members of the Supervisory Board*

Each year prior to the publication of the Company's Annual Report, the Compensation and Nominations Committee examines the status of each member of the Supervisory Board with regard to the rules on the holding of multiple offices and submits its findings to the Supervisory Board so that the Supervisory Board may examine the status of the members as appropriate under these standards;

- *examination and proposal to the Supervisory Board of all components and terms of compensation of the members of the Management Board*

The Committee studies and makes proposals that include fix and variable compensation, as well as, if applicable, share subscription or purchase options, performance share allocations, retirement and pension plans, severance packages, benefits in kind and individual benefits and all other possible direct or indirect compensation (including long-term) that may be included in the compensation of members of the Management Board.

The Committee is informed of the compensation policy for the principal executives who are not corporate officers, as well as of the hiring and compensation of the members of the Executive Committee. The Committee works together with the members of the Management Board on this task;

- *evaluation and proposal to the Supervisory Board concerning allocation of attendance fees*

The Committee submits a proposal to the Supervisory Board for the total amount of attendance fees and the allocation terms for the members of the Supervisory Board, taking into account their actual participation on the Board and on the committees of which they are members, the responsibilities undertaken and the time that they must devote to their duties.

The Committee also submits a proposal on the compensation allocated to the Chairman and Vice-Chairman of the Company's Supervisory Board;

- *exceptional duties*

The Committee is consulted by the Supervisory Board to make recommendations on all exceptional compensation related to exceptional duties which may be given by the Supervisory Board to certain of its members.

COMMITTEE MEETINGS (ARTICLE 2 OF THE INTERNAL REGULATIONS OF THE COMPENSATION AND NOMINATIONS COMMITTEE AND ARTICLE 11 OF THE SUPERVISORY BOARD'S INTERNAL REGULATIONS)

The Compensation and Nominations Committee may conduct meetings in person or *via* video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Compensation and Nominations Committee's recommendations are adopted by a simple majority of the members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Compensation and Nominations Committee meets as often as necessary and, in any event, prior to any meeting at which the Supervisory Board votes on the compensation of the members of the Management Board or the allocation of attendance fees.

The Committee presents its work at the next Supervisory Board meeting. The Supervisory Board then discusses the elements of compensation of Management Board members without the latter being present.

Activity of the Compensation and Nominations Committee in 2016

During the 2016 fiscal year, the Compensation and Nominations Committee met six times, with an overall attendance rate of 100%.

In 2016, the Compensation and Nominations Committee examined and/or issued recommendations where appropriate on the following issues:

- setting the principles, criteria and elements of compensation and notably their fixed compensation and establishing the targets for the Management Board for the 2016 fiscal year;
- determining variable compensation in respect of the 2015 fiscal year on the basis of the 2015 financial statements;
- the new organization within the Management Board and the Executive Committee (which became the Group Executive Committee from January 1, 2017);
- the appointment of a new member of the Supervisory Board;
- the policy to be implemented to retain talent within the Group;
- review of the overall compensation structure within the Group;
- reviewing existing incentive plans within the Group;
- discussions on the action plan for establishing a succession plan for members of the Management Board and the Executive Committee (known as the Group Executive Committee from January 1, 2017);
- the study of the implementation of a free share grant plan for certain employees and members of the Management Board of the Group;
- the departure of Philippe Germond as CEO;
- the term sheet from the mandate agreement for Caroline Parot as CEO;
- determining the terms of breakdown of attendance fees; and
- the launch of the assessment of the Supervisory Board and its committees by an independent firm.

5.2.4 Report by the Chairman of the Supervisory Board on corporate governance and internal control

Report by the Chairman of the Supervisory Board under Article L. 225-68 of the French Commercial Code

In accordance with Article L. 225-68 of the French Commercial Code, the report by the Chairman of the Supervisory Board for the year ended December 31, 2016 comprises information on the composition of the Board and its gender balance, the conditions in which the Board prepares and organizes its work, and the internal control and risk management procedures the Company has put in place, in particular those concerning the drawing up and processing of accounting and financial data. This report also specifies that the Company voluntarily applies a code of corporate governance, and details the provisions that have been waived and the reasons for this. In addition, it indicates the specific procedures relating to the participation of shareholders in Shareholders' Meetings, and presents the

principles and rules laid down by the Supervisory Board to set the compensation and benefits of all kinds granted to corporate officers. It also notes the publication of the information provided for in Article L. 225-100-3 of the French Commercial Code.

This Registration Document comprises all the items of the report by the Chairman of the Company's Supervisory Board referred to in Article L. 225-68 of the French Commercial Code. References to Sections of this Registration Document corresponding to the various parts of the report by the Chairman of the Supervisory Board, can be found below.

The report and the procedures underlying it were examined by the Audit Committee of February 23, 2017, and were approved in whole by the Supervisory Board during its meeting of February 24, 2017.

Contents of the report by the Chairman of the Supervisory Board	Registration Document Chapter/Section
Composition and gender balance of the Supervisory Board and conditions in which it prepares and organizes its work	5.1.2.1 5.1.3 5.2.1 5.2.2 6.2.2.2
Limitation of the powers of the Management Board	5.1.1 6.2.2 5.2.1.2
Internal control and risk management procedures implemented by the Company	5.2.4
Reference to the Corporate Governance Code and deviations from the Code	5.1.4
Specific procedures relating to the participation of shareholders in Shareholders' Meetings	6.2.5
Principles and rules laid down by the Supervisory Board to set the compensation and benefits of all kinds granted to the corporate officers	5.3
Information provided for in Article L. 225-100-3 of the French Commercial Code	6.6

Internal control and risk management procedures

The description of internal control and risk management procedures was drawn up under the responsibility of the Chairman of the Supervisory Board and is an integral part of the Chairman's report provided for in Article L. 225-68 of the French Commercial Code. The report was prepared with the support of the Group Internal Audit Department and the Group Finance Department, as well as the Group Legal Department, under the supervision of the Management Board.

This report covers the Company, as well as all companies controlled by the Company and included in the Group's scope of consolidation. The information contained in this report is divided in the following manner:

- work underlying the preparation of the description of internal control and risk management procedures;
- internal control standard chosen by the Group;
- internal control scope of the Group;
- general organization of internal control and risk management;
- internal control procedures concerning the drawing up and processing of accounting and financial information.

5.2.4.1 Work underlying the preparation of the description of internal control and risk management procedures

The description of internal control and risk management procedures was drawn up using contributions from several departments, in particular the Finance, Legal and Information Systems Departments. The various Corporate Countries also contributed actively to the report's description of internal control system as far as needed.

5.2.4.2 Internal control standard chosen by the Group

The description of internal control and risk management procedures is based on the five components of the internal control model established and distributed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO):

1. control environment;
2. risk assessment;
3. control activities;
4. information and communication;
5. monitoring.

This model, which is internationally recognized, constitutes the reference standard for the Group's control efforts.

In accordance with the "COSO report", internal control is a process implemented by the Supervisory Board and the management and staff of an entity aiming to provide reasonable assurance regarding the achievement of objectives in terms of operations, reporting and compliance. These objectives cover the main aspects of internal control and are defined as follows:

1. *operating objectives*: to ensure the effectiveness and efficiency of operations in terms of operating and financial performance and asset protection;
2. *reporting objectives*: to ensure the reliability, punctuality and transparency of internal, external, financial and non-financial reporting;
3. *compliance objectives*: to ensure compliance with the laws and regulations applicable to the entity.

This internal control framework is itself consistent with the framework proposed by the AMF in 2007, supplemented by the AMF *Guide de l'Information Périodique des sociétés cotées sur un marché réglementé* dated October 26, 2016 (2016-05).

As with any control system, internal control provides reasonable, not absolute, assurance that the entity's objectives have been achieved. Among its inherent limitations, the internal control cannot avoid erroneous judgments, bad decisions or external events that may hinder the achievement of the operating objectives.

5.2.4.3 Internal control scope of the Group

The principles and operating methods of the internal control system are defined at the Group level and at the operating entities level.

Furthermore, the internal control system applies to the entire Group (parent company and subsidiaries) irrespective of whether management has decided to carry out operating activities directly or *via* external service providers.

5.2.4.4 General organization of internal control and risk management

This report covers the main control procedures implemented or being implemented for each internal control component set out in the COSO control framework.

CONTROL ENVIRONMENT OF THE GROUP

GOVERNANCE BODIES AND CONTROL ENVIRONMENT

The Group's control environment is based on a set of measures relying both on the commitment of senior management and on an internal control culture at all levels of responsibility. It also relies on documents and rules that structure critical processes and are mandatory for all members of staff:

- the Group's values, setting out its commitments towards customers, staff and shareholders and outlining the principles on which the actions of senior management are based;
- the rules common to all Group entities are enacted by the Supervisory Board and the Management Board. These rules stipulate the measures applicable in the following instances:
 - delegations of authority to Group executives and corporate officers,
 - means of the executives' compensation,
 - investments and commitments given (such as bonds, endorsements and guarantees);
- the harmonization of financial processes currently underway through the setting up of a Shared Services Center and of a unified IT system used by most entities;

- an internal control manual (named "Emergence"), fully updated during 2016, covering all functions and processes and adapted to the operating risks in the stations.

Several networks of managers and correspondents relay the control procedures defined by the Group in the various countries and subsidiaries, such as the network of decentralized internal auditors.

BREAKDOWN OF INTERNAL CONTROL DUTIES AND RESPONSIBILITIES

The primary actors in the internal control process are as follows:

- the Audit Committee, in accordance with its duties defined in the French Commercial Code, ensures the relevance, reliability and implementation of internal control procedures and the identification, hedging and management of the Company's risks in relation to its activities and the generation of accounting and financial information. In particular, the Committee interviews the Group Director of Internal Audit and examines the risk map. It is regularly informed of the results of the internal control self-evaluation process. In addition, the Committee gives its opinion on the organization and resources of the Group Internal Audit Department and is informed of its audit program. It receives a periodic summary of the internal audit reports;
- the Management Board is ultimately responsible for risk management and internal control and relies in particular on:
 - the financial departments of the operating entities on the one hand, and
 - the operating and functional departments on the other hand;
- the purpose of the Group Internal Control Department, created in 2016, is to facilitate assessment, monitoring and improvement of all Group internal control systems at the Head Office, Country and Station levels. It uses the new Group internal control manual and an annual self-evaluation process which covers all of the Group's operations and entities;
- the Group Internal Audit Department reports to the Chairman of the Management Board and has direct access to the Audit Committee. It relies on a central team and a decentralized network of internal auditors in order to:
 - design, execute and monitor the annual internal audit plan,
 - assess risks by carrying out an annual Group risk mapping and the monitoring the ensuing action plans,
 - contribute to compliance with the Group's rules, in particular in the stations, and recommend improvements to internal control.

ETHICS AND PROFESSIONAL RULES OF CONDUCT

The Group has developed a complete Ethics program (Compliance program) comprising a range of ethical principles, a structure covering the entire Group, and a multi-annual action plan.

Ethics Code

Europcar has developed a concrete and detailed set of ethical principles defining the professional behavior expected of the Group's representatives and employees. These principles are now included in the Code of Ethics and Commitments, available on the Group's website (<http://finance.europcar-group.com/wp-content/uploads/2016/12/code-of-ethics-commitments.pdf>). This Code was reviewed by the Management Board on January 25, 2016, following which, the Code was implemented.

This Code is based on several international guidelines to which Europcar adheres (in particular the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, various conventions of the International Labour Organization, and the OECD Guidelines for Multinational Enterprises).

Via this Ethics Code, Europcar undertakes to respect a certain number of commitment objectives in respect of its various stakeholders, including:

1. toward its customers and consumers:
 - communicate clearly and openly on the terms of access to the services (legal terms, rates),
 - to guarantee the security and confidentiality of data;
2. toward its employees:
 - to safeguard the health and safety of employees,
 - to promote equal opportunities within the Group,
 - to enable its employees to feel a sense of work accomplishment, and
 - to encourage positive work relations and freedom of expression of employees;
3. toward its industrial and commercial partners:
 - to select industrial and commercial partners that can, in their respective countries, guarantee compliance with basic labor rights, in particular those defined by the International Labour Organization,
 - to ensure mutual respect of the principles of loyalty in all industrial and commercial relations,
 - to prevent all forms of active or passive corruption;
4. toward the stock market:
 - to promote its success and act in ways that respect its shareholders, to gain their confidence. As a result, Europcar attaches great importance to the quality of information and ensures reliable and transparent communication with all its stakeholders, and
 - prevent insider trading and unjustified use of confidential or privileged information ;

5. toward the environment:

- to minimize the environmental footprint of its activities while ensuring respect of environmental regulations by reducing the pollution caused by its services and infrastructures and by limiting its consumption of energy and raw materials.

Overall, Europcar has defined 48 concrete commitments to these 12 objectives.

The Code has been communicated to all Europcar employees and will be shared with the various Europcar counterparts.

Senior managers of the Company are trained specifically on how to apply the Code and are responsible for making their teams aware of it. A training program will also be proposed to Europcar's teams during 2017.

Compliance structure

Europcar compliance is based on a three-level pyramid structure:

- the Management Board, which is responsible for overseeing the Group's compliance program;
- the Compliance Committee, which is responsible for monitoring the compliance program and its control at Group level;
- the Group Compliance Officer (Charline Le Clainche) and the regional Compliance Officers.

The Compliance Committee

The Compliance Committee must meet once a year; it comprises the following managers:

- Group Legal Director;
- Group Internal Audit Director;
- Group Corporate Social Responsibility Director;
- Group Human Resources Director;
- Great Britain Legal Director;
- Spain Legal Director;
- Germany Legal Director.

The Compliance Committee is tasked with monitoring and controlling the Compliance program at Group level and in particular:

- issuing advisory opinions to the Management Board to enable it to make decisions;
- it proposes the rules of conduct and the Compliance Program for the Group to the Management Board which decides and votes, without delegation;
- revising the program regularly in accordance with the latest developments in published government guidelines and the organization's needs, as well as laws, regulations and procedures enacted by the government;

- defining the actions to implement the multi-annual plans at all levels;
- analyzing the annual compliance reports to be presented to the Management Board (the first report will be issued during the first quarter 2017); and
- examining and handling alert situations reported by local Compliance Committees.

The Group Compliance Officer and the regional Compliance Officers

The Group Compliance Officer, with the assistance of the regional Compliance Officers, ensures the proper execution and implementation of all decisions taken by the Group in terms of ethics and fraud prevention.

The Group Compliance Officer is designated by the Chairman of the Group Compliance Committee in agreement with the Management Board. The Group Compliance Officer reports directly to the Group Compliance Committee and is responsible for issuing an activity report at least once a year.

A regional Compliance Officer is appointed in each country in which Europcar subsidiaries are present. They are tasked in particular with implementing the Compliance program when the Group Compliance Officer requires assistance at the local level.

Multi-annual compliance program

The multi-annual Compliance program sets out the main actions to be undertaken over a period of three years (2016-2018), including in particular:

- disseminating the Ethics Code and developing appropriate procedures and documentation;
- putting in place a professional alerts procedure: each country will establish a dedicated telephone line (in the local language) allowing all staff members to report any issue pertaining to the application of the ethics and compliance policies;
- developing and/or proposing training programs to the management of each department concerned by the components of the Compliance program;
- assessing the performance of officers, heads and managers on the distribution and respect of the Europcar Compliance program;
- establishing a Purchasing Code and updating General Terms and Conditions and Terms and Conditions of Purchase.

Control and corrective measures

Any significant deviation from the Group's rules will trigger an investigation to determine its cause. If it is found that the deviation was caused by irregular procedures or poor understanding of the rules, Europcar will take swift action to rectify the problem.

In the case of reported or apparent suspected non-compliance, the Group Compliance Officer and the Group Internal Audit Department will rapidly take measures to investigate the

behavior in question in order to determine whether or not a breach of the applicable law or the requirements of the Compliance program has occurred.

In such a case, the Group Compliance Officer will determine the measures to be taken to rectify the problem and will present their report to the Group Compliance Committee and the Management Board for approval.

RISK MANAGEMENT PROCEDURES

A presentation of the general risk management framework and a description of each risk are provided in Section 2, "Risk Factors", in this Registration Document.

RISK MANAGEMENT STRUCTURE

Risk management relates to measures implemented by the Group to identify and analyze the risks to which it is exposed in the ordinary course of business. Risk management is considered a priority by the Group's management and is closely followed by the Group Internal Audit Department and the Risk Management team (for insurable risks). The Group's internal control and risk management procedures are based on a set of measures, policies, procedures, behaviors and customized actions aiming to ensure that the necessary measures are taken to:

- ensure the efficiency of operations and the efficient use of resources; and
- identify, analyze and control risks that could have a material effect on the Group's assets, results, operations or achievement of its objectives, whether they are operating, commercial, legal or financial or related to compliance with laws and regulations.

The Group's risk management and internal control process is monitored by the Supervisory Board through the Audit Committee. The Audit Committee ensures the relevance, reliability and implementation of internal control procedures and identification, hedging and management of the Group's risks in relation to its activities as well as accounting and financial information.

Controlling risk exposure in each country in which the Group's companies operate depends on local management teams, who are as close as possible to the risks related to the activities they exercise or supervise.

MAIN RISK MANAGEMENT PROCEDURES

Group's risk map

The Group Internal Audit Department regularly updates the risk map at the Group and subsidiary levels on a rolling basis. The risk map is presented to the Audit Committee and to the Management Board, which studies it and examines the actions and specific monitoring of certain risks.

The risk identification process relies on a three-step methodology:

- identifying the main risks through interviews with high-ranking Group executives and other key staff within the Group and countries in order to identify the risks to which their scope is exposed. These interviews are carried out by the Group Internal Audit Department;
- identifying and quantifying risks once these risks are identified, a ranking is established based on the estimated impact of each risk and the likelihood of its occurrence. Risks identified as having severe impacts and a strong probability of occurring are mapped as “highly critical”. Conversely, risks identified as having little impact and a weak probability of occurring are mapped as “moderately critical”. The resulting map obtained for a given year provides a comparative tool with the previous year’s map, and helps in understanding the development of risks to which the Group is exposed. The map allows the Group to set up a dashboard with the estimated degree of control of each of the identified risks and to identify those that must be dealt with in priority, as well as to ensure that internal control is adequate to prevent and detect them;
- reviewing and validating the risk map by the Management Board and presenting it to the Audit Committee.

The Group’s Risk Map was updated at the end of fiscal year 2016. It describes 45 significant risks for the Group.

Risk monitoring and action plans

Depending on the principal risks identified, the concerned departments draw up action plans to be carried out by the local managers of the departments in question. The Group Internal Audit Department is working on implementing tools and processes for better and more formal monitoring of the action plans.

The risk map also helps to update the audit plan, in particular on topics that are identified as requiring increased supervision.

Monitoring the financial risks related to the effects of climate change

Article L. 225-37, paragraph 6, of the French Commercial Code, amended by law No. 2015-992 of August 17, 2015 relating to energy transition for green growth, stipulates that starting in fiscal years ending December 31, 2016, the Chairman’s report must cover “the financial risks related to the effects of climate change and the measures taken by the Company to reduce these risks by implementing a low-carbon strategy in all areas of its business.”

Chapters 2 and 4 of this Registration Document on societal, social and environmental information include all of the information required by law. They can be summarized as follows:

- the Group has implemented a comprehensive CSR governance and organization, under the authority of the CSR Director, which covers all of the Group’s operations (see Section 4.1.2 “*CSR Organization and Governance*” of this Registration Document);
- the Group’s business is highly sensitive to the seasons and climate conditions. This risk, as well as the control mechanisms implemented by the Group, is described in Section 2.1.5 “*Risks related to the highly seasonal nature and sensitivity to weather conditions of the vehicle rental industry*” of this Registration Document;
- the vehicle rental business has limited sensitivity to the financial risks related to the effects of climate change. In fact, in 2016 Group initiated a comprehensive Low Carbon strategy, described in Section 4.4 “*Europcar Actor in the fight against climate change*” of this Registration Document. This strategy maintains a minimal carbon imprint from all of the emissions related to the Group’s direct business and promotes the smallest carbon imprint possible from the Group’s customers through a set of concrete and measurable actions, such as advocating economic driving and offering a fleet using the latest technologies, always more oil and fuel efficient and with better GHG emissions performance;
- even though the Group complies with all the laws and regulations to which it is subject, Section 2.4.1.3 “*Risks related to environmental and health and safety rules*” of this Registration Document notes, however, that “international law and regulations” have historically and will likely continue to contemplate numerous measures related to greenhouse gas emissions and climate change. If rules designed to cap emissions or tax the companies seen as responsible should come into force, it could affect demand for the Group’s services and the vehicle fleet and/or other costs could rise with adverse implications for its results of operation and financial position.

CONTROL ACTIVITIES

GENERAL ARCHITECTURE AND STRUCTURE

Overseen by the Internal Control Department, the control activities implemented by the Group aim to:

- ensure that the Group's activities in all countries and the actions of all its employees adhere to the framework defined by applicable laws and regulations, the policies laid down by the Management Board, and the Group's commitments and rules of procedure;
- prevent and control risks encountered by the Group, not only in terms of finance and accounting, but also as regards operations, in order to protect and preserve its activities and more generally its assets; and
- produce timely accounting, financial and management information to ensure, on the one hand, the reliability and relevance, in line with applicable standards and regulations, of financial information communicated to shareholders, and to enable, on the other hand, appropriate steering of the Group.

The architecture of the internal control process, is based on a three-level structure:

1. the first control level applies to each staff member and their superiors according to their explicit responsibilities, the procedures applicable to their actions and their communicated instructions;
2. the second control level applies to managers independently of the actions controlled. It may also apply to staff employed in an operating, support or control capacity; and
3. the third control level applies to the Group Internal Audit Department, which constantly monitors the effective application of the first two control levels.

INTERNAL CONTROL SELF-EVALUATION PROCESS

The internal control self-evaluation process is based on three complementary tools:

- the internal control "Emergence" manual;
- the self-assessment tool;
- the annual compliance statement.

The internal control "Emergence" manual

Entirely rewritten in 2016, the manual adopts an educational and very concrete approach and covers not only financial reporting procedures, but also operating oversight (such as contract management, franchises, agents and affiliates), functional oversight (such as legal, purchasing, Human Resources and IT) and oversight of Group governance. It includes a set of new subjects, directly related to the new risks and opportunities addressed by the Group, such as crisis management, sustainable development issues and investor

relations. Each subject concentrates on the ten key controls to be applied across the Group, in relation to the risks and existing main procedures.

The internal control assessment tool

The internal control assessment tool, used in the Group for the past five years, covers all subjects discussed in the "Emergence" manual. Since 2016, examples of best practice have been defined for each control and a "customized" maturity scale enables very precise and objective results to be achieved during the self assessment process.

The annual self-evaluation campaign for 2016 was carried out on the basis of this new tool. It covered nine Countries in which the Group operates directly, the shared services center, the holding company and the Group functions. The players involved in the self-evaluation campaign are both at the head office and in the Countries and Regions. They are supervised by the Internal Control Department. The results from the self-evaluation are reviewed by the Internal Audit Department. Plans for improvement are initiated by the operations managers, validated at the Country level and monitored by the Internal Control Department. The Audit Committee is informed of the results of the self-evaluation campaign and the improvement plans.

An annual statement of compliance signed by the management of Group entities

The Group has implemented a signed reporting policy. Under this policy, the managers of the Group's subsidiaries sign an annual compliance letter. The purpose of the compliance letter is to (i) notice and analyze non-compliance situations and risks and present any corrective measures taken, (ii) ensure that all employees have received training relating to the Group's values charter, conflicts of interest, personal data protection and competition law, and (iii) confirm in particular the absence of any conflicts of interest, and compliance with anti-corruption rules, personal data protection, labor laws and human rights.

INTERNAL CONTROL PROCEDURES RELATING TO INFORMATION SYSTEMS

The Group IT Department defines, implements and improves the IT security policy roadmap. It initiates and coordinates risk reduction projects in its domain.

The Group has a Group IT Systems Security manager, reporting to the IT Department. The IT Systems Security manager has a central four-person team and a network of correspondents in the IT Department and the various countries, through which he or she manages security systems. This network of 10 specialists also includes business line correspondents to facilitate the coordination between the various actions and ensure the proper execution and monitoring of the IT security systems policy across the whole Group.

The IT security systems roadmap is updated in February each year and presented to the Audit Committee, taking into account the assignments conducted by the Group's Internal Audit Department, the results of the self-assessment of IT controls, the Group risk map and any external studies. The IT security systems roadmap provides an overall and consolidated vision of the action plans to be carried out in five areas: governance, access and identity management, security oversight, infrastructure security, and compliance. Dashboards have been implemented since October 2016 to identify and analyze safety incidents with a report indicating the level of criticality, the manager and an action plan.

Monitoring of actions is handled by a monthly IT Safety Steering Committee (chaired by the Information Systems Director (ISD), facilitated by the Information Systems Safety manager, with the Director of Internal Audit and the directors of the ISD) and presented to the Audit Committee. Furthermore, every two weeks, a Safety Monitoring Committee meets with all the safety correspondents in the Countries who may then submit their own issues and obtain all the necessary information on the Group's common vision.

The Group's business continuity plan was defined and relies on a fully operational IT backup site. A complete business recovery exercise under actual conditions was carried out in March 2016, when preparations were being made to move one of the two data centers, with no loss of performance for customers or employees. Partial exercises on each functional environment were also carried out in the course of 2016.

The applications exposed to the Internet are regularly subjected to intrusion tests. The latest tests were carried out in early 2016 and the next ones are scheduled for March 2017.

INTERNAL CONTROL PROCEDURES RELATING TO THE STATIONS

Station control activities are of particular importance to the Group, as any dysfunction may alter the customer experience and operating profits. In order to maintain a very high standard of internal control, Europcar has drawn up a complete and detailed manual that is subject to regular internal audits. This manual is structured into four parts, entitled: Cash, Fuel, Fleet, Rental.

For each part, the expected controls are detailed in terms of objective, operating method, person responsible, frequency, documentation and reference to the procedures/tools to be used.

The internal audit uses a detailed analysis grid to assess the performance of stations in relation to the expected controls and to list non-compliant items and areas for improvement.

FRAUD PREVENTION, AND FIGHT AGAINST CORRUPTION AND MONEY-LAUNDERING

The Group Internal Audit Department oversees identification and fraud prevention processes for all Group activities.

Risks related to operations of the Group's international franchisee network are subcontracted to an external audit firm, overseen by Group Internal Audit. At times, external auditors are called upon to cover certain business sectors with respect to technical issues that cannot be covered internally.

GROUP STEERING OF INTERNAL CONTROL

The Group Internal Audit Department steers internal control in close collaboration with the Audit Committee and the Management Board.

Its structure and duties are defined by the internal audit charter, updated in 2016.

DUTIES OF THE GROUP INTERNAL AUDIT DEPARTMENT

The Group Internal Audit Department provides management teams with reasonable assurances as to transactional oversight, gives advice on improvements and contributes to creating added value. It assists the Management Board and the Corporate Countries in achieving their objectives by using a systematic and methodical approach to evaluate management risks, control risks and corporate governance, and make proposals to strengthen their effectiveness. It also promotes a strong internal control environment in order to increase oversight of risks and operations.

The Group Internal Audit Department is also in charge of steering the fraud identification and prevention process throughout the Group.

Finally, the Group Internal Audit Department oversees the implementation of audit recommendations and high-priority action plans.

STRUCTURE AND RESOURCES

The Internal Audit Director reports to the Chairman of the Management Board and to the Audit Committee appointed by the Supervisory Board. This link between internal audit and senior management is supplemented by continuous access to and cooperation with the other members of the Company's Management Board.

In addition, there is an operating link between the Group Internal Audit Department and the local audit units of the operating subsidiaries largely pertaining to point-of-sale audits and operating site audits, including local stations and franchisees.

The Group Internal Audit Department is composed of a Group Internal Audit Director, a manager and three internal auditors and relies on a network of Country correspondents.

Each mission is the subject of a written report intended for the audited persons, their superiors and the Management Board. Audit reports include an evaluation of the identified risks and recommended measures to reduce these risks.

CONSTRUCTION OF THE INTERNAL AUDIT AND REPORTING PLAN

The Group Internal Audit Department defines and executes, either on its own initiative or on the initiative of senior management, an annual audit plan that includes the international franchise network, internal control audits and any other advice or assurance assignment. It reviews the recurring internal control self-evaluation campaigns. In addition, the Group Internal Audit Department consolidates the audits performed in the various stations making up the Group's network. It works in close collaboration with the local audit teams for that purpose.

This annual plan is approved by the Chairman of the Management Board; the Audit Committee expresses an opinion on this annual audit program.

Lastly, the Group Internal Audit Director reports to the Chairman of the Management Board and to the Audit Committee on the realization of the annual audit plan and on the state of progress of the recommendations issued by the internal audit.

ACTIVITY IN THE COURSE OF THE YEAR ENDED DECEMBER 31, 2016

The Group Internal Audit Department carried out some twenty missions throughout the Group during the year, in the following areas:

- franchisee audits: for the past three years, the Group Internal Audit Department has asked Ernst & Young to conduct an annual audit of stations held by franchisees in order to ensure their compliance with the Group's rules;
- standard missions completed in stations, in particular in France and Belgium;
- missions dealing with an operating process or a specific risk;
- monitoring missions carried out by the internal audit, if need be on critical subjects;
- drawing up the risks map.

5.2.4.5 Internal control procedures concerning the drawing up and processing of accounting and financial information

ORGANIZATION AND RESPONSIBILITIES IN THE GENERATION OF ACCOUNTING AND FINANCIAL INFORMATION

The chief generators or auditors of accounting and financial information fall under the Group Finance Department and are as follows:

- the Group Accounting Department;
- the Group Management Control Department;
- the Legal Department;
- the Tax Department;
- the Cash, Risk Management and Insurance Division;
- the Shared Services Center, covering many of the accounting processes and the Group's various Corporate Countries;
- the Financial Communication Department.

CONTROL ENVIRONMENT RELATED TO THE RELIABILITY OF ACCOUNTING AND FINANCIAL INFORMATION

The reliability of accounting and financial information relies on the following steering elements:

- a three-year strategic plan, spearheaded by the Management Board in coordination with operating departments: this plan determines the Group's main strategic lines annually and the related annual budgetary targets. It is validated annually by the Supervisory Board;
- the annual budgetary process. This process, spearheaded by the Management Board and handled by senior management control teams with the support of all operating departments, focuses on operating financial aggregates. The financial elements of the budget are consolidated month by month using the same tool as that used for consolidating actual results with a comparable degree of detail. This enables immediate comparison of the monthly performance of the operating financial aggregates with the budgeted targets;
- three results projections per year: these forecasts focus on the same financial aggregates as the annual budget and therefore use the same consolidation methods in the same tool and with the same degree of detail. These forecasts are normally made in March, June and September and rely on the actual monthly results already closed. Their objective is to estimate the remaining months until the end of the year in

question in order to compare the re-estimated year and the annual budgetary targets. These forecasts are reviewed by the Management Board;

- complete monthly closings (full balance sheet, consolidated income statement, net profit and cash flow) are recorded and consolidated in the same manner as annual and half-yearly closings in the consolidation tool; and
- monthly performance review meetings: led by the Chairman of the Management Board, these are carried out with all countries bring together the Deputy CEO – Countries and Operations, the Deputy CEO – Sales, Marketing, Customers & InterRent, the Chief Financial Officer and the Group Financial Controller, and the Fleet Director. The operating departments are themselves subject to review by the Management Board. Performance and margin analyses are conducted in order to understand the principal performance levers of the month and to define, in particular, the action plans for the coming months;
- a team, Finance Organization Design, is responsible for harmonizing the finance organizations as well as the accounting processes and internal control, in close collaboration with the Internal Control Department.

PROCEDURES FOR THE DRAWING UP OF ACCOUNTING AND FINANCIAL INFORMATION

Accounting and financial information is obtained through a rigorous process relying on:

- **a common standard and documentation of the Group's principal accounting rules:** the financial statements are established in accordance with IFRS, which are communicated to the Group's subsidiaries via the

Group Accounting Manual, along with specific instructions. Moreover, the above mentioned internal control manual includes the different processes affecting the generation of financial information (e.g. closing, cash, payroll, purchasing, sales, assets, IT and consolidation);

- **a unified IT system:** Europcar uses just one accounting tool (ORACLE), one operating tool (GREENWAY) and one reporting tool (CEGID FCRS). The operating and financial flows of most subsidiaries are managed via ORACLE. The use of a single financial model within ORACLE promotes consistency between data sources for the Accounting Department and the Management Control Department, standardizes and optimizes practices, and offers better control;
- **a reporting and consolidation software package and a chart of accounts under ORACLE aligned with the reporting chart of accounts:** the transfer and consolidation of financial information are handled by the ORACLE/CEGID FCRS tool for all financial reporting (budget, forecasts, actual monthly, quarterly, half-yearly and yearly). The use of a single tool ensures consistency between internal steering and external communication;
- **consistency checks and analyzes carried out on financial information:** automatic checks in the reporting tool, detailed activity reviews by the Group's Management Control teams, and specific analyzes (e.g. scope changes, exchange rate effects or non-recurring transactions) by the Accounting Department ensure the proper control of financial information generated;
- **a formalized process for the transfer, analysis and control of other information published in the Group's annual documents (e.g. Registration Document).**

5.2.5 Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Supervisory Board of the Company

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

(For the year ended December 31, 2016)

To the shareholders

Europcar Groupe S.A.

2, rue René Caudron

Bâtiment OP

78960 Voisins-le-Bretonneux

In our capacity as Statutory Auditors of Europcar Groupe S.A., and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-68 of the French Commercial Code for the year ended December 31, 2016.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-68 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L. 225-68 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to prepare the information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Supervisory Board report, prepared in accordance with Article L. 225-68 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-68 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, on February 27, 2017

The Statutory Auditors

PricewaterhouseCoopers Audit

François Jaumain

Mazars

Isabelle Massa

5.3 COMPENSATION AND OTHER BENEFITS OF ANY KIND RECEIVED BY CORPORATE OFFICERS

The compensation of the members of the Management Board, as well as that of the members of the Supervisory Board, is determined by the Supervisory Board on recommendation of the Compensation and Nominations Committee.

In its analysis and proposals to the Supervisory Board, the Compensation and Nominations Committee pays particular attention to comply with the recommendations of the AFEP-MEDEF Code.

5.3.1 Compensation of the members of the Management Board

5.3.1.1 Compensation principles of the members of the Management Board

The compensation of the members of the Management Board takes into account the principles of comprehensiveness, balance, comparability, coherence, intelligibility and measure, in accordance with the recommendations of the AFEP-MEDEF Code.

All elements of the compensation of the members of the Management Board are examined and decided each year by the Supervisory Board, on recommendation of the Compensation and Nominations Committee taking into account the responsibilities of members, performance, applicable regulations, the recommendations of the AFEP-MEDEF Code and market practices. To this end, in 2016 the Supervisory Board commissioned an independent firm to carry out a comparative study of the compensation of the members of the Management Board. The findings of this study revealed no inconsistency as regards the compensation policy applied by the Company to its corporate officers.

During the first quarter of 2017, the Compensation and Nominations Committee asked this independent firm to conduct a new comparative study on the compensation of members of the Management Board (for more information the results of this study and the consequences on the 2017 compensation policy, please see Section 5.3.1.5 “*Compensation policy in 2017*” of this Registration Document).

COMPENSATION STRUCTURE

The compensation of each member of the Management Board comprises the following elements:

- annual fixed compensation payable over a period of 12 months;
- annual variable compensation expressed as a percentage of the annual fixed compensation;
- performance share grants, where appropriate;
- benefits in kind; and
- possible exceptional compensation.

FIXED COMPENSATION

The fixed compensation for each of the members of the Management Board reflects the responsibility that they assume and their respective expertise is consistent and takes into account the attractiveness of this compensation against the market. This compensation was adjusted in 2016 for Mrs. Caroline Parot and Mr. Fabrizio Ruggiero and adjusted in 2017 for Mr. Fabrizio Ruggiero and Mr. Kenneth McCall.

As indicated above, two studies, conducted in 2016 and then in 2017 by an independent firm specializing in compensation analyses helped to determine all of the components comprising the compensation package for the members of the Management Board. Indeed, a discrepancy existed between the (fixed and variable) compensation for the previous years and those resulting from the market analysis.

A review of the fixed compensation for members of the Management Board is, in the same way as all elements of compensation for members of the Management Board, conducted annually by the Supervisory Board on recommendation of the Compensation and Nominations Committee. The frequency of the changes in the fixed compensation of each of the members of the Management Board will depend on any differences that may be noted at the beginning of each fiscal year between the responsibilities assumed and the respective expertise of each of the members of the Management Board on the one hand, and the market analyses on the other. The Supervisory Board did not decide to change the fixed compensation for the members of the Management Board annually. If that should be the case, the change would be moderate and would respect the principle of consistency, in accordance with the AFEP-MEDEF Code recommendations. Refer to the paragraphs in (A) of Section 5.3.1.2 “*Compensation of members of the Management Board in respect of FY 2016*” of this Registration Document for more information on the 2016 fixed compensation for the members of the Management Board and paragraph (A) of Section 5.3.1.5 “*Compensation policy in 2017*” for more information on the 2017 fixed compensation for the members of the Management Board.

ANNUAL VARIABLE COMPENSATION

The annual variable compensation of the members of the Management Board is aimed at involving them in to the Group's performance. In accordance with the AFEP-MEDEF Code, the variable compensation of each of the members of the Management Board corresponds to a percentage of their fixed compensation. Annual variable compensation of the members of the Management Board is intended to take into account their individual performances and the Company's performance and is based on qualitative and quantitative performance criteria set individually for each member of the Management Board. The analysis of performance based on diverse predetermined criteria is assessed in relation to the Company's objectives, shareholders' interests and additionally, implementation of the Company's strategy. Refer to the paragraphs in (B) of Section 5.3.1.2 for more information on the 2016 fixed compensation for the members of the Management Board and the paragraphs in (B) of Section 5.3.1.5 for more information on the 2017 fixed compensation for the members of the Management Board.

LONG-TERM COMPENSATION: PERFORMANCE SHARES

In accordance with the compensation policy set out above, the Group wishes to involve the members of the Management Board and employees in the Group's performance through the granting of performance shares. These grants in particular align the shareholders' interests with those of management. Refer to Sections 5.3.1.3 for more information on the granting of performance shares to members of the Management Board in 2015 and to the paragraphs in (C) of Section 5.3.1.5 for more information on the granting of performance shares to members of the Management Board in 2017.

EXCEPTIONAL COMPENSATION

Very specific circumstances (for example, their importance for the Company, the involvement that they require or the difficulties that they present) could give rise to exceptional compensation allocated to the members of the Management Board. The allocation of exceptional compensation would be exceptional, substantiated and recommended by the Compensation and Nominations Committee and then decided Supervisory Board.

The amounts corresponding to compensation granted in 2016 to each of the members of the Management Board are indicated in Section 5.3.3 "*Summary of the compensation and benefits of corporate officers*" of this Registration Document.

5.3.1.2 Compensation mix of members of the Management Board in respect of FY 2016

SHAREHOLDERS' OPINION ON COMPONENTS OF COMPENSATION DUE OR AWARDED TO MEMBERS OF THE MANAGEMENT BOARD IN RESPECT OF 2016

Components of compensation due or awarded to members of the Management Board in respect of 2016 as presented in Section 5.3.1.2 of this Registration Document will, in application of the recommendations of Sections 26.1 and 26.2 of the AFEP MEDEF Code, be submitted to the Shareholders for opinion at the Company's Shareholders' Meeting on May 10, 2017, as set out in the 12th to 14th resolutions.

(A) 2016 FIXED COMPENSATION OF MEMBERS OF THE MANAGEMENT BOARD

The annual fixed compensation of the members of the Management Board for 2016 was decided by the Supervisory Board at its meetings of February 24 and March 11, 2016, upon proposals made by the Compensation and Nominations Committee on February 18 and March 4, 2016. The new annual fixed compensation for Caroline Parot following her appointment as CEO was approved by the Supervisory Board on November 23, 2016, on the recommendation of the Compensation and Nominations Committee of November 22, 2016.

The annual fixed compensation of Philippe Germond and that of Kenneth McCall in respect of the 2016 fiscal year was renewed under identical terms and conditions to those applied in 2015.

The annual fixed compensation of Fabrizio Ruggiero in respect of the 2016 fiscal year, the amount of which was €214,615 in 2015, was increased to €280,000 effective January 1, 2016, in consideration particularly of his new responsibilities for the Mobility and Marketing activities within the Group, as well as the conclusions of the market study carried out by the Company. This represents an increase of 30.40% on his annual fixed compensation compared to his annual fixed compensation received for 2015.

The annual fixed compensation of Caroline Parot was increased by around 51% following her appointment as CEO on November 23, 2016. This increase was decided by the Supervisory Board upon recommendation of the Compensation Committee dated November 23, 2016, in consideration for her new responsibilities as CEO.

The annual fixed compensation due and paid to the members of the Management Board for 2016 is detailed below:

- as Group Chief Financial Officer, under an employment agreement concluded with the Company on February 25, 2011 (as amended on March 12, 2012), Caroline Parot received fixed compensation of €311,674 for the period

from January 1, 2016 to November 30, 2016. Caroline Parot resigned from her salaried positions following her appointment as CEO on November 23, 2016, and is therefore no longer bound to the Company by an employment agreement since this date. From January 1 to November 23, 2016, Caroline Parot received no separate annual fixed compensation for her role as member of the Management Board.

Following her appointment as CEO, the amount of annual fixed compensation for Caroline Parot in her position as CEO was set by the Supervisory Board on November 23, 2016 at €510,000 (*prorata temporis* as from December 1, 2016). For the period from December 1 to 31, 2016, Caroline Parot thus received an amount of €28,334 for her role as CEO. A corporate officer agreement was signed between Caroline Parot and the Company on December 22, 2016.

The total annual fixed compensation received by Caroline Parot in respect of 2016 amounts to €340,008.

- in his position as Chairman of the Management Board from January 1 to November 23, 2016, Philippe Germond received annual fixed compensation of €550,000 on the basis of annual fixed compensation of €600,000, unchanged from 2015. As regards the financial terms and conditions relating to the termination of Philippe Germond's position as Chairman of the Management Board, as decided by the Supervisory Board on November 23, 2016, see Section 5.3.1.8 below.
- as Managing Director, under an employment agreement concluded with the company Europcar Group UK Limited, an operating subsidiary of the Group in the United Kingdom, Kenneth McCall received fixed compensation of €228,653 for the period from January 1 to July 22, 2016. Following his appointment as Deputy CEO - Countries and Operations on July 22, 2016, Kenneth McCall received fixed compensation of €180,457 for the period from July 23 to December 31, 2016.

Kenneth McCall received total annual fixed compensation of €409,110 in respect of the 2016 fiscal year.

- as Managing Director, under an employment agreement concluded with the company Europcar Italia S.p.A., an operating subsidiary of the Group in Italy, Fabrizio Ruggiero received fixed compensation of €145,343 for the period from January 1 to July 22, 2016. Following his appointment as Deputy CEO - Sales, Marketing, Customers & InterRent on July 22, 2016, Fabrizio Ruggiero received fixed compensation of €136,309 for the period from July 23 to December 31, 2016.

Fabrizio Ruggiero received total annual fixed compensation of €281,652 in respect of the 2016 fiscal year.

(B) 2016 VARIABLE COMPENSATION OF MEMBERS OF THE MANAGEMENT BOARD

DESCRIPTION OF THE COMPOSITION OF THE ANNUAL VARIABLE COMPENSATION

The principles and criteria of the annual variable compensation (hereafter the **"Annual Variable Compensation"**) of the Chairman and the other members of the Management Board are determined and reviewed every year by the Supervisory Board, on a recommendation of the Compensation and Nominations Committee, in compliance with the applicable legal provisions and the recommendations of the AFEF-MEDEF Code. Annual Variable Compensation is expressed as a percentage of annual fixed compensation.

The **"Target Variable Compensation"** of a member of the Management Board corresponds to achievement of 100% of the objectives set on quantitative and qualitative criteria defined annually by the Supervisory Board and represents 100% of the fixed annual compensation.

Each quantitative criterion is defined with three performance levels that enable its degree of achievement to be assessed: minimum, target and maximum. The degree of achievement of the objectives relating to each quantitative criterion is calculated by linear interpolation between the levels set. At the beginning of the year, the performance levels of each objective (by criterion) are reviewed and approved by the Supervisory Board, on the proposal of the Compensation and Nominations Committee.

The first stage in the calculation of Annual Variable Compensation consists in determining the degree to which the objectives for each of the qualitative and quantitative criteria have been achieved (hereafter the **"Basic Variable Compensation"**). This Basic Variable Compensation is then adjusted upward or downward *via* the use of a multiplying coefficient based on the degree of achievement by the Group of the quantitative annual customer recommendation target, the Net Promoter Score.

The qualitative performance criteria and the weighting to be applied to the quantitative criteria are set individually, in a precise and objective manner, for the Chairman and each of the other members of the Management Board.

On March 11, 2016, the Supervisory Board, on a proposal made by the Compensation and Nominations Committee on March 4, 2016, set the conditions for determining the Annual Variable Compensation of the members of the Management Board and defined a new weighting of the quantitative and qualitative criteria applicable for 2016.

Accordingly, for fiscal year 2016, the Basic Variable Compensation of the Chairman of the Management Board as well as that of the other members of the Management Board may vary between 0% and 135% of the annual fixed compensation depending on the degree of achievement of the objectives set for the quantitative and qualitative criteria. After applying the coefficient linked to the Net Promoter Score, the Annual Variable Compensation can reach up to a maximum of 155% of the annual fixed compensation.

Following the reorganization of the Group and the definition, within this framework, of specific areas of responsibility within the Group attributed to each of the members of the Management Board, the qualitative criteria for the Basic Variable Compensation of Philippe Germond and Caroline Parot, as well as the qualitative and quantitative criteria of the Basic Variable Compensation of Kenneth McCall and Fabrizio Ruggiero, were modified by the Supervisory Board at its meeting of July 22, 2016, on recommendations made by the Compensation and Nominations Committee on June 15 and July 18, 2016.

The respective areas of responsibility of Kenneth McCall and Fabrizio Ruggiero, who until then shouldered, in addition to their mandates as members of the Management Board, the duties as Managing Director of Europcar Group UK Limited and Europcar Italia S.p.A, respectively, were refocused mainly on their new duties at Group level. Kenneth McCall and Fabrizio Ruggiero terminated their respective mandates as Managing Director of Europcar Group UK Limited and Managing Director of Europcar Italia S.p.A. The weighting of the quantitative criteria in their Basic Variable Compensation on the basis of Group EBITDA and Country EBITDA was modified accordingly in order to increase the weight of the Group EBITDA criterion, as outlined below in the tables on page 315 of this Registration Document.

Furthermore, on November 23, 2016, the Supervisory Board, on a recommendation made by the Compensation and Nominations Committee on November 22, 2016, decided not to modify the structure of Caroline Parot's Annual Variable Compensation for the fiscal year 2016, following her appointment as CEO.

DESCRIPTION OF THE QUALITATIVE CRITERIA

The qualitative criteria were established and defined individually and precisely for each member of the Management Board. As these criteria are directly linked to the Group's strategy, they cannot be disclosed for reasons of confidentiality.

For the fiscal year 2016, the qualitative criteria of the Basic Variable Compensation of the Chairman and those of the Basic Variable Compensation of the members of the Management Board may vary from 0 to 30% of the annual fixed compensation depending on the degree of achievement of their individual objectives.

DESCRIPTION OF THE QUANTITATIVE CRITERIA

The quantitative criteria for the Chairman of the Management Board and the other members of the Management Board, as detailed below, represent 70% of the Target Variable Compensation, and may vary between 0 and 105% of the annual fixed compensation, depending on the degree of achievement of the objectives for each criterion, as set out below:

■ for Philippe Germond, the quantitative criteria are linked:

- (i) to Group EBITDA: this criterion represents 40% of his Target Variable Compensation and may vary between 0 and 60% of his annual fixed compensation depending on the degree to which the objectives for this criterion are achieved,
- (ii) to revenue (Top Line): this criterion represents 15% of his Target Variable Compensation and may vary between 0 and 22.5% of his annual fixed compensation depending

on the degree to which the objectives for this criterion are achieved,

- (iii) to consolidated net profit: this criterion represents 15% of his Target Variable Compensation and may vary between 0 and 22.5% of his annual fixed compensation depending on the degree to which the objectives for this criterion are achieved;

■ for Caroline Parot, the quantitative criteria are linked:

- (i) to Group EBITDA: this criterion represents 40% of her Target Variable Compensation and may vary between 0 and 60% of her annual fixed compensation depending on the degree to which the objectives for this criterion are achieved,
- (ii) to revenue (Top Line): this criterion represents 15% of her Target Variable Compensation and may vary between 0 and 22.5% of her annual fixed compensation depending on the degree to which the objectives for this criterion are achieved, and
- (iii) to consolidated net profit: this criterion represents 15% of her Target Variable Compensation and may vary between 0 and 22.5% of her annual fixed compensation depending on the degree to which the objectives for this criterion are achieved;

■ for Kenneth McCall and Fabrizio Ruggiero, the quantitative criteria are linked:

- (i) to Group EBITDA: this criterion represents 20% of their Target Variable Compensation and may vary between 0 and 30% of their annual fixed compensation depending on the degree to which the objectives relating to this criterion are achieved, for the period from January 1 to July 22, 2016, and 30% of their Target Variable Compensation and between 0 and 45% of their annual fixed compensation depending on the degree to which the objectives relating to this criterion are achieved for the period between July 22 and December 31, 2016,
- (ii) to Country EBITDA: this criterion represents 20% of their Target Variable Compensation and may vary between 0 and 30% of their annual fixed compensation depending on the degree to which the objectives relating to this criterion are achieved for the period from January 1 to July 22, 2016, and 10% of their Target Variable Compensation and between 0 and 15% of their annual fixed compensation depending on the degree to which objectives relating to this criterion are achieved for the period between July 22 and December 31, 2016,
- (iii) to revenue (Top Line): this criterion represents 15% of their Target Variable Compensation and may vary between 0 and 22.5% of their annual fixed compensation depending on the degree to which objectives relating to this criterion are achieved, and
- (iv) to consolidated net profit: this criterion represents 15% of their Target Variable Compensation and may vary between 0 and 22.5% of their annual fixed compensation depending on the degree to which objectives relating to this criterion are achieved.

WEIGHTING OF THE QUALITATIVE AND QUANTITATIVE CRITERIA IN 2016

Qualitative and quantitative criteria from January 1 to July 22, 2016

(Decided by the Supervisory Board on March 11, 2016)

Criteria	Philippe Germond			Caroline Parot			Kenneth McCall			Fabrizio Ruggiero		
	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2016	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2016	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2016	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2016
Qualitative criteria	30%	30%	30%	30%	30%	28.5%	30%	30%	28.5%	30%	30%	28.5%
Group EBITDA	40%	60%	N/A	40%	60%	9.4%	20%	30%	4.7%	20%	30%	4.7%
Country EBITDA	N/A	N/A	N/A	N/A	N/A	N/A	20%	30%	3.8%	20%	30%	29.7%
Revenue	15%	22.5%	N/A	15%	22.5%	7.9%	15%	22.5%	7.9%	15%	22.5%	7.9%
Consolidated net profit	15%	22.5%	N/A	15%	22.5%	15.8%	15%	22.5%	15.8%	15%	22.5%	15.8%
TOTAL BEFORE APPLYING THE COEFFICIENT ASSOCIATED WITH THE NET PROMOTER SCORE	100%	135%	30%	100%	135%	61.6%	100%	135%	60.7%	100%	135%	86.6%
TOTAL AFTER APPLYING THE NET PROMOTER SCORE MAXIMUM COEFFICIENT	115%	155%	N/A	115%	155%	N/A	115%	155%	N/A	115%	155%	N/A
TOTAL AFTER APPLYING THE 2016 COEFFICIENT ASSOCIATED WITH THE NET PROMOTER SCORE	-	-	N/A	-	-	65.3%	-	-	64.3%	-	-	91.8%

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Qualitative and quantitative criteria from July 23, 2016 to December 31, 2016

(Decided by the Supervisory Board on July 22, 2016)

Criteria	Philippe Germond			Caroline Parot			Kenneth McCall			Fabrizio Ruggiero		
	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2016	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2016	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2016	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2016
Qualitative criteria	30%	30%	30%	30%	30%	28.5%	30%	30%	28.5%	30%	30%	28.5%
Group EBITDA	40%	60%	N/A	40%	60%	9.4%	30%	45%	7%	30%	45%	7%
Country EBITDA	N/A	N/A	N/A	N/A	N/A	N/A	10%	15%	1.9%	10%	15%	14.9%
Revenue	15%	22.5%	N/A	15%	22.5%	7.9%	15%	22.5%	7.9%	15%	22.5%	7.9%
Consolidated net profit	15%	22.5%	N/A	15%	22.5%	15.8%	15%	22.5%	15.8%	15%	22.5%	15.8%
TOTAL BEFORE APPLYING THE COEFFICIENT ASSOCIATED WITH THE NET PROMOTER SCORE	100%	135%	30%	100%	135%	61.6%	100%	135%	61.1%	100%	135%	74.1%
TOTAL AFTER APPLYING THE NET PROMOTER SCORE MAXIMUM COEFFICIENT	115%	155%	N/A	115%	155%	N/A	115%	155%	N/A	115%	155%	N/A
TOTAL AFTER APPLYING THE 2016 COEFFICIENT ASSOCIATED WITH THE NET PROMOTER SCORE	-	-	N/A	-	-	65.3%	-	-	64.8%	-	-	78.5%

APPLICATION OF A MULTIPLIER BASED ON THE ACHIEVEMENT BY THE GROUP OF A RECOMMENDATION RATE

For all of the members of the Management Board, including its Chairman, in the event the Group improves the Net Promoter Score by more than 10%, a maximum multiplier of 1.15x is applied to the Basic Variable Portion, making it possible for their Annual Variable Compensation to reach up to 155% of the annual fixed compensation. Conversely, in the event that the Net Promoter Score is unsatisfactory and below 10%, the minimum multiplier of 0.85x will be applied to the Basic Variable Portion. The multiplier is calculated by linear interpolation between the endpoints 0.85-1.15 on the basis of the change in the NPS within the interval -10%/+10%.

DETERMINATION OF THE ANNUAL VARIABLE COMPENSATION IN RESPECT OF THE 2016 FISCAL YEAR

On February 24, 2017, the Supervisory Board, on the recommendation of the Compensation and Nominations Committee on February 22, 2017, (i) assessed and approved the level of achievement of the quantitative and qualitative criteria objectives for 2016 for each member of the Management Board, as presented in the table below (ii) noted the Group's Net Promoter Score for the fiscal year 2016, then (ii) set the Annual Variable Compensation after application of the multiplier coefficient related to the level of the Net Promoter Score achieved.

Criteria	Degree of achievement of the objectives		
	Caroline Parot	Kenneth McCall	Fabrizio Ruggiero
Qualitative criteria	95%	95%	95%
Group EBITDA	24%	24%	24%
Country EBITDA	N/A	19%	149%
Revenue	53%	53%	53%
Consolidated net profit	106%	106%	106%
TOTAL BEFORE APPLYING THE COEFFICIENT ASSOCIATED WITH THE NET PROMOTER SCORE	61.6%	60.8%	80.9%
TOTAL AFTER APPLYING THE 2016 COEFFICIENT ASSOCIATED WITH THE NET PROMOTER SCORE	65.3%	64.4%	85.6%

The variable compensation due to Caroline Parot for the 2016 fiscal year is €230,964 including €203,248 for the period January 1 through November 30, 2016 and €27,716 for December 1 through 31, 2016.

The variable compensation due to Kenneth McCall for the 2016 fiscal year is €230,476 including €128,093 for the period January 1 through July 22, 2016 and €102,383 for July 23 through December 31, 2016.

The variable compensation due to Fabrizio Ruggiero for the 2016 fiscal year is €239,636 including €142,755 for the period January 1 through July 22, 2016 and €96,881 for July 23 through December 31, 2016.

The variable compensation due to Philippe Germond at December 5, 2016, for the 2016 fiscal year is €180,000, corresponding to 30% of the base variable compensation, *i.e.* the achievement of 100% of the qualitative criteria determining the payment of variable compensation. The achievement of these qualitative criteria was assessed by the Supervisory Board on November 23, 2016 upon recommendation of the Compensation and Nominations Committee. As the thresholds set for the objectives relating to each quantitative criterion in respect of the 2016 fiscal year determining the variable compensation for Philippe Germond had not been attained on

the date he left the Company, November 23, 2016, no amount is due to him in this respect for the 2016 fiscal year.

The amounts corresponding to 2016 compensation for members of the Management Board are detailed in the tables in Section 5.3.3 "Summary of the compensation and benefits of corporate officers" of this Registration Document.

(C) EXCEPTIONAL BONUS

An exceptional bonus was granted on June 25, 2015 by the Supervisory Board to certain employees and corporate officers of the Group as a result of the listing of the Company's shares for trading on the Euronext Paris regulated market, including, for a maximum overall amount of €3.8 million, to the members of the Management Board, in accordance with the following conditions: 50% of these amounts were acquired and paid on the day of listing of the Company's shares on Euronext Paris; the remaining 50% were paid on the first anniversary of the listing, on June 26, 2016, subject to the person remaining within the Group at such date.

For the amounts of exceptional bonus granted and paid to each member of the Management Board, please see Table No. 2 in Section 5.3.3 "Summary of the compensation and benefits of corporate officers" of this Registration Document.

(D) BENEFITS IN KIND IN 2016

The CEO is provided with a company car, health and provident insurance and an annual health check. The other members of the Management Board are provided with a company car and an annual health check. Fabrizio Ruggiero is provided with accommodation in Paris by the Company.

5.3.1.3 Performance share grants in 2015

Following the listing of the Company's shares for trading on the Euronext Paris regulated market, on June 25, 2015, the Supervisory Board decided to implement a free share grant plan in favor of the members of the Group's Executive Committee (the **"AGA Top 13 Plan"**). Vesting of these free shares, following vesting periods of two years for Tranche 1 and three years for Tranche 2, is subject to the beneficiary's continued employment within the Group on June 25, 2017 (this will no longer apply to Tranche 2 shares from this date), and the achievement of the following performance conditions:

- with respect to the fiscal years ended December 31, 2015 and 2016, performance conditions related to Adjusted Corporate EBITDA (relating to Tranche 1 of the AGA Top 13 Plan); and
- with respect to the fiscal year ended December 31, 2017, performance conditions related to (i) Adjusted Corporate EBITDA and (ii) movements in the Company's stock price as compared with movements in the SBF 120 (relating to Tranche 2 of the AGA Top 13 Plan).

Furthermore, following the vesting period the free shares must be held for a period of two years.

Pursuant to Article L. 225-197-1 II of the French Commercial Code:

- (i) the Chairman of the Management Board shall retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares awarded under the regulations of said plan or any another share plan representing an amount equivalent to three (3) times the amount of his annual fixed compensation, bearing in mind that the Chairman of the Management Board shall be required in all cases to retain a minimum of one granted share until he leaves office; and
- (ii) the other members of the Management Board shall each be required to retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares granted under the regulations of said plan, or under any another share plan, representing an amount equivalent to one (1) times the amount of their respective annual fixed compensation, bearing in mind that the Managing Directors shall in all cases be required to retain a minimum of one granted share until they leave office.

For further information on the number and amounts of the free shares granted to the members of the Management Board under the AGA Top 13 Plan, please see Section 5.3.3 *"Summary of the compensation and benefits of corporate officers"*, Table 10 of this Registration Document.

As regards the performance shares granted to Philippe Germond, 128,979 performance shares were granted to him on June 25, 2015 under the AGA Top 13 Plan (Tranche 1):

- 64,488 shares will vest on June 25, 2017, as a result of the performance criteria linked to the results for the 2015 fiscal year having been met and the condition of presence, in accordance with the provisions of the general regulations of the AGA Top 13 Plan of June 25, 2015, having been lifted, pursuant to a decision by the Supervisory Board on November 23, 2016;
- Philippe Germond lost his rights to the other 64,491 performance shares granted on June 25, 2015, following the termination of his duties.

Furthermore, Philippe Germond lost his rights to the 193,469 performance shares granted on June 25, 2015 under the AGA Top 13 Plan (Tranche 2) following the termination of his duties.

Each beneficiary of the AGA Top 13 Plan has made a personal commitment not to resort to the use of hedging instruments prior to the end of the share retention period provided for under the terms of said plan. To the best of the Company's knowledge, no hedging instruments have been set up as at the date of this Registration Document.

5.3.1.4 Performance share grants in 2016

No performance shares were granted in 2016.

5.3.1.5 Compensation policy in 2017

The components of 2017 compensation follow the principles described in Section 5.3.1.1 *"Compensation principles of the members of the Management Board"* of this Registration Document. During the first quarter of 2017, the Compensation and Nominations Committee commissioned an independent firm to carry out a comparative study of the compensation of the members of the Management Board. The results of this study highlighted the importance of positioning each element of compensation of members of the Management Board in relation to market practices and, to do so, the need to adjust the fixed compensation of certain members and to supplement the annual fixed and variable compensation of each member of the Management Board with the annual allocation of performance shares.

Accordingly, the compensation for each member of the Management Board in 2017, as decided by the Supervisory Board at its meeting on February 24, 2017, would comprise the following components:

- annual fixed compensation payable over a period of 12 months;

- annual variable compensation expressed as a percentage of the annual fixed compensation;
- performance share grants;
- benefits in kind; and
- in very specific circumstances, an exceptional compensation may be granted.

The Target Variable Compensation of each of the members of the Management Board corresponds to 100% of the amount of his or her annual fixed compensation, it being specified that their Annual Variable Compensation may reach, after applying the maximum coefficient associated with the Net Promoter Score, 155% of their annual fixed compensation. Moreover, the number of performance shares awarded in 2017 to each member of the Management Board corresponds to 150% of his or her annual fixed compensation. Accordingly, the annual and multiannual variable compensation for a member of the Management Board for the 2017 fiscal year shall not exceed 305% of his or her annual fixed compensation.

SHAREHOLDERS' APPROVAL OF THE COMPENSATION POLICY FOR MEMBERS OF THE MANAGEMENT BOARD

In application of the laws and regulations in force on the date of this Registration Document, under the terms of the sixteenth resolution, the principles and criteria for determining, distributing and granting the fixed, variable and exceptional elements comprising the total compensation and benefits of any kind to be granted to the members of the Management Board, as described in Section 5.3.1.5 of this Registration Document, shall be submitted to the General Shareholders' Meeting on May 10, 2017 for approval. Moreover, payment of the variable and exceptional elements of compensation granted to each member of the Management Board for 2017 shall be made subject to approval by the General Shareholders' Meeting called in 2018 to approve the Company's financial statements for the fiscal year ended December 31, 2017.

The Supervisory Board on February 24, 2017 determined, upon proposal from the Compensation and Nominations Committee the principles and criteria for determining, distribution and allocation of the fixed, variable and exceptional components comprising the total compensation and benefits of any kind attributable to the members of the Management Board, for the 2017 fiscal year, as follows:

(A) FIXED COMPENSATION OF MEMBERS OF THE MANAGEMENT BOARD IN 2017

The annual fixed compensation for Caroline Parot, having been revised upwards following her appointment as CEO on November 23, 2016, was renewed at the same level, *i.e.* €510,000 for fiscal year 2017.

The annual fixed compensation for the 2017 fiscal year for Kenneth McCall, which in 2016 amounted to 294,000 pounds sterling, was reassessed at 325,000 pounds sterling effective

March 1, 2017, in view of his role as Deputy CEO – Corporate Countries and Group Operations from July 22, 2016 and in light of the findings of the comparative study of practices in this respect, conducted by the independent firm Willis Towers Watson. This represents an increase of 10.54% on his annual fixed compensation compared to his previous annual fixed compensation.

The annual fixed compensation for the 2017 fiscal year for Fabrizio Ruggiero, which in 2016 was €280,000, was reassessed at €370,000 effective March 1, 2017, in view, in particular, of his role as Deputy CEO – Sales, Marketing, Group Customers and InterRent from July 22, 2016 and in light of the findings of the study conducted by the independent firm Willis Towers Watson. This represents an increase of 32.40% on his annual fixed compensation compared to his previous annual fixed compensation.

(B) VARIABLE COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD IN 2017

DESCRIPTION OF THE COMPONENTS OF ANNUAL VARIABLE COMPENSATION

The principles and criteria of the annual variable compensation (hereafter, the “**Annual Variable Compensation**”) of the CEO and the other members of the Management Board are determined and reviewed every year by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee, in compliance with the applicable legal provisions and the recommendations of the AFEP-MEDEF Code. The Supervisory Board on February 24, 2017 and March 13, 2017, upon recommendation of the Compensation and Nominations Committee that met on February 22, 2017 and March 8, 2017, decided to renew the principles implemented in 2016 and adopt the qualitative and quantitative criteria applicable for 2017, as described below.

The Annual Variable Compensation is expressed as a percentage of the annual fixed compensation.

The “**Target Variable Compensation**” of a member of the Management Board corresponds to achievement of 100% of the objectives set on quantitative and qualitative criteria defined by the Supervisory Board and represents 100% of the annual fixed compensation.

Each quantitative criterion is described with three performance levels that enable its degree of achievement to be assessed: minimum, target and maximum. The performance levels for each quantitative criterion were examined and approved by the Supervisory Board on February 24, 2017, upon recommendation of the Compensation and Nominations Committee on February 22, 2017. The degree of achievement of each criterion shall be approved by the Supervisory Board upon recommendation of the Compensation and Nominations Committee during examination of the 2017 financial statements, with linear interpolation between the defined levels.

The first step in calculating the Annual Variable Compensation shall consist in determining the degree to which the objectives relating to the qualitative and quantitative performance criteria are achieved (hereafter, the “**Basic Variable Portion**”). This Basic Variable Portion is then adjusted upwards or downwards by applying a multiplier based on the degree of achievement by the Group of the quantitative annual customer recommendation target, the Net Promoter Score of the Group.

For the fiscal year 2017, the Basic Variable Portion of the Chairperson and the other members of the Management Board may vary between 0% and 135% of their annual fixed compensation depending on the degree to which objectives relating to the quantitative and qualitative criteria set by the Supervisory Board are achieved. After applying the coefficient linked to the Net Promoter Score, their Annual Variable Compensation can reach up to a maximum of 155% of their annual fixed compensation.

The qualitative performance criteria are set individually, in a precise and objective manner, for the Chairperson and each of the other members of the Management Board. Moreover, the Supervisory Board also decided to renew the weighting of the quantitative criteria applicable in 2017, under identical terms and conditions to those applicable since July 22, 2016.

DESCRIPTION OF THE QUALITATIVE CRITERIA

The qualitative criteria were established and defined individually and precisely for each member of the Management Board by the Supervisory Board on the recommendation of the Compensation and Nominations Committee. As these criteria are directly linked to the Group's strategy, they cannot be disclosed for reasons of confidentiality.

With respect to fiscal year 2017, the qualitative criteria of the Basic Variable Portion of the Chairperson and the other

members of the Management Board will represent 30% of their Target Variable Compensation and may vary from 0% to 30% based on the degree to which the objectives relating to these criteria are achieved.

DESCRIPTION OF THE QUANTITATIVE CRITERIA

Taking into account the effective implementation of the new organizational model focused on five Business Units and the replacement of Kenneth McCall and Fabrizio Ruggiero in their previous roles as Managing Directors of Corporate Countries, namely Europcar Group UK and Europcar Italia S.p.A. respectively, the Supervisory Board decided to apply identical quantitative criteria for all of the members of the Management Board.

The quantitative criteria and their weighting for the Chairperson and the other members of the Management Board, as detailed below, will represent 70% of their Target Variable Compensation, and may vary between 0% and 105% of the annual fixed compensation depending on the degree of achievement of the objectives relating to these criteria:

- (i) Group EBITDA, this criterion represents 40% of the Target Variable Compensation and may vary between 0% and 60% of the annual fixed compensation depending on the degree to which this criterion is achieved;
- (ii) revenue (Top Line), this criterion represents 15% of the Target Variable Compensation and may vary between 0% and 22.5% of the annual fixed compensation depending on the degree to which this criterion is achieved; and
- (iii) consolidated net profit, this criterion represents 15% of the Target Variable Compensation and may vary between 0% and 22.5% of the annual fixed compensation depending on the degree to which this criterion is achieved.

WEIGHTING OF QUALITATIVE AND QUANTITATIVE CRITERIA APPLICABLE TO EACH MEMBER OF THE MANAGEMENT BOARD

2017 Qualitative and quantitative criteria

Criteria	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached
Qualitative criteria	30%	30%
Group EBITDA	40%	60%
Revenue	15%	22,5%
Consolidated net profit	15%	22,5%
TOTAL (BEFORE APPLYING THE NET PROMOTER SCORE)	100%	135%
TOTAL (IN THE EVENT OF APPLICATION OF THE MAXIMUM COEFFICIENT ASSOCIATED WITH THE NET PROMOTER SCORE)	115%	155%

APPLICATION OF A MULTIPLIER BASED ON THE ACHIEVEMENT BY THE GROUP OF A NET PROMOTER SCORE

For all the members of the Management Board, including its Chairperson, in the event the Group improves the Net Promoter Score by more than 10%, a maximum multiplier of 1.15x will be applied to the Basic Variable Portion, making it possible for their Annual Variable Compensation to reach up to 155% of

the annual fixed compensation. Conversely, in the event that the Net Promoter Score is below 10%, a minimum multiplier of 0.85x will be applied to the Basic Variable Portion. Where the Net Promoter Score is in the interval [-10% to +10%], the multiplier is calculated by linear interpolation between the minimum and maximum endpoints [0.85-1.15].

(C) PERFORMANCE SHARE GRANTS IN 2017**LEGAL FRAMEWORK**

The Shareholders' Meeting on May 10, 2016, pursuant to its 12th resolution, authorized the Management Board to proceed, on one or more occasions, with free grants of existing or future shares (called performance shares) in favor of the corporate officers and certain employees of the Company and of related companies, under the conditions set out in Article L. 225-197-1 *et seq.* of the French Commercial Code. The allocation of performance shares is conditional upon compliance with the performance criteria defined when the budgets are constructed.

PURPOSE OF THE PERFORMANCE SHARE ALLOCATION

The purpose of the allocation of performance shares is first of all to personally link the Company's worldwide management, in particular the corporate officers, with the development of the Company's value, by giving them a stake in the Company's ownership. It also makes it possible to distinguish the contributing executives, through their particularly positive contribution to the Company's results. Lastly, it serves to increase the loyalty of the executives whom the Company particularly values, especially those with strong potential.

PERFORMANCE SHARE ALLOCATION POLICY

The allocation is differentiated based on (i) the beneficiaries' level of responsibility and contribution, (ii) the assessment of their performance, (iii) their results, and (iv) the assessment of their development potential. The persons eligible for an allocation of performance shares are as follows:

- members of the Management Board;
- senior executives who are members of the Group's Executive Committee and the heads of the Corporate Countries. They benefit in principle from variable allocations, based on their level of responsibility, performance and results. Certain executives may not be beneficiaries;
- other management beneficiaries, who are most frequently senior managers and managers with high potential for professional or managerial development or expertise.

MECHANISM FOR THE 2017 ALLOCATION

Consistent with the principles described in Section 5.3.1.1 of this Registration Document, the Supervisory Board meetings on February 24 and March 13, 2017 examined and authorized the setting up of a free share grant plan in favor of members of the Management Board, executive corporate officers and certain other managers of the Group (the "**AGA 2017 Plan**").

The acquisition of these performance shares, following a vesting period of two years (or three years for non-French residents), is subject to the beneficiary's continued employment with the Group on the vesting date, and the

achievement of the following performance conditions for the fiscal year ended December 31, 2017 and December 31, 2018, performance conditions related to (i) Group EBITDA, (ii) revenue, and (iii) a relative TSR (Total Shareholder Return).

It is specified that, as part of the effective implementation, since January 1, 2017, of the new Group organization centered on five Business Units, performance conditions for the AGA 2017 Plan have been modified and defined over two fiscal years in order to provide an incentive and help motivate management teams in the successful achievement of their tasks.

Furthermore, following the vesting period, when this is equal to 2 years, a one-year retention period is required for free shares. No retention period is required when the vesting period is equal to 3 years.

Pursuant to Article L. 225-197-1 II of the French Commercial Code:

- (i) the Chairperson shall retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares awarded under the regulations of said plan or any another share plan representing an amount equivalent to three (3) times the amount of her annual fixed compensation, bearing in mind that the Chairperson of the Management Board shall be required in all cases to retain a minimum of one granted share until she leaves office; and
- (ii) the Deputy CEOs of the Company shall each be required to retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares granted under the regulations of said plan, or under any another share plan, representing an amount equivalent to two (2) times the amount of their respective annual fixed compensation, bearing in mind that the Deputy CEOs shall in all cases be required to retain a minimum of one granted share until they leave office.

Please see Section 5.3.3 "*Summary of the compensation and benefits of corporate officers*", Table 11 of this Registration Document for further information on the number and amounts of the free shares granted to the members of the Management Board under the AGA 2017 Plan.

Each beneficiary of the AGA 2017 Plan has made a personal commitment not to resort to the use of hedging instruments. To the Company's knowledge, no hedging instruments were set up as of the date of this Registration Document.

(D) BENEFITS IN KIND

For the 2017 fiscal year, the CEO is provided with a company car, health/provident insurance, an annual health check and corporate officer unemployment insurance.

The other members of the Management Board are provided with a company car and an annual health check. Fabrizio Ruggiero is provided with accommodation in Paris by the Company.

5.3.1.6 Preferred shares

Within the framework of the Company's initial public offering, the members of the Management Board, as well as certain employee members of the Group's Executive Committee, were allowed to subscribe and purchase class C and class D preferred shares, within the meaning of Article L. 228-11 of the French Commercial Code, which may be converted according to a ratio determined according to the Group's performance. For a description of the characteristics of the class C and class D preferred shares, please see Section 6.2.3.2 "*Specific characteristics of preferred shares*" of this Registration Document.

5.3.1.7 Employment agreements

Philippe Germond was not bound to the Company by an employment agreement during his mandate as Chairman of the Management Board.

Following her appointment as CEO by decision of the Supervisory Board on November 23, 2016, Caroline Parot terminated her employment agreement as Group Chief Financial Officer with the Company. Since November 23, 2016, Caroline Parot receives compensation only for her corporate officer role as CEO.

Kenneth McCall holds an employment agreement with the company Europcar Group UK Ltd dated October 27, 2011, as amended on March 16, 2015.

Fabrizio Ruggiero holds an employment agreement with the company Europcar Italia S.p.A., as modified by addendum dated December 1, 2016, which details the terms of his new position as Deputy CEO of the Group, responsible for the Group's sales, marketing and customers, as well as InterRent. Furthermore, a secondment contract signed between Europcar Italia S.p.A. and the Company dated August 1, 2016 sets out the terms and conditions under which Fabrizio Ruggiero's assignments will be determined and rebilled.

5.3.1.8 Compensation in the event of forced termination of office

Under the provisions of a term sheet for the corporate officer agreement entered into between Philippe Germond and the Company on September 8, 2014 ("**Philippe Germond's corporate officer agreement**"), in case of removal of Philippe Germond from office, he could be allocated severance pay and the amount, as of the listing of the Company's shares on Euronext Paris, would be conditional upon the degree to which the objectives set for three quantitative objectives (consolidated net income/(loss), revenue, Corporate EBITDA) had been achieved. In application of the terms of Philippe Germond's corporate officer agreement, these three quantitative objectives had to be assessed over the last 12 months preceding the termination date of the duties, looking backwards from October 31, 2016.

In application of the provisions of Article L. 225-90-1 of the French Commercial Code, on November 23, 2016, the Supervisory Board, upon recommendation of the Compensation and Nominations Committee, set the amount of the components of compensation and indemnities to be paid to Philippe Germond as a result of the termination of his office, in accordance with Philippe Germond's corporate officer agreement, and authorized the payment thereof.

Taking into account the fulfillment of the performance conditions noted by the Supervisory Board, the amount of Philippe Germond's severance payment was set at €1,100,000, or the equivalent of 15.65 months of fixed and variable compensation, calculated by linear interpolation based on the fixed and variable compensation received for the last 12 months preceding his effective departure.

Caroline Parot benefits, under the corporate officer agreement concluded with the Company on December 22, 2016, from severance compensation, the amount of which is a set amount, fixed at the amount of her annual fixed compensation, in the event of dismissal other than for serious or gross misconduct prior to December 31, 2017 (inclusive). If the dismissal should occur from January 1, 2018 (inclusive), the amount of the severance compensation would be dependent on the achievement of set targets relating to collective criteria, in respect of variable compensation, and could reach a maximum of 18 months fixed and variable compensation. Assessment of the achievement of the targets relating to the assigned criteria is calculated either using the average of the last eight quarters ended (this rule applies from January 1, 2019) or using the average of quarters ended since January 1, 2017 (this rule applies from January 1, 2018 to December 31, 2018).

Kenneth McCall's employment agreement does not set forth any indemnities in the event of termination of office of Deputy CEO and/or member of the Management Board of the Company. In the event of termination of Kenneth McCall's employment agreement at the initiative of Europcar Group UK Ltd, the amount of indemnities that would be due to Mr. Kenneth McCall would be subject to the rules of English law and the employer would accordingly be required to respect a paid notice period of at least 12 months, during which Mr. Kenneth McCall's fixed and variable compensation would be paid to him.

Fabrizio Ruggiero's employment agreement does not set forth any indemnities in the event of termination of office of Deputy CEO and/or member of the Management Board of the Company. In the event of termination of Fabrizio Ruggiero's employment agreement at the initiative of Europcar Italia S.p.A., the amount of indemnities that would be due to Fabrizio Ruggiero would be subject to the rules of Italian law and the provisions of the collective bargaining agreement applicable to Mr. Ruggiero's employment agreement; his employer would accordingly be required to respect a notice period, the length of which is set by the applicable collective bargaining agreement, and which varies according to the employee's length of service, i.e. between four and eight months at the date of this Registration Document, during which time Fabrizio Ruggiero's fixed and variable compensation would be paid to him.

5.3.1.9 Compensation under a non-compete clause

In accordance with the terms of the corporate officer agreement of Philippe Germond, in the event that Mr. Germond were to be bound by a non-compete obligation at the time his position with the Company was terminated, he could be awarded an annual payment in that regard in an amount equal to three (3) months of gross compensation (based on his average compensation over the course of the 12 months preceding the termination).

If he also received severance compensation (as described above), the combined non-compete compensation and severance compensation could not exceed a ceiling corresponding to the annual fixed and variable compensation paid to him during the two years preceding his departure.

On November 23, 2016, the Supervisory Board decided to trigger Philippe Germond's 12-month non-compete clause. The total amount of the non-compete payment of €210,725 was determined in accordance with the terms and conditions of the Philippe Germond Agreement and corresponds to three months of fixed and variable compensation, calculated on the basis of the compensation received during the 12 months preceding his actual departure.

In the event that Caroline Parot would be bound by a non-compete obligation, the duration of which would be 12 months, at the time her position with the Company would be terminated, she would have the right to a non-compete payment in that regard in an amount equal to 50% of her annual compensation (fixed and variable) based on her average compensation over the course of the 12 months preceding the termination.

If the member were also to receive severance compensation (as described above), the combined non-compete and severance compensation would not exceed a ceiling corresponding to the annual fixed and variable compensation paid to the member during the two years preceding the departure.

Each of the other members of the Management Board may be bound by a twelve-month non-compete obligation applicable as of the end date of their positions as members of the Management Board and of any other position exercised within the Group. In the event that this non-compete obligation is implemented, they shall benefit from non-compete indemnity equal to 50% of their annual fixed compensation, it being specified that any non-compete indemnity paid under a non-compete clause set forth in the employment agreement for Kenneth McCall and Fabrizio Ruggiero shall be deducted from the aforementioned non-compete indemnity of 50%.

5.3.1.10 Supplemental pension plan

No member of the Management Board benefits from a supplemental pension plan.

5.3.1.11 Corporate officer unemployment insurance

The Company has subscribed corporate officer unemployment insurance for Philippe Germond and Caroline Parot.

5.3.2 Compensation of members of the Supervisory Board

5.3.2.1 Compensation policy of the members of the Supervisory Board

The Company's Legal Department conducted a comparative study of the compensation of the members of the Supervisory Board, against the compensation policies implemented in companies comparable to the Company. The results of this study did not indicate any inconsistency with the compensation policy for members of the Supervisory Board. The compensation of the members of the Supervisory Board is examined and decided every year by the Supervisory Board on recommendation of the Compensation and Nominations Committee. It consists of:

- annual fixed compensation allocated to the Chairman of the Supervisory Board in respect of his responsibilities;

- attendance fees, comprising a fixed portion and a variable portion, allocated to all Supervisory Board members and paid taking into account their actual participation in Supervisory Board and Committee meetings;
- exceptional compensation that may be granted by the Supervisory Board for specific assignments or mandates entrusted to them.

The Company's Shareholders' Meeting held on May 10, 2016 decided to allocate a total of €500,000 per year in attendance fees to the members of the Supervisory Board until such time as the Meeting decides otherwise.

The Chairman of the Supervisory Board, as well as the other members, receives no allocation of stock options or performance share grants, or severance compensation of any nature whatsoever.

5.3.2.2 2016 compensation for the members of the Supervisory Board

The Supervisory Board, at its meetings held on February 24 and March 11, 2016, upon recommendations made by the Compensation and Nominations Committee on February 18 and March 4, 2016, decided:

- to grant Jean-Paul Bailly, for his role as Chairman of the Supervisory Board, an annual fixed compensation of €165,000, unchanged from the annual fixed compensation granted to him for the previous year. In addition, a company car is provided to Jean-Paul Bailly;
- to grant Pascal Bazin, Deputy Chairman of the Supervisory Board, a compensation of €120,000 for the special assignment entrusted to him to implement and monitor the Group's transformation plan.

Components of compensation due or awarded to the Chairman of the Supervisory Board in respect of 2016, as presented below in this Section 5.3.2.2 of this Registration Document will, in application of the recommendations of Sections 26.1 and 26.2 of the AFEP-MEDEF Code, be submitted to the Shareholders for opinion at the Company's Shareholders' Meeting on May 10, 2017, as set out in the 15th resolution.

At its meeting held on December 15, 2016, the Supervisory Board, on a recommendation made by the Compensation and Nominations Committee on December 6, 2016, decided to allocate the attendance fees in accordance with the following principles:

- fixed portion: €30,000 for the Chairman of the Supervisory Board and €15,000 for each of the other members, this sums to be paid *pro rata temporis* to the actual duration of the office held during the fiscal year; and
- variable portion:
 - effective participation in Supervisory Board meetings: the amount of the variable portion varies depending on whether the meeting was held in person or by telephone conference, it being specified that meetings held in person have an average duration of four hours, whereas those held by telephone conference have an average duration of one hour. Consequently, the Supervisory Board deemed that the compensation for meetings held by telephone conference, which require less preparation and attendance time than meetings held in person, should be 25% of the amount of the variable portion granted for the attendance of a meeting in person, as follows:
 - €2,400 per member for his or her effective participation in a Supervisory Board meeting held in person,
 - €600 per member for his or her effective participation in a Supervisory Board meeting held by telephone conference,

- effective participation in Audit Committee meetings or in Compensation and Nominations Committee meetings: €1,652 per member of the committee with a supplement of 50% for the Chairman of the committee;

all up to the overall limit of €500,000 set by the Shareholders' Meeting of May 10, 2016.

Therefore, except for the Chairman of the Supervisory Board, where a member has an effective participation in 100% of the Supervisory Board's meetings, either in person or *via* teleconference, the annual variable portion of the attendance fees of €25,200 is necessarily more significant.

The total amount of attendance fees allocated to the members of the Supervisory Board for the 2016 fiscal year was €492,450 and the total amount of attendance fees paid in 2016 was €216,750. For more information on these amounts, see Table 3 "*Attendance fees and other compensation allocated and received by non-executive corporate officers*" in Section 5.3.3 "*Summary of the compensation and benefits of corporate officers*" of this Registration Document.

5.3.2.3 2017 compensation for the members of the Supervisory Board

At its meeting on December 15, 2016, the Supervisory Board, upon recommendation of the Compensation and Nominations Committee of December 6, 2016, decided to distribute the attendance fees for 2017 according to the following principles, up to the overall limit of €500,000 set by the Shareholders Meeting on May 10, 2016:

- fixed portion: €30,000 for the Chairman of the Supervisory Board and €15,000 for each of the other members, these sums to be paid *pro rata temporis* to the actual duration of the office held during the fiscal year; and
- variable portion:
 - effective participation in Supervisory Board meetings: the amount of the variable portion differs depending on whether the meeting is held in person or by teleconference, it being specified that meetings held in person require significant preparation and last four hours on average, while those held by teleconference last one hour on average. Consequently, the Supervisory Board deemed that the compensation for meetings held by teleconference, which require less preparation and attendance time than meetings held in person, should be 25% of the amount of the variable portion granted for attendance at a meeting in person, as follows:
 - €3,000 per member for his or her effective participation in a Supervisory Board meeting held in person,
 - €750 per member for his or her effective participation in a Supervisory Board meeting held by telephone conference,

- effective participation in Audit Committee meetings or in Compensation and Nominations Committee meetings: €1,848 per member of the committee, with a supplement of 50% for the Chairman of the Committee;

Accordingly, with the exception of the Chairman of the Supervisory Board, in the event that a member effectively participates 100% of the Supervisory Board meetings held in person and by teleconference in 2017, the annual variable portion of the attendance fees would be €25,500 and would be more significant.

The Supervisory Board on December 15, 2016 decided, upon recommendation of the Compensation and Nominations Committee, to allocate to Jean-Paul Bailly for 2017, fixed compensation of €165,000 in his capacity as Chairman of the Supervisory Board. The Chairman of the Supervisory Board also has the use of a company car.

Moreover, the Supervisory Board of March 13, 2017 decided, upon recommendation of the Compensation and Nominations Committee, to entrust to Pascal Bazin a special assignment for 2017, relating to the Group's strategy and development and to pricing, for a total compensation amount of €60,000.

SHAREHOLDERS' APPROVAL OF THE COMPENSATION POLICY FOR MEMBERS OF THE SUPERVISORY BOARD

In application of the laws and regulations in force on the date of this Registration Document, under the terms of the seventeenth resolution, the principles and criteria for determining, distributing and granting the fixed, variable and exceptional elements comprising the total compensation and benefits of any kind to be granted to the members of the Supervisory Board, as described in Section 5.3.2 "Compensation of members of the Supervisory Board" of this Registration Document, shall be submitted to the General Shareholders' Meeting on May 10, 2017 for approval. Moreover, payment of any variable and exceptional elements granted to the Chairman of the Supervisory Board for 2017 shall be made subject to approval by the General Shareholders' Meeting called in 2018 to approve the Company's financial statements for the fiscal year ended December 31, 2017.

5.3.3 Summary of the compensation and benefits of corporate officers

The tables below summarize the compensation and benefits in kind due and/or paid to members of the Management Board and the Supervisory Board by (i) the Company, (ii) companies controlled by the Company, (iii) companies controlled by

companies that control the Company and (iv) companies that control the Company, all within the meaning of Article L. 233-16 of the French Commercial Code.

TABLE 1 – SUMMARY OF THE COMPENSATION, OPTIONS ALLOCATED AND FREE SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

(In euros)	2016	2015
PHILIPPE GERMOND – CEO until November 23, 2016		
Compensation due for the year (detailed in table 2)	2,063,454	3,177,998
Value of multi-year variable compensation paid during the year	-	-
Value of stock options allocated during the year (detailed in table 4)	-	-
Value of performance shares granted (detailed in table 10)	756,444 ⁽¹⁾	2,776,276
Value of other long-term compensation plans	-	-
TOTAL	2,819,898	5,954,274

(1) The valuation concerns 64,488 performance shares granted under the AGA Top 13 Plan and does not include 257,960 shares under the same plan that became void following the departure of Philippe Germond on November 23, 2016.

(In euros)	2016	2015
CAROLINE PAROT – Chief Financial Officer and member of the Management Board until November 23 – CEO since November 23, 2016		
Compensation due for the year (detailed in table 2)	695,154	1,654,294
Value of multi-year variable compensation paid during the year	-	-
Value of stock options allocated during the year (detailed in table 4)	-	-
Value of performance shares granted (detailed in table 10)	1,616,571	1,616,571
Value of other long-term compensation plans		
TOTAL	2,311,725	3,270,865

(In euros) *	2016	2015
KENNETH MCCALL – Deputy CEO – Countries and Operations member of the Management Board		
Compensation due for the year (detailed in table 2)	662,568	1,232,297
Value of multi-year variable compensation paid during the year	-	-
Value of stock options allocated during the year (detailed in table 4)	-	-
Value of performance shares granted (detailed in table 10)	878,564	878,564
Value of other long-term compensation plans		
TOTAL	1,541,132	2,110,861

* Except for the amounts owing for 2015 exceptional compensation, the amounts were converted from pounds sterling to euros at the average exchange rate of 1.377 at December 31, 2015 and 1.22 at December 31, 2016.

(In euros)	2016	2015
FABRIZIO RUGGIERO – Deputy CEO – Sales, Marketing, Customers & InterRent member of the Management Board		
Compensation due for the year (detailed in table 2)	533,291	827,251
Value of multi-year variable compensation paid during the year	-	-
Value of stock options allocated during the year (detailed in table 4)	-	-
Value of performance shares granted (detailed in table 10)	878,564	878,564
Value of other long-term compensation plans		
TOTAL	1,411,855	1,705,815

TABLE 2 – SUMMARY OF THE COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER

(In euros)	Amounts in respect of fiscal year 2016		Amounts in respect of fiscal year 2015	
PHILIPPE GERMOND – Chairman of the Management Board until November 23, 2016	amounts due ⁽²⁾	paid ⁽³⁾	amounts due ⁽²⁾	paid ⁽³⁾
Fixed compensation ⁽¹⁾	550,000	550,000	600,000	600,000
Annual Variable Compensation ⁽¹⁾	180,000 ⁽⁴⁾	734,400 ⁽⁵⁾	557,400	150,000 ⁽⁶⁾
Multi-year Variable Compensation ⁽¹⁾	-	-	-	-
Exceptional compensation ⁽¹⁾	1,310,725 ⁽⁷⁾	2,000,000 ⁽⁸⁾	2,000,000 ⁽⁸⁾	1,100,000
Attendance fees	-	-	-	-
Benefits in kind ⁽¹⁰⁾	22,729	22,729	20,598	20,598
TOTAL	2,063,454	3,310,129	3,177,998	1,870,598

(1) Gross before taxes.

(2) Compensation granted for the year, irrespective of the payment date.

(3) Compensation paid for duties through the year.

(4) Represents 30% of the base of the variable compensation, corresponding to 100% achievement of the qualitative criteria and non-achievement of the quantitative criteria.

(5) Amount corresponding to the variable compensation allocated in respect of fiscal year 2015 (i.e. €557,400) to which the variable compensation allocated in respect of fiscal year 2016 (i.e. €180,000) is added and which has been paid to Philippe Germond in December 2016 following the termination of his services as CEO of the Company.

(6) Amount corresponding to the variable compensation paid to Philippe Germond in respect of fiscal year 2014. Because Philippe Germond took over his duties at the beginning of the fourth quarter of 2014, his variable compensation had been set at a lump sum amount of €150,000.

(7) Compensation corresponding to severance compensation of €1.1 million paid as a lump sum on December 5, 2016, and non-compete compensation of €210,725 to be paid in two installments, with a first sum of €105,362 to be paid on May 23, 2017 and a second sum of €105,362 to be paid on November 23, 2017, as decided by the Supervisory Board on November 23, 2016.

(8) Compensation corresponding to the balance of the bonus related to the completion of the Company's initial public offering (or €900,000), to which is added severance compensation of €1.1 million decided by the Supervisory Board on November 23, 2016. The criteria used for calculating Philippe Germond's severance compensation and the methods used for setting the amount are described above in Section 5.3.1.8. of this Registration Document.

(9) Compensation corresponding to the bonus related to the Company's IPO, approved by the Supervisory Board on June 25, 2015, including €1.1 million paid out in 2015; the balance of €900,000 was paid on the date of the first anniversary of the IPO in June 2016.

(10) Amount corresponding to a company car made available to Philippe Germond, as well as corporate officer unemployment insurance taken out in his name.

(In euros)	Amounts in respect of fiscal year 2016		Amounts in respect of fiscal year 2015	
CAROLINE PAROT – Deputy CEO until November 23, 2016 – CEO since November 23, 2016	amounts due ⁽²⁾	paid ⁽³⁾	amounts due ⁽²⁾	paid ⁽³⁾
Fixed compensation ⁽¹⁾	461,205	340,008	337,500	337,506
Annual Variable Compensation ⁽¹⁾	230,964 ⁽⁴⁾	313,538 ⁽⁵⁾	313,538	317,236
Multi-year Variable Compensation ⁽¹⁾	-	-	-	1,180,000 ⁽⁶⁾
Exceptional compensation ⁽¹⁾	-	635,000 ⁽⁷⁾	1,000,000 ⁽⁸⁾	500,000
Attendance fees	-	-	-	-
Benefits in kind ⁽⁹⁾	2,985	2,985	3,256	3,256
TOTAL	695,154	1,291,531	1,654,294	2,337,998

(1) Gross before taxes.

(2) Compensation granted for the year, irrespective of the payment date.

(3) Compensation paid for duties through the year.

(4) Fixed compensation due in respect of 2016 includes €107,038 for paid time off not taken as of the date of the change in Caroline Parot's status and which was paid in January 2017.

(5) Variable compensation paid in the period is that due in respect of the prior period.

(6) Amounts owing under the multi-year compensation program implemented in 2013, within the framework of the Fast Lane transformation program, corresponding to two times the amount of the annual fixed and variable compensation due for 2013.

(7) Compensation corresponding to the balance of the bonus related to the Company's IPO (i.e. €500,000), as well as the additional compensation related to the position as Interim CEO that Caroline Parot assumed during the months of July to September 2014 (i.e. €135,000).

(8) Compensation corresponding to the bonus related to the completion of the Company's initial public offering, approved by the Supervisory Board on June 25, 2015, including €500,000 was paid out in 2015; the balance, or €500,000, was paid on the date of the first anniversary of the IPO in June 2016.

(9) Caroline Parot benefits from a company car and an annual health check.

(in euros*)	Amounts in respect of fiscal year 2016		Amounts in respect of fiscal year 2015	
KENNETH MCCALL – Deputy CEO and member of the Management Board	amounts due ⁽²⁾	paid ⁽³⁾	amounts due ⁽²⁾	paid ⁽³⁾
Fixed compensation ^{(1) (4)}	409,110	409,110	457,105	457,105
Annual Variable Compensation ⁽¹⁾	230,476	311,039 ⁽⁵⁾	351,064	427,373
Multi-year Variable Compensation ⁽¹⁾			-	1,554,082 ⁽⁶⁾
Exceptional compensation ⁽¹⁾		203,334	400,000 ⁽⁷⁾	197,964
Attendance fees	-	-	-	-
Benefits in kind ⁽⁸⁾	22,982	22,982	24,128	24,128
TOTAL	662,568	946,465	1,232,297	2,660,652

* Except for the amount owing for 2015 exceptional compensation, the amounts were converted from pounds sterling to euros at the average exchange rate of 1.377 at December 31, 2015, and of 1.22 at December 31, 2016.

(1) Gross before taxes.

(2) Compensation granted for the year, irrespective of the payment date.

(3) Compensation paid throughout the year.

(4) The fixed compensation includes a cash payment in lieu of retirement contributions in an amount equal to £41,336 in 2016 and £40,920 in 2015. It is specified that these amounts are not taken into account for the calculation of the annual bonus.

(5) Variable compensation paid in the period is that due in respect of the prior period.

(6) Amounts owing under the multi-year compensations program implemented in 2013, within the framework of the Fast Lane transformation program, corresponding to two times the amount of the annual fixed and variable compensation due for 2013.

(7) Compensation of €400,000 corresponding to the bonus related to the completion of the Company's initial public offering, approved by the Supervisory Board on June 25, 2015, including 50% paid out in 2015; the remaining 50% was paid on the date of the first anniversary of the IPO in June 2016.

(8) This amount corresponds to a company car made available to Kenneth McCall, and an annual health check, as well as additional health insurance taken out in his name.

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(In euros)	Amounts in respect of fiscal year 2016		Amounts in respect of fiscal year 2015	
FABRIZIO RUGGIERO – Deputy CEO and member of the Management Board	amounts due ⁽²⁾	paid ⁽³⁾	amounts due ⁽²⁾	paid ⁽³⁾
Fixed compensation ⁽¹⁾	281,657	281,652	214,615	214,615
Annual Variable Compensation ⁽¹⁾	239,636	201,953 ⁽⁴⁾	201,953	194,689 ⁽⁴⁾
Multi-year Variable Compensation ⁽¹⁾	-	-	-	640,000 ⁽⁵⁾
Exceptional compensation ⁽¹⁾		200,000	400,000 ⁽⁶⁾	200,000 ⁽⁶⁾
Attendance fees	-	-	-	-
Benefits in kind ⁽⁷⁾	11,998	11,998	10,683	10,683
TOTAL	533,291	695,603	827,251	1,259,987

(1) Gross before taxes.

(2) Compensation granted for the year, irrespective of the payment date.

(3) Compensation paid throughout the year.

(4) Variable compensation paid in the period is that due in respect of the prior period.

(5) Amounts owing under the multi-year compensation program implemented in 2013, within the framework of the FastLane Transformation Program, corresponding to two times the amount of the annual fixed and variable compensation due for 2013.

(6) Compensation corresponding to the bonus related to the Company's initial public offering, approved by the Supervisory Board on June 25, 2015, including €200,000 was paid out in 2015 and the balance, i.e. €200,000, was paid on the date of the first anniversary of the IPO, i.e. June 26, 2016.

(7) Fabrizio Ruggiero is provided with a company car, a foreign service allowance and company accommodation in France, since November 3, 2016, and an annual health check, as well as additional accident and health insurance taken out on his behalf.

TABLE 3 – ATTENDANCE FEES AND OTHER COMPENSATION ALLOCATED AND RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

Members of the Supervisory Board		Gross amounts allocated in fiscal year 2016 (in euros)	Amounts paid in fiscal year 2016 (in euros)	Gross amounts allocated in fiscal year 2015 (in euros)	Amounts paid in fiscal year 2015 (in euros)
Jean-Paul Bailly	Attendance fees	55,200	27,000	27,000	-
	Other compensation	169,080 ⁽¹⁾	169,080	86,500	45,250 ⁽²⁾
Jean-Charles Pauze	Attendance fees	41,556	19,500	19,500	-
	Other compensation	-	-	47,013 ⁽³⁾	47,013 -
Patrick Sayer	Attendance fees	37,200	19,500	19,500	-
	Other compensation	-	-	-	-
Pascal Bazin	Attendance fees	57,624	27,000	27,000	-
	Other compensation	120,000 ⁽⁴⁾	120,000	60,000	30,000
Sandford Miller	Attendance fees	39,600	19,500	19,500	-
	Other compensation	-	-	-	-
Virginie Fauvel	Attendance fees	50,112	27,000	27,000	-
	Other compensation	-	-	-	-
Angélique Gérard	Attendance fees	45,912	15,500	15,500	-
	Other compensation	-	-	-	-
Philippe Audouin	Attendance fees	49,964	26,750	26,750	-
	Other compensation	-	-	-	-
Armance Bordes	Attendance fees	36,600	15,500	15,500	-
	Other compensation	-	-	-	-
Eric Schaefer	Attendance fees	47,112	19,500	19,500	-
	Other compensation	-	-	-	-
Kristin Neumann	Attendance fees	31,570	-	-	-
	Other compensation	-	-	-	-

(1) This amount includes the fixed compensation (i.e., €165,000) paid to Jean-Paul Bailly in his capacity as Chairman of the Supervisory Board, as well as the equivalent in value (i.e., €4,080) corresponding to benefits in kind (company car) which he received.

(2) This amount includes the amount of fixed compensation (i.e. €165,000 paid to Mr. Jean-Paul Bailly in his capacity as Chairman of the Supervisory Board, as well as the prorated amount in value (i.e. €4,000) of benefits in kind (company car) which he received during 2015.

(3) Compensation received by Jean-Charles Pauze in his capacity as Chairman of the Board of Directors until the governance of the Company changed on March 9, 2015.

(4) On February 24, 2016, the Supervisory Board extended the special assignment entrusted to Pascal Bazin to implement and monitor the Company's transformation plan and set his annual compensation for this assignment at €120,000, identical to the previous fiscal year.

TABLE 4 – STOCK OPTION ALLOCATIONS MADE DURING 2016 TO EACH EXECUTIVE CORPORATE OFFICER

Plan	Type of option (purchase or subscription)	Value of options according to the method chosen for the consolidated financial statements	Number of options allocated during the year	Exercise price	Exercise period
None					

TABLE 5 – STOCK OPTIONS EXERCISED DURING 2016 BY EACH EXECUTIVE CORPORATE OFFICER

Name of corporate officer	Plan	Type of option (purchase or subscription)	Number of options exercised during the year	Exercise price
None				

TABLE 6 – FREE SHARES GRANTED DURING 2016 TO EACH CORPORATE OFFICER

Free shares granted during the year to each corporate officer	Plan no. & date	Number of shares available during the year	Acquisition conditions
None			

TABLE 7 – FREE SHARES THAT BECAME AVAILABLE DURING 2016 TO EACH CORPORATE OFFICER

Free shares granted during the year to each corporate officer	Plan No. & date	Number of shares available during 2016	Acquisition conditions
None			

TABLE 8 – HISTORY OF STOCK OPTION ALLOCATIONS

	Plan
Date of Management Board meeting	None

TABLE 9 – OPTIONS ALLOCATED TO AND EXERCISED BY THE TOP TEN NON-EXECUTIVE OFFICERS

	Total number of options granted/ shares subscribed or purchased	Average weighted price	Plan
Options granted during the fiscal year by the Company and any company in the scope of the option allocation plan to the ten employees of the Company and any company within the Group scope who received the highest number of these options (global information)	-	-	None
Options on the Company and the companies previously mentioned exercised during the year by the ten employees of the Company and such companies who purchased or subscribed for the greatest number of options (overall figure)	-	-	None

TABLE 10 – HISTORY OF PERFORMANCE SHARE GRANTS

	AGA 2015 Top 13 Plan (Tranche 1)	AGA 2015 Top 13 Plan (Tranche 2)
Date of meeting	6/08/2015	6/08/2015
Date of Management Board meeting	6/25/2015	6/25/2015
Total number of shares granted	653,057	979,586
of which granted to:		
Philippe Germond	128,979	193,469
Caroline Parot	75,102	112,653
Kenneth McCall	40,816	61,224
Fabrizio Ruggiero	40,816	61,224
Date shares acquired	6/25/2017	2018 ⁽¹⁾
Retention period end date	6/25/2019	2020 ⁽²⁾
Performance conditions	⁽³⁾	⁽³⁾
Number of shares vested at March 31, 2017 (most recent date)	0	0
Cumulative number of shares canceled or lapsed	146,123	315,917
of which number of shares canceled or lapsed initially granted to:		
Philippe Germond	64,491	193,469
Caroline Parot	0	0
Kenneth McCall	0	0
Fabrizio Ruggiero	0	0
Performance shares granted remaining at the end of the year	506,934	663,669

(1) On the 15th day after the decision by the Management Board approving the financial statements of the Company for the year ending December 31, 2017.

(2) On the 15th day after the decision by the Management Board approving the financial statements of the Company for the year ending December 31, 2019.

(3) Performance criteria are presented in Section 5.3.1.3 of this Registration Document.

TABLE 11 – SUMMARY OF THE MULTI-ANNUAL VARIABLE COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER

Name and position	2016 Fiscal year	2017 Fiscal year ⁽¹⁾
Caroline Parot, CEO	None	Allocation of 78,800 performance shares on March 13, 2017
Kenneth McCall – Member of the Management Board, Deputy CEO - Countries & Operations	None	Allocation of 59,400 performance shares on March 13, 2017
Fabrizio Ruggiero – Member of the Management Board, Deputy CEO - Sales, Marketing, Customers & InterRent	None	Allocation of 57,200 performance shares on March 13, 2017

(1) See Section 5.3.1.5 of this Registration Document for more information on the 2017 performance share grant plan. The number of performance shares allocated corresponds to 150% of the fixed compensation of the executive corporate officers based on a share value of €9.70.

TABLE 12 – SUMMARY OF SOME OF THE INFORMATION REQUIRED WITHIN THE FRAMEWORK OF THE AFEP-MEDEF RECOMMENDATIONS

	Employment agreement		Supplemental pension plan		Severance or other benefits due or likely to become due as a result of termination or change of office		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Members of the Management Board (from January 1 to November 22, 2016)								
Philippe Germond – Chairman of the Management Board Beginning of term: March 9, 2015 End of term: March 8, 2019		✓		✓	✓		✓	
Caroline Parot – Deputy CEO Beginning of term: March 9, 2015 End of term: March 8, 2019	✓			✓		✓	✓	
Kenneth McCall – Deputy CEO- Countries and Operations Beginning of term: March 9, 2015 End of term: March 8, 2019	✓			✓		✓	✓	
Fabrizio Ruggiero – Deputy CEO - Sales, Marketing, Customers & InterRent Beginning of term: March 9, 2015 End of term: March 8, 2019	✓			✓		✓	✓	
	Employment agreement		Supplemental pension plan		Severance or other benefits due or likely to become due as a result of termination or change of office		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Members of the Management Board (from November 23 to December 31, 2016)								
Caroline Parot – CEO Beginning of term: March 9, 2015 End of term: March 8, 2019		✓		✓	✓		✓	
Kenneth McCall – Deputy CEO Beginning of term: March 9, 2015 End of term: March 8, 2019	✓			✓		✓	✓	
Fabrizio Ruggiero – Deputy CEO Beginning of term: March 9, 2015 End of term: March 8, 2019	✓			✓		✓	✓	

5.4 SUMMARY STATEMENT OF TRANSACTIONS IN COMPANY SECURITIES BY CORPORATE OFFICERS

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code and Article 19 of the regulation (EU) no. 596/2014 dated April 16, 2014 on market abuses (the "MAR regulation"), the table below accounts for the transactions in Europcar Groupe S.A. securities carried out in 2016 by members of the Management Board and members of the Supervisory Board or by a person closely related to them (within the meaning of Articles 19 and 3.1.26 of the MAR regulation), on the basis of statements made by interested parties to the AMF, available on www.amf-france.org.

Date Place	Name	Type of transaction	Unit price <i>(in euros)</i>	Amount of transaction <i>(in euros)</i>
07/29/2016 Paris	Philippe Germond	Acquisition of ordinary shares	7.3699	73,699
07/29/2016 Paris	Caroline Parot	Acquisition of ordinary shares	7.2269	43,361.40
08/01/2016 London	Kenneth McCall	Acquisition of ordinary shares	7.3081	36,540.50
08/01/2016 Paris	Fabrizio Ruggiero	Acquisition of ordinary shares	7.328	14,656



INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

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6.1 INFORMATION ON THE COMPANY

6.1.1 Company name

The name of the Company is “Europcar Groupe”.

6.1.2 Place and number of registration

The Company is registered with the Trade and Companies Register of Versailles under number 489 099 903.

6.1.3 Date of incorporation and duration

The Company was created on March 16, 2006 for the purpose of Eurazeo’s acquisition of the Group.

The Company has a legal life of 99 years as from its registration with the Versailles Trade and Companies Register, subject to early dissolution or extension.

6.1.4 Registered office, legal form and applicable law

The Company’s headquarters are at:

2 rue René Caudron, Bâtiment OP,
78960 Voisins-le-Bretonneux
(Tel.: +33 (0)1 30 44 90 00).

Since March 9, 2015, Europcar Groupe is a public limited company (*société anonyme*) with a Management Board and a Supervisory Board under French law governed in particular by the provisions of Book II of the French Commercial Code. Before March 9, 2015, the Company was a public limited company (*société anonyme*) with a Board of Directors.

The Company’s fiscal year begins on January 1 and ends on December 31 of each year.

6.2 CONSTITUTION AND BYLAWS

The Company’s bylaws were prepared in accordance with French law and regulations on public limited companies with a Management Board and a Supervisory Board. The key points described below are taken from the Company’s bylaws approved

at the Ordinary and Extraordinary Shareholders’ Meeting of February 24, 2015 and amended by the Management Board on February 24, 2017.

6.2.1 Corporate purpose

Article 3 of the bylaws states that the Company's corporate purpose, directly or indirectly, in France or abroad, is to:

- acquire investments by way of asset transfers, purchases, subscriptions or otherwise in any companies regardless of their form and purpose;
- provide all types of management services to other firms, in particular strategic, organizational, accounting, financial, IT and commercial services;
- manage a portfolio of trademarks and patents, in particular by way of licensing rights;
- lease any machinery and equipment of any kind whatever;
- own, by way of acquisition or otherwise, and manage, in particular by way of leasing, any buildings, real property and property rights;
- take direct or indirect part in any transaction that might directly or indirectly be connected with the corporate purpose through the creation of new companies, asset transfers, subscriptions or purchases of securities or company rights, mergers, alliances, joint ventures and by any other means and in any forms used in France and abroad;
- and, more generally, to engage in all commercial, financial (including any loan, advance, security or any cash transaction within the Group), industrial and real or personal property transactions that might directly or indirectly be connected with the corporate purpose and with any purposes that are similar or connected or capable of promoting the achievement thereof.

6.2.2 Management and supervisory bodies

06

6.2.2.1 Management Board

Appointments (Article 12 of the bylaws)

The Company is managed by a Management Board comprising two to five members appointed by the Supervisory Board. It performs its duties under the oversight of the Supervisory Board in accordance with the law and the bylaws.

The members of the Management Board may be chosen from among non-shareholders. They must be natural persons. They may always be re-elected. No member of the Supervisory Board may be a member of the Management Board.

The age limit for being a member of the Management Board is sixty-eight (68) years. Members of the Management Board are automatically deemed to have resigned at the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year in which they reach the age of sixty-eight (68) years.

Members of the Management Board may be bound to the Company by a contract of employment which remains in force throughout their term of office and after its expiry.

All members of the Management Board are subject to the applicable laws and regulations regarding the total number of offices held.

The members of the Management Board are appointed for a term of four (4) years. In the event of a seat becoming vacant, the Supervisory Board appoints a replacement for the remainder of the predecessor's term of office in accordance with the law.

Dismissal (Article 12 of the bylaws)

Any member of the Management Board may be dismissed either by the Supervisory Board or by the Shareholders' Meeting. If a dismissal decision is made without just cause, it can give rise to damages.

The dismissal of a member of the Management Board does not result in the termination of their contract of employment.

The Chairman of the Management Board and Deputy CEOs (Article 13 of the bylaws)

The Supervisory Board appoints one of the members of the Management Board as the Chairman of the Management Board. The Chairman of the Management Board performs their duties throughout their term of office as a member of the Management Board. They represent the Company in its relations with third parties.

The Supervisory Board may attribute the same representative powers to one or more members of the Management Board who then have the title of Deputy CEO.

The office of Chairman and, if applicable, of Deputy CEO attributed to members of the Management Board may be withdrawn by the Supervisory Board at any time.

As regards third parties, any actions binding on the Company may be validly taken by the Chairman of the Management Board or by any member appointed by the Supervisory Board as Deputy CEO.

Deliberations of the Management Board (Article 14 of the bylaws)

The Management Board meets as often as the interests of the Company require, on a notice of meeting issued by its Chairman or at least half of its members, either at the registered office or in any other place indicated in the notice of meeting. The agenda can be completed at the time of the meeting. Notices of meetings may be issued by any means, even orally.

A member of the Management Board may arrange to be represented at a meeting by another member of the Management Board who may not hold more than one proxy. The Chairman of the Management Board chairs its meetings. In the event that the Chairman is absent, the Management Board appoints one of its members to act as Chairman of the meeting.

The deliberations of the Management Board are only valid if at least half of its members are present or represented. Decisions are taken by a majority of the votes of members present or represented. In the event of a tied vote, the Chairman of the meeting has a casting vote.

Members of the Management Board may take part in its meetings by means of videoconferencing or other means of telecommunication under the conditions authorized by the regulations applicable to meetings of the Supervisory Board. They are then deemed to be present for the purposes of calculating the quorum and majority.

The deliberations are recorded in minutes drawn up in a special register kept at the registered office and signed by the Chairman and by the secretary or another member of the Management Board. Copies or extracts of these minutes can be validly certified by the Chairman, by the secretary or by a member of the Management Board.

Powers and obligations of the Management Board (Article 15 of the bylaws)

The Management Board is invested with the broadest powers to act in any circumstances in the name of the Company within the limitations of the corporate purpose and subject to the powers expressly attributed by law and the bylaws to Shareholders' Meetings and to the Supervisory Board.

No restriction on its powers is enforceable against third parties; these can take action against the Company to enforce obligations contracted in its name by the Chairman of the Management Board or by a Deputy CEO provided their appointments were duly published.

Members of the Management Board may divide management tasks among themselves with the authority of the Supervisory Board. Under no circumstances, however, does this division of tasks exempt the Management Board from meeting and deliberating on the most important matters regarding the running of the Company, nor does it exempt the Management Board and all of its members from their joint and several responsibilities.

The Management Board may nominate one or more of its members or any person chosen elsewhere to carry out such special, permanent or temporary assignments as it determines and delegate to them the powers it considers necessary for

one or more specific purposes with or without the power to sub-delegate.

The Management Board prepares and presents to the Supervisory Board the reports required by the regulations in force as well as annual, half-yearly and, when appropriate, quarterly financial statements.

The Management Board convenes all Shareholders' Meetings, sets their agenda and performs their decisions.

Members of the Management Board are liable to the Company or to third parties, both individually or jointly and severally, as the case may be, whether for infringements of the legal provisions governing public limited companies, or for breaches of the bylaws, or for negligence in their management, under the conditions set and subject to the penalties provided for by the legislation in force.

Compensation of members of the Management Board (Article 16 of the bylaws)

The Supervisory Board sets the mode and amount of compensation of each member of the Management Board.

6.2.2.2 Supervisory Board

Rules of procedure of the Supervisory Board

The Supervisory Board has rules of procedure which determine its workings.

Composition and terms of office (Article 17 of the bylaws and Articles 1 and 2 of the Supervisory Board's rules of procedure)

The Supervisory Board comprises three (3) to eighteen (18) members (subject to special dispensations provided for by law) appointed by the Shareholders' Meeting.

Members of the Supervisory Board are appointed by the Shareholders' Meeting, save that the Board has the power, in the event of a vacancy for one or more positions, to appoint replacements by way of co-option for the remainder of the predecessors' terms of office and subject to ratification by the next Shareholders' Meeting.

The number of members of the Supervisory Board aged over seventy (70) years may not exceed one third of members in office. Should this proportion be exceeded, the term of office of the oldest member of the Supervisory Board, other than the Chairman, expires at the end of the next Shareholders' Meeting.

The term of office of members of the Supervisory Board is four (4) years. The Shareholders' Meeting may, upon the appointment of certain members of the Supervisory Board, reduce their term of office to less than four (4) years in order to stagger the renewal of the terms of office of members of the Supervisory Board. Members may be re-elected. The duties of a member of the Supervisory Board cease at the end of the Shareholders' Meeting convened to approve the financial statements for the previous fiscal year held in the year in which their term of office expires.

Members of the Supervisory Board must own at least 500 shares in the Company throughout their term of office, at all times no later than six months after being appointed.

No member of the Supervisory Board may be a member of the Management Board. Should a member of the Supervisory Board be appointed to the Management Board, their term of office on the Supervisory Board expires as soon as they take up that office.

Should the report presented by the Management Board to the Shareholders' Meeting pursuant to Article L. 225-102 of the French Commercial Code state that the shares owned by the Company's employees and by companies associated with the Company under Article L. 225-180 of said Code represent more than three per cent (3%) of the share capital, a member of the Supervisory Board representing employee shareholders is appointed by the Shareholders' Meeting in accordance with the terms and conditions laid down by the laws and regulations in force and the bylaws, provided the Supervisory Board does not already have among its members one or more member(s) appointed from among the members of the Supervisory Boards of the Company mutual funds representing employees, or one or more employees elected pursuant to Article L. 225-79 of the French Commercial Code if the bylaws make use of that provision.

Prior to the Shareholders' Meeting called to appoint the Supervisory Board member representing employee shareholders, the Chairman of the Supervisory Board refers to the Supervisory Boards of the Company mutual funds created under the employee savings plan of the Company and the entities it controls under Article L. 233-3 of the French Commercial Code (together the "Group") and invested principally in the Company's shares and consults employee shareholders as stipulated in the bylaws.

Candidates for appointment are nominated under the following conditions:

- a. when the voting right attached to shares owned by employees is exercised by members of the Supervisory Board of a company mutual fund, that Board may appoint one candidate chosen from among its regular members representing employees. When there are several such company mutual funds, the Supervisory Boards of those funds can agree in identical resolutions to present two joint candidates chosen from among the sum total of their regular members representing employees;
- b. when the voting right attached to shares owned by employees is directly exercised by those employees, one candidate may be nominated at the time of the consultations organized by the Company. These consultations, preceded by a call for applications, are organized by the Company by any technical means that make it possible to ensure the reliability of the vote, including electronic or postal voting. In order to be admissible, applications must be presented by a group of shareholders representing at least 5% of the shares owned by employees exercising their voting right on an individual basis.

The Company can form an *ad hoc* election committee to ensure the process is regular.

The minutes drawn up by the Supervisory Board(s) of the Company mutual funds or by *ad hoc* election committees presenting the applications must be sent to the Supervisory Board no later than eight (8) days before the date of its meeting convened to settle the resolutions of the Shareholders' Meeting relating to the appointment of the member of the Supervisory Board representing employee shareholders.

In order to be admissible, each application must present a principal and deputy candidate. The deputy candidate, who must satisfy the same conditions of eligibility as the principal, may be co-opted by the Supervisory Board to succeed the representative appointed by the Shareholders' Meeting in the event that they cannot complete their term of office. The co-option of the deputy by the Supervisory Board is subject to ratification by the next Shareholders' Meeting.

In order to ensure the continuity of employee shareholder representation and in the event that the deputy also cannot complete their term of office, the Chairman of the Supervisory Board refers to the body that originally nominated the candidate (the Supervisory Board of a company mutual fund or a group of employee shareholders) for it to nominate a new candidate whose appointment will be submitted to the Shareholders' Meeting.

The terms and conditions of nomination of candidates not defined by the laws and regulations in force or the bylaws are set by the Chairman of the Supervisory Board, in particular with regard to the timetable for the nomination of candidates.

Each procedure mentioned in a) and b) above is recorded in minutes comprising the number of votes received for each of the candidates. A list of all the candidates validly designated is established.

The Shareholders' Meeting rules, under the conditions applicable to any appointment of a member of the Supervisory Board, on all the candidates validly designated; the candidate obtaining the highest number of votes held by the shareholders present or represented during this Shareholders' Meeting will be appointed as the member representing employee shareholders. Members representing employee shareholders are not taken into account when determining the minimum and maximum numbers of members of the Supervisory Board set by the bylaws (Article 17).

The term of office of the member of the Supervisory Board representing employee shareholders is four (4) years. Their term of office ceases at the end of the Shareholders' Meeting convened to approve the financial statements for the previous fiscal year held in the year in which their term of office expires. However, their term of office ceases automatically and they are deemed to have automatically resigned in the event that they cease to be an employee of the Company (or of an entity or economic interest grouping associated with the Company under Article L. 225-180 of the French Commercial Code).

In the event that the position of member of the Supervisory Board representing employee shareholders becomes vacant for any reason whatsoever, the replacement will be arranged under the conditions set out above, at the latest prior to the next Shareholders' Meeting or, if this meeting occurs less than four (4) months after the position becomes vacant, prior to the subsequent Shareholders' Meeting. The new member of the Supervisory Board is appointed by the Shareholders' Meeting for the remainder of their predecessor's term of office.

The Supervisory Board may validly meet and deliberate until the date of replacement of the member(s) representing employee shareholders.

The above provisions shall cease to apply when, at the close of a fiscal year, the percentage of the capital owned by employees of the Company and entities associated with the Company under Article L. 225-180 of the French Commercial Code, in the context set out by Article L. 225-102 of said Code, represents less than three per cent (3%) of the capital on the understanding that the term of office of any member appointed will expire on its expiry date.

Provisions relating to the number of shares that must be owned by a member of the Supervisory Board are not applicable to members representing employee shareholders. Nevertheless, members of the Supervisory Board representing employee shareholders must, either individually or through a company mutual fund created under the Group's employee savings plan, own at least one share or a number of units of said fund equivalent to at least one share.

The Supervisory Board ensures that wherever possible, at least a third of its members are independent; independence implies no value judgment as to the quality and skills that members bring to the Board.

On every appointment or reappointment of a Supervisory Board member, and at least annually before publication of the Company's Annual Report, the Supervisory Board carries out an assessment of the independence of each member (or candidate). During this assessment the Supervisory Board, having heard the opinion of the Compensation and Nominations Committee, assesses each member (or candidate) in light of the criteria set out below, any special circumstances and the person's relationship to the Company. The conclusions of this assessment are brought to the attention of shareholders in the Annual Report and, where applicable, of the Shareholders' Meeting during the election of the members of the Supervisory Board.

To qualify as independent, members of the Supervisory Board must:

- (i) not be an employee or executive corporate officer of the Company, or an employee or executive member of the Board of Directors or member of the Supervisory Board of any parent or consolidated entity, and not have been such in the past five years;
- (ii) not be an executive corporate officer of an entity on whose Board of Directors or Supervisory Board the Company sits directly or indirectly or of an entity on whose Board of Directors or Supervisory Board a designated or actual executive corporate officer (current or less than five years ago) of the Company sits;
- (iii) not be a customer, supplier, investment banker or bank lender:
 - of significant importance for the Company or Group,
 - or for whom the Company or its Group represents a significant part of their business (or who is directly or indirectly related to such a person);
- (iv) not have any close family ties with a corporate officer of the Company;
- (v) not have been a Statutory Auditor to the Company within the last five years;
- (vi) not have been a member of the Company's Supervisory Board within the last twelve years preceding the start of their term of office.
- (vii) not receive any variable compensation in cash or securities or any compensation linked to the Company's or the Group's performance.

Regarding Supervisory Board members who hold ten percent or more of the Company's equity or voting rights or who represent a legal entity with an equivalent stake, the Board, on report of the Compensation and Nominations Committee, rules on their independence taking special note of the composition of the Company's share ownership and any potential conflict of interest.

The Supervisory Board may consider that a Supervisory Board member who meets the above criteria may nevertheless not be deemed independent in view of their particular circumstances or those of the Company in light of its shareholder structure or for any other reason. Conversely, the Supervisory Board may consider that a member of the Supervisory Board who does not meet all the above criteria may -nonetheless be deemed independent.

Members of the Supervisory Board deemed independent must inform the Chairman of the Supervisory Board of any change in their personal circumstances affecting these criteria as soon as they become aware of such a change.

Dismissal (Article 17 of the bylaws)

Members of the Supervisory Board may be dismissed at any time by the Shareholders' Meeting.

Officials of the Supervisory Board (Article 18 of the bylaws and Article 1.4 of the Supervisory Board rules of procedure)

The Supervisory Board elects a Chairman and can elect a Vice-Chairman from among its members for the duration of their term of office and in accordance with its rules of procedure.

It determines their fixed or variable compensation.

The Chairman is responsible for convening the Supervisory Board, at least four times a year, for setting the agenda of meetings and for chairing discussions.

The Vice-Chairman performs the same functions and has the same prerogatives if the Chairman is absent or when the Chairman has delegated his powers temporarily.

The Supervisory Board may appoint a secretary selected or not from among its members.

Powers and obligations of the Supervisory Board (Article 20 of the bylaws and Articles 1.5, 2.8, 2.9, 3 and 5 of the Supervisory Board's rules of procedure)

The Supervisory Board exercises permanent control over the Management Board's running of the Company.

At any time of the year, it carries out such checks and inspections as it deems necessary and can obtain any documents from the Management Board that it considers necessary for it to carry out its task.

The Management Board, at least once every quarter, presents the Supervisory Board with a report summarizing the main management actions or decisions of the Company and containing all items for the Supervisory Board to be fully informed of the Company's business development as well as the half-yearly financial statements and quarterly accounting information.

Once a year the Management Board presents the budgets and investment plans to the Supervisory Board.

After the close of each fiscal year, and within the regulatory period, the Management Board presents the annual financial statements, consolidated financial statements and its report to the Shareholders' Meeting for verification and audit. The Supervisory Board presents its observations on the Management Board's report and the individual, parent company and consolidated financial statements to the Shareholders' Meeting.

Under no circumstances can this supervision give rise to the taking of management action by the Supervisory Board or by its members, whether directly or indirectly.

The Supervisory Board appoints and may dismiss members of the Management Board according to the law and Article 12 of the bylaws.

The Supervisory Board sets the draft resolution proposing the appointment of the Statutory Auditors to the Shareholders' Meeting according to the law.

The transactions requiring prior approval by the Supervisory Board are listed in Section 5.2.1.2 "*Matters reserved for the Supervisory Board*" of this Registration Document. Within the limits that it shall determine and on the terms and conditions that it shall decide, the Supervisory Board may give prior authorization to the Management Board to carry out one or more of these transactions.

The Supervisory Board may form committees responsible for looking into matters that it or its Chairman submit for their examination and opinion. It determines the composition and remit of these committees which carry out their duties under its supervision.

Reporting to the Supervisory Board (Article 4 of the Supervisory Board's rules of procedure)

Each Supervisory Board member may receive, upon his or her appointment, additional training on the specifics of the Company and the companies it controls, their business and their industry.

The Chairman of the Supervisory Board, or where appropriate the Vice-Chairman, provides Supervisory Board members, in sufficient time, the information or documents in his possession allowing them to perform their duties effectively. Any Supervisory Board member who is not in possession of the information needed to cast an informed vote has the duty to report this to the Supervisory Board and to demand the information relevant for the performance of his or her duties.

The Supervisory Board may hear from members of the Management Board who may be asked to attend its meetings except for meetings or deliberations called to assess the performance of the Chairman or members of the Management Board or, if applicable, the Deputy CEO(s).

The Management Board reports regularly to the Supervisory Board on the Company's and Group's business, results, cash position and commitments in accordance with the law, the bylaws, the rules of procedure and the rules of procedure of the Supervisory Board's Committees.

In particular, the Management Board reports the following information to the Supervisory Board:

- (i) in general, any document or information relating to the Company or Group that the Management Board is obliged to compile or publish by law or in the interests of open information, before publication;
- (ii) within ninety (90) days of the closing date, the Company's audited consolidated financial statements including the balance sheet, income statement, cash flow statement

and notes to the consolidated financial statements; the audited parent company financial statements including the balance sheet, income statement, cash flow statement and notes to the parent company financial statements; and the Statutory Auditors' reports;

- (iii) bi-annually, a table summarizing the Company's shareholder structure;
- (iv) quarterly, all other information, including financial and accounting information, provided by the Company to its bank lenders under credit agreements made by the Company as soon as the information is sent to the banks;
- (v) monthly, a summary of the key financial and operating items of the Company and Group with a breakdown by country (including key income statement aggregates, corporate EBITDA, consolidated financial debt and cash);
- (vi) at least quarterly, and whenever the Supervisory Board so requests or deems appropriate, a progress report on the business of the Company and Group;
- (vii) within three months of the half-yearly closing dates, the parent company and consolidated financial statements along with the associated management report (presented first to the Audit Committee and then to the Supervisory Board for verification and audit);
- (viii) within eight (8) days of being drawn up, the future projections of financial statements and accompanying analysis reports required by Articles L. 232-2 and L. 232-3 of the French Commercial Code (presented first to the Audit Committee and then to the Supervisory Board);
- (ix) the Company's and Group's annual budget and medium- or long-term investment and financial plan for approval (the Supervisory Board may request that the Management Board provide quarterly monitoring reports on how these are being met);
- (x) as required by the Audit Committee's rules of procedure, and at least once a year, the Management Board's policy for managing and monitoring risks of all types affecting the Company and Group as well as the programs and measures implemented and the monitoring report on the effectiveness of Group internal control, internal audit and risk management;
- (xi) as required by the Compensation and Nominations Committee's rules of procedure, and at least once a year, all information and policies relating to the fixed compensation, bonuses and benefits, deferred or conditional, of Management Board members (the Management Board reports this information to the Compensation and Nominations Committee which in turn reports it to the Supervisory Board and, if applicable, seeks its prior approval); in the same way, periodic information about succession plans for members of the Management Board and Executive Committee to the Compensation and Nominations Committee;

- (xii) any other information and documents relating to the Company or Group deemed to assist the Supervisory Board in fulfilling its duties.

Any member of the Supervisory Board can meet members of the Executive Committee without Management Board members being present provided they inform a Management Board member beforehand. Such meetings are purely informative and must not impair any hierarchical reporting lines to which the executives concerned are subject.

Deliberations of the Supervisory Board (Article 19 of the bylaws and Articles 6 and 7 of the Supervisory Board's rules of procedure)

Members of the Supervisory Board are called to its meetings by its Chairman or, in the case of impediment, by the Vice-Chairman, by any means, including orally. The Chairman of the Supervisory Board must convene the Supervisory Board when at least one member of the Management Board or at least one third of members of the Supervisory Board submit a written motivated request to this effect within fifteen (15) days of its receipt. If the demand is not acted upon, its authors may themselves convene the meeting and set the agenda.

Meetings take place at the Company's registered office or any other place specified in the notice of meeting. They are chaired by the Chairman of the Supervisory Board, and in the event of their absence, by the Vice-Chairman. The Supervisory Board meets every three (3) months, notably to review the quarterly report presented by the Management Board with, if necessary, a report of the Audit Committee, to verify and audit the documents and information provided by the Management Board, and whenever the interests of the Company so require. Meetings must be sufficiently frequent and long to allow in-depth review and discussion of the matters falling under the Supervisory Board's responsibility.

Meetings are held and decisions made under the quorum and majority conditions provided by law. In the event of a tied vote, only the Chairman of the Supervisory Board has a casting vote.

Pursuant to applicable laws and regulations, the use of video conference or other means of telecommunication is authorized for any Supervisory Board meeting. The means used must enable real-time and continuous transmission of speech and, if applicable, video images of the members, who must be visible to everyone. These means must also permit each member to be identified and ensure their active participation in meetings. Directors participating in a meeting by means of video conference or other means of telecommunication as described above are deemed present for purposes of calculating quorum and majority. The attendance sheet includes the names of members participating in the Supervisory Board meeting in such manner.

The meeting's minutes must indicate the names of those Supervisory Board members deemed present in this manner. The minutes must also mention the occurrence of any technical difficulties that may have interfered with the meeting.

In accordance with Article L. 225-82 of the French Commercial Code and Article 19-III of the Company's bylaws, participation in Supervisory Board meetings by means of video conference or telecommunication is prohibited for votes on the following decisions:

- appointing or replacing a Chairperson or Vice-Chairperson;
- appointing or removing members of the Management Board;
- closing the annual Company and consolidated financial statements and reviewing the Company and Group management reports.

The minutes of meetings of the Supervisory Board are prepared and copies or extracts thereof are delivered and certified in accordance with the law.

Compensation of members of the Supervisory Board (Article 21 of the bylaws and Article 8 of the Supervisory Board rules of procedure)

The Shareholders' Meeting may allocate an annual fixed sum as attendance fees to the members of the Supervisory Board by way of compensation for their duties.

On recommendation of the Compensation and Nominations Committee, the Supervisory Board:

- freely divides up among its members the attendance fees allocated to the Board by the Shareholders' Meeting. Committee members receive a share, set by the Supervisory Board and deducted from the total attendance fees allocated, according to their attendance at Committee meetings;
- determines the compensation of the Chairperson and Vice-Chairperson;

- allocates, if it sees fit, exceptional compensation to certain members for tasks or duties entrusted to them.

Fixed payments are adjusted on a proportional basis when terms of office begin or end in the fiscal year.

Attendance fees are paid annually in arrears.

The rules for dividing up attendance fees and determining their individual amounts must be disclosed in the Annual Report, it being understood that the total amount paid to members of the Supervisory Board, including for their work in committees but excluding receipted expenses, cannot exceed the amount authorized by the Shareholders' Meeting.

6.2.2.3 College of censors (Article 22 of the bylaws and Article 10 of the Supervisory Board's rules of procedure)

The Shareholders' Meeting may appoint censors (non-voting directors) for the purpose of assisting the Supervisory Board. Censors may or may not be shareholders and can number up to four. They are appointed for a maximum term of two (2) years. The Shareholders' Meeting may revoke their appointment at any time. The Supervisory Board sets their attributions and determines their compensation.

The age limit of a censor is eighty (80) years. Any censor reaching that age will be deemed to have automatically resigned.

Censors are convened to all meetings of the Supervisory Board under the same terms and conditions as members of the Supervisory Board and take part in its deliberations in a solely consultative capacity. Censors express their observations during the Supervisory Board's meetings. They cannot replace members of the Supervisory Board and only issue their opinions. Censors may be paid compensation. The Supervisory Board may also entrust specific assignments to censors.

6.2.3 Rights and obligations attached to shares (Articles 6, 7, 9 and 10 of the bylaws)

6.2.3.1 General principles

Fully paid up ordinary shares are held in either registered or bearer form at the shareholder's discretion. Class C and D preferred shares can only be held in registered form. They are registered in the accounts of their owners according to the laws and regulations in force.

Ownership of a share automatically implies acceptance of the bylaws and the decisions made at Shareholders' Meetings.

Each share carries a right to ownership of the Company's assets and liquidation surpluses equal to the fraction of the share capital that it represents.

Whenever it is necessary to own several old shares in order to exercise any right, or in the event of a securities swap or allocation conferring a right to a new security in exchange for the delivery of several old shares, individual securities or numbers of securities lower than that required will not give their holders any rights against the Company, and shareholders must make their own arrangements to group together and potentially purchase or sell the necessary number of securities.

The shares are indivisible as regards the Company so that joint owners of undivided shares must arrange to be represented to the Company either by one of them or by a single representative appointed by the courts in the event of disagreement.

Each ordinary share grants the right to vote and to be represented at any Shareholders' Meeting in accordance with legal and statutory requirements. Bylaws governing voting rights are explained in Section 6.2.5 "Shareholders' Meetings" of this Registration Document.

6.2.3.2 Specific characteristics of preferred shares

Class C and D preferred shares (Appendices A and B of the bylaws)

Class C and D Shares are preferred shares under Article L. 228-11 of the French Commercial Code whose issue was agreed by the Company's Management Board on May 15, 2015 exercising powers granted it at the Shareholders' Meeting of February 24, 2015.

Class C preferred shares (the "C Shares") were subscribed by a number of Group employees and executives who are members of the Executive Committee (the "C managers") and class D preferred shares (the "D Shares") were subscribed by

Eurazeo. The D Shares were subject to a promise by Eurazeo to sell them in favor of C managers and an obligation imposed on C managers to purchase them from Eurazeo in the event of the signing of a security agreement relating to the IPO. The D Shares were transferred by Eurazeo to the C managers following signature of a security agreement on May 7, 2015, as part of the Company's listing of its shares on the Euronext Paris regulated market on June 26, 2015 (the "IPO").

The terms and conditions of the C and D Shares lay down the conditions under which holders of C and D Shares may convert them into ordinary shares. Under their terms and conditions, as from the date of the IPO, C Shares can be converted into ordinary shares at any time until December 31, 2019; D Shares cannot be converted during a one year lock-in period after the IPO, *i.e.* until June 26, 2016, and thereafter only half of D Shares can be converted in the following year. The remainder are convertible as from two years after the IPO, *i.e.* as from June 26, 2017.

As from the IPO, the conversion ratio of Class C and D Shares into ordinary shares is determined on the basis of the exercise period taking into account a multiple of the value of the ordinary shares varying in line with their trading price. For the purposes of this calculation, the value of the ordinary shares is equal either to a weighted average of the share price over a period of ten trading days preceding the notification date of conversion.

Under the agreement between the C managers and Eurazeo in respect of the IPO, neither Class C nor Class D Shares can be sold (except to Eurazeo) and ordinary shares created by the conversion of Class C Shares cannot be transferred during the lock-up period set by the underwriting banks and in any case before a minimum period of one year. Nor can the Chairman or the members of the Management Board dispose of either class of share if this would reduce their holdings to below the corresponding minimum requirement until the end of their term of office (the minimum requirement is the lower of either 10% of the ordinary shares held immediately before the sale or the equivalent of three times the annual compensation based on the value of the ordinary shares at the sale date).

The agreement also defines the joint transfer rights and commitments of the C managers as well as their commitment to transfer their C and D Shares to Eurazeo if they leave the Group under certain specified circumstances.

If no conversion occurs before December 31, 2019, the Class C and D Shares will automatically be converted into the same number of ordinary shares in the Company.

6.2.4 Changes to shareholders' rights

The rights of shareholders may be changed under the law and regulations in force. There is no specific stipulation that restricts changes to shareholders' rights beyond the requirements of the law.

6.2.5 Shareholders' Meetings (Articles 9, 10, 24 and 25 of the bylaws)

Shareholders' Meetings are convened and conducted in accordance with the law.

Meetings take place either at the registered office or in any other place specified in the notice of meeting.

Shareholders may attend Shareholders' Meetings in accordance with the law.

Any shareholder may take part in Shareholders' Meetings either personally or by appointing a proxy (C and D shares are non-voting). They may also attend any Shareholders' Meeting by postal vote according to the laws and regulations in force.

The Management Board is empowered to authorize transfer by telecommunications (including by electronic media) to the Company of the postal proxy and voting forms in accordance with applicable law and regulations.

When e-signatures are used they can take any form complying with the conditions set out in the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

If the Management Board announces in the notice of meeting that such means of telecommunication may be used, all shareholders attending by video conference or other telecommunication permitting their identification as required by applicable regulations are deemed present for purposes of calculating quorum and majority.

Meetings are chaired by the Chairman of the Supervisory Board or, in their absence, by the Vice-Chairman. Failing this, the meeting elects its own Chairman.

Minutes are taken of Shareholders' Meetings and copies or extracts provided and certified in accordance with law.

Each ordinary share grants the right to vote and to be represented at any Shareholders' Meeting in accordance with legal and statutory requirements.

When ordinary shares are held in usufruct, their right to vote at Ordinary and Extraordinary Shareholders' Meetings belongs to the usufruct-holders. However, shareholders may agree among themselves any other allocation of the exercise of voting rights at Shareholders' Meetings. In this case, they must notify their

agreement to the Company by registered mail sent to the registered office and the Company will be obliged to respect this agreement at any Shareholders' Meeting held more than one (1) month after the date the registered letter was sent, as attested by the postmark.

Double voting rights are granted to all fully paid up ordinary shares that have been held in registered form by the same holder for a continuous period of at least two (2) years. The length of time that shares were held prior to the listing date of the Company's ordinary shares on Euronext Paris will not be counted towards the two-year holding period. The Company has thus not exercised the option to waive attribution of double voting rights set out in Article L. 225-123 paragraph 3 of the French Commercial Code.

In accordance with Article L. 225-123 paragraph 2 of the French Commercial Code, in the event of a capital increase by incorporation of reserves, earnings or share premiums, double voting rights will be granted upon issuance to new ordinary shares allocated free of charge to a shareholder in respect of existing shares already carrying such rights.

Double voting rights may be exercised at any Shareholders' Meeting.

Any ordinary share that is transferred or converted into bearer form loses its double voting right. However, a transfer of ownership through inheritance, liquidation of marital property or inter vivos donation to a spouse or relative entitled to inherit does not result in the loss of an acquired double voting right and does not interrupt the two-year holding period above.

Any shareholder may vote by mail under the terms and conditions and using the procedures prescribed in accordance with applicable law and regulations. Shareholders may, in accordance with applicable law and regulations, send their proxy or voting forms by mail in either paper format or, if the Management Board so decides and announces in the notice of meeting, by telecommunications (including electronic media); the Company may, to this end, use an identification procedure that complies with the conditions in the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

6.2.6 Bylaws likely to have an effect in the event of a change of control

The Company's bylaws do not contain any provisions likely to have an effect in the event of a change of control.

6.2.7 Threshold crossing and identification of shareholders

6.2.7.1 Threshold crossings (Article 8 of the bylaws)

Aside from applicable legal and regulatory thresholds, any natural person or legal entity, acting alone or in concert, who comes or ceases to hold, directly or indirectly, one percent (1%) or more of the Company's share capital or voting rights, or any multiple of this percentage, including above the declaration thresholds set by law and regulations, must inform the Company of the total number of shares and voting rights owned and of any securities giving access to the capital or voting rights potentially attached by registered post with recorded delivery to the registered office (general address) by the close of trading on the fourth trading day following the date the threshold was crossed.

For the purpose of determining the thresholds described above, account is also taken of the shares or voting rights held indirectly and shares or voting rights associated with shares or voting rights held as defined in Articles L. 233-7 *et seq.* of the French Commercial Code.

In the event of a failure to comply with the above requirements, the penalties prescribed by law for any shareholder in breach of their obligation to declare the crossing of a legal threshold shall only be applied to the thresholds prescribed in the bylaws on the demand, recorded in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least one percent (1%) of the Company's share capital or voting rights.

The Company reserves the right to announce to the public and to shareholders either the information notified to it or any failure to comply with the above obligation by the person concerned.

6.2.7.2 Identification of shareholders (Article 7 of the bylaws)

The Company is entitled, under the law and regulations in force, and against payment of a fee at its own cost, to ask the central depository of financial instruments to be informed, as the case may be, of the name or corporate name, nationality, date of birth or year of formation, and mail address, and, when appropriate, electronic address, of the holders of bearer securities conferring the right to vote at its Shareholders' Meetings, whether immediately or in the future, together with the quantity of securities owned by each of them and, if applicable, the restrictions to which the securities may be subject. In view of the list provided by the aforementioned organization, the Company has the power to ask the persons appearing thereon, whom the Company deems potentially registered on behalf of third parties, for the above information concerning the owners of the securities.

If a person asked for information has failed to provide said information within the periods provided by the laws and regulations in force, or has provided incomplete or incorrect information relating either to their status or the owners of the securities, the shares or securities giving immediate or future access to the Company's equity in respect of which that person was registered in an account will be stripped of their voting rights for any Shareholders' Meeting held until the identification process is regularized, and payment of the corresponding dividend will be deferred until that date.

6.2.8 Changes to the share capital

Unless stated otherwise in the bylaws, the share capital may be increased, reduced or canceled by any method and in any manner permitted by law.

6.2.9 Distribution of profits (Article 27 of the bylaws)

The profit or loss of each fiscal year is determined according to the laws and regulations in force.

In the event of a profit for the fiscal year after deductions to establish or increase legal reserves, the Shareholders' Meeting, on the proposal of the Management Board, may deduct any sums that it considers appropriate to be either retained and carried forward to the next fiscal year or allocated to one or more general or special reserve funds or distributed to shareholders.

The Shareholders' Meeting has the power to grant shareholders the option to receive payment of all or part of their dividend or interim dividend in cash or in shares under the conditions laid down by the regulations in force. In addition, the Shareholders' Meeting may decide that payment of all or part of dividends, interim dividends, distributed reserves or premiums, or any reduction in capital, will be deducted in kind using the Company's portfolio securities or assets.

All shareholders share in profits and contribute to losses in proportion to their stake in the share capital.

6.3 SHARE CAPITAL

06

6.3.1 Number of shares

Share capital at December 31, 2016 was 143,409,298 euros, divided into 143,401,212 ordinary shares, 4,045 class C preferred shares and 4,041 class D preferred shares.

On the date of this Registration Document, the amount of the share capital was €146,132,712. The share capital is divided into 146,124,626 ordinary shares, 4,045 class C preferred shares and 4,041 class D preferred shares.

6.3.2 Securities giving access to capital

There were no outstanding securities giving access to capital and voting rights at December 31, 2016.

The Shareholders' Meeting of June 8, 2015, in resolutions 10, 11, 12, and 15, and the Shareholders' Meeting held May 10, 2016, in resolutions 13 and 14, granted the Management Board

a number of authorizations to issue securities giving access to the capital. These are described in Section 6.3.5.1 *"Table of currently valid delegations on the date of this Registration Document, concerning increases in capital and utilization as at December 31, 2016"*.

6.3.3 Changes in share capital over the last three years

Year	Date	Type of transaction	Capital before transaction (in euros)	Nominal amount of transaction (in euros)	Capital after transaction (in euros)	Number of shares after transaction
2015	02/24/2015	Capital decrease to cover losses by reducing the par value of the shares	446,383,193.50	(336,844,642.72)	109,538,550.78	103,810,045
2015	05/15/2015	Capital increase through the issuance of Class C and Class D preferred shares	109,538,550.78	8,532.21	109,547,082.99	103,818,131
2015	06/08/2015	Capital increase by incorporation of premiums	109,547,082.99	98,909,577.01	208,456,660	103,818,131
2015	06/08/2015	Capital decrease to cover losses by reducing the par value of the shares	208,456,660	(104,638,529.00)	103,818,131	103,818,131
2015	06/29/2015	Capital increase by the issuance of Class B preferred shares	103,818,131	495,845	104,313,976	104,313,976
2015	06/29/2015	Capital increase by public offering without preferential subscription right	104,313,976	38,775,510	143,089,486	143,089,486
2015	08/07/2015	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,089,486	8,829	143,098,315	143,098,315
2015	10/15/2015	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,098,315	7,444	143,105,759	143,105,759
2015	12/15/2015	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,105,759	48,257	143,154,016	143,154,016
2016	01/06/2016	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,154,016	16,206	143,170,222	143,170,222
2016	01/11/2016	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,170,222	8,067	143,178,289	143,178,289
2016	02/01/2016	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,178,289	15,835	143,194,124	143,194,124
2016	03/03/2016	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,194,124	67,172	143,261,291	143,261,296
2016	03/14/2016	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,194,125	92,166	143,286,291	143,286,291
2016	03/29/2016	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,286,291	39,276	143,325,567	143,325,567
2016	04/11/2016	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,325,567	36,194	143,361,761	143,361,761
2016	04/18/2016	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,361,761	11,343	143,373,104	143,373,104
2016	04/22/2016	Capital increase by the creation of new shares following conversion of Class B preferred shares	143,373,104	36,194	143,409,298	143,409,298

6.3.4 Information about potential dilution of shareholdings

The Company has issued preferred shares whose terms and conditions for conversion into ordinary shares appear in Section 6.2.3.2. of this Registration Document.

At December 31, 2016 there were no stock options outstanding.

6.3.5 Summary tables of delegations relating to capital increases

6.3.5.1. Table of currently valid delegations on the date of this Registration Document, concerning increases in capital and utilization as at December 31, 2016

The table below summarizes all authorizations delegated and remaining valid at December 31, 2016, granted by shareholders at the Shareholders' Meetings of June 8, 2015 and May 10, 2016, and the use made of such authorizations as of December 31, 2016:

Shareholders' Meeting (No. of resolution)	Type of authorization	Maximum authorized capital (nominal amount or percentage)	Term (expiry)	Use in 2016
06/08/2015 (resolution 9)	Delegation of authority to the Management Board to increase share capital by capitalizing reserves, profits, share premiums, acquisition premiums or goodwill on consolidation.	€500,000,000	26 months (08/07/2017)	-
06/08/2015 (resolution 10)	Delegation of authority to the Management Board to issue shares and/or equity securities with preferential subscription rights giving access to other equity securities and/or securities entitling holders to receive debt and/or other securities giving access to future shares.	€70,000,000 ^{(1) (2)}	26 months (08/07/2017)	-
06/08/2015 (resolution 11)	Delegation of authority to the Management Board to issue shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or securities entitling holders to receive debt and/or other securities giving access to future shares through a public offering or as part of a takeover bid involving the exchange of shares.	€20,000,000 ^{(1) (2)}	26 months (08/07/2017)	-
06/08/2015 (resolution 12)	Delegation of authority to the Management Board to issue shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or securities entitling holders to receive debt and/or other securities giving access to future shares through a private placement under Article L. 411-2 II of the French Monetary and Financial Code.	Shares: 10% of share capital Other securities: €750,000,000 ⁽¹⁾	26 months (08/07/2017)	-
06/08/2015 (resolution 13)	Authorization to the Management Board, in the event of an issue of shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or securities entitling holders to receive future shares, to set the issue price at no more than 10% of the share capital.	10% of share capital per 12-month period ⁽¹⁾	26 months (08/07/2017)	-
06/08/2015 (resolution 14)	Authorization granted to the Management Board to increase the number of shares or securities issuable in the event of capital increase with or without preferential subscription rights.	Regulatory ceiling at issue date ⁽¹⁾	26 months (08/07/2017)	-
06/08/2015 (resolution 15)	Authorization granted to the Management Board to issue, without preferential subscription rights, shares and/or equity securities giving access to other equity securities and/or entitlement to the award of debt securities and/or securities granting access to capital securities issuable in consideration of contributions in kind made to the Company (excluding tender offers).	10% of share capital ⁽¹⁾	26 months (08/07/2017)	-

Shareholders' Meeting (No. of resolution)	Type of authorization	Maximum authorized capital (nominal amount or percentage)	Term (expiry)	Use in 2016
06/08/2015 (resolution 20)	Delegation of authority to the Management Board to reduce the share capital by canceling treasury shares.	10% of share capital per 24-month period	26 months (08/07/2017)	-
05/10/2016 (resolution 11)	Authorization for the Company's share buy-back agreement.	€50,000,000 ⁽³⁾	18 months (11/09/2017)	See Section 6.3.8.1
05/10/2016 (resolution 12)	Authorization to the Management Board to grant free shares, with automatic waiver of subscription rights, to corporate officers and employees.	The maximum number of shares granted cannot be more than 5% of the share capital on the day the Management Board approves the issue.	38 months (07/09/2019)	-
05/10/2016 (resolution 13)	Delegation of authority to the Management Board to increase the share capital by issuing shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or entitling holders to receive debt and/or other securities giving access to future shares to members of an employee savings plan only.	3% of share capital ⁽²⁾	26 months (07/09/2018)	See Section 6.5.4
05/10/2016 (resolution 14)	Delegation of authority to the Management Board to increase the share capital by issuing without preferential subscription rights securities reserved for certain categories of beneficiaries under an employee shareholders plan.	3% of share capital ⁽²⁾	18 months (11/09/2017)	See Section 6.5.4

(1) The total maximum nominal amount of capital increases that can be held under this authority counts toward the overall ceiling of €100 million.

(2) This amount may be increased by the nominal amount of ordinary shares in the Company to be issued in future, if applicable, in order to safeguard the rights of holders of securities giving access to the capital in accordance with law and regulations and any applicable contractual terms.

(3) Up to a maximum number of shares representing 10% of the share capital, it being understood that the maximum number of shares held after purchases cannot be more than 10% of the share capital.

6.3.5.2 Delegations relating to capital increases to be voted on at the Shareholders' Meeting of May 10, 2017

Shareholders' Meeting (No. of resolution)	Type of authorization	Maximum share capital authorized by each resolution (nominal amount or percentage)	Term (expiry)
05/10/2017 (resolution 18)	Authorization for the Company's share buy-back program.	€50,000,000 ⁽³⁾	18 months (11/09//2017)
05/10/2017 (resolution 19)	Delegation of authority to the Management Board to increase share capital by capitalizing reserves, profits, share premiums, acquisition premiums or goodwill on consolidation.	€500,000,000	26 months (07/09/2019)
05/10/2017 (resolution 20)	Delegation of authority to the Management Board to increase share capital through the issuance of shares and/or equity securities with preferential subscription rights giving access to other equity securities or securities entitling holders to receive debt and/or other securities giving rights to equity securities to be issued by the Company.	€70,000,000 ^{(1) (2)}	26 months (07/09/2019)
05/10/2017 (resolution 21)	Delegation of authority to the Management Board to increase share capital through the issuance of shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or securities entitling holders to receive debt or other securities giving rights to equity securities to be issued by the Company through a public offering or a public exchange offering.	€35,000,000 ^{(1) (4)}	26 months (07/09/2019)
05/10/2017 (resolution 22)	Delegation of authority to the Management Board to increase share capital through the issuance of shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or securities entitling holders to receive debt and/or other securities giving rights to equity securities to be issued by the Company through a private placement under Article L. 411-2 II of the French Monetary and Financial Code.	10% of share capital per 12-month period €750,000,000 for debt securities ^{(1) (4)}	26 months (07/09/2019)
05/10/2017 (resolution 23)	Authorization to the Management Board, in the event of an issue of shares and/or equity instruments without subscription rights giving access to other equity instruments and equity securities entitling holders to receive future shares, to set the issue price at no more than 10% of the share capital.	10% of share capital per 12-month period ⁽¹⁾	26 months (07/09/2019)
05/10/2017 (resolution 24)	Authorization granted to the Management Board to increase the number of shares or securities issuable in the event of capital increase with or without preferential subscription rights.	15% of the initial issue ⁽¹⁾	26 months (07/09/2019)
05/10/2017 (resolution 25)	Authorization granted to the Management Board to increase share capital through the issuance of shares and/or equity securities giving access to other capital securities and/or entitlement to the award of debt securities and securities giving rights to equity securities to be issued in consideration of contributions in kind made to the Company (excluding tender offers).	10% of share capital ⁽¹⁾	26 months (07/09/2019)
05/10/2017 (resolution 26)	Delegation of authority to the Management Board to increase the share capital by issuing shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or entitling holders to receive debt and/or other securities giving access to future shares, reserved for members of an employee savings plan.	2% of share capital ^{(1) (2)}	26 months (07/09/2019)
05/10/2016 (resolution 27)	Delegation of authority to the Management Board to increase the share capital by issuing without preferential subscription rights securities reserved for certain categories of beneficiaries under an employee shareholding plan.	2% of share capital ^{(1) (2)}	18 months (11/09/2018)
05/10/2017 (resolution 29)	Delegation of authority to the Management Board to reduce the share capital by cancellation of shares purchased under share buyback program.	10% of share capital per 24-month period	26 months (07/09/2019)

- (1) The total maximum nominal amount of capital increases that can be held under this authority counts toward the overall nominal ceiling of €70 million.
- (2) This amount may be increased by the nominal amount of ordinary shares in the Company to be issued in future, if applicable, in order to safeguard the rights of holders of securities giving access to the capital in accordance with law and regulations and any applicable contractual terms.
- (3) Up to a maximum number of shares representing 10% of the share capital, it being understood that the maximum number of shares held after purchases cannot be more than 10% of the share capital.
- (4) The maximum global nominal amount of increases in capital likely to be conducted pursuant to the 21st and 22nd resolutions may not be greater than €35 million and shall be deducted from the global ceiling of €70 million.

6.3.6 Non-equity securities

As of the filing date of this Registration Document, the Company has issued no non-equity securities.

6.3.7 Pledges

At the date of this Registration Document, to the Company's knowledge, none of the shares comprising its capital was pledged.

6.3.8 2016 Share buy-back agreement

6.3.8.1 Description of the 2016 buy-back agreement

(A) Legal framework

By approving resolution 11 of the Combined General Meeting of May 10, 2016, shareholders authorized the Management Board to implement a share buy-back agreement in accordance with Article L. 225-209 of the French Commercial Code and AMF general regulations (the "**Buy-back Agreement**"). This authorization cancels and replaces that granted at the Shareholders' Meeting of June 8, 2015.

(B) Characteristics of the Buy-back Agreement

The Buy-back Agreement was approved for a period of 18 months from the date of the Shareholders' Meeting of May 10, 2016, until November 9, 2017. The maximum purchase price per share under this authorization is €20.00. The Management Board was authorized to buy a number of shares representing up to 10% of the Company's share capital at the purchase date.

The various objectives of the Buy-back Agreement, in accordance with the prevailing regulations and market practices accepted by the AMF, are as follows:

- canceling treasury shares by virtue of an authorization to the Management Board conferred by the Extraordinary Shareholders' Meeting; or
- market making on the secondary market or promoting trading of the Company's shares under a liquidity contract with an independent investment services provider in accordance with a code of practice approved by the AMF; or
- allocating shares to employees and corporate officers of the Company or entities that are or will be related to it in accordance with applicable laws by implementing any stock

option or similar plan, granting free shares or allocating or selling shares to employees as part of an employee profit-sharing scheme, or setting up a Company or Group employee savings plan (or similar scheme); or

- delivering or exchanging shares in exercise of rights attached to securities entitling the holder, in any manner, to receive shares in the Company; or
- conserving or delivering (in exchange, payment or otherwise) in the course of any acquisition, merger, split or contribution in kind.

The Buy-back Agreement is also intended to permit any other practice that may in future be permitted or recognized by law or the AMF or any other purpose in accordance with applicable regulations. In these circumstances, the Company will inform its shareholders by press release.

6.3.8.2 Share buy-backs and disposals carried out by Europcar Groupe in 2016

In 2016 the Management Board implemented the Buy-back Agreement and bought a total of 2,547,819 shares at an average price of €8.60 for a total cost of €22,126,867, distributed as follows:

(A) Buy-back of shares for cancellation

Europcar Groupe did not cancel any shares in 2016.

(B) Buy-backs of shares for market making under the liquidity contract.

No securities were held under this liquidity contract at December 31, 2016.

The total number of shares bought during 2016 on the Company's behalf under the market making liquidity contract with Rothschild & Cie Banque was 1,920,979 shares, at an average price per share of €9.10 and a total cost of €17,195,188. Of these, 806,568 were acquired at an average price of €9.84 per share and a total cost of €7,924,977, under the authorization granted by resolution 4 of the Combined General Meeting of June 8, 2015, and a further 1,114,411 were acquired at an average price of €8.48 and a total cost of €9,270,211 under the authorization granted by resolution 11 of the Shareholders' Meeting of May 10, 2016.

(C) Share buy-backs for grant to employees and corporate officers

During the 2016 fiscal year, the Company purchased, under the authorization granted by the eleventh resolution adopted by the Combined General Meeting on May 10, 2016, 453,434 shares to be allocated to the beneficiaries of free share grants, at the average price of €8.10 per share, for a total cost of €3,755,199. The Company did not purchase any shares with a view to allocating them to the beneficiaries of free share grants pursuant to the authorization granted by the fourth resolution adopted by the Combined General Meeting on June 8, 2015.

(D) Share buy-backs for conservation or future use in M&A

In 2016, under the authorization granted by resolution 11 of the Shareholders' Meeting of May 10, 2016, the Company bought 173,406 shares at an average price of €7.83 and a total cost of €1,176,480 for conservation and subsequent use in M&A transactions.

(E) Disposals of shares in 2016

In 2016, the total number of shares sold on the Company's behalf under the market making liquidity contract with Rothschild & Cie Banque was 1,920,979 shares, at an average price per share of €9.39 and a total cost of €17,382,961.

(F) Methods used for share buy-backs

During the 2016 fiscal year, the Company purchased 626,840 shares through direct purchases on the market, at the average price of €8.10 per share, for a total cost of €4,931,680.

Moreover, the Company purchased, via a liquidity agreement entered into with Rothschild & Cie Banque, for a total of 1,920,979 shares at an average price of €9.10, for a total cost of €17,195,188.

The Company did not use derivatives to make its purchases during this period.

(G) Reallocations

The Company did not reallocate any shares in 2016.

(H) Amount of trading fees

The amount of trading fees with respect to share buy-backs totaled €69,736 before VAT in 2016.

6.3.8.3 Share buy-backs and disposals carried out in early 2017

Between the start of 2017 and March 31, 2017 Rothschild & Cie Banque bought on Europcar Groupe's behalf 409,388 shares at an average price of €9.62 and a total cost of €3,924,692 and sold 318,678 shares at an average €9.67 for a total €3,071,369. Europcar Groupe did not use derivatives to make its purchases during this period.

At March 31, 2017, the number of shares held by the Company under the liquidity contract was 717,550.

6.3.8.4 Authorization to be voted on at the Shareholders' Meeting of May 10, 2017

The Management Board will be seeking a new 18-month authorization at the Shareholders' Meeting to be held on May 10, 2017, to buy up to 10% of the outstanding shares in the Company (*i.e.*, for indicative purposes, 14,340,929 shares at December 31, 2016) at a maximum price per share of €20, it being specified that the total maximum amount that the Company may devote to the buyback of its own shares may not exceed €50 million.

If approved by shareholders at the meeting, the Company will use these shares, in accordance with Articles 241-1 to 241-5 of the AMF general regulations, L.451-3 of the French Monetary and Financial Code and European regulations on market abuse for:

- cancellation under a cancellation authorization granted to the Management Board by the Extraordinary General Meeting;
- supply of the secondary market or liquidity of the Company shares under a liquidity contract with an independent investment services provider, in accordance with an ethics charter recognized by the AMF;
- allocation or transfer of shares to employees and corporate officers of the Company and/or companies that are or will be related to it under the conditions defined by the applicable law, notably the exercise of stock options, the grant of free shares company profit-sharing schemes;

- delivering or exchanging shares upon the exercise of rights attached to debt securities entitling the holder, in any manner, to receive shares in the Company; or
- retention or surrender of shares (as exchange, payment or otherwise) in connection with possible acquisitions;
- any other practice allowed or recognized by law or by the AMF, or that comes to be allowed, or any other objective that complies with the prevailing regulations.

These transactions may be carried out during 18 months from May 10, 2017 within the limits set by the applicable regulations.

6.3.9 Conditions governing all rights of acquisition and/or all obligations attached to subscribed but not paid up capital

Not applicable.

6.3.10 Share capital of all Group entities subject to an option or an agreement to issue options on it

Ubeeqo

In November 2014, the Company acquired a majority stake in Ubeeqo, a car-sharing company, and subscribed to its capital increase in 2015. At December 31, 2016, the Europcar Lab held 75.70% of Ubeeqo's capital, with the remaining 24.30% held in equal amounts by the two founders. Pursuant to agreements made on November 26, 2014 the Company undertook to repurchase the shares held by the founders starting from January 1, 2017. On February 17, 2017, Europcar Lab acquired the minority participating interest of 24.30% from the founders of Ubeeqo. Thus, on the date of this Registration Document, via its subsidiary Europcar Lab, the Company indirectly held 100% of the capital and voting rights of Ubeeqo.

E-Car Club

In July 2015, the Company acquired a majority holding in the company E-Car Club, a company specializing in electric car-sharing in the United Kingdom and subscribed for the capital increase it carried out in 2016.

E-Car Club is 80% held by Europcar Lab, with the remainder of the capital being held by the two founders and the investor Centrica Ignite. The Company is committed to buying back the shares held by the Founders and Centrica Ignite in two blocks from now to September 30, 2017.

6.4 MAIN SHAREHOLDERS OF THE COMPANY

6.4.1 Shareholding structure at December 31, 2016 and changes in the last three fiscal years

Distribution of capital in the last three fiscal years

The table below gives information about the Company's shareholding structure at December 31, 2016, and changes over the last three years. In accordance with the AMF's Position-Recommendation 2009-16, it shows theoretical or "gross"

voting rights, which include votes attached to non-voting shares in accordance with Article 223-11 of the AMF's general regulations. This forms the denominator for shareholders' to calculate their percentage holdings of the share capital and voting rights for the purpose of regulatory declarations (including threshold crossing regulations).

To the best of the Company's knowledge, at December 31, 2016, except for Eurazeo S.A., ECIP Europcar Sarl and Morgan Stanley, no other shareholder, directly or indirectly, alone or in concert, holds more than 5% of the share capital or voting rights.

	Shares	% of share capital	Theoretical voting rights	% of theoretical voting rights	Voting rights at Shareholders' Meeting	% of voting rights at Shareholders' Meeting
At Dec. 31, 2016						
Eurazeo SA	60,545,072 ⁽¹⁾	42.22%	60,544,838	42.22%	60,544,838	42.41%
ECIP Europcar Sarl	9,036,469	6.30%	9,036,469	6.30%	9,036,469	6.33%
Morgan Stanley	7,400,955	5.16%	7,400,955	5.16%	7,400,955	5.18%
Executives and employees	170 619 ⁽²⁾	0.12%	162 767	0.11%	162 767	0.11%
Free float	65,629,343	45.76%	65,629,343	45.77%	65,629,343	45.97%
Treasury shares	626,840	0.44%	626,840	0.44%	-	0.00%
TOTAL	143,409,298	100%	143,401,212	100%	142,774,372	100%
As at Dec. 31, 2015						
Eurazeo SA	60,544,838	42.29%	60,544,838	42.34%	60,544,838	42.34%
ECIP Europcar Sarl	9,036,469	6.31%	9,036,469	6.32%	9,036,469	6.32%
Morgan Stanley	7,228,551	5.05%	7,228,551	5.05%	7,228,551	5.05%
Executives and employees	210,985 ⁽³⁾	0.15%	55,465	0.04%	55,465	0.04%
Free float	66,133,173	46.20%	66,133,173	46.25%	66,133,173	46.25%
Treasury shares	-	-	-	-	-	-
TOTAL	143,154,016	100%	142,998,496	100%	142,998,496	100%
At Dec. 31, 2014						
Eurazeo SA	89,710,870 ⁽⁴⁾	86.42%	89,601,085	86.63%	89,601,085	86.63%
ECIP Europcar Sarl	13,480,307	12.99%	13,480,307	13.03%	13,480,307	13.03%
Eureka Participation SAS	346,607	0.33%	346,607	0.34%	346,607	0.34%
Executives and employees	272,261 ⁽⁵⁾	0.26%	4	0.00%	4	0.00%
Free float	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-
TOTAL	103,810,045	100%	103,428,003	100%	103,428,003	100%

(1) Of which 234 class D preferred shares.

(2) Of which 4,045 class C preferred shares and 3,807 class D preferred shares held by certain current or former Group employees or executives.

(3) Of which 55,465 ordinary shares, 147,434 class B preferred shares, 4,045 class C preferred shares and 4,041 class D preferred shares held by certain current or former Group employees or executives.

(4) Of which 89,601,085 ordinary shares and 109,785 class B preferred shares.

(5) Of which 272,257 class B preferred shares held by certain current and former Group employees or executives at December 31, 2014, and 4 ordinary shares held by Company directors at December 31, 2014 as consumer loans granted by Eurazeo.

6.4.2 Notices of threshold crossings

In 2016, the following legal threshold crossings were declared:

Shareholder	Date of threshold crossing	AMF declaration number	Shares held	% of share capital and/or voting rights declared	Threshold crossing (upwards or downwards)
Morgan Stanley Plc ⁽¹⁾	February 25, 2016	216C0595	0	0.00%	↓
Morgan Stanley Plc ⁽¹⁾	February 26, 2016	216C0603	7,246,226	5.06%	↑
Morgan Stanley Plc ⁽¹⁾	March 4, 2016	216C0652	19,438	0.01%	↓
Morgan Stanley Plc ⁽¹⁾	March 9, 2016	216C0679	7,206,042	5.03%	↑
Morgan Stanley Plc ⁽¹⁾	March 10, 2016	216C0684	19,018	0.01%	↓
Morgan Stanley Plc ⁽¹⁾	March 14, 2016	216C0701	7,183,016	5.01%	↑
Morgan Stanley Plc ⁽¹⁾	April 7, 2016	216C0881	19,618	0.01%	↓
Morgan Stanley Plc ⁽¹⁾	June 8, 2016	216C1353	7,323,432	5.11%	↑
Morgan Stanley Plc ⁽¹⁾	June 20, 2016	216C1482	0	0.00%	↓
Morgan Stanley Plc ⁽¹⁾	June 24, 2016	216C1541	7,197,718	5.02%	↑
Morgan Stanley Plc ⁽¹⁾	June 28, 2016	216C1544	0	0.00%	↓
Morgan Stanley Plc ⁽¹⁾	December 27, 2016	217C0003	7,400,955	5.16%	↑

(1) Acting on behalf of the funds that it manages.

↑ Threshold crossing (upwards).

↓ Threshold crossing (downwards).

6.4.3 Shareholders' voting rights

Information on voting rights are explained in Section 6.2.5 "Shareholders' Meetings" of this Registration Document.

6.4.4 Control of the Company

At the date of this Registration Document, Eurazeo is the Company's reference shareholder. The Company believes there is no risk that control will be exercised in an abusive manner. In this regard, at least half of the Supervisory Board is composed of independent members and at least two thirds of each of the two specialized committees, namely the Audit Committee and the Compensation and Nominations Committee, is made up of independent members, while the Compensation and Nominations Committee is chaired by an independent member of the Supervisory Board.

At the date of this Registration Document, six of the ten members of the Supervisory Board are considered independent. Three of the four members of the Audit Committee and two

of the three members of the Compensation and Nominations Committee are also considered to be independent.

As of December 31, 2016, the Company was 42.22% controlled by Eurazeo. The remainder of the share capital was held by ECIP Europcar Sarl for 6.30%, Morgan Stanley for 5.16% and by current and former employees and executives of the Group and floating shareholders, who collectively held 45.88%.

For matters concerning the absence of conflicts of interest see Section 5.1.3.3 "No conflicts of interest" in this Registration Document.

6.4.5 Shareholders' agreements

6.4.5.1 Agreements concerning Europcar shares declared to the AMF

Pursuant to Article L. 233-11 of the French Commercial Code, the AMF has made public the shareholders' agreement signed on July 31, 2015 between Eurazeo and ECIP Europcar (Decision and Information No. 215C1243). This agreement bears on the possible sale of their respective shareholdings in the Company.

The main provisions of the agreement are as follows:

- **absence of action in concert:** the parties have declared that they do not intend to act in concert with each other with regard to the Company within the meaning of Article L. 233-10 of the French Commercial Code;
- **transfer of securities:** the agreement provides that in case of sale of all or part of the interest held by Eurazeo and ECIP Europcar in the capital of the Company, Eurazeo and ECIP Europcar will sell their respective interests in the Company concurrently on the same legal and financial terms. In case of partial sale, the number of shares of the Company sold respectively by Eurazeo and ECIP Europcar will be determined in proportion to their respective shareholdings in the Company before the partial sale in question;
- **term of the agreement:** the agreement provides that it will last as long as each party holds shares of the Company. Either party may terminate the shareholders' agreement by written notification to the other party at least three months before the effective date of termination.

6.4.5.2 Agreements entered into by shareholders

Management Agreement

A shareholders' agreement ("the Management Agreement") dated July 29, 2011 was agreed between Eurazeo and certain executives and current and former employees of the Company holding Class B preferred shares ("the B Shares"). This agreement, concluded for a duration of 15 years, legally ended with the listing of the Company's shares on Euronext Paris on June 26, 2015 (the Initial Public Offering or IPO).

Other than clauses relating to the governance of the Company requiring the prior authorization of the Supervisory Board for certain decisions of the executives, the Management Agreement contained an inalienability clause for the securities of the Company held by the B managers until the date of publication by Eurazeo of its financial results for the year ended December 31, 2015 except in certain circumstances including an IPO.

At the time of the IPO the B managers could (i) convert all or part of their B shares into ordinary shares (the "Conversion Right") and (ii) sell the resulting ordinary shares *pari passu* to Eurazeo (the "Pari Passu Right of Sale").

The Pari Passu Right to Sell enabled the B managers, if they so wished, to sell part of their ordinary shares to Eurazeo under the same terms and conditions as those sold by Eurazeo as part of the IPO.

A lock-up period of 180 days following the IPO, which expired on December 26, 2015, was imposed on the B managers who could not then sell their ordinary shares resulting from the conversion of their Class B shares except through the Pari Passu Right to Sell.

The B managers could exercise their Conversion Right at any time from the moment the IPO was announced until 20 trading days after publication of Eurazeo's 2015 results, until April 14, 2016 (the "Conversion Period").

At the end of the Conversion Period, the B shares of any B manager not having exercised their Conversion Right would be converted into an equal number of ordinary shares in the Company.

At December 31, 2016, there were no longer any B shares in the Company's capital.

Investment Agreement

In conjunction with the issuance by the Company of class C and class D preferred shares (the "C Shares" and the "D Shares") Eurazeo concluded an agreement with a number of Group executives and employees on the Executive Committee (the "C managers") relating to the subscription by the C managers of C Shares and by Eurazeo of D shares (the "Investment Agreement").

The D Shares were subject to a promise by Eurazeo to sell them in favor of C managers and an obligation imposed on C managers to purchase them from Eurazeo in the event of the signing of a security agreement relating to the IPO. The D Shares were sold by Eurazeo to the C managers following the signing of a security agreement as part of the IPO.

The main provisions of this agreement remain in force since the IPO and are summarized below.

In accordance with this agreement, the Class C preferred shares and Class D preferred shares held by the C managers may not be sold, subject to certain exceptions, such as, in particular, the sale to Eurazeo in the event of certain departures by C managers in the two years following the effective date of the agreement. The provisions with respect to the sale of shares to Eurazeo will terminate once Eurazeo

no longer holds any shares of the Company. In accordance with these provisions, following the departure of one of the C managers, in June 2016 Eurazeo bought back 234 D shares held by the latter.

The parties also undertook to ensure that decisions subject to prior authorization by the Supervisory Board under the bylaws are not adopted without the Board's prior authorization.

The Investment Agreement has a term of ten years and will terminate (i) in the event of a successful public offering for all of the Company's share capital following a transfer by Eurazeo of

its ordinary shares to a third party or (ii) in the event that Eurazeo tenders its ordinary shares of the Company to a public offering.

In accordance with applicable law, prior to the Shareholders' Meeting of February 24, 2015 that authorized the issuance of the Class C preferred shares and the Class D preferred shares, special Statutory Auditors' reports and a report by a contribution auditor (*commissaire aux apports*) in charge of assessing special benefits were prepared.

6.4.6 Agreements likely to lead to a change of control

As of the date of this Registration Document, to the Company's knowledge, there are no agreements whose enforcement

could lead to a change of control at a later date.

6.5 PROFIT-SHARING AGREEMENTS AND INCENTIVE PLANS – EMPLOYEE SHAREHOLDING

For more information on profit-sharing and on stock options held by members of the Management Board and Supervisory Board and by certain Group employees, see Section 5.3 "*Compensation and Benefits in kind received by corporate officers*" and Section 6.3 "*Share Capital*" in this Registration Document.

As of December 31, 2016, employees of the Company and its related entities held a total of 164,619 ordinary shares, 1,757 Class C preferred shares, and 1,753 Class D preferred shares, representing 0.12% of the share capital.

6.5.1 Profit-sharing agreements

Pursuant to Article L. 3322-2 of the French Labor Code, profit-sharing agreements are mandatory in companies with 50 or more employees and having taxable profits of greater than a 5% return on equity.

Europcar International and Europcar France, which have more than 50 employees each, have their own profit-sharing

agreements. Each agreement covers all employees having been with either company for more than three months.

The equation set forth in the French Labor Code is used to calculate the special profit-sharing reserve for each agreement.

6.5.2 Company savings plans and similar plans

Pursuant to Articles L. 3323-2 and L. 3323-3 of the French Labor Code, companies with profit-sharing agreements are also required to maintain a company savings plan. A company or group savings plan is a collective savings scheme offering employees of the member companies the ability, with the help of their employer, to build an investment portfolio. In particular, it can receive amounts from a profit-sharing agreement or incentive plan as well as voluntary contributions. Amounts invested in a company savings plan cannot be withdrawn for five years except in the early withdrawal cases provided for by law.

The Company is part of a group savings plan with Europcar International while Europcar France has its own company savings plan.

In accordance with Article 3332-25 of the French Labor Code, investors have the right to liquidate the assets available in the plan in order to exercise options on shares granted pursuant to Articles L. 225-177 or L. 225-179 of the French Commercial Code. The shares thus subscribed for or purchased by the investor are then paid into the savings plan and only become available five years after this payment.

6.5.3 Incentive plans

The incentive plan is an optional scheme whose purpose is to enable a company to give employees a collective interest in the Company's results or performance through immediately payable bonuses pursuant to Article 3312-1 of the French

Labor Code defined by means of an equation contingent on the Company's results or performance.

As such, the Group has incentive plans with the majority of its French entities.

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6.5.4 Employee shareholdings

In 2016, the Group launched the Esop 2017 Plan, its first international share offer reserved for employees of the Company and Group subsidiaries wholly owned either directly or indirectly by the Company, who are members of Europcar's Group Employee Savings Plan (the "GESP") and the International Group Employee Savings Plan ("IGESP") and whose registered offices are in Australia, Belgium, France, Germany, Italy, New Zealand, Portugal, the USA and the UK (the "Offer").

Under the terms of the Offer, in accordance with the authorizations granted by the Company's Combined General Meeting of May 10, 2016 (resolutions 13 and 14), the Management Board, after obtaining the approval of the Supervisory Board, decided on August 31, 2016, to increase the Company's capital for the benefit of (i) GESP and IESP members and (ii) a special purpose entity belonging to a bank whose sole purpose is to subscribe for, hold and sell shares in the Company in order to implement the Offer, up to a maximum nominal amount of 2% of the share capital at the date the decision was taken.

The subscription price of €8 per share set on January 20, 2017, corresponds to the average opening price on the twenty trading days immediately preceding the Management Board decision fixing the dates for the subscription/cancellation of shares, less a 15% discount rounded up to the nearest euro cent. Each subscriber received from the Company shares corresponding to 100% of their initial subscription up to €1,000 gross value.

The Offer resulted in a gross capital increase €21,787,312 on February 24, 2017 by the issue of 2,723,414 new shares at price per share of €8. 2,177 employees in the ten countries concerned, representing 33% of the Group's workforce, subscribed for the Offer. As a result, the shares held by Group employees represented 1.98% of the Company's share capital at March 31, 2017, compared to 0.12% at December 31, 2016.

The new shares issued under the Offer are ordinary shares in the Company. They were listed for trading on the Euronext Paris market immediately on issue as part of the same code as existing shares. They carry dividend rights from January 1, 2017.

6.6 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC TAKEOVER BID

The disclosures required pursuant to Article L. 225-100-3 of the French Commercial Code are contained in Sections 6.3 “Share capital” (concerning the capital structure), 6.4.5.1 “Agreements concerning Europcar securities declared to the AMF” (on clauses in agreements notified to the Company pursuant to Article 233-11 of the French Commercial Code), 6.4.2 “Notices of threshold crossings” (relating to investments reported under Article 233-7 the French Commercial Code), 6.4.5.2 “Agreements entered into by shareholders” (concerning shareholder agreements resulting in restrictions on the transfer of shares), 6.2.2.1 “Management Board” and 6.2.2.2 “Supervisory Board” (on the rules governing the appointment and replacement of Executive Board and Supervisory Board members and amendments to the bylaws of Europcar Groupe),

6.3.5.1 “Summary of current delegations of authorization to increase capital and their use to December 31, 2016” and 6.3.8 “Share buy-back agreement” (concerning the purchase by Europcar Groupe S.A. of its own shares), 6.4.5.2 “Agreements concluded by the shareholders” (concerning agreements ending in the event of a change of control) and 5.3.1.8 “Compensation in the event of forced termination of office” (concerning the indemnities in the event of termination of office for members of the Management Board) of this 2016 Registration Document.

This Registration Document is available on the AMF website (www.amf-france.org) and on the Europcar website (<http://finance.europcar-group.com>).

6.7 DIVIDEND DISTRIBUTION POLICY

6.7.1 Dividend distribution policy

In accordance with the law and the Company’s bylaws, the Company’s shareholders may at their Shareholders’ Meeting, upon the recommendation of the Management Board and the prior approval of the Supervisory Board, authorize the distribution of dividends in respect of the year just ended, or a distribution by withdrawal from the Company’s share premium.

The Company did not distribute any dividends for the year ended December 31, 2015 and December 31, 2014.

The Company will put to the vote of the Shareholders’ Meeting on May 10, 2017, a dividend to be paid to its shareholders against the share premium representing 50% of its consolidated net profit for 2016, up to the legal limits on distribution and

restrictions related to the Group’s debt instruments. Future dividends will depend in particular on the Group’s overall financial position as well as any other factor considered relevant by the Management and Supervisory Boards.

The Company’s future dividend distribution policy will take into account the Company’s results, its financial position, the achievement of its objectives set forth in Section 3.8 “Information on mid-term trends and objectives” of this Registration Document, and the restrictions applicable to the distribution of dividends under the Group’s various debt instruments, which are summarized in Section 6.7.2 below.

6.7.2 Restrictions on dividend payments

The restrictions on dividends and reserves under the Company’s principal debt instruments are set out below. For more information on the Group’s debt instruments, see

Section 3.2.3 “Description of the financing as of December 31, 2016” of this Registration Document.

Senior Notes

With the exception of payment of dividends between restricted subsidiaries, the documentation applicable to the Notes restricts the payment of dividends or other forms of distribution by the Company and its restricted subsidiaries. Payment of dividends and other forms of distribution are authorized as summarized below.

The documentation for the Notes permits the payment of dividends by the Company and restricted subsidiaries so long as no default or default event has occurred or might occur as a result of such payment and so long as the Company is able to incur at least €1.00 of additional indebtedness in compliance with the limitation on additional indebtedness (according to which new indebtedness may be incurred if, after giving effect thereto on a *pro forma* basis, the corporate consolidated fixed charge coverage ratio as defined in the terms of the Notes is greater than 2.0) and the aggregate amount of the proposed dividend (together with other restricted payments) paid subsequent to the issue date of such notes does not exceed the following aggregate amount (without duplication):

- (a) 50% of consolidated net income for the period (treated as one accounting period) from April 1, 2015 to the end of the most recent fiscal quarter ending prior to the date of such payment for which financial statements are available (or, in case such consolidated net income is a deficit, minus 100% of such deficit); *plus*
- (b) 100% of the aggregate net cash proceeds and the fair market value of property or assets received by the Company from the issue or sale of its qualified share capital or other capital contributions, after the completion date (other than certain exceptions); *plus*
- (c) certain other amounts relating to the conversion of certain debt securities into stock and other amounts.

In addition, following the listing of the Company's shares on Euronext Paris, the documentation for the Notes permits the payment of dividends by the Company, so long as no default or default event has occurred, is occurring or might occur as a result, in an annual amount up to the higher of:

- (a) 6% of the aggregate gross cash proceeds received by the Company in or from such public offering; and
- (b) (i) 5% of the market capitalization of the Company (on the basis of the arithmetic average of the closing price of the Company's shares in the 30 consecutive trading days preceding the dividend declaration date) provided that, after having given effect to the dividend payment on a *pro forma* basis, the consolidated corporate financial leverage ratio of the Company (as defined in the terms and conditions of the Notes) is less than 3.0:1.0; or (ii) 3% of the market capitalization of the Company provided that, after having given effect to the dividend payment on *pro forma* basis the, consolidated corporate financial leverage ratio of the Company (as defined in the terms and conditions of the Notes) is greater than or equal to 3.0:1.0 but less than 3.5:1.0.

Senior Revolving Credit Facility

The RCF also restricts the payment of dividends or other forms of distribution by the Company. Following the Company's IPO, under the RCF as amended, the Company is authorized to pay dividends or other forms of distribution provided no default or events of default have occurred or remain in force, totaling up to 50% of consolidated net profit for the fiscal year or other period concerned and 100% of the net proceeds on issue or sale of Company shares; or up to the higher of:

- (a) 6% of the proceeds received from the Company's IPO; and
- (b) (a) 5% of the Company's share capital (based on the arithmetic average of closing prices for the Company's shares in the 30 consecutive trading days preceding the announcement of the dividend), provided that after the payment of the dividend or any other form of distribution on a *pro forma* basis the Company's consolidated financial leverage ratio (as defined in the RCF) remains less than 4.5:1.0; or (b) 3% of the Company's share capital, provided that after the payment of the dividend or any other form of distribution on a *pro forma* basis, the Company's consolidated financial leverage ratio (as defined in the RCF) is greater than or equal to 4.5:1.0 but less than 5.0:1.0.

EC Finance Notes

With the exception of payment of dividends between restricted subsidiaries, the documentation applicable to the EC Finance Notes restricts the payment of dividends by Europcar International and its restricted subsidiaries. Payment of dividends is authorized as summarized below.

The documentation for the EC Finance Notes authorizes the payment of dividends by ECI and its restricted subsidiaries so long as no default or default event has occurred or might occur as a result of such payment and so long as ECI is able to incur at least €1.00 of additional indebtedness in compliance with the limitation on additional indebtedness (according to which ECI may incur additional indebtedness when, on a *pro forma* basis, the consolidated fixed charge coverage ratio of the Company as defined in the terms and conditions of the EC Finance Notes is greater than 2.0:1.0) and the aggregate amount of the proposed dividend (together with other restricted payments) paid subsequent to the issue date of these notes does not exceed the following aggregate amount (without duplication):

- (a) 50% of the Company's consolidated net income for the period (treated as one accounting period) from July 1, 2014 to the end of the most recent fiscal quarter ending prior to the date of such payment for which financial statements are available (or, in case such consolidated net income is a deficit, minus 100% of such deficit); *plus*

- (b) 100% of the aggregate net cash proceeds received by ECI from the issue or sale of its qualified capital stock or other capital contributions, after the issue date (other than certain exceptions); *plus*
- (c) certain other amounts relating to the conversion of certain debt securities into stock and other amounts.

In addition, following an initial public offering of the Company's shares or ECI's shares, the documentation for the EC Finance Notes will permit the payment of dividends by ECI, so long as no default or event of default has occurred and is continuing or would be caused thereby, in an amount per annum not to exceed the greater of:

- (a) 6% of the share of the issuance proceeds used to capitalize ECI or to repurchase or reimburse the Outstanding Subordinated Notes; and

- (b) 5% of the Company's market capitalization (based on the arithmetic mean of the closing prices of the Company's share in the 30 consecutive trading days preceding the declaration of the dividend) provided that, after having given effect to the dividend payment on a *pro forma* basis, the Company's consolidated financial leverage ratio (as defined in the terms of the EC Finance Notes) is less than 4.5:1.0; or (b) 3% of the Company's market capitalization provided that, after having given effect to the dividend payment on a *pro forma* basis, the Company's consolidated leverage ratio is greater than or equal to 4.5:1.0 but less than 5.0:1.0.

6.8 MARKET FOR THE SHARE

6.8.1 Market where Europcar Groupe shares are traded

Europcar Groupe shares are listed on Euronext - compartment A of the Euronext Paris regulated market.

Europcar Groupe share fact sheet

- ISIN code: FR0012789949.
- Listings: continuous trading on Euronext - compartment A of the NYSE Euronext Paris regulated market.
- Other listings; none.
- Nominal value: €1.00.
- Securities outstanding at December 31, 2016: 143,401,212.
- Share price at December 31, 2016: €9.634.
- Market capitalization at December 31, 2016: €1,381,527,276.

6.8.2 Trading volumes and share price in 2016



Source: Euronext

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	2016			2015			% change 2016/2015 for the last share price of the year
Share price (Number of shares)	High	Low	31/12/16	High	Low	31/12/15	
Share	12.165	6.875	9.634	12.725	10.85	12.165	- 20.8%
CAC 40 Index	4,862,31	3,896,71	4,862.31	5,268.91	4,083.50	4,637.06	4.9%

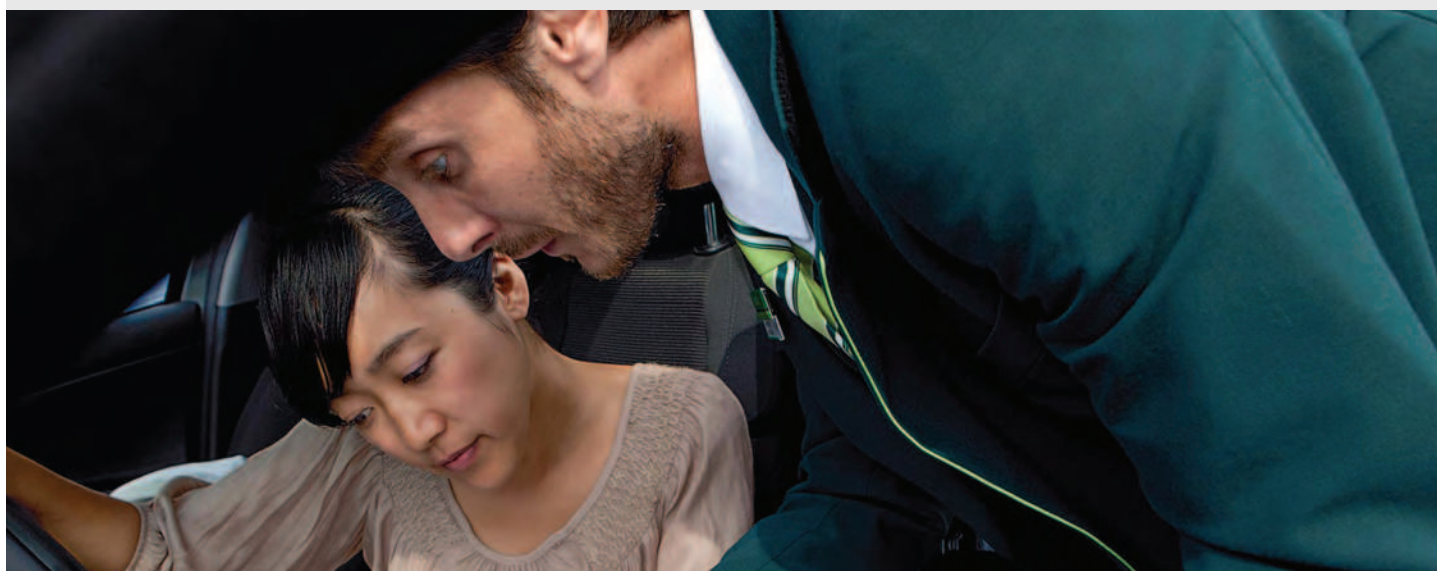
	2016		2015	
Transactions	Total	Daily average	Total	Daily average
In number of shares	61,460,147	238,218	59,238,091	442,075
In capital (In millions of euros)	535.64	2.07	709.45	5.29

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ADDITIONAL INFORMATION

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ADDITIONAL INFORMATION

PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT

7.1 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT

7.1.1 Name and position of the person responsible for the Registration Document

Caroline Parot, Company's CEO.

7.1.2 Statement by the person responsible for the Registration Document

[OMITTED]

7.1.3 Name and position of the person responsible for the financial information

[OMITTED]

7.1.4 Persons responsible for auditing the financial Statements

7.1.4.1 Statutory Auditors

	Start date of 1 st term	Renewal date for latest term	Expiry of current term
PricewaterhouseCoopers Audit (member of the <i>Compagnie Régionale des Commissaires aux Comptes de Versailles</i>) Represented by François Jaumain 63 rue de Villiers, 92200 Neuilly-sur-Seine	March 9, 2006	June 8, 2012	At the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2017.
Mazars (member of the <i>Compagnie Régionale des Commissaires aux Comptes de Versailles</i>) Represented by Isabelle Massa 61 rue Henri Regnault, 92400 Courbevoie	May 16, 2013	N/A	At the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2018.

7.1.4.2 Alternate Statutory Auditors

	Start date of 1 st term	Renewal date for latest term	Expiry of current term
Yves Nicolas (member of the <i>Compagnie Régionale des Commissaires aux Comptes de Versailles</i>) 63 rue de Villiers, 92200 Neuilly-sur-Seine	June 8, 2012	N/A	At the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2017.
Gilles Rainaut (member of the <i>Compagnie Régionale des Commissaires aux Comptes de Versailles</i>) 61 rue Henri Regnault, 92400 Courbevoie	May 16, 2013	N/A	At the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2018.

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7.2 RELATED PARTY TRANSACTIONS

7.2.1 Guarantee

The Company has granted its subsidiaries collateral security for the benefit of a group of lenders (including, in particular, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG and Société Générale) as payment guarantee for amounts due by Group borrowing entities (the Company, Europcar International S.A.S., Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar International S.A.S.U. and Co. oHG, Europcar France S.A.S., Europcar S.A. and Europcar IB. S.A.) pursuant to clause 22.1 of the "Senior Revolving Facility Agreement" signed on May 12, 2015 between notably

the group of lenders, the Group borrowing entities and the guarantors (the Group borrowing entities plus Europcar UK Ltd., Europcar Italia S.p.A., Europcar Internacional Aluguer de Automoveis, S.A.) for an amount of €350 million. The amount outstanding as of December 31, 2016 was €13 million.

See Section 3.2 "*Liquidity and Capital Resources*" in this Registration Document for information on the pledges and securities granted by Group entities in connection with the Group's financing.

7.2.2 Cash Pooling Agreement

The Company (as a cash pooled company) signed on April 27, 2011 a cash pooling agreement with its indirect subsidiary Europcar Holding (as cash pool manager) and certain Group entities as cash pooled companies (Europcar International S.A.S., Europcar France S.A.S., EuropHall S.A.S., Locaraise S.A.S., Europcar Participations S.A.S., Europcar S.A., Europcar Autovermietung GmbH, Europcar Italia S.p.A., Europcar

Internacional Aluguer de Automoveis S.A., Europcar Services, Unipessoal Lda, Europcar IB S.A., Europcar UK Ltd, Europcar Group UK Ltd, PremierFirst Vehicle Rental Franchising Limited, Executive Trust Limited, and Europcar Lab S.A.S.) to optimize the cash requirements and surpluses of the Group's companies and to be able to negotiate optimal banking terms.

7.2.3 Loan Agreement

The Company and Europcar International S.A.S. are parties to a loan of €144,122,000. This loan was initially granted by the Company to Europcar Holding S.A.S., a subsidiary of Europcar International S.A.S., for the acquisition of operating companies

in the United Kingdom. In connection with the recapitalization of Europcar Holding S.A.S. in 2014, the Company transferred the loan to Europcar International S.A.S. Since the loan transfer, Europcar International S.A.S. owes this amount to the Company.

7.2.4 Tax Agreements

Since July 1, 2006, the Company and its direct and indirect French subsidiaries of which it holds more than 95% have formed a tax consolidation group. The Company created the Group by entering into tax consolidation agreements with each of the member companies to govern the subsidiaries' contribution to the tax consolidation group's taxes, of which the Company is the sole taxpayer in its capacity as the parent company. The ending of the tax consolidation agreement between the Company and the companies Europcar International S.A.S., Europcar Holding S.A.S., Europcar Lab S.A.S., Europcar Participations S.A.S., Europcar France S.A.S.,

EuropHall SAS, and Parcoto Services S.A.S. was decided by the Supervisory Board on February 24, 2016, to the extent that this agreement is concluded between the Company and its wholly-owned subsidiaries, whether directly or indirectly, in accordance with the provisions of Article L. 225-87 of the French Commercial Code.

Since 2010, the Group has also maintained a second tax consolidation group in France, of which the parent company is Securitifleet Holding S.A. This tax consolidation group includes two other French companies (Securitifleet S.A.S. and SF Location S.A.S.).

7.2.5 General Services Agreement signed by the Company

On September 28, 2006, the Company and Europcar International S.A.S. entered into a services agreement pursuant to which the Company provides Europcar International S.A.S. with its know-how regarding fleet organization, sales, marketing, communications, Human Resources management, accounting, finance, operations and legal services. In consideration of these services, Europcar International S.A.S. pays monthly compensation to the Company calculated using the cost-plus method. Under this agreement,

management fees of €1,824,773 were billed for 2016. This agreement is automatically renewable each year, with a three months' prior notice period before each renewal date.

The Company acquired the InterRent® trademark from Europcar International S.A.S. for an amount of 3,500,000 and receives, in this respect, a royalty from Europcar International S.A.S. of 1% for the trademark's concession.

7.2.6 Agreements signed by Europcar International

Europcar International S.A.S. entered into license agreements for the Europcar trademarks with the Group's operating companies in 2001 and with the Australian and New Zealand subsidiaries in 2009. In 2013, Europcar International entered into license agreements for the InterRent® trademark with the operating entities using that trademark (in the United Kingdom, Spain, Portugal, France and Germany), under which Europcar International S.A.S. receives royalties based on a percentage of the operating entities' revenues (2.75% for the Europcar® trademark and 1% for the InterRent® trademark). The operating entities have the right to sub-license the trademarks with Europcar International's approval. The license agreement relating to the Europcar® trademark has a term of five years, with automatic renewal each year. The license agreement relating to the InterRent® trademark has a term of two years, renewable automatically for one-year periods.

Europcar International S.A.S. has also entered into international franchise agreements in 130 countries and territories, for which payment consists of trademark royalties in varying amounts depending on the franchisee and the services rendered.

In 2011, Europcar International S.A.S. entered into General Services Agreements with each of the main operating entities. The services rendered relate in particular to senior management, finance, Human Resources, legal, sales and marketing, fleet management, procurement and customer service. In consideration of these services, the operating entities pay monthly compensation to Europcar International S.A.S. calculated using the cost-plus method (as defined in the

OECD guidelines). Amendments to these contracts have been entered into to take into account the changes since 2011 in the departments and services that make up Europcar International S.A.S.U..

Europcar International S.A.S.U. entered into a service agreement dated May 19, 2014 with Europcar Services, Unipessoal, Lda through which the shared services center located in Portugal bills to Europcar International S.A.S.U. its costs calculated using the cost-plus method (as defined in the OECD guidelines).

Europcar International S.A.S.U. entered into an IT services agreement with the operating companies, applicable since November 1, 2014. Prior to November 1, 2014, information services were provided by the Europcar Information Services European Economic Interest Grouping (the "EEIG"). The operating entities contributed a percentage of their revenues and in return had access to various services rendered by the EEIG. The EEIG was converted into a general partnership (*société en nom collectif*) in November 2014 and then merged with Europcar International S.A.S. through a complete transfer of assets and liabilities as of January 2, 2015.

For a description of transactions with companies over which the Company has significant influence, see Note 34 "*Related Parties*" to the Group's consolidated financial statements included in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report*".

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7.2.7 Agreements signed with the Company's corporate officers

During fiscal year 2016, the following agreements were authorized by the Supervisory Board and are described in Section 7.4 "*Statutory Auditors' Special Report on related party agreements and regulated commitments*" of this Registration Document:

- Protocol agreement between Philippe Germond and the Company as authorized by the Supervisory Board dated November 23, 2016 and entered into on November 25, 2016 following the termination of his duties as Chairman of the Management Board and as result of the performance of the Term Sheet in his mandate agreement dated September 8, 2014. Compensation due to Philippe Germond for termination of office and under a non-compete clause is described more fully in Sections 5.3.1.8 and 5.3.1.9 of this Registration Document.
- Mandate agreement for Caroline Parot, authorized by the Supervisory Board on December 15, 2016 and entered into on December 22, 2016 between the Company and Caroline Parot in her capacity as CEO of the Management Board. Compensation payable to Caroline Parot in the event of dismissal, relating to termination of office and under a non-compete clause, is described more fully in Sections 5.3.1.8 and 5.3.1.9 of this Registration Document.
- Commitments made by the Supervisory Board of July 22, 2016 in favor of Kenneth McCall. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.3.1.9.

- Commitments made by the Supervisory Board of July 22, 2016 in favor of Fabrizio Ruggiero. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.3.1.9.
- Pascal Bazin's compensation in respect of his special assignment, as authorized by the Supervisory Board on February 24, 2016. For further information on this assignment and related compensation, see Section 5.3.2.2 of this Registration Document.

The agreements listed above were authorized by the Supervisory Board in prior years and have already been approved by the Company's Shareholders' Meeting.

- The Term Sheet of the mandate agreement for Philippe Germond was signed on September 8, 2014.
- Caroline Parot's employment agreement. This agreement was canceled with effect from November 23, 2016, following the appointment of Caroline Parot as CEO of the Management Board.

7.3 SIGNIFICANT CONTRACTS

The following significant agreements are described in Section 3.2.3.1 "*Corporate debt*" of this Registration Document.

- Debt issue agreement (indenture) dated June 10, 2015; and

- Senior Revolving Credit Facility dated May 12, 2015.

7.4 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND REGULATED COMMITMENTS

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

EUROPCAR GROUPE S.A.

Shareholders' Meeting to approve the financial statements for the year ended December 31, 2016

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on related party agreements and commitments.

We are required to inform you, based on the information we have been given, of the terms and conditions of those agreements and commitments indicated to us, or that we may have discovered during our assignment. We are not required to comment on whether they are beneficial or appropriate or to ascertain if any other agreements and commitments exist. It is your responsibility, in accordance with the terms of Article R. 225-58 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition we are required, where applicable, to inform you, in accordance with article R. 225-58 of the French Commercial Code, of any agreements and commitments previously approved by the Shareholders' meeting which were executed during the year.

We have performed the procedures that we deemed necessary to comply with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information we were given was consistent with the underlying documentation.

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AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS' MEETING

Agreements and commitments authorised during the year

In accordance with Article L. 225-88 of the French Commercial Code, we were advised of the following agreements and commitments which were previously approved by your Supervisory Board.

- **Severance and non-compete compensation due to Mr Philippe Germond**
- **Person concerned:** Mr Philippe Germond, Chairman of the Management Board (until November 23, 2016).
- **Nature and purpose:** compensation due to Mr Philippe Germond following the cessation of his functions as Chairman of the Management Board and resulting from application of the Term Sheet associated with the agreement with Mr Philippe Germond dated September 8, 2014 and mentioned in the second part of our report.
- **Conditions:** at its meeting on November 23, 2016, and following the recommendation by the Remuneration and Appointments Committee made on November 22, 2016, the Supervisory Board determined as follows the amount of compensation payable to Mr Philippe Germond following the cessation of his functions:
 - Severance compensation: 1,100,000 Euros, or the equivalent of 15.65 months of fixed and variable remuneration calculated on the basis of the remuneration received by Mr Philippe Germond during the 12 months preceding his effective departure, paid on December 5, 2016; the quantum of 15.65 months was based on 92.17% of achievement, assessed for the 12 months ended October 31, 2016, of the three quantitative objectives conditioning the amount of compensation due under the applicable Term Sheet clause.
 - Non-compete compensation: 210,725 Euros, or the equivalent of three months of fixed and variable remuneration calculated on the basis of the remuneration received by Mr Philippe Germond during the 12 months preceding his effective departure and payable in two instalments:
 - a payment of 105,363 Euros on May 23, 2017, and
 - a payment of 105,362 Euros on November 23, 2017.

- **Benefit for the Company:** at its meeting on November 23, 2016 the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Remuneration and Appointments Committee, severance and non-compete payments are in the Company's interest inasmuch as they preclude any subsequent litigation with regard to the revocation of the functions of Mr Philippe Germond, the global cost of which would be liable to be significantly in excess of the cost of the amicable settlement.

- **Mandate agreement with Mrs Caroline Parot**

- **Person concerned:** Mrs Caroline Parot, Chairman of the Management Board since November 23, 2016.
- **Nature and purpose:** mandate agreement authorised by the Supervisory Board at its meeting of December 15, 2016 and signed on December 22, 2016 between the Company and Mrs Caroline Parot in her quality of Chairman of the Management Board.
- **Conditions:** the amount of severance compensation payable in the event of revocation up to and including December 31, 2017 will be calculated on a lump-sum basis and equal to Mrs Caroline Parot's fixed annual remuneration, since quantitative objectives for 2017 cannot be measured for the period in the event of departure up to and including December 31, 2017.

In the event of revocation on or after January 1, 2018, the amount of severance compensation payable will be:

- Nil if at least 95% of the objectives for the collective criteria applicable (on a weighted basis) to variable remuneration have not been attained;
- Equal to 6 months' salary (as defined in the mandate agreement) if at least 95.01% of the objectives for the collective criteria applicable (on a weighted basis) to variable remuneration have been attained;
- Equal to 12 months' salary if at least 100% of the objectives for the collective criteria applicable (on a weighted basis) to variable remuneration have been attained;
- Equal to 18 months' salary if at least 110% of the objectives for the collective criteria applicable (on a weighted basis) to variable remuneration have been attained;
- And will be calculated by linear interpolation for performances situated between the limits of 95, 100 and 110%.

The amount of non-compete compensation will be equal to 50% of Mrs Caroline Parot's annual remuneration as defined in the mandate agreement.

No amount of severance or non-compete compensation was paid to Mrs Caroline Parot during the period.

- **Benefit for the Company:** at its meeting on December 15, 2016 the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Remuneration and Appointments Committee, severance and non-compete payments fall under the Company's general remuneration policy and are in its interest, particularly with regard to Mrs Caroline Parot's role as Chairman of the Management Board.

- **Commitments for the benefit of Mr Kenneth McCall**

- **Person concerned:** Mr Kenneth McCall, Member of the Management Board - Chief Operating and Country Officer.
- **Nature and purpose:** non-compete compensation authorised by the Supervisory Board at its meeting of March 9, 2015, prior to the Company's listing with Euronext Paris, and further authorised by the Supervisory Board at its meeting of July 22, 2016, in accordance with Article L. 225-90-1 of the French Commercial Code, on the occasion of the change of functions of Mr Kenneth McCall.
- **Conditions:** the amount of non-compete compensation, in the event of imposition of the non-compete obligation by the Supervisory Board, would be equal to 50% of Mr Kenneth McCall's fixed annual remuneration.
- **Benefit for the Company:** at its meeting on July 22, 2016 the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Remuneration and Appointments Committee, non-compete compensation falls under the Company's general remuneration policy and is in its interest, particularly with regard to Mr Kenneth McCall's role as Chief Operating and Country Officer and a Member of the Management Board.

- **Commitments for the benefit of Mr Fabrizio Ruggiero**

- **Person concerned:** Mr Fabrizio Ruggiero, Member of the Management Board - Executive Director for Sales, Marketing, Customers and InterRent.

- **Nature and purpose:** non-compete compensation authorised by the Supervisory Board at its meeting of March 9, 2015, prior to the Company's listing with Euronext Paris, and further authorised by the Supervisory Board at its meeting of July 22, 2016, in accordance with Article L. 225-90-1 of the French Commercial Code, on the occasion of the change of functions of Mr Fabrizio Ruggiero.
- **Conditions:** the amount of non-compete compensation, in the event of imposition of the non-compete obligation by the Supervisory Board, would be equal to 50% of Mr Fabrizio Ruggiero's fixed annual remuneration.
- **Benefit for the Company:** at its meeting on July 22, 2016 the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Remuneration and Appointments Committee, non-compete compensation falls under the Company's general remuneration policy and is in its interest, particularly with regard to Fabrizio Ruggiero's role as Executive Director and a Member of the Management Board.

■ Remuneration of Mr Pascal Bazin

- **Person concerned:** Mr Pascal Bazin, Vice-Chairman of the Supervisory Board.
- **Nature and purpose:** exceptional remuneration allocated by the Supervisory Board to Mr Pascal Bazin, Vice-Chairman of the Supervisory Board, in the framework of a new special mission of providing assistance in implementing and supervising the Company's transformation plan.
- **Conditions:** annual gross remuneration of 120,000 Euros. A total amount of 90,000 Euros was paid during 2016.
- **Benefit for the Company:** at its meeting on February 24, 2016 the Supervisory Board confirmed that the special mission of providing assistance in implementing and supervising the Company's transformation plan conferred on Mr Pascal Bazin, by reason of his competencies and knowledge of the industry, is in the Company's interest and that the applicable annual gross remuneration of 120,000 Euros equates with the arm's length remuneration for such a mission.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

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a) Which were executed during the year

In accordance with Article R. 225-57 of the French Commercial Code, we were informed that the following agreements and commitments, previously approved by the Shareholders' meeting in previous years, were executed during the year.

- **Tax consolidation agreement**
- **Contracting entities:** Europcar International S.A.S., Europcar Holding S.A.S., Europcar Lab S.A.S, Europcar Participations S.A.S., Europcar France S.A.S., EuropHall S.A.S., Parcoto Services S.A.S.
- **Persons concerned:** direct and indirect wholly owned subsidiaries of the Company.
- **Nature and purpose:** tax consolidation agreement.
- **Conditions:** the total amount collected by the Company in 2016 under said agreement was 19,704,214 Euros.
- **Basis of remuneration of the Chairman of the Management Board**
- **Person concerned:** Mr Philippe Germond, Chairman of the Management Board.
- **Nature and purpose:** severance and non-compete compensation allocated to Mr Philippe Germond in his capacity as Chairman of the Management Board.
- **Conditions:** severance payments depend on meeting performance standards and could be as high as a maximum of 18 months of total gross compensation (fixed and variable) subject to performance targets being met. Non-compete payments are equal to 3 months of total gross compensation.
- **Mrs Caroline Parot's employment contract**
- **Person concerned:** Mrs Caroline Parot, CEO (until November 23, 2016), Member of the Management Board.
- **Nature and purpose:** changes to Mrs Caroline Parot's employment contract with the Company, particularly with regard to the remuneration due to her in her new role as CEO.

- **Conditions:** Mrs Caroline Parot's remuneration was composed of a fixed portion and a variable annual portion dependent on meeting quantitative and qualitative targets.

The amounts paid to Mrs Caroline Parot under her employment contract from January 1 to November 30, 2016 were 311,674 Euros of fixed remuneration, 203,248 Euros of variable remuneration and benefits in kind valued at 2,736 Euros.

Following her appointment as Chairman of the Management Board with effect from November 23, 2016, Mrs Caroline Parot resigned from her former position with the Company and terminated her contract of employment, by letter dated December 2, 2016, with effect from November 23, 2016. The notice required by the contract of employment was neither required to be performed nor remunerated.

■ Remuneration of Mr Pascal Bazin

- **Person concerned:** Mr Pascal Bazin, Member of the Supervisory Board.

- **Nature and purpose:** exceptional remuneration allocated by the Supervisory Board to Mr Pascal Bazin, Member of the Supervisory Board, in the context of a special mission to assist in implementing and monitoring the Company's transformation plan.

- **Conditions:** gross annual remuneration of 120,000 Euros with effect from July 1, 2015. The total amounts paid amounted to 30,000 Euros in 2015 and 30,000 Euros in 2016.

- **Benefit for the Company:** the Supervisory Board confirmed, at its meeting on May 20, 2015, that this special mission to assist in the Company's transformation plan entrusted to Mr Pascal Bazin was in the interest of the company and the scheduled remuneration of 120,000 Euros per year corresponds to standard market remuneration for this type of mission.

b) Which were not executed during the year

In addition, we were advised of the following agreements and commitments previously approved by the Shareholders' meeting in previous years, which were not executed during the year.

- **Contracting entities:** Eurazeo S.A. and ECIP Europcar Sarl

- **Person concerned:** shareholders holding more than 10% of the voting rights.

- **Nature and purpose:** Underwriting Agreement under which, with regard to the Company's initial public offering, the Underwriters undertook to have the Shares purchased, paid for, subscribed for and released or where applicable to purchase, pay for, subscribe for and release the Shares themselves at the offer price on the payment/delivery date. The possibility to exercise an over-allotment option was also granted by the Selling Shareholders to Goldman Sachs International in the name of and on behalf of the Underwriters.

- **Conditions:** no payment was made by the Company to Eurazeo or ECIP Europcar during the year in respect of this contract.

In accordance with this contract, Europcar issued 38,775,510 shares, Eurazeo and ECIP Europcar sold 28,773,577 and 4,226,423 shares respectively, followed by 1,327,795 and 195,034 shares respectively after Goldman Sachs International exercised the over-allotment option.

The contract expired during the year.

Neuilly-sur-Seine and Paris-La Défense, March 23, 2017

The Statutory Auditors

PricewaterhouseCoopers Audit

François Jaumain

Mazars

Isabelle Massa

7.5 STATUTORY AUDITORS' FEES

The fees of the Statutory Auditors are presented in Note 37 "Statutory Auditors' fees" of the consolidated financial statements that are shown in Section 3.4 "Consolidated

financial statements and Statutory Auditors' report" of this Registration Document.

7.6 PUBLICLY AVAILABLE DOCUMENTS

The bylaws, minutes of Shareholders' Meetings as well as other corporate documents of the Company, the reports of the Shareholders' Meetings as well as financial information and any expert valuation or statement requested by the Company and to be made available to shareholders in accordance with

the regulations in force may be consulted at the Company's head office: Europcar Groupe S.A., 2 rue René Caudron, Bât. OP -78960 Voisins-le-Bretonneux - France.

Some of these documents are also available on the Europcar Groupe website (<http://finance.europcar-group.com>).

7.7 CONCORDANCE TABLES (EUROPEAN REGULATION NO. 809/2004, ANNUAL FINANCIAL REPORT, MANAGEMENT BOARD REPORT, CONCORDANCE TABLES OF SOCIAL, SOCIETAL AND ENVIRONMENTAL DATA)

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Concordance Table with the annual financial report

The concordance table below enables the identification in this Registration Document of information contained in the annual financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General regulations of the French Financial Markets Authority (AMF).

Subject	Chapter	Page
1 Statement of the natural persons who assume responsibility for the annual financial report	7.1	364
2 Management report	7.7	373
3 Financial statements and reports		
3.1 Parent company financial statements	3.6	220
3.2 Statutory Auditors' report on the parent company financial statements	3.6	238
3.3 Consolidated financial statements	3.4	145
3.4 Statutory Auditors' report on the consolidated financial statements	3.4	215
4 Other information		
4.1 Declaration of the Statutory Auditors' fees	7.5	373
4.2 Report by the Chairman of the Supervisory Board on corporate governance and internal control	5.2.4	300
4.3 Report by the Statutory Auditors on the report by the Chairman of the Supervisory Board on corporate governance and internal control	5.2.5	310
4.4 Comments from the Supervisory Board regarding the Management Board's report and the financial statements	3.10	243
4.5 Description of the share buy-back program	6.3.8	350

Concordance table with the management report

The concordance table below enables the identification in this Registration Document of information contained in the annual management report produced by the Company's Management

Board as defined in Articles L. 225-100 *et seq.* of the French Commercial Code.

Subject	Chapter	Page
1 Information on the Company's business		
1.1 Business overview (in particular the progress made and the difficulties encountered) and the results for the Company, each subsidiary and the Group	1.6 1.7 3.1 to 3.6	27 to 55 55 to 59 100 to 239
1.2 Analysis of changes in the business, results, the financial position and in particular, the indebtedness of the Company and the Group	3.1 to 3.6	100 to 239
1.3 Foreseeable Company and/or Group trends	3.7	240 and 241
1.4 Key financial and non-financial indicators of the Company and/or the Group	3.1.2.1	109
1.5 Post-closing events of the Company and the Group	3.9	243
1.6 Guidance on the use of financial instruments including the financial risks and the price, credit, liquidity and cash risks of the Company and the Group	2.5	89 and 90
1.7 Principal risks and uncertainties of the Company and the Group	2	63 to 97
1.8 Research and development information of the Company and the Group	1.8.1	60
1.9 Current branches	N/A	
2 Legal, financial and tax information of the Company		
2.1 Choice made between the two methods of exercising general management responsibilities in the event of a change	5.1	274
2.2 Breakdown and change in shareholders	6.4.1	353
2.3 Name of the controlled companies holding treasury shares of the Company and share of the equity capital they hold	N/A	
2.4 Significant stakes acquired during the fiscal year in companies with registered offices in France	1.7.2.2	58
2.5 Notice of a greater than 10% stake in the share capital of another joint stock company (société par actions); disposition of cross-shareholdings	N/A	
2.6 Purchases and sales by the Company of its own shares (share buy-back)	6.3.8	350 to 352
2.7 Statement of employee shareholdings	6.5	356 and 357
2.8 Overview of items likely to have an impact in the event of a public takeover bid	6.6	358
2.9 Table summarizing the current delegations of powers granted by Shareholders' Meetings to increase the share capital	6.3.5.1	347 and 348
2.10 Notice of potential adjustments: for securities giving access to the share capital and stock options in the case of share buy-backs; for securities giving access to the share capital in the event of financial transactions	6.3.5.1 6.3.5.2	347 and 348 349
2.11 Dividends paid out in the three preceding fiscal years	3.5.6 6.7.1	218 358
2.12 Non-tax deductible expenses and charges	N/A	
2.13 Terms of payment and breakdown of balance of trade payables and trade receivables by due date	Notes 12 and 13 of parent company financial statements	230 and 231
2.14 Injunctions or fines for anti-competitive practices	2.7	94 and 95
2.15 Agreements between proxies or a shareholder holding more than 10% of the voting rights and a subsidiary (excluding ordinary agreements)	7.2 and 7.4	365 to 368 369 to 372
3 Information on corporate officers		
3.1 List of all the terms of office and positions held in each company by each of the corporate officers during the year	5.1.1 5.1.2	274 to 277 278 to 287

Subject	Chapter	Page
3.2 Compensation and benefits of all kinds paid during the year to each corporate officer by the Company, the companies controlled by the Company and the company that controls the Company	5.3	311 to 331
3.3 Commitments of any kind made by the Company in favor of its corporate officers corresponding to elements of compensation, indemnities or benefits due or likely to be due as a result of taking, terminating or changing these functions or subsequent to this, in particular retirement commitments and other life interest benefits	5.3.1.8 5.3.1.9 5.3.1.10 5.3.1.11	321 322 322 322
3.4 In the case of stock option grants, presentation of the information used by the Management Board to decide: either that executives are prohibited from exercising their options before the end of their employment; or that they are required to hold in registered form all or part of the shares arising from options already exercised (by specifying the portion thus fixed) until the end of their employment	N/A	
3.5 Summary statement of the transactions in Company securities by executives and related parties	5.4	332
3.6 In the case of bonus share grants, presentation of the information used by the Management Board to decide: either that executives are prohibited from selling the free shares granted to them before the end of their employment; or to fix the quantity of these shares that they must hold in registered form until the end of their employment (by specifying the portion thus fixed)	5.3.1.3 5.3.1.5	317 317 to 320
4 The Company's CSR information		
Acknowledging the social and environmental consequences of the business and the Company's social commitments to sustainable development, including the impact of its activity and the usage of goods and services that it produces on climate change, the circular economy, efforts to combat food waste and efforts to promote the fight against-discrimination and to encourage diversity	4	245 to 272
4.1 Collective bargaining agreements entered into in the Company and their impact on its economic performance as well as on the working conditions for employees	4.3.2	253
5 Other information		
5.1 The amount of loans of at least a two year maturity granted by the Company, and ancillary to its main business, to micro-businesses, SMEs or to medium-sized businesses with which it has economic ties justifying the loan ⁽¹⁾	N/A	
5.2 Information on payments made to authorities in each of the States or territories in which the Company operates the following activities: exploration, prospecting, discovery, exploitation or extraction of hydrocarbons, coal and lignite, metal ores, stone, sand and clay, chemical minerals and fertilizers, or other mineral resources or in exploitation of primary forests ⁽²⁾	N/A	
5.3 Table showing the last five years	3.5.7	219
5.4 Report by the Chairman of the Supervisory Board on corporate governance and internal control	5.2.4	300 to 309

(1) Article L. 511-6 of the French Monetary and Financial Code as amended by Law No. 2015-992 of August 17, 2015.

(2) Article L. 225-102-3 of the French Commercial Code as amended by Ordinance No. 2015-1576 of December 3, 2015.

Concordance tables with the Sections in annex 1 of European regulation 809/2004

The concordance table below enables identification in this Registration Document of the information discussed in the various Sections of Annex 1 of EC regulation No. 809/2004 (European Commission) dated April 29, 2004.

Information		Chapter	Page
1	Persons responsible		
1.1	Persons responsible for the information	7.1.1	364
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2	Statutory Auditors		
2.1	Information related to the Statutory Auditors	7.1.4	365
3	Selected financial information		
3.1	Presentation of historical financial information	Key figures and significant events of the year	2 to 9
3.2	Presentation of interim financial information	N/A	
4	Risk factors	2	63 to 97
5	Information concerning the issuer		
5.1	History and development of the Company	Group history 1.1	12 and 13
5.1.1	Legal name and trading name of the Company	6.1.1	334
5.1.2	Place and number of the Company's registration	6.1.2	334
5.1.3	The Company's date of incorporation and duration	6.1.3	334
5.1.4	Registered office, country of origin, address and telephone number, legal form and regulations applying to the Company	6.1.4	334
5.1.5	Significant events in the development of the Company's business	Significant events during the year	7 to 9
		1.3.2	17 and 18
		1.3.3	18 and 19
		1.5	23 to 26
5.2	Investments	3.3	143 to 145
5.2.1	Description of the principal investments made by the Company	3.3.1	143 and 144
5.2.2	Description of the ongoing investments of the Company and their geographic location	3.3.2	144
5.2.3	Information related to investments the Company expects to complete	3.3.3	145
6	Overview of businesses		
6.1	Principal businesses	1.6	27 to 55
		1.7	55 to 59
6.1.1	Description of the transactions carried out by the issuer and its principal businesses	1.4	20 to 22
		1.6	27 to 55
6.1.2	Presentation of the new products/services brought to market	1.6	27 to 55
6.2	Principal markets in which the issuer operates	1.3	16 to 20
6.3	Exceptional events	N/A	
6.4	The issuer's degree of dependence on patents or licenses, industrial, commercial or financial contracts or on new manufacturing procedures	1.8	60
6.5	Items forming the basis of the issuer's statement on its competitive position	1.5	23 to 26
7	Organizational chart		
7.1	Description of the Group	1.7	55 to 59
7.2	List of significant subsidiaries	1.7.2	57 to 59
8	Property, plant and equipment		

Information	Chapter	Page
8.1 Significant property, plant and equipment	1.9	61
8.2 Environmental questions influencing the issuer's use of its property, plant and equipment	N/A	
9 Review of the financial position and results		
9.1 Financial position	3.1 to 3.6	100 to 239
9.2 Results of operations	3.1.2.2 and 3.5.2	110 to 116 217
9.2.1 Events which impacted the issuer's operating income	3.1 to 3.6	100 to 239
9.2.2 Explanations supporting a significant change in net revenue and/or net income	3.1 to 3.6	100 to 239
9.2.3 Presentation of the economic, governmental, budgetary, monetary or political factors and strategies affecting or able to affect the issuer's business	2.1 2.2	64 to 67 67 to 77
10 Cash and capital		
10.1 Information about the capital resources of the Company	3.2	119 to 143
10.2 Source and amount of the issuer's cash flows and cash flow description	3.2.2	122 to 126
10.3 Information about the loan terms and conditions and the issuer's capital structure	3.2.3	126 to 143
10.4 Information relating to potential restrictions affecting the use of capital resources and able to impact upon the issuer	N/A	N/A
10.5 Expected financing sources deemed necessary for the Company to comply with its commitments	3.2	119 to 143
11 Research and development, patents and licenses	1.8	60
12 Trend information		
12.1 Principal trends affecting production, sales and inventory, costs and sales prices since the end of the latest fiscal year	1.3 1.5 3.8	16 to 20 23 to 26 242
12.2 Known trends, uncertainties or requests or commitments or events reasonably likely to significantly affect the issuer's prospects, at least for the current fiscal year	3.8	242
13 Profit forecasts or estimates	3.7	240 and 241
14 Administrative, management and supervisory bodies and senior management		
14.1 Information on the members of the administrative or management bodies of the Company	5.1	274 to 292
14.2 Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management	5.1.3	288 to 290
15 Compensation and benefits		
15.1 Amount of compensation paid and benefits in kind	5.3	311 to 331
15.2 Total amount of the provisions made or recorded by the issuer or by its subsidiaries for the payment of pensions, retirement plans or other benefits	N/A	
16 Functioning of administrative and management bodies		
16.1 Expiration date of current terms of office	5.1	274 to 287
16.2 Service contracts binding members of the administrative and management bodies	5.1.3.3	288
16.3 Information on the Audit Committee and the Compensation and Nominations Committee	5.2.3	296 to 300
16.4 Statement of compliance with the corporate governance framework	5.1.3	288 to 290
17 Employees		
17.1 Number of employees	4.3	251 to 256
17.2 Shareholdings and stock options	5.3.1.3	317
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18 Principal shareholders		
18.1 Shareholders holding more than 5% of the share capital	6.4.1	353
	6.4.2	354
18.2 Existence of different voting rights	6.4.3	354
18.3 Shareholdings or controlling interests in the issuer	6.4.4	354
18.4 Agreement whose implementation could lead to a change in control	6.4.6	356
19 Related party transactions	7.2 and 7.4	365 to 368 and 369 to 372
20 Financial information concerning the issuer's assets, financial position and results of operations		
20.1 Historical financial information	General comments	1
20.2 <i>Pro forma</i> financial information	N/A	
20.3 Financial statements	3.4	145 to 216
	3.6	220 to 239
20.4 Verification of the annual historical financial information	3.6	220 to 239
	3.1	100
20.5 Closing date of the latest fiscal year	3.6	220 to 239
20.6 Interim financial and other information	N/A	
20.7 Dividend distribution policy	6.7	358 to 360
20.8 Legal and arbitration proceedings	2.7	94 to 97
20.9 Significant change in the financial or business position	3.9	243
21 Additional information		
21.1 Share capital	6.3	345 to 352
21.2 Constitution and bylaws	6.2	334 to 345
22 Important contracts	7.3	368
23 Information from third parties, expert statements and declarations of interest	1.3	16
24 Publicly available documents	7.6	373
25 Information on shareholdings	1.7	55 to 59

7.8 GLOSSARY

Air Force 1

Project to improve customer service, set up by Europcar in the 20 main European airports representing 16% of the Group's rentals.

Ambitions 2020

The Group's ambitions, the main objectives of which are described in Section 3.8 of this Registration Document.

"At risk" vehicles

Vehicles purchased by the Group from car manufacturers or car dealers not benefiting from a buy-back option or agreement

Auto dealer

Business that sells new or used vehicles at the retail level, based on a dealership contract with car manufacturers or their sales subsidiaries.

Business customers

Refers principally to "Major Accounts", small and medium-sized businesses and organizations that rent replacement vehicles.

Business Units

Operating divisions covering the market segments in which the Group is located.

Car-sharing service

Car-sharing services restricted to subscribing members. The marketplace matches available cars to potential drivers. The car-sharing market can be divided into three segments: (i) car-sharing operators that provide virtual ownership of cars to urban users, (ii) players offering corporate fleet optimization and management services, and (iii) P2P car-sharing platforms that connect individuals for purposes of sharing cars.

Customer Experience

Expression that summarizes the Group's ambitions in terms of improved customer satisfaction.

Broker

Intermediaries acting on the leisure segment and selling vehicle rentals services to end customers on behalf of the Group.

Buy-back commitments

Undertakings from car manufacturers or auto dealers to repurchase vehicles at a pre-determined fixed price subject to certain terms and conditions.

Concessionary arrangement

Arrangement whereby a local authority, corporation or other legal entity grants Europcar the right to use land or property.

Corporate Countries

Countries where Europcar owns and operates its own network, where directly-operated stations and agent-operated stations are located (Germany, United Kingdom, France, Ireland, Italy, Spain, Portugal, Belgium, Australia and New Zealand).

Customer Relationship Management (CRM)

System for managing the Group's interactions with current and future customers.

E-commerce

The sale or purchase of goods or services effected by means of a remote communications network.

Esop 2017 Plan

Employee shareholding plan set up in 2017 in each of the Corporate Countries.

Europcar network

All of the Group's rental stations worldwide held directly or through its franchisees or agents.

Europrogram

A corporate insurance program allowing each subsidiary operating in each country participating in the program to benefit from motor vehicle liability insurance from its local AIG Europcar Ltd branch, established in the country in which the subsidiary operates.

Finance lease vehicle

Agreement by which a vehicle, held by a credit institution, is leased for a long period of time to a car rental company which in turn pays for the lease on a periodic basis and has the option to acquire ownership of such vehicle during or at the end of the rental period.

During the term of the lease, the finance company remains the legal owner of the vehicle; however the rental company retains the benefits and risks of (economic) ownership.

Fleet

All vehicles operated by the car rental company, whether or not available for rent.

Fleet financial utilization rate

Number of actual rental days of the vehicles of the fleet as a percentage of the theoretical total potential Number of Rental Days of the vehicles of the fleet. The theoretical total potential number is equal to the number of vehicles held over the period, multiplied by the total number of days over the period.

Franchise/Franchising

Arrangement where the franchiser grants the franchisee the right to use its trademark or trade-name as well as certain know-how in order to produce and market goods or services according to certain specifications. In return, the franchisee usually pays the franchiser an entry fee and, each year, a percentage of sales revenues as royalty.

General sales agent (GSA)

General sales representative that promotes and sells the services offered by Europcar in a specific country or region in consideration of a commission.

Global distribution system (GDS)

Computerized reservation systems operated by third parties and used by intermediaries such as travel agents and travel/tour operators to make reservations with the Europcar network.

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.

Holding period

The period for which a vehicle is owned or leased by the Group (i.e., from the date of acquisition or start date of a lease of a vehicle by the Group to its sale or return date).

Leisure customers

Refers principally to individual travelers renting vacation car rentals, as well as people renting vehicles to meet other personal needs, directly or indirectly through travel agents, tour operators or brokers.

Operating lease vehicle

Agreement by which a vehicle is leased to a car rental company on a short-term basis, which pays rent periodically to a financial institution or the finance division of a car manufacturer; at the end of the operating lease, ownership does not pass to the car rental company.

For instance, in the context of the implementation of the Group's securitization program, the Securitifleet Companies, whose purpose is to purchase and own vehicles, lease them to the operating companies of the Group pursuant to master operating lease agreements.

RentWay® system

Global fleet and vehicle rental management system for the InterRent® brand.

Replacement vehicle

Business offered by the Group to insurance companies, vehicle leasing companies, vehicle dealers and other entities offering vehicle replacement services to their own customers.

Revenue Per Rental Day (RPD)

Consolidated rental revenue divided by the Number of Rental Days for the period.

Securitifleet Companies

Companies that are set up in the context of the Group's securitization program to purchase and own vehicles and to lease them to local Group operating companies in France, Germany, Italy and Spain.

Station

Locations where the Group offers its rental services. These may take the form of station counters at certain locations such as airports.

Exhibit B—Extracts from Europcar Groupe S.A. Registration Document (Annual Financial Report) for the year ended December 31, 2015

The following information includes certain extracts from Section 3 “Accounting and Financial Information” of Europcar Groupe S.A. for the year ended December 31, 2015 of the English translation of Europcar Group’s Document de Référence (“Registration Document”), the French language version of which was filed with the French Autorité des marchés financiers (the “AMF”) on April 14, 2016.

3.1 ANALYSIS OF GROUP RESULTS

The information presented below on the Group's results of operations and financial condition should be read in conjunction with the consolidated financial statements for the years ended December 31, 2015 and 2014 included in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report*" of this Registration Document.

This Section presents certain financial information and other data for the periods indicated in order to facilitate the understanding of the Group's activity. In particular, it presents Adjusted Corporate EBITDA, defined as recurring operating income before depreciation and amortization not associated with the vehicle fleet after deduction of the interest expenses on liabilities related to rental fleet financing. Adjusted Corporate EBITDA is a non-IFRS indicator that does not have a single

generally accepted definition. The Group believes that Adjusted Corporate EBITDA, which takes into account all costs relating to the vehicle fleet, including depreciation expenses and interest costs associated with the fleet, provides investors with valuable insight into the Group's performance, especially given that the Group uses this figure to monitor its performance (see "Adjusted Corporate EBITDA" under Section 3.1.1.3 "*Description of the principal line items in the Group's income statement*"). Moreover, the Group has identified certain impacts from exchange rate fluctuations (primarily in the pound sterling, the Australian dollar and the New Zealand dollar) and presents certain information for the year ended December 31, 2014 by applying the exchange rates for the year ended December 31, 2015.

3.1.1 General presentation

[OMITTED]

3.1.2 Comparison of results of operations for the years ended December 31, 2015 and 2014

3.1.2.1 Key operating indicators

	Year ended December 31,		Change	Change at constant currency
	2015	2014		
Revenues <i>(in millions of euros)</i>	2,142	1,979	8.2%	5.8%
Rental Revenues <i>(in millions of euros)</i>	1,992	1,823	9.3%	6.8%
Rental Day Volume	57.1	52.8	8.1%	-
RDP (€) ⁽¹⁾	34.9	34.5	1.1%	(1.2)%
Average duration <i>(day)</i>	6.0	5.7	4.1%	-
Average Fleet <i>(thousand)</i> ⁽²⁾	205.4	189.3	8.5%	-
Average Fleet Unit Costs/Month (€) ⁽³⁾	(253)	(248)	1.8%	(0.7)%
Financial utilization rate ⁽⁴⁾	76.1%	76.4%	(0.3) pt	-
Adjusted Corporate EBITDA <i>(in millions of euros)</i>	251	213	17.8%	15.6%
Adjusted Corporate EBITDA Margin	11.7%	10.8%	+0.9 pt	-

(1) RPD (revenue per transaction day) corresponds to rental revenue for the period divided by the Number of Rental Days for the period.

(2) Average fleet of the period is calculated by considering the number of days in the period when the fleet is available (period during which the Group holds or finances the vehicles) divided by the number of days in the same period multiplied by the number of vehicles in the fleet for the period. As of December 31, 2015, the fleet amounted to 181,783 vehicles (+4.8% compared to December 31, 2014).

(3) The average fleet costs per unit per month is the total fleet costs (fleet holding costs and fleet operating cost) excluding interest expense included in fleet operating lease rents and insurance fees divided by the average fleet of the period divided by the number of months in the period.

(4) The 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.

3.1.2.2 Management's analysis of results of operations

The analysis in this Section is based on the Group's income statement prepared in accordance with IFRS as well as on management figures that are monitored to help inform strategic decisions. Management figures are prepared in order to reflect and to improve understanding of the Group's economic performance.

IFRS INCOME STATEMENT

All data in millions of euros

	FY 2015	FY 2014	Change
Total revenue	2,141.9	1,978.9	8.2%
Fleet holding costs	(547.2)	(496.3)	10.3%
Fleet operating, rental and revenue related costs	(727.0)	(686.3)	5.9%
Personnel costs	(347.4)	(318.2)	9.2%
Network and head office overhead	(218.5)	(199.3)	9.6%
Other income	14.2	6.9	105.8%
Depreciation – excluding vehicle fleet	(32.8)	(31.8)	3.1%
Recurring operating income	283.3	253.9	11.6%
Other non-recurring expenses	(61.8)	(115.7)	(46.6)%
Operating income	221.5	138.2	60.3%
Net financing costs	(227.6)	(232.7)	(2.2)%
Loss before tax	(6.1)	(94.5)	(93.5)%
Income tax	(37.6)	(10.7)	251.4%
Share of loss of associates	(12.1)	(6.5)	86.2%
NET LOSS	(55.8)	(111.7)	(50.0)%
NET LOSS ATTRIBUTABLE TO EUROPCAR OWNERS	(55.6)	(112.3)	(50.5)%

MANAGEMENT INCOME STATEMENT

<i>In millions of euros</i>	2015	2014	Variation
Revenue	2,141.9	1,978.9	8.2%
Change at constant exchange rates	-	-	5.8%
Fleet holding costs, excluding estimated interest included in rental payments under operating leases	(491.9)	(442.7)	11.1%
Fleet operating, rental and revenue related costs	(727.0)	(686.3)	5.9%
<i>Personnel Costs</i>	<i>(347.4)</i>	<i>(318.2)</i>	<i>9.2%</i>
<i>Network and head office overhead costs</i>	<i>(218.5)</i>	<i>(199.3)</i>	<i>9.6%</i>
<i>Other income</i>	<i>14.2</i>	<i>6.9</i>	<i>105.8%</i>
Personnel costs, head office and network costs, IT and other	(551.7)	(510.6)	8.0%
<i>Fleet-related financing expenses</i>	<i>(65.5)</i>	<i>(72.9)</i>	<i>(10.2)%</i>
<i>Estimated interest included in operating leases</i>	<i>(55.2)</i>	<i>(53.6)</i>	<i>3.0%</i>
Fleet-related financing costs, including estimated interest included in operating leases	(120.7)	(126.5)	(4.6)%
Adjusted Corporate EBITDA	250.6	212.8	17.8%
Margin	11.7%	10.8%	+0.9pt
Depreciation, amortization and impairment expense	(32.8)	(31.8)	3.1%
Other non-recurring expenses	(61.8)	(115.7)	(46.6)%
Net financing costs excluding fleet financing	(162.1)	(159.8)	1.4%
LOSS BEFORE TAX	(6.1)	(94.5)	(93.5)%
Income tax expense	(37.6)	(10.7)	251.4%
Share of loss in companies accounted for under the equity method	(12.1)	(6.5)	86.2%
NET LOSS	(55.8)	(111.7)	(50.0)%

The table below presents a reconciliation of adjusted recurring operating income, Adjusted Corporate EBITDA and Adjusted Consolidated EBITDA to recurring operating income. The Group presents adjusted recurring operating income, Adjusted Consolidated EBITDA and Adjusted Corporate EBITDA because the Group believes they provide investors with important additional information to evaluate the Group's performance. The Group believes these indicators are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Group's industry. In addition,

the Group believes that investors, analysts and rating agencies will consider adjusted recurring operating income, Adjusted Consolidated EBITDA and Adjusted Corporate EBITDA useful in measuring the Group's ability to meet its debt service obligations. None of adjusted recurring operating income, Adjusted Consolidated EBITDA or Adjusted Corporate EBITDA is a recognized measurement under IFRS and should not be considered as alternative to operating income or net profit as a measure of operating results or cash flows as a measure of liquidity.

<i>All data in millions of euros</i>	FY 2015	FY 2014
Adjusted Consolidated EBITDA	766.0	695.0
Fleet depreciation IFRS	(184.4)	(164.2)
Fleet depreciation included in operating lease rents ⁽¹⁾	(210.3)	(191.4)
Total Fleet depreciation	(394.7)	(355.6)
Interest expense related to fleet operating leases (estimated) ⁽¹⁾	(55.2)	(53.6)
Net fleet financing expenses	(65.5)	(72.9)
Total Fleet financing	(120.7)	(126.5)
Adjusted Corporate EBITDA	250.6	212.8
Amortization, depreciation and impairment expense	(32.8)	(31.8)
Reversal of Net fleet financing expenses	65.5	72.9
Reversal of Interest expense related to fleet operating leases (estimated)	55.2	53.6
Adjusted recurring operating income	338.5	307.4
Interest expense related to fleet operating leases (estimated)	(55.2)	(53.6)
Recurring operating income*	283.3	253.9

* As set forth in the consolidated profit and loss statement.

(1) Fleet operating lease rents consist of a fleet depreciation expense, an interest expense as well as, under several operating lease contracts, a small administration fee. For those fleet operating lease contracts entered into by the Group that do not provide the precise split of the rents amongst the depreciation expense, the interest expense and the administrative fee, the Group makes estimates of this split on the basis of information provided by the lessors. Furthermore, because the interest expense component of the lease rent is in substance a fleet financing cost, Europcar's management reviews fleet holding costs and the adjusted operating income of the Group excluding this expense.

(A) REVENUE

The following table shows the Group's consolidated revenue for 2015 and 2014 as a total and by product type:

<i>All data in millions of euros</i>	Year ended December 31		Change	Change at constant currency
	2015	2014		
Rental revenues	1,991.9	1,822.8	9.3%	6.8%
Other revenue associated with car rental	97.4	102.8	(5.3)%	(8.2)%
Franchising business	52.6	53.3	(1.3)%	(2.0)%
REVENUES	2,141.9	1,978.9	8.2%	5.8%

Revenue was €2,142 million in 2015, an increase of 8.2% from 2014. Based on constant exchange rates for the pound sterling and the Australian dollar, revenue increased 5.8%. Excluding the consolidation of EuropHall ⁽¹⁾, a French franchisee acquired in the fourth quarter of 2014, the Group's consolidated revenue increased by 4.9% at constant exchange rates. This significant rise was driven by the growth of vehicle rental income, up 5.9% at constant scope and exchange rates.

The Group believes that the increase in revenue generated by rental activities resulted primarily from the initiatives launched in connection with the Fast Lane program, the most significant of which were the following:

- the implementation of new sales tools to better organize and coordinate with business customers, in particular SMEs;
- the development of the Group's digital distribution platform which enables a higher retention rate of business customers

(1) Europcar France acquired EuropHall, one of its French franchisees, in the fourth quarter of 2014 and fully consolidated it over two months. In 2014, EuropHall generated standalone revenues of approximately €23 million.

and an expansion of the direct-to-brand offering in the leisure segment;

- the continued development of strategic and commercial partnerships to attract international customers to the Group and its franchisees;
- the implementation of a new strategy for the vans & trucks segment with a view to increasing the return on investment for this vehicle type;
- the accelerated expansion of the InterRent® brand;
- the launch of new products targeting specific customer profiles, in particular Keddy by Europcar, a dedicated service for brokers launched in March 2015, and Autoliberté, a subscription-based urban mobility solution; and
- the implementation of a program for the sale of additional services such as supplementary insurance products and specific equipment (for example navigation systems, winter equipment and child car seats, etc.).

Rental revenue, up 6.8% at constant exchange rates, benefited from an 8.1% increase in the Number of Rental Days with 57.1 million rental days in 2015. Both the business and leisure markets contributed to this growth in each of the Corporate Countries, representing 44% and 56%, respectively, of consolidated rental revenue in 2015 compared with 45% and 55%, respectively, in 2014. In particular, the growth of revenue generated by rental activities was driven by:

- increased volumes for the business segment, in particular for SMEs and vehicle replacement, in line with the sales efforts implemented by the Group;
- increased demand in the leisure segment supported by the Europcar brand on all distribution channels, the accelerated expansion of the InterRent® brand and the successful launch of the Keddy product.

At constant exchange rates, Revenue Per Transaction Day (RPD) was down 1.2% in 2015. The fall in RPD was mainly driven by the changing mix of customer segments (business and leisure) and brands (Europcar and InterRent) and by a longer average rental period (+4.1%) without impacting profitability. The Leisure segment benefited from a high RPD supported notably by the deployment of the ancillary program, while the deployment of InterRent, which provides a lower facial RPD, continues to grow significantly. The Business segment benefited from the higher contribution of the Vehicle Replacement business that has a longer duration than the average for the segment and which drives a lower RPD, and from the implementation of a new strategy for the vans & trucks segment with a view to renting smaller vehicles for longer periods to optimize the utilization rate.

Other revenue associated with vehicle rental was impacted by the fall in oil prices with however no significant consequences for operating income in light of the savings in oil supplies.

Revenue from the franchising business was slightly down, in particular due to the reduction in royalties invoiced for revenue generated by the National and Alamo brands which the Group continued to operate in the EMEA region until December 2014 pursuant to a brand license agreement with Enterprise.

(B) FLEET HOLDING COSTS

IFRS fleet holding costs were up 10.3% at reported exchange rates (up 7.6% at constant exchange rates) to €547.2 million in 2015. These costs include fleet depreciation charges (vehicles acquired and financed through funding recorded on the balance sheet) and payments on operating leases for vehicles including their financial component in accordance with accounting standards (vehicles financed through leasing).

Rental payments under operating leases, by their nature, have an interest component. As explained below, the accounting of fleet financing expenses is based on the type of financing (operating lease or other type of financing). To increase clarity, the Group groups together all fleet financing expenses in its management income statement and analyzes them in Adjusted Corporate EBITDA (see “Adjusted Corporate EBITDA” under Section 3.1.1.3 “Description of the principal line items in the Group’s income statement”) and excludes these expenses from its analysis of fleet holding costs.

Excluding the estimated financing expense included in the payments on operating leases (€55.2 million and €53.6 million, respectively, in 2015 and 2014), the change in fleet holding costs was a result of increased activity, continued optimizing of the monthly per-vehicle cost, and a slight fall in the utilization rate:

- fleet holding costs excluding the estimated financing on operating leases increased by 8.3% at constant exchange rates in line with the increased level of the fleet which jumped sharply by 8.5% to accompany growth in revenue;
- fleet holding costs per vehicle improved slightly with a decrease of 0.1% in the holding cost per unit monthly average (at constant exchange rates) at €198.5 per vehicle. This continued improvement was due to the rationalization of fleet composition by category to better align it with customers’ needs, better logistics in fleet-in and fleet-out phases, harmonization of procedures for monitoring the mileage of vehicles covered by buy-back programs, and optimization of buy-back programs;

- the rate of fleet financial utilization rate fell slightly by 0.3 points to stand at 76.1%. Given the very sharp increase in the average fleet level, the Group's operating excellence and in particular the expertise of the Revenue and Capacity Management Department (present in every Corporate Country) helped to maintain the financial utilization rate in the best standards of the sector ⁽¹⁾ by better matching the Group's fleet composition with customer demand, optimizing management of this demand and optimizing fleet distribution. Initiatives are continuing in this respect by reducing idle time between the delivery of new vehicles and their first rental, between rentals and between the last rental and the sale or return of vehicles, by improving procedures for managing accidents and repairs, and more generally by improving the fleet utilization rate operated via the low-cost InterRent brand.

(C) FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS

Fleet operating, rental and revenue related costs increased by 5.9%, (3.5% at constant exchange rates), reaching €727 million in 2015 in the context of a substantial increase in revenue.

- fleet operating costs increased by 1.6% at reported exchange rates and fell by 0.9% at constant exchange rates principally due to better management of vehicle damage and a reduction in maintenance costs. Insurance costs per day continued to fall in 2015 primarily due to changes in the franchise buy-back policy and better fraud detection on damage caused by Europcar customers to third-party vehicles;
- rental related costs increased by 6.5% (3.5% at constant exchange rates) despite an increase of over 8% in the Number of Rental Days. This performance was made possible by an optimization of transport costs and vehicle-washing costs in a context of increase in average rental length. It also reflects the fall in the price of oil;
- revenue related fees and commissions increased by 9.5% at reported exchange rates and by 6.8% at constant exchange rates, an increase that was in line with that of vehicle rental revenue.

(D) PERSONNEL COSTS

Personnel costs stood at €347.4 million in 2015, an increase of 9.2% (7.2% at constant exchange rates). The €23.5 million increase at constant exchange rates is linked primarily to the Group's network of stations due to increased activity and to a lesser extent the implementation of a gradual increase in the minimum wage in the United Kingdom.

- almost 70% of that increase was the result of personnel costs in the network to sustain increased business volumes

and sales of additional services. At constant exchange rates, the increase in personnel costs was only slightly higher than the Number of Rental Days despite the increase in the minimum wage in the United Kingdom and the consolidation of Europhall, a franchisee acquired in late 2014;

- the remainder of the increase was due to expenses relating to employees working at the head offices of the Group and its subsidiaries and at the Shared Services Center created in 2014 and includes the cost of performance shares granted to Executive Committee members and the Group's top 100 managers. The allocation of these free shares is subject to the achievement of multi-annual financial targets and the relative performance of Europcar's share price. See Note 6 to the consolidated financial statements for the fiscal year ended December 31, 2015.

(E) NETWORK AND HEAD OFFICE OVERHEAD COSTS

Network and head office overhead costs increased by 9.6% to €218.5 million.

This increase was primarily due to the increase in marketing expenses intended to support revenue growth, notably with the expansion of InterRent and the launch of Keddy by Europcar®, a dedicated service for tour-operators, travel agencies and brokers. In addition, the Group continued to invest to strengthen its IT system to better address its customer needs. This increase also includes expenses related to the opening of InterRent stations and, to a lesser extent, Europcar stations, and to the effect of the consolidation of Europhall, acquired in late 2014 and integrated in early 2016.

(F) AMORTIZATION AND DEPRECIATION EXPENSE, EXCLUDING VEHICLE FLEET

Amortization and depreciation expense excluding vehicle fleet increased by €1 million to stand at €32.8 million in 2015. This change is explained by the slight increase in amortization relating to the Group's IT systems linked to the increase in investments in this field.

(G) OTHER INCOME

Other income and expenses increased by €7.3 million to stand at €14.2 million for the year ended December 31, 2015. This line item includes income from commercial agreements, capital gains or losses from disposals of fixed assets, and other operating income and expenses including a bonus due to a lapsed debt.

(1) Source: publications by Avis, Hertz and Sixt.

(H) OTHER NON-RECURRING INCOME AND EXPENSES

In 2015, other non-recurring income and expenses amounting to €(61.8) million included the following:

- restructuring costs of €24 million including severance costs relating to the implementation of measures to streamline the German network and some local headquarters;
- fees relating to the initial public offering for €11.5 million. Other fees were deducted from issuance premiums for €23.8 million;
- a provision of €45 million based on the best estimate of the financial risk (at the current stage of the procedure with the French Competition Authority) in the event that the French Competition Authority were to impose a fine notwithstanding the Group's arguments in defense of its position (see Note 32 to the consolidated financial statements for the fiscal year ended December 31, 2015); and
- a net reversal of €23.4 million relating to the execution of a settlement agreement with Enterprise on April 29, 2015 putting an end to all legal proceedings with that company (see Note 32 to the consolidated financial statements for the year ended December 31, 2015).

In 2014, other non-recurring income and expenses amounting to €(115.7) million included the following:

- restructuring costs of €22.8 million resulting in part from the measures implemented by several of the Group's entities or announced before the end of the year to lower the head offices' cost structure. Moreover, the Group used outside service providers for a total of €9.8 million in 2014 in connection with the restructuring of the head offices and the network;
- a net charge of €59.4 million in 2014 in connection with the litigation and arbitration with Enterprise including attorneys' fees, the cost of removing the logo from certain stations, the one-off impairment of the remaining value of the right to use the National and Alamo brands, and a provision in an amount equal to the risk of certain of the damages that the Group was reasonably able to estimate as of the closing date (see Note 10 to the Group's consolidated financial statements for the year ended December 31, 2015);
- a charge of €23.9 million relating to a multi-year compensation program whose objectives were achieved in 2014.

(I) ADJUSTED CORPORATE EBITDA

Adjusted Corporate EBITDA is defined as recurring operating income before depreciation and amortization not related to the fleet, and after deduction of the interest expense on liabilities related to rental fleet financing.

Adjusted Corporate EBITDA increased by 17.8% (15.6% at constant exchange rates) from €212.8 million in 2014 to €250.6 million in 2015. Adjusted Corporate EBITDA margin as a percentage of revenue continued to grow, increasing from 10.8% in 2014 to 11.7% in 2015. This increase reflects excellent operational leverage, cost management and positive change in financing costs achieved by the Group even as it continues to invest in IT, sales and marketing development in order to support profitable growth.

Given the significant growth in revenue, the margin after variable costs⁽¹⁾ increased by €55.9 million at constant exchange rates. The margin rate also continued to rise to stand at 43.1% due specifically to an improvement in the monthly unit cost for holding and operating fleet⁽²⁾ which stood at €253, down 0.7% at constant exchange rates. This performance was also made possible by optimized management of the vehicle utilization rate which stood at 76.1% in 2015, down by 0.3 points from 2014 despite a significant increase in the level of the fleet operated.

Fleet financing (estimated interest under operating leases and financing expenses relating to financing the fleet on the balance sheet) fell by 4.6% from €126.5 million in 2014 to €120.7 million in 2015 despite an 8.5% increase in average fleet level in 2015 compared with 2014. The Group refinanced the whole of its fleet-financing debt between July 2014 and mid-2015, thus significantly lowering its cost (see Section (J) "Net financing costs" and Section 3.2 "Liquidity and capital resources" of this Registration Document).

These positive items were partially offset by the increase in expenses related to network staff due to the increase in business, the acquisition of EuropHall and the marketing and communications investments set out above.

(1) The margin after variable costs corresponds to consolidated total revenues net of fleet holding costs (excluding estimated interest included in operating lease rents) and costs relating to the operation, rental and proceeds of fleet activities.

(2) Excluding interest expenses included in charges relating to fleet operating leases and excluding insurance costs.

(J) NET FINANCING COSTS

IFRS net financing costs amounted to €227.6 million in 2015 compared with €232.7 million in 2014. In 2015, they mainly included:

- €65.5 million in interest charges relating to the financing of the vehicle fleet recorded on the balance sheet, compared with €72.9 million in 2014, down in spite of the substantial increase in average fleet due to the financing implemented between mid-2014 and May 2015. Overall, the maturity of these instruments was extended and their cost significantly reduced. See Section 3.2.3 “*Liquidity and capital resources*”;
- €56.3 million in interest charges relating to other borrowings (subordinated notes in corporate debt) compared to €78.5 million. This substantial drop is linked to the restructuring of corporate debt that took place in mid-2015 in connection with the IPO. Since the end of June 2015, the Company has only one corporate bond issue for €475 million bearing interest at 5.75% (see Section 3.2.3 “*Liquidity and capital resources*”);
- €56 million redemption price linked to the repayment of both the €324 million of outstanding subordinated notes due 2017 bearing interest at 11.5% and the €400 million of outstanding subordinated notes due 2018 bearing interest at 9.375%;
- €15.4 million in respect of current amortization of transaction costs for the notes; and
- €26.9 million in respect of the write-off of transaction costs relating to the notes redeemed.

In 2014, financing expense also included repayment premiums paid following the early repayment of the fleet-based €350 million bond issue and its refinancing which took place in October 2014 (€17.1 million) and the complete amortization of transaction costs related to the notes.

(K) INCOME TAX BENEFIT/(EXPENSE)

Income tax increased by €27 million from €10.7 million in 2014 to €37.6 million in 2015. The improvement in the performance of the Group and Corporate Countries led to a rise in tax liabilities but also allowed the recognition of tax assets in respect of tax loss carryforwards for certain countries. The 2015 tax expense also takes account of some provisions related to ongoing tax audits.

(L) SHARE OF PROFIT/(LOSS) IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

The share of profit/loss of companies accounted for under the equity method represented a loss of €12.1 million in 2015 compared with a loss of €6.5 million in 2014 due to the increase in losses generated by Car2go Europe which is in the geographic development phase. In 2015, this item included the result of UbeeGo, acquired in November 2014.

(M) NET PROFIT/(LOSS) FOR THE PERIOD

Net profit/loss presented a loss of €55.8 million in 2015 compared with a loss of €111.7 million in 2014. This significant improvement was driven by growth in operating performance and a significant reduction in financing costs. However, net profit for 2015, which was a transitional year for the Group, includes non-recurring items, in particular the costs associated with the IPO and the reshape of the capital structure (approximately €95 million), the net negative impact of some proceedings (approximately €22 million). In 2014, net profit also included non-recurring items specifically related to proceedings (provisions and impairment of intangible assets in relation to disputes with Enterprise) and the cost of refinancing fleet-based debt.

(N) ADJUSTED NET PROFIT/(LOSS) FOR 2015

Given the specificity of 2015 for the Group in relation to its IPO and the overhaul of its financial structure, an adjusted net profit of approximately €128 million was estimated. This adjusted net profit excludes exceptional operating and financial items before profits from companies consolidated using the equity method after *pro forma* adjustment of financing expense to account for the full-year effect of the repayment of the €324 million note, the refinancing of the €400 million note by way of the issuance of a senior note for €475 million bearing interest at 5.75%, and

the refinancing of RCF and SARF credit facilities on better terms. The table below shows the reconciliation of IFRS net income to the estimated *pro forma* net profit/(loss):

<i>All data in millions of euros</i>	FY 2015
IFRS NET LOSS	(56)
<i>Pro forma</i> on Interest on corporate high yield bonds	26
<i>Pro forma</i> transaction cost amortization	7
Reversal of corporate high yield bonds redemption premium	56
Reversal of the write off associated with corporate high yield bonds reimbursement	27
Reversal of other exceptional income / expenses *	56
Reversal of share of profit/(loss) of associates	12
ESTIMATED PRO FORMA NET INCOME	128

* Includes notably costs associated with the IPO, the net impact of some proceedings and provisions for ongoing tax audits.

3.1.2.3 Revenue and adjusted Corporate EBITDA by operating segment

In this Section, the revenue of each Corporate Country includes revenue from franchising business on its territory.

(A) EUROPE

The table below shows (i) the allocation of revenue generated in Europe by Corporate Country and other European countries and (ii) Adjusted Corporate EBITDA generated in Europe for the years ended December 31, 2015 and 2014:

<i>In millions of euros</i>	Year ended December 31		Change	Change at constant exchange rates
	2015	2014		
Revenue				
Germany	544.5	518.3	5.1%	5.1%
United Kingdom	465.2	410.4	13.4%	2.1%
France	360.8	325.4	10.9%	10.9%
Italy	219.5	205.8	6.7%	6.7%
Spain	218.0	200.3	8.8%	8.8%
Portugal	103.8	94.3	10.1%	10.1%
Belgium	62.5	60.3	3.6%	3.6%
Other European countries (franchises)	17.9	21.4	(16.4)%	(17.7)%
TOTAL EUROPE	1,992.2	1,836.2	8.5%	5.9%
ADJUSTED CORPORATE EBITDA (EUROPE)	191.0	151.4	26.2%	22.6%

REVENUE

Revenue of the Europe operating segment increased by 8.5% (5.9% at constant exchange rates) to €1,992 million. Proceeds from vehicle rental activities stood at €1,860 million, up 9.6% (7% at constant exchange rates and 5.9% excluding EuropHall, the French franchisee acquired in the fourth quarter of 2014). This increase can be seen in each of the Corporate Countries and is primarily the result of a significant increase in the Number of Rental Days. The business and leisure markets had similar increases in revenue. At constant exchange rates, RPD decreased slightly due to changes in the regional, segment and

brand mixes. The performance of total revenue was however affected by falling oil prices which were behind the 5.7% drop in other proceeds associated with car rentals to €100.1 million (up 4.9% at constant exchange rates) with no significant impact on Adjusted Corporate EBITDA.

Germany

The Group's revenue in Germany increased by 5.1% to €545 million. This increase was due primarily to the increase in the Number of Rental Days as well as a favorable trend in RPD. Performance was supported in particular by development initiatives in the SME sector and the implementation of sales

tools for complementary products sold directly in the leisure segment. This growth in activity was accompanied by a comprehensive review of the network aimed at optimizing station geography and deploying business skills to allow gains in productivity.

United Kingdom

The Group's revenue in the United Kingdom increased by 2.1% at constant exchange rates to €466 million for 2015. This increase was due to a significant increase in the Number of Rental Days primarily supported by growth in vehicle replacement activity and the vans & trucks segment, the expansion of InterRent, and the launch of the product specifically targeting brokers, Keddy by Europcar, which more than made up for the winding-up of operations at National and Alamo in the first quarter of 2015. This change to the business mix had an adverse effect on RPD which was partially offset by the continuation of the program to increase sales of additional services.

France

The Group's revenue in France increased by 10.9% to €361 million. Excluding EuropHall (acquired in the fourth quarter of 2014), growth was 5.1% supported by the increase in the Number of Rental Days in both the business segment (notably for SMEs) and leisure segment due in particular to the expansion of InterRent with a slight increase in RPD supported by the program to increase sales of additional services. In addition, new stations were opened in city center locations to capture the growth related to changes in how vehicles are used and new products were launched (for example the Autoliberté subscription package and electric vehicle rentals). Activity in the fourth quarter of 2015 was slightly impacted by the attacks in November, but the very balanced nature of operations in terms of geographies (airport/off-airport) and customer segments (business vs. leisure) helped to offset the slight slowdown in activity witnessed by some agencies in the first few weeks after these events.

Italy

The Group's revenue in Italy increased by €13.7 million, or 6.7%, to stand at €220 million for the year ended December 31, 2015. This growth was driven by an increase in the Number of Rental Days seen across customer segments thanks in particular to the expansion of InterRent and initiatives launched to boost the vans and trucks segment. RPD fell over the period as a result of the effects of the business mix, which are reflected favorably in the associated fleet cost, and by the increase in the average rental length in a context of sustained competition. In this context, Italy continued to encourage direct sales and optimize its costs, in particular unit fleet costs which were down nearly 10% in 2015 compared with 2014.

Spain

Revenue generated by the Group in Spain increased by €17.7 million, or 8.8%, to €218 million for the year ended December 31, 2015. This increase was driven by the significant increase in the Number of Rental Days in the leisure and business segments. Buoyed by the growth of tourism, the InterRent brand continued its expansion. In parallel, Spain launched many initiatives that helped develop the business segment, particularly in terms of SMEs and car replacement/leasing. RPD dipped during the period mainly due to the success of InterRent and an increase in average rental length.

Portugal

The Group's revenue in Portugal increased by €9.5 million, or 10.1%, to stand at €104 million for the year ended December 31, 2015. This significant increase was driven firstly by a substantial increase in the Number of Rental Days and secondly by sustained growth in RPD despite heightened competition.

Belgium

The Group's revenue in Belgium increased by 3.6% to stand at €62.5 million for the year ended December 31, 2015. This increase was caused primarily by the growth in the Number of Rental Days, specifically in the business segment, supported by initiatives to develop the van and trucks segment and SME customers. RPD fell during the period due to changes in the business mix and an increase in average rental length of 5.6%. This increase was achieved despite the impact of the threat of terrorist attacks that paralyzed the Belgian capital for several days in the fourth quarter of 2015.

Other European countries (franchises)

Revenues from franchisee business in other European countries (i.e. excluding Corporate Countries) fell by €3.5 million to stand at €18 million for the year ended December 31, 2015. Overall, there was a slight improvement in Europcar franchises in other European countries due in part to the Group's initiatives under the Fast Lane program which also benefited the franchisee network. However, this improvement was limited by the reduction in royalties invoiced for revenue generated by the National and Alamo brands run by the Group in Europe, the Middle East and Africa until December 2014 pursuant to a license agreement with Enterprise (see Section 2.5 "Regulatory, Legal and Arbitration Proceedings").

For information, revenue from franchising business in Corporate Countries totaled €14.5 million in 2015 compared with €14.9 million in 2014 with the acquisition of EuropHall, a French franchisee, in the fourth quarter of 2014 offsetting the rise in royalties.

ADJUSTED CORPORATE EBITDA

In 2015, Adjusted Corporate EBITDA in Europe increased by €40 million (up 26.2%, or 22.6% at constant exchange rates). All Corporate Countries contributed to this improvement. The European Adjusted Corporate EBITDA margin improved by 1.4 pt to 9.6%. This increase reflects the effect of operational

leverage, the favorable impact of fleet refinancing operated between July 2014 and mid-2015, the continued improvement of per-unit fleet holding costs, and the first benefits of the implementation of the Shared Services Center in Portugal in early 2014 despite the increase in personnel costs and investments in sales and marketing to support activity.

(B) REST OF WORLD

The table below shows revenue and Adjusted Corporate EBITDA generated in the Rest of World for the years ended December 31, 2015 and 2014:

<i>In millions of euros</i>	Year ended December 31,		Change	Change at constant exchange rates
	2015	2014		
Revenue				
Australia and New Zealand	137.3	132.3	3.8%	4.2%
Other Rest of World countries (franchises)	18.8	17.7	6.2%	6.2%
TOTAL REST OF WORLD	156.1	150.0	4.1%	4.4%
ADJUSTED CORPORATE EBITDA	32.1	27.9	15.1%	15.0%

REVENUE**Australia and New Zealand**

The Group's revenue in Australia and New Zealand increased by 3.8% (4.2% at constant exchange rates) to stand at €137 million for the year ended December 31, 2015. This growth was the result of an increase in the Number of Rental Days in both the leisure and business segments and of the very marked increase in RPD due to the increase in sales of additional services. Revenue from franchising business in Australia was €1.4 million for the year ended December 31, 2015.

Other Rest of World countries (franchises)

Revenue from franchising business in the other Rest of World countries increased by 6.2% to €18.8 million for the year ended December 31, 2015. This increase was due to organic growth

in the existing franchise network, the collective benefit of the initiatives taken in connection with the Fast Lane program over the entire network, and the integration of new franchisees. As of the end of 2015, the Group was present in 114 other Rest of World countries.

ADJUSTED CORPORATE EBITDA

The Group's Adjusted Corporate EBITDA in the Rest of World increased by 15.1% (15.0% at reported exchange rates), or €32.1 million, for the year ended December 31, 2015. The Group's Adjusted Corporate EBITDA margin increased by 2 points to 20.5%. This improvement in Adjusted Corporate EBITDA margins was the result of substantial growth in revenue in Australia and New Zealand and of significant growth in revenue from franchising business.

(C) ELIMINATION AND HOLDINGS

The table below shows revenue recorded in Elimination and Holdings and the Adjusted Corporate EBITDA of Elimination and Holdings for the years ended December 31, 2015 and 2014:

<i>In millions of euros</i>	Year ended December 31,		Change
	2015	2014	
REVENUE	(6.3)	(7.3)	(13.7)%
ADJUSTED CORPORATE EBITDA	27.6	33.5	(17.6)%

REVENUE

Between 2014 and 2015, Elimination and Holdings revenue increased by €1 million to €(6.3) million for the year ended December 31, 2015. This change was primarily due to changes in the elimination of intragroup royalties billed with respect to revenue generated by the National and Alamo brands (see above).

ADJUSTED CORPORATE EBITDA

Adjusted Corporate EBITDA of Elimination and Holdings decreased by €5.9 million to stand at €27.6 million for the year ended December 31, 2015. This fall is linked primarily to the recognition of the cost of performance shares granted to members of the Executive Committee and the top 100 managers of the Group as part of the Group's IPO. The allocation of these free shares is subject to the achievement of multi-annual financial targets and the relative performance of Europcar's share price.

3.2 LIQUIDITY AND CAPITAL RESOURCES

3.2.1 General overview

[OMITTED]

(1) Issue price of 99.289%.

(2) For a leverage ratio below 2x and Euribor +275 bps for leverage above 2x.

(3) The line, intended for fleet financing, is rated A by the S&P agency.

(4) Corporate Net debt / Adjusted corporate EBITDA.

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3.2.2 Analysis of cash flows

3.2.2.1 Analysis of management cash flows

The Group believes that corporate free cash flow is a useful indicator because it measures the Group's liquidity based on its ordinary activities including net financing costs on borrowings dedicated to fleet financing without taking into account (i)

past disbursements in connection with debt refinancing, (ii) financial costs which due to their exceptional nature are not representative of the trends in the Group's results of operations, (iii) financial investments, and (iv) cash flows in relation to the fleet analyzed in a separate manner as the Group makes acquisitions through asset-backed financing.

The table below shows the calculation of corporate free cash flows, as well as the regrouping of certain items deemed significant in analyzing the Group's cash flow, including cash flow relating to changes in the rental fleet, in fleet-related trade receivables and trade payables, and in fleet-related financing and other working capital facilities, principally used for fleet-

related needs. This presentation differs from the IFRS statement of cash flows primarily due to the analytic regrouping carried out and the items that do not affect cash flow which vary based on the financial indicator used as the starting point (in this case, Adjusted Corporate EBITDA compared with pretax profit in the IFRS statement of cash flows).

MANAGEMENT CASH FLOWS

All data in millions of euros

	FY 2015	FY 2014
Adjusted Corporate EBITDA	251	213
Non-recurring expenses	(73)	(28)
Acquisition of intangible assets and property, plant and equipment, net of disposals	(24)	(22)
Changes in provisions and employee benefits	1	11
Changes in non-fleet working capital	(29)	16
Income tax paid	(40)	(31)
Corporate operating free cash flow	86	158
Cash interest paid on corporate High Yield bonds	(65)	(74)
Cash flow before change in fleet asset base, financing and other investing activities	21	84
Change in fleet assets base, net of drawings on fleet financing and working capital facilities	(87)	(56)
Proceeds from disposal of financial assets, net	(8)	(10)
Acquisition of subsidiaries, net of cash acquired	(24)	(46)
Capital increase	448	-
Change in High Yield	(308)	(17)
Transaction cost cash out and other	(20)	(19)
Net change in cash before FX effect	22	(63)
Cash and cash equivalents at beginning of period	206	267
Effect of foreign exchange conversions	1	2
CASH AND CASH EQUIVALENTS AT END OF PERIOD	229	206

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CORPORATE FREE CASH FLOW

Corporate free cash flow is defined as free cash flow before the impacts of the fleet and acquisitions of subsidiaries. Free cash flow was reflected in the generation of €86 million of cash in 2015 (compared with €158 million in 2014) also affected by non-recurring items:

- **Adjusted Corporate EBITDA.** The increase in Adjusted Corporate EBITDA amounted to €38 million, rising from €212.8 million in 2014 to €250.6 million in 2015. This increase reflects excellent operational leverage, cost management and positive change in financing costs achieved by the Group even as it continues to invest in sales and marketing development in order to support profitable growth;

- **Other non-recurring operating income and expenses.** This item included the cash out related to the reorganization programs initiated in the context of Fast Lane. In 2015, it also included the payment of €12.5 million to Enterprise following the signing of a settlement agreement putting an end to all legal proceedings with that company (see Note 10 to the financial statements for the year ended December 31, 2015), and bonus payments relating to the multi-year compensation program arising from the success of the Fast Lane plan over the period 2012-2014 (approximately €23 million);
- **Changes in non-fleet working capital** represent a cash outflow of €29 million, due in particular to the significant increase in the Group's activity. This item is also affected by approximately €8 million due to the settlement of tax payables relating to previous years;

- *Acquisition of intangible assets and property, plant and equipment, net of disposals.* This item consists mainly of IT investments and is slightly up on 2014 in line with the Group's desire to strengthen its digitalization program to support the Group's transformation;
- *Income taxes paid.* In 2015, income taxes paid represented a cash outflow of €40 million compared with a cash outflow of €31 million in 2014. This increase is due primarily to the Group's improved operating and financial performance in the Group's various country subsidiaries.

OTHER COMPONENTS OF CASH FLOW

Net interest paid on High Yield borrowings fell sharply due to the repayment of the €324 million and €400 million notes and the issuance of a new €475 million bond loan on June 10, 2015. This bears interest at 5.75%. Interest accrued on this loan are paid twice a year, in June and December.

The item "Changes in the fleet recorded on the balance sheet, rental fleet related receivables and payables, and borrowings dedicated to fleet financing and working capital" covers:

- on the one hand, elements relating to the fleet. Given the asset-backed financing, the net impact of the various components (change in the fleet, working capital and fleet financing) is primarily the result of temporary lags between (i) the delivery of a vehicle and payment for this delivery, and (ii) entry into securitization and financing of these vehicles. Changes from one year to the next may thus be significant; and
- on the other hand, changes in credit facilities.

In 2015, the net impact of these two subjects represented a cash outflow of €87 million, compared with a cash outflow of €55 million in 2014. The change reflects in particular reduced use of the Senior Revolving Credit Facility (RCF) given the cash available following the capital increase.

Acquisitions and proceeds from the disposal of financial assets represented a net cash outflow of €8 million in 2015 compared with €10 million in 2014. This item primarily includes acquisitions of financial assets by the captive insurance company Euroguard.

Cash outflow relating to acquisitions of subsidiaries net of cash acquired totaled €24 million in 2015 compared with €46 million in 2014. In 2015, these items included the Group's investments in new mobility solutions, in particular the subscriptions to the capital increases of UbeeQo (€5 million) and Car2go (€12.5 million) to support their development and the acquisition of E-Car Club. In 2014, these items included cash outflows resulting from the acquisitions of UbeeQo and EuropHall (French franchisee) and the subscription to Car2go's capital increase.

In addition to the usual financing transactions primarily related to the rental fleet, the IPO and the reshaping of the Group's capital structure strongly impacted cash flows in 2015. In particular:

- the IPO gross proceeds amounted to €475 million. As of December 31, 2015, the net proceeds after related fees already paid amounted to €448 million. As a reminder, part of the fees for the IPO (approximately €24 million) were deducted from issuance premiums;
- the new €475 million senior notes due 2022 were issued at 99.289% resulting in a cash inflow of €471.6 million. They bear interest at 5.75%;
- the proceeds from both the IPO and these new notes were mainly used to redeem both the €324 million Outstanding Subordinated Notes Due 2017 and the €400 million Outstanding Subordinated Notes Due 2018 and to pay the associated redemption premiums for an aggregate amount of €56 million.

Finally, payments of financing transaction and other costs totaled €20 million in 2015 and €19 million in 2014 as a result of the refinancing transactions carried out during those two years.

3.2.2.2 Analysis of cash flows according to IFRS

The Group's principal cash flow drivers are its operating performance as reflected in its operating profit before changes in working capital, cash related to financing transactions, interest on its corporate debt, cash flow relating to acquisitions and disposals of the fleet and cash from (used by) investments.

In millions of euros	IFRS	
	2015	2014
Net cash generated from (used by) operations	(166.1)	(89.7)
Net cash used by investing activities	(55.2)	(76.6)
Net cash generated from (used by) financing activities	243.3	103.3
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS AFTER EFFECT OF FOREIGN EXCHANGE DIFFERENCES	22.0	(63.0)

(A) NET CASH GENERATED FROM (USED BY) OPERATIONS

The table below summarizes the Group's net cash generated from operations for the years ended December 31, 2015 and 2014.

<i>In millions of euros</i>	IFRS	
	2015	2014
Operating income before changes in working capital	266.2	224.0
Changes in rental fleet and in fleet working capital	(198.0)	(165.5)
Changes in non-fleet working capital	(57.3)	50.0
Cash generated from operations	10.9	108.5
Income taxes received/paid	(39.7)	(31.4)
Net interest paid	(137.3)	(166.8)
NET CASH GENERATED FROM (USED BY) OPERATIONS	(166.1)	(89.7)

CASH GENERATED FROM OPERATIONS

Net cash generated from operations represented a cash inflow of €10.9 million in 2015 compared with a cash inflow of €108.5 million in 2014. While operating profit before changes in working capital requirements generated an additional resource of €42.2 million due to improvements in the Group's operating profitability between the two years, this change was largely offset by non-recurring items affecting changes in working capital requirements and by an increase in the resources needed to acquire new fleet so as to sustain the significant rise in the Group's operations.

Cash outflow from changes in rental fleet and in fleet working capital totaled €198 million in 2015 compared with €165.5 million in 2014. This change was the result of increased activity at the end of 2015 compared with the end of 2014, reflected in the 6% increase in the Number of Rental Days in the last quarter of 2015 compared with the last quarter of 2014, and of financing that increase principally through balance sheet debt. At the end of December 2015, the total net fleet debt recognized in the balance sheet was €1,498 million, representing an increase of 16.8% compared with December 31, 2014.

Changes in non-fleet working capital represented a cash outflow of €57.3 million in 2015. In addition to the impact of the substantial increase in Group activity, the year was marked by several non-recurring items including the bonus payment relating to the multi-year compensation program arising from the success of the Fast Lane plan for the period 2012-2014 (approximately €23 million recognized in profit for 2014) and the settlement of tax payables relating to previous years of approximately €8 million.

INCOME TAX RECEIVED/(PAID)

Income taxes paid represented a cash outflow of €39.7 million in 2015 compared with a cash outflow of €31.4 million in 2014. This increase is due primarily to the Group's improved operating and financial performance.

NET INTEREST PAID

Net interest paid represented a cash outflow of €137.3 million in 2015 compared with a cash outflow of €166.8 million in 2014. This improvement reflects the benefit of the complete refinancing of the corporate debt, which took place at the end of the first half of 2015, and of the refinancing of the fleet debt, which took place between July 2014 and mid-2015, in a context of a notable increase in activity. See Section 3.2.1.

In particular:

- with respect to the corporate debt, the Group is carrying no more than one bond loan of €475 million bearing interest at 5.75% compared with two bond loans of €324 million and €400 million which bore interest at 11.5% and 9.375%, respectively;
- with respect to fleet debt, the refinancing of the senior notes tied to €350 million during the summer of 2014 made it possible to reduce the interest rate from 9.75% to 5.125%. This saving, associated with the reduction of the cost of the SARF and United Kingdom financings, made it possible to absorb the impact of the increase of the fleet acquired by the Group in order to support the development of its activity.

(B) NET CASH USED BY INVESTING ACTIVITIES

The table below summarizes the Group's net cash used by investing activities for the years ended December 31, 2015 and 2014.

<i>In millions of euros</i>	IFRS	
	2015	2014
Acquisition of intangible assets and property, plant and equipment	(29.2)	(23.6)
Proceeds from disposal of intangible assets and property, plant and equipment	5.4	3.5
Proceeds from disposal of financial assets	(7.6)	(9.6)
Other investments and loans	-	(1.2)
Acquisition of subsidiaries, net of cash acquired	(23.9)	(45.8)
NET CASH USED BY INVESTING ACTIVITIES	(55.2)	(76.6)

Net cash flow linked to investment activities represented a cash outflow of €55.2 million in 2015 compared with a cash outflow of €76.6 million in 2014.

Acquisitions and proceeds from the disposal of financial assets represented a net cash outflow of €7.6 million in 2015 compared with €9.6 million in 2014. This item primarily includes acquisitions of financial assets by the captive insurance company Euroguard.

Cash outflow relating to acquisitions of subsidiaries net of cash acquired totaled €23.9 million in 2015 compared with €45.8 million in 2014. In 2015, these items included the Group's investments in new mobility solutions, in particular the

subscriptions to the capital increases of Ubeeqo (€5 million) and Car2go (€12.5 million) to support their development and the acquisition of E-Car Club. In 2014, these items included cash outflows resulting from the acquisitions of Ubeeqo and EuropHall (French franchisee) and the subscription to Car2go's capital increase.

Acquisition of intangible assets and property, plant and equipment net of disposals includes IT investments in particular. This item increased slightly compared with 2014 in line with the Group's wish to reinforce its IT systems. It also included purchases of furnishings or fixtures for the stations and for the head offices.

(C) NET CASH GENERATED FROM (USED BY) FINANCING ACTIVITIES

The table below summarizes the Group's net cash generated from (used by) financing activities for the years ended December 31, 2015 and 2014.

<i>In millions of euros</i>	IFRS	
	2015	2014
Capital increase	448.2	-
Issuance of bonds	471.6	350.0
Redemption of bonds	(780.0)	(367.1)
Change in other borrowings	123.3	139.7
Payment of transaction costs	(19.8)	(17.3)
Cash payment Swap	-	(2.0)
NET CASH GENERATED FROM (USED BY) FINANCING ACTIVITIES	243.3	103.3

Net cash connected to financing activities represented a cash inflow of €243.3 million in 2015 compared with a cash inflow of €103.3 million in 2014. In addition to the customary financing transactions primarily related to the fleet over these two

periods, the IPO and the restructuring of the Group's funding strongly impacted cash flow generated by the financing activity. These impacts are analyzed in Section 3.2.2.1 "Analysis of management cash flows".

3.2.3 Description of the financing as of December 31, 2015

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ACCOUNTING AND FINANCIAL INFORMATION

LIQUIDITY AND CAPITAL RESOURCES

[OMITTED]

3.4 CONSOLIDATED FINANCIAL STATEMENTS AND STATUTORY AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the year ended December 31, 2015 and notes to the financial statements

<i>In thousands of euros</i>	Notes	As at Dec. 31, 2015	As at Dec. 31, 2014
Revenue		2,141,923	1,978,870
Fleet holding costs	3	(547,186)	(496,264)
Fleet operating, rental and revenue related costs	4	(726,990)	(686,279)
Personnel Costs	5	(347,388)	(318,153)
Network and head office overhead costs	7	(218,475)	(199,339)
Depreciation, amortization and impairment expense	8	(32,781)	(31,824)
Other income	9	14,216	6,879
Current operating income		283,319	253,890
Goodwill impairment expense			
Other non-recurring income	10	-	-
Other non-recurring expense	10	(61,774)	(115,729)
Operating income		221,545	138,161
Gross financing costs		(121,768)	(151,424)
Other financial expenses		(117,780)	(90,650)
Other financial income		11,956	9,393
Net financing costs	11	(227,592)	(232,681)
Profit/loss before tax		(6,047)	(94,520)
Income tax benefit/(expense)	12	(37,637)	(10,655)
Share of profit/(loss) of associates	16	(12,074)	(6,523)
Net profit/(loss) for the period		(55,758)	(111,698)
Attributable to:			
Owners of ECG		(55,602)	(112,273)
Non-controlling interests		(156)	575
Basic earnings/(loss) per share attributable to owners of ECG (<i>in euros</i>)	25	(0.449)	(1.082)
Diluted earnings/(loss) per share attributable to owners of ECG (<i>in euros</i>)	25	(0.449)	(1.082)

Consolidated statement of comprehensive income

	As at Dec. 31, 2015			As at Dec. 31, 2014		
	Before tax	Tax income/ (expense)	After tax	Before tax	Tax income/ (expense)	After tax
<i>In thousands of euros</i>						
Net profit/(loss) for the period	(18,121)	(37,637)	(55,758)	(101,043)	(10,655)	(111,698)
Items that will not be reclassified to profit or loss	4,179	(1,087)	3,092	(21,802)	5,985	(15,817)
Actuarial gains/(losses) on defined benefit pension schemes	4,179	(1,087)	3,092	(21,802)	5,985	(15,817)
Items that may be reclassified subsequently to profit or loss	3,574	(20)	3,554	(282)	(4,713)	(4,995)
Foreign currency differences	12,271	-	12,271	13,598	-	13,598
Effective portion of changes in fair value of hedging instruments	(8,697)	(20)	(8,717)	(13,922)	(4,713)	(18,635)
Net change in fair value of available-for-sale financial assets	-	-	-	42	-	42
Other comprehensive income for the period	7,753	(1,107)	6,646	(22,084)	1,272	(20,812)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(10,368)	(38,744)	(49,112)	(123,127)	(9,383)	(132,510)
Attributable to:						
■ Group			(48,934)			(133,085)
■ Non-controlling interests			(178)			575

Consolidated statement of financial position

<i>In thousands of euros</i>	Notes	As at Dec. 31, 2015	As at Dec. 31, 2014
ASSETS			
Goodwill	13	457,072	449,389
Intangible assets	14	713,136	721,732
Property, plant and equipment	15	89,236	88,204
Equity-accounted investments	16	22,035	17,323
Other non-current financial assets	17	57,062	38,934
Deferred tax assets	18	55,730	47,395
TOTAL NON-CURRENT ASSETS		1,394,271	1,362,977
Inventories	19	15,092	16,141
Rental fleet recorded on the balance sheet	20	1,664,930	1,402,660
Rental fleet and related receivables	21	574,652	530,098
Trade and other receivables	22	357,200	325,912
Current financial assets	17	37,523	49,477
Current tax assets		33,441	33,347
Restricted cash	23	97,366	81,795
Cash and cash equivalents	23	146,075	144,037
TOTAL CURRENT ASSETS		2,926,280	2,583,467
TOTAL ASSETS		4,320,551	3,946,444
Equity			
Share capital		143,155	446,383
Share premium		767,402	452,978
Reserves		(74,341)	(77,926)
Retained earnings (losses)		(274,821)	(664,250)
Total equity attributable to the owners of ECG		561,395	157,185
Non-controlling interests		962	950
TOTAL EQUITY	24	562,356	158,135
LIABILITIES			
Financial liabilities	26	801,183	1,043,069
Non-current financial instruments	30	52,090	41,928
Employee benefit liabilities	27	119,295	124,759
Non-current provisions	28	25,168	10,114
Deferred tax liabilities	18	131,132	131,005
Other non-current liabilities		306	365
TOTAL NON-CURRENT LIABILITIES		1,129,174	1,351,240
Current portion of financial liabilities	26	1,263,783	1,127,545
Employee benefits	27	2,944	2,744
Current tax liabilities		24,511	34,560
Rental fleet related payables	21	662,722	581,957
Trade payables and other liabilities	29	424,974	449,866
Current provisions	28	250,087	240,397
TOTAL CURRENT LIABILITIES		2,629,021	2,437,069
TOTAL LIABILITIES		3,758,195	3,788,309
TOTAL EQUITY AND LIABILITIES		4,320,551	3,946,444

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Consolidated statement of changes in equity

	Attributable to owners of ECG							Non-controlling interests	Total equity
<i>In thousands of euros</i>	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Treasury shares	Total		
BALANCE AT JANUARY 1, 2014	446,383	452,978	(18,136)	(54,753)	(539,278)		287,194	3,451	290,645
Net profit/(loss) for the period	-	-	-	-	(112,273)	-	(112,273)	575	(111,698)
Foreign currency differences	-	-	-	13,598	-	-	13,598	-	13,598
Effective portion of changes in fair value of hedging instruments	-	-	(13,922)	-	-	-	(13,922)	-	(13,922)
Net change in fair value of available-for-sale financial assets	-	-	-	-	42	-	42	-	42
Actuarial gains/(losses) on defined benefit pension schemes	-	-	-	-	(21,802)	-	(21,802)	-	(21,802)
Income tax relating to components of other comprehensive income	-	-	(4,713)	-	5,985	-	1,272	-	1,272
Other comprehensive income/(loss)	-	-	(18,635)	13,598	(15,775)	-	(20,812)	-	(20,812)
Change in non-controlling interests	-	-			3,076	-	3,076	(3,076)	-
Transactions with owners	-	-	-	-	-	-		-	-
BALANCE AT DECEMBER 31, 2014	446,383	452,978	(36,771)	(41,155)	(664,250)		157,185	950	158,135

<i>In thousands of euros</i>	Attributable to owners of ECG							Non-controlling interests	Total equity
	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Treasury shares	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	-	-	-	-	(55,602)	-	(55,602)	(156)	(55,758)
Foreign currency differences	-	-	-	12,271	-	-	12,271	(22)	12,249
Effective portion of changes in fair value of hedging instruments	-	-	(8,697)	-	-	-	(8,697)	-	(8,697)
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes	-	-	-	-	4,179	-	4,179	-	4,179
Income tax relating to components of other comprehensive income	-	-	(20)	-	(1,087)	-	(1,107)	-	(1,107)
Other comprehensive income/(loss)	-	-	(8,717)	12,271	3,092	-	6,646	(22)	6,624
Capital increase preferred shares	73	1,437	-	-	-	-	1,510	-	1,510
Capital increase by "incorporation de primes"	99,406	(99,406)	-	-	-	-	-	-	-
Capital decrease	(441,483)	-	-	-	441,483	-	-	-	-
Capital increase IPO	38,776	436,224	-	-	-	-	475,000	-	475,000
IPO fees		(23,832)	-	-	-	-	(23,832)	-	(23,832)
Share-based payments	-	-	-	-	2,624	-	2,624	-	2,624
Cancellation of treasury shares	-	-	-	-	-	31	31	-	31
Purchase of shares from non-controlling interests	-	-	-	-	(1,457)	-	(1,457)	(1,835)	(3,292)
Change in non-controlling interests	-	-	-	-	(711)	-	(711)	2,025	1,314
Transactions with owners	(303,228)	314,423			441,939	31	453,165	190	453,355
BALANCE AT DECEMBER 31, 2015	143,155	767,402	(45,488)	(28,884)	(274,821)	31	561,395	962	562,356

Consolidated cash flow statement

<i>In thousands of euros</i>	Notes	As at Dec. 31, 2015	As at Dec. 31, 2014
Profit/(loss) before tax		(6,047)	(94,520)
Reversal of the following items			
Depreciation and impairment charge on property, plant and equipment	15	15,277	12,834
Amortization and impairment charge on intangible assets	14	17,893	36,183
Impairment charge on goodwill	13	-	-
Changes in provisions and employee benefits	27, 28	999	46,865
Recognition of share-based payments		2,624	-
Costs related to the IPO		8,692	-
Profit/(loss) on disposal of assets		(394)	(1,311)
<i>Total net interest costs</i>		<i>127,303</i>	<i>160,011</i>
<i>Redemption premium</i>		<i>56,010</i>	<i>17,063</i>
<i>Amortization of transaction costs</i>		<i>42,340</i>	<i>29,237</i>
<i>Amortization of bond issue premiums</i>		<i>-</i>	<i>1,415</i>
<i>Other non-cash items ⁽¹⁾</i>		<i>1,465</i>	<i>16,258</i>
Financing costs		227,118	223,984
Operating income before changes in working capital		266,162	224,035
Changes to the rental fleet recorded on the balance sheet ⁽⁶⁾	20	(232,851)	(91,466)
Changes in fleet working capital	21	34,869	(74,025)
Changes in non-fleet working capital		(57,243)	50,018
Cash generated from operations		10,937	108,562
Income taxes received/paid		(39,669)	(31,447)
Net interest paid		(137,334)	(166,798)
Net cash generated from (used by) operations		(166,066)	(89,683)
Acquisition of intangible assets and property, plant and equipment	13,14,15	(29,172)	(23,578)
Proceeds from disposal of intangible assets and property, plant and equipment		5,384	3,491
Other investments and loans		-	(1,158)
Proceeds from disposal of financial assets		(7,563)	(9,614)
Acquisition of subsidiaries, net of cash acquired ⁽²⁾		(23,872)	(45,778)
Net cash used by investing activities		(55,223)	(76,637)
Capital increase (net of related expenses) ⁽³⁾		448,203	-
Issuance of bonds ⁽⁵⁾		471,623	350,000
Redemption of bonds ⁽⁴⁾		(780,010)	(367,063)
Change in other borrowings		123,310	139,699
Payment of transaction costs		(19,820)	(17,336)
Swap cash payment		-	(2,000)
Net cash generated from (used by) financing activities		243,306	103,300
Cash and cash equivalent at beginning of period	23	206,317	267,038
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences		22,018	(63,020)
Effect of foreign exchange differences		1,033	2,299
Cash and cash equivalents at end of period		229,368	206,317

(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 Ubeeqo (€17.3 millions) 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 Ubeeqo (€5 million) and the payment of the acquisition of E-Car Club.

(3) Corresponding to capital increases on May 15 and June 26, 2015, for a total of €476.5 million (see Note 24) 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).

(4) Early redemption of high-yield bonds of €324 million and €400 million, and payment of their redemption premium of €56 million (see Note 26).

(5) High-yield bond issue of €475 million at 99.289% (see Note 26).

(6) 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.

Significant accounting policies

Europcar Groupe S.A. ("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. (See Note 32.4)

The Company was listed on the regulated market of Euronext Paris on June 26, 2015 (Compartment A; ISIN code: FR0012789949; ticker: EUCAR). Trading in Europcar Groupe shares began on June 26, 2015 in the form of "promesses d'actions" ("Europcar Prom"). Settlement and delivery of the shares in the global offering occurred on June 29, 2015 and market trading commenced on June 30, 2015. The offering price has been set at €12.25 per share.

The IPO included the issuance of new shares as part of a cash capital increase in the approximate amount of €475 million, corresponding to estimated net proceeds of approximately €441 million, and the sale of existing common shares by the Selling shareholders in the gross amount of approximately €404 million.

The main purpose of the Global Offering and the listing of the Company's shares on Euronext Paris is to enable the Group to reduce its indebtedness, strengthen its financial structure and increase its financial flexibility in order to accelerate its development and continue the deployment of its "Fast Lane" program.

The net proceeds from the issuance of the New Shares was notably used to redeem in full the €324 million in principal due from the Company in respect of the subordinated notes due 2017 and to pay a redemption premium of €37 million.

On May 27, 2015 €475 million in subordinated notes due 2022 were issued at a price representing 99.289% of par in the Company Europcar Notes Limited. Following the Company's listing on June 29, 2015, the net proceeds of the issue held in an escrow account until then were released and partially allocated to the redemption of subordinated 2018 notes in the principal amount of €400 million, and the payment of a redemption premium of €19 million.

The remainder of the net proceeds of the New Shares and the New Notes after these refinancing transactions (*i.e.*, €112 million) will be used for the Group's general corporate purposes. Of this amount, up to €80 million will be allocated to strategic growth investments, including acquisitions and partnerships within the framework of strategic initiatives during the 2015-2017 period.

In 2014, the Group created the "Lab," the purpose of which is to promote innovation and improve customer mobility.

In 2015, a dedicated legal entity known as "Europcar Lab" was established to house these activities.

In July 2015, the acquisition of E-Car Club (sharing of electric vehicles in the United Kingdom) by Europcar Lab illustrates its strategy of identifying key opportunities to enhance its mobility offer for its customers.

I - Basis of preparation

The consolidated financial statements of Europcar Groupe for the year ended December 31, 2015 were approved by the Management Board on February 24, 2016, and examined by the Oversight Committee on February 24, 2016, and are subject to the approval of the General Shareholders' Meeting of May 10, 2016.

II - Significant accounting policies

The consolidated financial statements of Europcar Groupe were prepared in accordance with the principles defined by the IASB (International Accounting Standards Board) as adopted by the European Union. This framework is available on the website of the European Commission: http://ec.europa.eu/finance/accounting/ias-evaluation/index_en.htm.

The international framework comprises IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The financial statements were prepared under the historical cost convention, except for the valuation of certain financial instruments.

These consolidated financial statements are presented in euros (€), which is ECG's functional currency and the Group's presentation currency. All financial information presented in euros (€) has been rounded to the nearest thousand euros unless otherwise stated.

BASIS OF MEASUREMENT

The accounting policies used to prepare the consolidated financial statements are consistent with those used for the year ended December 31, 2014, with the exception of the following standards which are mandatory for accounting periods beginning on or after January 1, 2015:

- IFRIC 21 – Levies;
- Annual improvements 2011-2013.

Application of these new standards and amendments did not have a material impact on Europcar's consolidated financial statements.

In 2015, the Group did not elect to apply ahead of time the amendments approved by the European Union, in particular as regards:

- amendments to IAS 1 – Disclosure initiative, presentation of financial statements;
- amendments to IAS 16 and IAS 38 – Clarifications on acceptable methods of depreciation and amortization;
- amendments to IAS 19 – Employee contributions;
- annual improvements 2010-2012 and 2012-2014;
- amendments to IFRS 11 – Accounting for acquisitions of interests in joint operations.

Europcar is currently determining the potential impacts of these standards, amendments and interpretations on the Group's consolidated financial statements.

The following standards, amendments and interpretations, published and mandatory after 2015 but not yet adopted by the European Union may affect the Group's financial statements:

- IFRS 9 – Financial instruments;
- IFRS 15 – Revenue from contracts with customers;
- IFRS 16 – Leases.

The effects of applying IFRS 15 to the accounting of revenue as from January 1, 2018 are currently being assessed. These should be immaterial given the nature of the Group's business. The effects of applying IFRS 9 to financial instruments as from January 1, 2018 are also being assessed.

The effects of applying IFRS 16 to leasing agreements as from January 1, 2019 (subject to adoption by the European Union) will be assessed in 2016

Furthermore, the presentation of aggregates associated with the fleet and finance lease debt has been amended in relation to that used in previous publications. It now distinguishes between the rental fleet recorded on the balance sheet (Note 20) and receivables and payables related to the rental fleet (Note 21), as well as between "other borrowings dedicated to fleet financing" and "finance lease liabilities" (Note 26) so as to better reflect the substance of the underlying items.

USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions which impact the amounts presented for existing assets and liabilities in the consolidated statement of financial position, income and expense items in the consolidated income statement, and disclosures in the notes to the consolidated financial statements.

Due to the uncertainty inherent to all measurement processes, these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Group formulates assumptions and, on this basis, regularly prepares estimates relating to its various activities. These estimates are based on past experience and factor in the economic conditions prevailing at the period-end and the information then available. Those economic trends are specifically reviewed on a country-by-country basis.

Depending on changes in assumptions, or in the eventuality of conditions differing from those that were initially expected, amounts recorded in future financial statements may differ from current estimates. Future results may also differ from these estimates.

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

- the residual value of at risk vehicles (see "rental fleet");
- the fair value of vehicles purchased with a manufacturer or dealer buy-back commitment when badly damaged or stolen (see "rental fleet");
- 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.

In addition, estimates also cover:

- fair value measurement of assets and liabilities during allocation of the acquisition cost of business combinations;
- the value of non-listed equity investments available for sale (see Note 17) and derivative financial instruments recorded at fair value in the Group's statement of financial position (see Note 30);
- estimates of future cash flows as part of impairment tests for goodwill recorded in the statement of financial position and capitalized assets including trademarks (see Notes 13 and 14);
- amounts of deferred taxes that may be recognized in the statement of financial position (see Note 18);
- measurement of post-employment benefits and other employee benefits (see Note 27);
- provisions for disputes and litigation and valuation of contingent liabilities (see Notes 28 and 32.4).

BASIS OF CONSOLIDATION

(I) SUBSIDIARIES

Europcar Groupe's financial statements include the accounts of the parent company, ECG, and its subsidiaries for the year ended December 31, 2015.

Subsidiaries are all entities (including special purpose entities), directly or indirectly controlled by ECG. Control exists when ECG has the ability to direct an investee's relevant activities, is exposed to variable returns and has the ability to affect those returns through power over an investee. In assessing control, substantive potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. At the acquisition date, ECG transfers the consideration, acquires the assets and assumes the liabilities of the acquiree.

The assets acquired and the liabilities assumed (including contingent consideration) are valued at fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Depending on the nature of the business combination, the Group may elect to use either of these options.

At the acquisition date, the difference between:

- the fair value of the consideration transferred (including contingent consideration), plus non-controlling interests in

the acquiree and, where applicable, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree revalued through profit or loss;

- and the acquisition-date fair value of the identifiable assets required and liabilities assumed;

is recorded as goodwill.

If the difference arising from the calculation above is negative, it is recognized directly in the income statement.

Accounting policies of subsidiaries are amended where necessary to ensure consistency with the policies adopted by the Group.

(II) TRANSACTIONS AND NON-CONTROLLING INTERESTS

The Group treats transactions with non-controlling interests as transactions between equity owners of the Group. In the case of an additional acquisition of shares in a previously-controlled entity, the difference between the consideration paid and the corresponding share acquired in the carrying amount of net assets of the subsidiary is recorded in equity. When the Group ceases to exercise control, any remaining interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss.

The minority shareholders of certain fully consolidated subsidiaries benefit from commitments made by the Group to purchase their shares. In the absence of specific provisions under IFRS, the Group recognizes these commitments as follows: - the value of the commitment at the balance sheet date is recorded in "Other non-current liabilities"; - the corresponding non-controlling interests are canceled. For acquisitions where control was gained after January 1, 2010, and in application of IFRS 3 revised and IFRS 10, the corresponding entry for this liability is deducted from equity attributable to non-controlling interests up to the carrying amount of the relevant non-controlling interests and deducted from total equity attributable to the owners of ECG to cover any additional amounts. The liability is revalued at each balance sheet date at the current redemption value, *i.e.* the present value of the exercise price of the put option. Any change in value is recognized in equity. This accounting method has no effect on the presentation of non-controlling interests in the income statement.

(III) ASSOCIATES

Associates are entities over whose financial and operating policies the Group has significant influence, but not control or joint control (generally corresponding to a shareholding of between 20% and 50% of the voting rights).

The Group's interests in associates are consolidated using the equity method. The investment is recorded at cost and adjusted for changes subsequent to the transaction in accordance with the investor's share in the net assets of the associate. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the

Group has a legal or constructive obligations to make payments on behalf of an associate.

(IV) PARTNERSHIPS

Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement. The Group's interests in joint ventures are accounted for under the equity method, as is the case for related companies.

The Group does not have any joint activities.

(V) SPECIAL PURPOSE ENTITIES

Special purpose entities (SPEs), such as SecuritiFleet companies, Euroguard, the Protected Cell Insurance & Reinsurance SPE, FCT Sinople and EC Finance plc are consolidated when the relationship between the Group and the SPE indicates that the SPE is in substance controlled by the Group. SPEs are entities which are created to accomplish a specifically-defined objective.

(VI) RECLASSIFICATION OF EXCHANGE GAINS/LOSSES IN PROFIT AND LOSS

Exchange gains/losses recognized in other comprehensive income are reclassified in profit and loss only in the case of a total disposal. A partial disposal is defined by the Group as the disposal of an interest in a subsidiary (and not as a decrease in the investment).

(IV) EXCHANGE RATES

The following exchange rates were used for the years ended December 31, 2014 and December 31, 2015:

	December 31, 2015		December 31, 2014	
	Average rate	Closing rate	Average rate	Closing rate
Sterling (GBP)	1.377	1.362	1.240	1.284
Australian Dollar (AUD)	0.677	0.671	0.679	0.674

Source : Banque de France.

(I) GOODWILL

Goodwill recognized in local currency is not amortized and is subject to an impairment test performed at least annually, or more frequently if there is evidence that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

FOREIGN CURRENCY TRANSLATION

(I) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros (€), which is ECG's functional currency and the Group's presentation currency.

(II) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation of monetary assets and liabilities are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at the foreign exchange rate at the fair value measurement date.

(III) FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the foreign exchange rate at the reporting date, while equity is translated at historical rates. The revenues and expenses of foreign operations are translated into euros at weighted average rates. All resulting exchange differences are recognized as Other comprehensive income within equity.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated by operating segment and within the corporately-owned rental business segment by country.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted future cash flow method. When this value is less

than its carrying amount, an impairment loss is recognized in the income statement. The impairment loss is first recorded as an adjustment to the carrying amount of goodwill allocated to the CGU and the remainder of the loss, if any, is allocated to the other long-term assets of the unit on a *pro rata* basis.

Goodwill arising from acquisitions of associates is included in "Investments in associates" and the total amount of goodwill is tested for impairment.

Any impairment of goodwill is recorded in "Goodwill impairment expense".

INTANGIBLE ASSETS OTHER THAN GOODWILL

(I) TRADEMARKS AND LICENSES

Trademarks with an indefinite useful life

The Europcar trademark has been recognized at cost with an indefinite useful life and is not amortized. It is tested annually for impairment based on the relief-from-royalty method.

Impairment charges for trademarks are accounted for in "Other non-recurring income and expenses" in the consolidated income statement.

Trademarks with a finite useful life

The contractual right to operate the National and Alamo trademarks as part of a brand license agreement with Enterprise Holdings Inc. was recorded in "Other intangible assets". Following the resolution of the dispute between Enterprise Holdings Inc and the Company, the residual value of the right to use the National Alamo brand was written off in full in 2014.

The Group no longer owns any trademarks with finite useful lives.

Trademarks and licenses that have a finite useful life are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives, or over the life of the underlying contract (10 years). They are tested for impairment if there is evidence that they may be impaired.

(II) COMPUTER SOFTWARE AND OPERATING SYSTEMS

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire them and bring them into use. These costs are amortized over their estimated useful lives (see below). Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. These costs include the costs of the employees allocated to developing the software and a portion of relevant overheads directly attributable to developing the software.

Computer software development costs recognized as assets are amortized over their estimated useful lives (see below).

(III) INTANGIBLE ASSETS

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization (see below) and impairment losses. They include the right to operate trademarks acquired under a business combination.

(IV) AMORTIZATION

Intangible assets are amortized from the date they are available for use. Estimated useful lives are as follows:

- trademarks with a finite useful life: 10 years;
- leasehold rights: 10 years;
- computer software: 3 years;
- operating systems: 5 to 10 years.

PROPERTY, PLANT AND EQUIPMENT

(I) DIRECTLY OWNED ASSETS

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items of property, plant and equipment and depreciated over their own useful lives. Repairs and maintenance costs are expensed as incurred.

(II) LEASED ASSETS

IAS 17 defines a lease as being an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases (lessee accounting). Owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

(III) SUBSEQUENT COSTS

The Group recognizes within the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the Group will gain future economic benefit from the item and the cost of the item can be measured reliably. All other costs are expensed in the income statement as and when they are incurred. The cost of repairs and interest on borrowings are recorded as current expenses.

(IV) DEPRECIATION

Land is not depreciated. Estimated useful lives are as follows:

- buildings: 25 to 50 years;
- technical equipment and machinery: 6 to 12 years;
- other equipment and office equipment, including specialized tools: 3 to 15 years.

The useful life is reviewed annually.

RENTAL FLEET

The group operates a large fleet purchased with or without a buy-back commitment. IFRS treats the accounting of assets and liabilities differently depending on how these acquisitions are financed. Accordingly, vehicles purchased *via* debt recorded in the balance sheet or *via* finance leases are reported in the balance sheet under current assets given the duration of the group's operating cycle. Vehicles financed *via* operating leases are not reported in the balance sheet. Related commitments are then recorded as off-balance sheet commitments.

(I) DIRECTLY OWNED RENTAL FLEET

The fleet operated by the Group is acquired through two types of agreement:

- with a manufacturer or dealer buy-back commitment (known as buy-back vehicles);
- without a manufacturer or dealer buy-back commitment (at risk vehicles);

Vehicles purchased with a manufacturer or dealer buy-back commitment

One of the characteristics of the automotive industry is the sale/purchase of vehicles with a buy-back commitment from the manufacturer or dealer after a predetermined duration, generally less than 12 months.

Such agreements are treated for accounting purposes as operational pre-paid vehicle leases insofar as:

- the Group does not have control of the vehicle because it cannot sell it;
- the contract only gives it the right to use the asset over a limited time; and
- the asset retains a significant part of its value at the time of its repurchase by the manufacturer.

This accounting method is consistent and symmetrical with the recognition adopted by manufacturers, which consider the risks and rewards of ownership not to have been transferred since they retain the residual risk on the asset's value and since this risk is significant.

The amount recorded represents the acquisition cost of the vehicles (net of volume rebates) and is the sum of two amounts representing distinct current assets:

- the "Vehicle buy-back agreement receivable", representing the agreed buy-back price (the obligation of the manufacturer or dealer); Repurchase prices for buy-back vehicles are contractually based on either (i) a predetermined percentage of the original vehicle price and the month in which the vehicle is repurchased, or (ii) the original capitalized price less a set economic depreciation amount, in either case subject to adjustments depending upon the condition of the vehicle, mileage and holding period.
- the "Deferred depreciation expense on vehicles", representing the difference between the acquisition cost of the vehicle and the agreed buy-back price. This asset is depreciated through the income statement on a straight-line basis over the contractual holding period of the vehicle.

In view of the length of time for which these assets are held, the Group recognizes these vehicles as current assets at the outset of the contract.

For stolen vehicles, the Group recognizes an impairment charge against the value of the corresponding "Vehicle buy-back agreement receivable" over a three-month period following the event. For badly damaged vehicles, the Group adjusts the value of the corresponding receivable on the basis of independent appraisal of the damaged vehicle.

Vehicles purchased without a manufacturer or dealer buy-back commitment (at risk vehicles):

Vehicles purchased without manufacturer or dealer buy-back commitment are reported by the Group as "at risk" vehicles. The value of the vehicles is initially measured at cost, including any import duties, non-refundable purchase taxes and any costs directly attributable to bringing the vehicle to the rental location and preparing it for rental. Upon acquisition, at risk vehicles are depreciated on a straight-line basis based over their planned holding period and projected residual value. Over

the holding period, the residual value is regularly reviewed taking into account the state of the used vehicle market, and is adjusted if necessary.

In most cases, the holding period for a car does not exceed 12 months. For vans and trucks, the holding period can range from 12 to 24 months. Accordingly, although "at-risk" vehicles are similar to fixed assets, the Group classifies these vehicles in the balance sheet as current assets under "Fleet included in the balance sheet" – see Note 19.

(II) FLEET FINANCED UNDER LEASES

The operated fleet can be financed through leasing contracts with financial institutions or the finance divisions of car manufacturers meeting either finance criteria or operating lease criteria. The accounting principles are in such cases identical to those mentioned in the Section on property, plant and equipment – leased assets.

Operating lease

Contracts where lessors do not transfer to Europcar substantially all the risks and rewards of ownership meet in substance the lease criteria as defined by IAS 17. Accordingly, the vehicles concerned are not recorded in the balance sheet. Rents paid for these vehicles are disclosed in Note 32.1 "Operating leases."

Finance lease

By contrast, when Europcar is exposed to a significant residual value risk under leasing arrangements with financial institutions or the finance divisions of car manufacturers, the arrangement is considered to be a finance lease.

In this case, such contracts are recognized in the balance sheet offsetting a liability. These assets are depreciated over their expected useful lives on the same basis as owned assets or over the term of the relevant lease, if shorter.

As is the case for "at-risk" vehicles, their average holding period generally does not exceed 12 months. Therefore, vehicles financed under finance lease arrangements are recorded as current assets.

RECEIVABLES AND PAYABLES RELATED TO THE RENTAL FLEET

Rental fleet related receivables include:

- fleet receivables, due by car manufacturers or dealers repurchasing the vehicles after the vehicle has been returned to the car manufacturer at the end of the holding period (buy-back agreements). The fleet receivables are recorded at fair value, which corresponds to their nominal value. These receivables fall due within one year and are impaired if their carrying amount is greater than the estimated recoverable amount;

- the full amount of the Group's VAT receivables, since the major portion of these are fleet-related.

Rental fleet payables are amounts due to car manufacturers or dealers. These payables are recorded at fair value and fall due within one year. Rental fleet related payables include the full amount of the Group's VAT payables, since the major portion of the Group's VAT payables is fleet related.

In addition, the rental fleet and related payables and receivables include the effects of a major operating lease signed in 2009 under which the group acquires vehicles from a manufacturer and sells them immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement. The asset from the manufacturer and liability to the lessor are of an equivalent amount that cannot be offset in the balance sheet in the absence of an enforceable right held by the group.

TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for services performed in the regular course of business, which are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provisions for impairment. A provision is recognized in respect of impairment of trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of a receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered to be indicators that a trade receivable is impaired.

The impairment loss is recognized in the consolidated income statement in "Fleet operating, rental and revenue related costs" (see Note 4).

CASH

Cash includes cash and cash equivalents and restricted cash.

(I) CASH AND CASH EQUIVALENTS

Cash comprises cash in hand.

Cash equivalents include short-term and highly liquid investments such as marketable securities and obligations with a maturity of less than three months at the acquisition date, readily convertible to a known amount of cash and subject to an insignificant risk of a change in value. Financial instruments classified as cash and cash equivalents are accounted for at fair value through profit and loss.

(II) RESTRICTED CASH

Cash and cash equivalents are considered as restricted when they are (i) used to cover the future settlement of insurance claims or (ii) not immediately available for financing the activity of the subsidiaries. Therefore, cash located in the following fleet and insurance SPEs is considered restricted:

- Securitifleet Holding and Securitifleet Holding Bis;
- FCT Sinople (securitization mutual fund);
- EC Finance Plc; and
- Euroguard, a captive insurance structure.

Restricted cash and restricted cash equivalents are presented separately from cash and cash equivalents.

FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

The Group classifies its financial assets in the following categories: financial instruments at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial liabilities are classified in the following categories: financial liabilities at fair value through profit or loss and other financial liabilities. Management determines the classification of financial assets and liabilities at initial recognition.

(I) LOANS AND RECEIVABLES

This category is for non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, which arise from the lending of money, or supply of goods or services. They include loans acquired, receivables and marketable securities not classified as cash and cash equivalents. Loans and receivables are initially recognized at fair value, including transaction costs. These are subsequently valued at amortized cost, using the effective interest rate method.

For short-term receivables, amortized cost generally equals the nominal amount.

(III) HELD-TO-MATURITY FINANCIAL ASSETS

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the entity has the positive intention and ability to hold to maturity. These instruments are measured at amortized cost. Held-to-maturity investments are reported as non-current investments if the maturity is greater than 12 months. Otherwise they are reported as current investments (see Note 17).

(III) AVAILABLE-FOR-SALE FINANCIAL ASSETS

"Available-for-sale financial assets" is essentially a residual category for those financial assets that do not meet the criteria of the other categories or that are designated as available-for-sale. This category includes investments in non-consolidated companies (see Note 17).

Financial instruments classified as "available-for-sale" are measured at fair value. Gains and losses arising from changes in fair value are included as Other comprehensive income within equity except for impairment losses and monetary items such as foreign exchange gains and losses. When these investments are derecognized, the cumulative gain or loss inventoried in equity is transferred to the income statement. Where these investments are interest bearing, interest determined using the effective interest method is recognized in the income statement.

Available-for-sale equity investments (e.g., investments in unconsolidated companies) that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost, less any accumulated impairment losses.

Impairment of available-for-sale financial assets

In the case of available-for-sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is also considered in determining whether impairment exists. Where such evidence exists, the cumulative net loss previously recognized directly in equity is transferred out of equity and recognized in the income statement.

Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement until the sale of the equity instrument. Increases in the fair value of equity securities after impairment are recognized directly in equity.

(IV) FINANCIAL LIABILITIES AT AMORTIZED COST

These financial liabilities include:

- loans and borrowings;
- trade and other payables;
- bank overdrafts.

For short-term trade and other payables, amortized cost generally equals the nominal amount.

Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently measured at amortized cost. The effective interest rate calculation takes into account interest payments and the amortization of transaction costs. Transaction costs are amortized on an effective interest rate basis over the term of the borrowings.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of current borrowings for the purposes of the statement of financial position and statement of cash flows.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(V) DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to manage its exposure to interest rate and foreign exchange risks. In accordance with its treasury management policy, the Group does not hold or issue derivative financial instruments for trading purposes.

When derivatives are held for risk management purposes and when transactions meet the required criteria, the Group applies fair value hedge accounting, cash flow hedge accounting or hedging of a net investment in a foreign operation as appropriate to the risks being hedged.

At the inception of the transaction the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives for undertaking the hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of various derivative instruments used for hedging purposes are disclosed in Note 30.

At December 31, 2015, the Group did not hold any derivative instruments eligible for fair value or net investment hedge accounting.

Cash flow hedge accounting

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognized initially in shareholders' equity (see consolidated statement of comprehensive income), and recycled to the income statement in the periods when the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognized in the income statement immediately in "Net financing costs" (see Note 11).

(VI) IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at each reporting date whether there is objective evidence that loans and receivables are impaired. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior

to the reporting date (a "loss event"), and said loss event has an impact on the estimated future cash flows of the financial asset or the portfolio that can be reliably estimated.

Impairment of trade receivables is described in Note 21 and impairment of available-for-sale assets is described above.

TREASURY SHARES

Europcar Groupe shares held by the parent company are recorded at cost and deducted from consolidated equity. On disposal, the gain or loss and the related tax impacts are recorded as a change in equity.

EMPLOYEE BENEFITS

The Group provides post-employment benefits through defined contribution plans as well as defined benefit plans.

(I) DEFINED CONTRIBUTION PLANS

A defined contribution plan is a pension plan under which the Group pays fixed contributions to an independent entity or a fund. The Group has no legal or constructive obligation to pay further contributions after its payment of the fixed contribution if the fund does not have sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. The Group contributes to state pension plans and insurance schemes for individual employees that are deemed to be defined contribution plans. Contributions to the plans are recognized as an expense in the period in which the services are rendered by the employees.

(II) DEFINED BENEFIT PLANS

Plans that do not meet the definition of a defined contribution plan are defined benefit plans. The defined benefit plan operated by the Group defines the amount of pension benefit that an employee will receive on retirement by reference to length of service and final salary.

The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund.

The valuation of the Group's commitments with respect to defined benefit plans is performed by an external independent actuary using the projected unit credit method. This method requires specific actuarial assumptions that are detailed in Note 27 – Employee Benefits. These actuarial valuations are performed at the period end for each plan by estimating the present value of the amount of future benefits that employees have earned in return for their service in the current and prior periods and factoring in the effects of future salary increases.

Plan assets are usually held in separate legal entities and measured at fair value as determined at each period end.

In accordance with IAS 19, the liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

From one accounting period to the next, any difference between the projected liabilities and their re-estimated amounts, and the expected level of dedicated assets and their actual level constitute actuarial differences, which are cumulated at the level of each pension plan. These actuarial differences may result either from changes in actuarial assumptions used at the period end or from experience-related adjustments based on changes in prior-period assumptions.

The Group recognizes actuarial gains/losses in the consolidated statement of comprehensive income in the period in which they occur.

Past service costs are recognized immediately as operating expenses in "Personnel Costs".

Unwinding of discounts and the expected return on plan assets are recognized as financial expenses (see Note 10).

(III) LONG-TERM SERVICE BENEFITS

The Group's net obligation in respect of long-term service benefits, other than for pension plans (or post-employment benefit plans), is the future benefit that employees have earned in return for their service in the current and prior periods, such as long-service awards (*médailles du travail*) in France and jubilee awards in Germany. The obligation is calculated using the projected unit credit method and is discounted to its present value. The provision is recorded net of the fair value of any related assets (*i.e.*, all actuarial gains/losses and past service costs are recognized immediately in the consolidated income statement).

(IV) PROFIT-SHARING AND BONUS PLANS

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to ECG's shareholders after certain adjustments. The Group recognizes a provision when required by a contractual obligation.

The related expenses are recognized in Personnel costs (see Note 5 "Personnel Costs").

PROVISIONS

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.

Provision is made for the estimated value of uninsured losses from both known and incurred but not reported third-party claims on an actuarially determined basis. Where these claims are expected to be settled over a longer period of time, the provision made represents the present value of the expected expenditure required to settle the obligation. Any excess of this prepayment over the estimated liabilities is subject to an assessment of recoverability, and a provision is set aside if necessary.

In the normal course of its business activities, the Group is subject to certain claims and investigations relating to compliance with laws and regulations in various jurisdictions, including some with fiscal or competition authorities. The Group generally records a provision whenever a risk represents a the probability of a cash disbursement towards a third party without compensation and when the possible loss that may result can be estimated with sufficient accuracy.

A provision on vehicle buy-back and reconditioning costs is recognized over the holding period of the vehicles.

The impact of discounting provisions is recognized in other financial expenses.

REVENUE

Revenue includes vehicle rental incomes, fees from the provision of services incidental to vehicle rental (including fuel), and fees receivable from the Europcar franchise network, net of discounts and excluding inter-company sales, VAT and sales taxes.

Revenue from services rendered is recognized proportionally over the period in which the vehicles are rented out based on the terms of the rental contract. The stage of completion is assessed on the basis of the actual service provided (number of days of rental in the accounting period).

When vehicle rental income is generated by intermediaries (such as travel agencies), the gross revenue is recognized in the consolidated income statement when Europcar:

- has the ability to determine the price;
- performs part of the service; and
- has discretion in intermediary selection.

The commission fees are recorded in the Fleet operating, rental and revenue-related costs line item in the income statement (see Note 4).

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

The Group has launched a loyalty program covered by IFRIC 13 — Customer Loyalty Programs.

This program provides a free weekend rental or discount coupons after a certain number of rentals eligible for the program have been accumulated. These benefits can be used as from the next rental and are valid for 12 months.

Given its recent nature, the Group considers that the impacts of applying this standard, consisting of:

- considering the benefit accruing to the customer – such as a free weekend of car rental to be used within one year – as a separate component of a sale transaction;
- allocating some of the proceeds of the initial sale to the award, and deferring this portion of the proceeds until the Group has fulfilled its obligations; are not material.

For this reason, no impact was reported as such in the consolidated financial statements as of the end of December 2015.

EXPENSES

(I) FLEET HOLDING COSTS

Fleet holding costs include vehicle costs such as costs related to rental fleet agreements either with car manufacturers through the recognition of vehicle depreciation charges (see “rental fleet”) or with providers of funding (*via* lease rents), taxes applicable to the rental fleet and the costs incurred for the purchase or sale of vehicles.

Costs related to rental fleet agreements mainly consist of vehicle depreciation expense net of rebates and off-balance sheet fleet operating lease expenses (see Significant Accounting Policies – “the rental fleet”).

Costs related to the acquisition and disposal of vehicles include the cost of vehicle accessories and costs relating to the conditioning of new vehicles and the disposal of used cars.

Payments made under operating leases are recognized in the consolidated income statement in “Fleet holding costs” on a straight-line basis over the term of the lease.

(II) FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS

Fleet operating costs relate to costs incurred during the fleet operating cycle for:

- reconditioning;
- repairs;
- maintenance;
- impairment of badly damaged and wrecked vehicles, thefts; and
- insurance.

Rental costs include fuel, vehicle transfers, vehicle washing, etc. Costs related to revenue from ordinary activities include commissions, and airport and rail station fees, etc.

(III) PAYMENTS IN RESPECT OF FINANCE LEASE CONTRACTS

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

OPTION PLAN AND SIMILAR

The Group has established plans granting free shares to management and certain employees. The fair value of these plans is equal to the value of the free shares as of the grant date, taking into account the valuation of the restriction during the potential lock-up period (see Note 6). These plans result in the recognition of a personnel expense spread over the vesting period. The estimated cost to be recognized takes into account the employee turnover rate over the vesting period.

OTHER NON-RECURRING INCOME AND EXPENSES

(I) ACQUISITION-RELATED CHARGES

Acquisition-related expenses include charges incurred in connection with the integration of acquisitions, such as legal and accounting fees, severance and consultancy costs related to headcount reductions due to the streamlining of the rental station network and its support functions, asset write-offs and transfer costs, lease termination and building refurbishment costs carried out for the purpose of integrating acquisitions.

(III) REORGANIZATION EXPENSES AND OTHER NON-RECURRING COSTS

Reorganization expenses include charges incurred in connection with business restructuring carried out to adapt local or corporate organizational structures to changing business conditions. They include headcount reduction expenses, consultancy fees, asset write-offs and transfer costs and early lease termination costs incurred as part of restructuring programs.

Unusual, non-recurring items in material amounts are presented separately in Other non-recurring income and expenses to provide a clearer picture of the Group's performance.

NET FINANCING COSTS

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividend income, foreign exchange gains and losses, financing arrangement costs, gains and losses on financial instruments that are recognized in the consolidated income statement, any ineffective portion of the gain or loss on cash flow hedging instruments, and the financial component of pension charges (unwinding of discounts and the expected return on plan assets).

Interest income is recognized in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

INCOME TAX BENEFIT/(EXPENSE)

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially

enacted at the reporting date, and subject to any adjustment to tax payable in respect of previous years.

The amount of deferred tax is based on the expected pattern of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax asset can be utilized. This probability is assessed based on:

- the existence of temporary differences that will give rise to taxation in the future;
- forecasts of taxable profits.

EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income (attributable to shareholders of the parent company) by the average number of shares outstanding during the year. Treasury shares are not taken into account in the calculation of basic or diluted earnings per share. Diluted earnings per share is calculated by dividing net income attributable to shareholders of the parent company by the average number of common shares outstanding during the period, plus the average number of shares that would have been issued had all outstanding dilutive instruments been converted.

INDICATORS NOT DEFINED BY IFRS

Adjusted corporate EBITDA, defined as recurring operating income before non-fleet depreciation and amortization, after deduction of the interest expense on certain liabilities related to rental fleet financing. See Note 2, "Segment reporting" for a reconciliation of Adjusted corporate EBITDA to the amounts reported in the consolidated income statement.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program seeks to mitigate the potential negative impacts of volatility in the financial markets on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group Treasury Department is responsible for risk management, and submits its proposals for financial transactions for approval by the Management Board. The Group Treasury Department identifies, evaluates and recommends derivative instruments to hedge financial risks in close collaboration with

the Group's operational units. The Management Board decides whether to authorize these recommendations based on formal documentation describing the context, purpose and main characteristics of the transactions. Once the Management Board has approved the transactions, Group Treasury is responsible for implementing the hedges. This procedure is prepared and monitored for the management of all material financial risks, and in particular interest rate and credit risk, as well as for the use of derivative and ordinary financial instruments, and the short-term investment of surplus cash. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either centrally coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. The Group considers that its exposure at December 31, 2015 has not changed significantly during the last 12 months and therefore the policy implemented to mitigate such exposure remains consistent with prior years.

MARKET RISK

(I) FOREIGN EXCHANGE RISK

The Group operates in several countries internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the GBP. Foreign exchange risk arises from translation into euros of the results and net assets of the subsidiaries having a functional currency other than the euro.

The foreign exchange risk related to intragroup financial transactions and, to a lesser extent, transactions with franchisees is somewhat limited with each subsidiary operating in its own market and functional currency.

As at December 31, 2015, the Group did not have any investments in foreign operations whose net assets are exposed to foreign currency translation risk other than in the United Kingdom, Australia and New Zealand.

GROUP SUMMARY OF QUANTITATIVE EXPOSURE TO FOREIGN EXCHANGE RISK ARISING FROM TRANSLATION OF BALANCES INTO THE FUNCTIONAL CURRENCY

<i>In thousands of euros</i>	GBP	AUD	Total 2015
Trade and other receivables (including fleet)	122,670	10,607	133,277
Other financial assets:			
Non-current investments	338	54	392
Derivative financial instruments	-	-	-
Other financial assets	2	-	2
Cash and cash equivalents	6,689	19,101	25,790
TOTAL FINANCIAL ASSETS	129,699	29,762	159,461
Trade and other payables (including fleet)	105,842	16,866	122,708
Loans and borrowings	375,089	75,774	450,863
Impact of hedging derivatives	-	-	-
TOTAL FINANCIAL LIABILITIES	480,931	92,640	573,571
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	(351,232)	(62,878)	(414,110)

<i>In thousands of euros</i>	GBP	AUD	Total 2014
Trade and other receivables (including fleet)	105,988	11,386	117,374
Other financial assets:			
Non-current investments	1,657	43	1,700
Derivative financial instruments	-	-	-
Other financial assets	2	-	2
Cash and cash equivalents	17,797	17,695	35,492
TOTAL FINANCIAL ASSETS	125,444	29,124	154,568
Trade and other payables (including fleet)	112,889	17,138	130,027
Loans and borrowings	347,635	102,668	450,033
Impact of hedging derivatives	-	-	-
TOTAL FINANCIAL LIABILITIES	460,254	119,806	580,060
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	(334,810)	(90,682)	(425,492)

At December 31, 2015, if the euro had appreciated or depreciated by 15% against sterling, with all other variables held constant, net loss for the year would have increased/decreased by €3.9 million (2014: €1.1 million) and equity would have increased/decreased by €78.3 million (2014: €74.7 million).

(II) INTEREST RATE RISK

With the exception of investments in bonds in the Euroguard insurance program (see "Insurance risks"), the Group does not hold any significant interest-bearing assets. Accordingly, its revenue is not significantly subject to changes in market interest rates.

The Group is exposed to risk that rates on its variable rate financing might rise: on revolving lines of credit, on the one hand, but also from operating leases for vehicles. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

In accordance with its hedging policy, and in respect of certain of its debt instruments bearing interest at variable rates (specifically the SARF, the RCF and most operating leases), the Group hedges a significant portion of the risk of fluctuations in the benchmark rate, which is generally based on EURIBOR. In 2015 and 2014, a significant part of the Group's borrowings at variable rates were denominated in euro and based on EURIBOR. The Group may also hedge its exposure to fluctuations in LIBOR and/or the Australian benchmark rate in respect of its financing facilities in the UK and Australia.

The Group analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration, among other things refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At closing, the distribution of loans by rate type was as follows:

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Non-current liabilities		
Fixed rate borrowings	812,118	1,047,682
Variable rate borrowings	(10,935)	(4,613)
<i>Of which variable rate hedged</i>	(11,087)	(4,916)
<i>Of which variable rate not hedged</i>	152	303
	801,183	1,043,069
Current liabilities		
Fixed rate borrowings	6,653	7,644
Variable rate borrowings	1,257,130	1,119,901
<i>Of which variable rate hedged</i>	735,353	614,700
<i>Of which variable rate not hedged</i>	521,780	505,201
	1,263,783	1,127,545

All interest rate swaps reported by the Group are classified as cash flow hedges.

Based on the various scenarios, the Group manages its cash flow risk on interest rates by using variable-fixed interest rate swaps. These swaps convert variable rate debt to fixed rate debt. Generally, the Group raises long-term borrowings for revolving fleet financing facilities at floating rates and swaps them into fixed rates that are generally lower than those available if the Group borrowed at fixed rates directly.

The Group is protected against the risk of rising interest rates via two interest rate swap contracts:

- an interest rate swap with a nominal principal amount of €1,000 million maturing on July 17, 2017, extended to July 17, 2019 subject to the entering into effect of the SARF's extension, for which the Group pays a fixed interest rate of 0.8059% until July 17, 2017 and 0.6418% from July 17, 2017 to July 17, 2019 and receives a variable interest rate corresponding to the one-month EURIBOR; and
- an interest rate swap with a nominal principal amount of €500 million maturing in July 2018, for which the Group pays a fixed interest rate of 1.489% and receives a variable interest rate corresponding to the six-month EURIBOR. This swap was amended, extending its maturity to July 2020, increasing the nominal to €600 million and reducing the fixed interest rate to 1.0990%.

An outstanding amount of €700 million in swaps outstanding is backed by variable-rate lines of credit (see table below) and an outstanding amount of €900 million is backed by rents from variable-rate leases.

Tests performed in connection with such hedging instruments showed inefficiency estimated at €1.8 million recorded in the 2015 income statement.

At December 31, 2015, if interest rates had strengthened by 100 basis points, the fair value recognized in other comprehensive income would have increased by €58.5 million (€38.0 million at December 31, 2014).

At December 31, 2015, if interest rates had weakened by 100 basis points, the fair value recognized in other comprehensive income would have decreased by €61.6 million (€39.2 million at December 31).

In the year ended December 31, 2015, if interest rates had varied by +/- 1%, interest expense on the unhedged portion of borrowings, all other constants being equal, would have varied by +/- €5.1 million.

CREDIT RISK

Credit risk is managed on a Group-wide basis. Credit risk arises on:

- cash and cash equivalents;
- derivative financial instruments;
- deposits with banks and financial institutions;
- arrangements with car manufacturers and dealers;
- customer receivables, particularly outstanding receivables and pending commitments.

For banks and financial institutions, only counterparties that are independently rated are accepted. The utilization of credit limits is regularly monitored.

LOANS AND RECEIVABLES CREDIT RISK ANALYSIS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Neither past due nor impaired ⁽¹⁾	1,699,488	1,459,322
Past due but not impaired	125,417	139,290
Impaired	39,310	36,899
TOTAL	1,864,215	1,635,511

(1) Net of provisions for stolen and badly damaged cars (see Note 21).

The maximum exposure to credit risk at the reporting date is the carrying amount of loans and receivables. The Group does not hold any collateral as security.

Loans and receivables neither past due nor impaired relate to a number of independent counterparties for whom there is no recent history of default or expected default.

The Group's credit risk exposure to car manufacturers and dealers primarily arises from:

- the risk of non-recoverability of receivables relating to buy-back commitments received from car manufacturers;

- the risk of having to self-finance the receivables referred to in the previous point; and
- the risk of bankruptcy of a significant supplier and the subsequent uncertainty surrounding future supplies.

No single customer accounts for 10% or more of Europcar Groupe's revenue in 2015.

In addition, the Group has implemented procedures to monitor and reduce credit risk exposure that include customer credit limits in the information system, monthly tracking of car manufacturer credit ratings and overdue receivable risk

monitoring reporting. The aged analysis of loans and receivables past due but not impaired and excluding financial loans and receivables is as follows:

<i>In thousands of euros</i>	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	1,024,072	-	-	-	1,024,072
Fleet receivables	444,957	52,969	85	3,511	501,522
Rental receivables	136,290	47,391	13,442	12,092	209,215
Trade receivables	15,719	1,522	412	6,376	24,029
Other receivables	53,715	26	21	13	53,775
TOTAL AS AT DECEMBER 31, 2015	1,674,753	101,908	13,960	21,992	1,812,613

<i>In thousands of euros</i>	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	832,196	-	-	-	832,196
Fleet receivables	387,896	63,436	6,280	2,426	460,038
Rental receivables	127,582	37,116	12,322	4,467	181,487
Trade receivables	18,937	4,503	301	6,832	30,573
Other receivables	48,900	19	8	1	48,928
TOTAL AS AT DECEMBER 31, 2014	1,415,511	105,074	18,911	13,726	1,553,222

PRICE RISK

The Group is not exposed to equity price risk given the non-material amounts of its financial investments classified as either available-for-sale or at fair value through profit or loss. The Group is not directly exposed to commodity price risk but is exposed to the risk of increasing holding costs for vehicles.

LIQUIDITY RISK

Europcar Group is currently followed by Moody's and Standard & Poor's, which have respectively awarded it B1 stable outlook and B+ stable outlook ratings.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows determined on a consolidated basis. Each operational entity produces liquidity and cash forecasts for internal reporting purposes. Those forecasts are consolidated at Group Treasury level and analyzed by Group management and operational units.

The budget, on which is based the cash forecast for fiscal year 2016, has been built on assumptions taking into account the impact of the currently uncertain economic environment.

The liquidity risk management strategy is based around maintaining sufficient available lines of credit and guaranteed credit facilities for appropriate amounts. Given the dynamic nature of the underlying businesses—particularly seasonal fluctuations—flexible financing arrangements are provided by guaranteed medium- to long-term revolving lines of credit.

The following table presents the Group's financial liabilities including hedging derivatives by relevant maturity, based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying values, as the impact of discounting is not significant.

In thousands of euros	Carrying Value	Up to 1 year		From 1 year to 5 years		Later than 5 years		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2015									
Notes issued	818,771	-	45,250	-	181,000	825,000	51,432	825,000	277,682
Bank borrowings and finance lease liabilities	529,939	102,810	15,700	437,937 ⁽¹⁾	32,642	-	-	540,747	48,342
Senior asset financing facility	653,856	-	19,300	658,284 ⁽¹⁾	49,858	-	-	658,284	69,158
Other borrowings	62,400	62,400	-	-	-	-	-	62,400	-
Derivative liabilities	52,090	-	-	-	52,090	-	-	-	52,090
Trade and fleet payables	882,234	882,234	-	-	-	-	-	882,234	-
Deposits	37,379	37,379	-	-	-	-	-	37,379	-
TOTAL FINANCIAL LIABILITIES	3,036,669	1,084,823	80,250	1,096,221	315,590	825,000	51,432	3,036,044	447,272

In thousands of euros	Carrying Value	Up to 1 year		From 1 year to 5 years		Later than 5 years		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2014									
Notes issued	1,055,324	-	112,850	724,000	215,026	350,000	27,654	1,074,000	355,529
Bank borrowings and finance lease liabilities	671,357	124,706	15,874	552,018 ⁽¹⁾	26,607	-	-	676,724	42,841
Senior asset financing facility	414,153	-	14,040	417,600 ⁽¹⁾	20,298	-	-	417,600	34,338
Other borrowings	29,780	29,780	-	-	-	-	-	29,780	-
Derivative liabilities	41,928	-	-	-	41,928	-	-	-	41,928
Trade and fleet payables	794,333	794,333	-	-	-	-	-	794,333	-
Deposits	42,875	42,875	-	-	-	-	-	42,875	-
TOTAL FINANCIAL LIABILITIES	3,049,750	991,694	142,764	1,693,618	303,859	350,000	27,654	3,035,312	474,276

(1) Revolving credit facilities are classified on the balance sheet as current liabilities given their nature.

The table below shows the credit limits and balances with the three major counterparties at the reporting date:

In thousands of euros	As at Dec. 31, 2015		As at Dec. 31, 2014	
	Credit limit	Utilized	Credit limit	Utilized
Revolving credit ⁽¹⁾	350,000	94,400	300,000	214,300
Senior asset financing lines related to fleet financing	1,100,000	658,284	1,000,000	417,600
Financing other than senior asset financing lines related to fleet financing ⁽²⁾	1,224,661	877,171	1,235,159	884,201

(1) Amounts drawn include €81.0 million on the revolving credit facility at December 31, 2015 (2014: €201 million) and guarantees given in the course of the Group's operations.

(2) Primarily relates to fleet operations in the United Kingdom financed through credit lines other than the senior financing asset loan.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

INSURANCE RISKS

The Group's operating subsidiaries located in France, the United Kingdom, Portugal, Belgium, Italy and Germany buy local motor third party liability insurance policies through AIG Europe Limited entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. Local Europcar entities fund a significant portion of the risk through a Deductible Funding mechanism managed *via* another cell (0) located within Euroguard, which acts simply as a fund manager. The funds hosted in this cell are also consolidated.

The Spanish, Australian and New Zealand subsidiaries buy insurance cover in their local markets using classic risk transfer mechanisms.

(I) FREQUENCY AND SEVERITY OF CLAIMS

The Group uses its auto fleet liability insurance programs to insure against property damage and bodily injury caused to third parties by the drivers of Europcar vehicles. Because auto liability insurance is mandatory, the risk is initially transferred from ground up to the insurer, but partly funded and reinsured by Europcar as a group on the back end side through various risk self-financing techniques.

The cost of Europcar's auto fleet liability risk is based on a combination of frequency and severity events. Europcar has developed a strategy based on self-financing frequent risks and effectively transferring severity risk to the insurer (applicable

to the main countries in which the Group operates, with the exception of Spain, Australia and New Zealand for the reasons set out above):

- operating a large fleet entails significant risk of the occurrence of multiple small third party claims. The expense stemming from these small claims can be predicted with a good level of certainty by actuaries, factoring into their projections the variation in activity and trends witnessed in the various countries. A line of €500,000 per claim is self-insured in this manner;
- operating a large fleet also entails the risk of the more random occurrence of costly events, essentially bodily injury claims from third parties invoking Europcar's liability. Such events cannot be anticipated by actuaries with a satisfactory level of certainty, which is why the portion of risk exceeding €500,000 is borne by the insurer.

The trend in the markets where Europcar operates is towards an increase in the unit cost of bodily injuries for economic, legal and social reasons.

(II) SOURCES OF UNCERTAINTY IN THE ESTIMATION OF FUTURE CLAIM PAYMENTS

Claims falling within the scope of motor third party liability insurance policies give rise to compensation payable on a case-by-case basis. The Group, by virtue of the self-insurance component of the program, financially bears all claims insured up to €500,000 per claim over the period. Part of the claims occurring during a given insurance period materializes after the expiry of this period due to the late notification of claims and changes during the period subsequent to the period covered (usually due to a deterioration in the health status of the victim or the judicial character of the case). As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

(III) CHANGES IN ASSUMPTIONS AND METHODOLOGY

The Group did not change any of the main assumptions or methodologies for the insurance contracts disclosed in this note in 2015, other than updating its cost in light of the time value of money.

Notes

03



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NOTE 1 CHANGES TO SCOPE OF CONSOLIDATION**IN 2015**

- Creation of Europcar Lab SASU and Europcar Lab UK in 2015, Europcar Groupe entities devoted to innovation.

This transaction also included the acquisition of a majority stake (60.80%) in the capital of E-Car Club Holding, giving the Group full ownership of the capital of E-Car Club, the leading car-sharing company, offering a fleet of fully electric vehicles in the United Kingdom, on a pay-per-use model.

This new acquisition is fully in line with Europcar Lab's strategy to develop mobility market usages, search for new mobility solutions opportunities worldwide and make investments in strategic initiatives allowing the Group to strengthen its leadership in the mobility market.

These companies are all fully consolidated.

- Creation of Europcar Inc, wholly owned and fully consolidated by Europcar Groupe, based in the United States.

The purpose of this company will be to manage outbound traffic to Europe.

- EIS E.E.I.G. was the object of a full transfer of assets (TUP) with retroactive effect to January 1, 2015 by Europcar International.
- The German company Travset Business Travel + Service GmbH was also the object of a TUPE dated July 1, 2015 by Europcar Autovermietung GmbH.

IN 2014

- On October 31, 2014, the Group acquired 100% of the capital of EuropHall for an amount of €13.5 million (payable in two installments with the outstanding portion of €5.4 million due in 2015). EuropHall was fully consolidated from the acquisition date.

EuropHall is the second largest company in the franchisee network by revenue and size and is a longstanding partner of Europcar France.

The acquisition generated goodwill of €10.3 million.

- On November 30, 2014, the Group acquired a 70.6% stake in the French startup Ubeeqo, specialized in corporate car-sharing solutions, through the acquisition of shares and subscription to a capital increase for a total amount of €17 million. Following a capital increase at the end of 2015, the proportion of the shareholding rose to 75.7%.

Ubeeqo currently operates in France and Belgium. The Company is accounted for using the equity method in the Europcar Group consolidated financial statements.

NOTE 2 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 145 countries.

The chief operating decision maker within the meaning of IFRS 8 – Operating Segments, is the Group Executive Committee.

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 the world: all countries other than those cited above, including Australia and New Zealand, where the Group operates the fleet directly.

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

- revenue: includes vehicle rental income, territorial fees, other commissions related to the Group's trademarks and billed to franchisees, and fuel sales;

- adjusted corporate EBITDA: recurring operating income before depreciation and amortization, after deduction of the interest expense on liabilities 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

December 31, 2015					
<i>In thousands of euros</i>	Note	Europe	Rest of world	Eliminations & Holding companies	Segment total
Segment revenue		1,992,155	156,095	(6,327)	2,141,923
Current operating income		235,975	34,490	12,857	283,322
Reversal of depreciation and impairment charges		11,580	1,047	20,154	32,781
Net fleet financing expenses	11	(56,550)	(3,463)	(5,441)	(65,454)
Adjusted corporate EBITDA of the segments		191,005	32,074	27,570	250,649
Total assets		1,608,640	108,234	2,605,897	4,322,861
Total liabilities		1,699,585	94,898	1,960,791	3,755,274

December 31, 2014					
<i>In thousands of euros</i>	Note	Europe	Rest of world	Eliminations & Holding companies	Segment total
Segment revenue		1,836,161	149,996	(7,287)	1,978,870
Current operating income		206,625	31,996	15,270	253,890
Reversal of depreciation and impairment charges		10,716	1,089	20,019	31,824
Net fleet financing expenses	11	(65,974)	(5,129)	(1,805)	(72,908)
Adjusted corporate EBITDA of the segments		151,368	27,956	33,484	212,807
Total assets		1,491,165	125,547	2,329,732	3,946,444
Total liabilities		1,568,712	121,550	2,098,047	3,788,309

(i) Information about revenue and services

Revenue and services can be analyzed as follows:

December 31, 2015				
<i>In thousands of euros</i>	Europe	Rest of world	Eliminations & Holding companies	Segment total
Vehicle rental income	1,859,598	132,297	-	1,991,895
Other revenue associated with car rental	100,106	3,595	(6,327)	97,374
Franchising business	32,451	20,203	-	52,654
SEGMENT REVENUE	1,992,155	156,195	(6,327)	2,141,923

December 31, 2014

<i>In thousands of euros</i>	Europe	Rest of world	Eliminations & Holding companies	Segment total
Vehicle rental income	1,695,994	126,772	-	1,822,766
Other revenue associated with car rental	106,126	3,935	(7,287)	102,774
Franchising business	34,041	19,289	-	53,330
SEGMENT REVENUE	1,836,161	149,996	(7,287)	1,978,870

(ii) Disclosure by country and customer segment

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Vehicle rental income	1,991,895	1,822,766
<i>Breakdown of customers by segment</i>		
Leisure	55.6%	55.3%
Business	44.4%	44.7%

(iii) Segment information by geographical areas

The Group operates in four main markets: France, Germany, the United Kingdom, as well as other European countries. Revenue has been identified based on where the rental service is provided. Non-current assets are allocated based on their physical location.

Revenue and non-current assets include items directly attributable to a geographical area as well as those that can be allocated on a reasonable basis. Unallocated items include income and non-current assets related to holding companies and eliminations. Car rental customers comprise both individuals and corporate customers.

<i>In thousands of euros</i>	France	United-Kingdom	Germany	Other European countries	Rest of world ⁽²⁾	Unallocated items	Total
December 31, 2015							
Revenue from external customers	360,781	465,227	544,470	621,677	156,095	(6,327)	2,141,923
Non current assets ⁽¹⁾	98,307	116,148	207,205	128,280	36,329	806,741	1,393,011
<i>Of which Goodwill</i>	88,345	96,270	180,384	38,374	26,899	26,800	457,072

<i>In thousands of euros</i>	France	United Kingdom	Germany	Other European countries	Rest of world ⁽²⁾	Unallocated items	Total
December 31, 2014							
Revenue from external customers	325,363	410,385	518,259	582,154	149,996	(7,287)	1,978,870
Non-current assets ⁽¹⁾	97,886	110,253	208,865	118,397	39,041	788,435	1,362,977
<i>Of which Goodwill</i>	88,024	88,865	180,384	38,374	26,942	26,800	449,389

(1) Non-current assets reported under "Eliminations & Holdings" notably include trademarks.

(2) "Rest of World" mainly corresponds to Australia and New Zealand.

NOTE 3 FLEET HOLDING COSTS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Costs related to rental fleet agreements ⁽¹⁾	(460,360)	(421,709)
Purchase and sales related costs ⁽²⁾	(54,536)	(47,354)
Taxes on vehicles	(32,290)	(27,201)
	(547,186)	(496,264)

(1) Costs related to rental fleet agreements mainly consist of (i) vehicle depreciation expenses and (ii) off-balance sheet fleet operating lease expenses (see Significant Accounting Policies, Section f) "Vehicle fleet".
During the year ended December 31, 2015 the Group recognized depreciation expense net of volume rebates amounting to €189.0 million (€164.2 million in 2014) under "Costs related to rental fleet agreements". This depreciation expense relates to vehicles subject to manufacturer or dealer buy-back agreements and "at-risk" vehicles. "Costs related to rental fleet agreements" also include operating lease payments amounting to €265.5 million (December 2014: €245 million). The related off-balance sheet rental commitments in respect of rental fleets operated under operating lease arrangements are disclosed in Note 32.1 (j), "Operating leases".

(2) Fleet acquisition and disposal costs include the costs related to vehicle accessories and conditioning new vehicles and to the disposal of used cars.

NOTE 4 FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Fleet operating costs ⁽¹⁾	(233,279)	(229,577)
Revenue-related commissions and fees ⁽²⁾	(270,968)	(247,547)
Of which, trade receivables allowances and write-offs	(6,954)	(9,899)
Rental related costs ⁽³⁾	(222,743)	(209,155)
	(726,990)	(686,279)

(1) Fleet operating costs mainly consist of insurance, repairs and maintenance costs as well as costs incurred for damaged and stolen cars and for the reconditioning of vehicles before they are repurchased by the car manufacturers or dealers.

(2) Revenue-related costs include agent's fees, travel agency commissions and airport and railway concession fees.

(3) Rental related costs include vehicle transfer costs incurred during the holding period, vehicle washing costs and fuel costs.

NOTE 5 PERSONNEL COSTS

PERSONNEL COSTS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Wages and salaries ⁽¹⁾	(266,480)	(242,757)
Social security contributions ⁽²⁾	(68,452)	(59,875)
Post-employment benefits	(6,847)	(6,833)
Other items	(5,609)	(8,688)
	(347,388)	(318,153)

(1) Includes bonuses and profit-sharing expenses, as well as the IFRS expense related to plans for free shares implemented in the course of 2015 (€2.6 million).

(2) Includes employer contributions (€2.6 million) related to free shares allocated to residents of France.

HEADCOUNT

In average number of equivalent-to-full-time employees (FTE)

	As at Dec. 31, 2015	As at Dec. 31, 2014
TOTAL HEADCOUNT	6,324 ⁽¹⁾	6,284 ⁽¹⁾

(1) Excluding Europhall in 2014. In 2015, Europhall has 128 full-time employees.

Data shown in the table above correspond to average annual data. The Group also uses a certain number of temporary workers as well as external service providers, mainly for vehicle

transit and cleaning during peak periods, and in accordance with the applicable legislation in each of the countries in which the Group operates.

NOTE 6 SHARE-BASED PAYMENTS

The extraordinary General Meeting of the Company's shareholders held on June 8, 2015 authorized the Company's Management Board to award free shares in the Company. The Management Board at its meeting held on June 25, 2015 pursuant to said delegation of authority finalized these Scheme rules and the principle of two plans to award free shares. The first plan, "AGA 13 T1" and "AGA13 T2", benefits members of the Group's Executive Committee.

Vesting of these free shares, following vesting periods of two to three years, and on condition that the person continue to be with the Company for two years after the periods, would be conditioned on the achievement of:

- with respect to the years ended December 31, 2015 and 2016: performance conditions related to Adjusted Corporate EBITDA; and

- for the year ended December 31, 2017: performance conditions related to (i) Adjusted Corporate EBITDA and (ii) movements in the Company's stock price as compared with movements in the SBF 120.

The second free share grant plan, "AGA 100", benefits the Group's top 100 executives. The shares would vest following a two-year vesting period, subject to the beneficiary's continued employment with the Company and subject to the achievement of performance conditions relating to (i) Adjusted Corporate EBITDA and (ii) movements in the Company's stock price as compared with movements in the SBF 120.

Movements relating to the acquisition of free shares in 2015, to which IFRS 2 standard "Share-based payments" applies, are as follows:

	Number of free shares
Currently vesting as at January 1, 2015	
Allocated	1,991,844
Vested	
Canceled	(128,511)
Currently vesting as at December 31, 2015	1,863,333

The weighted average fair value of the allocated shares was determined on the allocation date by applying a Monte Carlo-type simulation model.

Since the dividend rate was 2.20% (only for 2017) and the borrowing rate was equal to a risk-free rate + 1%, the fair values on the allocation date less the dividends discounted during the vesting period and the discounted cost of non-transferability during the lock-up period are equal to

- €11.73 for the AGA 13 T1 plan;

- €6.53 for the AGA 13 T1 plan;

- €5.91 for the AGA 100 plan.

The employer's contribution of 30% was calculated on a base corresponding to the fair unit value of shares estimated on the awarding date.

The total expense for these two plans was €10.2 million with €2.6 million recorded as personnel costs for 2015 (see Note 5).

NOTE 7 NETWORK AND HEAD OFFICE OVERHEAD COSTS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Network costs ⁽¹⁾	(81,878)	(77,948)
IT costs	(33,983)	(30,482)
Telecom costs	(7,761)	(6,348)
Head office costs ⁽²⁾	(57,424)	(50,185)
Sales and marketing costs	(37,429)	(34,376)
	(218,475)	(199,339)

(1) Network costs consist of rental expenses for premises and network overheads.

(2) Head office costs consist of rental and travelling expenses and auditing and consulting fees incurred at Group level.

NOTE 8 AMORTIZATION, DEPRECIATION AND IMPAIRMENT EXPENSE

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Amortization of intangible assets	(17,450)	(18,243)
Depreciation of property, plant and equipment	(14,888)	(13,550)
Impairment expense	(443)	(31)
	(32,781)	(31,824)

NOTE 9 OTHER INCOME AND EXPENSES

This category includes net income related to certain commercial agreements, the release of provisions and other items.

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Contractual income	2,204	2,514
Release of surplus provisions	188	1,410
Foreign exchange gains/(losses) on operating activities	705	307
Gains (losses) on the disposal of property, plant and equipment	394	1,312
Other items, net ⁽¹⁾	10,725	1,336
	14,216	6,879

(1) Of which:

- €1.3 million in 2014 for gains on the disposal of plants in Manchester, Birmingham and Plymouth owned by P1 UK Ops;
- in 2015, income from the previous fiscal year was reported for a debt established in 2009 that lapsed during 2015.

NOTE 10 OTHER NON-RECURRING INCOME AND EXPENSES

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Amortization of rights to operate National and Alamo trademarks		(5,235)
Addition to/release of provisions for impairment of real estate assets in Spain	(613)	502
Reorganization charges ⁽²⁾	(24,033)	(22,771)
<i>O/w: Reorganization – redundancy expenses</i>	<i>(18,897)</i>	<i>(12,960)</i>
<i>Reorganization - professional fees</i>	<i>(5,136)</i>	<i>(9,811)</i>
IPO fees ⁽¹⁾	(8,692)	-
Compensation benefit	1,025	(23,865)
Legal fees ⁽³⁾	23,001	(59,440)
Other ⁽⁴⁾	(52,462)	(4,920)
TOTAL OTHER NON-RECURRING INCOME AND EXPENSES	(61,774)	(115,729)

(1) For the part recognized on the income statement. The total amount of fees incurred is €32.5 million.

(2) Reorganization charges, which totaled €24.0 million as at December 31, 2015 compared with €22.8 million as at December 31, 2014 resulted from the measures implemented by several of the Group's entities or announced before the end of the year to streamline the network and back-office activities.

(3) In 2014, this amount included ongoing litigation with Enterprise Holdings Inc both for use of the logo in the UK and for the arbitration proceedings: legal fees, damage assessment and the cost of dismantling the logo in certain rental stations as well as a one-off write-down taken on the residual value of the right to use the National Alamo trademark (see Note 32.4). In 2015, taking into account the outcome of the dispute (see Note 32), a portion of the provision was reversed.

(4) Of which €45 million provisioned in 2015 for the financial risk measured by the Group as part of the ongoing proceedings with the French anti-trust authorities (see Note 32.4) and €2.7 million of exceptional bonuses paid out to the employees of the Group.

NOTE 11 NET FINANCING COSTS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Net fleet financing expenses	(65,454)	(72,908)
Net other financing expenses	(56,314)	(78,516)
Gross financing costs	(121,768)	(151,424)
Amortization of charges arising on the trading of derivatives	(1,465)	(16,258)
Amortization of transaction costs ⁽²⁾	(42,340)	(30,652)
Foreign exchange losses	(8,164)	(5,963)
Cost of discounting social commitments	(2,125)	(2,977)
Early redemption premiums ⁽¹⁾	(56,010)	(17,100)
Other	(7,676)	(17,700)
Other financial expenses	(117,780)	(90,650)
Foreign exchange gains	11,956	9,393
Other financial income	11,956	9,393
NET FINANCING COSTS	(227,592)	(232,681)

(1) Of which €56 million redemption price paid to bond holders of €324 and €400 million high yield notes in 2015, and €17.1 million redemption price paid to bond holders €350 million in 2014.

(2) Of which €26.9 million transaction costs written-off following the repayment of the corporate bonds €400 and €324 million for the period ended December 31, 2015 and €4 million transaction costs written-off following the repayment of the fleet bond €350 million for the period ended December 31, 2014.

For the year ended December 31, 2015, the total interest expense on financial liabilities at amortized cost amounted to €123.3 million (vs. €152.5 million in December 2014) and total interest income on financial assets at amortized cost amounted to €1.5 million (vs. €1.0 million in December 2014).

NOTE 12 INCOME TAX

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Current tax	(46,794)	(29,196)
Deferred tax	9,157	18,541
TOTAL INCOME TAX EXPENSE	(37,637)	(10,655)

The theoretical tax expense based on ECG's statutory tax rate (*i.e.*, the standard corporate income tax rate in France of 33.33% to which is added the corporate income tax social security contribution of 3.3% on the amount of corporate income tax above €763,000) can be reconciled to the tax expense reported in the income statement as follows:

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Profit/loss before tax	(6,047)	(94,520)
Statutory tax rate	34.43%	34.43%
Theoretical tax	2,081	32,543
Impact of differences in tax rates	12,814	(2,229)
Permanent differences ⁽¹⁾	(24,649)	(8,397)
Capitalization of losses and temporary differences that were formerly not recognized	31,541	
Unrecognized deferred tax assets	(31,000)	(28,201)
Impact of tax losses ⁽²⁾	(18,725)	(19,037)
Other temporary differences	(12,275)	(9,164)
Impact of French business contribution on added value (CVAE) and Italy's regional tax on productive activities (IRAP)	(5,997)	(3,625)
Other ⁽³⁾	(22,427)	(747)
Income tax benefit/(expense)	(37,637)	(10,655)
Effective tax rate		(11.27)%

(1) The amount was mainly due to the non-deduction of interest for tax purposes in France in 2014 (-€11 million) and 2015 (€16 million).

(2) In 2014 and 2015, virtually all unrecognized tax losses were attributable to France (€26 million).

(3) The 2014 total included a provision for tax risks in Germany for a negative amount of €3.7 million, offset by €2.7 million in prior-period adjustments (including €1.0 million in Germany and €0.8 million in the United Kingdom) and an €18 million provision for tax risks in France, and €5.7 million of adjustments for previous years.

NOTE 13 GOODWILL

<i>In thousands of euros</i>	Gross value	Impairment loss	Carrying Value
Balance at January 1, 2014	621,530	(187,178)	434,352
Acquisitions	10,287	-	10,287
Impairment	-	(31)	(31)
Disposals	-	-	-
Effect of movements in foreign exchange rates	7,095	(2,314)	4,781
BALANCE AT DECEMBER 31, 2014	638,912	(189,523)	449,389
Balance at January 1, 2015	638,912	(189,523)	449,389
Acquisitions	4,805	-	4,805
Impairment	-	(443)	(443)
Disposals	-	-	-
Effect of movements in foreign exchange rates	4,864	(1,543)	3,321
BALANCE AT DECEMBER 31, 2015	648,581	(191,509)	457,072

Goodwill arises from past acquisitions of franchisees in the normal course of the Group's business and from acquisitions of subsidiaries.

13.1 Annual impairment test

In accordance with IAS 36 – Impairment of Assets, the Group performs impairment testing of the carrying value of goodwill. The Group prepares and internally approves formal three-year business plans for each of its geographical segments. For impairment testing purposes, the three-year plan is extended to five years. The 2016 budget and the 2017 & 2018 plans were drawn up in consideration of (i) the economic growth forecasts in the countries where the Group operates, (ii) the current macroeconomic data for each country, (iii) the expected growth of air traffic, (iv) changes in the car rental market and competitive pressure, and (v) projects and new products under development. Beyond 2018, the revenue growth assumption

adopted is conservative with a stable profitability rate. The Group considers that each country corresponds to a cash-generating unit (CGU). When performing impairment tests, the Group calculates cash flows from Adjusted corporate EBITDA and uses the following assumptions:

- adjusted corporate EBITDA according to the three-year plan.
- the terminal value of each CGU is based on a perpetuity growth rate of 2%.
- the weighted average cost of capital (WACC) is applied to the cash flows of each CGU based on the average risk-free rate (average over a five-year period) corresponding to the German risk-free rate for ten year bonds adjusted for a risk premium for each country:

13.2 Goodwill allocated to corporate segments by underlying geographical cash-generating unit

<i>In thousands of euros</i>	Germany	United-Kingdom	France	Italy	Spain	Other countries	Total
Balance at January 1, 2014	180,384	85,121	77,768	-	-	91,079	434,352
Acquisition	-	-	10,287	-	-	-	10,287
Disposal/price adjustment	-	-	-	-	-	-	-
Impairment expense	-	-	(31)	-	-	-	(31)
Effect of movements in foreign exchange rates	-	3,744	-	-	-	1,037	4,781
BALANCE AT DECEMBER 31, 2014	180,384	88,865	88,024	-	-	92,116	449,389
Balance at January 1, 2015	180,384	88,865	88,024	-	-	92,116	449,389
Acquisition	-	3,960	764	-	-	-	4,724
Disposal/price adjustment	-	-	-	-	-	81	81
Impairment expense	-	-	(443)	-	-	-	(443)
Effect of movements in foreign exchange rates	-	3,445	-	-	-	(124)	3,321
BALANCE AT DECEMBER 31, 2015	180,384	96,270	88,345	-	-	92,073	457,072

Recently recognized impairment losses include the following: for the year ended December 31, 2010, €53.8 million of goodwill allocated to an Italian cash-generating unit (full write-down); for the year ended December 31, 2011, €23.7 million

of goodwill allocated to a United Kingdom cash-generating unit and €16.7 million of goodwill allocated to an Australian cash-generating unit (partial write-downs).

13.3 WACC calculation

	France	Germany	Italy	Spain	United-Kingdom	Belgium	Portugal	Australia
WACC calculation	7.46%	7.25%	8.95%	9.10%	7.95%	7.29%	10.49%	9.12%

The terminal value is based on normalized cash flows discounted over an indefinite period, with a perpetuity growth rate of 2%. The risk-free rate is based on the German risk-free rate for bonds with a 10-year maturity (average over a five-year period), adjusted by a risk premium for each country in line with a credit risk premium based on a BB- credit rating.

The Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 5%, in order to reflect the long-term assumptions factored into the impairment tests.

The gearing used when determining the WACC is based on the annual average debt to equity ratio issued by comparable companies on a quarterly basis.

13.4 Sensitivity analysis

Goodwill was subject to an impairment test performed by the Company as described in the "Goodwill" Section of Significant Accounting Policies and in Section (a) above.

Europcar did not identify any probable scenarios in any countries whereby the CGU's recoverable amount would fall below its carrying amount. The sensitivity analysis performed on the assumptions used indicate that no impairment losses would be recognized in the following scenarios:

- a 1 percentage point increase in the discount rate;
- a 1 percentage point decrease in the growth rate;
- a 5% decrease in adjusted corporate EBITDA.

NOTE 14 INTANGIBLE ASSETS

<i>In thousands of euros</i>	Trademarks ⁽¹⁾	Software, operating systems	Intangible assets in progress	Leasehold rights	Total
Gross values					
Balance at January 1, 2014	731,709	232,751	7,113	1,040	972,613
Changes in scope of consolidation	-	12	-	263	275
Other acquisitions	-	622	10,747	-	11,369
Disposals	-	(8)	-	(33)	(41)
Transfers	-	727	(723)	-	4
Effect of movements in foreign exchange rates	3,849	815	-	33	4,697
BALANCE AT DECEMBER 31, 2014	735,558	234,919	17,137	1,303	988,917
Balance at January 1, 2015	735,558	234,919	17,137	1,303	988,917
Changes in scope of consolidation	-	113	-	-	113
Other acquisitions	-	478	7,976	75	8,529
Disposals	-	(3,702)	-	(36)	(3,738)
Transfers	-	10,970	(10,960)	-	10
Effect of movements in foreign exchange rates	3,586	691	-	12	4,289
BALANCE AT DECEMBER 31, 2015	739,144	243,469	14,153	1,354	998,120
Depreciation and impairment losses					
Balance at January 1, 2014	(39,942)	(186,345)	-	(699)	(226,986)
Increases/decreases related to changes in scope of consolidation	-	-	-	(239)	(239)
Provision for depreciation	(17,909) ⁽¹⁾	-	-	-	-
Provision for amortization	-	(18,224)	-	(19)	(36,152)
Disposals	-	7	-	-	7
Transfers	-	242	-	-	242
Effect of movements in foreign exchange rates	(3,258)	(799)	-	-	(4,057)
BALANCE AT DECEMBER 31, 2014	(61,109)	(205,119)	-	(957)	(267,185)
Balance at January 1, 2015	(61,109)	(205,119)	-	(957)	(267,185)
Increases/decreases related to changes in scope of consolidation	-	5	-	-	5
Provision for amortization	-	(17,438)	-	(12)	(17,450)
Disposals	-	3,485	-	(24)	3,461
Transfers	-	462	-	-	462
Effect of movements in foreign exchange rates	(3,582)	(689)	-	(6)	(4,277)
BALANCE AT DECEMBER 31, 2015	(64,691)	(219,294)	-	(999)	(284,984)
Net carrying amounts					
As at Dec. 31, 2014	674,449	29,800	17,137	346	721,732
As at Dec. 31, 2015	674,453	24,175	14,153	355	713,136

(1) Including the right to use trademarks with a finite life (Alamo, Guy Salmon and National), amortized since March 1, 2007: gross value of €54.7 million, cumulative amortization of €37.4 million as at December 31, 2013 and Europcar trademark. In 2014, these trademark usage rights were written down in full following the settlement of the related litigation (see "Significant events of the year").

14.1 Trademarks

(i) Annual impairment test

In accordance with IAS 36 – Impairment of Assets, the Group has performed an annual impairment test of the carrying amount of the Europcar trademark that has an indefinite useful life (€699 million as at December 31, 2015) based on the relief-from-royalty method. This test is performed on a consolidated basis with no country or segment-based allocation.

The value in use of the trademark has been determined based on projections of royalties received within the Europcar network (corporate entities, domestic and international franchisees).

(ii) Key assumptions

The terminal value is based on a perpetuity growth rate of 2%.

The discount rate used in the weighted average cost of capital is applied to the net royalty cash flows of each CGU based on a risk-free rate for 10-year German bonds.

In 2015, it was estimated at 9.14% (9.05% in 2014).

(iii) Sensitivity analysis

A reasonably possible change in the key assumptions on which management has based its determination of the recoverable amount would not cause significant difference between the carrying amount and the recoverable amount. The following table shows the results of the impairment tests and the resulting difference between the recoverable amount and the carrying amount of brands according to different assumptions of the long-term growth rate and weighted average cost of capital.

In millions of euros		Perpetuity growth rate		
		1.0%	2.0%	3.0%
WACC	8.14%	314	440	616
	9.14%	189	280	403
	10.14%	91	160	249

The tests performed on the Europcar trademark did not result in the recognition of any impairment losses in 2014 or 2015.

14.2 Software and operating systems

Computer software (the Europcar Greenway and PremierFirst Speedlink systems) has been recognized at fair value in accordance with IFRS 3 – Business Combinations, based on an analysis of functional aspects. This methodology is based on the calculation of function points for each segment/software of the Europcar and PremierFirst rental reservation and fleet management systems. A function point reflects the functionality of the application which has been used as a basis to calculate its replacement value.

The net book value of this internally-developed computer software amounts to €3.1 million as at December 31, 2015 (the equivalent figure in 2014 was €19.9 million).

Costs amounting to € 7.4 million were capitalized in 2015.

14.3 Security

The total amount of intangible assets (except for the Europcar brand) is held as security against the senior asset financing loan, as described in Note 26.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

The Group leases buildings and other equipment under different types of finance lease agreements. At December 31, 2015, the carrying amount of leased buildings and other equipment was €0.1 million and €5.7 million, respectively (in 2014, the respective figures were €0.3 million and €4.9 million).

Property, plant and equipment assets are held as security against Group corporate financing, as described in Note 26.

<i>In thousands of euros</i>	Land and buildings	Technical equipment	Other equipment	Fixed assets in progress	Total
Gross values					
Balance at January 1, 2014	89,649	8,227	158,973	2,616	259,465
Changes in scope of consolidation	-	69	3,209	-	3,278
Other acquisitions	548	171	8,132	3,252	12,103
Disposals	(2,449)	(6)	(959)	(285)	(3,699)
Transfers	11	-	1,873	(1,888)	(4)
Effect of movements in foreign exchange rates	1,058	13	1,895	-	2,966
BALANCE AT DECEMBER 31, 2014	88,817	8,474	173,123	3,695	274,109
Balance at January 1, 2015	88,817	8,474	173,123	3,695	274,109
Changes in scope of consolidation	-	-	(53)	17	(36)
Other acquisitions	366	971	15,923	3,302	20,562
Disposals	(4,506)	(477)	(8,404)	(1,551)	(14,938)
Transfers	-	-	1,885	(1,895)	(10)
Effect of movements in foreign exchange rates	747	(2)	1,693	-	2,438
BALANCE AT DECEMBER 31, 2015	85,424	8,966	184,167	3,568	282,125
Depreciation and impairment losses					
Balance at January 1, 2014	(36,469)	(6,247)	(127,347)	-	(170,063)
Increases/decreases related to changes in scope of consolidation	-	(60)	(2,560)	-	(2,620)
Depreciation and impairment charge for the year	(1,358)	(364)	(11,112)	-	(12,834)
Disposals	714	6	801	-	1,521
Transfers	-	-	(242)	-	(242)
Effect of movements in foreign exchange rates	(232)	(6)	(1,429)	-	(1,667)
BALANCE AT DECEMBER 31, 2014	(37,345)	(6,671)	(141,889)	-	(185,905)
Balance at January 1, 2015	(37,345)	(6,671)	(141,889)	-	(185,905)
Increases/decreases related to changes in scope of consolidation	-	-	36	-	36
Depreciation and impairment charge for the year	(2,429)	(352)	(12,493)	-	(15,277)
Disposals	1,792	413	7,984	-	10,189
Transfers	-	-	(462)	-	(462)
Effect of movements in foreign exchange rates	(151)	2	(1,321)	-	(1,470)
BALANCE AT DECEMBER 31, 2015	(38,133)	(6,608)	(148,148)	-	(192,889)
Carrying amounts					
As at Dec. 31, 2014	51,472	1,803	31,234	3,695	88,204
As at Dec. 31, 2015	47,291	2,358	36,019	3,568	89,236

NOTE 16 EQUITY-ACCOUNTED INVESTMENTS

AS AT DEC. 31, 2015

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in thousands of €)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2Go Europe GmbH (A)	Germany	25.00%	25.00%	(10,010)	1,776	-
Ubeeqo (B)	France	75.71%	75.71%	(2,064)	20,259	-
TOTAL				(12,074)	22,035	-

AS AT DEC. 31, 2014

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in thousands of €)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2Go Europe GmbH (A)	Germany	25.00%	25.00%	(6,523)	-	(717)
Ubeeqo (B)	France	70.60%	70.60%	-	17,323	-
TOTAL				(6,523)	17,323	(717)

(A) CAR2GO EUROPE GMBH – ON A FULL-CONSOLIDATION BASIS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Non-current assets	36,455	50,266
Current assets	17,392	43,596
Non-current liabilities	(19)	(33)
Current liabilities	(42,690)	(71,532)
NET ASSETS	11,138	22,297
Revenue	52,324	53,179
Profit or loss	(40,040)	(26,091)

The Europcar Group subscribed to two capital increases in Car2go for an amount of €12.5 million.

(B) UBEEQO SAS – ON A FULL-CONSOLIDATION BASIS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Non-current assets	4,819	2,057
Current assets	5,806	5,310
Non-current liabilities	(85)	(1,548)
Current liabilities	(1,884)	(64)
Net assets	8,656	5,755
Revenue	2,698	2,613
Profit or loss	(2,919)	(843)

In light of the planned shareholders' agreement between Europcar Groupe and the founders of Ubeeqo, no shareholder controls the Company within the meaning of IFRS 10 - none of the parties may take a decision without the approval of the other party (even if one of the parties owns more than 50% of the share capital), or exercise joint control. Consequently, Europcar Groupe exercises significant influence over Ubeeqo and accounts for it using the equity method.

As at December 16, 2015, Europcar Groupe had injected €5 million during a capital increase. The proportionate share of its assets is thus 75.7% as from this date (note however, that the loss recorded in the accounts closed as at December 31, 2015 takes the former holding rate of 70.76% into account).

The carrying amount of the Ubeeqo securities, a company in the ramp-up phase, is justified by its value in use.

NOTE 17 FINANCIAL ASSETS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Other non-current financial assets		
Available-for-sale financial assets	280	670
Held-to-maturity investments ⁽¹⁾	50,838	31,225
Deposits and prepayments	5,928	5,747
Other long-term investments	15	1,292
TOTAL NON-CURRENT FINANCIAL ASSETS	57,061	38,934
Current financial assets		
Loans	118	118
Other current financial assets ⁽¹⁾	37,405	49,359
TOTAL CURRENT FINANCIAL ASSETS	37,523	49,477

(1) Including €72.0 million to cover liabilities arising from our captive insurance structure (€62.9 million at December 31, 2014), mainly consisting of bonds recognized at amortized cost. Because they mature in the very near future, management has concluded that the fair value of these held-to-maturity investments approximates their respective carrying amounts as at December 31, 2015.

No impairment charge was recognized on investments in non-consolidated entities classified as "available-for-sale financial assets".

NOTE 18 DEFERRED TAX ASSETS AND LIABILITIES**18.1 Deferred tax assets and liabilities and temporary differences recognized during the period**

<i>In thousands of euros</i>	January 1, 2015	Changes in scope of consolidation	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2015
Property, plant and equipment	(1,228)		(932)	-	(94)	(2,254)
Intangible assets	(245,514)		738	-	(72)	(244,848)
Rental fleet	(2,012)		(4,207)	-	8	(6,211)
Investments in subsidiaries	145		(94)	-	3	54
Other financial assets	(302)		(34)	-	-	(336)
Receivables and other assets	(2,962)		(1,566)	-	9	(4,519)
Prepaid and deferred charges	36		(67)	-	-	(31)
Employee benefits	18,099		(2,877)	(1,087)	(4)	14,178
Deferred income	6,152		(3,473)	-	-	2,679
Provisions	17,436		2,724	(554)	(5)	19,601
Derivative liabilities	20		-	(20)	-	-
Other debt	10,111		3,656	-	1	13,830
Tax losses carried forward	116,409		15,288	554	313	132,564
DEFERRED TAX ASSETS/(LIABILITIES)	(83,610)		9,157	(1,107)	158	(75,402)
Deferred tax assets						55,730
Deferred tax liabilities						(131,132)

<i>In thousands of euros</i>	January 1, 2014	Reclassification	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2014
Property, plant and equipment	(1,434)		313	-	(106)	(1,228)
Intangible assets	(253,308)		7,988	-	(200)	(245,514)
Rental fleet	(3,964)		2,082	-	(130)	(2,012)
Investments in subsidiaries	149		-	(7)	3	145
Other financial assets	-		(302)			(302)
Receivables and other assets	(1,199)		(1,782)		20	(2,962)
Prepaid and deferred charges	2,276		(2,239)		(3)	36
Employee benefits	12,615		(533)	5,985	32	18,099
Deferred income	3,670		2,482	-	-	6,152
Provisions	11,787		5,686	(11)	(26)	17,436
Derivative liabilities	4,733		-	(4,713)		20
Other debt	6,218		3,865	-	28	10,111
Tax losses carried forward	115,030		980	-	381	116,409
DEFERRED TAX ASSETS/(LIABILITIES)	(103,427)		18,541	1,628	(81)	(83,610)
Deferred tax assets						47,395
Deferred tax liabilities						(131,005)

Aside from the French tax group, on which a portion of tax losses have been recognized as deferred tax assets in the amount of the deferred tax liabilities related to the Europcar

trademark, the other deferred tax assets recognized must be used within five years.

18.2 Unrecognized deferred tax assets

Deferred tax assets are recognized up to the amount of available deferred tax liabilities and recoverability projections derived from business plans.

<i>in millions of euros</i>	2015	2014
Relating to temporary differences	45,691	33,415
Relating to tax losses carried forward ⁽¹⁾	127,942	129,290
	173,643	162,705

(1) The amount mainly relates to Spain (€28.9 million), Italy (€6.7 million) and France (€84.9 million). All tax losses, including Spain since 2015, may be carried forward indefinitely. Certain tax jurisdictions may cap the use of tax losses.

NOTE 19 INVENTORIES

No material restrictions of title or right of use exist in respect of the inventories listed below:

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Consumables	1,632	2,021
Oil and fuel	11,779	12,363
Vehicles	736	739
Spare parts	291	312
Other items	654	706
TOTAL INVENTORIES	15,092	16,141

Inventories are stated net of provisions, they amounted to €152,000 (end-2014: €140,000).

Vehicles reported in inventory are vehicles not yet in operation at the end of the period.

NOTE 20 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 2014 and 2015 business years:

Type of acquisition and related financing	% of total volume of vehicles purchased	
	2015	2014
Vehicles purchased with manufacturer or dealer buy-back commitment financed on-balance sheet	46%	43%
Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements qualifying as operating leases	46%	49%
Total fleet purchased with buy-back arrangements	92%	92%
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	7%	7%
Vehicles financed through rental agreements qualifying as finance leases	1%	1%
TOTAL PURCHASES OF RENTAL FLEET	100%	100%

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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 of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Deferred depreciation expense on vehicles	258,441	158,247
Vehicle buy-back agreement receivables	1,024,072	897,011
Fleet purchased with buy-back contracts financed on-balance sheet	1,282,513	1,055,258
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	306,744	289,088
Vehicles acquired through rental agreements qualifying as finance leases without buy-back arrangements	75,043	58,314
TOTAL RENTAL FLEET RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	1,664,300	1,402,660

The fleet is presented net of depreciation or impairment expense amounting to €4.7 million (December 2014: €4,5 million) in respect of damaged or stolen vehicles.

NOTE 21 RECEIVABLES AND PAYABLES RELATED TO THE RENTAL FLEET

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Fleet receivables ⁽¹⁾	501,522	460,038
VAT receivables ⁽²⁾	73,130	70,060
RENTAL FLEET AND RELATED RECEIVABLES	574,652	530,098

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Fleet payables ⁽¹⁾	567,931	491,664
VAT payables	94,791	90,293
TOTAL RENTAL FLEET AND RELATED PAYABLES	662,722	581,957

(1) Includes €245 million (December 2014: €232.5 million) related to a large fleet operating lease contracted in 2009, whereby the Group acquired vehicles from a manufacturer and resold them immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement.

(2) Most of the VAT receivables amount is related to fleet acquisitions and disposals.

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Fleet receivables	(39,257)	(77,096)
VAT receivables	(1,725)	(22,595)
Payables related to fleet acquisition	74,475	11,947
VAT payables	1,376	13,719
CHANGES TO THE NEED FOR CASH FLOW LINKED TO THE VEHICLE FLEET	34,869	(74,025)

NOTE 22 TRADE AND OTHER RECEIVABLES

All trade receivables fall due within one year.

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Rental receivables	209,215	181,487
Other trade receivables	77,804	79,501
Other tax receivables	870	543
Insurance claims	21,378	18,515
Prepayments	32,144	31,902
Employee related receivables	803	739
Deposits, other receivables and loans	14,987	13,225
TOTAL TRADE AND OTHER RECEIVABLES	357,200	325,912

Impairment losses taken on rental and other trade receivables are as follows:

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at wDec. 31, 2014
Opening balance	(35,297)	(33,742)
Depreciation for bad debts	(6,683)	(8,783)
Receivables written off during the year/period	8,694	6,803
Unused amounts reversed	1,874	568
Foreign currency differences	(81)	(143)
Closing balance	(31,493)	(35,297)

Additions to/releases of the allowance for bad debts are included in "Fleet operating, rental and revenue related costs" in the consolidated income statement (Note 4).

The aged receivables profile is as follows:

As at Dec. 31, 2015					
<i>In thousands of euros</i>	Not past due	Overdue by < 90 days	Overdue by between 90 and 180 days	Overdue by > 180 days	Total
Trade and other receivables - gross amount	255,772	62,035	20,581	49,612	388,000
Impairment of bad debts	(8,363)	(5,360)	(3,488)	(24,332)	(41,543)
Trade and other receivables - net amount	247,409	56,675	17,093	25,280	346,457

As at Dec. 31, 2014					
<i>In thousands of euros</i>	Not past due	Overdue by < 90 days	Overdue by between 90 and 180 days	Overdue by > 180 days	Total
Trade and other receivables - gross amount	253,396	50,679	18,133	47,067	369,275
Impairment of bad debts	(9,308)	(2,335)	(2,152)	(29,568)	(43,363)
Trade and other receivables - net amount	244,088	48,344	15,981	17,499	325,912

NOTE 23 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Cash-in-hand and at bank	145,803	143,721
Accrued interest	272	316
Cash and cash equivalents	146,075	144,037
Restricted cash	97,366	81,795
Cash and cash equivalents and restricted cash	243,441	225,832

Cash-in-hand and at bank includes €77.7 million in cash (December 2014: €52.5 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).

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 of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Cash and cash equivalents	146,075	144,037
Restricted cash	97,366	81,795
Bank overdrafts ⁽¹⁾	(14,073)	(19,515)
Cash and cash equivalents reported in the cash flow statement	229,368	206,317

(1) Included in current loans and borrowings (see Note 26).

NOTE 24 CAPITAL AND RESERVES**24.1 Share capital and share premium**

As at December 31, 2015, the recorded share capital of Europcar Groupe was €143,154,016 and comprised 143,154,016 shares with a unit value of one euro each,

142,998,496 common shares, 147,434 category B preference shares, 4,045 category C preference shares and 4,041 category D preference shares. The various corporate actions since January 1, 2015 (in particular within the scope of ecg's ipo on euronext paris) are as follows:

Date	Operation	Share capital (in €)	Share premium (in €)	Number of shares	Nominal value (in €)
12/31/2014		446,383,193.50	452,977,636.00	103,810,045	4,300
2/24/2015	Capital decrease	(336,844,642.72)	-	103,810,045	1.055
5/15/2015	Increase in share capital	8,532.21	1,501,568.74	103,818,131	1.055
6/8/2015	Increase in share capital	98,909,577.00	(98,909,577.00)	103,818,131	2.008
6/8/2015	Capital decrease	(104,638,529.00)	-	103,818,131	1.000
6/26/2015	Increase in share capital	495,845.00	(495,845.00)	495,845	1.000
6/26/2015	Increase in share capital	38,775,510.00	412,392,604.5	38,775,510	1.000
11/04/2015	Increase in share capital	8,829.00	(8,829.00)	8,829	1.000
11/04/2015	Increase in share capital	7,444.00	(7,444.00)	7,444	1.000
12/15/2015	Increase in share capital	48,257.00	(48,257.00)	48,257	1.000
12/31/2015		143,154,016.00	767,401,857.24	143,154,016	1.000

Each Category A common share gives an entitlement to one vote.

Category B, C and D shares are preferred shares as defined by article L. 228-11 of the French Commercial Code and have no voting rights.

Class B preferred shares were issued outside July 2011 for executive officers and employees of the Group, some of whom have left the Group, and Eurazeo.

The terms and conditions of Class B shares set out the terms on which holders can convert them into ordinary shares. These state that Class B shares can be converted into ordinary shares exclusively by certain managers and ex-managers of the Europcar Group (together "the managers") if certain events occur before publication of Eurazeo's 2015 results, in particular if the Company's shares are offered for sale in a regulated market via an Initial Public Offering (IPO). In the latter case, holders of Class B shares can exercise their right to convert their shares at any time from notification of the IPO up to the expiration of the 20-day period following publication of Eurazeo's 2015 results, or, if later, the three-month period following expiration of the lock-up period that may be imposed by the underwriting banks in relation to the IPO.

The conversion ratio of Class B shares into common stock is calculated on the basis of the exercise period – taking into account Eurazeo's return on its investment up to the IPO (including net proceeds of any sale of shares by Eurazeo during the IPO) plus the value of its retained stake based on the IPO

price – or of the exercise date of the conversion right, based on an average of the Company's stock market share price.

Holders of Class B shares could sell part of their shareholding on the same terms and conditions as those of Eurazeo during the IPO. The balance of Class B shares was bound by the lock-up obligations to the underwriting banks.

If a Class B shareholder does not exercise their conversion rights in the course of the conversion period available, their Class B shares will be automatically converted into the same number of common shares in the Company at the end of the period.

Class C and D shares were issued by the Company's Management Board on May 15, 2015, upon delegation of powers granted it at the Shareholders' Meeting of February 24, 2015.

Class C preferred shares were subscribed for by certain managers and employees of the Group sitting on the Executive Committee (together "the Group managers – C") while Class D shares were subscribed for by Eurazeo on the understanding that they would be sold by Eurazeo to the Group managers – C (and accordingly purchased by the latter from the former) in the event of the signing of an underwriting agreement for an IPO.

Class D shares were accordingly sold by Eurazeo to the Group managers – C following the signing of an underwriting agreement for the IPO.

The total amount paid by all holders of Class C shares was €1.7 million; of this amount, members of the Management Board paid €925,000 (of which in turn the Chairman of the Board paid €550,000) for the subscription for Class C shares and the purchase of the Class D shares from Eurazeo.

The terms and conditions of Class C and D preferred shares set out how and when holders of Class C and D shares can convert them into common stock. Accordingly, in the event of an IPO, Class C shares can be converted into common shares at any time until December 31, 2019; Class D shares cannot be converted in the year following the IPO; up to half of Class D shares can be converted during the following year with the remainder eligible for conversion two years from the IPO.

As from the IPO, the conversion ratio of Class C and D shares into common stock is determined on the basis of the exercise period taking into account a multiple of the value of the common shares varying in line with their trading price. For the purposes of this calculation, the value of the common shares is equal to a weighted average of the share price over a period of 10 trading days.

Under the agreement between the Group managers – C and Eurazeo in respect of the IPO, neither Class C nor Class D shares can be sold (except to Eurazeo) and common shares created by the conversion of Class C shares cannot be transferred during the lock-up period set by the underwriting banks and in any case before a minimum period of one year. In addition, members of the Management Board may not transfer shares to reduce their holding below the mandatory minimum for their office until the end of their term of office, *i.e.* the lower of either 10% of the number of shares held before the transfer or a number equivalent to three times their annual compensation based on the share price at the transfer date.

The agreement also defines the joint transfer rights and commitments of the Group managers – C as well as their commitment to transfer their preferred shares to Eurazeo if they leave the Group under specified circumstances.

If no conversion event occurs before December 31, 2019, the Class C and D shares will automatically be converted into the same number of common shares in the Company.

Shareholders are entitled to receive dividends as declared on a timely basis. There is no preferential dividend. The Group did not distribute any dividends in 2015.

The following table shows the breakdown of the Company's shareholders before the Company's IPO:

Shareholders	Number of common shares and voting rights	Number of Class B preferred shares ⁽⁴⁾	Number of Class C preferred shares ⁽⁴⁾	Number of Class D preferred shares ⁽⁴⁾	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
Eurazeo	89,947,696 ⁽¹⁾	150,810 ⁽²⁾	–	4,041	90,102,547	86.97%	86.79%
ECIP Europcar Sarl	13,480,307	–	–	–	13,480,307	13.03%	12.98%
Executives and employees	–	231,232 ⁽³⁾	4,045	–	235,277	-	0.23%
TOTAL	103,428,003	382,042	4,045	4,041	103,818,131	100.00%	100.00%

(1) Including 346,607 shares issued by the Company on October 16, 2007 and later transferred to Eurazeo by Eureka Participations SAS in connection with a complete transfer of assets and liabilities;

(2) Of these shares, 41,025 Class B Preferred Shares acquired from Mr. Philippe Guillemot were placed in escrow pursuant to an order dated June 14, 2012 in a legal proceeding relating to the exercise of the promise to purchase and its terms and conditions;

(3) Including 122,783 Class B Preferred Shares still held by former employees.

(4) The Class B, Class C and Class D Preferred Shares do not have voting rights.

The following table sets forth the shareholders of Europcar Groupe following the Company's IPO:

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
Eurazeo	61,859,208	-	-	4,041	61,863,249	43.29%	43.23%
ECIP Europcar Sarl	9,232,494	-	-	-	9,232,494	6.46%	6.45%
Executives and employees, and floating	71,814,775	174,923	4,045	-	71,993,743	50.25%	50.32%
TOTAL	142,906,477	174,923	4,045	4,041	143,089,486	100.00%	100.00%

As at December 31, 2015, 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
Eurazeo	60,544,838	-	-	-	60,544,838	42.38%	42.29%
ECIP Europcar Sarl	9,036,469	-	-	-	9,036,469	6.33%	6.31%
Executives and employees, and floating	73,417,189	147,434	4,045	4,041	73,572,709	51.29%	51.39%
TOTAL	142,998,496	147,434	4,045	4,041	143,154,016	100.00%	100.00%

24.2 Treasury shares

Under the liquidity contract entrusted to Rothschild relating to the shares of Europcar Groupe on December 31, 2015 the following resources were listed on the liquidity account:

- no Europcar Groupe shares;
- €100,000

Europcar did not cancel any shares in 2015.

24.3 Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. At December 31, 2015 it includes a

foreign exchange loss amounting to €51.5 million (the same as at December 31, 2014) arising on an intercompany loan denominated in GBP granted by Europcar Groupe S.A. to its subsidiary Europcar UK Ltd that qualifies as a quasi-equity loan.

This loan for a nominal amount of €171 million (denominated in GBP) was repaid in full by Europcar UK Ltd to Europcar Groupe SA in December 2011. As the parent company continues to hold the same percentage of the subsidiary and continues to control the foreign operation, no partial disposal was recognized under Sections 48d and 49 of IAS 21. Accordingly, the relevant currency translation adjustment has not been reclassified to the consolidated income statement.

As at December 31, 2015, Europcar International S.A.S.U. held a loan receivable with its subsidiary located in Australia amounting to AUD 14.6 million. The translation reserve includes a foreign exchange gain amounting to €1.6 million in relation to this loan (unchanged from December 31, 2014).

NOTE 25 LOSS PER SHARE

Basic and diluted loss per share are based on the loss attributable to common shareholders of €55,6 million as at December 31, 2015 (€112.3 million as at December 31, 2014) and the weighted average number of common shares during

the year (not taking into account the shares that could be issued as these are likely to have an accretive impact), calculated as follows:

<i>In thousands of euros</i>	As of Dec. 31, 2015	As of Dec. 31, 2014
Loss attributable to ordinary shareholders	(55,602)	(112,273)
Average number of shares outstanding	123,722,277	103,428,003
Loss per share in €	(0. 449)	(1.085)
Diluted loss per share in €	(0. 449)	(1.085)

The number of potential dilutive shares is 2,371,810 (of which 1,863,333 free shares, 500,391 class B preferred shares and 8,086 class C and D preferred shares) as at December 31, 2015 and 1,296,651 as at December 31, 2014.

NOTE 26 LOANS AND BORROWINGS

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Notes issued	825,000	1,074,000
Other bank loans	152	303
Transaction costs/Premiums/Discounts	(23,969)	(31,234)
NON-CURRENT LIABILITIES	801,183	1,043,069
Senior Revolving Credit Facility	81,000	201,000
Senior Asset Facility	658,284	417,600
Other borrowings dedicated to fleet financing	383,706	420,154
Finance lease liabilities	76,041	55,570
Bank overdrafts	14,073	19,515
Current bank loans and other borrowings	47,314	9,361
Transaction costs/Premium/Discount – current portion	(7,906)	(16,916)
Accrued interest	11,271	21,261
CURRENT LIABILITIES	1,263,783	1,127,545

Total net debt reconciliation:

Total net debt includes net corporate debt and total fleet net debt. The latter includes all financing in relation to the fleet whether or not it is recorded in the balance sheet. In particular, the estimated outstanding value of the fleet financed through operating leases corresponds to the net book value of the

vehicles in question. 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 (based on contracts signed with the manufacturers).

<i>In thousands of euros</i>	Notes	As at Dec. 31, 2015	As at Dec. 31, 2014
Non-current loans and borrowings	26	801,183	1,043,069
Current loans and borrowings	26	1,263,783	1,127,545
Held-to-maturity investments	17	(50,838)	(31,225)
Other current financial assets	17	(37,405)	(49,359)
Cash and cash equivalents and restricted cash	23	(243,441)	(225,832)
Net debt on the statement of financial position		1,733,282	1,864,198
Estimated outstanding value of the fleet financed through operating leases		1,323,411	1,284,052
TOTAL NET DEBT		3,056,693	3,148,250

26.1 Loans and borrowings by maturity

<i>In thousands of euros</i>	As at Dec. 31, 2015	<1 year	From 1 year to 5 years	>5 years
Notes issued	825,000	-	-	825,000
Other bank loans	152	-	152	-
Transaction costs/Premiums/Discounts ⁽¹⁾	(23,969)	-	-	(23,969)
NON-CURRENT LIABILITIES	801,183	-	152	801,031
Senior Revolving Credit Facility	81,000	81,000	-	-
Senior Credit Facility	658,284	658,284	-	-
Other borrowings	383,706	383,706	-	-
Finance lease liabilities	76,041	76,041	-	-
Bank overdrafts	14,073	14,073	-	-
Current bank loans and other borrowings	47,314	47,314	-	-
Transaction costs/premiums/discount - current portion ⁽¹⁾	(7,906)	(7,906)	-	-
Accrued interest	11,271	11,271	-	-
CURRENT LIABILITIES	1,263,783	1,263,783	-	-

(1) Transaction costs and premiums relate to the €475 million bond for €9.5 million, the €350 million bond for €6.1 million, the SARF for €5.5 million, the RCF for €10.8 million.

<i>In thousands of euros</i>	As at Dec. 31, 2014	<1 year	From 1 year to 5 years	>5 years
Notes issued	1,074,000	-	724,000	350,000
Other bank loans	303	-	303	-
Transaction costs	(31,234)	-	(29,492)	(1,741)
NON-CURRENT LIABILITIES	1,043,069	-	694,811	348,259
Senior Revolving Credit Facility	201,000	201,000	-	-
Senior Credit Facility	417,600	417,600	-	-
Other borrowings	420,154	420,154	-	-
Finance lease liabilities	55,570	55,570	-	-
Bank overdrafts	19,515	19,515	-	-
Current bank loans and other borrowings	9,361	9,361	-	-
Transaction costs/Premiums/Discounts - current portion	(16,916)	(16,916)	-	-
Accrued interest	21,261	21,261	-	-
CURRENT LIABILITIES	1,127,545	1,127,545	-	-

26.2 Loans and borrowings by currency of origination

As at December 31, 2015, loans and borrowings by currency of origination can be analyzed as follows:

<i>In thousands of euros</i>	As at Dec. 31, 2015	EURO	GBP	AUD
Notes issued	825,000	825,000	-	-
Transaction costs	(31,875)	(28,436)	(3,439)	-
Accrued interest	11,271	11,271	-	-
Senior Revolving Credit Facility	81,000	81,000	-	-
Senior Credit Facility	658,284	658,284	-	-
Other borrowings	383,706	26, 824	356, 937	26,769
Finance lease liabilities	76,041	27,039	-	49,002
Bank overdrafts	14,073	14,073	-	-
Current bank loans and other borrowings	47,314	47,314	-	-
Other bank loans	152	152	-	-
TOTAL LOANS AND BORROWINGS	2,064,966	1,628,819	360,376	75,771

<i>In thousands of euros</i>	As at Dec. 31, 2014	EURO	GBP	AUD
Notes issued	1,074,000	1,074,000	-	-
Transaction costs	(48,150)	(44,101)	(4,049)	-
Accrued interest	21,261	21,261	-	-
Senior Revolving Credit Facility	201,000	201,000	-	-
Senior Credit Facility	417,600	417,600	-	-
Other borrowings	420,154		351,018	69,136
Finance lease liabilities	55,570	22,041	-	33,529
Bank overdrafts	19,515	19,176	339	-
Current bank loans and other borrowings	9,361	9,361	-	-
Other bank loans	303	303	-	-
TOTAL LOANS AND BORROWINGS	2,170,614	1,720,641	347,308	102,665

26.3 Debt covenants

The following covenants must be complied with:

(i) For United Kingdom fleet financing facilities

Europcar UK shall ensure that:

- the net assets of Europcar UK Group shall be not less than GBP 60 million;
- the ratio of earnings before interest, tax, depreciation and amortization to Fixed Charges shall be not less than 1.00;
- fleet cover shall be no more than 1.00.

(ii) For the Senior Revolving Credit Facility

The ratio of cash flow (which shall include, for any given period of 12 months ending on a quarter date, cash on the statement of financial position at the beginning of such period) to total debt service shall at no time be less than 1.10.

Total debt service is defined as the aggregate of the interest and associated fees paid during any given 12 month period plus repayment of financial liabilities, the latter being subject to certain limitations.

(iii) Loan to Value Covenant

The Group is subject to a maximum 95% loan-to-value ratio for all Securitifleet company debt over the total asset market value of certain Securitifleet entities. Compliance is tested on a quarterly basis.

(iv) For Australian Asset Financing

Europcar Australia shall ensure that:

- its minimum net worth, *i.e.*, total shareholders' equity, is always greater than AUD 58 million;
- the fleet utilization ratio is above 70% on average over the year;

- its minimum cumulative net profit before tax is within 85% of the Company's budget.
- no dividends or other payments may be made by a member of Europcar Groupe Australia to another member or shareholder or related party of Europcar Groupe Australia without prior written consent of the bank.

The Group complied with all these covenants at December 31, 2015.

26.4 Notes issued

Loan notes issued are as follows:

<i>In thousands of euros</i>	Nominal outstanding amount		Carrying Value	
	As at Dec. 31 2015	As at Dec. 31 2014	As at Dec. 31 2015	As at Dec. 31 2014
Senior Subordinated Secured 11.50% Notes due in 2017	-	324,000	-	302,807
Senior Subordinated Secured 9.75% Notes due in 2017	-	350,000	-	350,122
Senior Subordinated Secured 5.125% Notes due in 2021	350,000	-	352,098	-
Senior Subordinated Secured 5.75% Notes due in 2022	475,000	-	466,673	-
Senior Subordinated Unsecured 9.375% Notes due in 2018	-	400,000	-	402,397
	825,000	1,074,000	818,771	1,055,326

(i) €350 million senior subordinated notes

In July 2014, the Group refinanced its fleet financing debt in France, Italy, Germany and Spain by issuing €350 million worth of senior secured 5.125% notes due in 2021. These notes were issued by EC Finance plc, an SPE, and guaranteed as senior debt by ECI, (the "EC Finance Notes"). This issue was used to redeem the senior secure notes due in 2017 – and also guaranteed by EC Finance plc – in two installments: €250 million in summer 2010 and €100 million in May 2011. This early redemption therefore generated a redemption premium of €17.1 million.

These call options provided for in the event of early redemption are considered as embedded derivatives that must be recognized separately at fair value through profit and loss and they are not deemed material at December 31, 2015.

(ii) €475 million senior subordinated notes

On May 27, 2015, €475 million senior notes due 2022 were issued at an issue price of 99.289%. and a coupon of 5.75%. On June 29, 2015 a portion of the HY bond proceed was directly transferred to an escrow account dedicated to the redemption of €400 million of Outstanding Subordinated Notes Due 2018 and bearing interest at 9.375%. The remaining proceed was transferred to Europcar Groupe.

On June 29, 2015 a portion of the IPO proceeds was directly transferred to an escrow account dedicated to the redemption of the €324 million of Outstanding Subordinated Notes Due 2017 and bearing interest at 11.50%. The remaining proceed was transferred to Europcar Groupe.

26.5 Senior Revolving Credit Facility

The Senior Revolving Credit Facility consists of a senior secured revolving credit facility providing for loan advances denominated in euro, or such other currencies as may be agreed upon with the lenders. The purpose of the facility is to provide funding mainly for:

- financing advances to be made by a borrower to an SPE to contribute to the financing of fleet acquisition;
- working capital needs and general corporate purposes of the Group;
- payment to an SPE pursuant to any operating lease;
- interest payments due by ECG or any other debtor of the Group pursuant to, *inter alia*, the Senior Revolving Credit Facility and certain other outstanding liabilities of ECG;
- repayment of inter-company loans.

The New Senior Revolving Credit Facility was signed on May 12, 2015 and entered into effect on May 28, 2015. The €350 million Senior Revolving Credit Facility matures in 5 years and bears interest at a rate of Euribor + 250 bps (or 275 bps if certain thresholds are achieved).

26.6 Dedicated asset financing

(i) Senior asset Revolving Facility

The SARF 2010 was initially entered into on July 30, 2010, then amended between Credit Agricole Corporate and Investment Bank acting as lender, Securitifleet Holding (as borrower) and ECI (as borrower agent). Drawings are available to Securitifleet Holding for the sole purpose of financing fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet companies exclusively. These drawn down amounts are based on the aggregate of all borrowing bases calculated monthly, in substance representing the aggregate of the vehicle fleet residual value (including vehicles for which registration is pending) and the fleet working capital, including related VAT positions.

The lender assigned its claims arising under SARF 2010, together with all security and ancillary rights thereto, to FCT Sinople. With respect to these claims, FCT Sinople will issue: (i) FCT Senior Notes to be subscribed periodically by Credit Agricole Corporate and Investment Bank, Royal Bank of Scotland plc., Société Générale, Deutsche Bank, Natixis, BNP

Paribas and any other entity which may subscribe to or acquire the FCT Senior Notes as senior subscriber, and (ii) FCT Junior Notes to be subscribed from time to time by ECI.

In March 2014, the Group signed an amendment allowing it to extend maturity through July 2017 and to start repayments in January 2017. Europcar also adapted the facility to its financing requirements and limited its commitment to €1 billion. Standard & Poor's has confirmed its A stable outlook rating.

SARF was amended (signed on May 12, 2015 and effective as of June 17, 2015) primarily to extend the maturity of the facility to July 2019 thereof and to lower the overall interest cost fixed to EURIBOR (+1.70%), increase the amount from €1.0 billion to €1.1 billion and permit the participation of two new banks, Lloyds Bank and HSBC France.

(ii) United Kingdom fleet financing facilities

The United Kingdom fleet has a stand-alone arrangement through the Group's United Kingdom subsidiaries, including Europcar Group UK Limited, Europcar UK Limited and certain subsidiaries of Europcar UK Limited, comprising a working capital facility and two main leasing facilities (one with Lloyds for GBP 190 million and the other with Lombard for GBP 160 million). In October 2014, all financing lines were renegotiated. As well as obtaining better conditions and expanding the banking pool, the refinancing arrangements increase the United Kingdom entities' fleet financing facilities to GBP 455 million, maturing in three years with a two-year extension option.

The total guaranteed amount available for leasing facilities is GBP 525 million (2014: GBP 555 million). Vehicles are acquired from the manufacturers, then sold to lessors and operated through lease-back agreements. The amount outstanding for these contracts as at December 31, 2015 was GBP 262 million (GBP 273 million at end-2014). Most of the leasing facilities will mature on September 30, 2018 after the first one-year extension option has been exercised.

26.7 Australia asset financing

National Australia Bank (the "NAB"), Toyota Financial Services, Volkswagen Financial Services and Alphabet Financial Services have provided Europcar Australia and New Zealand with senior credit facilities (the "Australian Asset Financing Facilities") that include revolving and non-revolving fleet operating and finance leases for up to AUD 60 million. These facilities are renewed annually in April of each year.

NAB Facilities are secured by fixed and floating charges over Europcar Australia assets, including goodwill and uncalled capital and called but unpaid capital, together with assignment of the related insurance policy. There are also performance guarantees for the facilities.

operating leases. In certain countries, the operating companies have entered into comprehensive framework operating lease agreements with financial institutions and manufacturers.

The financing of our operating leases is mostly correlated to the 6-month Euribor rate, in particular due to contractual terms that match the average length of the holding period of cars.

The note on "Financial risk management" provides more information about the Group's exposure to interest and liquidity risks.

26.8 Major operating lease

The Group finances a portion of its fleet in all countries in which it is present, including Germany, France, Italy and Spain, through

NOTE 27 EMPLOYEE BENEFITS

In thousands of €	As at Dec. 31, 2015			As at Dec. 31, 2014		
	Pensions	Other LT employee benefits	Total	Pensions	Other LT employee benefits	Total
Non-current	115,849	3,446	119,295	120,945	3,814	124,759
Current	2,944	-	2,944	2,744	-	2,744
TOTAL	118,793	3,446	122,239	123,689	3,814	127,503

27.1 Net liability recognized in the statement of financial position

The Group has defined benefit pension obligations for some of the Group's employees in the United Kingdom, France, Germany, Italy and Belgium.

In thousands of euros		As at Dec. 31, 2015	As at Dec. 31, 2014
Present value of funded or partially funded obligations	(A)	(76,045)	(74,155)
Fair value of plan assets	(B)	71,630	67,425
Surplus/(Deficit) at period end ⁽¹⁾		(4,415)	(6,730)
Present value of unfunded obligations	(C)	(114,378)	(116,960)
Unrecognized prior service costs		-	-
NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD		(118,793)	(123,689)
O/w:			
A statement of financial position liability of		118,793	123,689
A statement of financial position asset of		-	-

(1) Mainly in United Kingdom.

27.2 Movement in net liability recognized in the statement of financial position

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Net liability for defined benefit obligations at January 1	(123,689)	(101,346)
Changes in scope of consolidation	156	(912)
Settlements	(39)	-
Defined benefit obligations and fair value of plan assets acquired as part of business combinations		
Contributions paid into plan	2,901	2,269
Benefits paid	2,662	3,399
Current service cost, interest expense and expected return on plan assets	(5,475)	(5,861)
Past service cost	(7)	(12)
Actuarial gains/(losses) recognized in equity	4,179	(21,802)
Curtailments	596	569
Foreign currency differences	(76)	7
NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD	(118,793)	(123,689)

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27.3 Movement in defined benefit obligations

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Defined benefit obligations at January 1	(191,115)	(156,416)
Curtailments	596	569
Settlements	(39)	(3)
Defined benefit obligations acquired as part of a business combination	156	(912)
Benefits paid	6,603	5,028
Current service cost	(3,349)	(3,048)
Interest on obligations	(4,645)	(5,199)
Actuarial gains/(losses) recognized in equity	5,261	(27,327)
Foreign currency differences	(3,891)	(3,807)
DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD	(A)+(C) (190,423)	(191,115)

27.4 Plan assets

In % (average)	2015		2014	
	Eurozone	United-Kingdom	Eurozone	United-Kingdom
Equities	0%	17%	0%	18%
Debt	0%	52%	0%	52%
Other assets	100% ⁽¹⁾	32%	100%	31%

(1) Unit-linked portfolios for various insurance policies, which themselves consist of a mix of stocks, bonds and cash, were classified as "other instruments".

27.5 Movement in defined benefit plan assets

In thousands of euros	As at Dec. 31, 2015	As at Dec. 31, 2014
Fair value of plan assets at January 1	67,425	55,080
Curtailments	-	-
Settlements	-	3
Fair value of plan assets acquired as part of a business combination	-	-
Contributions paid into plan	2,901	2,269
Benefits paid	(3,941)	(1,629)
Expected rate of return on plan assets	2,519	2,386
Actuarial gains/(losses) recognized in equity	(1,082)	5,527
Foreign currency differences	3,808	3,789
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	(B) 71,630	67,425

27.6 Expense recognized in the income statement for defined benefit plans

In thousands of euros	As at Dec. 31, 2015	As at Dec. 31, 2014
Current service costs	3,107	3,046
Interest on obligations	4,647	5,199
Expected rate of return on plan assets	(2,318)	(2,386)
Past service cost	7	12
Curtailments/settlements	(148)	-
	5,295	5,872

The expense is recognized in "Personnel costs" as disclosed in Note 5, except for interest costs on benefit plans and expected return on plan asset (€2.3 million). In the three main countries

(France, Germany and United Kingdom), the estimated charge in the consolidated income statement for 2016, based on the assumptions at December 31, 2015 amounts to €4.9 million.

27.7 Actuarial assumptions

Group obligations are valued by an external independent actuary, based on assumptions at the reporting date that are periodically updated. These assumptions are set out in the table below:

	2015			2014		
	Eurozone excl. Germany ⁽¹⁾	Germany	United-Kingdom	Eurozone excl. Germany ⁽¹⁾	Germany	United-Kingdom
Discount rate	2.00%	2.00%	3.85%	1.80%	1.80%	3.65%
Inflation rate	1.00% to 2.00%	1.00%	3.25%	1.00% to 2.00%	1.00%	3.15%
Expected rate of salary increase	2.00% to 3.50%	2.00%	3.25%	2.00% to 3.50%	2.00%	2.75%
Expected rate of pension increase	0.00% to 3.00%	1.00%	3.10%	0.00% to 3.00%	1.00%	3.05%
Expected rate of return on plan assets	1.75% to 2.00%	na	3.85%	1.80%	na	3.65%

(1) The eurozone includes plans in Italy, France and Belgium expressed based on a weighted average.

The discount rate is the yield at the reporting date on bonds with a credit rating of at least AA that have maturities similar to those of the Group's obligations.

A 0.25% increase in the discount rate would reduce the benefit obligation by €7.9 million; a 0.25% decrease in the discount rate would increase the benefit obligation by €8.2 million.

The estimated return on plan assets has been determined based on long-term bond yields. All of the plan assets are allocated to United Kingdom and Belgian employees.

Assumptions concerning long-term returns on plan assets are based on the discount rate used to measure defined benefit obligations. The impact of the revised IAS 19 is not material for Europcar Groupe.

Assumptions regarding future mortality rates are based on best practice and published statistics and experience in each country.

27.8 Actuarial gains and losses recognized directly in equity (net of deferred tax)

In thousands of euros	As at Dec. 31, 2015	As at Dec. 31, 2014
Cumulative opening balance	(41,724)	(25,907)
Gain/(loss) recognized during the year/period	3,785	(15,817)
Cumulative closing balance	(37,939)	(41,724)

27.9 Experience adjustments

<i>In thousands of euros</i>	2015	2014	2013	2012	2011	2010	2009
Present value of defined benefit obligations	(63,917)	(61,369)	(50,720)	(47,859)	(42,325)	(38,098)	(35,482)
Fair value of plan assets	65,992	61,669	49,880	47,155	40,668	36,617	31,286
(surplus)/deficit	(2,075)	(300)	(840)	(705)	(1,657)	(1,481)	(4,196)
Experience adjustments to plan liabilities	(247)	1,372	313	-	-	850	-
Experience adjustments to plan assets	(1,071)	36	1,444	3,174	679	2,434	1,469

27.10 Contributions to defined contribution plans

In 2015, the Group paid contributions into defined contribution plans amounting to €2.7 million (2014: €2.7 million).

NOTE 28 PROVISIONS

<i>In thousands of euros</i>	Insurance claim provisions	Reconditioning provisions	Other provisions	Total
Balance at January 1, 2014	129,769	28,070	40,302	198,141
Provisions recognized during the period	59,816	72,314	65,268 ⁽¹⁾	197,398
Provisions utilized during the period	(51,489)	(68,738)	(22,575)	(142,802)
Provisions reversed during the period	(2,252)	(295)	(4,476)	(7,023)
Changes in scope of consolidation	-	-	644	644
Transfers	-	-	976	976
Actuarial (gains)/losses	-	-	-	-
Effect of foreign exchange differences	2,339	423	415	3,177
BALANCE AT DECEMBER 31, 2014	138,183	31,774	80,554	250,511
Non-current	-	-	10,114	10,114
Current	138,183	31,774	70,440	240,397
	138,183	31,774	80,554	250,511
Balance at January 1, 2015	138,183	31,774	80,554	250,511
Provisions recognized during the period	73,743	78,904	76,289 ⁽¹⁾	228,936
Provisions utilized during the period	(77,938)	(76,121)	(34,372)	(188,431)
Provisions reversed during the period	-	-	(20,223)	(20,223)
Changes in scope of consolidation	-	-	-	-
Transfers	-	-	1,231	1,231
Actuarial (gains)/losses	-	-	-	-
Effect of foreign exchange differences	2,242	403	586	3,231
BALANCE AT DECEMBER 31, 2015	136,230	34,960	104,065	275,255
Non-current	-	-	25,168	25,168
Current	136,230	34,960	78,897	250,087
	136,230	34,960	104,065	275,255

(1) Including in 2014 a provision relating to the dispute between Europcar and Enterprise Holding Inc. and in 2015 a provision for the ongoing dispute with the French Competition Authority (see Note 32).

28.1 Insurance claim provisions

Most of these provisions relate to the insurance risks described in the Section "Financial risk management". For the portion of the self-financed automotive liability risk, Europcar annually establishes a cost schedule for the insurance and brokerage costs, taxes and cost of the self-financed portion for each country. The cost is determined by day of rental and is included in the budget instructions sent to each country at the end of the year. Based on the cost per day of rental, Europcar entities set aside funds to cover costs based on the self-financed portion that will pay claims when benefits are actually due to third parties.

contract. These contracts usually stipulate that the vehicles must be returned at the end of a certain period (less than 12 months) and in a certain "condition" (mileage, cleanliness, etc.). Consequently, the Group has commitments to these manufacturers under these contracts and recognizes a provision to cover the cost of restoring the fleet at the balance sheet date. This cost is determined from statistics compiled by the Fleet Department over the last 6 to 12 months. There are no specific key assumptions, but only statistical support.

28.2 Reconditioning provisions

The provision for reconditioning relates to costs incurred for the present fleet at the end of the buy-back agreement period.

Europcar acquires a large proportion of its vehicles from car manufacturers with buy-back commitments at the end of the

28.3 Other provisions

Other provisions relate mainly to reserves for:

- risks and liabilities for damages to cars financed through operating leases;
- restructuring costs (personnel costs and the costs of moving the Group's head office);
- litigation costs include litigation with franchisees, employee disputes and accident claims.

28.4 Provisions added or reversed in the income statement

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Included in "Fleet operating, rental and revenue related costs"	(2,699)	10,152
Included in "Personnel costs"	(6,418)	(5,841)
Included in "Network and head office overhead costs"	(1,015)	(263)
Included in "Other income"	(2,779)	(86)
Included in "Other non-recurring income and expenses"	13,959	29,677
Included in "Net financing costs"	2,311	3,250
Included in "Income tax"	15,687	9,980
TOTAL PROVISIONS ADDED OR REVERSED	19,076	46,867

NOTE 29 TRADE PAYABLES AND OTHER LIABILITIES

The fair values of trade payables correspond to their nominal value. All trade payables and other liabilities fall due within one year.

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Trade payables	304,911	302,669
Other tax payables	8,989	16,007
Deposits	37,379	42,875
Employee related liabilities ⁽¹⁾	70,403	82,930
Liabilities relating to the acquisition of participating interests	3,292	5,385
TOTAL TRADE PAYABLES AND OTHER LIABILITIES	424,974	449,866

(1) Includes €23.7 million relating to the multi-year compensation program in 2014 which was paid in 2015.

<i>In thousands of euros</i>	As of Dec. 31, 2015	As at Dec. 31, 2014
Trade receivables	(17,148)	(18,346)
Other receivables	(9,206)	(11,492)
Tax receivables	(327)	1,249
Inventories	1,294	1,300
Trade payables	(4,994)	69,514
Other debt	(5,845)	4,304
Employee-related liabilities	(13,998)	2,443
Tax debt	(7,020)	1,046
CHANGES IN NON-FLEET WORKING CAPITAL	(57,243)	50,018

NOTE 30 DERIVATIVE FINANCIAL INSTRUMENTS

Total interest rate derivatives eligible for hedge accounting

<i>In thousands of euros</i>	Nominal	Indexation	Fair value as at Dec. 31, 2015	Fair value adjustments during period	Impact on income statement	Impact on OCI
Interest rate swaps maturing in 2017 ⁽¹⁾ - 0.8059%	1,000,000	1-month Euribor	(16,753)	3,192	-	3,192
Interest rate swaps maturing in 2020 ⁽³⁾ - 1.099%	600,000	6-month Euribor	(22,728)	(803)	900	(1,703)
Asset swaps	1,600,000					
Forward interest rate swaps maturing in 2019 ⁽⁴⁾ - 0.6418%	1,000,000	1-month Euribor	(12,609)	(12,609)	(1,811)	(10,798)
Interest rate swaps maturing in 2015 - 0.143%	900,000	1-month Euribor	-	(58)	-	58
Interest rate swaps maturing in 2015 ⁽²⁾ - 2.43%	1,300,000	1-month Euribor	-	-	(554)	554
			(52,090)	(10,162)	(1,465)	(8,697)

(1) From 1/19/2015 to 7/17/2017 - following the amendment of the SARF in 2015, the nominal amount was raised from €900 million to €1,000 million. The interest rate was dropped to 0.8059%.

(2) Wound up in April 2012 in exchange for a balancing cash payment of €67 million amortized over the initial term of the swap (i.e., through January 2015).

(3) Maturity extended until July 2020, change in interest rate at 1.099% and nominal amount raised to €600m.

(4) From 7/17/2017 to 7/17/2019.

<i>In thousands of euros</i>	Nominal	Indexation	Fair value as at Dec. 31, 2014	Fair value adjustments during period	Impact on income statement	Impact on OCI
Forward interest rate swaps maturing in 2017 ⁽¹⁾ - 0.865%	900,000	1-month Euribor	(19,945)	(19,945)	-	(19,945)
Interest rate swaps maturing in 2018 ⁽³⁾ - 1.489%	500,000	6-month Euribor	(21,925)	(12,460)	-	(12,460)
Asset swaps	1,400,000					
Interest rate swaps maturing in 2015 - 0.143%	900,000	1-month Euribor	(58)	4,225	(2,000)	4,225
Interest rate swaps maturing in 2015 ⁽²⁾ - 2.43%	1,300,000	1-month Euribor	-	-	(14,258)	14,258
			(41,928)	(28,180)	(16,258)	(13,922)

(1) From 1/19/2015 to 7/17/2017.

(2) Wound up in April 2012 in exchange for a balancing cash payment of €67 million amortized over the initial term of the swap (i.e., through January 2015).

(3) Change in rate to 1.65% in exchange for a balancing cash payment of €2 million, then to 1.4890%, and maturity extended through July 2018.

The fair value of a hedging derivative is recorded as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the maturity of the hedged item is less than 12 months.

The forward swap agreements qualify for cash flow hedge accounting and therefore the effective portion of changes in

fair value is recognized in equity. In 2015, a financial expense of €1.8 million was recorded for the inefficiencies generated by the Eur 1-month forward swap.

The consideration of credit risk in the valuation of derivatives had no material impact on fair value as of December 31, 2015.

NOTE 31 OTHER DISCLOSURES RELATING TO FINANCIAL ASSETS AND LIABILITIES

This note presents the Group's financial instrument fair value measurement methodology. The "Financial risk management" Section in the Significant Accounting Policies provides more information about the Group's financial risk management policy.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price: Level 1 in the fair value measurement hierarchy.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the

remaining financial instruments. The fair value of interest rate swaps is calculated using the discounted cash flow method: Level 2 in the fair value measurement hierarchy.

The carrying amount less impairment provision for trade receivables and payables is assumed to approximate their fair value.

Given the maturity of the financing facilities and other debts and their respective interest rates, management has concluded that the fair value of the financial liabilities approximates their respective carrying amounts, except for Loan Notes maturing in 2017, 2018 and 2021 whose fair values were determined using quoted prices on the Euro MTF market at December 31, 2015, December 31, 2014 and December 31, 2013.

The fair values of the other financial assets and liabilities (investments, other assets, trade receivables and payables) are close to their carrying amounts in view of their short maturities.

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 of euros</i>	Notes	Carrying Value	Fair value	Fair value through the income statement	Fair value through equity	Financial instruments at amortized cost
Fair value as at December 31, 2015						
Trade receivables	22	287,018	287,018	-	-	287,018
Deposits and current loans	17	6,046	6,046	-	-	6,046
Vehicle buy-back agreement receivables	20	1,024,072	1,024,072	-	-	1,024,072
Fleet receivables	21	501,522	501,522	-	-	501,522
Deposits, other receivables and loans	22	14,987	14,987	-	-	14,987
TOTAL OF LOANS AND RECEIVABLES		1,833,645	1,833,645	-	-	1,833,645
Investments in non-consolidated entities	17	280	280	-	280	-
Other financial assets	17	88,236	88,236	-	-	88,236
Restricted cash	23	97,366	97,366	97,366	-	-
Cash and cash equivalents	23	146,075	146,075	146,075	-	-
Derivative assets	30	-	-	-	-	-
TOTAL FINANCIAL ASSETS ⁽¹⁾		2,165,602	2,165,602	243,441	280	1,921,881
Notes and borrowings	26	801,183	839,109	-	-	839,109
Trade payables	29	468,453	468,453	-	-	468,453
Fleet payables	20	567,931	567,931	-	-	567,931
Bank overdrafts and portion of loans due in less than one year	26	1,263,783	1,263,783	-	-	1,263,783
Derivative liabilities	30	52,090	52,090	-	52,090	-
TOTAL FINANCIAL LIABILITIES ⁽¹⁾		3,153,440	3,153,440	-	52,090	3,101,350

<i>In thousands of euros</i>	Notes	Carrying Value	Fair value	Fair value through the income statement	Fair value through equity	Financial instruments at amortized cost
Fair value as at December 31, 2014						
Trade receivables	22	260,629	260,629	-	-	260,629
Deposits and current loans	17	7,164	7,164	-	-	7,164
Vehicle buy-back agreement receivables	20	897,011	897,011	-	-	897,011
Fleet receivables	21	460,038	460,038	-	-	460,038
Deposits, other receivables and loans	22	13,225	13,225	-	-	13,225
TOTAL OF LOANS AND RECEIVABLES		1,638,067	1,638,067	-	-	1,638,067
Investments in non-consolidated entities	17	670	670	-	670	-
Other financial assets	17	99,179	99,179	-	-	99,179
Restricted cash	23	81,795	81,795	81,795	-	-
Cash and cash equivalents	23	144,037	144,037	144,037	-	-
Derivative assets	30			-	-	-
TOTAL FINANCIAL ASSETS ⁽¹⁾		1,963,748	1,963,748	225,832	670	1,737,246
Notes and borrowings	26	1,043,069	1,120,820	-	-	1,120,820
Trade payables	29	368,913	368,913	-	-	368,913
Fleet payables	21	491,664	491,664	-	-	491,664
Bank overdrafts and portion of loans due in less than one year	26	1,127,545	1,127,545	-	-	1,127,545
Derivative liabilities	30	41,928	41,928	-	41,928	-
TOTAL FINANCIAL LIABILITIES ⁽¹⁾		3,073,119	3,150,870	-	41,928	3,108,942

(1) Financial assets and liabilities are not offset as they were not contracted with the same counterparties.

The level in the fair value hierarchy at which fair value measurements are categorized, for assets and liabilities measured in the statement of financial position, is as follows:

<i>In thousands of euros</i>	As at Dec. 31, 2015	Level 1	Level 2	Level 3
Assets measured at fair value				
Other financial assets	280	280	-	-
Cash and cash equivalents	243,820	243,820	-	-
TOTAL	244,100	244,100	-	-

<i>In thousands of euros</i>	As at Dec. 31, 2015	Level 1	Level 2	Level 3
Liabilities measured at fair value				
Derivative liabilities	52,090	-	52,090	-
TOTAL	52,090	-	52,090	-

Time-frame for recycling items from OCI to profit and loss:

<i>In thousands of euros</i>	As at Dec. 31, 2015	2016	2017	2018	2019	2020
Recycling of completed operations	1,465	-	-	-	-	-
Recycling of operations in progress	52,090	17,415	16,719	11,953	5,233	768

NOTE 32 OFF-BALANCE SHEET COMMITMENTS**32.1 Fleet operating leases**

As at December 31, 2014 and 2015, the Group's minimum future payments for non-cancellable operating lease commitments are as follows:

<i>In thousands of euros</i>	As at Dec. 31 2015		As at Dec. 31 2014	
	Including amounts related to rental fleet		Including amounts related to rental fleet	
Payable:				
Within 1 year	233,581	185,230	314,276	267,735
From 1 to 5 years	115,339	8,002	115,527	23,607
More than 5 years	37,558	-	33,179	-
	386,478	193,232	462,982	291,342

The Group leases vehicles in Germany, Belgium, Portugal, France, Spain, Australia and New Zealand. The Group also leases facilities and other assets. Facilities and other asset leases run for a period of three to nine years in most instances, usually with an option to renew the lease after that date.

During 2015, €265.5 million was recognized as an expense in the income statement in respect of operating leases related to the rental fleet (2014: €245.0 million). For assets other than the rental fleet leased under operating leases (mainly rental station facilities), expenses recorded in the 2015 consolidated income statement were €67.1 million (€64.7 million in 2014).

32.2 Capital commitments for vehicle purchases

During 2015 the Group entered into contracts to purchase vehicles. As at December 31, 2015, capital commitments to purchase vehicles amounted to €1,037.5 million (€496.1 million as at December 2014).

In 2015, the increase in commitments related to the fleet was due to a larger volume of purchases located mainly in Germany and the UK.

32.3 Asset purchase commitments

During the year ended December 31, 2015, the Group entered into contracts to purchase tangible and intangible assets. As of December 31, 2015, purchase agreements amounted to €700,000 versus €200,000 as of December 31, 2014.

32.4 Contingencies and guarantees

1. 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 first quarter 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 recorded a provision for €45 million of non-recurring expenses (see Note 10) in its 2015 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.

There is no guarantee that the amount of any fine would not be significantly higher than the provision recognized or that damage claims would not be brought at a later date.

2. The Group has provided various guarantees (mostly joint and several guarantees) to certain third parties (mainly for fleet leasing transactions) within the normal course of business, as well as some specific purpose guarantees, including a €38 million guarantee to Chartis (formerly AIG) for the performance of certain obligations of its self-insurance program (Loss Retention Agreement), which could be exercised in the highly unlikely event that Europcar were unable to meet its commitments under such Loss Retention Agreement.

As at December 31, 2015, ECG had given guarantees worth €26.7 million to suppliers, including Chartis (€43.4 million in December 2014). At that date, contingent assets amounted to €5.1 million (€3.6 million at end-2014).

3. ECG received a vendor warranty granted by the Volkswagen group at the time of the acquisition of Europcar Groupe in 2006. This guarantee has expired and cannot now be called upon except in relation to certain very specific matters. However, relating to previous implementations or such specific implementations, the Company may still receive compensation subject to the completion of ongoing litigation

or pre-litigation and in agreement with Volkswagen on the final amount of such compensations.

4. The Group has granted pledges on some of its assets, in particular subsidiaries' shares, receivables, bank accounts and business assets. The assets of the Securitifleet group as well as those related to Securitifleet group operations are pledged in favor of EC Finance Notes holders and the lenders of the SARF 2010. Other assets have been pledged in favor of the lenders of the Senior Revolving Credit Facility, except for certain United Kingdom based assets and Australia/New Zealand based assets which are pledged in favor of the local lenders for those respective territories.
5. Securitifleet SAS and Securitifleet SL respectively own a substantial part of the fleet leased by, respectively, Europcar France S.A.S and Europcar IB S.A. to their respective clients and have been granted a pledge over their vehicles, with respect to Securitifleet S.A.S, in favor of Crédit Agricole Corporate and Investment Bank and its successors and assignees and, more particularly, in favor of the French securitization mutual fund, FCT Sinople, in accordance with the provisions of articles 2333 *et seq.* of the French Civil Code (*Code civil*), and with respect to Securitifleet S.L., in favor of its creditors and its successors and assignees pursuant to a contract known as the "Spanish Securitifleet Financing Agreement" and in accordance with the provisions of article 1863 of the Spanish Civil Code. For the requirements of these pledges, Europcar France SAS and Europcar IB SA were respectively appointed as third party holders (*tiers convenu* and *tercero poseedor de conformidad*) in accordance with the provisions of Article 2337 of the French Civil Code and Article 1863 of the Spanish Civil Code, respectively. Consequently, any vehicle returns by clients of Europcar France SAS or Europcar IB S.A. will either have to be made to Europcar France SAS or Europcar IB SA in their capacity as third party holder (*tiers convenu* and *tercero poseedor de conformidad*) or to any other entity representing them in such capacity and in no event to Securitifleet France SAS or Securitifleet SL.

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NOTE 33 RELATED PARTIES

Under IAS 24, related parties include parties with the ability to control or exercise significant influence over the reporting entity. All business transactions with non-consolidated subsidiaries are conducted at arm's length. Several members of the Group's management and Supervisory Board are members of the management bodies of companies with which Europcar Groupe S.A. has relations in the normal course of its business activities. All transactions with these parties are conducted at arm's length.

33.1 Transactions with related parties controlled by Eurazeo SA

The Group has negotiated a management services agreement with Eurazeo. These services are provided by Eurazeo and billed directly to Europcar Groupe S.A..

The services provided by Eurazeo as at December 31, 2015 are presented in the table below.

In thousands of euros

Services to Eurazeo	1,695
Services from Eurazeo	1,894

33.2 Transactions with entities over which Europcar Groupe exercises significant influence

The Group has subscribed to the capital increase of Car2Go Europe in line with its 25% stake for the following amounts: €5.7 million in 2012, €5.0 million in 2013, €5.7 million in 2014 and 12.5 million in 2015.

The Group also subscribed to the capital increase of its subsidiary UbeeGo for €4 million during its acquisition in 2014 and for €5 million in 2015.

33.3 Compensation of key management members

In 2015, on the occasion of the Company's IPO, a new governance structure was put in place. Henceforth the

Management Board has the authority and responsibility to plan, direct and control the activities of the Group. For this reason, the compensation of its members is detailed below.

In 2014, in accordance with the governance structure in force at the time, the compensation of the members of the Group's Executive Committee was detailed by category. These figures are repeated here for the record.

In addition to their salaries, the Group provides non-cash benefits to executive officers and contributes to a post-employment defined benefit plan on their behalf. There were no significant transactions with any companies related directly or indirectly to key management members disclosed in the management report of the Europcar subsidiaries.

The remuneration of the Group's executives amounted to €6.4 million in 2015.

The senior executives of the Group were remunerated as follows throughout the year. Salaries and short-term employee benefits include wages, salaries and social security costs.

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Salaries and short-term employee benefits	6,973	7,421 ⁽¹⁾
Post-employment benefits	41	15
Termination indemnities	-	313
	7,014	7,749

(1) Including the Executive Committee members' portion of the LTIP, of which €24 million was classified in "Other non-recurring expenses" (Note 10).

NOTE 34 GROUP ENTITIES

Company name	Local HQ (city)	Country	Consolidation method ⁽¹⁾ (FC/EM)	% interest	% control
PARENT COMPANY					
Europcar Groupe S.A.	Voisins-le- Bretonneux	France	FC		
1. Information on consolidated companies					
Europcar International S.A.S.U.	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
EC1	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
Europcar Holding S.A.S.	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
Europcar Lab S.A.S.U.	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
Europcar Lab UK Ltd	Leicester	United-Kingdom	FC	100.0%	100.0%
E-Car Club Holding Ltd	Leicester	United-Kingdom	FC	60.8%	60.8%
E-Car Club Ltd	London	United-Kingdom	FC	60.8%	60.8%
EC 2 S.A.S.U.	Voisins-le- Bretonneux	France	FC	100.0%	100%
PremierFirst Vehicle Rental German Holdings GmbH	Weisbaden	Germany	FC	100.0%	100%
Ubeeqo S.A.S.	Boulogne-Billancourt	France	EM	75.7%	75.7%
Ubeeqo France S.A.S.	Boulogne-Billancourt	France	EM	75.7%	75.7%
Ubeeqo Luxembourg Sarl	Luxembourg	Luxembourg	EM	75.7%	75.7%
Ubeeqo SPRL	Ixelles	Belgium	EM	75.7%	75.7%
Ubeeqo GmbH	Düsseldorf	Germany	EM	75.7%	75.7%
Ubeeqo Limited	London	United-Kingdom	EM	75.7%	75.7%
Securitifleet Holding S. A	Paris	France	FC	100.0%	8.26%
Securitifleet Holding Bis S.A.S.U.	Paris	France	FC	100.0%	0.0%
EC Finance Plc	London	United-Kingdom	FC	0.0%	0.0%
FCT Sinople	Paris	France	FC	0.0%	0.0%
Europcar France S.A.S.	Voisins-le- Bretonneux	France	FC	100.0%	100.0%
Securitifleet S.A.S.U.	Paris	France	FC	100.0%	8.26%
Securitifleet France Location S.A.S.U.	Rouen	France	FC	100.0%	8.26%
Parcoto Services S.A.S	Rouen	France	FC	100.0%	100.0%
Europ-Hall S.A.U.	Besançon	France	FC	100.0%	100.0%
Monaco Auto Location SAM	Monaco	Monaco	FC	100.0%	100.0%
Europcar International S.A.S.U. und Co OHG	Hamburg	Germany	FC	100.0%	100.0%
Europcar Autovermietung GmbH	Hamburg	Germany	FC	100.0%	100.0%
Securitifleet GmbH	Hamburg	Germany	FC	100.0%	5.41%
InterRent Immobilien GmbH	Hamburg	Germany	FC	100.0%	100.0%
Car2Go Europe GmbH	Esslingen	Germany	EM	25.0%	25.0%
Car2Go Deutschland GmbH	Esslingen	Germany	EM	25.0%	25.0%
Car2Go Österreich GmbH	Vienna	Austria	EM	25.0%	25.0%
Car2Go Italia S.r.l.	Milan	Italy	EM	25.0%	25.0%
Car2Go UK Ltd	Birmingham	United-Kingdom	EM	25.0%	25.0%
Ogotrac France S.A.S.	Paris	France	EM	25.0%	25.0%
Car2Go Denmark	Copenhagen	Denmark	EM	25.0%	25.0%
Car2Go Sweden	Stockholm	Sweden	EM	25.0%	25.0%
Car2Go Hamburg GmbH	Hamburg	Germany	EM	75.0%	50.0%
Europcar S.A.	Zaventem	Belgium	FC	100.0%	100.0%

Company name	Local HQ (city)	Country	Consolidation method ⁽¹⁾ (FC/EM)	% interest	% control
Europcar IB S.A.	Madrid	Spain	FC	100.0%	100.0%
Securitifleet S.L.	Madrid	Spain	FC	100.0%	0.41%
Ultramar Cars S.L.	Palma de Mallorca	Spain	FC	100.0%	100.0%
Europcar Italia S.p.A.	Bolzano	Italy	FC	100.0%	100.0%
Securitifleet S.p.A.	Bolzano	Italy	FC	99.32%	13.76%
Europcar Internacional Aluguer de Automoveis S.A.	Lisbon	Portugal	FC	100.00%	100.0%
Europcar Services Unipessoal, LDA.	Lisbon	Portugal	FC	100.0%	100.0%
Europcar United Kingdom Limited	Watford	United-Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental EMEA Holdings Ltd	Leicester	United-Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Holdings Ltd	Leicester	United-Kingdom	FC	100.0%	100.0%
Provincial Assessors Ltd	Leicester	United-Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Pension Scheme Trustees Ltd	Leicester	United-Kingdom	FC	100.0%	100.0%
Europcar Group UK Ltd	Leicester	United-Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United-Kingdom	FC	100.0%	100.0%
Euroguard	Gibraltar	Gibraltar	FC	100.0%	100.0%
Europcar Holding Property Ltd	Melbourne	Australia	FC	100.0%	100.0%
Europcar Australia Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
G1 Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Eurofleet Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Delta Cars & Trucks Rentals Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Eurofleet Sales Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
E Rent a car Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
MVS Holdings (Australia) Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
MVS Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
JSV Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
SMJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
BVJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
Europcar Inc.	Wilmington, New Castle, Delaware	USA	FC	100.0%	100.0%
2. Information on non-consolidated companies					
Vehitel 2000 France S.A.S.	Suresnes	France	NC	20.0%	20.0%
Vehitel 2000 S.N.C.	Suresnes	France	NC	33.33%	33.33%
PremierFirst Marketing Enterprises Middle East Ltd	Dubai	United Arab Emirates	NC	25.0%	25.0%
EIR Autonoleggio SRL	Rome	Italy	NC	100.0%	100.0%
EC 3 S.A.S.U.	Voisins-le-Bretonneux	France	NC	100.0%	100.0%

(1) FC: full consolidation; EM: equity method; NC: not consolidated.

Consolidated special purpose entities (SPEs)

As part of the securitization program for part of the fleet financing for Germany, France, Italy and Spain, SPEs have been incorporated under the name Securitifleet in each of

those countries and are either 100% owned or controlled (over 90%-controlled) by one of the following SPEs: "Securitifleet Holding SA" or "Securitifleet Holding Bis SAS", both incorporated in France. The Group consolidates all Securitifleet entities, i.e., the four local Securitifleet companies as well as

the two Securitifleet holding companies, since they have been created for specific objectives defined by Europcar Groupe.

The Group's operating subsidiaries located in France, Spain, the United Kingdom, Portugal, Belgium, Italy (from January 1, 2008) and Germany (from April 1, 2008) buy local automobile liability insurance policies with Chartis (formerly AIG) entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. However, the local Europcar entities fund a significant portion of the risk through a Deductible Funding mechanism which is managed via another cell (0) located within Euroguard that acts as a fund manager. The funds hosted in this cell are also consolidated.

PremierFirst Vehicle Rental Holdings Limited owns 100% of PremierFirst Vehicle Rental Insurances Guernsey Limited, a captive company based in Guernsey in the Channel Islands. This captive company has two types of business: roadside assistance (RAC) and Personal Accident Insurance (PAI). The profits from the RAC and PAI businesses can mostly be distributed by the captive company under strict rules. 90% of the profits must be distributed within 18 months of the year end.

Since January 2008, PremierFirst Vehicle Rental Limited has participated in the Group insurance scheme described in the first paragraph above.

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NOTE 35 STATUTORY AUDITORS' FEES

In thousands of euros	PricewaterhouseCoopers Audit			Mazars			Total		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
Audit									
Statutory audit, certification, review of individual and consolidated accounts	795	767	798	476	682	666	1,271	1,449	1,464
of which Europcar Groupe	111	193	163	104	193	198	215	386	361
of which fully consolidated subsidiaries	684	574	634	372	489	468	1,056	1,063	1,102
Other diligence and services directly related to the Statutory Auditors' role	34	209	601	34	171	533	68	380	1,134
of which Europcar Groupe		159	475		112	463		271	938
of which subsidiaries	34	50	126	34	59	70	68	109	196
SUB-TOTAL	829	976	1,398	510	853	1,199	1,339	1,829	2,597
Other services provided by the networks to fully consolidated subsidiaries									
Legal, tax, labor	145	124	108	-	-	-	145	124	108
Other		21		-	-	-		21	
SUB-TOTAL	145	145	108	-	-	-	145	145	108
TOTAL	974	1,121	1,506	510	853	1,199	1,484	1,974	2,705
of which Europcar Groupe	111	352	638	104	305	661	215	657	1,299
of which subsidiaries	863	769	868	406	548	538	1,269	1,317	1,406

NOTE 36 SUBSEQUENT EVENTS

To management's knowledge, no events liable to have a material impact on the earnings, assets, business or overall financial position of the Group occurred between January 1 and February 25, 2016.

STATUTORY AUDITORS' REPORT

Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(For the year ended 31 December 2015)

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying consolidated financial statements of Europcar Groupe;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Measurement of tangible and intangible assets

The Group tests goodwill and intangible assets with an indefinite useful life for impairment and assesses whether long term assets present an indication of impairment, in accordance with the methods set out in note 13 - "Goodwill" and note 14 - "Intangible assets" to the consolidated financial statements. We have reviewed the methods used for the aforementioned test, the methodology applied as well as the estimated future cash flows and underlying assumptions and verified that the information provided in these notes is appropriate.

Provisions

As specified in the note "Significant accounting policies – Provisions" to the consolidated financial statements, the Group records provisions to cover risks. The nature of the provisions recorded in the financial statements under Provisions is described in the note "Financial risk management – Insurance risks" and in the notes 27, 28 and 32 to the consolidated financial statements. Based on the information available at the time of our audit, we ensured that the methods and data used to determine provisions, notably relating to insurance claims, as well as the disclosures regarding the provisions provided in the notes to the consolidated financial statements, are appropriate.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

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III - Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information related to the Group given in the management report.

We have no matters to report regarding the fair presentation and consistency of this information with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 25 February 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

François Jaumain

Mazars

Isabelle Massa

3.5 ANALYSIS OF THE RESULTS OF EUROPCAR GROUPE S.A.

Please read the following information on the Company's profits and losses and financial position in conjunction with the Company's financial statements for the year ended on December 31, 2015, as shown in Section 3.6 "Company financial statements and Statutory Auditors' report" of this Registration Document.

3.5.1 Revenue of the Company

Europcar Groupe reported revenue of €4,543 thousand in 2015, compared with €4,042 thousand in 2014, an increase of 12.4%, breaking down as follows:

Revenue <i>in thousand of euros</i>	Dec. 31, 2014	Dec. 31, 2015
■ Management fees in respect of services to subsidiaries (ECI)	2,960	3,197
■ Royalty fees on long-term trademark	1,082	1,346
TOTAL	4,042	4,543

3.5.2 Results of operations of the Company

The Company reported an operating loss of €9,772 thousand in 2015, compared with a loss of €4,379 thousand in 2014. The deterioration in the results of operations was due primarily to a

URSSAF (social security) charge levied on free shares granted to management, an increase in wages and salaries, and higher consulting fees.

3.5.3 Financial income/(expense) of the Company

The Company reported net financial expense of €135,172 thousand in 2015, compared with an expense of €79,258 thousand in 2014, a variation of €55,914 thousand attributable

chiefly to the payment of early redemption premiums on two convertible bonds and the accelerated amortization of transaction costs.

3.5.4 Other information relating to the Company's separate financial statements for 2015

The profit/(loss) before tax of the Company in the year ended December 31, 2015 was a loss of €114,944 thousand, compared with a loss of €83,637 thousand in the previous year, a deterioration of €31,307 thousand.

The exceptional income/(expense) of the Company was income of €9,002 thousand in the year ended December 31 2015, compared with a loss of €32,411 thousand in the previous year.

Income tax was a gain of €16,310 thousand in the year ended December 31, 2015 (for the most part attributable to income from tax consolidation), compared with a gain of €11,409 thousand in the year ended December 31, 2014.

On the basis of the above items, the result of the Company for the year ended December 31, 2015 was a loss of €119,633 thousand, compared with a loss of €104,639 thousand in the year ended December 31, 2014.

At December 31, 2015, the total assets of the Company amounted to €1, 463,336 thousand, compared with €1,481,643 thousand at December 31 2014.

The Company had 12 salaried employees at December 31, 2015.

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3.5.5 Proposed appropriation of profit

The Combined General Meeting of May 10, 2016 will be asked to clear the loss for the year ended December 31, 2015, in the amount of €119,633 thousand, by deducting the full amount

from the share, merger and contribution premium, reducing its balance from €767,402 thousand to €647,769 thousand.

3.5.6 Dividends paid in respect of the last three years

Pursuant to Article 243 bis of the French General Tax Code, you are reminded that no dividend was paid in respect of the last three years.

3.5.7 Table of results for the last five years (Article R.225-102 of the French Commercial Code)

<i>In euros</i>	Year ended Dec. 31, 2011	Year ended Dec. 31, 2012	Year ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2015
Duration of financial period	12	12	12	12	12
Capital at year end	-	-	-	-	-
Share capital (at year end)	782,286,490	782,286,490	446,383,194	446,383,194	143,154,016
Number of ordinary shares	78,228,649	78,228,649	103,810,045	103,810,045	143,154,016
Operations and profit/(loss)	-	-	-	-	-
Revenue excluding taxes	6,020,004	6,446,965	4,975,918	4,041,733	4,542,518
Profit/(loss) before tax, investment, depreciation and amortization, and provisions	(103,269)	(67,220,136)	(77,942,907)	(92,990,176)	(127,161,398)
Income tax	4,595,901	18,455,888	17,533,484	11,409,147	16,310,028
Net profit/(loss) for the period	(45,335)	(50,706,748)	(60,018,663)	(104,638,5)	(119,632,847)
Distributed earnings (losses)	0	0	0	0	0
Earnings per share	-	-	-	-	-
Profit/(loss) after tax, investment, depreciation and amortization, and provisions	(1,26)	(0,62)	(0,58)	(0,79)	(0,77)
Net profit/(loss) for the period	(0,58)	(0,65)	(0,58)	(1,01)	(0,84)
Dividend paid	0	0	0	0	0
Personnel	-	-	-	-	-
Average headcount	22	21	12	10	9
Payroll	6,132,410	5,623,262	4,529,371	3,740,470	10,114,172
Amounts paid for employee benefits (social security, social services, etc.)	2,205,405	2,580,591	1,751,808	1,418,461	3,180,188

3.6 COMPANY FINANCIAL STATEMENTS AND STATUTORY AUDITORS' REPORT

COMPANY FINANCIAL STATEMENTS

Balance sheet

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ASSETS

		Year ended Dec. 31, 2015		Year ended Dec. 31, 2014	
	Notes	Gross carrying amount	Depreciation and amortization	Net	Net
<i>In thousands of euros</i>					
Trademarks		25,000	-	25,000	25,000
Intangible assets		25,000	-	25,000	25,000
Investment securities		1,241,195	-	1,241,195	1,258,517
Receivables from investments		-	-	-	-
Loans		146,378	-	146,378	146,286
Other financial assets		105	-	105	8
Financial assets		1,387,678	-	1,387,678	1,404,811
NON-CURRENT ASSETS	11	1,412,678	-	1,412,678	1,429,811
Advance payments on orders		87	-	87	112
Trade and other receivables	12	18,858	-	18,858	6,463
Other receivables	12	20,533	-	20,533	12,449
Marketable securities		-	-	-	-
Cash-in-hand and at bank		-	-	-	5
Prepaid and deferred charges	15	-	-	-	11
Deferred expenses	15	8,064	-	8,064	32,791
Premiums on early redemption of bonds		3,116	-	3,116	-
CURRENT ASSETS		50,658	-	50,658	51,832
Foreign exchange differences – assets		-	-	-	-
TOTAL ASSETS		1,463,336	-	1,463,336	1,481,643

LIABILITIES AND EQUITY

<i>In thousands of euros</i>	Notes	Year ended Dec. 31, 2015	Year ended Dec. 31, 2014
Share capital		143,154	446,383
Share, merger, contribution premiums		767,402	452,978
Legal reserve		-	-
Retained earnings		-	(336,845)
Net profit/(loss) for the period		(119,633)	(104,639)
Regulated provisions		23,793	23,793
Equity	18	814,716	481,671
Provisions for risks	19	-	25,000
Provisions for expenses		-	-
Provisions		-	25,000
Other non-convertible bonds	13	476,138	736,725
Borrowings from credit institutions		4	30
Financial liabilities		476,142	736,755
Trade and other payables	13	12,042	9,809
Tax and social security liabilities		12,256	10,436
Other debt	13	148,148	217,972
Deferred income		32	-
Operating liabilities		172,478	238,217
LIABILITIES		648,620	974,972
Foreign exchange differences – liabilities		-	-
TOTAL LIABILITIES AND EQUITY		1,463,336	1,481,643

Income statement

<i>In thousands of euros</i>	Notes	Year ended Dec. 31, 2015	Year ended Dec. 31, 2014
Sales of services	3	4,543	4,042
Reversals of provisions, amortization and transfers of expenses		-	-
Other income	4	12,607	2,334
TOTAL OPERATING INCOME		17,150	6,376
Other purchases and external expenses	5	(17,282)	(5,715)
Taxes, levies and similar payments		(202)	119
Wages and salaries		(5,321)	(4,169)
Social security contributions		(3,800)	(990)
Other expenses		(317)	(0)
TOTAL OPERATING EXPENSES		(26,922)	(10,755)
OPERATING INCOME		(9,772)	(4,379)
Other interest and similar income		16,878	16,804
Foreign exchange gains		4	2
Financial income	7	16,882	16,806
Interest and similar expense		(118,153)	(81,410)
Depreciation, amortization, impairment and provisions		(33,781)	(14,599)
Foreign exchange losses		(119)	(54)
Financial expense	7	(152,054)	(96,063)
NET FINANCIAL INCOME/(EXPENSES)		(135,172)	(79,258)
RECURRING PROFIT/(LOSS) BEFORE TAX		(144,944)	(83,637)
Exceptional income from management transactions		4,400	7,102
Exceptional income from capital transactions		17,323	-
Reversals of provisions, impairment and transfers of expenses		25,000	1,943
Exceptional income	8	46,723	9,045
Exceptional expenses on management transactions		(20,398)	(16,456)
Exceptional expenses on capital transactions		(17,323)	-
Depreciation, amortization, impairment and provisions		-	(25,000)
Exceptional expenses	8	(37,721)	(41,456)
EXCEPTIONAL INCOME/(EXPENSES)		9,002	(32,411)
Income taxes	9	16,310	11,409
NET PROFIT/(LOSS)		(119,633)	(104,639)

Consolidated statement of cash flows

<i>In thousands of euros</i>	Notes	Year ended Dec. 31, 2015	Year ended Dec. 31, 2014
PROFIT/(LOSS) BEFORE TAX		(135,943)	(116,056)
Change in provisions	18	(25,000)	25,000
Expenses related to the IPO		8,692	-
Financing costs		79,046	80,414
Redemption premium		56,010	-
OPERATING INCOME BEFORE CHANGES IN WORKING CAPITAL		(17,195)	(10,642)
Change in trade receivables		(12,395)	(2,826)
Change in other receivables		(15,966)	(7,340)
Change in trade payables		(1,959)	13,414
Change in other liabilities		14,307	(765)
Cash generated from operations		(16,013)	2,483
Income taxes received/(paid)	8	5,783	22,168
Net interest paid		(56,971)	(65,712)
NET CASH GENERATED FROM/(USED BY) OPERATIONS		(84,396)	(51,703)
Acquisition of intangible assets and property, plant and equipment		-	-
Proceeds from disposal of intangible assets and property, plant and equipment		-	-
Change in other investments and borrowings ⁽¹⁾		17,323	(17,323)
Dividends received from associates		-	-
NET CASH USED BY INVESTING ACTIVITIES		17,323	(17,323)
Capital increase ⁽³⁾		448,203	-
Issuance of bonds ⁽⁴⁾		471,623	-
Redemption of bonds ⁽²⁾		(780,010)	-
Change in other borrowings		(63,888)	69,074
Payment of refinancing costs		(8,832)	-
NET CASH GENERATED FROM/(USED BY) FINANCING ACTIVITIES		67,096	69,074
Cash and cash equivalents at end of period		(4)	(27)
Cash and cash equivalent at beginning of period		(27)	(75)
INCREASE/(DECREASE) IN NET CASH		23	48

(1) Transfer of Ubeeqo securities, acquired by ECG on November 30, 2014 for €17.3 million, to Europcar Lab SASU.

(2) Early redemption of the €324 million and €400 million high-yield notes, and payment of their early redemption premiums (€56 million).

(3) Capital increases dated May 15 and June 26, 2015, in a total amount of €476.5 million (see Note 18) net of fees paid (€8.7 million recognized in other non-recurring expenses and €19.6 million of the €23.6 million allocated to the issue premium).

(4) €475 million in high-yield notes issued at 99.289% of par.

Notes to the separate financial statements



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General principles

NOTE 1 SIGNIFICANT EVENTS

1.1. Overview and description of the activity performed by the Company

Europcar Groupe S.A. ("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 Groupe leverages all of its experience in the car rental sector to offer diverse and varied mobility solutions to its customers through the provision of leisure and utility vehicles for short- and medium-term rentals. Under its Europcar and InterRent trademarks, the Group covers a wide range of markets and customers, both private and business, with low-cost or luxury rentals.

Europcar Groupe is the European leader in short-term vehicle rentals.

At December 31, 2015, 42.3% of Europcar Groupe's share capital was held by Eurazeo, and 57.7% by private and public investors following its initial public offering on the regulated market of Euronext Paris in June 2015.

1.2. Significant events during the year

a) Initial public offering

The Company was listed on the regulated market of Euronext Paris on June 26, 2015 (Compartment A; ISIN code: FR0012789949; ticker: EUCAR). Trading in Europcar Groupe shares on the regulated market of Euronext Paris began on June 26, 2015 in the form of share promises ("Europcar Prom"). Settlement and delivery of the shares took place on June 29, 2015 and the first shares were exchanged on the market on June 30, 2015. The offering price was set at €12.25 per share.

The IPO involved:

- the issuance of new shares as part of a cash capital increase in the gross amount of approximately €475 million, corresponding to net proceeds of approximately €441 million; and
- the sale of approximately €404 million (gross) of existing common shares by the Selling shareholders.

The main purpose of the Global Offering and the listing of the Company's shares on Euronext Paris was to enable the Group to reduce its indebtedness, strengthen its financial structure and increase its financial flexibility in order to accelerate its development and continue the deployment of its "Fast Lane" program.

The net proceeds from the issuance of new shares, in the amount of approximately €441 million, takes into account expenses incurred as part of the transaction. These expenses break down either as:

- expenses related to the issuance of new shares in the amount of €23.8 million, charged directly against shareholders' equity;
- IPO fees in the amount of €8.7 million, recorded among exceptional items.

The net proceeds from the issuance of new shares was allocated to the full redemption of the €324 million owed by the Company on subordinated bonds maturing in 2017 and the payment of an early redemption premium of €37 million.

On May 27, 2015, €475 million of senior notes due 2022 were issued at an issue price of 99.289% of par through the entity Europcar Notes Limited. The proceeds were only available after the listing of the Group's shares.

Consequently, on June 29, 2015, the net proceeds, kept in an escrow account until then, were released and partially used to redeem subordinated bonds maturing in 2018 with a principal amount of €400 million and to pay an early redemption premium of €19 million.

The balance of the net proceeds from the issuance of new shares and new bonds after these refinancing transactions (*i.e.* approximately €112 million) was allocated to general corporate purposes.

b) Governance

During the first half of 2015, and ahead of the Company's IPO, Europcar Groupe strengthened its governance through the establishment of a Supervisory Board and a Management Board. The Management Board comprises Philippe Germond, Chairman, Caroline Parot, Chief Financial Officer of Europcar Groupe, Ken McCall, Chief Operating Officer, and Fabrizio Ruggiero, Head of Mobility.

c) Treasury shares held under the liquidity contract

As of July 24, 2015, for a period of one year renewable by tacit agreement, the Company has appointed Rothschild & Cie Banque to implement a liquidity contract on the Europcar share, in compliance with the charter of Ethics established by AMAFI and approved by decision of the AMF on March 21, 2011.

For the implementation of this contract, resources of up to €4 million may be allocated to the liquidity account.

d) Free share grants

The extraordinary General Meeting of the Company's shareholders held on June 8, 2015 authorized the Company's Management Board to award free shares in the Company. The Management Board, at its meeting of June 25, 2015, pursuant to the said delegation, accordingly granted free shares to members of the Executive Committee and to 100 of the Group's managers (see Note 23).

e) Transfer of Ubeeqo securities

In order to house its investments in mobility solutions within the same holding company, Europcar Groupe sold, on June 30, 2015, its 70.6% stake in French start-up Ubeeqo, a company specializing in shared in-company mobility, to Europcar Lab

SAS for a total of €17,323 thousand, corresponding to the net carrying amount.

f) Disputes and litigation proceedings

At December 31, 2014, various entities of the Group, including ECG, were party to a number of legal disputes and an arbitration proceeding with Enterprise Holdings Inc. ("Enterprise"). On April 30, 2015, the Group and Enterprise signed a settlement agreement putting an end to these proceedings, in consideration of the payment of €12.5 million by ECG and the phased discontinuation of use of the e-moving logo by Europcar (see Note 8).

The French Competition Authority (Autorité de la concurrence – ADLC) has initiated a procedure in the vehicle rental sector. On February 17, 2015, the Competition Authority addressed a statement of objections to Europcar France, as well as to other stakeholders, citing certain practices that are allegedly not compliant with French antitrust regulations (see Note 19).

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1.3. Subsequent events

Not applicable

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The annual accounts of Europcar Groupe are prepared in accordance with French generally accepted accounting principles for separate financial statements, pursuant to the French General Accounting Plan (ANC regulation 2014-03 of June 5, 2014 relating to the General Accounting Plan).

The accounting policies used in the preparation of the financial statements for the year ended December 31, 2015 are identical to those used for the year ended December 31, 2014.

They were prepared in accordance with the historical cost convention.

The figures in the Notes are in thousands of euros, unless otherwise stated.

2.1. Intangible assets

This item is comprised exclusively of the Europcar trademark for the "long-term" car rental activity (over one year).

2.2. Measurement of non-amortized non-current assets

At each balance sheet date, Europcar Groupe conducts impairment testing to ensure that the fair value of the trademark at this date is higher than its carrying amount.

Impairment is recognized when the carrying amount exceeds the greater of its fair value amount or its value in use.

2.3. Financial assets

Investment securities and related advances

Investment securities are recorded at their purchase price, including costs directly attributable to their acquisition.

Impairment testing on securities is carried out on the basis of the value of the securities. Value in use is determined using discounted future cash flows based on business plans

established by the management of each investment and approved by Europcar's management.

For impairment testing purposes, the three-year plan is extended to five years. The 2016 budget and the 2017 and 2018 business plans were prepared taking into account economic growth forecasts in the countries where the Group operates, current macroeconomic data for each country, air traffic growth forecasts, trends in the vehicle rental market and competitive pressure, as well as new projects and products in the development phase. Beyond 2018, revenue growth assumptions are conservative, and the projected profit margin is stable.

If this value in use is lower than the carrying amount, impairment is recognized.

Investment securities have an acquisition value of €1,234,724 thousand, and are exclusively comprised of Europcar International SASU securities, as well as incidental acquisition costs in the amount of €23,793 thousand. These were the subject of straight-line amortization over five years, and were fully amortized as of December 31, 2015.

2.4. Receivables and payables

Receivables and payables are stated at their nominal value. Impairment is recognized when a risk of non-recovery exists.

Unrealized foreign exchange gains are recognized in translation gains, whereas unrealized foreign exchange losses are recognized in translation losses and are subject to a provision for risks and charges.

Foreign exchange gains and losses corresponding to current accounts are recognized directly in profit or loss, and are not subject to translation adjustments.

2.5. Marketable securities: treasury shares

Marketable securities are exclusively comprised of Europcar Groupe shares purchased under the terms of the liquidity contract entered into with an investment service provider in accordance with Article L. 225-209 of the French Commercial Code, as amended by Article 15 of Law No. 2012-387 of March 22, 2012 (see Note 14).

These shares are measured at acquisition cost. If their probable market value at the balance sheet date is below their acquisition cost, impairment is recognized.

2.6. Provisions

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources with no counterparty will be required to settle the obligation, and the amount can be reliably estimated.

If the effect is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.7. Borrowings and bond issuance costs

Borrowings are recorded at their nominal repayment amount. They are not discounted.

For bonds issued above par and redeemable at par, the difference is an issue premium.

For bonds issued below par and redeemable at a higher amount, the difference is a redemption premium.

The redemption premium is recorded in the balance sheet as "deferred expenses," and is amortized over the term of the loan.

2.8. Retirement and post-employment benefits

Europcar gives Company employees retirement bonuses and pensions provided through defined-contribution or defined-benefit plans.

Europcar Groupe has opted not to recognize its pension obligations. The Company's obligations are valued by independent actuaries, and are subject to disclosures (see Note 20).

2.9. Capital increase expenses

Europcar Groupe has opted to charge the expenses related to the capital increase against the issue premium.

Notes to the income statement

NOTE 3 BREAKDOWN OF REVENUE

Europcar Groupe's revenue excludes amounts derived from the rebilling of subsidiaries (see Note 4), and breaks down as follows:

	Amounts as of Dec. 31, 2015			Amounts as of Dec. 31, 2014
	France	Excluding France	Total	Total
Provision of services to subsidiaries	3,197	-	3,197	2,960
Franchise revenue	1,346	-	1,346	1,082
TOTAL	4,543	-	4,543	4,042

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NOTE 4 OTHER INCOME

Other revenue consists primarily of:

	Amounts as of Dec. 31, 2015	Amounts as of Dec. 31, 2014
Rebiling of fees ⁽¹⁾	12,260	1,987
Rebiling of insurance	347	313
Miscellaneous	-	34
TOTAL	12,607	2,334

(1) See Note 5.

NOTE 5 OTHER PURCHASES AND EXTERNAL EXPENSES

Other purchases and external expenses increased significantly (by €11.6 million) in the year ended December 31, 2015.

This is due to the payment of approximately €12 million to various financial intermediaries in connection with the

refinancing of senior credit facilities (Senior asset Revolving Facility or SARF and Revolving Credit Facility or RCF) made in the context of the Company's IPO. These costs were billed to the various countries (see Note 4).

NOTE 6 EXECUTIVE COMPENSATION

A new governance structure was established at the time of the Company's IPO in 2015. The Management Board is now the body that has authority and responsibility for planning, directing and controlling the Group's activities. It is in this capacity that the compensation of its members is set out below.

Note that in 2014, and in accordance with the governance in place during that period, it was the compensation of the members of the Group's Executive Committee that was disclosed by category. The relevant figures are given as a reminder.

<i>In thousands of euros</i>	As at Dec. 31, 2015	As at Dec. 31, 2014
Salaries and short-term employee benefits	8,129 ⁽¹⁾	7,667
Post-employment benefits	41	15
Termination indemnities	-	313
TOTAL	8,170	7,995

(1) Of which the portion relating to Management Board members in respect of compensation under the multi-year plan paid in 2015.

Europcar Groupe did not make any payments to members of the Supervisory Board in respect of directors' fees in the year ended December 31, 2015 (as opposed to payments totaling €246,380 in the previous year).

In addition, exceptional compensation of €30,000 was paid to a member of the Supervisory Board for a special assignment involving the provision of assistance in the implementation and monitoring of the Company's transformation plan.

NOTE 7 NET FINANCING COSTS

Financial income/(loss) was €(135,172) thousand, consisting of:

	Amounts as of Dec. 31, 2015	Amounts as of Dec. 31, 2014
Other interest and similar income	16,878	16,804
Other	4	2
Financial income	16,882	16,806
Interest on bonds	(53,593)	(60,312)
Interest on the revolving credit facility	(1,765)	(14,735)
Interest on intercompany debt	(6,785)	(6,363)
Amortization of transaction costs	(6,881)	(14,599)
Accelerated amortization of transaction costs ⁽¹⁾	(26,900)	-
Early redemption premiums ⁽¹⁾	(56,010)	-
Other	(119)	(54)
Financial expense	(152,054)	(96,063)
NET FINANCING COSTS	(135,172)	(79,258)

(1) Relative to the €324 million and €400 million bonds redeemed early.

NOTE 8 EXCEPTIONAL INCOME/(LOSS)

Exceptional income/(loss) is primarily composed of:

	Amounts as of Dec. 31, 2015	Amounts as of Dec. 31, 2014
Transfer of Ubeego securities ⁽¹⁾	17,323	-
Reversal of provisions ⁽²⁾	25,000	1,943
Repayment of VW liability guarantees	-	7,102
Other non-recurring income ⁽³⁾	4,400	-
Other	-	-
Exceptional income	46,723	9,045
Transfer of Ubeego securities ⁽¹⁾	(17,323)	-
Charges to provisions ⁽²⁾	-	(25,000)
Compensation paid following the "Memorandum of Understanding" ⁽²⁾	(12,500)	-
IPO fees and related exceptional payments ⁽⁴⁾	(7,896)	(5,508)
Other exceptional expenses ⁽³⁾	(2)	(10,948)
Exceptional expenses	(37,721)	(41,456)
EXCEPTIONAL INCOME/(EXPENSES)	9,002	(32,411)

(1) Europcar Groupe transferred Ubeego shares at their acquisition price (€17.3 million) to Europcar Lab SASU, another member of the Europcar consolidated group (see Note 10).

(2) These amounts correspond to the reversal of a provision of €25.0 million related to the dispute between Europcar Groupe and Enterprise Holdings Inc. over the use of the e-logo in the United Kingdom and in respect of the ensuing arbitration proceedings. In 2015, given the outcome of the case, part of the provision recorded was reversed as no longer required (€12.5 million).

(3) Including, in 2014, €7 million accrued in respect of lawyers' fees, particularly in the context of the dispute with Enterprise, and, in 2015, €4.4 million of fees written off once the agreement had been reached.

(4) Fees related to the IPO and related exceptional compensation in an amount of €32.5 millions, of which €23.8 million charged to the issue premium and €8.7 million recorded in exceptional expenses.

In 2014, the exceptional expense corresponded primarily to the multi-year compensation payable to executives.

NOTE 9 INCOME TAX: BREAKDOWN AND TAX LIABILITIES

Breakdown	Profit before tax in the year ended Dec. 31, 2015	Current tax	Net profit for the year ended Dec. 31, 2015	Net profit for the year ended Dec. 31, 2014
Recurring profit/(loss)	(144,944)	16,310	(128,634)	(72,228)
Exceptional income/(expenses)	9,002	-	9,002	(32,411)
TOTAL	(135,943)	16,310	(119,633)	(104,639)

Detail	Base	Income tax effect
At a rate of 33.33%		
Organic	30	(10)
Net reduction of the future tax liability	30	(10)

As ECG had tax losses in the amount of €813 million as of December 31, 2015, there would have been no tax to recognize if the Company had been taxed separately.

NOTE 10 TAX GROUP

Europcar Groupe is the parent company of the French tax group, which includes Europcar International, Europcar Lab, Europcar Holding, Europcar France, Parcoto and EuropHall. Europcar Groupe is the only entity liable for tax for the entire tax group.

Each consolidated company is placed in the position it would have been in as regards tax if it had been taxed separately. Tax income and expense on consolidated companies are recognized in the financial statements of Europcar Groupe.

Europcar Groupe, as parent company, recognizes the gain resulting from the effects of tax consolidation in its financial statements. Europcar Groupe accordingly recognized tax consolidation income of €16,310 thousand in 2015.

Tax loss carryforwards in respect of the scope of the tax group amounted to €562 million as of December 31, 2015.

Notes to the balance sheet

NOTE 11 STATEMENT OF FIXED ASSETS

	Amounts as of Dec. 31, 2014	Additions during the period	Reductions during the period	Amounts as of Dec. 31, 2015
Trademarks ⁽²⁾	25,000	-	-	25,000
TOTAL INTANGIBLE ASSETS	25,000	-	-	25,000
Investment securities ⁽¹⁾	1,258,517	-	17,323	1,241,195
Loans and other financial assets	146,293	190	-	146,483
TOTAL FINANCIAL ASSETS	1,404,811	190	17,323	1,387,678

(1) Investment securities correspond to the subsidiary Europcar International SASU, wholly-owned by Europcar Groupe and include incidental acquisition expenses (€23,793 thousand). They were the subject of straight-line amortization over five years, and had been fully amortized as of December 31, 2015.

The securities of Ubeeqa, held in the proportion of 70.6%, were sold for their net carrying amount of €17,323 thousand to Europcar Lab SASU under the terms of a transfer agreement signed on June 30, 2015.

(2) Intangible assets are comprised exclusively of the Europcar trademark for the "long-term" car rental activity (over one year).

Since these assets have an indefinite life, they are not amortized.

No impairment was recorded on non-current assets.

NOTE 12 AMOUNTS AND MATURITIES OF RECEIVABLES

Receivables	Amounts Gross as of Dec. 31, 2015	≤ 1 year	From 1 to 5 years	> 5 years
Receivables from investments	146,378	146,378	-	-
Loans	105	105	-	-
Trade and other receivables	18,945	18,945	-	-
Tax and social security receivables	5,191	5,191	-	-
Associates	16,436	16,436	-	-
Deferred expenses	11,180	1,428	9,752	-
TOTAL	198,235	188,483	9,752	-

Aged analysis of receivables	Amounts as of Dec. 31, 2015	Amounts as of Dec. 31, 2014
Not past due	13,435	46
Overdue by < 30 days	-	1,678
Overdue by > 30 days and < 6 months	19	-
Overdue by > 6 months and < 1 year	81	27
Overdue by > 1 year	-	-
TOTAL	13,535	1,751

NOTE 13 AMOUNTS AND MATURITIES OF PAYABLES**OPERATING LIABILITIES**

Liabilities	Amounts Gross as of Dec. 31, 2015	≤ 1 year	> 1 year
Trade and other payables	12,042	12,042	-
Tax and social security liabilities	13,382	13,382	-
Associates	147,595	147,595	-
Other debt	553	553	-
Deferred income	-	-	-
TOTAL	173,572	173,572	-

Aged analysis of payables as of Dec. 31, 2015	Not past due	Due	Due			Total.
			< 45 days	≥ 46 days and ≤ 60 days	> 60 days	
Suppliers within the Group	6,464	53	-	6	47	6,517
Suppliers outside the Group	187	85	-	4	81	272
TOTAL	6,651	138	-	10	128	6,789

Aged analysis of payables as of Dec. 31, 2014	Not past due	Due	Due			Total.
			< 45 days	≥ 46 days and ≤ 60 days	> 60 days	
Suppliers within the Group	18	84	-	-	84	102
Suppliers outside the Group	226	2,916	1,013	605	1,298	3,142
TOTAL	244	3,000	1,013	605	1,316	3,244

FINANCIAL LIABILITIES

Aged analysis of financial liabilities	Gross amounts as of Dec. 31, 2015	≤ 1 year	> 1 year
Other non-convertible bonds	475,000	-	475,000
Accrued interest	1,138	1,138	-
Borrowings from credit institutions	4	4	-
TOTAL	476,142	1,142	475,000

Aged analysis of financial liabilities	Gross amounts as of Dec. 31, 2014	≤ 1 year	> 1 year
Other non-convertible bonds	724,000	-	724,000
Accrued interest	12,725	12,725	-
Borrowings from credit institutions	30	30	-
TOTAL	736,755	12,755	724,000

NOTE 14 INFORMATION ON RELATED COMPANIES

Gross value	Amounts as of Dec. 31, 2015	Amounts as of Dec. 31, 2014
ASSETS		
Ownership	1,241,295	1,258,517
Loans	146,383	146,286
Trade and other receivables	5,322	6,463
Other receivables	29,979	12,449
LIABILITIES		
Trade and other payables	6,517	102
Other debt	11,419	217,972
Income statement		
Financial expense	6,785	6,363
Financial income	16,850	16,804

The information on related companies corresponds to transactions with subsidiaries included in the scope of consolidation as of December 31, 2015, of which Europcar Groupe is the parent company.

Eurazeo SA also subscribed to the €475 million high-yield bond in the amount of €15 million.

NOTE 15 DEFERRED EXPENSES AND PREMIUMS ON EARLY REDEMPTION OF BONDS

As of December 31, 2015, "Deferred expenses" and "Premiums on early redemption of bonds", in a total amount of €11,180 thousand, included:

- refinancing costs incurred on the issuance of high-yield notes maturing in 2022 in the amount of €475 million conducted in May 2015 in a net amount of €5.6 million;
- the resulting issue premium in a net amount of €3.1 million, and;
- costs related to the renegotiation of the €350 million Revolving Credit Facility maturing in five years commencing in May 2015 in the amount of €2.5 million.

These expenses are amortized over the term of the loans.

In the year ended December 31, 2014, the balance of bond redemption fees and redemption premiums related to:

- issuance costs incurred on the issuance on November 18, 2010 of high-yield notes maturing in 2018 in the amount of €400 million, in a net amount of €5,624 thousand as of 12/31/2014;
- issuance costs incurred on the issuance in June 2012 of high-yield notes maturing in 2017 in the amount of €324 million, in a net amount of €25,850 thousand as of 12/31/2014;
- the renegotiation of the Revolving Credit Facility in May 2012 in the amount of €1,317 thousand as of 12/31/2014.

These items were fully amortized following their repayment in 2015.

NOTE 16 ACCRUED EXPENSES

	Amounts as of Dec. 31, 2015	Amounts as of Dec. 31, 2014
ASSETS		
Interest accrued on bonds and other borrowings	1,138	12,678
LOANS AND BORROWINGS	1,138	12,678
LIABILITIES		
Supplier creditors excluding FNP fleet	2,331	6,414
Group – Other liabilities – FNP Corporate	2,922	151
TRADE AND OTHER PAYABLES	5,253	6,565
Provisions for wages	6,878	2,289
Provisions – Other personnel expenses	9	17
Provisions on accrued social security charges	1,182	690
Withholding tax on wages	(159)	(50)
Other accrued expenses	465	-
TAX AND SOCIAL SECURITY LIABILITIES	8,375	2,946
TOTAL ACCRUED LIABILITIES	14,766	22,190

NOTE 17 ACCRUED INCOME

	Amounts as of Dec. 31, 2015	Amounts as of Dec. 31, 2014
Accrued interest – Loans	2,256	2,164
OTHER FINANCIAL ASSETS	2,256	2,164
Interco – Corporate – FAE	4,955	4,072
Miscellaneous income receivable	368	368
Other receivables – FAE	1	288
TRADE AND OTHER RECEIVABLES	5,324	4,728
TOTAL ACCRUED INCOME	7,580	6,892

NOTE 18 SHAREHOLDERS' EQUITY**18.1 Consolidated statement of changes in equity**

<i>In thousands of euros</i>	Share capital	Share premium	Retained earnings	Net profit/(loss) as at Dec. 31, 2014	Unappropriated earnings	Equity
Balance at January 1, 2015	446,383	452,978	(336,845)	(104,639)	-	457,877
Net profit/(loss) for the year ended 12/31/2015	-	-	-	-	(119,633)	(119,633)
Net profit/(loss) for the year ended 12/31/2014	-	-	(104,639)	104,639	-	-
Capital increase preferred shares	73	1,437	-	-	-	1,510
Capital increase by incorporation of premium	99,405	(99,405)	-	-	-	-
Capital decrease	(441,483)	-	441,483	-	-	-
Capital increase IPO	38,776	436,224	-	-	-	475,000
IPO fees	-	(23,832)	-	-	-	(23,832)
BALANCE AS AT DECEMBER 31, 2015	143,154	767,402	-	-	(119,633)	790,922

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18.2 Share capital and share premium

As at December 31, 2015, the recorded share capital of Europcar Groupe was €143,154,016 and comprised 143,154,016 shares

with a unit value of one euro each, 142,998,496 common shares, 147,434 category B preferred shares, 4,045 category C preferred shares and 4,041 category D preferred shares. The various corporate actions since January 1, 2015 (in particular within the scope of ECG's IPO on euronext Paris) are as follows:

Date	Operation	Share capital (in €)	Issue premium (in €)	Number of shares	Nominal value (in €)
12/31/2014		446,383,193.50	452,977,636.00	103,810,045	4.300
2/24/2015	Capital decrease	(336,844,642.72)	-	103,810,045	1.055
5/15/2015	Increase in share capital	8,532.21	1,501,568.74	103,818,131	1.055
6/8/2015	Increase in share capital	98,909,577.00	(98,909,577.00)	103,818,131	2.008
6/8/2015	Capital decrease	(104,638,529.00)	-	103,818,131	1.000
6/26/2015	Increase in share capital	495,845.00	(495,845.00)	495,845	1.000
6/26/2015	Increase in share capital	38,775,510.00	412,392,604.50	38,775,510	1.000
11/04/2015	Increase in share capital	8,829.00	(8,829.00)	8,829	1.000
11/04/2015	Increase in share capital	7,444.00	(7,444.00)	7,444	1.000
12/15/2015	Increase in share capital	48,257.00	(48,257.00)	48,257	1.000
12/31/2015		143,154,016.00	767,401,857.24	143,154,016	1.000

Each Category A common share gives an entitlement to one vote.

Class B, C and D shares are preferred shares within the meaning of Article L. 228-11 of the French Commercial Code, and are devoid of voting rights.

Class B preferred shares (the "B Shares") were issued in July 2011 for executives and employees of the Group, some of whom have since left it, and for Eurazeo.

The terms and conditions of the B Shares lay down the conditions under which their holders may convert them into common shares. As such, pursuant to their terms, the B Shares could be converted into common shares upon the occurrence of certain events before the date of publication of the 2015 results of Eurazeo, notably in the event of the admission to trading of the shares of the Company on a regulated market (an "initial public offering"). In such cases, holders of B Shares were able to exercise their conversion rights at any time from

the notification of the proposed IPO until the end of a period of 20 trading days following the date of publication of the 2015 results of Eurazeo (or, if later, until the end of a period of three months following the expiry of lock-up obligations imposed by the underwriters for the IPO).

The conversion ratio of B Shares into common shares is determined, depending on the exercise period, by taking into account the return on investment of Eurazeo until the IPO (including the net proceeds from the sale of any shares by Eurazeo as part of the IPO) plus the value of the stake kept by Eurazeo on the basis of the IPO price or, depending on the date of exercise of the conversion right, on the basis of an average market price of the Company's shares.

Holders of B Shares were able to sell part of their shares under the same conditions as those of Eurazeo at the time of the IPO. The balance of the B Shares was subject to lock-up commitments in respect of the underwriters.

In the absence of the exercise of conversion rights by a holder of B Shares during the conversion period, the holder's B Shares will be converted automatically at the end of the conversion period into the same number of common shares of the Company.

The C and D Shares were issued by the Management Board of the Company on May 15, 2015, on the basis of an authorization granted by the Shareholders' Meeting of February 24, 2015.

The Class C preferred shares (the "C Shares") were subscribed by certain of the Group's executives and employees belonging to the Executive Committee (the "Group C managers"), and the Class D preferred shares (the "D Shares") were subscribed by Eurazeo, it being stipulated that the D Shares were subject to a promise by Eurazeo to sell them to the Group C managers and a commitment by the Group C managers to purchase them from Eurazeo upon the signature of a guarantee agreement relating to the IPO. The D Shares were transferred by Eurazeo to the Group C managers following the signing of a guarantee agreement as part of the IPO.

The total amount of the investment of the Management Board members for the subscription of the C Shares and the purchase of the D Shares from Eurazeo was €925,000 (€550,000 for the Chairman of the Management Board), and approximately €1.7 million for all C Share holders.

The terms and conditions of the C and D preferred shares lay down the conditions under which holders of C and D Shares may convert them into common shares. Thus, in accordance with their terms, in the event of an IPO, the C Shares may be converted into common shares at any time until December 31, 2019; the D Shares may only be converted for a period of one year following the IPO, then in an amount capped at half the outstanding D Shares in the following year, and then in full at the end of a period of two years after the IPO.

As from the IPO, the conversion ratio of the C and D Shares into common shares is determined, depending on the exercise period, by taking into account a multiple of the value of the common shares, which varies in line with changes in the value of the common shares. For the purposes of this calculation, the value of the common shares is equal to the weighted average share price over a period of 10 trading days.

Under the agreement between the Group C managers and Eurazeo drawn up in conjunction with this transaction, neither C Shares nor D Shares may be transferred (sale to Eurazeo excepted), and common shares resulting from the conversion of the C Shares may not be sold during the term of the lock-up commitment imposed by the underwriters, and in any case not within a minimum period of one year. Neither may they be sold in the amount of the number of shares held by the members of the Management Board and locked up until the end of their term (*i.e.* the lesser of 10% of shares held before transfer and an amount equal to three times the annual remuneration of the common shares on the date in question).

The agreement also lays down the joint rights and duties of the Group C managers and the commitment of such managers to sell their preferred shares to Eurazeo in certain situations should they leave the Group.

In the absence of conversion before December 31, 2019, the C and D Shares shall be converted automatically into the same number of common shares of the Company.

Shareholders are entitled to receive dividends as declared periodically. There is no preferential dividend. The Group did not distribute any dividends in 2015.

The following table shows the breakdown of shareholdings before the Company's IPO:

Shareholders	Number of common shares and voting rights	Number of Class B preferred shares ⁽⁴⁾	Number of Class C preferred shares ⁽⁴⁾	Number of Class D preferred shares ⁽⁴⁾	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
Eurazeo	89,947,696 ⁽¹⁾	150,810 ⁽²⁾	-	4,041	90,102,547	86.97%	86.79%
ECIP Europcar Sarl	13,480,307	-	-	-	13,480,307	13.03%	12.98%
Executives and employees	-	231,232 ⁽³⁾	4,045	-	235,277	-	0.23%
TOTAL.	103,428,003	382,042	4,045	4,041	103,818,131	100.00%	100.00%

(1) Including 346,607 shares issued by the Company on October 16, 2007 and later transferred to Eurazeo by Eureka Participations SAS in connection with a complete transfer of assets and liabilities.

(2) Including 41,025 Class B preferred shares acquired from Philippe Guillemot, held in escrow (order of June 14, 2012 in legal proceedings).

(3) Including 122,783 Class B Preferred Shares still held by former employees.

(4) The Class B, Class C and Class D Preferred Shares do not have voting rights.

The following table shows the breakdown of Europcar Groupe shareholdings following the Company's IPO:

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
Eurazeo	61,859,208	-	-	4,041	61,863,249	43.29%	43.23%
ECIP Europcar Sarl	9,232,494	-	-	-	9,232,494	6.46%	6.45%
Executives and employees, and free float	71,814,775	174,923	4,045	-	71,993,743	50.25%	50.32%
TOTAL.	142,906,477	174,923	4,045	4,041	143,089,486	100.00%	100.00%

As at December 31, 2015, 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
Eurazeo	60,544,838	-	-	-	60,544,838	42.38%	42.29%
ECIP Europcar Sarl	9,036,469	-	-	-	9,036,469	6.33%	6.31%
Executives and employees, and floating	73,417,189	147,434	4,045	4,041	73,572,709	51.29%	51.39%
TOTAL	142,998,496	147,434	4,045	4,041	143,154,016	100.00%	100.00%

Europcar did not cancel any shares in 2015.

18.3 Treasury shares

Under the liquidity contract entrusted to Rothschild relating to the shares of the Europcar Groupe on December 31, 2015 the

following resources were listed on the liquidity account:

- no Europcar Groupe share
- €100,000

In number of shares	6/29/2015	Increase	Reduction	Dec. 31, 2015
Treasury shares	-	437,227	(437,227)	-
TOTAL	-	437,227	(437,227)	-

18.4 Regulated provisions

	Amounts as of Dec. 31, 2014	Additions during the period	Provisions reversed during the period (used)	Provisions reversed during the period reversed during the period (unused)	Amounts as of Dec. 31, 2015
Accelerated depreciation (see Note 2.3)	23,793	-	-	-	23,793
TOTAL REGULATED PROVISIONS	23,793	-	-	-	23,793

NOTE 19 STATEMENT OF PROVISIONS

	Amounts as of Dec. 31, 2014	Additions during the period	Provisions reversed during the period (used)	Provisions reversed during the period (unused)	Amounts as of Dec. 31, 2015
Provisions for litigation	25,000	-	(12,500)	(12,500)	-
PROVISIONS FOR RISKS	25,000	-	(12,500)	(12,500)	-

19.1 Dispute with Enterprise Holdings Inc.

In 2007 the Group acquired from Vanguard the operations of National and Alamo in the EMEA region. Vanguard was then acquired by Enterprise and the Group and Enterprise entered into a period of commercial cooperation that lasted until August 2013 during which Europcar Groupe continued to operate the National and Alamo brands in EMEA under a license agreement with Enterprise. Following disputes between the parties over the interpretation of certain provisions of the license agreement, such agreement and the commercial alliance agreement were the subject of an arbitration proceeding that resulted in a decision on December 9, 2014 which, after a transitional period agreed by the parties terminated these agreements as of March 2015.

Furthermore, in January 2015, the High Court of Justice of England issued a judgment ordering Europcar Groupe to cease using the “e-moving” logo (an accessory element to the global Europcar brand) in the United Kingdom on the grounds that such logo was confusing and infringed upon prior trademarks of Enterprise Holdings Inc. Europcar Groupe has sought leave to appeal this judgment before the English courts.

In its financial statements as of and for the year ended December 31, 2014, Europcar Groupe recorded a provision of €25 million in relation to the two aforementioned proceedings, an amount equal to the risk of certain of the damages that it was able reasonably to estimate as of the closing date.

During a second phase of the arbitration proceeding, the arbitrators will determine the compensation for damages incurred by Enterprise as a result of the facts referred to in the arbitration decision of December 9, 2014. The amount of other

damages that the Group may be required to pay as a result of the adverse findings in such decision cannot be reasonably estimated at this stage of the proceeding (the final award of which is not expected to be issued before the second quarter of 2016) and, accordingly, no provision in respect of such other potential damages was recorded in the Group's financial statements for the year ended December 31, 2014.

On April 29, 2015, the Group and Enterprise signed a settlement agreement which put an end to these proceedings, in consideration of the payment of €12.5 million by the Group (paid on May 4, 2015) as well as the phased discontinuation of use of the e-moving logo by Europcar.

19.2 Procedure of the French anti-trust authorities

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 ADLC's case-handler is expected to submit a report to the Competition Authority College during the first 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.

Off-balance sheet items

NOTE 20 OFF-BALANCE SHEET COMMITMENTS

20.1 Guarantees

Pursuant to Article 4 of regulation 2010-02 of September 2, 2010 of the French Accounting Standards Authority, repealed and subsequently included in ANC regulation 2014-03, relating to related party transactions and transactions not recorded in the balance sheet, the financial commitments of the Company, given and received, as of December 31, 2015 are as follows:

Guarantees and sureties given

As surety for the Senior Revolving Facility Agreement dated May 31, 2006 as amended, and the relevant coverage documents (ISDA Master Agreement), the Company has made the following pledges to its banks:

- secured and irrevocable deposit of borrowers;
- pledge of Europcar International SASU shares held by the Company;
- pledge of the bank accounts of consolidated companies.

Guarantees and sureties received

The Company is the beneficiary of a vendor warranty granted by the Volkswagen group at the time of its disposal of Europcar Groupe in 2006. This warranty is expired and can no longer be implemented. However, relating to previous implementations, the Company may still receive compensation subject to the completion of ongoing litigation or pre-litigation and in agreement with Volkswagen on the final amount of such compensations.

20.2 Retirement commitments

Legal and contractual retirement allowances amounted to €167 thousand (€132 thousand in 2014) based on the valuation method prescribed by ANC recommendation no. 2013-02.

The Group has commitments with respect to defined benefit retirement plans. This commitment is assessed by an independent actuary using the projected unit credit method. This method requires the use of the specific actuarial assumptions set out below. These actuarial valuations are performed at the period end for each plan by estimating the present value of the amount of future benefits that employees have earned in return for their service in the current and prior periods and factoring in the effects of future salary increases.

The assumptions are:

- discount rate: 1.80%;
- anticipated long-term inflation rate: 1.75%;
- expected return on the fund: 2.00%;
- expected rate of wage increases: 3.50%.

The 2015 service cost was €15 thousand, and the financial cost €2 thousand.

20.3 Other commitments

Individual training rights

As of December 31, 2015, the number of hours of training accumulated corresponding to rights acquired under the French Individual Training Rights scheme (replaced by the Professional Training Account on January 1, 2015) was 594 hours.

Employees used a total of 121 hours in 2015.

Further information

NOTE 21 WORKFORCE

	Items as of Dec. 31, 2015	
	Salaried personnel	Personnel seconded to the Company
Managers and similar	12	-
TOTAL	12	-

NOTE 22 FREE SHARE GRANTS

The extraordinary General Meeting of the Company's shareholders held on June 8, 2015 authorized the Company's Management Board to award free shares in the Company. The Management Board at its meeting held on June 25, 2015 pursuant to said delegation of authority approved the decision and the principle of two grants of free shares.

The first plan, "AGA 13 T1" and "AGA 13 T2" benefits members of the Group's Executive Committee.

The granting of these free shares, following vesting periods of two to three years, and subject to the beneficiary's continued employment with the Company at the end of this period, would be conditioned on the achievement of:

- with respect to the years ended December 31, 2015 and 2016: performance conditions related to adjusted corporate EBITDA; and

- for the year ended December 31, 2017: performance conditions related to (i) adjusted corporate EBITDA and (ii) movements in the Company's stock price as compared with movements in the SBF 120 index.

The second free share grant plan, "AGA 100", benefits the Group's top 100 executives. The shares will vest following a two-year vesting period, subject to the beneficiary's continued employment with the Company on the date of allocation and subject to the achievement of performance conditions relating to (i) adjusted corporate EBITDA and (ii) movements in the Company's stock price as compared with movements in the SBF 120 index.

Changes in respect of free shares during 2015 are as follows:

	Number of free shares
Currently vesting as at January 1, 2015	
Allocated	1,991,844
Vested	-
Canceled	(128,511)
Currently vesting as at December 31, 2015	1,863,333

The weighted average fair value of the allocated shares was determined on the allocation date by applying the Monte Carlo simulation model.

Since the dividend rate was 2.20% (only for 2017) and the borrowing rate was equal to a risk-free rate +1%, the fair values on the allocation date less the dividends discounted during the vesting period and the discounted cost of non-transferability during the lock-up period are equal to:

- €11.73 for the AGA 13 T1 plan;

- €6.53 for the AGA 13 T2 plan;
- €5.91 for the AGA 100 plan.

The employer contribution at the rate of 30% was calculated on a base corresponding to the unit fair value of the shares as estimated at the grant date.

The plans are expected to be satisfied by new shares.

NOTE 23 SUBSIDIARIES AND AFFILIATES

	Share capital	Percentage held	Gross value of securities	Loans, advances	Revenue
Corporate name	Equity	Dividends received	Net value of securities	Guarantees	Net income/ (loss)
Subsidiaries (over 50%)					
Europcar International SASU (FRANCE)	110,000	100%	1,217,402	-	98,772
	52,638	-	1,217,402	-	78,248
Investments (between 10% and 50%)					
-	-	-	-	-	-

03

STATUTORY AUDITORS' REPORT**Statutory Auditor's report on the financial statements**

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying consolidated financial statements of Europcar Groupe S.A.;
- the justification of our assessments;
- the specific verifications required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- measurement of investments in subsidiaries: the Company assesses annually the recoverable value of its investments in subsidiaries in accordance with the methods set out in section 2.3 – “Financial assets” note 2 – “Significant accounting policies” to the financial statements. We have reviewed the methods used for the aforementioned assessment and, based on the information available at the time of our audit, we ensured the estimates made by the Company at 31 December 2015 are appropriate.
- provisions: as specified in note 2 - “Significant accounting policies” section 2.6 - “Provisions” to the financial statements, the Group records provisions to cover risks. The nature of the provisions recorded in the financial statements under Provisions is described in the note 19 - “Statement of provisions” to the financial statements. Based on the information available at the time of our audit, we ensured that the information given in the notes to the financial statements is appropriate;

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Courbevoie and Neuilly-sur-Seine, on 25 February 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

François Jaumain

Mazars

Isabelle Massa

Exhibit C—Extracts from Europcar Groupe S.A. Base Document of May 20, 2015 (Consolidated Financial Statements for the year ended December 31, 2014)

The following information includes Annex II “Audited Consolidated Financial Statements of Europcar Group S.A. for the year ended December 31, 2014” of the English translation of Europcar Group’s Document de base (“Base Document”), the French language version of which was filed with the French Autorité de marchés financier (the “AMF”) on May 20, 2015.

Free English translation of the statutory auditors' report on the consolidated financial statements for the years ended December 31, 2012, 2013 and 2014

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional accounting standards applicable in France Statutory Auditors' report on the consolidated financial statements prepared under IFRS as adopted by the European Union for the years ended December 31, 2012, 2013 and 2014

*To the President,
EUROPCAR GROUPE
2 rue René Caudron
78960 Voisins le Bretonneux
France*

In our capacity as Statutory Auditors of Europcar Groupe SA and in accordance with Commission Regulation (EC) No 809/2004, in view of the planned public offering and listing of the Company's shares on the regulated market of Euronext Paris, we have conducted an audit of the accompanying consolidated financial statements of Europcar Groupe SA for the years ended December 31, 2012, 2012 and 2014, presented in accordance with IFRS as adopted by the European Union.

These consolidated financial statements are the responsibility of the Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements prepared in view of the planned public offering and the listing of the Company's shares on the regulated market of Euronext Paris and for the purposes of the "Document de base" submitted for approval to the French financial markets authority (Autorité des marchés financiers – AMF), give a true and fair view, in all material respects and in accordance with IFRS as adopted by the European Union, of the assets and liabilities and of the financial position of the Company at December 31, 2012, 2013 and 2014 and of the results of its operations for the years then ended.

Without qualifying our opinion, we draw your attention to the matters set out:

- In the note "I – Basis of preparation to the Consolidated financial statements" which describes the contexts of the preparation as well as the methods used to prepare these Financial Statements.*
- In the section "General context and basis of preparation of the consolidated financial statements", as well as in the note 31 "Off-balance sheet commitments - (iii) Contingencies and guarantees" to the consolidated financial statements related to the potential consequences of (i) the ongoing litigation with the Enterprise group and (ii) the ongoing investigations by the competition authority in France.*

Neuilly-sur-Seine and Courbevoie, 10 March 2015

The statutory auditors

PricewaterhouseCoopers Audit

François Jaumain

Mazars

Isabelle Massa

Europcar Groupe SA

Consolidated financial statements for the year ended December 31, 2014

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Consolidated income statement

<i>In € thousands</i>		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Notes				
Revenue		1,978,870	1,902,655	1,936,411
Fleet holding costs	3	(496,264)	(495,024)	(536,831)
Fleet operating, rental and revenue related costs	4	(686,279)	(671,801)	(691,292)
Personnel costs	5	(318,153)	(310,756)	(309,217)
Network and head office overheads	6	(199,339)	(194,775)	(211,998)
Amortization, depreciation and impairment expense	7	(31,824)	(33,819)	(33,011)
Other income	8	6,879	13,749	18,976
Recurring operating income		253,890	210,229	173,038
Goodwill impairment expense				
Other operating income	9	-	630	3,694
Other operating expenses	9	(115,729)	(36,885)	(35,328)
Operating income		138,161	173,974	141,404
Gross financing costs		(151,424)	(164,050)	(156,410)
Other financial expenses		(90,650)	(62,360)	(78,579)
Other financial income		9,393	2,841	4,812
Net financing costs	10	(232,681)	(223,569)	(230,177)
Profit/(loss) before tax		(94,520)	(49,595)	(88,773)
Income tax	11	(10,655)	(8,070)	(18,447)
Share of profit/(loss) in associates	15	(6,523)	(5,050)	(3,466)
Net profit/(loss)		(111,698)	(62,715)	(110,686)
Attributable to:				
Owners of ECG		(112,273)	(62,024)	(109,861)
Non-controlling interests		575	(691)	(825)
Basic loss per share attributable to owners of ECG (in €)	23	(1.082)	(0.597)	(1.404)
Diluted loss per share attributable to owners of ECG (in €)	23	(1.082)	(0.597)	(1.404)

Consolidated statement of comprehensive income

In € thousands

	Dec. 31, 2014			Dec. 31, 2013	
	Before tax	Tax income/(expense)	After tax	Before tax	Tax income/(expense)
Net profit/(loss) for the year	(101,043)	(10,655)	(111,698)	(54,645)	(8,070)
Items that will not be reclassified to profit or loss	(21,802)	5,985	(15,817)	(919)	19
Actuarial gains/(losses) on defined benefit pension schemes	(21,802)	5,985	(15,817)	(919)	19
Items that may be reclassified subsequently to profit or loss	(282)	(4,713)	(4,995)	18,784	(10,129)
Foreign currency differences	13,598		13,598	(10,629)	
Effective portion of changes in fair value of cash flow hedges	(13,922)	(4,713)	(18,635)	29,381	(10,118)
Net change in fair value of available-for-sale financial assets	42		42	32	(11)
Other comprehensive income/(loss) for the period	(22,084)	1,272	(20,812)	17,865	(9,938)
Total comprehensive income/(loss) for the period	(123,127)	(9,383)	(132,510)	(36,780)	(18,008)
Attributable to:					
Owners of ECG			(133,085)		
Non-controlling interests			575		

Consolidated statement of financial position

In € thousands		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
ASSETS				
	Notes			
Goodwill	12	449,389	434,352	441,071
Intangible assets	13	721,732	745,627	760,901
Property, plant and equipment	14	88,204	89,402	93,634
Equity-accounted investments	15	17,323	56	852
Other non-current investments	16	38,934	35,541	43,745
Deferred tax assets	17	47,395	31,796	32,881
Total non-current assets		1,362,977	1,336,774	1,373,084
Inventories	18	16,141	16,979	18,633
Rental fleet related receivables	19	1,932,758	1,668,437	1,788,345
Trade and other receivables	20	325,912	288,508	322,489
Current investments	16	49,477	41,404	36,845
Current tax assets		33,347	37,042	17,368
Restricted cash	21	81,795	81,724	83,941
Cash and cash equivalents	21	144,037	196,381	135,109
Total current assets		2,583,467	2,330,475	2,402,730
Total assets		3,946,444	3,667,249	3,775,814
Equity				
Share capital		446,383	446,383	782,286
Share premium		452,978	452,978	7,075
Reserves		(77,926)	(72,889)	(81,523)
Retained earnings (losses)		(664,250)	(539,278)	(476,547)
Total equity attributable to the owners of ECG		157,185	287,194	231,291
Non-controlling interests		950	3,451	4,142
Total equity	22	158,135	290,645	235,433
Subordinated loan		-	-	110,000
Total equity and subordinated loan		158,135	290,645	345,433
LIABILITIES				
Financial liabilities	24	1,043,069	1,036,015	1,016,496
Non-current financial instruments	29	41,928	13,748	24,938
Employee benefit liabilities	25	124,759	102,957	100,340
Non-current provisions	26	10,114	4,460	3,097
Deferred tax liabilities	17	131,005	135,223	141,421
Other non-current liabilities		365	425	563
Total non-current liabilities		1,351,240	1,292,828	1,286,855
Current portion of financial liabilities	24	1,127,545	945,115	1,000,278
Employee benefits	25	2,744	2,522	2,400
Current tax liabilities		34,560	39,910	33,648
Rental fleet related payables	27	581,957	548,103	581,678
Trade payables and other liabilities	28	449,866	354,445	326,829
Current provisions	26	240,397	193,681	198,693
Total current liabilities		2,437,069	2,083,776	2,143,526
Total liabilities		3,788,309	3,376,604	3,430,381
Total equity and liabilities		3,946,444	3,667,249	3,775,814

Consolidated statement of changes in equity

In € thousands

	Attributable to owners of the Company					Total
	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	
Balance at January 1, 2012	782,286	7,075	(48,069)	(47,512)	(350,228)	343,559
Net profit/(loss) for the year	-				(109,861)	(109,861)
Foreign currency differences				3,388		3,388
Effective portion of changes in fair value of cash flow hedges			16,274			16,274
Net change in fair value of available-for-sale financial assets					(286)	(286)
Actuarial gains/(losses) on defined benefit pension schemes					(22,699)	(22,699)
Income tax relating to components of other comprehensive income			(5,604)		6,527	923
Other comprehensive income/(loss)	-	-	10,670	3,388	(16,458)	(2,400)
Increase in share capital						-
Subordinated loan						-
Transactions with owners	-	-	-	-	-	-
Balance at December 31, 2012	782,286	7,075	(37,399)	(44,124)	(476,547)	231,291
Balance at January 1, 2013	782,286	7,075	(37,399)	(44,124)	(476,547)	231,291
Net profit/(loss) for the year					(62,024)	(62,024)
Foreign currency differences				(10,629)		(10,629)
Effective portion of changes in fair value of cash flow hedges			29,381			29,381
Net change in fair value of available-for-sale financial assets					32	32
Actuarial gains/(losses) on defined benefit pension schemes					(919)	(919)
Income tax relating to components of other comprehensive income			(10,118)		180	(9,938)
Other comprehensive income/(loss)	-	-	19,263	(10,629)	(707)	7,927
Increase in share capital	(335,903)	445,903				110,000
Subordinated loan						-
Transactions with owners	(335,903)	445,903	-	-	-	110,000
Balance at December 31, 2013	446,383	452,978	(18,136)	(54,753)	(539,278)	287,194
Balance at January 1, 2014	446,383	452,978	(18,136)	(54,753)	(539,278)	287,194
Net profit/(loss) for the year					(112,273)	(112,273)
Foreign currency differences				13,598		13,598
Effective portion of changes in fair value of cash flow hedges			(13,922)			(13,922)
Net change in fair value of available-for-sale financial assets			-		42	42
Actuarial gains/(losses) on defined benefit pension schemes					(21,802)	(21,802)
Income tax relating to components of other comprehensive income			(4,713)		5,985	1,272
Other comprehensive income/(loss)	-	-	(18,635)	13,598	(15,775)	(20,812)
Change in non-controlling interests	-	-			3,076	3,076
Subordinated loan						-
Transactions with owners	-	-	-	-	-	-
Balance at December 31, 2014	446,383	452,978	(36,771)	(41,155)	(664,250)	157,185

Consolidated cash flow statement

<i>In € thousands</i>		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
	Notes			
Profit/(loss) before tax		(94,520)	(49,595)	(88,773)
Depreciation and impairment charge on property, plant & equip.	14	12,834	14,490	16,807
Amortization exp. and impairment charge on intangible assets	13	36,183	25,349	24,919
Impairment charge on goodwill	12	-	-	-
Depreciation and impairment charge on financial assets	16	-	-	-
Changes in provisions and employee benefits	25, 26	46,865	(951)	5,743
Profit/(loss) on disposal of assets		(1,311)	(107)	(83)
<i>Total net interest costs</i>		<i>160,011</i>	<i>174,163</i>	<i>167,697</i>
<i>Redemption premium</i>		<i>17,063</i>		
<i>Amortization of transaction costs</i>		<i>29,237</i>	<i>23,409</i>	<i>20,369</i>
<i>Amortization of bond issue premiums</i>		<i>1,415</i>	<i>-</i>	<i>710</i>
<i>Other non-cash items⁽¹⁾</i>		<i>16,258</i>	<i>18,191</i>	<i>35,014</i>
Financing costs		223,984	215,763	223,790
Operating profit before changes in working capital		224,035	204,949	182,403
Changes in rental fleet		(91,466)	(7,043)	64,978
Changes in fleet working capital		(74,025)	63,043	30,512
Changes in non-fleet working capital ⁽³⁾		50,018	62,613	(18,598)
Cash generated from operations		108,562	323,562	259,295
Income taxes received/paid		(31,447)	(35,600)	(65,752)
Net interest paid		(166,798)	(174,053)	(166,273)
Net cash generated from (used by) operating activities		(89,683)	113,909	27,270
Other investments and loans		(1,158)	90	7,382
Acquisition of intangible assets and property, plant and equipment	12, 13, 14	(23,578)	(23,202)	(25,534)
Proceeds from disposal of fixed assets		3,491	1,812	1,973
Proceeds from disposal of financial assets		(9,614)	2,937	(6,560)
Acquisition of subsidiaries, net of cash acquired ⁽⁴⁾		(45,778)	(4,644)	(5,673)
Disposal of subsidiaries, net of cash sold		-	-	-
Dividends received from associates		-	(67)	16
Net cash used by investing activities		(76,637)	(23,074)	(28,396)
Increase in share capital		-	110,000	-
Shareholder's subordinated loan		-	-	110,000
New senior subordinated secured notes		350,000	-	324,000
Redemption of senior subordinated secured notes		(367,063)	-	(425,000)
Change in senior fleet financing liability ⁽²⁾		84,445	16,700	(15,540)
Change in other fleet financing liabilities		56,185	(47,917)	2,621
Payment of transaction costs		(17,336)	(4,013)	(33,954)
Cash payment for swap amendment		(2,000)	-	(67,117)
Other new borrowings		-	-	3,495
Repayment of other borrowings		(931)	(110,347)	(32,096)
Net cash generated from (used by) financing activities		103,300	(35,577)	(133,591)
Cash and cash equivalents at end of period	21	206,317	267,038	213,094
Cash and cash equivalent at beginning of period	21	267,038	213,094	344,974
Effect of foreign exchange differences		2,299	(1,314)	2,837
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences		(63,020)	55,258	(134,717)

⁽¹⁾ Of which, €14 million in 2014 (€35 million in 2012, €17 million in 2013) of swap fair value adjustments reclassified from other comprehensive income to profit and loss (see Note 29).

⁽²⁾ Changes in borrowings dedicated to fleet financing are reported on a net basis since they relate to buy-back agreements with a short term maturity.

⁽³⁾ Of which, €48.6 million in 2012 reported in "Changes in non-fleet working capital", and €17.4 million reported in income taxes received/paid to settle the Fleming VAT claim.

⁽⁴⁾ Of which in 2014, the acquisition cost, net of cash acquired, of UbeeGo (€17.3 million) and Europhall (€22.5 million), as well as the subscription to the increase in the capital of Car2Go (€5.7 million).

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.

These consolidated financial statements have been prepared to provide financial information to our shareholders, the holders of and potential investors in the notes issued by Europcar Groupe S.A. (referred to as "ECG") and not in response to any statutory obligation. ECG is exempt from any such obligation by virtue of the consolidated accounts prepared by its ultimate shareholder Eurazeo S.A.

The financial statements were approved and authorized for issue by the Board of Directors on March 9, 2015.

Europcar Groupe 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 InteRent trademarks for a wide range of publics and businesses. 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. The license and commercial cooperation agreement are subject to an arbitration process, the result of which is to effectively discontinue said agreements in March 2015, after a transition period agreed between the two parties.

In 2014, the Group added to its portfolio of businesses with the acquisition of a majority 70.64% stake in Ubeeqo, a French start up created in 2008 that offers corporate car-sharing solutions. Ubeeqo, which is already present in France and Belgium, is using Europcar's support to set up in Germany and also intends to expand into the UK.

In the final quarter of 2014, the Group used its French subsidiary, Europcar France SAS, to acquire 100% of the shares of Europ Hall SAS, one of the subsidiary's major franchisees in Eastern France.

In July 2014, the Group issued 5.125% high-yield notes for a total amount of €350,000,000 to refinance existing debt.

The Company is planning an IPO on Euronext Paris.

I - Basis of preparation

These consolidated financial statements for the years ended December 31, 2012, December 31, 2013 and December 31, 2014 have been prepared as part of Europcar Group's planned IPO on Euronext Paris and in accordance with the requirements of base prospectus (*document de base*) filed with the French financial markets authority (*Autorité des marchés financiers* – AMF). They have been prepared based on:

- the consolidated financial statements for the year ended December 31, 2012, approved by the Shareholders' Meeting of May 16, 2013, and audited by PricewaterhouseCoopers Audit on April 19, 2013;
- the consolidated financial statements for the year ended December 31, 2013, approved by the Shareholders' Meeting of March 26, 2014, and audited by PricewaterhouseCoopers Audit on March 10, 2014;
- the consolidated financial statements for the year ended December 31, 2014, approved by the Shareholders' Meeting of March 6, 2015, and audited by PricewaterhouseCoopers Audit on April 10, 2015.

In the context of the planned listing on a regulated market, the Group is required to apply IFRS 8 – Operating Segments and IAS 33 – Earnings per Share, for the first time.

The presentation principles retained are those that are mandatory for financial periods beginning on or after December 31, 2014. The new standards, amendments to existing standards applied since December 31, 2012 do not have a material impact on the consolidated financial statements for the years ended December 31, 2012 and December 31, 2013.

These consolidated financial statements were reapproved for issue by the Board of Directors of Europcar Groupe SA at its meeting of March 9, 2015.

Only events that occurred between December 31, 2014 and March 9, 2015, the date the consolidated financial statements were approved for issue, have been treated in accordance with IAS 10 – Events after the Reporting Period. These events are described in Note 35 – Subsequent Events.

II - Significant accounting policies

The consolidated financial statements of Europcar Groupe for the years ended December 31, 2012, December 31, 2013 and December 31, 2014 have been prepared in accordance with the IFRSs (International Financial Reporting Standards) adopted by the European Union. These standards can be viewed on the European Commission's website at: http://ec.europa.eu/finance/accounting/ias/index_en.htm.

The consolidated financial statements have been prepared using the historical cost basis except for the following:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit and loss are measured at fair value;
- non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell in accordance with IFRS 5.

These consolidated financial statements are presented in euros (€), which is ECG's functional currency and the Group's presentation currency. All financial information presented in euros (€) has been rounded to the nearest thousand euros unless otherwise stated.

Basis of measurement

The accounting policies used to prepare the consolidated financial statements for the year ended December 31, 2014 are consistent with those used for the year ended December 31, 2013, with the exception of the following standards which are mandatory for accounting periods beginning on or after January 1, 2014:

- IFRS 10 – Consolidated Financial Statements, defines control over an investee as exposure or rights to variable returns and the ability to affect those returns through power over an investee;
- IFRS 11 – Joint Arrangements, outlines two ways of accounting for joint arrangements:
 - joint operations, where the Group recognizes its share in the assets, liabilities, income and expenses of the arrangement. Joint operations may be structured through separate vehicles;
 - joint ventures, where the rights to the net assets of the arrangement are accounted for using the equity method.

The Group does not own any joint ventures.

- IFRS 12 – Disclosures of Interests in Other Entities;
- Revised IAS 27 – Separate Financial Statements and Revised IAS 28 – Investments in Associates and Joint Ventures;
- Amendments to transition guidance for IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, and IFRS 12 – Disclosures of Interests in Other Entities;
- Amendment by Investment Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12);
- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities;
- Amendment to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets;
- Amendment to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting.

Application of these new standards and amendments did not have a material impact on Europcar's consolidated financial statements.

The Group has not elected to early adopt the following standards which are not mandatory for accounting periods through December 31, 2014, and have not yet been adopted by the European Union:

- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions, applicable for accounting periods beginning on or after February 1, 2015;
- Amendments to IFRS 10 and IAS 28 – Sales or Contributions of Assets between an Investor and its Associate or Joint Venture, applicable for accounting periods beginning on or after January 1, 2016;
- Amendments to IAS 27 – Equity Method in Separate Financial Statements, applicable for accounting periods beginning on or after January 1, 2016;
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants, applicable for accounting periods beginning on or after January 1, 2016;
- The IFRS annual improvements 2010-2012 cycle, applicable for accounting periods beginning on or after July 1, 2014;
- The IFRS annual improvements 2011-2013 cycle, applicable for accounting periods beginning on or after July 1, 2014;
- The IFRS annual improvements 2012-2014 cycle, applicable for accounting periods beginning on or after January 1, 2016;
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization, applicable to accounting periods beginning on or after 1 January 2016;
- IFRS 14 – Regulatory Deferral Accounts, applicable for accounting periods beginning on or after January 1, 2016;
- IFRS 15 – Revenue from Contracts with Customers, applicable for accounting periods beginning on or after January 1, 2017;
- IFRS 9 and subsequent updates to IFRS 9 – Financial Instruments: Classification and Measurement, applicable for accounting periods beginning on or after January 1, 2015.

Europcar has elected not to adopt IFRIC 21 – Levies, adopted by the EU on June 14, 2014, because this interpretation is only mandatory for accounting periods beginning on or after January 1, 2015.

Europcar is currently determining the potential impacts of these new standards and amendments on the Group's consolidated financial statements.

Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions which impact the amounts presented for existing assets and liabilities in the consolidated statement of financial position, income and expense items in the consolidated income statement, and disclosures in the notes to the consolidated financial statements.

Due to the uncertainty inherent to all measurement processes, these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Group formulates assumptions and, on this basis, regularly prepares estimates relating to its various activities. These estimates are based on past experience and factor in the economic conditions prevailing at the period-end and the information then available. Those economic trends are specifically reviewed on a country-by-country basis.

However, actual values may be different from these estimates due to changes in conditions that affect the underlying assumptions and the Group's future earnings may also differ from those estimated.

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

- The residual value of "at risk" vehicles (see section II- Rental fleet related receivables (iii)).
- The fair value of vehicles purchased with manufacturer or dealer buy-back commitment when badly damaged or stolen (see section II- Rental fleet related receivables (i)).
- 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.

In addition, estimates also cover:

- Fair value measurement of assets and liabilities during allocation of the acquisition cost of business combinations (see Note 12).
- The value of non-listed equity investments held for sale (see Note 16) and financial instruments recorded at fair value in the Group's statement of financial position (see Note 29).
- Estimates of future cash flows as part of impairment tests for goodwill recorded in the statement of financial position and capitalized assets including trademarks (see Notes 12 and 13).
- Amounts of deferred taxes that may be recognized in the statement of financial position (see Note 17).
- Measurement of post-employment benefits and other employee benefits (see Note 25).
- Provisions for disputes and litigation and valuation of contingent liabilities (see Notes 26 and 31).

Basis of consolidation

(i) Subsidiaries

Europcar Groupe's financial statements include the accounts of the parent company, ECG, and its subsidiaries for the year ended December 31, 2014.

Subsidiaries are all entities (including special purpose entities), directly or indirectly controlled by ECG. Control exists when ECG has the ability to direct an investee's relevant activities, is exposed to variable returns and has the ability to affect those returns through power over an investee. In assessing control, substantive potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. At the acquisition date, ECG transfers the consideration, acquires the assets and assumes the liabilities of the acquiree.

The assets acquired and the liabilities assumed (including contingent consideration) are valued at fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Depending on the nature of the business combination, the Group may elect to use either of these options.

At the acquisition date, the difference between:

- the fair value of the consideration transferred (including contingent consideration), plus non-controlling interests in the acquiree and, in the case of step acquisitions, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree revalued through profit or loss; and
- the acquisition-date fair value of the identifiable assets required and liabilities assumed;

is recorded as goodwill.

If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Accounting policies of subsidiaries are amended where necessary to ensure consistency with the policies adopted by the Group.

(ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions between equity owners of the Group. In the case of an additional acquisition of shares in a previously-controlled entity, the difference between the consideration paid and the corresponding share acquired in the carrying amount of net assets of the subsidiary is recorded in equity. When the Group ceases to exercise control, any remaining interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss.

(iii) Associates

Associates are entities over whose financial and operating policies the Group has significant influence, but not control or joint control (generally corresponding to a shareholding of between 20% and 50% of the voting rights).

The Group's interests in associates are accounted for under the equity method, i.e., equity interests are accounted for at cost, adjusted for the post-acquisition changes in the investor's share in the net assets of the associate. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has a legal or constructive obligations to make payments on behalf of an associate.

(iv) Joint arrangements

Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement. The Group's interests in joint ventures are accounted for under the equity method. The consolidated financial statements include the Group's proportionate share of joint ventures' assets, liabilities, revenue and expenses grouped together with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

(v) Special purpose entities

Special purpose entities (SPEs), such as SecuritiFleet companies, Euroguard, the Protected Cell Insurance & Reinsurance SPE, FCT Sinople and EC Finance plc are consolidated when the relationship between the Group and the SPE indicates that the SPE is in substance controlled by the Group. SPEs are entities which are created to accomplish a specifically-defined objective.

(vi) Reclassification of exchange gains/losses in profit and loss

Exchange gains/losses recognized in other comprehensive income are reclassified in profit and loss only in the case of a total or partial disposal. A partial disposal is defined by the Group as the disposal of an interest in a subsidiary (and not as a decrease in the investment).

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros (€), which is ECG's functional currency and the Group's presentation currency.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation of monetary assets and liabilities are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at the foreign exchange rate at the fair value measurement date.

(iii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the foreign exchange rate at the reporting date, while equity is translated at historical rates. The revenues and expenses of foreign operations are translated into euros at weighted average rates. All resulting exchange differences are recognized as a separate component of equity.

(iv) Foreign currency exchange rates

The following exchange rates were used at December 31, 2012, December 31, 2013 and December 31, 2014:

	December 31, 2014		December 31, 2013		December 31, 2012	
	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
Sterling (GBP)	1.240	1.284	1.177	1.199	1.233	1.225
Australian Dollar (AUD)	0.679	0.674	0.726	0.648	0.806	0.787

Source: Banque de France

Goodwill

Goodwill recognized in local currency is not amortized and is subject to an impairment test performed at least annually, or more frequently if there is evidence that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated by operating segment and within the corporately-owned rental business segment by country.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted future cash flow method. When this value is less than its carrying amount, an impairment loss is recognized in the income statement. The impairment loss is first recorded as an adjustment to the carrying amount of goodwill allocated to the CGU and the remainder of the loss, if any, is allocated to the other long-term assets of the unit on a pro rata basis.

Goodwill arising from acquisitions of associates is included in 'Investments in associates' and the total amount of goodwill is tested for impairment.

Any impairment of goodwill is recorded in "Goodwill impairment expense".

Intangible assets other than goodwill

(i) Trademarks and licenses

Trademarks with an indefinite useful life

The Europcar trademark has been recognized at cost with an indefinite useful life and is not amortized. It is tested annually for impairment based on the relief-from-royalty method.

Impairment charges for trademarks are accounted for in non-recurring items in the consolidated income statement.

Trademarks with a finite useful life

The contractual right to operate the National and Alamo trademarks as part of a brand license agreement with Enterprise Holdings Inc. was recorded in "Other intangible assets".

Trademarks and licenses that have a finite useful life are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives, or over the life of the underlying contract (10 years). They are tested for impairment at least annually or more frequently if there is evidence that they may be impaired.

(ii) Computer software and operating systems

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire them and bring them into use. These costs are amortized over their estimated useful lives (see below). Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. These costs include the costs of the employees allocated to developing the software and a portion of relevant overheads directly attributable to developing the software.

Computer software development costs recognized as assets are amortized over their estimated useful lives (see below).

(iii) Intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization (see below) and impairment losses. They include the right to operate trademarks acquired under a business combination.

(iv) Amortization

Intangible assets are amortized from the date they are available for use. The estimated useful lives are as follows:

• Trademarks with a finite useful life	10 years
• Lease rights	10 years
• Computer software	3 years
• Operating systems	5 to 10 years

Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items of property, plant and equipment and depreciated over their own useful lives. Repairs and maintenance costs are expensed as incurred.

(ii) Leased assets

IAS 17 defines a lease as being an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases (lessee accounting). Owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

(iii) Subsequent costs

The Group recognizes within the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the Group will gain future economic benefit from the item and the cost of the item can be measured reliably. All other costs are expensed in the income statement as and when they are incurred. The cost of repairs and interest on borrowings are recorded as current expenses.

(iv) Depreciation

Land is not depreciated. Estimated useful lives are as follows:

• Freehold buildings	25 to 50 years
• Technical equipment and machinery	6 to 12 years
• Other equipment and office equipment, including specialized tools	3 to 15 years

If the residual value is material, it is reassessed annually. The useful life is reviewed annually.

Rental fleet and related receivables

The rental fleet operated by Europcar comprises vehicles that are acquired or financed in different ways:

Type of acquisition and related financing	% of total volume of vehicles purchased		
	2014	2013	2012
Vehicles purchased with manufacturer or dealer buy-back commitment	43%	44%	43%
Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements qualifying as operating leases	49%	48%	51%
Total fleet purchased with buy-back arrangements	92%	92%	94%
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" or "risk vehicles")	7%	7%	6%
Vehicles financed through rental agreements qualifying as finance leases	1%	1%	0%
Total purchases of rental fleet	100%	100%	100%

The Group recognizes the entire rental fleet on the statement of financial position, with the exception of vehicles acquired on operating leases which are recognized off-balance sheet.

(i) Vehicles purchased with manufacturer or dealer buy-back commitment

One of the characteristics of the car industry is the sale/purchase of vehicles with buy-back commitment from the manufacturer or dealer. The contractual holding period usually runs for a period of less than 12 months. IFRS does not specifically provide any standards or guidance on the accounting treatment of such transactions. As a result, in line with other car rental companies, the Group applies industry specific accounting practices as described below. This accounting treatment mirrors that usually applied by car manufacturers.

Because the holding period of the vehicle is in general less than 12 months, the Group recognizes these vehicles as current assets (in the "Rental fleet and related receivables" line item – see Note 18) at the inception of the arrangements.

The amount recorded under the "Rental fleet and related receivables" statement of financial position account represents the acquisition cost of the vehicles (net of volume rebates) and is the sum of two amounts representing two distinct current assets:

- The "Vehicle buy-back agreement receivable", representing the agreed buy-back price (the obligation of the manufacturer or dealer);
- The "Deferred depreciation expense on vehicles", representing the difference between the acquisition cost of the vehicle and the agreed buy-back price. This asset is depreciated through the income statement on a straight-line basis over the contractual holding period of the vehicle.

For stolen vehicles, the Group recognizes an impairment charge against the value of the corresponding "Vehicle buy-back agreement receivable" over a three-month period following the event. For badly damaged vehicles, the Group adjusts the value of the corresponding receivable on the basis of third party appraisal of the damaged vehicle.

IFRIC 4 – Determining Whether an Arrangement Contains a Lease, requires entities to determine whether an arrangement is, or contains, a lease based on the respective economic substance of the arrangement. In doing so, an assessment must be made as to whether (a) fulfillment of an arrangement is dependent on the use of a specific asset or assets (the asset) and (b) the arrangement conveys a right to use the asset.

The agreements with car manufacturers and dealers in respect of the rental fleet have been examined in light of IFRIC 4 and do not have an impact on the classifications described above.

(ii) Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements qualifying as operating leases

Vehicles are also acquired through rental arrangements with financial institutions and financial divisions of car manufacturers that in substance qualify as operating leases as defined under IAS 17 – Leases. The providers of financing do not transfer significant risks and rewards of ownership to Europcar, given that:

- Europcar uses the cars for only a short period (not exceeding 18 months) compared with the economic life of the asset;
- The residual value of vehicles at the end of the agreement is significant; and
- Europcar is not exposed to any significant residual value risk (due to the buy-back commitment from the manufacturer or dealer).

Vehicles operated under operating lease arrangements are not reported in the statement of financial position in accordance with IAS 17 and lease payments for these vehicles are disclosed in Note 31 (i), "Operating leases".

(iii) Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" or "risk vehicles")

Vehicles purchased without manufacturer or dealer buy-back commitment are reported by the Group as "at risk" vehicles.

In most cases, the holding period for a car does not exceed 12 months. For vans and trucks, the holding period can range from 12 to 24 months. At December 31, 2014, the net book value of "at risk" vehicles represented 15% of the total value of the rental fleet (including the estimated outstanding value of the fleet financed through operating leases), the same as at December 31, 2013. Consequently, the Group classifies "at risk" vehicles as current assets under "Rental fleet and related receivables" – see Note 18.

The value of the vehicles is initially measured at cost, including any import duties, non-refundable purchase taxes and any costs directly attributable to bringing the vehicle to the rental location and preparing it for rental. At inception, "at risk" vehicles are depreciated on a straight-line basis based on their planned holding period and projected residual value. Over the holding period, the residual value is regularly reviewed taking into account the conditions of the used vehicle market and it is adjusted if necessary.

(iv) Vehicles financed through rental agreements qualifying as a finance lease

When Europcar is exposed to a significant residual value risk under rental arrangements with financial institutions or the financial divisions of car manufacturers, the arrangement is considered to be a finance lease. Vehicles acquired under finance lease arrangements represented 0.55% of the total volume of vehicles purchased in 2014 (0.64% in 2013) and their average holding period is usually shorter than 12 months. Therefore, vehicles financed under finance lease arrangements are recorded as current assets.

(v) Rental fleet related receivables

Rental fleet related receivables include:

- Fleet receivables, due by car manufacturers or dealers repurchasing the vehicles after the vehicle has been returned to the car manufacturer at the end of the holding period (buy-back agreements). The fleet receivables are recorded at fair value, which corresponds to their nominal value. These receivables fall due within one year and are impaired if their carrying amount is greater than the estimated recoverable amount.
- The full amount of the Group's VAT receivables, since the major portion of these are fleet-related.

Rental fleet related payables

Rental fleet payables are amounts due to car manufacturers or dealers. These payables are recorded at fair value and fall due within one year. Rental fleet related payables include the full amount of the Group's VAT payables, since the major portion of the Group's VAT payables are fleet related.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the regular course of business which are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provisions for impairment. A provision is recognized in respect of impairment of trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of a receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered to be indicators that a trade receivable is impaired.

The impairment loss is recognized in the consolidated income statement in "Fleet operating, rental and revenue related costs" (see Note 4).

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Cash

Cash includes cash and cash equivalents and restricted cash.

(i) Cash and cash equivalents

Cash comprises cash in hand.

Cash equivalents include short-term and highly liquid investments such as marketable securities and obligations with a maturity of less than three months at the acquisition date, readily convertible to a known amount of cash and subject to an insignificant risk of a change in value. Financial instruments classified as cash and cash equivalents are accounted for at fair value through profit and loss.

(ii) Restricted cash

Cash and cash equivalents are considered as restricted when they are (i) used to cover the future settlement of insurance claims or (ii) not immediately available for financing the activity of the subsidiaries. Therefore, cash located in the following fleet and insurance SPEs is considered restricted:

- SecuritiFleet Holding and SecuritiFleet Holding Bis;
- FCT Sinople (securitization mutual fund);
- EC Finance Plc; and
- Euroguard, a captive insurance structure.

Restricted cash and restricted cash equivalents are presented separately from cash and cash equivalents.

Financial instruments

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

The Group classifies its financial assets in the following categories: financial instruments at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial liabilities are classified in the following categories: financial liabilities at fair value through profit and loss and other financial liabilities. Management determines the classification of financial assets and liabilities at initial recognition.

(i) Loans and receivables

This category is for non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, which arise from the lending of money, or supply of goods or services. They include loans acquired, receivables and marketable securities not classified as cash and cash equivalents. Loans and receivables are initially recognized at fair value, including transaction costs. These are subsequently valued at amortized cost, using the effective interest rate method.

For short-term receivables, amortized cost generally equals the nominal amount.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the entity has the positive intention and ability to hold to maturity. These instruments are measured at amortized cost. Held-to-maturity investments are reported as non-current investments if the maturity is greater than 12 months. Otherwise they are reported as current investments (see Note 16).

(iii) Available-for-sale financial assets

“Available-for-sale financial assets” is essentially a residual category for those financial assets that do not meet the criteria of the other categories or that are designated as available-for-sale. This category includes investments in non-consolidated companies (see Note 16).

Financial instruments classified as “available-for-sale” are measured at fair value. Gains and losses arising from changes in fair value are included as a separate component of equity except for impairment losses and monetary items such as foreign exchange gains and losses. When these investments are derecognized, the cumulative gain or loss is transferred to the income statement. Where these investments are interest bearing, interest determined using the effective interest method is recognized in the income statement.

Available-for-sale equity investments (e.g., investments in unconsolidated companies) that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost, less any accumulated impairment losses.

Impairment of available-for-sale financial assets

In the case of available-for-sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is also considered in determining whether impairment exists. Where such evidence exists, the cumulative net loss previously recognized directly in equity is transferred out of equity and recognized in the income statement.

Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement until the sale of the equity instrument. Increases in the fair value of equity securities after impairment are recognized directly in equity.

(iv) Financial liabilities at amortized cost

These financial liabilities include:

- loans and borrowings;
- trade and other payables;
- bank overdrafts.

For short-term trade and other payables, amortized cost generally equals the nominal amount.

Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently measured at amortized cost. The effective interest rate calculation takes into account interest payments and the amortization of transaction costs. Transaction costs are amortized on an effective interest rate basis over the term of the borrowings.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of current borrowings for the purposes of the statement of financial position and statement of cash flows.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(v) Derivative financial instruments

The Group uses derivative financial instruments to manage its exposure to interest rate and foreign exchange risks. In accordance with its treasury management policy, the Group does not hold or issue derivative financial instruments for trading purposes.

When derivatives are held for risk management purposes and when transactions meet the required criteria, the Group applies fair value hedge accounting, cash flow hedge accounting or hedging of a net investment in a foreign operation as appropriate to the risks being hedged.

At the inception of the transaction the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives for undertaking the hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of various derivative instruments used for hedging purposes are disclosed in Note 29. Movements in the cash flow hedging reserve are shown in the consolidated statement of comprehensive income.

Cash flow hedge accounting

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognized initially in shareholders' equity, and recycled to the income statement in the periods when the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognized in the income statement immediately in "Net financing costs" (see Note 10).

At December 31, 2012, 2013 and 2014 the Group held no derivative instruments eligible for fair value or net investment hedge accounting.

Europcar is authorized to reimburse its borrowings or notes as and when it sees fit. In accordance with IAS 39, the issuer call options included in fixed-rate debt issued by EC Group SA (€400 million High Yield Bonds maturing in 2018) and EC Finance Plc (€350 million High Yield Bonds maturing in 2021) are deemed to be embedded derivatives that must be recognized separately at fair value through profit and loss insofar as they are exercisable at a price that is not approximately equal to the amortized cost.

(vi) Financial assets and liabilities at fair value through profit and loss

This category includes financial instruments held for trading. Instruments are classified as held for trading if they are:

- acquired principally for the purposes of selling or repurchasing in the near term; or
- a derivative (other than a hedging derivative).

Financial instruments held for trading are measured at fair value through profit and loss. Gains and losses arising from changes in fair value are included directly in the income statement and presented within “Net financing costs”.

(vii) Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that loans and receivables are impaired. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the reporting date (a ‘loss event’), and said loss event has an impact on the estimated future cash flows of the financial asset or the portfolio that can be reliably estimated.

Impairment of trade receivables is described in Note 19 and impairment of available-for-sale assets is described above.

Employee benefits

The Group provides post-employment benefits through defined contribution plans as well as defined benefit plans.

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to an independent entity or a fund. The Group has no legal or constructive obligation to pay further contributions after its payment of the fixed contribution if the fund does not have sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. The Group contributes to state pension plans and insurance schemes for individual employees that are deemed to be defined contribution plans. Contributions to the plans are recognized as an expense in the period in which the services are rendered by the employees.

(ii) Defined benefit plans

Plans that do not meet the definition of a defined contribution plan are defined benefit plans. The defined benefit plan operated by the Group defines the amount of pension benefit that an employee will receive on retirement by reference to length of service and final salary.

The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund.

The valuation of the Group’s commitments with respect to defined benefit plans is performed by an external independent actuary using the projected unit credit method. This method requires specific actuarial assumptions that are detailed in Note 25 – Employee Benefits. These actuarial valuations are performed at the period end for each plan by estimating the present value of the amount of future benefits that employees have earned in return for their service in the current and prior periods and factoring in the effects of future salary increases.

Plan assets are usually held in separate legal entities and measured at fair value as determined at each period end.

In accordance with IAS 19, the liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

From one accounting period to the next, any difference between the projected and actual amount of commitments in respect of pension plans and their related assets is accumulated for each benefit plan to form

actuarial differences (gains or losses). These actuarial differences may result either from changes in actuarial assumptions used at the period end or from experience-related adjustments based on changes in prior-period assumptions.

The Group recognizes actuarial gains/losses (including any impact from the application of IFRIC 14) in the consolidated statement of comprehensive income in the period in which they occur.

Past service costs are recognized immediately as operating expenses in personnel costs.

Unwinding of discounts and the expected return on plan assets are recognized as financial expenses (see Note 10).

(iii) Long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than for pension plans (or post-employment benefit plans), is the future benefit that employees have earned in return for their service in the current and prior periods, such as long-service awards (*médailles du travail*) in France and jubilee awards in Germany. The obligation is calculated using the projected unit credit method and is discounted to its present value. The provision is recorded net of the fair value of any related assets (i.e., all actuarial gains/losses and past service costs are recognized immediately in the consolidated income statement).

(iv) Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to ECG's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The related expenses are recognized in Personnel costs (see Note 5).

Provisions

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.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provision is made for the estimated value of uninsured losses from both known and incurred but not reported third-party claims on an actuarially determined basis. Where these claims are expected to be settled over a longer period of time, the provision made represents the present value of the expected expenditure required to settle the obligation. Any excess of this prepayment over the estimated liabilities is subject to an assessment of recoverability, and a provision is set aside if necessary.

In the normal course of its business activities, the Group is subject to certain claims and investigations relating to compliance with laws and regulations in various jurisdictions, including some with fiscal or competition authorities. The Group generally records a provision whenever a risk represents a contingent liability towards a third party and when the possible loss that may result can be estimated with sufficient accuracy.

A provision on vehicle buy-back and reconditioning costs is recognized over the holding period of the vehicles.

The impact of discounting provisions is recognized as an interest expense.

Revenue

Revenue includes vehicle rental incomes, fees from the provision of services incidental to vehicle rental (including fuel), and fees receivable from the Europcar franchise network, net of discounts and excluding inter-company sales, VAT and sales taxes.

Revenue from services rendered is recognized proportionally over the period in which the vehicles are rented out based on the terms of the rental contract. The stage of completion is assessed on the basis of the actual service provided (number of days of rental in the accounting period).

When vehicle rental income is generated by intermediaries (such as travel agencies), the gross revenue is recognized in the consolidated income statement when Europcar:

- has the ability to determine the price;
- performs part of the service; and
- has discretion in intermediary selection.

The commission fees are recorded in the Fleet operating, rental and revenue-related costs line item in the income statement (see Note 4).

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

The Group has launched a customer awards program covered by IFRIC 13 — Customer Loyalty Programmes. However, given its recent nature, the Group considers that the impacts of application of this standard, consisting of:

- considering the benefit accruing to the customer – such as a free weekend of car rental to be used within one year – as a separate component of a sale transaction;
- allocating some of the proceeds of the initial sale to the award, and deferring this portion of the proceeds until the Group has fulfilled its obligations;

are not material.

Expenses

(i) Fleet holding costs

Fleet holding costs include vehicle costs such as costs related to rental fleet agreements either with car manufacturers or providers of financing, fleet related taxes and costs incurred in connection with the acquisition and disposal of vehicles.

Costs related to rental fleet agreements mainly consist of vehicle depreciation expense net of rebates and off-balance sheet fleet operating lease expenses (see Significant Accounting Policies, section f) Rental fleet and related receivables).

Costs related to the acquisition and disposal of vehicles include the cost of vehicle accessories and costs relating to the conditioning of new vehicles and the disposal of used cars.

Payments made under operating leases are recognized in the consolidated income statement in "Fleet holding costs" on a straight-line basis over the term of the lease. Lease incentives received are recognized on a straight-line basis in the consolidated income statement as an integral part of the total lease expense.

(ii) Fleet operating, rental and revenue related costs

Fleet operating costs relate to costs incurred during the fleet operating cycle for:

- reconditioning;
- repairs;
- maintenance;
- impairment of badly damaged and wrecked vehicles, thefts; and
- insurance.

Rental related costs include petrol, fleet transfers, car wash, etc. Revenue related costs include commissions, airport and railway station fees, etc.

(iii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other operating income and expenses

(i) Acquisition-related charges

Acquisition-related expenses include charges incurred in connection with the integration of acquisitions, such as legal and accounting fees, severance and consultancy costs related to headcount reductions due to the streamlining of the rental station network and its support functions, asset write-offs and transfer costs, lease termination and building refurbishment costs carried out for the purpose of integrating acquisitions.

(ii) Reorganization and other operating expenses

Reorganization expenses include charges incurred in connection with business restructurings carried out in response to economic downturns or to adapt local or corporate organizational structures to changing business conditions. They include headcount reduction expenses, consultancy fees, asset write-offs and transfer costs and early lease termination costs incurred as part of restructuring programs.

Unusual, non-recurring items for material amounts are presented separately in other operating income and expenses to provide a clearer picture of the Group's performance.

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividend income, foreign exchange gains and losses, financing arrangement costs, gains and losses on financial instruments that are recognized in the consolidated income statement, any ineffective portion of the gain or loss on cash flow hedging instruments, and the financial component of pension charges (unwinding of discounts and the expected return on plan assets).

Interest income is recognized in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, and subject to any adjustment to tax payable in respect of previous years.

The amount of deferred tax recognized is based on the expected pattern of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax asset can be utilized. This probability is assessed based on:

- the existence of temporary differences that will give rise to taxation in the future;
- forecasts of taxable profits.

Non-current assets held for sale and discontinued operations (IFRS 5)

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset.

A discontinued operation is a component of an entity that has either been disposed of or is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired or a group of assets acquired exclusively with a view to resale.

Indicators not defined by IFRS

- Adjusted corporate EBITDA, defined as recurring operating income before depreciation and amortization, and after deduction of the interest expense on certain liabilities related to rental fleet financing. See Note 2, "Segment reporting" for a reconciliation of Adjusted corporate EBITDA to the amounts reported in the consolidated income statement.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program seeks to mitigate the potential negative impacts of volatility in the financial markets on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is handled by the Group Treasury department, which submits proposed transactions for approval by the Board of Directors. Group Treasury identifies, evaluates and recommends hedges of financial risks in close co-operation with the Group's operating units. The Board of Directors decides whether to authorize these recommendations based on formal documentation describing the context, purpose and main characteristics of the transactions. Once the Board of Directors has approved the transactions, Group Treasury is responsible for setting up the hedges. This procedure is prepared and monitored for the management of all material financial risks, and in particular interest rate and credit risk, as well as for the use of derivative and ordinary financial instruments, and the short-term investment of surplus cash. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either centrally coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. The Group considers that its exposure at December 31, 2014 has not changed significantly during the last 12 months and therefore the policy implemented to mitigate such exposure remains consistent with prior years.

Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the GBP. Foreign exchange risk arises from translation into euros of the results and net assets of the subsidiaries having a functional currency other than the euro, from financial intra-group transactions and, to a lesser extent from transactions with franchisees.

As at December 31, 2014, the Group did not have any investments in foreign operations whose net assets are exposed to foreign currency translation risk other than in the United Kingdom, Australia and New Zealand.

Group summary of quantitative exposure to foreign exchange risk arising from translation into the functional currency

<i>In € thousands</i>	GBP	AUD	Total 2014
Trade and other receivables (including fleet)	105,988	11,386	117,374
Other financial assets:			
Non-current investments	1,657	43	1,700
Derivative financial instruments	-	-	-
Other financial assets	2	-	2
Cash and cash equivalents	17,797	17,695	35,492
Total financial assets	125,444	29,124	154,568
Trade and other payables (including fleet)	112,889	17,138	130,027
Loans and borrowings	347,635	102,668	450,033
Impact of hedging derivatives	-	-	-
Total financial liabilities	460,254	119,806	580,060
Total net foreign exchange risk exposure	(334,810)	(90,682)	(425,492)

Financial risk management

In € thousands

	GBP	AUD	Total 2013
Trade and other receivables (including fleet)	77,798	9,694	87,492
Other financial assets:			
Non-current investments	1,753	82	1,835
Derivative financial instruments	-	-	-
Other financial assets	-	(3)	(3)
Cash and cash equivalents	35,585	9,808	45,393
Total financial assets	115,136	19,581	134,717
Trade and other payables (including fleet)	93,595	14,710	108,305
Loans and borrowings	265,191	103,605	368,796
Impact of hedging derivatives	-	-	-
Total financial liabilities	358,786	118,315	477,101
Total net foreign exchange risk exposure	(243,650)	(98,734)	(342,384)

In € thousands

	GBP	AUD	Total 2012
Trade and other receivables (including fleet)	80,836	13,449	94,285
Other financial assets:			
Non-current investments	1,808	281	2,089
Derivative financial instruments	-	-	-
Other financial assets	1	(2)	(1)
Cash and cash equivalents	16,737	7,739	24,476
Total financial assets	99,382	21,467	120,849
Trade and other payables (including fleet)	79,740	15,004	94,744
Loans and borrowings	313,857	129,191	443,048
Impact of hedging derivatives	-	-	-
Total financial liabilities	393,597	144,195	537,792
Total net foreign exchange risk exposure	(294,215)	(122,728)	(416,943)

At December 31, 2014, if the euro had appreciated or depreciated by 15% against sterling, with all other variables held constant, net loss for the year would have increased/decreased by €1.1 million (in 2012 and 2013, the equivalent figures were €1.9 million and €1.4 million, respectively) and equity would have increased/decreased by €74.7 million (in 2012 and 2013, the equivalent figures were €69.2 million and €69.6 million, respectively).

(ii) Interest rate risk

With the exception of investments in bonds in the Euroguard insurance program (see "Insurance risks"), the Group does not hold any significant interest-bearing assets. Accordingly, its income and operating cash flows are largely unaffected by changes in market interest rates.

The Group's interest rate risk arises on revolving lines of credit. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's interest rate risk also arises from operating leases issued at variable rates. As of December 31, 2014, €0.8 billion worth of operating leases were hedged (€0.3 billion at December 31, 2013) and €0.1 billion were not hedged (€0.6 billion at December 31, 2013).

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration, among other things refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate

shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings for revolving fleet financing facilities at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Based on the tests performed on these hedging instruments, no ineffectiveness was detected and accordingly no impact was recorded in the consolidated income statement for 2014.

At December 31, 2014, if interest rates had strengthened by 100 basis points, the fair value recognized in other comprehensive income would have increased by €38.0 million (€13.1 million at December 31, 2013 and €22.4 million at December 31, 2012).

At December 31, 2014, if interest rates had weakened by 100 basis points, the fair value recognized in other comprehensive income would have decreased by €39.2 million (€13.4 million at December 31, 2013 and €23.1 million at December 31, 2012).

At the reporting date the interest rate profile of the Group's interest-bearing borrowings was as follows.

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Non-current liabilities			
Fixed rate borrowings	1,047,682	1,039,425	1,028,116
Variable rate borrowings	(4,613)	(3,410)	(11,620)
<i>Of which variable rate hedged</i>	<i>(4,916)</i>	<i>(3,713)</i>	<i>(12,072)</i>
<i>Of which variable rate not hedged</i>	<i>303</i>	<i>303</i>	<i>452</i>
	1,043,069	1,036,015	1,016,496
Current liabilities			
Fixed rate borrowings	7,644	15,487	16,646
Variable rate borrowings	1,119,901	929,628	983,632
<i>Of which variable rate hedged</i>	<i>614,700</i>	<i>524,506</i>	<i>506,849</i>
<i>Of which variable rate not hedged</i>	<i>505,201</i>	<i>405,122</i>	<i>476,782</i>
	1,127,545	945,115	1,000,278

Credit risk

Credit risk is managed on a Group-wide basis. Credit risk arises on:

- cash and cash equivalents;
- derivative financial instruments;
- deposits with banks and financial institutions;
- arrangements with car manufacturers and dealers;
- customer receivables, particularly outstanding receivables and pending commitments.

For banks and financial institutions, only independently rated counterparties are accepted. The utilization of credit limits is regularly monitored.

Loans and receivables credit risk analysis

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Neither past due nor impaired ⁽¹⁾	1,459,322	1,352,276	1,445,839
Past due but not impaired	139,290	102,092	142,474
Impaired	36,899	35,963	31,579
Total	1,635,511	1,490,331	1,619,892

⁽¹⁾ Net of provisions for stolen and badly damaged cars (see Note 19).

The maximum exposure to credit risk at the reporting date is the carrying amount of loans and receivables. The Group does not hold any collateral as security.

Loans and receivables neither past due nor impaired relate to a number of independent counterparties for whom there is no recent history of default or expected default.

The Group's credit risk exposure to car manufacturers and dealers primarily arises from:

- the risk of non-recoverability of receivables relating to buy-back commitments received from car manufacturers;
- the risk of having to self-finance the receivables referred to in the previous point; and
- the risk of bankruptcy of a significant supplier and the subsequent uncertainty surrounding future supplies.

No single customer accounts for 10% or more of Europcar Groupe's revenue.

Financial risk management

The Group has implemented procedures to monitor and reduce credit risk exposure that include customer credit limits in the information system, monthly tracking of car manufacturer credit ratings and overdue receivable risk monitoring reporting. The aged analysis of loans and receivables past due but not impaired and excluding financial loans and receivables is as follows:

In € thousands

	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	832,196				832,196
Fleet receivables	387,896	63,436	6,280	2,426	460,038
Rental receivables	127,582	37,116	12,322	4,467	181,487
Trade receivables	18,937	4,503	301	6,832	30,573
Other receivables	48,900	19	8	1	48,928
Total as at December 31, 2014	1,415,511	105,074	18,911	13,726	1,553,222

In € thousands

	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	792,002				792,002
Fleet receivables	348,197	28,941	494	211	377,843
Rental receivables	108,825	41,094	7,496	797	158,212
Trade receivables	12,726	6,252	733	8,491	28,202
Other receivables	35,946	3,072	1,523	1,949	42,490
Total as at December 31, 2013	1,297,696	79,359	10,246	11,448	1,398,749

In € thousands

	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	812,184				812,184
Fleet receivables	432,829	35,503	1,409	479	470,220
Rental receivables	104,160	51,430	8,472	3,520	167,582
Trade receivables	12,039	6,338	371	9,477	28,225
Other receivables	27,510	16,350	2,177	5,167	51,204
Total as at December 31, 2012	1,388,722	109,621	12,429	18,643	1,529,415

Price risk

The Group is not exposed to equity price risk given the non-material amounts of its financial investments classified as either available-for-sale or at fair value through profit or loss. The Group is not directly exposed to commodity price risk but is exposed to the risk of increasing holding costs for vehicles.

Liquidity risk

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows determined on a consolidated basis. Each operational entity produces liquidity and cash forecasts for internal reporting purposes. Those forecasts are consolidated at Group Treasury level and analyzed by Europcar Groupe Management and the operating units.

The budget on which the cash forecast for 2014 is based has been built on assumptions that take account of the impact of the current uncertain economic environment.

Our liquidity risk management strategy is based around maintaining sufficient available lines of credit and guaranteed credit facilities for appropriate amounts. Given the dynamic nature of the underlying businesses – particularly seasonal fluctuations – flexible financing arrangements are provided by guaranteed medium- to long-term revolving lines of credit.

Europcar has been rated as B3 with a stable outlook and B with a stable outlook by Moody's and Standard & Poor's, respectively.

The following table analyzes the Group's financial liabilities (including hedging derivatives) by maturity, based on the remaining period from the reporting date through the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months correspond to their carrying values as the impact of discounting is not significant.

Financial risk management

In € thousands

<i>In € thousands</i>	Carrying amount	Due within 1 year		Due between 1 years
		Principal	Interest	Principal
December 31, 2014				
Notes issued	1,055,324		112,850	724,000
Bank borrowings and finance lease liabilities	671,357	124,706	15,874	552,018 ⁽¹⁾
Senior asset financing facility	414,153		14,040	417,600 ⁽¹⁾
Other borrowings	29,780	29,780		
Derivative liabilities	41,928			
Trade and fleet payables	794,333	794,333		
Deposits	42,875	42,875		
Total financial liabilities	3,049,750	991,694	142,764	1,693,618

In € thousands

<i>In € thousands</i>	Carrying amount	Due within 1 year		Due between 1 years
		Principal	Interest	Principal
December 31, 2013				
Notes issued	1,054,919	-	108,885	1,074,000
Bank borrowings and finance lease liabilities	516,437	393,414	22,000	133,000 ⁽¹⁾
Senior asset financing facility	397,770	-	12,600	402,496 ⁽¹⁾
Other borrowings	12,003	12,003	-	-
Derivative liabilities	13,748	-		
Trade and fleet payables	726,382	726,382		
Deposits	33,960	33,960		
Total financial liabilities	2,755,219	1,165,759	143,485	1,609,496

Financial risk management

In € thousands

	Carrying amount	Due within 1 year		Due between 1 and 2 years	
		Principal	Interest	Principal	Interest
December 31, 2012					
Notes issued	1,044,162	-	135,679	674,000	40,000
Bank borrowings and finance lease liabilities	639,430	469,161	19,756	182,000 ⁽¹⁾	1,000
Senior asset financing facility	325,301	-	16,476	336,796 ⁽¹⁾	-
Other borrowings	7,881	7,881	-	-	-
Derivative liabilities	24,938	-	-	-	2,000
Trade and fleet payables	806,525	806,525	-	-	-
Deposits		-	-	-	-
Total financial liabilities	2,848,237	1,283,567	171,911	1,192,796	43,000

⁽¹⁾ Renewable financing arrangements are classified as current liabilities in the statement of financial position.

Financial risk management

The table below shows the credit limits and balances with the three major counterparties at the reporting date:

In € thousands	Dec. 31, 2014		Dec. 31, 2013		Dec. 31, 2012	
	Credit limit	Utilized	Credit limit	Utilized	Credit limit	Utilized
Revolving credit ⁽¹⁾	300,000	214,300	300,000	174,700	300,000	229,000
Senior asset financing lines related to fleet financing	1,000,000	417,600	1,100,000	402,496	1,100,000	336,796
Financing other than senior asset financing lines related to fleet financing ⁽²⁾	1,235,159	884,201	1,153,310	752,289	1,320,386	819,161

⁽¹⁾ Utilized amounts include the revolving credit facility for €201 million as at December 31, 2014 (in 2012 and 2013, the equivalent figures were €182.0 million and €133 million, respectively) and guarantees given in the course of the Group's operating activities.

⁽²⁾ Primarily relates to fleet operations in the United Kingdom financed through credit lines other than the senior financing asset loan.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Insurance risks

The Group's operating subsidiaries located in France, Spain, the United Kingdom, Portugal, Belgium, Italy (from January 1, 2008) and Germany (from April 1, 2008) buy local automobile liability insurance policies with Chartist (formerly AIG) entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. However, the local Europcar entities fund a significant portion of the risk through a Deductible Funding mechanism which is managed via another cell (0) located within Euroguard that acts as a fund manager. The funds hosted in this cell are also consolidated.

As from January 1, 2009 the Group's operating subsidiary located in Spain has placed its Fleet Motor Liability risk with another insurer on a traditional risk transfer basis.

(i) Frequency and severity of claims

The risk covered by an insurance contract has to do with the probability of occurrence of the insured event and the uncertainty as to the amount of the resulting claim. The Group uses its auto fleet liability insurance program to insure against property damage and bodily injuries caused by the drivers of Europcar vehicles to third parties. Because auto liability insurance is mandatory, the risk is initially transferred from ground up to the insurer, but partly funded and reinsured by Europcar as a group on the back end side through various risk self-financing techniques.

Europcar's auto fleet liability risk is based on a combination of frequency and severity events. Europcar has developed a strategy around self-financing frequent risks and effectively transferring severity risk to the insurer (applicable to main corporate countries, with the exception of Spain for the reasons set out above):

- Operating a large fleet entails the occurrence of multiple small third party claims. The loss stemming from these small claims can be predicted with a good level of certainty by actuaries, factoring in the

variation of activity and trends witnessed in the various countries. Losses of up to €500,000 for any single claim are self-insured.

- Operating a large fleet also entails the more random occurrence of costly events, essentially severe bodily injury claims from third parties as a result of the driver of a Europcar vehicle being at fault. These claims cannot be anticipated by actuaries with a good level certainty, which is why the portion of risk exceeding €500,000 is borne by the insurer.

The current tendency is towards an average cost increase in severity claims due to economic, legal and social factors.

(ii) Sources of uncertainty in the estimation of future claim payments

Claims under Fleet Motor Liability policies are payable on a claims-occurrence basis. The Group, by virtue of the self-financing component of the program, is liable for all insured events that occur during the insured period (typically a given calendar year). A portion of the ultimate loss for a given insurance period arises after that insurance period has expired because of late claims notification and post insurance period claims (typically as a result of deterioration in the health of a victim). As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

(iii) Changes in assumptions and methodology

The Group did not change any of the main assumptions or methodologies for the insurance contracts disclosed in this note, other than updating its cost in light of the time value of money.

Note 1 – Changes to scope of consolidation

- On October 31, 2014, the Group acquired 100% of the capital of Europ Hall for an amount of €13.5 million (payable in two installments with the outstanding portion of €5.4 million due in 2015). Europ Hall is fully consolidated from the acquisition date.

Europ Hall is the second largest company in the franchisee network by revenue and size and is a longstanding partner of Europcar France. It has a network of 40 rental stations spread over 12 French *départements*, stretching between the cities of Colmar and Villefranche sur Soane and including a presence in Burgundy and Franche-Comté. Europ Hall delivered revenue of €23 million in 2014 from a fleet of 2,400 vehicles and it employs 142 people.

The acquisition generated goodwill of €10.3 million.

- On November 30, 2014, the Group acquired a 70.6% stake in the French start-up Ubeeqo, specialized in corporate car-sharing solutions, through the acquisition of shares and subscription to a capital increase for a total amount of €17 million.

Ubeeqo currently operates in France and Belgium. It is consolidated under the equity method by Europcar and its carrying amount at December 31, 2014 was €17.3 million.

Note 2 - Segment reporting

Europcar operates a car rental activity:

- using its own fleet of vehicles based in 10 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 145 countries.

The chief operating decision maker within the meaning of IFRS 8 – Operating Segments, is the Group Executive Committee.

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 zone, the organization of customers, interdependencies between the countries as regards the management of customer contracts and the fleet, as well as daily operational management.

- The Europe segment includes the 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 Executive Committee 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 charges.

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

Notes to the consolidated financial statements

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

In € thousands

December 31, 2014				
Note	Europe	Rest of world	Eliminations & Holdings	Segment total
Segment revenue	1,836,161	149,996	(7,287)	1,978,870
Recurring operating income	206,625	31,996	15,270	253,890
Amortization and depreciation expense	10,716	1,089	20,019	31,824
Net fleet financing expenses	10 (65,974)	(5,129)	(1,805)	(72,908)
Adjusted corporate segment EBITDA	151,368	27,956	33,484	212,807
Total assets	1,491,165	125,547	2,329,732	3,946,444
Total liabilities	1,568,712	121,550	2,098,047	3,788,309

In € thousands

December 31, 2013				
Note	Europe	Rest of world	Eliminations & Holdings	Segment total
Segment revenue	1,766,424	142,941	(6,711)	1,902,654
Recurring operating income	167,809	26,550	15,869	210,229
Amortization and depreciation expense	11,858	992	20,969	33,819
Net fleet financing expenses	10 (78,925)	(6,427)	(2,159)	(87,511)
Adjusted corporate segment EBITDA	100,742	21,115	34,679	156,537
Total assets	1,249,195	109,967	2,308,087	3,667,249
Total liabilities	1,330,147	119,551	1,926,906	3,376,604

	December 31, 2012			
	Note	Europe	Rest of world	Eliminations & Holdings Segment total
<i>In € thousands</i>				
Segment revenue		1,801,584	140,239	(5,412) 1,936,411
Recurring operating income		125,419	26,521	21,097 173,038
Amortization and depreciation expense		11,695	1,190	20,126 33,011
Net fleet financing expenses	10	(88,633)	(8,590)	10,245 (86,978)
Adjusted corporate segment EBITDA		48,481	19,121	51,468 119,072
Total assets		1,308,319	138,180	2,329,315 3,775,814
Total liabilities		1,385,922	145,300	1,899,159 3,430,381

(a) Group-wide disclosures

(i) Information about revenue and services

Revenue and services can be analyzed as follows:

December 31, 2014				
	Europe	Rest of world	Eliminations & Holdings	Segment total
<i>In € thousands</i>				
Vehicle rental income	1,695,994	126,772		1,822,766
Other revenue associated with car rental	106,126	3,935	(7,287)	102,774
Franchising business	34,041	19,289		53,330
Segment revenue	1,836,161	149,996	(7,287)	1,978,870

December 31, 2013				
	Europe	Rest of world	Eliminations & Holdings	Segment total
<i>In € thousands</i>				
Vehicle rental income	1,634,571	120,980		1,755,551
Other revenue associated with car rental	98,406	3,502	(6,711)	95,197
Franchising business	33,447	18,459		51,906
Segment revenue	1,766,424	142,941	(6,711)	1,902,654

December 31, 2012				
	Europe	Rest of world	Eliminations & Holdings	Segment total
<i>In € thousands</i>				
Vehicle rental income	1,661,973	118,874		1,780,847
Other revenue associated with car rental	102,477	3,221	(5,412)	100,286
Franchising business	37,134	18,144		55,278

Notes to the consolidated financial statements

Segment revenue	1,801,584	140,239	(5,412)	1,936,411

(ii) Disclosure by country and customer segment

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Vehicle rental income	1,822,766	1,755,551	1,780,847
Breakdown of customers by segment			
Leisure broker	55.3%	54.3%	53.5%
Business	44.7%	45.7%	46.5%

(iii) Information about geographical areas

The Group operates in three main markets: France, Germany, the United Kingdom and Other European countries. Revenue has been identified based on where the rental service is provided. Non-current assets are allocated based on their physical location.

Revenue and non-current assets include items directly attributable to a geographical area as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets.

Notes to the consolidated financial statements

Car rental customers comprise both individuals and corporate customers. No single external customer accounts for 10% or more of revenue.

<i>In € thousands</i>	France	United Kingdom	Germany	Other European countries	Rest of world
December 31, 2014					
Revenue from external customers	325,363	410,385	518,259	582,154	
Non-current assets ⁽¹⁾	97,886	110,253	208,865	118,397	

<i>In € thousands</i>	France	United Kingdom	Germany	Other European countries	Rest of world
December 31, 2013					
Revenue from external customers	333,366	365,197	511,911	555,951	
Non-current assets ⁽¹⁾	88,230	121,080	210,733	93,726	

<i>In € thousands</i>	France	United Kingdom	Germany	Other European countries	Rest of world
December 31, 2012					
Revenue from external customers	339,158	369,094	507,085	586,247	
Non-current assets ⁽¹⁾	89,406	129,255	217,493	92,096	

⁽¹⁾ Non-current assets reported under "Eliminations&Holdings" include trademarks.

⁽²⁾ "Rest of world" mainly corresponds to Australia and New Zealand.

Note 3 - Fleet holding costs*In € thousands*

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Costs related to rental fleet agreements ⁽¹⁾	(421,709)	(417,160)	(453,376)
Purchase and sales related costs ⁽²⁾	(47,354)	(51,388)	(56,576)
Taxes on vehicles	(27,201)	(26,476)	(26,879)
	(496,264)	(495,024)	(536,831)

⁽¹⁾ Costs related to rental fleet agreements mainly consist of (i) vehicle depreciation expenses net of rebates and (ii) off-balance sheet fleet operating lease expenses (see Significant Accounting Policies, section f) "Rental fleet and related receivables").

During the year ended December 31, 2014 the Group recognized depreciation expense net of volume rebates amounting to €164.2 million (€171.2 million in 2013 and €221.6 million in 2012) under "Costs related to rental fleet agreements". This depreciation expense relates to vehicles subject to manufacturer or dealer buy-back agreements and "at-risk" vehicles.

"Costs related to rental fleet agreements" also include operating lease payments amounting to €245.0 million (€235.8 million in 2013 and €222.0 million in 2012). The related off-balance sheet rental commitments in respect of rental fleets operated under operating lease arrangements are disclosed in Note 31 (i), "Operating leases".

⁽²⁾ Fleet acquisition and disposal costs include the costs related to vehicle accessories and conditioning new vehicles and to the disposal of used cars.

Note 4 - Fleet operating, rental and revenue related costs*In € thousands*

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Fleet operating costs ⁽¹⁾	(229,577)	(239,089)	(266,024)
Revenue-related commissions and fees ⁽²⁾	(247,547)	(232,345)	(216,426)
<i>Of which, trade receivables allowances and write-offs</i>	<i>(9,899)</i>	<i>(8,890)</i>	<i>(8,179)</i>
Rental related costs ⁽³⁾	(209,155)	(200,367)	(208,842)
	(686,279)	(671,801)	(691,292)

⁽¹⁾ Fleet operating costs mainly consist of insurance, repairs and maintenance costs as well as costs incurred for damaged and stolen cars and for the reconditioning of vehicles before they are repurchased by the car manufacturers or dealers.

⁽²⁾ Revenue-related costs include agent's fees, travel agency commissions and airport concession fees.

⁽³⁾ Rental related costs include vehicle transfer costs incurred during the holding period, vehicle washing costs and fuel costs.

Note 5 - Personnel costs**Personnel costs***In € thousands*

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Wages and salaries ⁽¹⁾	(242,757)	(235,065)	(234,037)
Social security contributions	(59,875)	(61,197)	(60,105)
Post-employment benefits	(6,833)	(6,156)	(6,085)
Other items	(8,688)	(8,338)	(8,990)
	(318,153)	(310,756)	(309,217)

⁽¹⁾ Includes bonuses and profit-sharing expenses.

In 2014, the amounts relating to the LTIP and restructuring programs were recorded in "Other operating expenses" (see Note 9).

Notes to the consolidated financial statements

Headcount

<i>number of people</i>	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Total headcount	6,284⁽¹⁾	6,210	6,373

⁽¹⁾ Excluding Europhall

Data shown in the table above correspond to average annual data. The Group also uses a certain number of temporary workers as well as external service providers, mainly for vehicle transit and cleaning during peak periods, and in accordance with the applicable legislation in each of the countries in which the Group operates.

Note 6 - Network and head office overhead costs

<i>In € thousands</i>	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Network costs ⁽¹⁾	(77,948)	(75,132)	(76,505)
IT costs	(30,482)	(31,098)	(33,183)
Telecom costs	(6,348)	(6,050)	(6,267)
Head office costs ⁽²⁾	(50,185)	(51,444)	(56,463)
Sales and marketing costs	(34,376)	(31,051)	(39,580)
	(199,339)	(194,775)	(211,998)

⁽¹⁾ Network costs consist of rental expenses for premises and network overheads.

⁽²⁾ Head office costs consist of rental and traveling expenses, local and central auditing and consulting fees.

Note 7 - Amortization, depreciation and impairment expense

<i>In € thousands</i>	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Amortization of intangible assets	(18,243)	(19,848)	(19,259)
Depreciation of property, plant and equipment	(13,550)	(13,355)	(13,752)
Impairment expense	(31)	(616)	
	(31,824)	(33,819)	(33,011)

Note 8 - Other income and expenses

This category includes net income related to certain commercial agreements, the release of provisions and other items.

<i>In € thousands</i>	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Contractual income	2,514	7,661	7,318
Release of surplus provisions	1,410	1,377	1,011
Foreign exchange gains/(losses) on operating activities	307	587	120
Gains (losses) on the disposal of property, plant and equipment ⁽¹⁾	1,312	111	82
Other items, net ⁽²⁾	1,336	4,013	10,445
	6,879	13,749	18,976

⁽¹⁾ Of which, €1.3 million in 2014 for gains on the disposal of plant in Manchester, Birmingham and Plymouth owned by P1 UK Ops.

⁽²⁾ Of which: - in 2013, €1.4 million of other revenue from secondary activities in Germany;
- in 2012, €2.5 million of capitalized lease bank rebates, and €1.5 million of tax penalties.

Note 9 - Other operating income and expenses

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Other operating income		3,694	-
Total other operating income	-	3,694	-
Amortization of rights to operate National and Alamo trademarks	(5,235)	(5,371)	(5,625)
(Addition to)/release of provisions for impairment of real estate assets in Spain	502	(1,390)	(3,173)
Reorganization charges ⁽¹⁾	(22,771)	(26,717)	(19,620)
<i>Comprising: Reorganization - redundancy expenses</i>	<i>(12,960)</i>	<i>(18,753)</i>	<i>(12,196)</i>
<i>Reorganization - professional fees</i>	<i>(9,811)</i>	<i>(981)</i>	<i>(7,424)</i>
<i>Reorganization - Head office and network termination expenses</i>		<i>(6,983)</i>	<i>-</i>
Compensation benefit ⁽⁴⁾	(23,865)		
Legal fees ⁽²⁾	(59,440)		
Other ⁽³⁾	(4,920)	(6,471)	(3,216)
Total other operating expenses	(115,729)	(39,949)	(31,634)
Total other operating income/(expense)	(115,729)	(36,255)	(31,634)

⁽¹⁾ The reorganization charge amounting to €22.8 million in 2014 (€26.7 million in 2013 and €19.6 million in 2012) relates to measures implemented in several entities of the Group or announced before year end to bring cost structures into line with lower demand due to the economic downturn.

⁽²⁾ This amount includes for ongoing litigations with Enterprise Holdings Inc both for the elogo use in UK and the license agreement subject to the arbitration: legal fees, damage assessment and the cost of dismantling the logo in certain rental stations as well as a one-off write-down taken on the residual value of the right to use the National Alamo trademark (Cf note 31 (iii)).

⁽³⁾ At December 31, 2014, this amount included €3.1 million for damage to vehicles caused by bad weather.

At December 31, 2013, this amount included €6.2 million related to Auto Europe for a receivable write-down following a change in regulations in 2013 in respect of VAT deductibility for tour operators based outside of the European Union.

⁽⁴⁾ Long term incentive plan for which objectives were completed in 2014.

Note 10 - Net financing costs

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Net fleet financing expenses	(72,908)	(87,498)	(86,978)
Other financing expenses, net	(78,516)	(76,552)	(69,432)
Gross financing costs	(151,424)	(164,050)	(156,410)
Charges arising on the trading of derivatives	(16,258)	(18,791)	(35,015)
Amortization of transaction costs	(30,652)	(23,409)	(21,079)
Negative foreign exchange differences	(5,963)	(1,545)	(1,519)
Adjustments to the discounting rates applied to provisions and employee benefits	(2,977)	(2,862)	(3,428)
Other ⁽¹⁾	(34,800)	(15,753)	(17,538)
Other financial expenses	(90,650)	(62,360)	(78,579)
Positive foreign exchange differences	9,393	2,841	4,812
Other financial income	9,393	2,841	4,812
Net financing costs	(232,681)	(223,569)	(230,177)

⁽¹⁾ Including €17.1 million in redemption premiums and refinancing costs paid in 2014 following early redemption of the €350 million High Yield Bonds.

Notes to the consolidated financial statements

For the year ended December 31, 2014, total interest expense on financial liabilities at amortized cost amounted to €152.5 million (€165.2 million in 2013 and €158.5 million in 2012) and total interest income on financial assets at amortized cost amounted to €1.0 million (€1.1 million in 2013 and €2.1 million in 2012).

Note 11 - Income tax

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Current tax	(29,196)	(22,218)	(25,684)
Deferred tax	18,541	14,148	7,237
Total income tax expense in income statement	(10,655)	(8,070)	(18,447)

The theoretical tax expense based on ECG's statutory tax rate can be reconciled to the tax expense reported in the income statement as follows:

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Profit/(loss) before tax	(94,520)	(49,595)	(88,773)
Statutory tax rate	34.43%	34.43%	34.43%
Theoretical tax	32,543	17,076	30,565
Impact of differences in tax rates	(2,229)	(4,528)	(4,131)
Permanent differences	(8,397)	(8,044)	(11,936)
Impairment charge on goodwill	-	-	-
Write-off of inter-company loan	-	-	-
Other permanent differences ⁽³⁾	(8,397)	(8,044)	(11,936)
Change in unrecognized deferred tax assets	(28,201)	(13,210)	(30,281)
Impact of tax losses ⁽¹⁾	(19,037)	(9,184)	(25,627)
Other temporary differences	(9,164)	(4,026)	(4,654)
Impact of French business contribution on added value (CVAE) and Italy's regional tax on productive activities (IRAP)	(3,625)	(3,788)	(4,399)
Other ⁽²⁾	(747)	4,424	1,735
Income tax expense	(10,655)	(8,070)	(18,447)
Effective tax rate	-11.27%	-16.27%	-20.78%

⁽¹⁾ In 2012, unrecognized tax losses correspond to Italy (€6.6 million), Spain (€6.5 million) and France (€12.3 million). In 2013, unrecognized tax losses were attributable to Italy (€0.6 million), Spain (€0.8 million) and France (€9.4 million). In 2014, virtually the entire amount was attributable to France (€26 million).

⁽²⁾ In 2012, this amount mainly comprised unused withholding taxes (negative €3.9 million) and €5.5 million in prior-period adjustments (mostly in the United Kingdom). The 2013 amount included €3.9 million in prior-period adjustments (€1.8 million in the United Kingdom and €1.9 million in Italy). The 2014 total included a provision for tax risks in Germany for a negative amount of €3.7 million, offset by €2.7 million in prior-period adjustments (including €1.0 million in Germany and €0.8 million in the United Kingdom).

⁽³⁾ In 2012, the amount was mainly attributable to the non-deduction of interest for tax purposes in France (negative amount of €6.7 million). In 2013, the amount was mainly due to the non-deduction of interest for tax purposes in France (negative €6.2 million). In 2014, the amount was mainly due to the non-deduction of interest for tax purposes in France (negative €11 million).

Note 12 – Goodwill*In € thousands*

	Gross value	Impairment loss	Carrying amount
Balance at January 1, 2012	629,635	(190,351)	439,284
Acquisitions	253	-	253
Impairment	-	-	-
Disposals	-	-	-
Effect of movements in foreign exchange rates	2,126	(592)	1,534
Balance at December 31, 2012	632,014	(190,943)	441,071
Balance at January 1, 2013	632,014	(190,943)	441,071
Acquisitions	28	-	28
Impairment	-	-	-
Disposals	(616)	130	(486)
Effect of movements in foreign exchange rates	(9,896)	3,635	(6,261)
Balance at December 31, 2013	621,530	(187,178)	434,352
Balance at January 1, 2014	621,530	(187,178)	434,352
Acquisitions	10,287	-	10,287
Impairment	-	(31)	(31)
Disposals	-	-	-
Effect of movements in foreign exchange rates	7,095	(2,314)	4,781
Balance at December 31, 2014	638,912	(189,523)	449,389

Goodwill arises from past acquisitions of franchisees in the normal course of the Group's business and from acquisitions of subsidiaries.

(a) Annual impairment test

In accordance with IAS 36 – Impairment of Assets, the Group performs impairment testing of the carrying value of goodwill. The Group prepares and internally approves formal three-year business plans for each of its geographical segments. For impairment testing purposes, the three-year plan is extended to five years. The Group considers that each country corresponds to a cash-generating unit (CGU). When performing impairment tests, the Group calculates cash flows from Adjusted corporate EBITDA and uses the following assumptions:

- Adjusted corporate EBITDA according to the three-year plan.
- The terminal value of each CGU is based on a perpetuity growth rate of 2%.
- The weighted average cost of capital (WACC) is applied to the cash flows of each CGU based on the average risk-free rate (average over a five-year period) corresponding to the German risk-free rate for ten year bonds adjusted for a risk premium for each country.

(b) Goodwill allocated to corporate segments by underlying geographical cash-generating unit

<i>In € thousands</i>	Germany	United Kingdom	France	Italy	Spain	Other countries	Total
Balance at January 1, 2012	180,325	85,019	78,254	-	-	95,686	439,284
Disposal/price adjustment	59	-	-	-	-	194	253
Impairment expense	-	-	-	-	-	-	-
Effect of movements in foreign exchange rates	-	1,250	-	-	-	284	1,534
Balance at December 31, 2012	180,384	86,269	78,254	-	-	96,164	441,071
Balance at January 1, 2013	180,384	86,269	78,254	-	-	96,164	441,071
Disposal/price adjustment	-	-	(486)	-	-	28	(458)
Impairment expense	-	-	-	-	-	-	-
Effect of movements in foreign exchange rates	-	(1,148)	-	-	-	(5,113)	(6,261)
Balance at December 31, 2013	180,384	85,121	77,768	-	-	91,079	434,352
Balance at January 1, 2014	180,384	85,121	77,768	-	-	91,079	434,352
Acquisition	-	-	10,287	-	-	-	10,287
Disposal/price adjustment	-	-	-	-	-	-	-
Impairment expense	-	-	(31)	-	-	-	(31)
Effect of movements in foreign exchange rates	-	3,744	-	-	-	1,037	4,781
Balance at December 31, 2014	180,384	88,865	88,024	-	-	92,222	449,389

Recently recognized impairment losses include the following: for the year ended December 31, 2010, €53.8 million of goodwill allocated to an Italian cash-generating unit (full write-down); for the year ended December 31, 2011, €23.7 million of goodwill allocated to a United Kingdom cash-generating unit and €16.7 million of goodwill allocated to an Australian cash-generating unit (partial write-downs).

(c) WACC calculation

	France	Germany	Italy	Spain	United Kingdom	Belgium	Portugal	Australia
WACC calculation	7.35%	7.02%	9.04%	9.23%	7.62%	7.45%	11.78%	8.93%

The terminal value is based on normalized cash flows discounted over an indefinite period, with a perpetuity growth rate of 2%. The risk-free rate is based on the German risk-free rate for bonds with a 10-year maturity (average over a five-year period), adjusted by a risk premium for each country in line with a credit risk premium based on a BBB- credit rating.

In response to the high volatility of equity risk premiums observable in the financial markets in 2011, and in line with the French financial markets authority (*Autorité des marchés financiers* – AMF) recommendations, the Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 5.0%, in order to reflect the long-term assumptions factored into the impairment tests.

The gearing used when determining the WACC is based on the annual average debt to equity ratio issued by comparable companies on a quarterly basis.

(d) Sensitivity analysis

Goodwill was subject to an impairment test performed by the company as described in the "Goodwill" section of Significant Accounting Policies and in section (a) above.

In 2012, 2013 and 2014, Europcar did not identify any probable scenarios whereby the CGU's recoverable amount would fall below its carrying amount. The sensitivity analysis performed on the assumptions used indicate that no impairment losses would be recognized in the following scenarios:

- .. a 1 percentage point increase in the discount rate
- .. a 1 percentage point decrease in the growth rate.

Note 13 - Intangible assets

<i>In € thousands</i>	Trademarks ⁽¹⁾	Software, operating systems	Intangible assets in progress	Leasehold rights	Total
Cost					
Balance at January 1, 2012	731,604	211,795	9,274	1,002	953,675
Other acquisitions	-	872	10,085	65	11,022
Disposals	-	(2,251)	-	-	(2,251)
Transfers	-	12,242	(12,324)	-	(82)
Effect of movements in foreign exchange rates	1,285	304	-	11	1,600
Balance at December 31, 2012	732,889	222,962	7,035	1,078	963,964
Balance at January 1, 2013	732,889	222,962	7,035	1,078	963,964
Other acquisitions	-	771	9,872	-	10,643
Disposals	-	(168)	-	(31)	(199)
Transfers	-	9,768	(9,794)	-	(26)
Effect of movements in foreign exchange rates	(1,180)	(582)	-	(7)	(1,769)
Balance at December 31, 2013	731,709	232,751	7,113	1,040	972,613
Balance at January 1, 2014	731,709	232,751	7,113	1,040	972,613
Changes in scope of consolidation	-	12	-	263	275
Other acquisitions	-	622	10,747	-	11,369
Disposals	-	(8)	-	(33)	(41)
Transfers	-	727	(723)	-	4
Effect of movements in foreign exchange rates	3,849	815	-	33	4,697
Balance at December 31, 2014	735,558	234,919	17,137	1,303	988,917
Amortization and impairment losses					
Balance at January 1, 2012	(28,947)	(150,201)	-	(588)	(179,736)
Amortization and impairment charge for the year	(5,625)	(19,213)	-	(81)	(24,919)
Disposals	-	2,251	-	-	2,251
Transfers	-	228	-	-	228
Effect of movements in foreign exchange rates	(588)	(299)	-	-	(887)
Balance at December 31, 2012	(35,160)	(167,234)	-	(669)	(203,063)
Balance at January 1, 2013	(35,160)	(167,234)	-	(669)	(203,063)
Amortization and impairment charge for the year	(5,371)	(19,954)	-	(30)	(25,355)
Disposals	-	111	-	-	111
Transfers	-	242	-	-	242
Effect of movements in foreign exchange rates	589	490	-	-	1,079
Balance at December 31, 2013	(39,942)	(186,345)	-	(699)	(226,986)
Balance at January 1, 2014	(39,942)	(186,345)	-	(699)	(226,986)
Increases/decreases related to changes in scope of consolidation	-	-	-	(239)	(239)
Amortization and impairment charge for the year	(17,909)	(18,224)	-	(19)	(36,152)
Disposals	-	7	-	-	7
Transfers	-	242	-	-	242
Effect of movements in foreign exchange rates	(3,258)	(799)	-	-	(4,057)
Balance at December 31, 2014	(61,109)	(205,119)	-	(957)	(267,185)
Carrying amounts					
December 31, 2012	697,729	55,728	7,035	409	760,901
December 31, 2013	691,767	46,406	7,113	341	745,627
December 31, 2014	674,449	29,800	17,137	346	721,732

⁽¹⁾ Including the right to use trademarks with a finite life (Alamo, Guy Salmon and National) amortized since March 1, 2007: gross value of €54.7 million, cumulative amortization of €37.4 million as at December 31, 2013 (December 31, 2012: gross value of €55.9 million, cumulative amortization of €32.6 million). In 2014, these trademark usage rights were written down in full following the settlement of the related litigation (see "Significant events of the year").

(a) Trademarks

(i) Annual impairment test

In accordance with IAS 36 – Impairment of Assets, the Group has performed an annual impairment test of the carrying amount of the Europcar finite-lived trademark (€699.0 million as at December 31, 2013) based on the relief-from-royalty method. This test is performed on a consolidated basis with no country or segment-based allocation.

The value in use of the trademark has been determined based on projections of royalties received within the Europcar network (corporate entities, domestic and international franchisees).

(ii) Key assumptions

The terminal value is based on a perpetuity growth rate of 2%.

The discount rate used in the weighted average cost of capital is applied to the net royalty cash flows of each CGU based on a risk-free rate for 10-year German bonds.

In 2014, it was estimated at 9.05% (9.31% in 2013 and 9.34% in 2012).

(iii) Sensitivity analysis

A reasonably possible change in the key assumptions on which management has based its determination of the recoverable amount would not cause significant difference between the carrying amount and the recoverable amount. The following table shows the results of the impairment tests and the resulting difference between the recoverable amount and the carrying amount of brands according to different assumptions of the long-term growth rate and weighted average cost of capital.

In € millions		Perpetuity growth rate		
		1.0%	2.0%	3.0%
WACC	8.05%	275	398	571
	9.05%	195	242	298
	10.05%	58	180	212

The tests performed on the Europcar trademark did not result in the recognition of any impairment losses in 2012, 2013 or 2014.

(b) Software and operating systems

Internally-developed computer software (the Europcar Greenway and PremierFirst Speedlink systems) has been recognized at fair value in accordance with IFRS 3 – Business Combinations, based on an analysis of functional aspects. This methodology is based on the calculation of function points for each segment/software of the Europcar and PremierFirst rental reservation and fleet management systems. A function point reflects the functionality of the application which has been used as a basis to calculate its replacement value.

The net book value of this internally-developed computer software amounts to €19.9 million as at December 31, 2014 (at end-2012 and end-2013, the equivalent figures were €43.6 million and €34.6 million, respectively).

Costs amounting to €9.3 million were capitalized in 2014.

(c) Security

The total amount of intangible assets is held as security against the senior asset financing loan, as described in Note 24.

Note 14 - Property, plant and equipment

The Group leases buildings and other equipment under different types of finance lease agreements. At December 31, 2014, the carrying amount of leased buildings and other equipment was €0.3 million and €4.9 million, respectively (in 2012, the respective figures were €0.6 million and €4.7 million and in 2013 they were €0.4 million and €4.4 million).

Property, plant and equipment assets are held as security against Group corporate financing, as described in Note 24.

<i>In € thousands</i>	Land and buildings	Technical equipment	Other equipment	Fixed assets in progress	Total
Cost					
Balance at January 1, 2012	90,474	8,391	147,830	1,385	248,080
Other acquisitions	585	309	7,896	5,469	14,259
Disposals	(2,612)	(211)	(11,323)	(624)	(14,770)
Transfers	(180)	(34)	1,593	(1,297)	82
Effect of movements in foreign exchange rates	345	6	464	-	815
Balance at December 31, 2012	88,612	8,461	146,460	4,933	248,466
Balance at January 1, 2013	88,612	8,461	146,460	4,933	248,466
Other acquisitions	2,926	120	7,769	1,716	12,531
Disposals	(892)	(307)	(1,819)	(366)	(3,384)
Transfers	36	-	7,380	(3,667)	3,749
Effect of movements in foreign exchange rates	(1,033)	(47)	(817)	-	(1,897)
Balance at December 31, 2013	89,649	8,227	158,973	2,616	259,465
Balance at January 1, 2014	89,649	8,227	158,973	2,616	259,465
Changes in scope of consolidation	-	69	3,209	-	3,278
Other acquisitions	548	171	8,132	3,252	12,103
Disposals	(2,449)	(6)	(959)	(285)	(3,699)
Transfers	11	-	1,873	(1,888)	(4)
Effect of movements in foreign exchange rates	1,058	13	1,895	-	2,966
Balance at December 31, 2014	88,817	8,474	173,123	3,695	274,109
Depreciation and impairment losses					
Balance at January 1, 2012	(30,780)	(5,894)	(113,767)	-	(150,441)
Depreciation and impairment charge for the year	(5,216)	(416)	(11,175)	-	(16,807)
Disposals	1,951	180	10,748	-	12,879
Transfers	172	-	(279)	-	(107)
Effect of movements in foreign exchange rates	(79)	(6)	(271)	-	(356)
Balance at December 31, 2012	(33,952)	(6,136)	(114,744)	-	(154,832)
Balance at January 1, 2013	(33,952)	(6,136)	(114,744)	-	(154,832)
Depreciation and impairment charge for the year	(3,287)	(404)	(10,799)	-	(14,490)
Disposals	467	276	1,609	-	2,352
Transfers	-	-	(3,965)	-	(3,965)
Effect of movements in foreign exchange rates	303	17	552	-	872
Balance at December 31, 2013	(36,469)	(6,247)	(127,347)	-	(170,063)
Balance at January 1, 2014	(36,469)	(6,247)	(127,347)	-	(170,063)
Increases/decreases related to changes in scope of consolidation	-	(60)	(2,560)	-	(2,620)
Depreciation and impairment charge for the year	(1,358)	(364)	(11,112)	-	(12,834)
Disposals	714	6	801	-	1,521
Transfers	-	-	(242)	-	(242)
Effect of movements in foreign exchange rates	(232)	(6)	(1,429)	-	(1,667)
Balance at December 31, 2014	(37,345)	(6,671)	(141,889)	-	(185,905)
Carrying amounts					
December 31, 2012	54,660	2,325	31,716	4,933	93,634
December 31, 2013	53,180	1,980	31,626	2,616	89,402
December 31, 2014	51,472	1,803	31,234	3,695	88,204

Note 15 – Equity-accounted investments

At December 31, 2014

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in €k)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2Go Europe GmbH ⁽¹⁾	Germany	25.00%	25.00%	(6,523)		(717)
Car2Go Hamburg GmbH	Germany	75.00%	50.00%	-	-	
BAJV Pty Ltd	Australia	0.00%	0.00%	-	-	
Ubeeqo ⁽²⁾	France	70.60%	70.60%	-	17,323	
Total				(6,523)	17,323	(717)

At December 31, 2013

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in €k)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2Go Europe GmbH	Germany	25.00%	25.00%	(5,222)	149	
Car2Go Hamburg GmbH	Germany	75.00%	50.00%	(49)	(93)	
BAJV Pty Ltd	Australia	0.00%	0.00%	221	-	
Ubeeqo	France	0.00%	0.00%	-	-	
Total				(5,050)	56	

At December 31, 2012

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in €k)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2Go Europe GmbH	Germany	25.00%	25.00%	(4,387)	1,494	
Car2Go Hamburg GmbH	Germany	75.00%	50.00%	1,105	(811)	
BAJV Pty Ltd	Australia	50.00%	50.00%	(184)	169	
Ubeeqo	France	0.00%	0.00%	-	-	
Total				(3,466)	852	

⁽¹⁾ Car2Go Europe GmbH Group – on a full-consolidation basis

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Share of net assets of associates and joint ventures			
Non-current assets	50,266	43,123	36,777
Current assets	43,596	12,743	11,146
Non-current liabilities	(33)	(88)	
Current liabilities	(71,532)	(51,273)	(42,517)
Net assets	22,297	4,505	5,406
Share of profit/(loss) in associates			
Revenue	53,179	31,864	10,930
Profit or loss	(26,091)	(20,879)	(16,440)

⁽²⁾ In light of the planned shareholders' agreement between Europcar Groupe and the founders of Ubeeqo, no shareholder controls the company within the meaning of IFRS 10. None of the parties may take a decision without the approval of the other party (even if one of the parties owns more than 50% of the share capital), or exercise joint control within the meaning of IFRS 11. Consequently, Europcar Groupe exercises significant influence over Ubeeqo and accounts for it using the equity method. In 2013, Ubeeqo reported revenue of €2.5 million and its assets totaled €2.7 million. The acquisition agreement provides for call/put options with potential voting rights. The total amount recognized under derivatives is nil at December 31, 2014.

Note 16 - Financial assets

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Other non-current investments			
Available-for-sale financial assets	670	617	587
Held-to-maturity investments ⁽¹⁾	31,225	28,125	36,207
Deposits and prepayments	5,747	5,591	5,768
Other non-current investments	1,292	1,208	1,183
Total non-current financial assets	38,934	35,541	43,745
Current investments			
Loans	118	118	117
Other current investments ⁽¹⁾	49,359	41,286	36,728
Total current financial assets	49,477	41,404	36,845

⁽¹⁾ Of which €62.9 million to cover liabilities arising from our captive insurance structure (€53.3 million at December 31, 2013 and €56.2 million at December 31, 2012), mainly consisting of bonds recognized at amortized cost. Because they mature in the very near future, management has concluded that the fair value of these held-to-maturity investments approximates their respective carrying amounts as at December 31, 2014.

No impairment charge was recognized on investments in non-consolidated entities classified as available-for-sale financial assets.

Note 17 - Deferred tax assets and liabilities

(a) Deferred tax assets and liabilities and temporary differences recognized during the period

In € thousands

	January 1, 2014	Changes in scope of consolidation	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2014
Property, plant and equipment	(1,434)		313		(106)	(1,228)
Intangible assets	(253,308)		7,988		(200)	(245,514)
Rental fleet	(3,964)		2,082		(130)	(2,012)
Investments in subsidiaries	149			(7)	3	145
Other financial assets	-		(302)			(302)
Receivables and other assets	(1,199)		(1,782)		20	(2,962)
Prepaid and deferred charges	2,276		(2,239)		(3)	36
Employee benefits	12,615		(533)	5,985	32	18,099
Deferred income	3,670		2,482			6,152
Provisions	11,787		5,686	(11)	(26)	17,436
Derivative liabilities	4,733			(4,713)		20
Other liabilities	6,218		3,865		28	10,111
Tax losses carried forward	115,030		980		381	116,409
Deferred tax assets/(liabilities)	(103,427)		18,541	1,628	(81)	(83,610)
Deferred tax assets						47,395
Deferred tax liabilities						(131,005)

In € thousands

	January 1, 2013	Reclassi- fication	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2013
Property, plant and equipment	(2,128)	(104)	763		35	(1,434)
Intangible assets	(257,561)	(59)	4,171		141	(253,308)
Rental fleet	(3,197)	148	(964)		49	(3,964)
Investments in subsidiaries	158	(1)		(7)	(1)	149
Other financial assets	-		(697)	697		-
Receivables and other assets	(1,018)	(498)	377		(60)	(1,199)
Prepaid and deferred charges	2,903	884	(1,531)		20	2,276
Employee benefits	14,250	(685)	(998)	176	(128)	12,615
Deferred income	6	17	3,647			3,670
Provisions	10,092	263	1,447	(4)	(11)	11,787
Derivative liabilities	8,586		6,263	(10,116)		4,733
Other liabilities	4,602		1,209	20	387	6,218
Tax losses carried forward	114,765	81	461		(277)	115,030
Deferred tax assets/(liabilities)	(108,542)	46	14,148	(9,234)	155	(103,427)
Deferred tax assets						31,796
Deferred tax liabilities						(135,223)

In € thousands

	January 1, 2012	Reclassi- fication	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2012
Property, plant and equipment	(2,503)		434		(59)	(2,128)
Intangible assets	(261,904)		4,530	1	(188)	(257,561)
Rental fleet	(7,122)		4,095		(170)	(3,197)
Investments in subsidiaries	9		11	141	(3)	158
Other financial assets	(3,442)		3,443		(1)	-
Receivables and other assets	1,784		(2,812)		10	(1,018)
Prepaid and deferred charges	(1,196)		4,102		(3)	2,903
Employee benefits	8,396		(437)	6,281	10	14,250
Deferred income	-		6			6
Provisions	7,632	(591)	2,855	196		10,092
Derivative liabilities	25,244		(11,056)	(5,603)	1	8,586
Other liabilities	2,829	180	1,687	(93)	(1)	4,602
Tax losses carried forward	113,551	590	379		245	114,765
Deferred tax assets/(liabilities)	(116,722)	179	7,237	923	(159)	(108,542)
Deferred tax assets						32,881
Deferred tax liabilities						(141,423)

(b) Unrecognized deferred tax assets

Deferred tax assets are recognized up to the amount of available deferred tax liabilities and recoverability projections derived from business plans.

	2014	2013	2012
<i>In € millions</i>			
Relating to temporary differences	33,415	21,404	16,211
Relating to tax losses carried forward ⁽¹⁾	129,290	110,009	107,874
	162,705	131,413	124,085

Notes to the consolidated financial statements

⁽¹⁾ The amount mainly relates to Spain (€44.5 million), Italy (€16.9 million) and France (€60.2 million). With the exception of those in Spain, all other tax losses may be carried forward indefinitely. Spanish tax losses will become evergreen from 2015. Certain tax jurisdictions may cap the use of tax losses.

Note 18 - Inventories

No material restrictions of title or right of use exist in respect of the inventories listed below:

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Consumables	2,021	2,117	2,231
Oil and fuel	12,363	13,212	14,576
Vehicles	739	803	822
Spare parts	312	465	392
Other items	706	382	612
Total inventories	16,141	16,979	18,633

Inventories are stated net of provisions. At year-end 2014, they amounted to of €140,000 (end-2013: €197,000 and end-2012: €126,000).

Vehicles reported in inventory are vehicles not yet in operation at the end of the period.

Note 19 - Rental fleet related receivables*In € thousands*

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Deferred depreciation expense on vehicles	158,247	133,813	169,319
Vehicle buy-back agreement receivables	897,011	792,002	812,184
Receivables and current assets related to buy-back agreements	1,055,258	925,815	981,503
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" or "risk vehicles")	289,088	254,598	230,104
Vehicles acquired through rental agreements qualifying as finance leases without buy-back arrangements	58,314	64,795	56,757
Total rental fleet	1,402,660	1,245,208	1,268,364
Fleet receivables ⁽¹⁾	460,038	377,843	470,220
VAT receivables ⁽²⁾	70,060	45,386	49,761
Rental fleet related receivables	1,932,758	1,668,437	1,788,345

⁽¹⁾ Includes an amount of €232.5 million (end-2013: €244.9 million) related to a large fleet operating lease contracted in 2009 whereby the Group acquired vehicles from a manufacturer and resold them immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement.

⁽²⁾ Most of the VAT receivables amount is related to fleet acquisitions and disposals.

Vehicle buy-back agreement receivables are shown net of depreciation or impairment expense in respect of damaged or stolen vehicles amounting to €4.5 million (€3.1 million in 2013 and €2.7 million in 2012)

Note 20 - Trade and other receivables

The fair values of trade and other receivables correspond to their nominal value. All trade receivables fall due within one year.

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Rental receivables	181,487	158,212	167,582
Other trade receivables	79,501	70,692	79,429
Other tax receivables	543	1,792	1,635
Insurance claims	18,515	15,533	15,591
Prepayments	31,902	26,164	33,685
Employee related receivables	739	790	775
Deposits, other receivables and loans	13,225	15,325	23,792
Total trade and other receivables	325,912	288,508	322,489

Impairment losses taken on rental and other trade receivables are as follows:

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	(33,742)	(29,119)	(32,690)
Allowance for bad debts ⁽¹⁾	(8,783)	(13,656)	(4,804)
Receivables written off during the year/period	6,803	6,320	7,911
Unused amounts reversed	568	2,360	506
Foreign currency differences	(143)	352	(41)
Closing balance	(35,297)	(33,742)	(29,119)

⁽¹⁾ Including €6.2 million related to Auto Europe for a receivable write-down following a change in regulations in 2013 in respect of VAT deductibility for tour operators based outside of the European Union.

Additions to/releases of the allowance for bad debts are included in "Fleet operating, rental and revenue related costs" in the consolidated income statement (Note 4).

Notes to the consolidated financial statements

The aged receivables profile is as follows:

<i>In € thousands</i>			Dec. 31, 2014		Total
	Not past due	Overdue by < 90 days	Overdue by between 90 and 180 days	Overdue by > 180 days	
Trade and other receivables - gross amount	253,396	50,679	18,133	47,067	369,275
Allowance for bad debts	(9,308)	(2,335)	(2,152)	(29,568)	(43,363)
Trade and other receivables - net amount	244,088	48,344	15,981	17,499	325,912

<i>In € thousands</i>			Dec. 31, 2013		Total
	Not past due	Overdue by < 90 days	Overdue by between 90 and 180 days	Overdue by > 180 days	
Trade and other receivables - gross amount	206,508	60,498	15,971	48,575	331,552
Allowance for bad debts	(3,912)	(3,031)	(3,119)	(32,982)	(43,044)
Trade and other receivables - net amount	199,020	58,432	13,404	17,652	288,508

<i>In € thousands</i>			Dec. 31, 2012		Total
	Not past due	Overdue by < 90 days	Overdue by between 90 and 180 days	Overdue by > 180 days	
Trade and other receivables - gross amount	208,093	82,556	17,967	53,637	362,253
Allowance for bad debts	(2,887)	(3,390)	(4,264)	(29,223)	(39,764)
Trade and other receivables - net amount	205,206	79,166	13,703	24,414	322,489

Note 21 - Cash and cash equivalents and restricted cash

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Cash-in-hand and at bank	143,721	196,078	134,785
Accrued interest	316	303	324
Cash and cash equivalents	144,037	196,381	135,109
Restricted cash	81,795	81,724	83,941
Cash and cash equivalents and restricted cash	225,832	278,105	219,050

Cash-in-hand and at bank includes €52.5 million in cash tied up in SecuritiFleet companies, excluding the two SFH Holdings (€83.1 million in 2013 and €82.3 million in 2012) 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).

Notes to the consolidated 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:

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Cash and cash equivalents	144,037	196,381	135,109
Restricted cash	81,795	81,724	83,941
Bank overdrafts ⁽¹⁾	(19,515)	(11,067)	(5,956)
Cash flow statement cash and cash equivalents	206,317	267,038	213,094

⁽¹⁾ Included in current loans and borrowings (see Note 24).

Note 22 - Capital and reserves

(a) Share capital and share premium

On August 2, 2011 ECG increased its capital by issuing 382,042 new Category B preference shares at a unit price of €19.50, fully paid up in cash, mainly by the management of Europcar at that date. The remaining shares, not subscribed by management, were taken up by Eurazeo S.A.

On January 9, 2013, the par value of the shares issued by ECG was reduced to €4.30 per share through a capital decrease not based on losses (*réduction de capital non motivée par des pertes*), allocated to an unavailable reserve account.

On February 1, 2013, ECG issued an additional 25,581,396 Category A ordinary shares fully subscribed by Eurazeo and by ECIP Europcar.

Therefore, at December 31, 2014 and at December 31, 2013, the issued and subscribed capital comprises 103,810,045 shares: 103,428,003 Category A ordinary shares and 382,042 Category B preference shares, all with a nominal value of €4.30 each.

Share premiums arise from past capital increases. The subscribed capital was fully paid up at December 31, 2014, December 31, 2013 and December 31, 2012.

Shareholders are entitled to receive dividends as declared on a timely basis. There is no preferential dividend. Each Category A ordinary share gives an entitlement to one vote. Category B preference shares do not have voting rights at ECG shareholders' meetings.

Aside from the shares owned by Eurazeo, the 382,042 Category B preference shares are owned exclusively by certain managers and former managers of Europcar ("the Managers"). They may be converted into Category A ordinary shares in certain circumstances, namely in the event of an IPO or disposal by Eurazeo of its shares in Europcar under the terms of the shareholders agreement with Eurazeo (see Appendix D of the Europcar Group Management Agreement of July 29, 2011). The conversion ratio is based on the application of a formula, taking into account Eurazeo's exit multiple, accompanied by a maximum amount.

In the specific case of the listing of ECG shares on a regulated market, the Managers may convert their shares, either partially or fully, at any time up to the expiration of (i) the 20-day period following publication of Eurazeo's accounts for the period ended December 31, 2015, or (ii) the three-month period following the expiration of the lock-up period imposed on the Managers. The conversion ratio would depend on when the conversion rights are exercised, i.e.,:

- If they are converted when the shares are listed, the ratio would be based on the ordinary share price on the first day of trading.
- If they are converted between the listing date and the publication of Eurazeo's accounts for the period ended December 31, 2015, the ratio would be based on the average share price weighted by trading volumes.
- If they are converted after the publication of Eurazeo's accounts for the period ended December 31, 2015, the ratio would be automatically based on a one-for-one exchange ratio.

In accordance with Article R. 225-114 of the French Commercial Code (*Code de commerce*), the value of the preference shares has been calculated based on work performed by an independent financial expert.

(b) Warrants

As part of a previous management package, ECG issued 346,607 Category A shares with equity warrants attached (*actions à bons de souscription d'actions*). These shares with warrants were subscribed and are owned by Eurêka Participation, which itself is 99.56%-owned by Eurazeo. Each of these Category A shares had 175 equity warrants (*actions à bons de souscription d'action*) giving a total of 60,656,225 equity warrants in circulation. They were canceled on January 1, 2014.

(c) Planned corporate actions within the scope of ECG's IPO on Euronext Paris

As part of ECG's IPO on Euronext Paris, the following corporate actions were approved by the Shareholders' Meeting of February 24, 2015:

- (i) capital decrease to cover accumulated losses amounting to €336,844,642.72, by reducing the par value of the shares. The share capital was reduced from €446,383,193.50 to €109,538,550.78 and the par value of the share decreased from €4.30 to €1.055 per share.
- (ii) the creation of C and D preference shares, reserved for Management and Eurazeo respectively, the purpose of the latter category being to allow Management to make additional investments in ECG in the event that the IPO is successful. The Shareholders' Meeting delegated its authority to the Board of Directors to decide on the requisite capital increases for the issuance of the C and D preference shares¹.

Other corporate actions are also planned, in particular with a view to neutralizing the losses recorded in respect of the year ended December 31, 2014, and whose exact terms had not been decided as of the date of preparation of these consolidated financial statements.

(d) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. At December 31, 2014 it includes a foreign exchange loss amounting to €51.5 million (the same as at December 31, 2013 and December 31, 2012) arising on an intercompany loan denominated in GBP granted by Europcar Groupe SA to its subsidiary Europcar UK Ltd that qualifies as a quasi-equity loan.

This loan for a nominal amount of €171 million (denominated in GBP) was repaid in full by Europcar UK Ltd to Europcar Groupe SA in December 2011. As the parent company continues to hold the same percentage of the subsidiary and continues to control the foreign operation, no partial disposal was recognized under sections 48d and 49 of IAS 21. Accordingly, the relevant currency translation adjustment has not been reclassified to the consolidated income statement.

As at December 31, 2014, Europcar International S.A.S.U. held a loan receivable with its subsidiary located in Australia amounting to AUD 14.6 million. The translation reserve includes a foreign exchange gain amounting to €1.6 million in relation to this loan (€3.2 million at December 31, 2012 and €1.2 million at December 31, 2013).

(e) Subordinated loan

In the context of Europcar's refinancing in 2012, Eurazeo and Europcar Groupe SA contributed to a subordinated shareholder loan in the amount of €110 million. This subordinated loan was capitalized in early February 2013 through the issuance of additional Europcar ordinary shares to the ordinary equity investors.

Note 23 - Loss per share

Basic and diluted loss per share are based on the loss attributable to ordinary shareholders of €112.3 million for 2014 (2013: €62.0 million and 2012: €109.8 million) and the weighted average number of ordinary shares during

¹ A typographical error relating to the date of meeting of the corporate bodies has been corrected

Notes to the consolidated financial statements

the year (not taking into account the shares that could be issued as these are likely to have an accretive impact [see Note 22]), calculated as follows:

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Loss attributable to ordinary shareholders	(112,273)	(62,024)	(109,861)
Weighted average number of ordinary shares at December 31	103,810,045	103,810,045	78,228,649
Basic and diluted earnings (loss) per share (in €)	(1.082)	(0.597)	(1.404)
Dilution effect	0%	0%	0%

Note 24 - Loans and borrowings

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Notes issued	1,074,000	1,074,000	1,074,000
Other bank loans	303	303	452
Transaction costs/Premiums/Discounts	(31,234)	(38,288)	(57,956)
Non-current liabilities	1,043,069	1,036,015	1,016,496
Senior Revolving Credit Facility	201,000	133,000	182,000
Senior asset Revolving Facility dedicated to fleet financing	417,600	402,496	336,796
Other borrowings dedicated to fleet financing	475,305	392,803	469,161
Finance lease liabilities	419	611	793
Bank overdrafts	19,515	11,067	5,956
Current bank loans and other borrowings	9,361	146	345
Transaction costs/Premium/Discount - current portion	(16,916)	(22,898)	(22,639)
Accrued interest	21,261	27,890	27,866
Current liabilities	1,127,545	945,115	1,000,278

Net debt reconciliation:

In € thousands

		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
	Notes			
Non-current loans and borrowings	24	1,043,069	1,036,015	1,016,496
Current loans and borrowings	24	1,127,545	945,115	1,000,278
Held-to-maturity investments	16	(31,225)	(28,119)	(36,203)
Other current investments	16	(49,359)	(41,293)	(36,728)
Cash and cash equivalents and restricted cash	21	(225,832)	(278,105)	(219,050)
Net debt on the statement of financial position		1,864,198	1,633,613	1,724,793
Estimated outstanding value of the fleet financed through operating leases ⁽¹⁾		1,284,052	1,184,802	1,223,925
Total net debt		3,148,250	2,818,415	2,948,718

⁽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).

(a) Loans and borrowings by maturity

In € thousands

	Dec. 31, 2014	<1 year	Due between 1 and 5 years	>5 years
Notes issued	1,074,000		724,000	350,000
Other bank loans	303		303	
Transaction costs/Premiums/Discounts ⁽¹⁾	(31,234)		(29,492)	(1,741)
Non-current liabilities	1,043,069	-	694,811	348,259
Senior Revolving Credit Facility	201,000	201,000		
Senior asset financing facility dedicated to fleet financing	417,600	417,600		
Other borrowings dedicated to fleet financing	475,305	475,305		
Finance lease liabilities	419	419		
Bank overdrafts	19,515	19,515		
Current bank loans and other borrowings	9,361	9,361		
Transaction costs/premiums/discount - current portion ⁽¹⁾	(16,916)	(16,916)		
Accrued interest	21,261	21,261		
Current liabilities	1,127,545	1,127,545	-	-

(1) Transaction costs and premiums relate to (i) the €324 million bond for €25.8 million, (ii) the €400 million bond for €5.6 million, (iii) the €350 million bond for €7.4 million, (iv) the SARF for €3.9 million, (v) the RCF for €1.3 million, and (vi) other items for €4.1 million.

Notes to the consolidated financial statements

In € thousands

	Dec. 31, 2013	<1 year	Due between 1 and 5 years	>5 years
Notes issued	1,074,000		1,074,000	
Other bank loans	303		303	
Transaction costs	(38,288)		(38,288)	
Non-current liabilities	1,036,015	-	1,036,015	-
Senior Revolving Credit Facility	133,000	133,000		
Senior asset financing facility dedicated to fleet financing	402,496	402,496		
Other borrowings dedicated to fleet financing	392,803	392,803		
Finance lease liabilities	611	611		
Bank overdrafts	11,067	11,067		
Current bank loans and other borrowings	146	146		
Transaction costs/Premiums/Discounts - current portion	(22,898)	(22,898)		
Accrued interest	27,890	27,890		
Current liabilities	945,115	945,115	-	-

In € thousands

	Dec. 31, 2012	<1 year	Due between 1 and 5 years	>5 years
Notes issued	1,074,000		674,000	400,000
Other bank loans	452		452	
Transaction costs	(57,956)		(57,348)	(608)
Non-current liabilities	1,016,496	-	617,104	399,392
Senior Revolving Credit Facility	182,000	182,000		
Senior asset financing facility dedicated to fleet financing	336,796	336,796		
Other borrowings dedicated to fleet financing	469,161	469,161		
Finance lease liabilities	793	793		
Bank overdrafts	5,956	5,956		
Current bank loans and other borrowings	345	345		
Transaction costs/Premiums/Discounts - current portion	(22,639)	(22,639)		
Accrued interest	27,866	27,866		
Current liabilities	1,000,278	1,000,278	-	-

(b) Loans and borrowings by currency of origination

At December 31, 2014, loans and borrowings by currency of origination can be analyzed as follows

In € thousands

	Dec. 31, 2014	EURO	GBP	AUD
Notes issued	1,074,000	1,074,000		-
Transaction costs	(48,150)	(44,101)	(4,049)	
Accrued interest	21,261	21,261		
Senior Revolving Credit Facility	201,000	201,000		
Senior asset Revolving Facility dedicated to fleet financing	417,600	417,600		
Other borrowings dedicated to fleet financing	475,305	21,622	351,018	102,665
Finance lease liabilities	419	419		
Bank overdrafts	19,515	19,176	339	
Current bank loans and other borrowings	9,361	9,361		
Other bank loans	303	303		
Total loans and borrowings	2,170,614	1,720,641	347,308	102,665

Notes to the consolidated financial statements

In € thousands

	Dec. 31, 2013	EURO	GBP	AUD
Notes issued	1,074,000	1,074,000		
Transaction costs	(61,186)	(56,972)	(4,214)	
Accrued interest	27,890	27,890		
Senior Revolving Credit Facility	133,000	133,000		
Senior asset financing facility dedicated to fleet financing	402,496	402,496		
Other borrowings dedicated to fleet financing	392,803	19,800	269,400	103,603
Finance lease liabilities	611	611		
Bank overdrafts	11,067	11,067		
Current bank loans and other borrowings	146	146		
Other bank loans	303	303		
Total loans and borrowings	1,981,130	1,612,341	265,186	103,603

In € thousands

	Dec. 31, 2012	EURO	GBP	AUD
Notes issued	1,074,000	1,074,000		
Transaction costs	(80,595)	(78,312)	(2,283)	
Accrued interest	27,866	27,866		
Senior Revolving Credit Facility	182,000	182,000		
Senior asset financing facility dedicated to fleet financing	336,796	336,796		
Other borrowings dedicated to fleet financing	469,161	23,831	316,141	129,189
Finance lease liabilities	793	793		
Bank overdrafts	5,956	5,956		
Current bank loans and other borrowings	345	345		
Other bank loans	452	452		
Total loans and borrowings	2,016,774	1,573,727	313,858	129,189

(c) Debt covenants

The following covenants must be complied with:

(i) For United Kingdom fleet financing facilities

Europcar UK shall ensure that:

- the net assets of Europcar UK Group shall be not less than GBP 60 million,
- the ratio of EBITAR to Fixed Charges shall be not less than 1.00,
- Fleet cover shall be no more than 1.00, and

(ii) For the Senior Revolving Credit Facility ("RCF")

The ratio of cash flow (which shall include, for any given period of 12 months ending on a quarter date, cash on the statement of financial position at the beginning of such period) to total debt service shall at no time be less than 1.10.

Total debt service is defined as the aggregate of the interest and associated fees paid during any given 12 month period plus repayment of financial liabilities, the latter being subject to certain limitations.

(iii) Loan to Value Covenant

The Group is subject to a maximum 95% loan-to-value ratio for all Securitifleet company debt over the total asset market value of certain Securitifleet entities. Compliance is tested on a quarterly basis.

(iv) For Australian Asset Financing

Europcar Australia shall ensure that:

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- Minimum net worth, i.e., total shareholders' equity, is always greater than AUD 50 million;
- The fleet utilization ratio is above 70% on average over the year;
- Minimum cumulative net profit before tax is within 85% of the company's budget.

The Group complied with all these covenants at December 31, 2014.

(d) Notes issued

Loan notes issued are as follows:

In € thousands

	Nominal outstanding amount			Carrying amount		
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Senior Subordinated Secured 11.50% Notes due in 2017	324,000	324,000	324,000	302,807	294,013	286,390
Senior Subordinated Secured 9.75% Notes due in 2017	-	350,000	350,000	-	359,991	358,723
Senior Subordinated Secured 5.125% Notes due in 2021	350,000	-	-	350,122	-	-
Senior Subordinated Unsecured 9.375% Notes due in 2018	400,000	400,000	400,000	402,397	400,908	399,649
	1,074,000	1,074,000	1,074,000	1,055,326	1,054,912	1,044,762

(i) €400 million senior subordinated notes

In November 2010, ECG issued Senior Subordinated Unsecured notes due in 2018 with a nominal value of €400 million. The proceeds of these notes were used to redeem in full all of the Senior Subordinated Unsecured Notes due in 2014 (for a total nominal value of €375 million).

These Senior Subordinated Unsecured Notes due in 2018 are subordinated to:

- all secured ECG debt up to the value of the assets securing this debt;
- all debt and other liabilities (including trade payables) of each subsidiary of the issuer that is not a guarantor subsidiary.

(ii) €324 million senior subordinated notes

In June 2012, ECG issued Senior Subordinated Unsecured notes with a nominal value of €324 million (coupon 11.5%, due in 2017) in order to redeem in full Europcar's Senior Subordinated Floating Rate Notes due in 2013 for a nominal value of €425 million.

These EGSA Senior Subordinated notes are due in 2017 and will be secured by a second-ranking share pledge taken on the share capital of ECI.

(iii) €350 million senior subordinated notes

In July 2014, the Group refinanced its fleet financing debt in France, Italy, Germany and Spain by issuing €350 million worth of senior secured 5.125% notes due in 2021. These notes were issued by EC Finance plc, an SPE, and guaranteed as senior debt by ECI, (the "EC Finance Notes"). This issue was used to redeem the senior secure notes due in 2017 – and also guaranteed by EC Finance plc – in two installments: €250 million in summer 2010 and €100 million in May 2011. This early redemption therefore generated a redemption premium of €17.1 million.

These call options provided for in the event of early redemption are considered as embedded derivatives that must be recognized separately at fair value through profit and loss and they are not deemed material at December 31, 2014.

(e) Senior Revolving Credit Facility

The Senior Revolving Credit Facility consists of a senior secured revolving credit facility providing for loan advances denominated in euro, or such other currencies as may be agreed upon with the lenders. The facility, initially amounting to €350 million and maturing in May 2013, was restructured in June 2012 to a total aggregate

Notes to the consolidated financial statements

principal amount of €300 million available at any time under certain conditions to ECG, ECI, Europcar Holding and the main operating companies of the Group ("the borrowers"). The maturity date of the facility has been extended to June 2015 with a further two-year extension option. Following agreement with the banks, the maturity has been extended to April 2017. The purpose of the facility is to provide funding mainly for:

- Financing advances to be made by a borrower to an SPE to contribute to the financing of fleet acquisition;
- Working capital needs and general corporate purposes of the Group;
- Payment to an SPE pursuant to any operating lease;
- Interest payments due by ECG or any other debtor of the Group pursuant to, inter alia, the Senior Revolving Credit Facility and certain other outstanding liabilities of ECG;
- Repayment of inter-company loans.

(f) Dedicated Asset Financing

(i) Senior Asset Revolving Facility 2010 ("SARF 2010")

In 2010, the Group entered into a €1.3 billion Senior Asset Revolving Facility, which may be increased to €1.7 billion (SARF 2010). Together with the net proceeds of the ECI Finance Notes (€242 million), SARF 2010 finances a portion of the purchase price and costs related to the purchase of vehicles and fleet financing in France, Germany, Italy and Spain. The SARF 2010 maturity date is the earlier of: (i) July 2014, (ii) the date on which a default event under the SARF 2010 is declared (subject to certain grace periods), (iii) the date on which the SARF 2010 is repaid (unless such facility is partly or fully refinanced for amounts equal to or greater than the existing amount of such facility), and (iv) on, or prior to the date on which the EC Finance Notes are fully repaid (unless such notes are refinanced for amounts equal to or greater than the existing amounts of such notes) (the "SARF Termination Date"). The final maturity date of the SARF 2010 will be the date occurring six months after the SARF 2010 Termination Date.

In its utilization, SARF 2010 allows the drawn amount to be adjusted each month on the basis of the fleet assets held in the four SecuritFleet companies which own the fleet at the end of the previous month.

Drawn down amounts under SARF 2010 are based on the aggregate of all borrowing bases calculated monthly, in substance as the aggregate of the vehicle fleet residual value (including vehicles for which registration is pending) and the fleet working capital, including related VAT positions.

The SARF 2010 was initially entered into on July 30, 2010, then amended between Credit Agricole Corporate and Investment Bank acting as lender, SecuritFleet Holding (as borrower) and ECI (as borrower agent). The last amendment, dated April 2012, was related to the 'A' rating assigned to FCT Sinople by S&P and documented the reduction of the SARF 2010 from €1.3 billion to €1.1 billion. Drawings are available to SecuritFleet Holding for the sole purpose of financing fleet acquisition and maintenance in France, Italy, Germany and Spain through the SecuritFleet companies exclusively. The lender assigned its claims arising under SARF 2010, together with all security and ancillary rights thereto, to FCT Sinople. With respect to such claims, FCT Sinople will issue: (i) FCT Senior Notes to be subscribed periodically by Credit Agricole Corporate and Investment Bank, Royal Bank of Scotland plc., Société Générale, Deutsche Bank, BNP Paribas and any other entity which may subscribe to or acquire the FCT Senior Notes as senior subscriber, and (ii) FCT Junior Notes to be subscribed from time to time by ECI.

In March 2014, the Group signed an amendment allowing it to extend maturity through July 2017 and to start repayments in January 2017. Europcar also adapted the facility to its financing requirements and limited its commitment to €1 billion. Standard & Poor's has confirmed its A stable outlook rating.

(ii) United Kingdom fleet financing facilities

The United Kingdom fleet has a stand-alone arrangement through the Group's United Kingdom subsidiaries, including Europcar Group UK Limited, Europcar UK Limited and certain subsidiaries of Europcar UK Limited, comprising a working capital facility and two main leasing facilities (one with Lloyds for GBP 190 million and the other with Lombard for GBP 160 million). In October 2014, all financing lines were renegotiated. As well as obtaining better conditions and expanding the banking pool, the refinancing arrangements increase the United Kingdom entities' fleet financing facilities to GBP 455 million, maturing in three years with a two-year extension option.

The total guaranteed amount available for leasing facilities is GBP 555 million (2013: GBP 558 million; 2012: GBP 583 million). Vehicles are acquired from the manufacturers, then sold to lessors and operated through lease-back

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agreements. The amount outstanding as at December 31, 2014 was GBP 273 million (end-2012: GBP 258 million; end-2013: GBP 225 million). Leasing facilities are due to expire on September 30, 2017.

(g) Australia Asset Financing

National Australia Bank (the "NAB"), Toyota Financial Services, Volkswagen Financial Services and Alphabet Financial Services have provided Europcar Australia and New Zealand with senior credit facilities (the "Australian Asset Financing Facilities") that include revolving and non-revolving fleet operating and finance leases for up to AUD 60 million. These facilities are renewed annually in April of each year.

NAB Facilities are secured by fixed and floating charges over Europcar Australia assets, including goodwill and uncalled capital and called but unpaid capital, together with assignment of the related insurance policy. There are also performance guarantees for the facilities.

(h) Major operating lease

The Group finances a portion of its fleet in all countries in which it is present, including Germany, France, Italy and Spain, through operating leases. In certain countries, the operating companies have entered into comprehensive framework operating lease agreements with financial institutions and manufacturers.

The financing of our operating leases is mostly correlated to the 6-month Euribor rate, in particular due to contractual terms that match the average length of the holding period of cars.

The note on "Financial risk management" provides more information about the Group's exposure to interest and liquidity risks.

Note 25 - Employee benefits

	Dec. 31, 2014			Dec. 31, 2013			Dec. 31, 2012		
	Pensions	Other LT employee benefits	Total	Pensions	Other LT employee benefits	Total	Pensions	Other LT employee benefits	Total
<i>In € thousands</i>									
Non-current	120,945	3,814	124,759	98,824	4,133	102,957	96,127	4,213	100,340
Current	2,744		2,744	2,522		2,522	2,400	-	2,400
Total	123,689	3,814	127,503	101,346	4,133	105,479	98,527	4,213	102,740

(a) Net liability recognized in the statement of financial position

The Group has defined benefit pension obligations for some of the Group's employees in the United Kingdom, France, Germany, Italy and Belgium.

<i>In € thousands</i>		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Present value of funded or partially funded obligations	(A)	(74,155)	(68,669)	(62,692)
Fair value of plan assets	(B)	67,425	55,080	51,108
Surplus/(Deficit) at period end⁽¹⁾		(6,730)	(13,589)	(11,584)
Present value of unfunded obligations	(C)	(116,960)	(87,758)	(87,355)
Unrecognized prior service costs			-	412 ⁽²⁾
Net liability for defined benefit obligations at end of period		(123,689)	(101,346)	(98,527)
Comprising:				
A statement of financial position liability of		123,689	101,346	98,527
A statement of financial position asset of		-	-	-

⁽¹⁾ Mainly in United Kingdom.

⁽²⁾ The Group has applied the revised IAS 19 since January 1, 2013, however, 2012 data has not been restated in line with the revised standard in view of the non-material amounts involved.

(b) Movement in net liability recognized in the statement of financial position

<i>In € thousands</i>	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Net liability for defined benefit obligations at 1 January	(101,346)	(98,527)	(74,965)
Changes in scope of consolidation	(912)	-	-
Settlements	-	(35)	128
Defined benefit obligations and fair value of plan assets acquired as part of business combinations		-	-
Contributions paid into plan	2,269	2,079	1,635
Benefits paid	3,399	2,216	2,414
Current service cost, interest expense and expected return on plan assets	(5,861)	(5,061)	(5,554)
Past service cost	(12)	(422)	(64)
Actuarial gains/(losses) recognized in equity	(21,802)	(1,609)	(22,072)
Curtailments	569		
Foreign currency differences	7	13	(49)
Net liability for defined benefit obligations at end of period	(123,689)	(101,346)	(98,527)

(c) Movement in defined benefit obligations

<i>In € thousands</i>		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Defined benefit obligations at 1 January	(A)+(C)	(156,416)	(150,047)	(118,162)
Curtailments		569		
Settlements		(3)	83	128
Defined benefit obligations acquired as part of a business combination		(912)	-	-
Benefits paid		5,028	3,772	1,862
Current service cost		(3,048)	(2,200)	(2,126)
Interest on obligations		(5,199)	(5,029)	(5,506)
Actuarial gains/(losses) recognized in equity		(27,327)	(3,935)	(25,274)
Foreign currency differences		(3,807)	940	(969)
Defined benefit obligations at end of period		(191,115)	(156,416)	(150,047)

(d) Plan assets

<i>In % (average)</i>	2014		2013		2012	
	Eurozone	United Kingdom	Eurozone	United Kingdom	Eurozone	United Kingdom
Equities	0%	18%	0%	19%	15%	41%
Debt	0%	52%	0%	65%	65%	52%
Other assets	100%	31%	100%	17%	20%	7%

(e) Movement in defined benefit plan assets

<i>In € thousands</i>		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Fair value of plan assets at 1 January	(B)	55,080	51,108	42,721
Curtailments				
Settlements		3	(118)	-
Fair value of plan assets acquired as part of a business combination			-	-
Contributions paid into plan		2,269	2,079	1,635
Benefits paid		(1,629)	(1,556)	552
Expected rate of return on plan assets		2,386	2,168	2,078
Actuarial gains/(losses) recognized in equity		5,527	2,326	3,202
Foreign currency differences		3,789	(927)	920
Fair value of plan assets at end of period		67,425	55,080	51,108

(f) Expense recognized in the income statement for defined benefit plans

<i>In € thousands</i>	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Current service costs	3,046	2,200	2,126
Interest on obligations	5,199	5,029	5,506
Expected rate of return on plan assets	(2,386)	(2,168)	(2,078)
Past service cost	12	422	64
Curtailments/settlements	-	35	(128)
	5,872	5,518	5,490

The expense is recognized in "Personnel costs" as disclosed in Note 5, except for interest costs on benefit plans and expected return on plan asset (€2.8 million). In the three main countries (France, Germany and United Kingdom), the estimated charge in the consolidated income statement for 2015, based on the assumptions at December 31, 2014 amounts to €5.5 million.

(g) Actuarial assumptions

Group obligations are valued by an external independent actuary, based on assumptions at the reporting date that are periodically updated. These assumptions are set out in the table below:

	2014			2013			2012		
	Eurozone excl. Germany ⁽¹⁾	Germany	United Kingdom	Eurozone excl. Germany ⁽¹⁾	Germany	United Kingdom	Eurozone excl. Germany ⁽¹⁾	Germany	United Kingdom
Discount rate	1.80%	1.80%	3.65%	3.00%	3.00%	4.45%	4.75%	3.00%	4.40%
Inflation rate	From 1.00% to 2.00%	1.00%	3.15%	From 1.00% to 2.00%	1.00%	3.45%	From 1.00% to 2.00%	1.00%	2.95%
Expected rate of salary increase	From 2.00% to 3.50%	2.00%	2.75%	From 2.00% to 3.50%	2.00%	2.75%	From 2.00% to 3.50%	2.00%	2.50%
Expected rate of pension increase	From 0.00% to 3.00%	1.00%	3.05%	From 0.00% to 3.00%	1.00%	3.30%	From 0.00% to 2.00%	1.00%	2.90%
Expected rate of return on plan assets	1.80%	N/A	3.65%	3.00%	N/A	4.45%	From 3.25% to 3.50%	N/A	5.00%

⁽¹⁾ The eurozone includes plans in Italy, France and Belgium expressed based on a weighted average.

The discount rate is the yield at the reporting date on bonds with a credit rating of at least AA that have maturities similar to those of the Group's obligations.

A 0.25% increase in the discount rate would reduce the benefit obligation by €7.9 million; a 0.25% decrease in the discount rate would increase the benefit obligation by €8.4 million.

The estimated return on plan assets has been determined based on long-term bond yields. All of the plan assets are allocated to United Kingdom and Belgian employees.

Assumptions concerning long-term returns on plan assets are based on the discount rate used to measure defined benefit obligations. The impact of the revised IAS 19 is not material for Europcar Groupe.

Assumptions regarding future mortality rates are based on best practice and published statistics and experience in each country.

(h) Actuarial gains and losses recognized directly in equity (net of deferred tax)

<i>In € thousands</i>	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Cumulative opening balance	(25,907)	(25,179)	(8,858)
Gain/(loss) recognized during the year/period	(15,817)	(728)	(16,321)
Cumulative closing balance	(41,724)	(25,907)	(25,179)

Notes to the consolidated financial statements

(i) Experience adjustments

<i>In € thousands</i>	2014	2013	2012	2011	2010	2009	2008
Present value of defined benefit obligations	(61,369)	(50,720)	(47,859)	(42,325)	(38,098)	(35,482)	(25,033)
Fair value of plan assets	61,669	49,880	47,155	40,668	36,617	31,286	25,977
(surplus)/deficit	(300)	(840)	(705)	(1,657)	(1,481)	(4,196)	944
Experience adjustments to plan liabilities	1,372	313		-	850	-	-
Experience adjustments to plan assets	36	1,444	3,174	679	2,434	1,469	(5,262)

(j) Contributions to defined contribution plans

In 2014, the Group paid contributions into defined contribution plans amounting to €2.7 million (2012: €2.4 million; 2013: €2.5 million)

Note 26 - Provisions

In € thousands

	Insurance claim provisions	Reconditioning provisions	Other provisions	Total
Balance at January 1, 2012	121,642	34,474	42,507	198,623
Provisions recorded during the year	71,315	97,081	19,042	187,438
Provisions used during the year	(62,540)	(98,770)	(11,404)	(172,714)
Provisions reversed during the year	(4,600)	-	(5,996)	(10,596)
Transfers	-	-	-	-
Actuarial (gains)/losses	-	-	(1,839)	(1,839)
Effect of foreign exchange differences	629	107	142	878
Balance at December 31, 2012	126,446	32,892	42,452	201,790
Non-current	-	-	3,097	3,097
Current	126,446	32,892	39,355	198,693
	126,446	32,892	42,452	201,790
Balance at January 1, 2013	126,446	32,892	42,452	201,790
Provisions recorded during the year	64,823	72,483	32,726	170,032
Provisions used during the year	(59,423)	(76,944)	(28,154)	(164,521)
Provisions reversed during the year	(1,500)	(153)	(6,559)	(8,212)
Transfers	-	-	-	-
Actuarial (gains)/losses	-	-	-	-
Effect of foreign exchange differences	(577)	(208)	(163)	(948)
Balance at December 31, 2013	129,769	28,070	40,302	198,141
Non-current	-	-	4,460	4,460
Current	129,769	28,070	35,842	193,681
	129,769	28,070	40,302	198,141
Balance at January 1, 2014	129,769	28,070	40,302	198,141
Provisions recorded during the year	59,816	72,314	65,268	197,398
Provisions used during the year	(51,489)	(68,738)	(22,575)	(142,802)
Provisions reversed during the year	(2,252)	(295)	(4,476)	(7,023)
Changes in scope of consolidation	-	-	644	644
Transfers	-	-	976	976
Actuarial (gains)/losses	-	-	-	-
Effect of foreign exchange differences	2,339	423	415	3,177
Balance at December 31, 2014	138,183	31,774	80,554	250,511
Non-current	-	-	10,114	10,114
Current	138,183	31,774	70,440	240,397
	138,183	31,774	80,554	250,511

(i) Insurance claim provisions

Most of these provisions relate to the insurance risks described in the "Financial risk management".

(ii) Reconditioning provisions

The provision for reconditioning relates to costs incurred for the present fleet at the end of the buy-back agreement period.

Notes to the consolidated financial statements

(iii) Other provisions

Other provisions relate mainly to reserves for:

- risks and liabilities for damages to cars financed through operating leases;
- restructuring costs (personnel costs and the costs of moving the Group's head office);
- litigation costs include litigation with franchisees, employee disputes and accident claims.

(iv) Provisions added or reversed in the income statement

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Operating income before other income/(expense)	4,047	(4,166)	(1,043)
Other operating income/(expense)	(86)	(7,543)	(4,100)
Non-recurring income/(expense)	29,677	6,912	6,075
Financial income/(expense)	3,250	3,845	4,811
Taxes	9,980	-	-
Total provisions added or reversed	46,867	(952)	5,743

Note 27 - Rental fleet related payables

The fair values of rental fleet and related payables correspond to their nominal value. Fleet payables relate to operating lease contracts.

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Fleet payables ⁽¹⁾	491,664	475,950	541,785
VAT payables	90,293	72,153	39,893
Total rental fleet and related payables	581,957	548,103	581,678

⁽¹⁾ Includes an amount of €232.5 million (2013: €244.9 million) relating to a large fleet operating lease contract initiated in 2009, whereby the Group acquired fleet from a manufacturer and resold it immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement.

Note 28 - Trade payables and other liabilities

The fair values of trade payables correspond to their nominal value. All trade payables and other liabilities fall due within one year.

In € thousands

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Trade payables ⁽¹⁾	302,669	250,432	233,608
Other tax payables	16,007	14,818	16,368
Deposits	42,875	33,960	30,511
Employee related liabilities	82,930	55,235	46,342
Liabilities relating to the acquisition of participating interests	5,385	-	-
Total trade payables and other liabilities	449,866	354,445	326,829

⁽¹⁾ Includes €23.7 million relating to LTIP programs.

Note 29 - Derivative financial instruments

Total interest rate derivatives eligible for hedge accounting

In € thousands

	Nominal	Indexation	Fair value at Dec, 31 2014	Fair value adjustments during period	Impact on income statement	Impact on OCI
Forward interest rate swaps maturing in 2017* - 0.865%	900,000	1-month Euribor	(19,945)	(19,945)		(19,945)
Interest rate swaps maturing in 2018*** - 1.489%	500,000	6-month Euribor	(21,925)	(12,460)		(12,460)
Interest rate swaps maturing in 2015 - 0.143%	900,000	1-month Euribor	(58)	4,225	(2,000)	4,225
Interest rate swaps maturing in 2015** - 2.43%	1,300,000	1-month Euribor	-		(14,258)	14,258
	1,400,000		(41,928)	(28,180)	(16,258)	(13,922)

* From January 19, 2015 to July 17, 2017.

** Wound up in April 2012 in exchange for a balancing cash payment of €67 million amortized over the initial term of the swap (i.e., through January 2015).

*** Change in rate to 1.65% in exchange for a balancing cash payment of €2 million, then to 1.4890%, and maturity extended through July 2018.

In € thousands

	Nominal	Indexation	Fair value at Dec, 31 2013	Fair value adjustments during period	Impact on income statement	Impact on OCI
Interest rate swaps maturing in 2015*** - 1.95%	500,000	6-month Euribor	(9,465)	6,104	(1,100)	7,204
Interest rate swaps maturing in 2015 - 0.656%	900,000	1-month Euribor	(4,283)	5,086		5,086
Interest rate swaps maturing in 2015* - 2.43%	1,300,000	1-month Euribor			(17,091)	17,091
	1,400,000		(13,748)	11,190	(18,191)	29,381

* Wound up in April 2012 in exchange for a balancing cash payment of €67 million amortized over the initial term of the swap (i.e., through January 2015).

*** Maturity extended through April 2015 and interest rate changed to 1.95% in exchange for a balancing cash payment of €0.6 million.

In € thousands

	Nominal	Indexation	Fair value at Dec, 31 2012	Fair value adjustments during period	Impact on income statement	Impact on OCI
Interest rate swaps maturing in 2014 - 2.985%	300,000	6-month Euribor	(15,569)	(1,078)		(1,078)
Interest rate swaps maturing in 2015 - 0.656%	900,000	1-month Euribor	(9,369)	49,456		49,456
Interest rate swaps maturing in 2015* - 2.43%	1,300,000	1-month Euribor	-	(67,117)	(35,014)	(32,103)
	1,200,000		(24,938)	(18,739)	(35,014)	16,275

* Wound up in April 2012 in exchange for a balancing cash payment of €67 million amortized over the initial term of the swap (i.e., through January 2015).

The fair value of a hedging derivative is recorded as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the maturity of the hedged item is less than 12 months.

The forward swap agreements qualify for cash flow hedge accounting and therefore the effective portion of changes in fair value is recognized in equity.

Note 30 – Other disclosures relating to financial assets and liabilities

This note presents the Group's financial instrument fair value measurement methodology. The "Financial risk management" section in the Significant Accounting Policies provides more information about the Group's financial risk management policy.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price: Level 1 in the fair value measurement hierarchy.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated using the discounted cash flow method: Level 2 in the fair value measurement hierarchy.

The carrying amount less impairment provision for trade receivables and payables is assumed to approximate their fair value.

Given the maturity of the financing facilities and other debts and their respective interest rates, management has concluded that the fair value of the financial liabilities approximates their respective carrying amounts, except for Loan Notes maturing in 2017, 2018 and 2021 whose fair values were determined using quoted prices on the Euro MTF market at December 31, 2014, December 31, 2013 and December 31, 2012.

The fair values of the other financial assets and liabilities (investments, other assets, trade receivables and payables) are close to their carrying amounts in view of their short maturities.

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

In € thousands

		Carrying amount	Fair value	Fair value through the income statement	Fair value through OCI	Financial instruments at amortized cost
Fair value as at December 31, 2014						
Trade receivables	20	260,629	260,629			260,629
Deposits and current loans	16	7,164	7,164			7,164
Vehicle buy-back agreement receivables	19	897,011	897,011			897,011
Fleet receivables	19	460,038	460,038			460,038
Deposits, other receivables and loans	20	13,225	13,225			13,225
Total of loans and receivables		1,638,067	1,638,067			1,638,067
Investments in non-consolidated entities	16	670	670		670	
Other financial assets	16	99,179	99,179			99,179
Restricted cash	21	81,795	81,795	81,795		
Cash and cash equivalents	21	144,037	144,037	144,037		
Derivative assets	29					
Total financial assets⁽¹⁾		1,963,748	1,963,748	225,832	670	1,737,246
Notes and borrowings	24	1,043,069	1,120,820			1,120,820
Trade payables	28	368,913	368,913			368,913
Fleet payables	27	491,664	491,664			491,664
Bank overdrafts and portion of loans due in less than one year	24	1,127,545	1,127,545			1,127,545
Derivative liabilities	29	41,928	41,928		41,928	
Total financial liabilities⁽¹⁾		3,073,095	3,150,870		41,928	3,108,942

In € thousands

		Carrying amount	Fair value	Fair value through the income statement	Fair value through OCI	Financial instruments at amortized cost

Fair value as at December 31, 2013 **Notes**

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Trade receivables	20	228,904	228,904		228,904
Deposits and current loans	16	6,923	6,923		6,923
Vehicle buy-back agreement receivables	19	792,002	792,002		792,002
Fleet receivables	19	377,843	377,843		377,843
Deposits, other receivables and loans	20	15,325	15,325		15,325
Total of loans and receivables		1,420,997	1,420,997	-	- 1,420,997
Investments in non-consolidated entities	16	617	617		617
Other financial assets	16	70,584	70,584		70,584
Restricted cash	21	81,724	81,724	81,724	
Cash and cash equivalents	21	196,381	196,381	196,381	
Derivatives assets	29	-	-	-	
Total financial assets⁽¹⁾		1,770,303	1,770,303	278,105	617 1,491,581
Notes and borrowings	24	1,036,015	1,145,757		1,145,757
Trade payables	28	284,392	284,392		284,392
Fleet payables	27	475,950	475,950		475,950
Bank overdrafts and portion of loans due in less than one year	24	945,115	945,115		945,115
Derivative liabilities	29	13,748	13,748		13,748
Total financial liabilities⁽¹⁾		2,755,220	2,864,962 -	13,748	2,851,214

In € thousands

		Carrying amount	Fair value	Fair value through the income statement	Fair value through OCI	Financial instruments at amortized cost
Fair value as at December 31, 2012						
Trade receivables	20	247,011	247,011			247,011
Deposits and current loans	16	7,072	7,072			7,072
Vehicle buy-back agreement receivables	19	812,184	812,184			812,184
Fleet receivables	19	470,220	470,220			470,220
Deposits, other receivables and loans	20	23,792	23,792			23,792
Total of loans and receivables		1,560,279	1,560,279	-	-	1,560,279
Investments in non-consolidated entities	16	587	587		587	
Other financial assets	16	73,783	73,783			73,783
Restricted cash	21	83,941	83,941	83,941		
Cash and cash equivalents	21	135,109	135,109	135,109		
Derivative assets	29	-	-	-		
Total financial assets⁽¹⁾		1,853,699	1,853,699	219,050	587	1,634,062
Notes and borrowings	24	1,016,496	1,031,829			1,031,829
Trade payables	28	264,114	264,114			264,114
Fleet payables	27	541,785	541,785			541,785
Bank overdrafts and portion of loans due in less than one year	24	1,000,278	1,000,278			1,000,278
Derivative liabilities	29	24,938	24,938		24,938	
Total financial liabilities⁽¹⁾		2,847,611	2,862,944	-	24,938	2,838,006

⁽¹⁾ Financial assets and liabilities are not offset as they have not been contracted with the same counterparties.

The level in the fair value hierarchy at which fair value measurements are categorized, for assets and liabilities measured in the statement of financial position, is as follows:

In € thousands

Dec. 31, 2014	Level 1	Level 2	Level 3

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Assets measured at fair value

Other financial assets	670	670		
Cash and cash equivalents	225,832	225,832		
Total	226,502	226,502	-	-

In € thousands

Dec. 31, 2014	Level 1	Level 2	Level 3

Liabilities measured at fair value

Derivative liabilities	41,928		41,928	
Total	41,928	-	41,928	-

Time-frame for recycling items from OCI to profit and loss:

In € thousands

Dec. 31, 2014	2015	2016	2017	2018

Recycling of completed operations	617	617			
Recycling of operations in progress	41,928	13,829	14,733	10,362	3,004

Note 31 - Off-balance sheet commitments

(i) Operating leases

As at December 31, 2014, the Group's minimum future payments for non-cancellable operating lease commitments are as follows:

In € thousands

	Dec. 31, 2014		Dec. 31, 2013		Dec. 31, 2012	
	<i>of which related to rental fleet</i>		<i>of which related to rental fleet</i>		<i>of which related to rental fleet</i>	
Payable:						
Within 1 year	312,936	267,735	307,453	258,611	237,990	195,309
From 1 to 5 years	110,165	23,607	111,135	20,041	100,487	30,102
Over 5 years	30,498	-	41,084	-	24,639	-
	453,599	291,342	459,672	278,652	363,116	225,411

The Group leases vehicles in Germany, Belgium, Portugal, France, Spain, Australia and New Zealand. The Group also leases facilities and other assets. Facilities and other asset leases run for a period of three to nine years in most instances, usually with an option to renew the lease after that date.

During 2014, €245.0 million was recognized as an expense in the income statement in respect of operating leases related to the rental fleet (2013: €235.8 million; 2012: €222.2 million). For assets other than the rental fleet leased under operating leases (mainly rental station facilities), expenses recorded in the 2014 consolidated income statement were €64.7 million (€62.8 million in 2013 and €63.9 million in 2012).

(ii) Capital commitments

During 2014 the Group entered into contracts to purchase vehicles. At December 31, 2014 capital commitments to purchase vehicles amounted to €496.1 million (€467.6 million at end-2013 and €379.2 million at end-2012), and commitments to purchase property, plant and equipment and intangible assets were €0.2 million (€0.1 million at end-2013 and €0.2 million at end-2012),

The large increase in fleet capital commitments at December 31, 2013 reflects the switch from outright purchase of vehicles to operating leases and the late finalization and signature of contracts with car manufacturers in early 2013 (instead of end-2012).

(iii) Contingencies and guarantees

1. In particular, in 2007 the Group acquired from Vanguard the operations of National and Alamo in the EMEA region. Vanguard was then acquired by Enterprise and the Group and Enterprise entered into a period of commercial cooperation that lasted until August 2013 during which the Group continued to operate the National and Alamo brands in EMEA under a license agreement with Enterprise. Following disputes between the parties over the interpretation of certain provisions of the license agreement, such agreement and the commercial alliance agreement were the subject of an arbitration proceeding that resulted in a decision on December 9, 2014 which, after a transitional period agreed by the parties, effectively terminated these agreements as of March 2015.

Furthermore, in January 2015, the High Court of Justice of England issued a judgment ordering the Group to cease using the "e-moving" logo (an accessory element to the global Europcar brand in the United Kingdom on the grounds that such logo was confusing with and infringing upon prior trademarks of Enterprise Holdings Inc. The Group has requested the authorization to appeal this judgment before the English courts.

In its financial statements as of and for the year ended December 31, 2014 the Group recorded a provision in relation to the two above-mentioned proceedings in an amount equal to the risk of certain of the damages that it was able reasonably to estimate as of the closing date (see note 9).

During a second phase of the arbitration proceeding, the arbitrators will determine the compensation for damages incurred by Enterprise as a result of the facts referred to in the arbitration decision of December 9, 2014. The amount of other damages that the Group may be required to pay as a result of the adverse findings in such decision

Notes to the consolidated financial statements

cannot be reasonably estimated at this stage of the proceeding (the final award of which is not expected to be issued before the second quarter of 2016) and, accordingly, no provision in respect of such other potential damages was recorded in the Group's financial statements as of and for the year-ended December 31, 2014.

Furthermore, the French Competition Authority is investigating potential anti-competitive practices in the vehicle rental industry. On February 17, 2015, the French Competition Authority sent a notification of grievances to Europcar France and other interested parties accusing them of certain practices that it considers to be in violation of French regulations. Europcar France has two months to respond to the notification of grievances. Should this investigation run its course the Group would be subject to the risk of a fine, potentially of a significant amount. At this stage of the proceeding, the amount of the potential fine to which the Group might be subject based on the allegations against it that might be confirmed cannot be reasonably estimated and, accordingly, no provision in this respect was recorded in the Group's financial statements as of and for the year-ended December 31, 2014.

Should the Group have to pay fines and/or damages in relation to these proceedings in excess of a certain amount it might need to seek additional financings or other financial resources.

2. The Group has provided various guarantees (mostly joint and several guarantees) to certain third parties (mainly for fleet leasing transactions) within the normal course of business, as well as some specific purpose guarantees, including a €38 million guarantee to Chartis (formerly AIG) for the performance of certain obligations of its self-insurance program (Loss Retention Agreement), which could be exercised in the highly unlikely event that Europcar were unable to meet its commitments under such Loss Retention Agreement.

As at December 31, 2014, ECG had given guarantees worth €43.4 million to suppliers, including Chartis (at end-2013 and end-2012, these guarantees amounted to €69.0 million and €76.6 million, respectively). At that date, contingent assets amounted to €3.6 million (€3.8 million at end-2013 and €2.8 million at end-2012).

ECG received a vendor warranty granted by the Volkswagen group at the time of the acquisition of the Europcar group in 2006. This guarantee has expired and cannot now be called upon except in relation to certain very specific matters. However, relating to previous implementations or such specific implementations, the Company may still receive compensation subject to the completion of ongoing litigation or pre-litigation and in agreement with Volkswagen on the final amount of such compensations.

3. The Group has granted pledges on some of its assets, in particular trademarks, subsidiaries' shares, receivables, bank accounts and business assets. The assets of the Securitifleet group as well as those related to Securitifleet group operations are pledged in favor of EC Finance Notes holders and the lenders of the SARF 2010. Other assets have been pledged in favor of the lenders of the Senior Revolving Credit Facility, except for certain United Kingdom based assets and Australia/New Zealand based assets which are pledged in favor of the local lenders for those respective territories.

4. Securitifleet SAS and Securitifleet SL respectively own a substantial part of the fleet leased by, respectively, Europcar France SAS and Europcar IB SA to their respective clients and have been granted a pledge over their vehicles, with respect to Securitifleet SAS, in favor of Crédit Agricole Corporate and Investment Bank and its successors and assignees and, more particularly, in favor of the French securitization mutual fund, FCT Sinople, in accordance with the provisions of articles 2333 *et seq.* of the French Civil Code (*Code civil*), and with respect to Securitifleet S.L., in favor of its creditors and its successors and assignees pursuant to a contract known as the "Spanish Securitifleet Financing Agreement" and in accordance with the provisions of article 1863 of the Spanish Civil Code. For the requirements of these pledges, Europcar France SAS and Europcar IB SA were respectively appointed as third party holders (*tiers convenu* and *tercero poseedor de conformidad*) in accordance with the provisions of Article 2337 of the French Civil Code and Article 1863 of the Spanish Civil Code, respectively. Consequently, any vehicle returns by clients of Europcar France SAS or Europcar IB S.A. will either have to be made to Europcar France SAS or Europcar IB SA in their capacity as third party holder (*tiers convenu* and *tercero poseedor de conformidad*) or to any other entity representing them in such capacity and in no event to Securitifleet France SAS or Securitifleet SL.

Note 32 - Related parties

Under IAS 24, related parties include parties with the ability to control or exercise significant influence over the reporting entity. All business transactions with non-consolidated subsidiaries are conducted at arm's length. Several members of the Management and the Board of Directors of the Group are members of the supervisory

Notes to the consolidated financial statements

boards of companies with which Europcar Groupe SA has relations in the normal course of its business activities. All transactions with these parties are conducted at arm's length.

(a) Transactions with related parties controlled by Eurazeo S.A., Europcar Groupe SA's parent company

The Group has negotiated a management services agreement with its parent company, Eurazeo. These services are provided by Eurazeo and billed directly to Europcar Groupe SA.

At December 31, 2014 (and at December 31, 2013 and December 31, 2012) no amounts were billed by Eurazeo to Europcar because no services had been provided under this agreement.

(b) Transactions with entities over which Europcar Groupe exercises significant influence

The Group has subscribed to the capital increase of Car2Go Europe in line with its 25% stake for the following amounts: €5.7 million in 2012, €5.0 million in 2013 and €5.7 million in 2014.

The Group has also subscribed to the capital increase of its newly-acquired subsidiary Ubeeqo for an amount of €4 million.

(c) Compensation of key management members

In addition to their salaries, the Group also provides non-cash benefits to executive officers and contributes to a post-employment defined benefit plan on their behalf. There were no significant transactions with any companies related directly or indirectly to key management members disclosed in the management report of the Europcar subsidiaries. The remuneration of the Group's senior executives amounted to €7.7 million during the year (€2.8 million in 2012 and €2.5 million in 2013).

The remuneration of the members of the Group's Executive Committee is set out below in aggregate by category. Salaries and short-term employee benefits include wages, salaries and social security costs.

<i>In € thousands</i>	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Salaries and short-term employee benefits	7,421 ⁽¹⁾	1,826	1,569
Post-employment benefits	15	17	5
Termination indemnities	313	682	1,230
	7,749	2,525	2,804

⁽¹⁾ Including the Executive Committee members' portion of the LTIP, of which €24 million was classified in "Other operating expenses" (Note 9)

Note 33 - Group entities

Company name	Registered office	Country	Consolidation method ⁽¹⁾	% interest	% control

Notes to the consolidated financial statements

	(city)		(FC/EM)		
PARENT COMPANY					
Europcar Groupe SA	Voisins le bretonneux	France	FC		
1. Information on consolidated companies					
Europcar International S.A.S.U.	Voisins le bretonneux	France	FC	100.00%	100.00%
EC1	Voisins le bretonneux	France	FC	100.00%	100.00%
Europcar Holding S.A.S.	Voisins le bretonneux	France	FC	100.00%	100.00%
Securitifleet Holding S.A.	Paris	France	FC	100.00%	8.26%
Securitifleet Holding Bis S.A.S.U.	Paris	France	FC	100.00%	0.00%
EC Finance Plc	London	United Kingdom	FC	0.00%	0.00%
FCT Sinople	Paris	France	FC	0.00%	0.00%
EIS E.E.I.G.	Voisins le bretonneux	France	FC	100.00%	100.00%
Europcar France S.A.S.	Voisins le bretonneux	France	FC	100.00%	100.00%
Securitifleet S.A.S.U.	Paris	France	FC	100.00%	8.26%
Securitifleet France Location S.A.S.U.	Rouen	France	FC	100.00%	8.26%
Parcoto Services S.A.S	Rouen	France	FC	100.00%	100.00%
Europ Hall S.A.S.	Besançon	France	FC	100.00%	100.00%
Ubeevo S.A.S.	Boulogne-Billancourt	France	EM	70.6%	70.6%
Europcar International S.A.S.U. und Co OHG	Hamburg	Germany	FC	100.00%	100.00%
Europcar Autovermietung GmbH	Hamburg	Germany	FC	100.00%	100.00%
Securitifleet GmbH	Hamburg	Germany	FC	100.00%	5.41%
InterRent Immobilien GmbH	Hamburg	Germany	FC	100.00%	100.00%
Car2Go Europe GmbH	Esslingen	Germany	EM	25.00%	25.00%
Car2Go Deutschland GmbH	Esslingen	Germany	EM	25.00%	25.00%
Car2Go Österreich GmbH	Vienna	Austria	EM	25.00%	25.00%
Car2Go Italia S.r.l.	Milan	Italy	EM	25.00%	25.00%
Car2Go UK Ltd	Birmingham	United Kingdom	EM	25.00%	25.00%
Ogotrac France S.A.S.	Paris	France	EM	25.00%	25.00%
Car2Go Denmark	Copenhagen	Denmark	EM	25.00%	25.00%
Car2Go Sweden	Stockholm	Sweden	EM	25.00%	25.00%
Car2Go Hamburg GmbH	Hamburg	Germany	EM	75.00%	50.00%
Travset Business Travel + Service GmbH	Hamburg	Germany	FC	100.00%	100.00%
Ultramar Cars S.L.	Palma de Mallorca	Spain	FC	100.00%	100.00%
Europcar S.A.	Zaventem	Belgium	FC	100.00%	100.00%
Europcar IB S.A.	Madrid	Spain	FC	100.00%	100.00%
Securitifleet S.L.	Madrid	Spain	FC	100.00%	0.41%
Europcar United Kingdom Limited	Watford	United Kingdom	FC	100.00%	100.00%
Europcar Italia S.p.A.	Bolzano	Italy	FC	100.00%	100.00%
Securitifleet S.p.A.	Bolzano	Italy	FC	99.32%	13.76%
Europcar Internacional Aluguer de Automoveis S.A.	Lisbon	Portugal	FC	99.99%	100.00%
Europcar Services Unipessoal, LDA.	Lisbon	Portugal	FC	100.00%	100.00%
Monaco Auto Location SAM	Monaco	Monaco	FC	100.00%	100.00%

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PremierFirst Vehicle Rental EMEA Holdings Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
PremierFirst Vehicle Rental Holdings Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
Provincial Assessors Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
PremierFirst Vehicle Rental Pension Scheme Trustees Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
PremierFirst Vehicle Rental Insurances Guernsey Ltd	Guernsey	United Kingdom	FC	99.99%	100.00%
Europcar Group UK Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
Provincial Securities Ltd	Leicester	United Kingdom	FC	73.00%	100.00%
PremierFirst Vehicle Rental German Holdings GmbH	Wiesbaden	Germany	FC	100.00%	100.00%
PremierFirst Vehicle Rental GmbH	Wiesbaden	Germany	FC	100.00%	100.00%
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
Euroguard	Gibraltar	Gibraltar	FC	100.00%	100.00%
Europcar Holding Property Ltd	Melbourne	Australia	FC	100.00%	100.00%
Europcar Australia Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
G1 Holdings Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
CLA Holdings Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
CLA Trading Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
Eurofleet Sales Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
Delta Cars & Trucks Rentals Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
Eurofleet Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
E Rent a car Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
MVS Holdings (Australia) Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
MVS Trading Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
JSV Trading Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
SMJV Ltd	Christchurch	New Zealand	FC	100.00%	100.00%
BJJV Ltd	Christchurch	New Zealand	FC	100.00%	100.00%

2. Information on non-consolidated companies

Vehitel 2000 France S.A.S.	Suresnes	France	NC	20.00%	20.00%
Vehitel 2000 S.N.C.	Suresnes	France	NC	33.33%	33.33%
PremierFirst Marketing Enterprises Middle East Ltd	Dubai	United Arab Emirates	NC	25.00%	25.00%
SVV Stadthausbrücke Vermögensverwaltungsgesellschaft mbH	Hamburg	Germany	NC	100.00%	100.00%

(1) FC: full consolidation method; EM: equity method; NC: not consolidated

Consolidated special purpose entities (SPEs)

As part of the securitization program for part of the fleet financing for Germany, France, Italy and Spain, SPEs have been incorporated under the name Securitifleet in each of those countries and are either 100% owned or controlled (over 90%-controlled) by one of the following SPEs: "Securitifleet Holding SA" or "Securitifleet Holding Bis SAS", both incorporated in France. The Group consolidates all Securitifleet entities, i.e., the four local Securitifleet companies as well as the two Securitifleet holding companies, since they have been created for specific objectives defined by Europcar Groupe.

The Group's operating subsidiaries located in France, Spain, the United Kingdom, Portugal, Belgium, Italy (from January 1, 2008) and Germany (from April 1, 2008) buy local automobile liability insurance policies with Chartis (formerly AIG) entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. However, the local Europcar entities fund a significant portion of the risk through a Deductible Funding mechanism which is managed via another cell (0) located within Euroguard that acts as a fund manager. The funds hosted in this cell are also consolidated.

Notes to the consolidated financial statements

PremierFirst Vehicle Rental Holdings Limited owns 100% of PremierFirst Vehicle Rental Insurances Guernsey Limited, a captive company based in Guernsey in the Channel Islands. This captive company has two types of business: roadside assistance (RAC) and personal accident insurance (PAI). The profits from the RAC and PAI businesses can mostly be distributed by the captive company under strict rules. 90% of the profits must be distributed within 18 months of the year end.

Since January 2008, PremierFirst Vehicle Rental Limited has participated in the Group insurance scheme described in the first paragraph above.

Note 34 – Statutory Auditors' fees

<i>In € thousands</i>	Mazars	%	PricewaterhouseCoopers	%	Total 2014
Statutory audit	(682)	47%	(767)	53%	(1,449)
Other reviews and services related to the statutory audit engagement	(171)	53%	(209)	52%	(380)
Other services provided by the networks					
Tax			(72)		(72)
Legal			(52)		(52)
Labor law					
Other			(21)		(21)
Total	(853)		(1,121)		(1,974)

<i>In € thousands</i>	Mazars	%	PricewaterhouseCoopers	%	Total 2013
Statutory audit	(476)	37%	(795)	63%	(1,271)
Other reviews and services related to the statutory audit engagement	(34)	50%	(34)	50%	(68)
Other services provided by the networks	-		(145)	100%	(145)
Tax	-		(145)		(145)
Legal					-
Labor law					-
Other					-
Total	(510)		(974)		(1,484)

<i>In € thousands</i>	Mazars	%	PricewaterhouseCoopers	%	Total 2012
Statutory audit	-		(1,234)	100%	(1,234)
Other reviews and services related to the statutory audit engagement			(388)	100%	(388)
Other services provided by the networks			(116)	0	(116)
Tax			(104)		(104)
Legal			-		-
Labor law					-
Other			(12)		(12)
Total			(1,738)		(1,738)

Note 35 – Subsequent events

On February 17, 2015, the French Competition Authority sent a statement of objections to Europcar France and other interested parties accusing them of certain practices that it considers to be in violation of French regulations.

REGISTERED OFFICE OF EGSA
2, rue René Caudron
Bât. OP
78960 Voisins-le-Bretonneux
France

REGISTERED OFFICE OF THE SPV ISSUER
Europcar Drive D.A.C.
2nd Floor, Palmerston House
Fenian Street
Dublin 2, Ireland

LEGAL ADVISORS TO EGSA
As to U.S., English and French law:

Gide Loyrette Nouel LLP
125 Old Broad Street
London EC2N 1AR
United Kingdom

Gide Loyrette Nouel A.A.R.P.I.
26, Cours Albert 1er
75008 Paris
France

LEGAL ADVISORS TO THE SPV ISSUER
As to Irish Law:
Arthur Cox
Ten Earlsfort Terrace
Dublin 2
Ireland

LEGAL ADVISORS TO THE INITIAL PURCHASERS
As to U.S., English and French law:
White & Case LLP
19 Place Vendôme
75001 Paris
France

INDEPENDENT STATUTORY AUDITORS TO EGSA
PricewaterhouseCoopers Audit
63, rue de Villiers
F-92208 Neuilly-sur-Seine
France
Mazars
61, rue Henri Regnault
92400 Courbevoie
France

INDEPENDENT AUDITORS TO GOLDCAR
KPMG Auditores, S.L.
Edificio Oficentro
Avda. Maisonave, 19-21
03003 Alicante
Spain

**TRUSTEE AND NOTES SECURITY
AGENT**

The Bank of New York
Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

**LUXEMBOURG LISTING
AGENT**

The Bank of New York
Mellon SA/NV
Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

**LUXEMBOURG PAYING AGENT
AND TRANSFER AGENT
AND REGISTRAR**

The Bank of New York
Mellon SA/NV,
Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISORS TO THE TRUSTEE
As to U.S., English and French law:
Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104-3300
U.S.A.

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€600 million

4.125% Senior Notes due 2024

OFFERING MEMORANDUM
