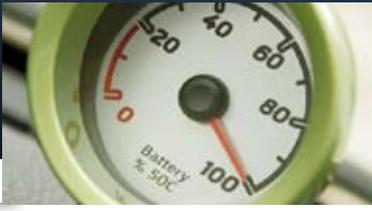




Just drive



10-11



ARVAL
BNP PARIBAS GROUP

arval.com

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Arval, a trustworthy partner

A specialist in full service multi-brand vehicle leasing, Arval offers companies tailored solutions aimed at optimising their employees' mobility while outsourcing the risks associated with fleet management. Expert Advice and Service Quality, which are the foundations of our brand promise, are delivered in 22 countries by over 4,000 employees. Our staff are dedicated to the complete satisfaction of all our customers: professionals, SMEs and large groups.

Arval is Europe's No. 2* full service vehicle leasing company and a subsidiary of BNP Paribas, European banking and financial services leader, and one of the world's six safest banks, according to Standard & Poor's. Within BNP Paribas Retail Banking, Arval belongs to the "Equipment Solutions" business line, which offers companies and individuals a range of specific solutions from the financing of capital goods investments to fleet management.

* leased fleet



“This year 2010 also demonstrated, if any doubt remained, that full service vehicle leasing is clearly the best way to manage a corporate fleet.”

LAURENT TRÉCA,
Chairman



In 2010, as in previous years, Arval registered strong results and continued to expand internationally. We owe these results, above all, to the trust placed in us by our customers, small and large, long-standing or more recent. Day in, day out, in each of our 22 subsidiaries, our teams deliver Service Quality, Expert Advice and a policy of innovation rewarded with customer loyalty.

This year 2010 also demonstrated, if any doubt remained, that full service vehicle leasing is clearly the best way to manage a corporate fleet. By passing the resale risk of end of contract vehicles onto the lessor, full

service leasing cushions the customer from the impact of the economic crisis. It also allows the customer to budget for and optimise the total cost of ownership of their vehicles by incorporating all the operational and financial parameters at the outset (including maintenance, fuel, roadside assistance, insurance and the cost of downtime).

The global economic crisis has not called our business into question; our product offering and business model have instead come through with flying colours because they benefit our customers. We are rightly very proud because we love our business

and we would like to thank our customers, suppliers and employees for their loyalty.

It is not, however, the time to rest on our laurels. As a consequence, Arval is constantly driving forward a number of improvement initiatives. Our service quality, for example, is very closely monitored and improves year-on-year, as demonstrated in the new 2010 global survey conducted by market research specialist TNS Sofres. We understand that the full service leasing market is far from mature and that this product will continue to significantly evolve as it incorporates both technological and

social advances such as telematics, increasingly detailed reporting, and innovative mobility solutions such as car pooling and electric vehicles. Each advance is tested and approved in-house before being developed and launched on the market where it may bring about an improvement in service quality for our customers.

A very large number of corporate vehicles are used by very small companies; craftsmen, shopkeepers and the liberal

professions. In light of this, we are developing a new service tailored specifically to these small but numerous customers. The way in which we set about meeting their particular needs and demands will undoubtedly give rise to new solutions that can be used to benefit all of our clients.

Lastly, our business activities are governed by Corporate Social Responsibility (CSR). The cornerstone of our activity, it represents a set of values that closely

“The global economic crisis has not called our business into question; our product offering and business model have instead come through with flying colours because they benefit our customers.”

link us with our customers while also inspiring innovation. Together, Arval staff members, clients and suppliers, are responsible citizens working with a rewarding product, the motor car. We are striving to reduce the cost of vehicle usage and to limit the resulting environmental impact while improving driver safety. Adopting a sustainable approach to these challenges makes us optimistic for the future.

Arval, an international standing

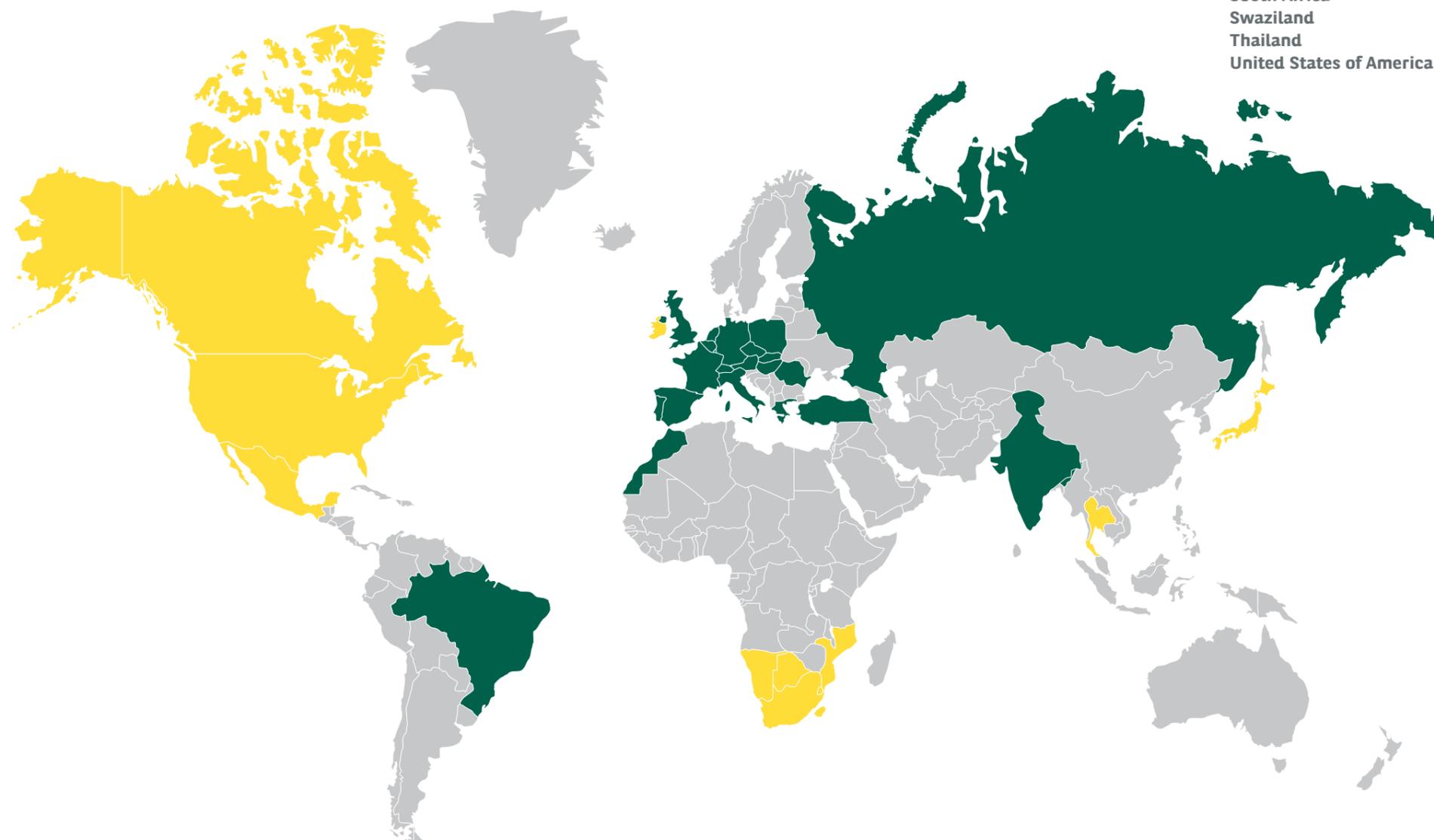
Present in over 30 countries across all five continents, Arval meets the demands of globalisation by conducting business in two distinct ways: subsidiaries in 22 countries and a network of key partnerships, namely through the PHH Arval Global Alliance, in the remaining territories. Our aims in each of these countries are clear: to support our customers, be they large international groups or small local companies, offering them Expert Advice, Service Quality and a full service vehicle leasing offer that complies with the highest of international standards.

THE 12 COUNTRIES COVERED THROUGH PARTNERSHIPS

- Botswana
- Canada
- Ireland
- Japan
- Kingdom of Lesotho
- Mexico
- Mozambique
- Namibia
- South Africa
- Swaziland
- Thailand
- United States of America

THE 22 ARVAL SUBSIDIARIES (figures at end December 2010)

Country	Leased fleet	Number of employees
Austria	2,921	28
Belgium	24,218	154
Brazil	7,628	47
Czech Republic	8,514	81
France	216,543	982
Germany	20,962	164
Greece	2,100	29
Hungary	2,996	35
India	2,168	47
Italy	135,012	759
Luxembourg	3,062	22
Morocco	4,232	51
Netherlands	29,503	159
Poland	12,890	95
Portugal	7,036	70
Romania	3,449	33
Russia	5,397	78
Slovakia	3,881	41
Spain	80,019	386
Switzerland	5,640	52
Turkey	4,545	49
United Kingdom	84,558	856



Few key facts

+ 66%

The growth of TEB Arval's leased fleet in Turkey in 2010, compared to 2009.

15.9%

The market share achieved by Arval Czech Republic in 2010 with 8,790 leased vehicles.

29,334

The number of vehicles that were added, in 2010, to Arval's total leased fleet following the take over of the full service leasing activities of La Caixa, in Spain.

650 / 400 / 350

The number of vehicles involved in the three major tenders won by Arval Poland in 2010.

No. 2

Arval Slovakia's position in its domestic market following 60% growth in 2010, due notably to the acquisition of a new customer with a fleet of more than 1,200 vehicles.

From 57 to 120 customers

The growth in the number of Arval Brazil customers between 2009 and 2010, with 7,600 vehicles leased.

84,558 vehicles

The size of Arval UK's leased fleet, including a 31% increase in light commercial vehicles in 2010.

+ 13%

The increase in Arval Russia's leased fleet in 2010 compared to 2009.

Market trends and Arval key figures in 2010

MARKET TRENDS

Full service vehicle leasing confirmed its solidity

In 2010, the full service vehicle leasing market made great strides towards exiting the economic crisis and confirmed both its solidity and future potential. In leased fleet terms, the European market notably grew 1% in 2010, following a 3% decline in 2009. It has now been clearly established that full service leasing meets the expectations of companies in terms of improved business travel for their employees, optimised vehicle usage, increased savings relating to the management of their fleet, streamlined costs with regard to corporate mobility and a reduction in the size of their environmental footprint.

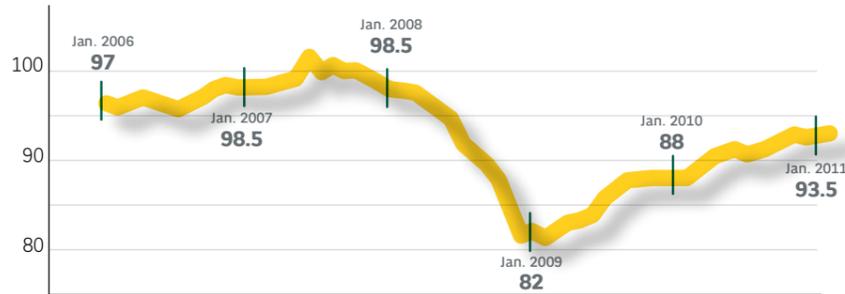
Growth of 1% in the full service vehicle leasing market...

The total fleet of vehicles in Europe experienced a slight increase in 2010 (1%), surpassing the 260 million mark. Similarly, after a 1% fall in 2009, the number of corporate vehicles grew 1% in 2010 to stand at 27 million. Within this fleet of corporate vehicles, vehicles under full service leasing registered a 1% growth in 2010, a net recovery following the 3% drop in 2009.

...and 7% increase in registrations

In Europe, the downward trend in total new registrations continued with a 10% fall in 2010 compared to 2009. However, there was a marked increase in the registration of corporate vehicles (+4%) and, importantly, of vehicles under full service leasing (+7% relative to 2009), following the 22% decline in 2009.

TRENDS IN MARKET PRICE FOR SECOND-HAND VEHICLES IN G7 COUNTRIES (Belgium, France, Germany, Italy, Netherlands, Spain, United Kingdom)



Index 100 calculated from the average price of used cars from January 2007 to March 2008

In 2010, the prices recorded on the second-hand market recovered from the low point at the end of 2008 and early 2009; this market has continued to improve in early 2011. The dramatic fall in resale prices has therefore been partially compensated.

TRENDS IN OIL PRICES

Following a period of decline in the consumption of petroleum products in Europe during 2008-2009, this increased in 2010 beyond the initial International Energy Agency forecasts. Crude oil prices have begun to grow again steadily with Brent crude reaching its January 2008 level of around 110 dollars per barrel at the end of March 2011. However, given that this volatile market is facing a number of crises (including Middle-Eastern tensions and the Japanese nuclear crisis), forecasts for the year are to be viewed with caution. As such, Arval is trying more than ever to help its customers control their fuel budgets.

ARVAL HAS MADE THE RIGHT CHOICES IN A TOUGH MARKET

In 2010, Arval once again outperformed the global market, most notably increasing its leased fleet by 10%, to reach 667,500 vehicles at the end of December 2010. Arval therefore maintains its number 2 position in Europe in terms of leased fleet and, more than ever, is a key international

player with regard to full service leasing. The economic crisis has not called into question Arval's business model. In fact, the company has even gained market share whilst some competitors have experienced difficulties.

The differences among market players have become more pronounced in favour of Arval for several reasons, including the cost

of financing - an area in which Arval holds a competitive advantage in light of its affiliation with BNP Paribas - and its tight control of profitability. Notably, Arval has extensive knowledge of the second-hand market, enabling it to manage the residual value risk particularly well.

2010 ARVAL KEY FIGURES

10%*
market share in Europe

149,800
vehicles sold (+7%**)

N°2 in Europe

22
subsidiaries around the world

1,259,000
fuel cards managed (-1%**)

N°1 in France
Italy
Spain

667,500
vehicles leased (+10%**)

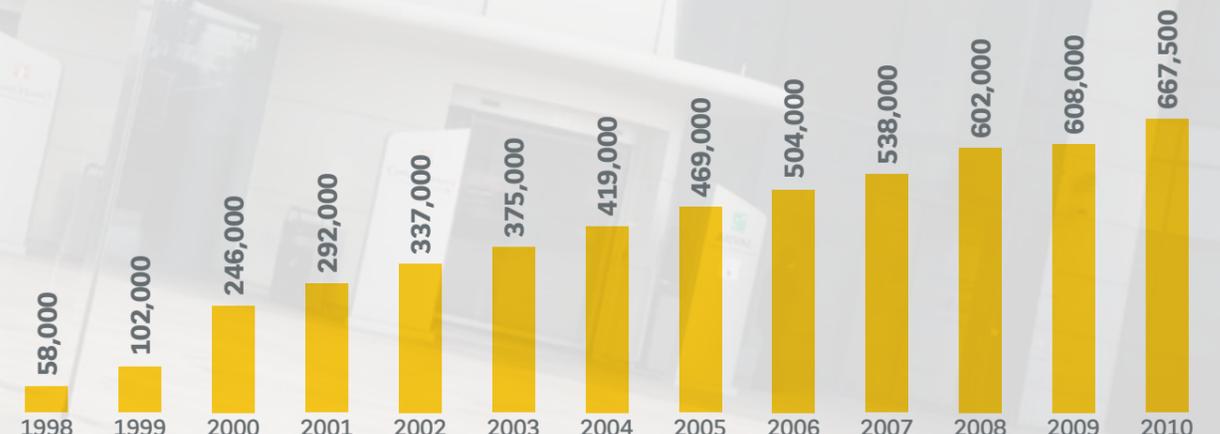
180,600
vehicles purchased (+27%**)

* Estimate, leased fleet
** 2010/2009 growth rate

GROWTH DRIVEN BY THE DYNAMISM OF THE NEW TERRITORIES

The countries where Arval has recently established operations - Brazil, India, Morocco, Poland, Slovakia and Turkey - are naturally where the gains in market shares and growth rates are the highest. Annual growth rates of the fleet in 2010 reached 66% in Turkey, 60% in India, 58% in Brazil, 56% in Slovakia, 33% in Poland and 29% in Morocco. Regarding market shares, Slovakia gained an extra 22 points, Morocco 17 points and Poland nearly 16 points. New territories, therefore, have significantly contributed to Arval's 2010 overall performance of 10% fleet growth and a 10% in European market share.

TRENDS IN THE ARVAL LEASED FLEET SINCE 1998



Service Quality and Expert Advice

“ Arval will not make any concessions on the quality of its service.”

PHILIPPE BISMUT,
Member of the Board and CEO



Whether a company's fleet numbers just a few or thousands of vehicles, it cannot control every economic, environmental and fiscal parameter as well as dedicate the time necessary for optimum fleet management. To do so, it needs the assistance of experts who master the complexity of full service vehicle leasing. Arval provides this level of expertise with unrivalled service quality, equipping customers with the tools necessary to allow them to focus their efforts on their core activity.

How do you view 2010?

I would summarise 2010 as the year when Arval recovered from the economic crisis, emerging in an even stronger position than before. As Arval's CEO, I observe that we set out at the start of the year with the aim of returning to our pre-crisis rhythm of production and that we are about to achieve it. Opportunities arose during 2010 and we were able to make the most of them. We demonstrated that we could adapt, that we know how to seize an opportunity and react quickly with the support of our shareholder, the BNP Paribas Group. I must add, however, that this glowing report only makes sense if we bring our customers with us onwards and upwards. One of the main conclusions from the past year is that, as a real "crisis shock-absorber", Arval succeeded in helping its customers through this difficult period, enabling them to overcome obstacles facing them and their vehicle fleets without detriment to their business.

It seems we were even able to reinvent certain areas of Arval's business in such a way as to improve our services, our Service Quality and our ability to provide Expert Advice. I am talking about the refinement of our reporting, namely through our online strategic reporting tool Arval Analytics, the roll out of the Account Team model, an innovative way to structure a team around an Account

Manager, and the quality of advice provided by Arval Consulting, our integrated expert consultancy arm.

What are the main lines of focus for moving forward in 2011 and beyond?

In 2011, I would primarily like to focus, with the cooperation of our teams, on improving the quality of service provided to end users, the drivers of our vehicles, and, more particularly, at the key stages of vehicle delivery and return. At the end of the day, it is the driver who rates the quality and efficiency of our services.

With regards to service quality, the annual TNS Sofres survey conducted in the countries in which we operate shows that our customers perceive us in a very good light. We can, of course, always do better! Complaint management, the handling of unexpected - even unusual - events, the quality processes, the state of mind or corporate culture: these, along with any events that arise while a driver is with his vehicle, are all areas where we should concentrate on increasing service quality. Arval will not make any concessions on the quality of its service.

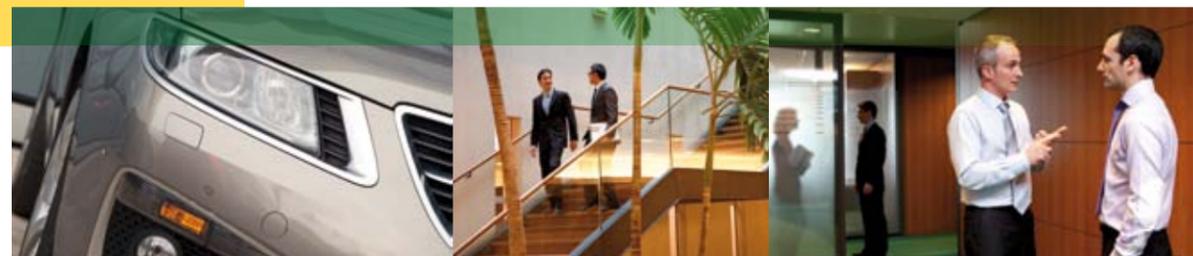
How do you intend to develop this commitment to quality in your teams?

I believe that when you work for Arval, motivation is, in part, linked to pride.

Pride in providing a very complex service. To take just one example, the tax system relating to our activities is extremely arduous. It is difficult for our customers to make the right choices, which is why they need to know they can rely on our expertise. In fact, the wealth and diversity of our business and product offering are considerable.

Pride also in working with the "Car", an asset like no other, an object for which we have love, and that, at least, leaves nobody indifferent. An object that is also an essential component of our daily lives. Lastly, the motivation to provide customers with ever higher levels of quality may also result from being part of a strong and successful company that continues to conquer new countries and markets as well as from enjoying the support of a powerful, internationally renowned Group.

Buoyed by the excellence of our service and expert advice in this complex professional environment, we will continue to use our expertise and experience for the benefit of our customers.



Focused and acknowledged service quality

OFFERING OUR
CUSTOMERS
EXCELLENCE OF SERVICES.

Teams involvement

Teams at Arval play a key role in all projects associated with the excellence of our service. Each employee gets involved and focuses on the customer's needs. They are also aware, however, that customer opinions - or complaints for that matter - represent an opportunity to improve the quality of our service.



“Because only satisfied customers are ‘loyal’ customers, it is very important for us to measure their level of satisfaction and to identify areas for improvement in our service.”

ERIC FULCHÉRI,
Quality and Insurance Director

MAINTAINING A CLOSE RELATIONSHIP WITH OUR CUSTOMERS

Arval is a leading player in the full service vehicle leasing industry. As such, it is not enough to merely offer quality products; our service must be beyond reproach. At Arval, quality is a management principle that is embodied in a formal commitment to our customers.

In order to optimise quality processes and boost efficiency, several projects are being implemented in various areas of the business with the support of transformation tools and cost-cutting methods. Arval thus encourages a mindset of continuous improvement. In addition to the rolling out of Account Teams, here are two other examples of the many projects implemented as part of our quality initiative.

Arval France launches its new Customer Relationship Service

In March 2010, Arval's French subsidiary launched Arval Service Clients (Arval Customer Service), a dedicated team providing customers with support in the daily management of their full service leasing contracts. Arval Service Clients administrators receive all incoming calls, process queries, provide immediate responses or put the customers in contact with their sales representative. The aim is to improve the efficiency and quality in the processing of customer queries.

Arval Portugal implements Complaint Tracker

Aware of the strategic importance of service quality, Arval Portugal decided in 2010 to introduce a complaint management tool called Complaint Tracker. “This platform makes it possible for every team to monitor the

progress of a complaint from the time it is received through to resolution”, explains Nuno Gaudêncio, Quality Manager. “Today, Complaint Tracker plays a central role in our activities because it allows every team to work towards satisfying our customers. It proves that criticism can be constructive! The proper management of complaints represents the best way to turn an unhappy customer into a satisfied and loyal one”. The Complaint Tracker tool has already been rolled out in more than 10 subsidiaries around the world.

91% SATISFACTION RATE

A TNS Sofres survey conducted at the start of 2010 in the countries where Arval has subsidiaries reveals a high level of customer satisfaction. Customers were questioned on their level of satisfaction at the different stages of their contract with Arval including vehicle order and delivery, maintenance, insurance, customer relations, vehicle return. 91% of customers confirmed that they received fast, accurate service. Regarding Service Quality, Expert Advice and Commitment, 89% of customers believed that Arval respects the promise made to them. Lastly, 88% acknowledged the company's commitment to customer satisfaction.

Survey conducted during February and March 2010, based on 1,324 telephone interviews with Arval customers.

WHEN ACCOUNT TEAMS BECOME A COMPANY-WIDE STANDARD

Developed in 1995 by our Dutch subsidiary, the Account Teams principle is on the way to becoming a standard in Arval's customer-oriented organisational model. In 2010, Austria, Brazil, the Czech Republic, Poland, Slovakia and Turkey either adopted it or reorganised. Moreover, Greece will launch it in the course of 2011.

Account Teams is an organisational model that groups around the same

table - both literally and figuratively - an Account Manager, who answers requests that arise, and staff from the operational functions involved in the smooth running of a customer contract including maintenance, road side assistance, administration, insurance. The fact that these staff members are brought physically closer together around the central Account Manager optimises the collective response. This operational approach places the customer at the centre of Arval activity and differentiates us from our competitors.

This organisation also offers several benefits. It removes the traditional barriers by mobilising the different teams around the shared objective of meeting our contractual obligations. It also increases the autonomy and responsibility of local teams and helps them to develop a culture of improvement.

On an operational level - as in Turkey where the first Account Team started in January 2010 - this approach prompts each subsidiary to adjust its management model by making teams more accountable rather than insisting they follow directives. Between now and the end of 2011, every Arval subsidiary managing less than 20,000 vehicles will have introduced the Account Teams model.

“By reorganising the structure of our Account Team, we made communication with our customers as well as between ourselves much more effective.”

Łukasz Niemczuk,
Back Office Commercial Manager,
Arval Poland

“Setting up an Account Team led to more direct contact and less e-mails. It helped us to increase contact with prospective customers.”

Andreas Kral,
General Manager, Arval Austria

“On a daily basis, our Account Team offers our customers a high service quality, answering their queries and handling any incidents that may arise, whilst at the same time advising them on potential levers for savings.”

Koray Yilmaz,
Head of Sales, TEB Arval (Turkey)

THE FOUR DIMENSIONS OF OUR BUSINESS PHILOSOPHY



Quality enhanced by Arval's expertise

EXPERT ADVICES AND TOOLS DEDICATED TO ARVAL CUSTOMER'S SATISFACTION.



ARVAL CONSULTING, A ONE OF A KIND CONSULTANCY

Created in 2001, Arval Consulting is an integrated consultancy comprising experts operating in all the countries where Arval has offices, dedicated to controlling costs and adapting vehicle selection to driver profiles, streamlining processes and reducing the environmental impact of fleets. This structure helps Arval customers achieve their strategic objectives by optimising their investments in fleet management. Indeed, taking account of TCO* is firmly at the heart of the Arval Consulting approach. In 2010, customers that adopted this approach were able to plan for the increase in their fleet financing costs, incorporate the impact of fluctuating fuel prices and consequently adapt their vehicle selection strategy so as to control or even reduce their budget, generating average annual savings of €424 per vehicle.

Lastly, Arval Consulting strives to be a laboratory for innovation, working on behalf of the company and its customers, developing, for example, prototypes that meet the most advanced needs or producing simple, cost-effective models used daily by our sales forces.

"The expertise developed by Arval Consulting has helped to identify and quantify the economic and environmental risks associated with the behavioural differences of two drivers of identical vehicles. Driving style has a direct impact on vehicle usage costs: increase in

accidents, fuel consumption, tyre wear, and an increase in maintenance. In fact, an aggressive driving style will result in a 39% rise in fuel costs and, overall, a 76% increase in total usage costs!"

Denis Férault, Head of Arval Consulting

"In Slovakia, Arval Consulting implemented a Car Policy for one of our major IT customers, leading to a 30% reduction in its fleet TCO* and a 26% reduction in CO₂ emissions."

Ivan Barták, Head of Sales, Arval Slovakia

GLOBAL FLEET MANAGEMENT WITH THE INTERNATIONAL BUSINESS OFFICE

As a result of a sustained globalisation programme, increasing numbers of companies are turning to the International Business Office (IBO), an Arval structure boasting 12 years experience in international fleet support and management. The global management of multi-country fleets offered by the IBO teams has enabled Arval to increase its level of service on the international level.

"Within the scope of an IBO customer satisfaction survey we have learned that 84% of customers believe the IBO team has in-depth knowledge of international fleet management and 77% believe that it has a strategic vision of its customers."

Tero Tapala, Sales & Marketing Director for Corporates

STRATEGIC FLEET MANAGEMENT WITH ARVAL ANALYTICS

Arval Analytics is an innovative and effective solution for helping decision-makers determine the best strategy for fleet TCO* optimisation. It also makes it possible to measure the impact of a sustainable development policy. Arval Analytics is gradually being rolled out in the countries where Arval and its North-American partner PHH Arval have offices. It facilitates the control and global management of fleets, thus allowing

customers to concentrate on their core business activity. In Brussels in November 2010, Arval was awarded the first "International Fleet Industry Award" for its fleet strategy management tool, Arval Analytics.



Recognition for Arval UK's "grey fleet" calculator

In addition to being named "Leasing Company of the Year" at the 2010 Fleet News awards, Arval UK was also awarded "Best New Product or Service" for its "grey fleet" calculator (the fleet of personal vehicles owned by employees and used for work-related journeys).

EXPERT IN FUEL COST MANAGEMENT

Year after year, Arval intensifies its work with customers for improved management of their fuel costs, and one of the key tools employed is the fuel card. With more than one million fuel cards in service, Arval is the United Kingdom leader in fuel management.

EVERYTHING YOU NEED TO OPTIMISE COSTS AND LIMIT DOWNTIME

Arval provides integrated management of all issues relating to a claim: immediate roadside assistance following an accident, towing and expert appraisal, replacement vehicle and cash advance for repairs. "Entrusting all insurance questions to Arval offers our customers several benefits as we have an excellent understanding of their needs as well as thorough knowledge of our vehicles", explains Eric Fulchéri, Quality and Insurance Director. "By the very nature of its business, Arval has a network of partner maintenance outlets at its disposal which helps to optimise prices and to organise the technical services to ensure the active monitoring of repairs". The 409,000 policies held, 39,000** of which through its Greenval Insurance subsidiary, bear witness to our ability to fully satisfy the specific needs of companies using full service vehicle leasing. For the most effective TCO* management possible, Arval also works to prevent road accidents through targeted, customised programmes.

* Total Cost of Ownership
** at end-December 2010

INTERNATIONAL BUSINESS OFFICE (IBO) IN 2010

- An operation covering 34 countries across the five continents
- 144,000 vehicles leased on behalf of international customers
- 38,000 vehicles put on the road
- Over 90 international customers
- A multicultural team of over 20 staff members, spread over four European countries

ARVAL CONSULTING IN 2010

- 159 assignments
- Reduction in CO₂ of 11,000 tonnes
- 95% of satisfied customers
- €424 saved annually per car on average
- 15% less CO₂ emissions annually per car on average

A quality enhanced by Arval's expertise

“Customers greatly appreciate our Service Charter, which formalises our commitment and ensures the measurement of the quality of all service-related activities.”

LUCIA URBANOVÁ,
Sales Manager, Arval Slovakia



ARVAL'S COMMITMENT TO THE SERVICE CHARTER ILLUSTRATES ITS ATTACHMENT TO A COMPREHENSIVE QUALITY APPROACH.



THE ARVAL CHARTER FOR CUSTOMER SERVICE

A major element of service quality at Arval is the roll out of a Service Charter which displays the service quality in the form of a document called the "Arval Service Charter", a commitment and a promise made by Arval to its customers and to the market.

This commitment, key to Arval's customer strategy, is also a significant point of distinction with regard to its competitors.

This charter demonstrates, on a number of levels, the professional capacity of the entire company to meet customer expectations. The principal protagonist in the service - and

thus the quality - provided by Arval, is the employee. Each member of Arval's staff is therefore expected to provide exemplary service.

A BUSINESS FOCUSED ON THE CUSTOMER'S VOICE

Ensuring that the customer is heard and that the means for improving customer satisfaction are provided for is of critical importance for Arval. This requires setting up relevant systems for listening to customers and evaluating their expectations at every key stage of the relationship. Each time a customer voices an opinion is an opportunity and a challenge that helps the business to continuously improve. Listening to our customers allows Arval to streamline processes and optimise services while also checking on customer levels of satisfaction.

In order to satisfy customers, the company must have the systems necessary for measuring satisfaction levels; indicators must be widely distributed to all relevant staff members and they must provide for implementing any action plans to correct the identified areas of dissatisfaction. To achieve this objective and ensure a certain uniformity, Arval conducts an annual survey, first conducted in 2009, in every country. Furthermore,

a complaint management process was also rolled out across the majority of countries in the course of 2010. This initiative makes it possible to identify the areas for improvement and should be considered as an opportunity to turn dissatisfaction into satisfaction.

“We have also kept our ears open through the feedback received at our Driver Relationship Department. In a certain number of cases we go back to our customers to ask about their experience of our maintenance service, thus helping us to better assess the level of quality delivered.”

Grégory Libre,
Marketing Director, Arval France

“Our commitment to our customers' satisfaction is embodied in our complaint management tool. Every employee at Arval Luxembourg is obliged to record any relevant customer information or complaint and to indicate how the matter was resolved. Then, during sales visits to these customers, we go over their complaints and we ensure them that solutions have been found that fully meet with their expectations. Our aim is to move the relationship forward in a positive way and to establish a relationship of mutual trust with our customers.”

Christophe Balthazar,
Fleet Consultant, Arval Luxembourg

“Throughout the duration of the contract with the customer, we act with the greatest transparency possible. We adapt, of course, to suit the requirements of each customer, however it is also important that we offer them services in which we excel. We will definitely not sell them something that we cannot do.”

Eduardo Genton,
Commercial Manager, Arval Brazil

WHEN ARVAL INVITES THE CUSTOMER BEHIND THE SCENES

The Sales, Marketing and Operations departments of Arval France have been welcoming customers behind the scenes for around ten years or so already. What is the idea behind this? When visiting Arval offices, customers witness the different services in operation, such as the Driver, Maintenance or Photo Appraisal Departments. This approach has been successful with both customers and prospects be-

cause it shows how much Arval and its staff are committed to quality and that the company possesses the tools necessary to best optimise and manage its customers' fleets. Not only is this of course recognised by customers as a "quality best practice", but the Group also appreciates it since BNP Paribas voted these behind-the-scenes visits "Group Best Quality Practice" in 2010.

NOT FORGETTING THE DRIVERS

“Very shortly, we will be conducting a drivers survey satisfaction and we are convinced that the results will enable us to provide our customers with an even better service, excellent though it is already.”

Kristof Kovach,
Sales Director, Arval Hungary

“In my daily work, I focus on satisfying both our customers and drivers. As a result, for example, we conduct a study every two years of the drivers' satisfaction. Upon completion of a questionnaire, the drivers

are asked whether they would be willing to be contacted by Arval. Any discussions that ensue are extremely important for us and the drivers appreciate the close relationship that develops between us.”

Simone Schouten,
Analysis & Advice employee, Arval Netherlands

“By focusing on service quality and customer satisfaction in 2010, we were able to retain those customers for whom their contract reached term.”

GORAN MARIC,
Key Account Manager, Arval Austria

Quality: a double-edged tool

“Service quality is of great strategic importance to Arval in both winning and retaining customers. Indeed, it is often said that a happy customer will only talk of their satisfaction to a small number of friends and relatives, whereas an unhappy customer will share their dissatisfaction with a much larger group of people.”

Philippe Levert,
Arval Quality Manager

Our end of contract / remarketing expertise

ARVAL'S REMARKETING TEAMS EXPLOIT THE COMPANY'S USED CAR RESALE KNOW-HOW, DEVELOPING THE ARVAL'S COMPETITIVE ADVANTAGE IN THIS AREA.



SECOND-HAND MARKET KEY FIGURES

149,800 vehicles sold by Arval during 2010.

ARVAL TRADING KEY FIGURES

9,264 used cars sold in 2010, a 50% rise on 2009.

The second-hand cars sold were exported to 28 countries: 18 EU members, nine non-EU European countries and Senegal.



OUR SECOND-HAND MARKET EXPERTISE

One of Arval's strengths is its ability to manage the market risks associated with the resale of used cars. Each vehicle, upon its return, has a residual value representing a cost to Arval that must be covered when the vehicle is sold on the second-hand market. Arval strives, on the one hand, to aim for the best used car resale values and, on the other hand, to use all the available information (in particular its own in-house historical resale data) to predict as accurately as possible, at the beginning of the contract, the future second-hand resale values. This expertise represents a competitive advantage for Arval because the residual value is the key element in pricing a contract correctly.

During the recent financial crisis, Arval was able to detect early on the first signs of the second-hand market

downturn and, consequently, to take the initiative of offering contract extensions to its customers. This strategic decision limited the impact of the crisis on Arval by enabling the company to avoid, as far as possible, trading in a depressed second-hand market. Furthermore, this strategy allowed the company to offer a reassuring alternative to the large number of customers hesitating over the renewal of their fleets.

Generally, Arval's remarketing policy aims to align the second-hand market initiatives of the company's subsidiaries around the world, setting a consistent strategy and ensuring the global adoption of tried and tested procedures whilst respecting local market characteristics. It relies on the use of common controls and indicators, as well as the roll out of tools such as Arval MotorTrade, in order to help the company achieve its aim of maintaining a sustainable competitive advantage over its full service vehicle leasing competitors.

ARVAL TRADING AND ARVAL MOTORTRADE ARE ESSENTIAL COMPONENTS OF ARVAL'S REMARKETING OPERATION.

An excellent year in 2010 for Arval Trading

As part of its efforts to maximise resale values, Arval is striving to develop and professionalise cross-border sales. Arval Trading is able to establish effective business relationships with second-hand importers and to ensure easy and secure transactions both within and outside the European Union. Awarded approved exporter status by the French customs authorities, it is also able to handle all export formalities on behalf of its customers.

The continuous development of Arval MotorTrade

To improve the distribution of its second-hand cars and reach a wide professional audience across Europe, in 2009 Arval launched the Arval MotorTrade e-commerce platform which is now used in most European countries as well as Russia and Turkey.

Arval MotorTrade is a website dedicated to the sale of second-hand cars to motor trade professionals. It evolves continuously as it incorporates the user expectations of both second-hand car buyers and Arval sales teams. One of the forthcoming developments is the activation of a function enabling buyers to specify the location for vehicle delivery and another is the introduction of dynamic currency conversion.

The Internet has become the must-have tool for second-hand dealers and Arval MotorTrade has placed Arval at the forefront of this strategic sphere.



ARVAL MOTORTRADE KEY FIGURES

During 2010, **50,000** vehicles were sold on Arval MotorTrade, Arval's website dedicated to the sale of second-hand cars to motor trade professionals. At the beginning of 2011, more than **6,500** vehicles were sold per month and close to **6,000** second-hand dealers were registered on the website.

8 Arval subsidiaries already sell their vehicles through Arval MotorTrade - Belgium, France, Germany, Italy, Spain, Turkey and the United Kingdom - and the platform will shortly be launched in Brazil, Czech Republic, Greece, India, Luxembourg, Morocco, Netherlands, Poland, Portugal and Russia.

Innovation to continuously improve quality



ARVAL IS BOLSTERING ITS INNOVATION POLICY BY OFFERING ITS CUSTOMERS AHEAD OF THEIR TIME PRODUCTS AND SERVICES.



A TRADITION FIRMLY ROOTED IN THE FUTURE

Arval and innovation have a long-standing relationship. The results of Arval's inventiveness are to be found in the services of tomorrow. Some are in the process of going global, such as Arval Analytics, the online strategic reporting tool. Others are rolling out subsidiary by subsidiary, once each target organisation and market is deemed ready, as is the case for Arval Mobile. Launched in France in May 2010, this application enables any Arval vehicle driver equipped with a smartphone to receive information and services in real time (easily locate a service point for vehicle maintenance, repair or tyre change, etc.). Arval Mobile was rolled out to several other

subsidiaries in the second half of 2010 and a Brazil launch is planned in 2011. Another innovative mobility solution that adheres to Arval's social responsibility commitment is the car pooling experiment currently being conducted in France with around 100 Arval employees. At their disposal are five vehicles that can be used in two different ways, either for work-related travel or for personal purposes, the latter requiring a private subscription. By undertaking such action, Arval demonstrates that its commitment to sustainable development is not a fad but rather a real issue that lies at the heart of its strategy. Another flagship service and product of a sustainable development-cen-

tric corporate strategy, is the electric vehicle. Arval France has been offering electric vehicles to its customers for more than 10 years already and today, in every country where electric vehicles are sold, Arval's customers can opt for one if they so wish. Lastly, in order to optimise the social and economic performance of corporate fleets, Arval has introduced the Measure & Management programme based on a principle of monitoring vehicle use using embedded telematics.



“ Available free of charge, the Arval Mobile application enables all our end customers - Arval vehicle drivers - to access a wealth of useful information in real time on their smartphones, saving time and facilitating mobility. ”

Christian Busch,
General Manager, Arval Romania

“ In 2011, we decided to put an SMS alert service in place for our drivers, enabling us to update them regularly on the progress of repairs or to inform them of vehicle delivery times. By informing customers and drivers in real time and showing them that Arval is doing all it can to get their vehicle back on the road as quickly as possible, they very much appreciate this service. ”

Sidharth Sharma, Back Office
Operations Director, Arval India



“ Arval ensures that each problem gives rise to creativity ”

STEPHAN BECK,
Innovation Director

You were appointed Innovation Director in November 2010. What is your mission?

Innovation features among Arval's 10 investment priorities of 2011. It can be defined as something that is new and most likely pioneering in the market. Where is the potential for innovation at Arval? In my opinion it can be found in every activity including strategy formulation, vehicle delivery, marketing, human resources, IT, etc.

A huge programme...

Yes, but realistic if you put a certain number of systems and procedures in place. "Positive thinking" is not an empty expression! Indeed, a manager who encourages their staff, telling them "You have just had a great idea!", is actually participating in a kind of virtuous circle of innovation. In more concrete terms, Arval ensures that each problem gives rise first to creativity in the field, then to ideas that lead to actions, which in turn result in innovation. And you need a lot of ideas to produce just one or two innovations!

How do you face the challenge?

Addressing innovation requires a fresh, open minded approach. At the same time, it may also benefit from expertise acquired in earlier projects. Just one example: In the 90s, Arval already managed several thousands of electric vehicles within its joint venture with the French energy company EDF, "e-Lease". This experience grants us some maturity and so it does make a tangible positive difference for today's EV projects.



A new version of Arval Mobile coming soon

Soon to be launched in the Czech Republic, Poland and Portugal, Arval Mobile is now in its second generation. Where the first generation enabled the user to locate service stations, this new version also indicates fuel prices.

New global dimension

In 2011, the Arval Analytics strategic reporting tool will be available in each of Arval's 22 subsidiaries around the world. This tool, available to Arval's customers and sales teams, facilitates fleet management thanks to key performance indicators and enables the monitoring and optimisation of Total Cost of Ownership and CO₂ emissions.

Corporate Social Responsibility at the heart of our strategy



In this section we will explore the various aspects of Arval's Corporate Social Responsibility (CSR) and how we set about honouring this. We will look, for example, at figures highlighting the impact of CSR on economic performance and at Arval's commitment to the United Nations Global Compact. We will also review Arval's CSR-related initiatives and projects such as offsetting and managing CO₂ emissions, eco-driving, road safety, electric vehicle schemes, funding measures and voluntary work.

“An environmentally friendly vehicle is also a rational economic choice.”

PHILIPPE NOUBEL,
Member of the Board, Group Deputy Managing Director

What does Arval's Corporate and Social Responsibility entail?

The ideal of sustainable development lies at the heart of our business. With a global leased fleet of nearly 670,000 vehicles, we cannot ignore our duty to environmental protection and road safety. At every level of our business we must adopt a way of working that is responsible both environmentally and socially. Indeed, this echoes the expectations of our customers who want to ally environmental friendliness with economic performance. It is also a request voiced by a growing number of our staff members as well as those of both our customers and our suppliers - citizens for whom CSR represents an important value. Incidentally, it is often these very members of our staff who work to raise awareness and foster initiatives in the field.

How do you reconcile the motor car with sustainable development?

We advise our customers in a multitude of areas: driver behaviour, fuel consumption, greenhouse gas emission reduction, efficient car usage, safety measures and prevention of accidents. In fact, by offering vehicles that pre-empt the requirements of anti-pollution legislation, we actually act as a catalyst in implementing public policy. Choosing a vehicle that is ahead of its time (more environmentally friendly than required by the current legislation) is a rational decision because its resale value on the second-hand market will remain high at the end of contract. We exert particular control upon the tax measures that influence used car resale values. Furthermore, we also act as an industry leader in that we associate ourselves early on

with those research and development projects - such as noise reduction - which will later influence the standards that vehicles will have to respect.

What does the future hold?

Arval's commitment to sustainable development is long-standing and will remain our guiding principle in the years to come since these issues are of serious concern to us all. For Arval, CSR is not only a question of the heart; it is a matter of "metier". To ensure the longevity of our solutions, we must ensure that customers recognise the environmental and economic benefits. As such, the expectations of customers converge with Arval's expertise in this area.



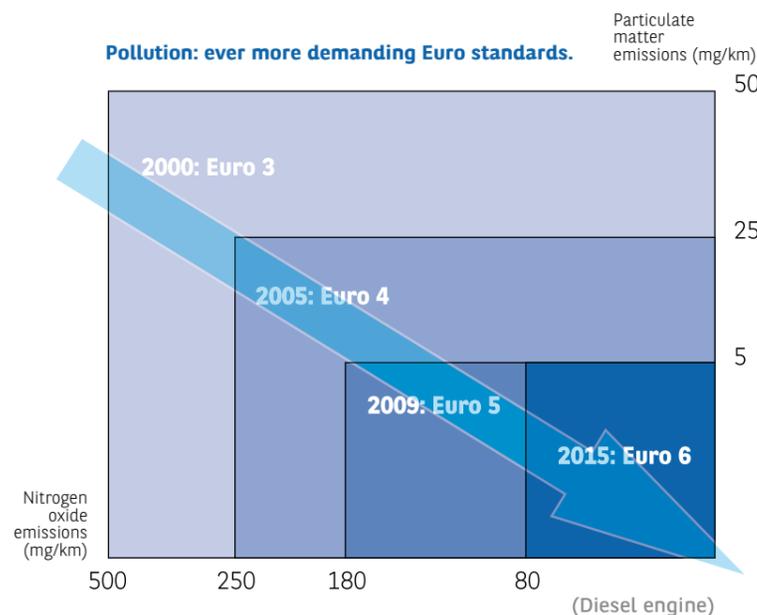


“We advise our customers on the most responsible way to use their vehicle fleet. Accounting for the cost of fuel and the taxes relating to CO₂ when calculating the total cost of ownership of a vehicle is a very effective way of encouraging an increasingly responsible usage of a vehicle fleet.”

NICO VAN HOVE,
Procurement and Maintenance Manager, Arval Belgium.

ANTI-POLLUTION STANDARDS AT THE CORE OF VEHICLE SELECTION CRITERIA

By incorporating and anticipating the necessary tightening of the Euro standards and CO₂ emission limits, Arval is not only respecting its environmental commitment, it is also acting in accordance with its business model. The aim is to provide its customers with optimised fuel consumption and a better position in respect to taxation and legislation, notably in light of future restrictions on access to town centres. Because these same benefits guarantee a higher end of contract resale value, Arval is able to offer these vehicles at attractive rental rates. To be able to incorporate these strategic variables whilst operating in a second-hand market that is subject to dramatic changes, such as in the sharp decline in 2008, is a core skill for a lessor like Arval.



Arval does not position itself as against anti-pollution standards; it has instead always requested that the authorities, notably the European Commission, remain neutral with regard to the available technology, from the traditional internal combustion engine, to 100% electric, also including the “stop and start” solutions, regenerative braking or alternative fuels, and set for example, the thresholds expressed in grams of CO₂ per kilometre. Arval has also recommended that these regulations be set at least four or five years in advance so as to allow professional users to make informed vehicle choices.

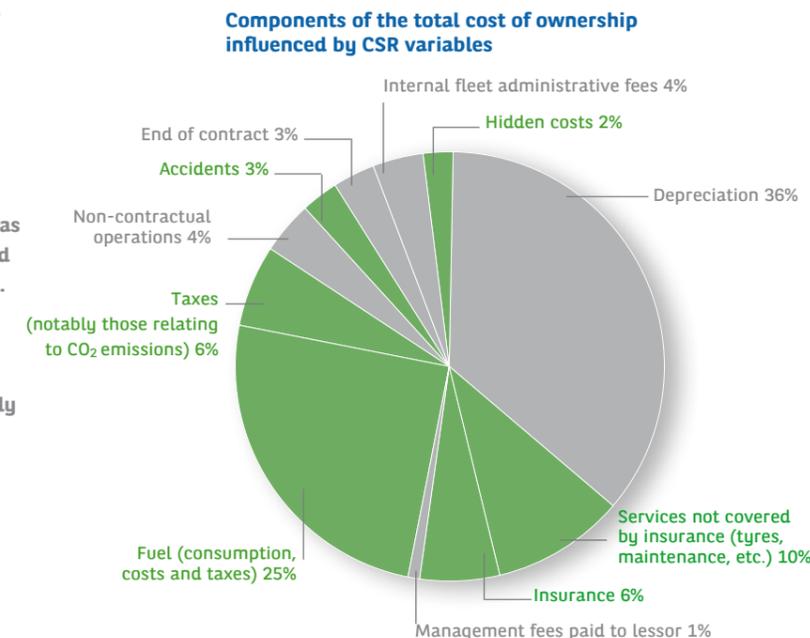
PREDICTING THE RESALE VALUE OF SECOND-HAND VEHICLES BY ANTICIPATING CSR LEGISLATION

Predicting a vehicle’s resale value at the end of contract is an important aspect of our business. Over the years, Arval has acquired an in-depth knowledge of the second-hand market that allows us to offer optimised rates, notably by anticipating the impact of legislation and environmental standards. Arval’s success in anticipating trends allows us to offer an optimised pricing policy for our customers as well as financial transparency with regard to the entire full service vehicle leasing operation.

Focus on a few levers of CSR

PLAYING WITH THE ENVIRONMENTAL COMPONENTS OF THE TOTAL COST OF OWNERSHIP IN ORDER TO BRING ABOUT A REDUCTION

This figure illustrates how the Total Cost of Ownership (TCO) is influenced by a number of variables related to Corporate Social Responsibility. Budgetary items such as fuel costs, insurance, taxes, accident costs, services and hidden costs can account for over half of the total cost. It just so happens that these items can be optimised through a sustainable development approach. For example, a reduction in fuel consumption by one litre per 100 kilometres, which is feasible, can mean monthly savings of €25 per vehicle per driver.



THINKING ABOUT THE MOBILITY OF TOMORROW WITH THE CORPORATE VEHICLE OBSERVATORY



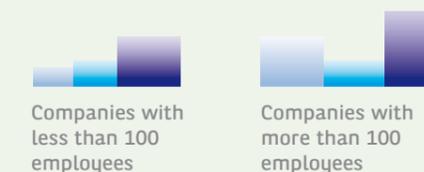
The Corporate Vehicle Observatory researches and anticipates future mobility trends, exploring, for example, the benefits offered by car pooling. The 2010 CVO barometer shows that 33% of the European companies with more than 100 employees intend to introduce car pooling within the next three years.

This research prompted Arval France to develop and launch the mobility optimisation solution “AutoPartage par Arval” in 2010.

European companies intend to develop car pooling

% intending to introduce car pooling

Total YES 19% probably 10% definitely 9%	Total YES 33% probably 12% definitely 22%
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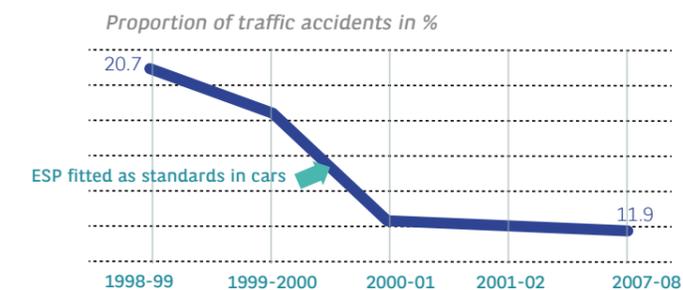
Source: 2010 TNS Sofres / CVO barometer study

PROMOTING TECHNOLOGIES OF THE FUTURE SO AS TO LIMIT THE NUMBER OF ACCIDENTS AND COSTS

From November 2011, the “Electronic Stability Program” (ESP) will become compulsory for all new models of passenger and light commercial vehicles registered within the European Union. This requirement will be extended to all new vehicles sold from November 2014 onwards. Accident studies in fact show that skidding is one of the leading causes of fatal road accidents.

ESP is an active safety system which enables drivers in certain critical situations, notably in dangerous corners or on slippery road surfaces, to avoid an accident. The Corporate Vehicle Observatory has been lobbying for eight years now for the fitting of ESP on all passenger and light utility vehicles.

ESP impact on the proportion of traffic accidents (%) (source: DaimlerChrysler)



CSR: Arval's operational commitment



WITH 667,500 CARS ON THE ROAD THROUGHOUT THE WORLD, ARVAL FULLY ASSUMES ITS CORPORATE SOCIAL RESPONSIBILITY.



OPTIMISE BEFORE OFFSETTING

What is "offsetting"? The emission of a certain volume of greenhouse gas (GHG) in one country can be "offset" by an action leading to the reduction of an equivalent volume of GHG elsewhere, within the context of an energy efficiency project or the substitution of a renewable energy source for a fossil fuel. This approach is enframed, on the one hand, in the "Clean Development Mechanism" (CDM), established by the Kyoto Protocol, and on the other hand, by the EU's European Trading Scheme. Offsetting can also be developed in collaboration with non-governmental organisations (NGOs) and local projects under the supervision of certifying bodies.

"Arval's responsibility does not mainly lie in offsetting the CO₂ emissions of its vehicle fleets. This practice, which is performed by all of our subsidiaries, either in partnership with local non-governmental organisations or within the context of a centralised project at group level, represents a conclusive stage in the optimisation of a fleet of vehicles. However, the "original" part of our activity - and our true added value - is the effort made to optimise BEFORE undertaking any offset", explains Vincent Rupied, Arval Strategic Marketing Director, in charge of CSR.

Fleet optimisation begins with vehicle selection. The decision-maker selects a vehicle on the basis of the Total Cost

of Ownership; Arval, however, adds an extra dimension to the decision-making process by providing detailed information on a vehicle's CO₂ emissions and the accompanying tax incentives. These will have a decisive impact on the resale value of the vehicle, and will thus help the customer to select a vehicle that benefits in terms of its resale value which, as a consequence, enables Arval to optimise the conditions of its lease.

THE CORPORATE VEHICLE OBSERVATORY (CVO)

Created in 2002, this panel of experts - a structure independent of Arval but supported by the company - is tasked with researching all aspects of fleet management. Since its creation it has been examining the issues associated with CSR. In 2010, its principal areas of research were accident prevention, electric vehicles and telematics. The success of its approach and its value to professionals has led CVO to gradually widen its activity to cover 15 countries. In 2010, the CVO started operating in Brazil for the first time, organising a conference that brought together the different users, suppliers and service providers associated with vehicle fleets. It was also invited to present an overview of the Brazilian corporate vehicle market at the first Ibero-American fleet management congress. In Turkey, the publication of the CVO's first annual barometer in June enjoyed extensive media coverage. The CVO

presents the findings of its original fleet management studies everywhere: press conferences in Belgium, a client/prospect conference in Poland, round tables and seminars in Portugal. Russia will in turn be launching the CVO in its market in 2011. Over the years, the CVO has become an integral part of the corporate fleet landscape. Arval counts on its findings to enhance the advice it provides to its customers.

RESPONSIBLE DRIVING: ONE OF ARVAL'S FIELDS OF EXPERTISE

Training and encouraging people to drive responsibly is one of Arval's key commitments and a true distinguishing feature of the company's position in the industry. Our subsidiaries are increasing the number of socially aware initiatives in this area, not only towards its customers but also internally, such as the best eco-driver challenge in the UK, responsible driving courses for new recruits in Belgium, and other initiatives in all the subsidiaries. In December 2010, for example, Arval France organised its third *Trophées Arval Environnement & Sécurité* (Arval Environment and Safety Awards), to recognise customers for their efforts in these fields. For its part, Arval Morocco launches a responsible driving and road safety programme for its customers in 2011.



THE OVE MOBILITY TOUR ACROSS FRANCE

In order to understand, assess and incorporate new mobility solutions, the *Observatoire du Véhicule d'Entreprise* (the French branch of the CVO) has created the OVE Mobility Tour, a touring event aimed at promoting environmentally friendly solutions for work related travel. As a result, electric vehicles, car pooling and intermodal transport are at the heart of discussions between corporate decision-makers, local governments, car industry players, environment specialists and corporate vehicle experts.

"The CVO is also committed to improving road safety and it thus organises round tables among industry players with the aim of mobilising companies on the issues and priorities associated with this topic."

Vincent Rupied, Arval Strategic Marketing Director, in charge of CSR



"Offsetting CO₂ is not an isolated service offered by Arval. It is instead a conclusive stage in the optimisation of a fleet."

VINCENT RUPIED,
Arval Strategic Marketing Director, in charge of CSR

Transparency is an integral part of Corporate Social Responsibility

Each year, Arval publishes a report on its Corporate Social Responsibility (CSR) activities in accordance with the Global Compact recommendations (the United Nations global charter for companies committed to CSR). This group approach has gradually been adopted at a local level, with several subsidiaries (France, United Kingdom and Italy) publishing their own CSR reports. In 2010, Arval Spain, in turn, accounted for its CSR approach and activities in its first report on its CSR commitment. The report explains the impact of its philosophy on its local initiatives and the "responsible" services offered to customers, thereby demonstrating that CSR goes hand in hand with service quality and a strong commitment on behalf of the company and its employees.



ARVAL, A CSR ADVICE IN THE DAILY MANAGEMENT OF FLEETS.



"Online training: a practical way to raise awareness."

MARTIN KUCERA,
Customer Relations Manager,
Arval Czech Republic

TO BEAR IN MIND :

- Every solution and product recommended by Arval is first implemented and tested within its subsidiaries before being offered to customers.
- Arval offers each customer the responsible mobility solutions that suit the best with their level of maturity, their requirements and those of their market.
- The electric vehicle features among the responsible mobility solutions offered by Arval.
- 2011 is a pivotal year: the electric vehicle has become a reality in some countries and businesses want to be advised regarding their selection.



SAFETY: A CONSTANT CONCERN AT ARVAL

In addition to consultancy services with regard to the choice of safe equipment, Arval is gradually implementing, in all the countries where it is present, driver training in road safety and eco-driving. This commitment is backed by a training and technology innovation policy, endorsed and encouraged by its subsidiaries. Arval UK, for example, received the European eSafety award for its fleet management activities and for having created a road safety forum. Arval France recently acquired the qualification of official training organisation, recognised by the French social and tax authorities. Arval Brazil has just launched its first driver safety training programme. Similarly, TEB Arval (Turkey) has introduced responsible driving training for its travelling salespersons and Arval Morocco has joined forces with Code Rousseau (a leading French publisher of driving school and road safety material) to offer road safety training initially to its employees, and then to its customers.

ARVAL IS SUPPORTING THE TAKE UP OF THE ELECTRIC VEHICLE

Arval is closely monitoring the development of electric vehicles and participates in a number of related initiatives in order to better meet all the needs of

its customers and prospects. We are, however, aware that the electric vehicle solution is not necessarily best suited to all our customers and we therefore believe it important to explain the practical and economic implications as well as the potential advantages and disadvantages of such an option. In May 2010, Arval France opened its Green Mobility Centre, the first electric and hybrid vehicle test centre managed by a full service vehicle leasing company. In the course of 2010, Arval Italy developed two electric vehicle leasing products and, in June of the same year, organised the first Ecopolis workshop in partnership with La Sapienza University of Rome, focusing on new motor car technologies and their incorporation into fleets. Let us also mention major partnerships such as Arval UK with the Low Carbon Vehicle Partnership (Low CVP) or Arval Netherlands with the Dutch Cooperation for the Tender of Electric Cars (DCTEC).

Electric vehicles aside, Arval is also at the forefront when it comes to other technologies that are closer to commercial maturity, such as hybrid vehicles. For example, in registering the first hybrid vehicle in the Kingdom, Arval Morocco has positioned itself as the "greenest" fleet leasing company in the country.

Road safety and innovations, at the heart of CSR

The European Road Safety Charter: a forum for exchanging good practices

In 2009, Arval signed the European Road Safety Charter, part of a European Commission initiative to halve the number of road deaths. In 2010, Arval Hungary joined Arval UK and Arval Spain as new signatories to this charter. By signing it, our subsidiaries have the opportunity to exchange ideas and best practices with other companies and, consequently, to refine the new solutions we offer to our customers.

"We have created the innovative Drive4Life training programme, bringing together ten rules for safer driving and ten tips for responsible driving. The principal aim is to reduce the number of accidents; we do, however, bear in mind the derived benefits: reduction in insurance premiums, decrease in the frequency and severity nature of accidents, lower fuel consumption and less pollution."

Christian Busch, General Manager, Arval Romania

"Throughout 2010, I was able to trial 'life with an electric vehicle'. It was essential both for Arval and for me to have solid prior experience with this type of vehicle, its characteristics and advantages as well as its limits, before offering it to customers and prospects."

David Pearson, Sales Support Executive, Arval UK

In 2010, Arval Czech Republic launched "Arval e-learning", a road safety training module. This new web application enables customers to raise the awareness of their drivers with regard to road safety rules and the traffic laws, thereby boosting driver safety.

Isn't it a bit theoretical to use e-learning to become a better driver?

In the Czech Republic, every corporate vehicle driver is legally obliged to undergo traffic laws training annually. It is, therefore, not a question of teaching them how to drive, but rather of offering a service that allows them to save both time and money - namely via the e-learning module. This new web application makes it possible for our customers to increase their drivers' awareness of the rules for road safety and the highway code and thus increase driver safety. We include it in our comprehensive range of pre-packaged fleet management solutions.

Who is this solution for and how is it implemented?

Our solution is proposed to Fleet Managers and Heads of Purchasing and Finance as well as Human Resources Managers. We initially tested this application in-house with very conclusive results. Convinced that this solution could be a source of added value for our customers, we compared the products on offer from different companies in the field before choosing the best. The application's simplicity and flexibility are the keys to its success.



The shared approach of a company and its staff members

COMMITMENT

The respect and celebration of diversity, both in and out of the workplace, plus the commitment to sustainable development initiatives, represent values shared by all at Arval.

149,800

Is the number of used cars sold by Arval in 2010. By enabling its customers to optimise the rotation of vehicles in their fleet, Arval supplies the second-hand market with relatively new vehicles boasting the latest safety systems and lower pollution levels, and thus contributes to road safety and the protection of the environment.

4,559

Is the number of tonnes of CO₂ emitted by Arval employee vehicles in the world during 2010 and offset in early 2011 regarding the work related travel. A policy assumed by each subsidiary of Arval. In Russia for example, 73.51 tonnes of CO₂ were offset through the funding of an EcoAct biomass and indigenous forest preservation project at Presidente Epitácio in the state of Sao Paulo, Brazil.

20% -120g

In 2010, Arval Netherlands set itself ambitious targets: 20% of all vehicles ordered in 2012 are to be hybrid or alternatively fuelled. In 2015, 20% of the total Arval Netherlands fleet is to meet this requirement. Furthermore, in becoming a member of the "Cleaner Car Contracts" programme, Arval Netherlands has agreed to ensure that every vehicle ordered in 2012 will not exceed an average emission of 120g/km of CO₂ with the goal of applying this limit to the whole fleet by 2015.

600

Is the number of approved garages and workshops in Arval Italy's Ecopolis Mobility Point network that meet specific sustainable development criteria. These "green" contact points for customers are gradually being certified compliant with quality and environmental standards such as ISO 9001, ISO 14001 and ISO 14064.

Arval supports its employees in their altruistic initiatives.

GENEROSITY

Arval Spain and Arval Portugal participated in the BNP Paribas Group initiative aimed at providing financial assistance to associations. Arval employees personally involved with an association were able to present their organisation, its objectives and projects and explain their own role within the structure. Subsequent to these meetings, three projects from each country were selected.

PARTNERSHIPS

All Arval India staff participated in an event organised by "Magic Bus", an NGO that promotes the education of underprivileged children through play. For its part, Arval France signed up to a seven-year partnership with the *Office National des Forêts* (National Forestry Commission). In 2010, this partnership led to employees volunteering to help with the reforestation of around 4,000m² of the Montmorency forest near Paris.

INTEGRATION

Arval Slovakia became the exclusive partner of the first "Live together, united by the heart" event, a new annual Slovakian initiative supporting people with disabilities. "I am delighted that we were able to support this initiative and to help prepare a day dedicated to the enjoyment of everyone, in particular those with disabilities", declared Gregor Bilik, General Manager, Arval Slovakia.

Global Compact:
Arval's consistent
commitment confirmed



The Chairman's message

A consistent global approach

In 2004, Arval was the first full service vehicle leasing company to sign the United Nations Global Compact. Through this global charter, Arval is committed to supporting ten fundamental principles that contribute to sustainable development and the respect of human rights. Today, for a

large international company such as Arval, these principles represent a set of core values that rule over our daily operations. Currently, there are 6,200 active participants in the Global Compact, a sign that the approach, which we have endorsed from the beginning, has caught on.

Aside from the pride that it instils in Arval and its staff members, what does this commitment represent for Arval today? It provides our employees with guidelines for their daily activities, for example in their relationships with our suppliers: If, on the one hand, failure of a supplier to inform Arval of an infringement of the Global Compact's principles may lead to a breach of contract, on the other hand, Arval pitches in to actively encourage its suppliers to raise their standards.

In its business of fleet management, Arval focuses its Corporate Social Responsibility efforts on improving road safety and optimising the environmental impact of vehicles and driving styles. But Arval's commitment goes even further. We would add, with regard to every aspect permitted by our business, the fight against exclusion, the integration of disabled employees, the respect and celebration of diversity - not to mention the purely charitable aspect that includes corporate donations but that is characterised even more by the involvement of our employees in voluntary work and acts of generosity. All of these initiatives, today, form an integral part of our corporate culture.

Laurent Tréca, Chairman

ARVAL, SIGNATORY TO THE GLOBAL COMPACT

As a signatory to the United Nation's Global Compact, Arval has incorporated the following principles in its policies since 2004:

Human rights:

Principle 1: support and respect the protection of internationally proclaimed human rights.

Principle 2: make sure that they are not complicit in human rights abuses.

Labour:

Principle 3: uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: support the elimination of all forms of forced and compulsory labour.

Principle 5: support the effective abolition of child labour.

Principle 6: support the elimination of discrimination in respect of employment and occupation.

Environment:

Principle 7: support a precautionary approach to environmental challenges.

Principle 8: undertake initiatives to promote greater environmental responsibility.

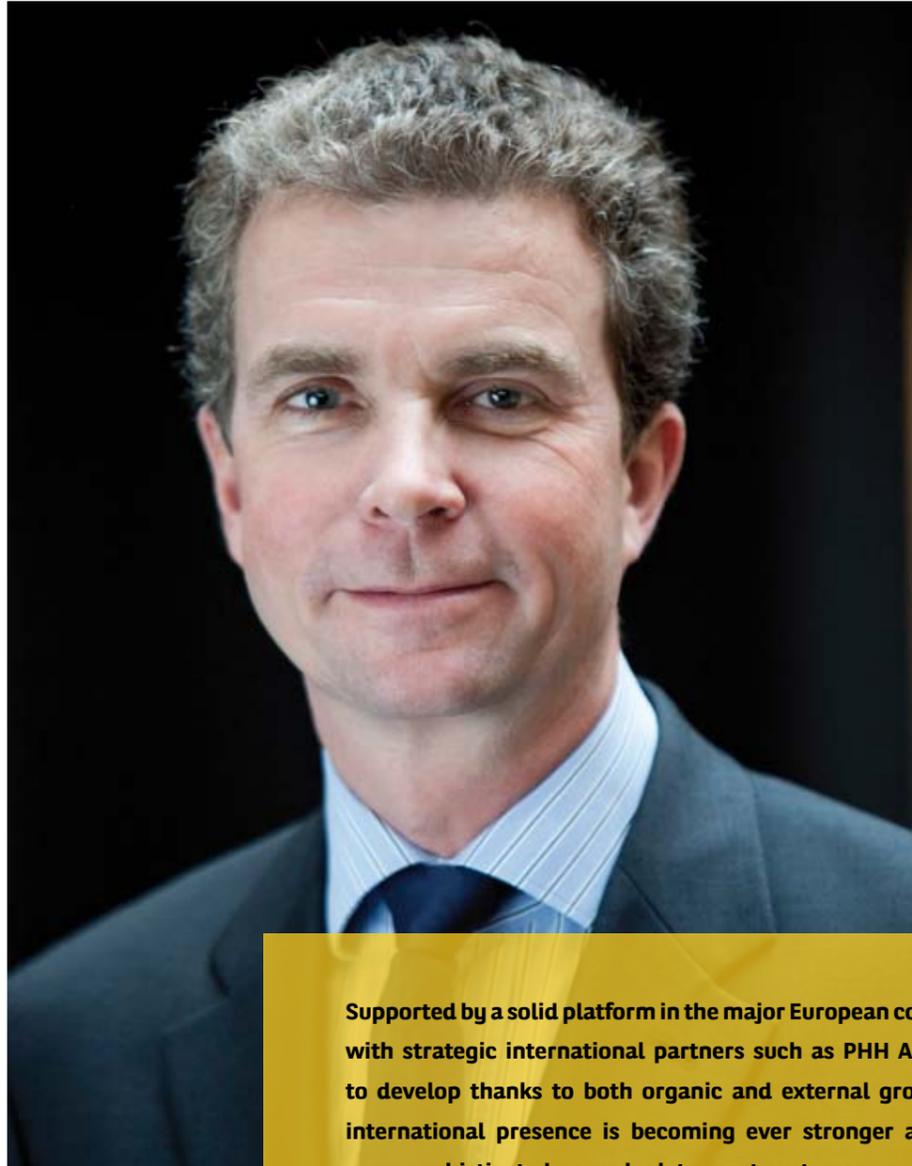
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption:

Principle 10: work against corruption in all its forms, including extortion and bribery.



Our growth at your service



Supported by a solid platform in the major European countries and alliances with strategic international partners such as PHH Arval, Arval continues to develop thanks to both organic and external growth. The company's international presence is becoming ever stronger and its services ever more sophisticated as we look to meet customer needs, adapt to different markets, improve service quality and target new customers.

“As the environment becomes once again extremely competitive, the satisfaction of our customers and our market shares continue to increase across the globe.”

THIERRY LACHAUX,
Group Deputy Managing Director

How and where will Arval find growth?

There are two sources of growth. Firstly, increased penetration in countries located in the more mature markets such as Italy, Spain and the UK, where we experienced very strong growth in 2010. Secondly, the conversion of new customers to full service vehicle leasing in countries where it is still relatively minor but is showing record rates of growth, such as in Brazil, India, Slovakia and Turkey. The formula for success is the same in both cases - service quality and professionalism. It is in this way that Arval distinguishes itself from its local and international competitors.

What is the potential for expansion of Arval's international network?

Arval can further strengthen its presence in Europe, in particular in the Nordic countries where we have decided to set up subsidiaries whereby, to date, we have been present only through partnerships. In

those countries where we already have a direct presence, we will look to strengthen our position by selectively taking advantage of market opportunities. Recent examples of this approach are the acquisition of the full service vehicle leasing fleets of La Caixa in Spain and Commerz Real Mobilienleasing GmbH in Germany, and the partnership with these networks. We also intend to develop partnerships with vehicle manufacturers, similar to those we have already established in Spain and the UK. A final example would be the development of business through international groups to whom we bring a competitive and consistent product offering across all our countries. An offering supported by our particularly innovative and much appreciated global reporting tools.

How will Arval keep one step ahead of the competition?

In most cases, Arval has been among the first international vehicle leasing companies to set up in each of its mar-

kets. Over the years, therefore, we have acquired a wealth of experience in developing in new countries, an asset we can capitalise on in order to offer a professional quality service as quickly as possible to all of our customers in each of the countries where we operate. Additionally, in the more mature markets, we believe that there remains excellent development potential for full service leasing among small and medium-sized enterprises where its penetration to date has generally been low. Offering solutions adapted to the needs of new full service vehicle leasing customers will provide us with opportunities to increase our presence among them, either directly or indirectly via partners' networks such as those of the BNP Paribas Group or our external partners.



The international expansion of our service



THROUGH ACQUISITIONS AND PARTNERSHIPS, ARVAL IS BROADENING ITS INTERNATIONAL REACH.

PHH Arval Global Alliance: the art and science of fleet management

Over the past 15 years, Arval and the American company PHH have enjoyed a strategic partnership with a view to meeting all the needs relating to the management of international fleets.



CONTINUOUS EXPANSION

FIGURES BEYOND BORDERS

13,000

Arval Poland boosts its position in early 2010 by acquiring Daimler Fleet Management. It positions itself as a market leader with nearly 13,000 vehicles leased.

8,000

The number of additional vehicles managed by Arval in Spain and Arval UK after winning two tenders launched by RCI Financial Services.

12,000

The number of vehicles added to Arval Germany's fleet with the take over of Commerz Real Autoleasing GmbH.

1989	Creation of Arval Service Lease in France, part of the former "Compagnie Bancaire": six employees and zero vehicle.
1991	Creation of Arval Belgium, followed by Arval's Italian (1995), Spanish (1996), Luxembourg (1997), Portuguese (1998) and Polish (1999) subsidiaries. At the same time, acquisitions are made in Switzerland and the UK.
2000	PHH Vehicle Management Services (a subsidiary of Avis) and Arval come together under one brand, PHH Arval, to become the industry leader in Europe. Acquisition in Germany, creation of Arval Austria.
2001	Arval reaches the milestone of 3,000 employees.
2002-2005	Creation of Arval Morocco, followed by Arval Czech Republic, Arval Hungary (2003), Arval Slovakia (2004), Arval Russia and Arval Brazil (2005). Consolidation in the Benelux (acquisition of Arma).
2006-2008	Arval's total leased fleet exceeds 500,000 vehicles. Creation of TEB Arval (Turkey) and Arval Romania. Followed one year later by Arval India and Arval Hellas (Greece). Acquisition of X-Rent in Hungary (2008).
2009	Arval celebrates its 20th anniversary.
July 2010	Arval and La Caixa sign an agreement that makes Arval Spain the domestic leader with more than 80,000 vehicles leased.
December 2010	Arval Germany and Commerz Real Mobilienleasing GmbH sign a cooperation agreement with a view to Arval acquiring Commerz Real Autoleasing and thus increasing its fleet by more than 50%.
End 2010	Arval has over 4,000 employees working in 22 countries. Its total fleet comes close to 670,000 vehicles.

LOCAL ACTION, GLOBAL REACH

Thanks to its European presence, Arval is able to meet the expectations of customers with fleets spread throughout Europe. By way of its subsidiaries on other continents as well as strategic alliances and partnerships in many countries, Arval offers its customers the benefits of global coordination whilst enjoying the advantages of being close to the local operations. With full service vehicle leasing still in its infancy, Arval takes advantage of the acquisition and merger opportunities likely to increase the magnitude of its service. This is how the agreement between the American company PHH and Arval in Europe came to exist, ten or so years ago. The alliance has enabled Arval to acquire areas of expertise which until then had been under-exploited.

SIGNIFICANT OPERATIONS

More recently, several significant operations have been undertaken. In December 2010, Arval Germany signed an agreement with Commerz Real Mobilienleasing GmbH designed to take control of Commerz Real Autoleasing GmbH, its full service vehicle leasing subsidiary. Arval Germany's vehicle fleet increased in size by more than 50%, reaching a total of 36,000 vehicles. Another key component of the takeover is commercial cooperation with Commerz Real Mobilienleasing GmbH, allowing Arval Germany to expand its business activities.

In July 2010, Arval Spain and the Spanish banking group La Caixa signed a distribution agreement that, following its implementation, made Arval the leader in the Spanish full service vehicle leasing market. In terms of its application, Arval Spain is taking over the CaixaRenting full

service vehicle leasing business and also becomes the "manufacturer" of the full service vehicle leasing product distributed by La Caixa under the brand name CaixaRenting. This agreement takes Arval Spain's fleet to around 80,000 vehicles.

THE INTERNATIONAL ROLE OF IBO

Alongside these development operations, it is the Arval's International Business Office (IBO) role to service the growing needs of the market, notably the international management of purchasing, cost control and Corporate Social Responsibility operations. Specialising in international accounts with fleets of at least 500 vehicles, the IBO is at the forefront of Arval's international development.

The creation of new business, generating improvements

ARVAL CREATES A NEW INTERNATIONAL BUSINESS LINE CALLED SME SOLUTIONS; AIMED AT SMALL COMPANIES, CRAFTSMEN, SHOPKEEPERS AND THE LIBERAL PROFESSIONS.

“SMEs have on average between one to three vehicles and their main challenge is time management.”

GRÉGOIRE CHOVÉ,
SME Solutions Director



“The very small and medium-sized enterprise (VSME) market requires a specific approach.”

GRÉGOIRE CHOVÉ,
SME Solutions Director

POINTS OF NOTE

- There are 20 million SMEs in Belgium, France, Germany, Italy, Spain and the United Kingdom.
- In 2010, Arval took over the remaining 50% of Cofiparc that it did not yet own from BNP Paribas Personal Finance, thus improving the growth opportunities for SME Solutions.
- With 15 years of experience, Cofiparc heads up a fleet of 18,600 vehicles and is specialised in providing full service vehicle leasing for small and medium-sized enterprises through the car dealer channel.
- Autoforfait.com is a simple, modular solution which enables professionals to subscribe to an “all inclusive” package. It can be accessed through a dedicated website - www.autoforfait.com - where customers can select their vehicles, options and package details such as mileage, term and price.



INNOVATION, NEW MARKETS, SERVICE QUALITY

In the world of business, creation and innovation go hand in hand with success. This is why Arval develops and launches new business lines. Our objective is to satisfy the needs of customers not yet targeted by conventional full service vehicle leasing, particularly the small and medium-sized enterprises, craftsmen, shopkeepers and the liberal professions, by creating new products and developing complementary distribution channels such as the Internet, networks of partners and car dealers, to name just a few. These new offerings are integrated into the SME Solutions business line, created by Arval at the end of 2010.

Three specific products are currently offered to this target market: Louveo, Cofiparc and Autoforfait.com.

Louveo was launched in February 2010. Its business model is to offer very small companies a new mobility solution, whereby they can lease vehicles over the medium term (between 6 to 24 months). Furthermore, Louveo has an “all inclusive” package, which means that Louveo customers no longer need to worry about vehicle maintenance or insurance. Changing tyres, arranging services, managing accidents... Louveo takes care of all this and more.

CREATION OF BUSINESS SYNERGIES

The same simplicity and “tailor-made” service can be found at Autoforfait.com. Launched at the beginning of 2011, Autoforfait.com aims to simplify the lives of professionals by freeing them from the constraints of buying a vehicle, with

all the waste of time and inherent risks (financing negotiation, insurance, resale uncertainties). Access to the benefits of full service vehicle leasing is by way of a web-based subscription package. Tested and launched initially in France, this on-line product targeting SMEs and professionals will gradually be rolled out in other countries.

Lastly, early 2011 saw the final steps in Arval’s plan to incorporate Cofiparc, a company specialised in providing full service vehicle leasing for small and medium-sized enterprises. This marks the beginning of more active collaboration between Arval and Personal Finance (Cetelem - another subsidiary of the BNP Paribas Group) intended to develop business synergies with car dealers, first in France and then internationally.

Why was a new line of business created for very small enterprises?
Due to a lack of familiarity with full service vehicle leasing, only five to seven per cent of very small and medium-sized enterprises use it. As a result, there is considerable growth potential for our business in this customer segment. It does however require a specific approach. SMEs have on average between one to three vehicles and their main challenge is time management. They also have less visibility with regard to their order book. They therefore behave much like private individuals, and we must tailor our solutions accordingly.

How do you go about this?
By talking of “vehicle solutions” rather than full service leasing. By working with partners, developing a product that is more suited to this target and also by educating them. Currently we are adapting full service leasing but also medium term leasing solutions. And why stop there? We should continue working on developing completely new leasing solutions.

Through which networks will you distribute the SME Solutions products?
We will continue to develop our direct approach using both the Internet and our call centre. While indirect sales through select partners is a key line of development for SME Solutions. Car manufacturers, dealers and, of course, the BNP Paribas Retail Banking network are all partners who bring us close to our customers.

What are the key stages of the project?
Internationally, SME Solutions has launched in France, Italy, Spain and the United Kingdom. These four subsidiaries have a combined total of 115,000 vehicles leased in this SME target market. We will shortly be rolling out SME Solutions in new countries.

Arval

22, rue des Deux Gares
92564 Rueil-Malmaison
France
+33 1 57 69 50 00
contact@arval.com
www.arval.com

IBO – International Business Office

Tero TAPALA
Sales & Marketing Director for Corporates
+33 1 57 69 60 02
ibo@arval.com

SME Solutions

Grégoire CHOVE
SME Solutions Director
+33 1 57 69 57 83
gregoire.chove@arval.com

Press Contacts

Claudia BARTHIER
Head of Corporate Communications
+33 1 57 69 54 49
claudia.barthier@arval.com

Christelle PAILLÈS

Corporate Communications Manager
+33 1 57 69 53 69
christelle.pailles@arval.com

ARVAL SUBSIDIARIES AROUND THE WORLD AND THEIR MANAGERS

Arval Austria

Andreas KRAL, General Manager
Businesspark MARXIMUM - Objekt 4/OG3/B
Modecenterstrasse 17
1110 Wien
Austria
+43 1 706 98 20 0
sales@arval.at

Arval Belgium

Stéphane VERWILGHEN, General Manager
Ikaroslaan 99
1930 Zaventem
Belgium
+32 2 240 01 99
info.be@arval.be

Arval Brazil

Arnault LEGLAYE, General Manager
Av. Presidente Juscelino Kubitschek, 510 10º andar
04543-906 São Paulo SP
Brazil
+55 11 22 46 80 80
arval@br.arval.com

Arval Czech Republic

Stefan MAJTAN, General Manager
Na Pankráci 26
140 00 Praha 4
Czech Republic
+420 261 109 011
arval@arval.cz

Arval France

François PIOT, General Manager
22, rue des Deux Gares
92564 Rueil-Malmaison
France
+33 1 57 69 50 00
contact@arval.fr

Arval Germany

Lionel WOLFF, General Manager
Ammerthalstraße 7
85551 Kirchheim b. München
Germany
+49 89 90 47 70
kontakt@arval.de

Arval Hellas (Greece)

Roberto DA FONSECA, General Manager
Ποσειδώνος 4,
152 32 Χαλάνδρι, Αθήνα
Greece
+30 210 87 72 700
marketing@arval.gr

Arval Hungary

Kalman TEKSE, General Manager
Bocskai út 134-146.
Budapest 1113
Hungary
+36 12 79 33 00
info@arval.hu

Arval India

Liam DONNELLY, General Manager
A 402, Business Square
Solitaire Corporate Park
Andheri Kurla Road, Chakala
Andheri (E)
Mumbai 400 093
India
+91 22 6708 7700
info@arval.in

Arval Italy

Paolo GHINOLFI, General Manager
Via Pisana 314/b
50018 Scandicci
Firenze
Italy
+39 055 73 701
arval@arval.it

Arval Luxembourg

Gerry WAGNER, General Manager
36 route de Longwy
BP89 L-8005 Bertrange
Luxembourg
+352 44 91 801
info.lu@arval.lu

Arval Morocco

Mathias DE TOLDI, General Manager
1, Lotissement Taoufik
Zenith Millenium
Immeuble 3/4 - 4ème étage
20190 Casablanca
Morocco
+212 5 22 87 98 00
nabil.hamri@arval.ma

Arval Netherlands

Jeff BOLDERS, General Manager
Duwboot 10
3991 CD Houten
Netherlands
+31 30 602 44 44
info@arval.nl

Arval Poland

Janusz KOWALIK, General Manager
Arval Service Lease Polska Sp. z o.o.
ul. Domaniewska 49, budynek Trinity Park III
02-672 Warszawa
Poland
+48 22 45 45 500
arval@arval.pl

Arval Portugal

Alain YVON, General Manager
Rua Dr. António Loureiro Borges, Edifício 5 Piso 4
Miraflores, 1495-131 Algés
Portugal
+351 21 47 09 400
arval@arval.pt

Arval Romania

Christian BUSCH, General Manager
Str. Banu Antonache nr. 40-44,
Floreasca II Business Center, Et. 2
Sector 1, 011665, Bucuresti
Romania
+40 21 20 60 300
info@arval.ro

Arval Russia

Sergey DIANIN, General Manager
АРоссия, Москва, 115280
ул. Ленинская Слобода, д.19. Тел
Russia
+7 495 644 22 70
info@arval.ru

Arval Slovakia

Gregor BILIK, General Manager
Karpatská 18
811 05 Bratislava
Slovakia
+421 2 5710 8000
arval@arval.sk

Arval Spain

François-Xavier CASTILLE, General Manager
Edificio Louis Pasteur
Avda. del Juncal, 22-24 - Pl 9
28703 San Sebastián de Los Reyes (Madrid)
Spain
+34 91 659 72 00
marketing@arval.es

Arval Switzerland

Marcel EVERS, General Manager
Gewerbestrasse 11
6330 Cham
Switzerland
+41 41 748 37 00
info@arval.ch

TEB Arval (Turkey)

Luc SORIAU, General Manager
Haktan İş Merkezi No:39 K:3 Setüstü
Kabataş/Istanbul
Turkey
+90 212 393 68 00
tebarval@tebarval.com.tr

Arval United Kingdom

Bart BECKERS, General Manager
Windmill Hill
Swindon SN5 6PE
United Kingdom
+44 17 93 88 70 00
info@arval.co.uk

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22, rue des Deux Gares - 92564 Rueil-Malmaison Cedex - France
Tel: + 33 (0)1 57 69 50 00 - www.arval.com



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arval.com