

***Europcar***



**ACTIVITY  
REPORT  
FOR 2009**

# 2009



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## ABOUT EUROPCAR

### ▶ No. 1 VEHICLE RENTAL COMPANY IN EUROPE

for business and leisure customers, with €1.9 billion  
in revenue in 2009 for 9.5 million rental contracts

### ▶ ONE OF THE TOP 3 GLOBAL PLAYERS

▶ **THE BIGGEST CAR RENTAL NETWORK** thanks to the  
commercial alliance with Enterprise, with a fleet of  
**1.2 MILLION VEHICLES**, available from **13,000 RENTAL  
STATIONS** in **150 COUNTRIES**

# 2009 KEY FIGURES

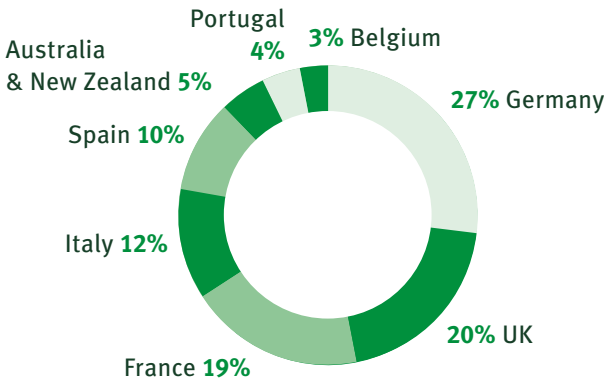
## INCOME STATEMENT

| IN MILLIONS OF €                         | 2007<br>consolidated | 2007<br>pro forma <sup>(1)</sup><br>at 2008<br>exchange rates | 2008<br>consolidated | 2008<br>pro forma <sup>(1)</sup><br>at 2009<br>exchange rates | 2009<br>consolidated |
|--|----------------------|---|----------------------|---|----------------------|
| Revenue                                  | 2,047                | 2,111   | 2,091                | 2,075   | 1,851                |
| Change vs. prior year (%)                | -                    | -   | +2.2%                | -   | -10.8%               |
| Adjusted Operating Income <sup>(2)</sup> | 276                  | 298   | 246                  | 248   | 213                  |
| Operating Margin (as a % of revenue)     | 13.5%                | 14.1%   | 11.7%                | 12.0%   | 11.5%                |

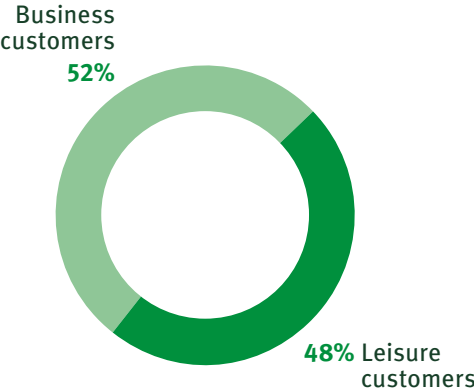
(1) Pro forma: assumes the acquisition of Premier First and Europcar Australia-New Zealand occurred on 1 January 2007 to allow meaningful comparison of the activity of the Group over 2007, 2008 and 2009 on a full-year basis.  
(2) Adjusted: excludes all charges resulting from the accounting treatment of the acquisitions carried out in 2007 and 2008, as well as one-off and restructuring expenses incurred in connection with these acquisitions and with measures taken in 2009 to adapt the Group's structure in response to the economic downturn; also excludes the estimated interest expense included in the fleet operating leases and goodwill impairment charges.



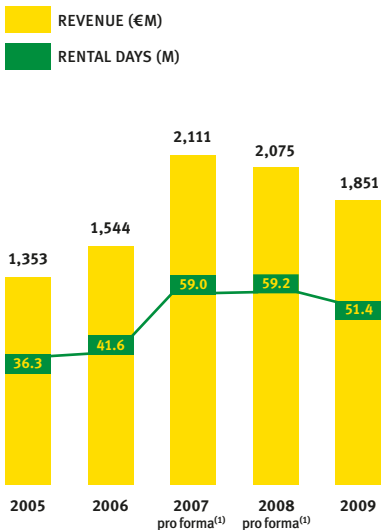
BREAKDOWN OF 2009 REVENUE  
BY COUNTRY



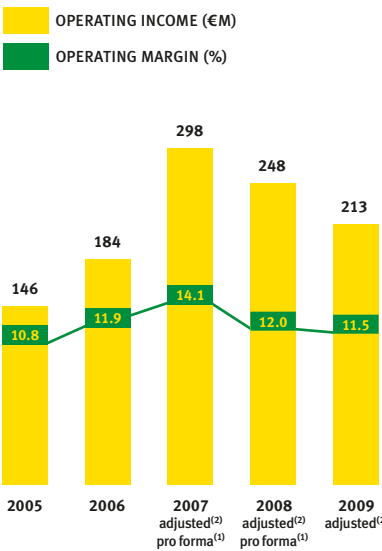
BREAKDOWN OF 2009 REVENUE  
BY MARKET SEGMENT



2005-2009 REVENUE  
AND RENTAL DAYS



2005-2009  
OPERATING INCOME AND OPERATING MARGIN



## KEY FIGURES

|                                       | 2007<br>pro forma <sup>(1)</sup> | 2008<br>pro forma <sup>(1)</sup> | 2009  |
|---------------------------------------|----------------------------------|----------------------------------|-------|
| Rental days (in millions)             | 59.0                             | 59.2                             | 51.4  |
| Number of rentals (in millions)       | 10.8                             | 10.8                             | 9.5   |
| Fleet utilization rate                | 72.8%                            | 71.6%                            | 73.7% |
| Average fleet (in thousands of units) | 222                              | 226                              | 191   |

(1) Pro forma: assumes the acquisition of Premier First and Europcar Australia-New Zealand occurred on 1 January 2007 to allow meaningful comparison of the activity of the Group over 2007, 2008 and 2009 on a full-year basis.  
(2) Adjusted: excludes all charges resulting from the accounting treatment of the acquisitions carried out in 2007 and 2008, as well as one-off and restructuring expenses incurred in connection with these acquisitions and with measures taken in 2009 to adapt the Group's structure in response to the economic downturn; also excludes the estimated interest expense included in the fleet operating leases and goodwill impairment charges.

# WORLDWIDE NETWORK

- AFRICA

Angola  
Benin  
Botswana  
Burkina Faso  
Burundi  
Cameroon  
Cape Verde  
Congo (Democratic Republic)  
Djibouti  
Egypt  
Equatorial Guinea  
Ethiopia  
Gabon  
Ghana  
Guinea  
Ivory Coast  
Kenya  
Libya  
Mali  
Mauritania  
Morocco  
Mozambique  
Namibia  
Niger  
Nigeria  
Republic of the Congo  
Senegal  
South Africa  
Sudan  
Swaziland  
Togo  
Tunisia  
Uganda  
Zambia  
Zimbabwe
- INDIAN OCEAN

Madagascar  
Mauritius  
Mayotte  
Reunion Island
- NORTH AMERICA

Canada  
United States
- CENTRAL & SOUTH AMERICA

Argentina  
Colombia  
Costa Rica  
French Guyana  
Jamaica  
Mexico  
Nicaragua  
Peru  
Surinam  
Uruguay  
Venezuela
- CARIBBEAN

Curacao  
Dominican Republic  
Guadeloupe  
Haiti  
Martinique  
Saint Barthélemy  
Saint Maarten (Dutch Antilles)  
Saint Martin
- EUROPE

Albania  
Andorra  
Austria  
Belarus  
Belgium  
Bosnia & Herzegovina  
Bulgaria  
Croatia  
Cyprus  
Czech Republic  
Denmark  
Estonia  
Faeroe Islands  
Finland  
France  
Germany  
Great Britain  
Greece  
Hungary  
Iceland  
Ireland  
Italy  
Kosovo  
Latvia  
Lithuania  
Luxembourg  
Macedonia
- ASIA & ASIA-PACIFIC

Armenia  
Australia  
Bangladesh  
China  
Fiji  
French Polynesia  
Guam  
India  
Indonesia  
Japan  
Kazakhstan  
Laos (Democratic Republic)  
Malaysia  
New Caledonia  
New Zealand  
Pakistan  
Philippines
- MIDDLE EAST

Abu Dhabi  
Dubai  
Israel  
Jordan  
Kingdom of Bahrain  
Kuwait  
Lebanon  
Oman  
Palestine  
Qatar  
Saudi Arabia  
Syria  
Yemen
- Malta  
Moldavia  
Montenegro  
Netherlands  
Norway  
Poland  
Portugal  
Romania  
Russia  
Serbia  
Slovakia  
Slovenia  
Spain  
Sweden  
Switzerland  
Turkey  
Ukraine





“ Europcar will pursue its strategy of improving profitability by maintaining strict pricing discipline, optimizing its business portfolio and improving operating efficiency. ”



## MESSAGE FROM THE CHAIRMAN

 **GILBERT SAADA,**  
CHAIRMAN OF EUROPCAR GROUPE AND MEMBER OF EURAZEO'S EXECUTIVE BOARD

The strong improvement in performance indicators throughout 2009, along with Europcar's excellent financial health, prove that the company took the necessary measures in facing up to the financial crisis. Given the extremely challenging environment that we encountered this year, the Group's performance – both operationally and financially – is remarkable.

First, in a tough economic environment, Europcar demonstrated the flexibility of its business model by rapidly adapting its vehicle fleet and cost structure to the abrupt drop in demand that started in the third quarter of 2008.

Second, a deliberate policy of raising rental rates and rigorous management of the segment mix allowed us to improve our capacity to preserve operating margins.

Third, we generated abundant cash flow, by downsizing our fleet and by significantly reducing both working capital requirements and debt.

Furthermore, the car rental industry as a whole adopted a more rational behavior, thanks to fleet reductions and management, staff cutbacks and disciplined pricing policies. We believe this sent a strong signal to the market.

Nevertheless, our management team does not expect to see a significant recovery in demand before the second half of 2010. Consequently, the very strict restrictions and controls on spending, purchasing and fleet management, which we set up at the beginning of the crisis, will be maintained.

Our company has strong organic growth potential. Europcar will pursue its strategy of improving profitability by maintaining strict pricing discipline, optimizing its business portfolio and improving the operating efficiency and yield of its fleet, notably by drawing on the lessons learned from navigating through the downturn over 18 months.

Europcar's position as market leader makes it the partner of choice for the big carmakers. For example, we recently signed agreements with Renault and Nissan to add their electric models to our fleet.

Another, more recent key event was the appointment of Philippe Guillemot as Chief Executive Officer of Europcar Group, as of April 1, 2010. He succeeds Salvatore Catania, who has elected to step back from the Group's operational management after working for Europcar for over 35 years, including seven years as its CEO. Salvatore Catania will remain on board as Special Advisor to the CEO.


On behalf of the Board of Directors, I would like to thank Salvatore Catania for his leadership at Europcar. We respect his personal decision to step back and we are delighted that he will continue to actively support the company in the future.

Salvatore Catania hands Philippe Guillemot the reins of a reinvigorated Group, one whose position as the European leader was further strengthened during a challenging 2009. Having overcome the troubles stemming from the economic crisis, Europcar is now poised to seize the opportunities that an economic recovery will offer.

“ Having successfully navigated through the economic downturn has made Europcar more flexible and efficient, and we are now poised to seize opportunities for profitable growth. ”



## MESSAGE FROM THE CEO

 **PHILIPPE GUILLEMOT,**  
CHIEF EXECUTIVE OFFICER, EUROPCAR GROUPE

significant exceptional charges, thanks to its fleet purchasing model, which guarantees that carmakers buy back nearly 95% of its purchases at predefined terms.

At the same time, the implementation of programs designed to integrate recent acquisitions, as well as numerous initiatives to improve network and fleet productivity undertaken since 2007 were accelerated.

Lastly, in fall 2008, a vast reorganization plan for the network, facilities and purchasing systems was rolled out and a general review of operating procedures, from fleet management to outsourcing contracts was conducted, so as to rapidly adapt resources to the downturn in demand and reduce costs.

Lower costs, ongoing improvements in fleet utilization rates and yields, a policy of pricing discipline and a marketing strategy of steadily shifting resources towards the most profitable segments enabled Europcar to reduce the impact of weak demand on profitability, as of the first half of 2009. Thereafter, the Group managed to strongly improve profitability, and by the second half of 2009 the operating margin had returned to the record pre-crisis levels of the second half of 2007.

Having successfully navigated through the economic downturn has made Europcar more flexible and efficient, and we are now poised to seize opportunities for profitable growth.

Europcar is an ambitious company with a proven track record of success and with still a lot of potential for the future. This success is the results of the quality, dedication and entrepreneurship of the 7,000 staff that make the Europcar Group. I intend to build on this solid foundation to further strengthen Europcar's leadership position, developing the Group to its full potential and will use all my energy, determination and leadership to do so.

In any highly competitive sector such as car rental, success can only be achieved by a united team, sharing the same values and ambition. I intend to ensure that Europcar continues to have clearly defined values, strategy and goals, with competent teams that are empowered to reach them. I look forward, with these teams, to developing our roadmap for the future.



# EUROPCAR BOLSTERS ITS No.1 POSITION IN EUROPE

In a challenging economic environment, Europcar confirmed its ability to adapt quickly thanks to its flexible business model. The Group rolled out efficient adjustment measures that have strengthened its position as the Number 1 car rental company in Europe.

In late summer 2008, the Group began to feel the economic downturn's impact on demand. The contraction in volumes continued into the first quarter of 2009 before levelling off. Third-quarter 2009 trends picked up slightly, thanks to stronger demand over the summer in the leisure segment.

As a result, the fleet utilization rate and average Revenue Per Day (RPD) improved significantly. Greater efficiency combined with sharp cost reductions enabled the Group to reduce the downturn's impact on consolidated operating income. Europcar, the solid European leader,

## THE IMPROVEMENT IN OPERATING AND FINANCIAL PERFORMANCE ILLUSTRATES THE EFFECTIVENESS OF ADAPTATION MEASURES

Europcar immediately took measures to adapt its resources by downsizing its fleet and reducing its cost structure. Efforts over the past two years to improve productivity and fleet management were intensified, pricing discipline was tightened, and the strategic shift towards the most profitable segments was maintained.





**WORLD'S LEADING CAR RENTAL  
COMPANY IN 2009**



thereby demonstrated the flexibility of its business model, along with its rigorous management of costs, pricing and customer mix.

The Group continued to develop marketing campaigns with existing and new partners, including carmakers. The year 2009 was highlighted by key events in sustainable development and the multiplication and strengthening of co-marketing campaigns, notably with Fiat, Renault and Nissan.

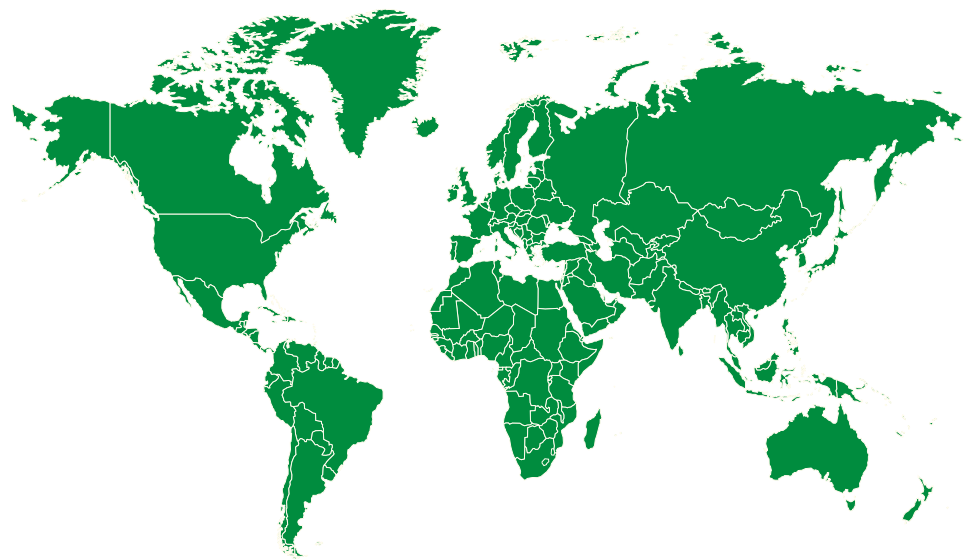
As in previous years, Europcar received numerous awards in 2009, notably including the World Travel Award for "World's Leading Car Rental

Company" for the 10<sup>th</sup> consecutive year.

In 2009, the Group also successfully underwent the first audit of its efforts in the framework of its Environmental Charter, which concluded that Europcar fully respects its commitments to sustainable development. Today, Europcar is the only car rental company with an environmental charter that has been certified by an external organization.

The development of e-marketing remained the spearhead of Europcar's marketing activities in 2009. Web pages on Group agencies were completely overhauled to integrate both richer content and new features, such as interactive maps.

The Group also reported strong franchise activity. Europcar signed new, exclusive international franchise contracts for new regions, and renewed several other exclusive contracts. Lastly, as part of its strategic commercial alliance with Enterprise Holdings, Europcar expanded service for National and Alamo brand customers to new countries in Europe, the Middle East and Africa (EMEA).



**FOCUS**

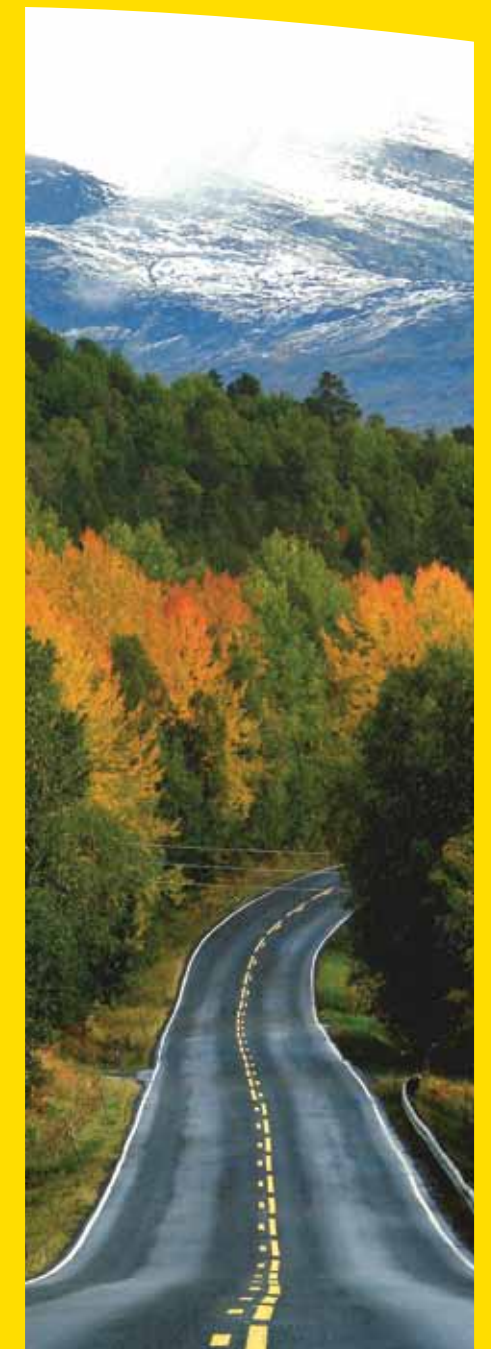
**According to the Europcar Transportation & Mobility Observatory, the economic crisis has changed Europeans' relationships with their cars**

The economic crisis forced Europeans to re-assess both their mobility needs and the various options available to them. As the European leader in vehicle rentals, Europcar continued to explore these new trends and to offer responses tailored to meet customers' needs.

In 2009, Europcar published the findings of the second edition of its Transportation & Mobility Observatory. The survey, which seeks to decipher the relationship between Europeans and their cars and to identify new types of behavior, is based on the responses of over 5,000 people in the 18+ age group in seven European countries: Belgium, France, Germany, Italy, Portugal, Spain and the UK.

The survey's main conclusions found that:

- **90% of those surveyed had changed their driving habits for cost reasons in the past 12 months.** Nearly 7 out of 10 European drivers modified the way they drove, and 6 out of 10 decided to use their car less, particularly for short distances.
- **4 out of 10 Europeans could consider doing without one of their cars – twice the number in 2008.** The main reason behind this is the cost of car ownership: 83% of those who were considering getting rid of at least one of their cars said it was for economic reasons, well ahead of those mentioning ecological reasons (48%).
- **In this context, car rental represents an alternative to ownership for one out of two Europeans who consider giving up one of their cars.** When Europeans were asked about alternative means of individual motorized transportation, the alternative mentioned most often was car rental (53%), followed by carpooling (48%) and two-wheeled vehicles (35%).





# SOLID PARTNERSHIPS PROVIDE A WEALTH OF BENEFITS

As the European leader in vehicle rentals, Europcar has established alliances with other world-class companies in the travel and tourism industry for many years. This strategy has allowed Europcar to further expand its presence by gaining access to a broader base of customers, to develop its offering with complementary services, and to enhance its value to customers by better catering to their needs.

Over the years, Europcar has succeeded in building dynamic partnerships around the globe with leading companies that have strong positions in their respective markets. Today, the Group has no fewer than 80 international partnerships, in addition to the numerous local partnerships it is constantly seeking to enrich and expand to keep its business invigorated.

**STRATEGIC PARTNERS IN INNOVATION**

In recent years, Europcar has signed strategic partnerships with three travel industry heavyweights: easyJet, Accor and TUI. These agreements have formed the foundations for close partnerships built on trust, which are key for developing business.

These partnerships reinforce Europcar's position in markets worldwide and encourage each partner to innovate, thereby allowing

## A WORD WITH...



“ Carlson Wagonlit Travel and Europcar are long-standing partners. Our long-term relationship has always been based on mutual understanding, expertise and commitment, qualities that have enabled us to succeed even in tough times. More importantly, we believe that Europcar's professionalism, integrity and involvement are real assets for strengthening our cooperation on behalf of our customers. ”

**JENNIFER CHARLTON**  
VICE PRESIDENT, GLOBAL SUPPLIER MANAGEMENT OF CARLSON WAGONLIT





their joint customers to benefit from exclusive services that are being constantly enhanced or created.

In 2009, Europcar renewed its strategic partnership with easyJet, Europe's leading low-cost airline. As early as in 2005, Europcar set up a system that could manage both car rental and plane ticket reservations. Since the beginning of this partnership,

Europcar and easyJet together have served nearly 2 million customers.

Europcar is also a strategic and long-time partner of Accor, the European leader and world's third largest hotel services group. Accor has more than 4,000 hotels worldwide and encompasses over 15 well known brands, including Sofitel, Pullman, Novotel, Mercure, Suitehotel, ibis, all seasons, Etap and Hotel Formule 1. By innovating together, the two partners offer their customers tailor-made services, such as the intelligent reservation system launched in June 2009 (see page 19).

Europcar's third strategic partner is TUI, the world's largest tour operator. Europcar serves customers in more than 60 countries where TUI does business, primarily through the TUI, Nouvelles Frontières and Wolters Reisen brands. Both companies benefit from this cooperation, since the offers they develop together attract new customers.

## AN EFFECTIVE STRATEGY FOR DEVELOPING MUTUAL BUSINESS WITH PARTNERS

Convinced of the benefits generated by these cooperative agreements, Europcar renewed existing partnerships as well as signed new ones in 2009.

Europcar renewed its partnership with SWISS International Air Lines in 2009. To mark this event, a dedicated multilingual website offering special rates was created (<http://swissdriveeuropcar.com>).

This year Europcar also became the exclusive car rental agency for Meridiana, Italy's second largest airline (after Alitalia). Also in Italy in 2009, Europcar established a partnership with CartaSi, the local leader in bank cards, offering its 7 million cardholders special advantages and rates.

## SPECIAL, CLOSE RELATIONSHIPS WITH CARMAKERS

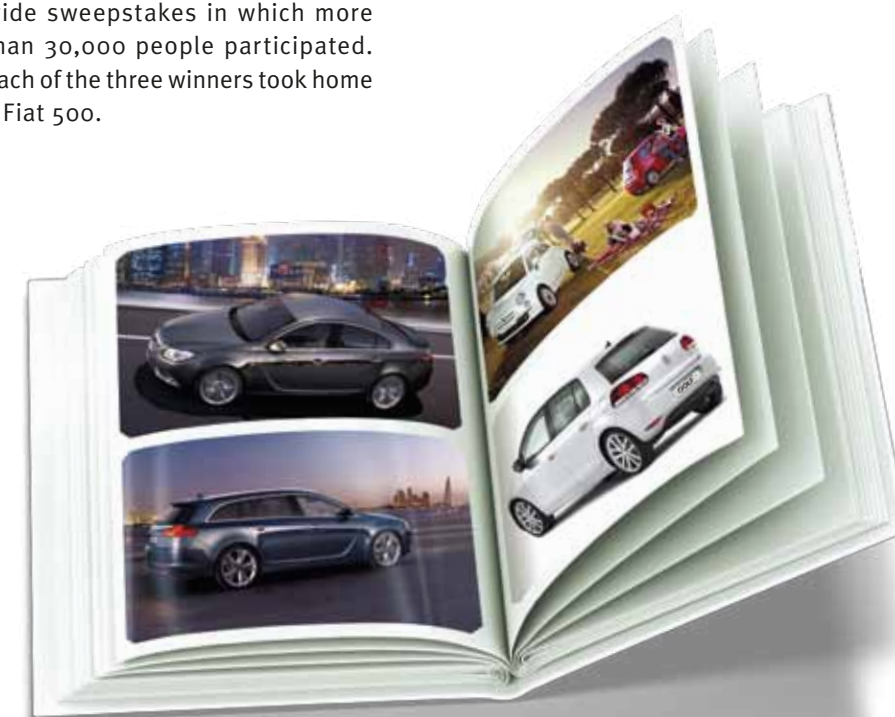
Europcar maintains privileged relationships with carmaker partners, which are permanently fuelled by co-marketing campaigns to promote the most attractive models available in the Europcar fleet.

Thanks to these campaigns, Europcar is able to offer its customers the opportunity of discovering new models before their official release. In 2009, Europcar customers were the first to preview the new Volkswagen Golf and Polo, the Opel Insignia, the Seat Exeo and the Mercedes E Class. Carmakers also benefit from this cooperation, because Europcar has developed high-profile European co-marketing campaigns in the main

European airports and in the branches of its international network.

Europcar has also entered into another type of partnership with Fiat, one that is focusing in 2009 on the environment. Europcar launched a 100% online, co-branded campaign to promote Fiat models with low CO<sub>2</sub> emissions available in its rental network.

These include the Fiat 500 and Fiat Panda, which emit only 110g and 113g of CO<sub>2</sub>/km, respectively. A high-profile campaign geared towards the general public helped build consumer awareness for ecological car rentals, by means of a Europe-wide sweepstakes in which more than 30,000 people participated. Each of the three winners took home a Fiat 500.



## Europcar and easyJet renew their partnership through 2011

Exclusive partners since 2003, with over 1.7 million joint customers served, Europcar and easyJet have extended their strategic partnership until the end of 2011. Thanks to this steadfast relationship, customers of Europe's leading low-cost carrier can make reservations for their flight and rental car in a single transaction, while enjoying the benefits of competitive rates and the guaranteed availability of a wide range of vehicles, including models with low CO<sub>2</sub> emissions.



# MOBILITY AND NEW TECHNOLOGY: THE CORE OF EUROPCAR'S INNOVATION POLICY

In a highly competitive market such as vehicle rental, service and technological innovation go hand in hand as strong sources of differentiation to benefit customers. As the market leader, Europcar constantly strives to anticipate its customers' needs by innovating to provide new services. In 2009, Europcar continued to give priority to two major channels of innovation: e-commerce and new types of mobility.

## GREENWAY: EUROPCAR'S COMPETITIVE EDGE

At the forefront of technology, the Greenway system lies at the heart of Europcar's competitive edge. Developed continuously since its launch in 1994, this unique platform has become the interface for managing all of the company's activities – from reservation management to sales, marketing, billing and insurance, as well as fleet management and maintenance. Thanks to Greenway, Europcar is able to handle on average:

- 38,000 reservations per day;
- over 30,000 check-ins and check-outs daily;
- as many as 6,500 users simultaneously connected at any hour of the day or night.

With Greenway, Europcar manages the business of its subsidiaries in nine countries and reservations for its franchise network around the world.

The system ensures the rapid integration of Group acquisitions and accompanies its development in new regions, such as Australia and

## FOCUS

### New mobile phone service

In September 2009, Europcar launched a mobile phone service that makes it easy to rent a car using a cell phone. Thanks to this service, customers can make or modify a reservation, as well as locate the nearest rental agency. Available in seven languages, the service is compatible with all portable phones having an internet connection, anywhere in the world. Right from the start, this mobile service has made a bigger than expected contribution to increasing the share of sales online.







New Zealand. Greenway is capable of integrating new business processes to successfully steer the business of new entities while responding to the Group's needs.

#### EUROPCARCLUB: FOR GREATER FREEDOM

Europcar has identified a future trend in mobility: a thirst for greater freedom, mainly among urban cus-

tomers and small and medium-sized businesses. Both of these demanding target groups are seeking greater flexibility in terms of mobility. To meet this demand, in 2009 Europcar launched the EuropcarClub. This subscription-based system offers a real alternative to car ownership, with the possibility of occasional car rentals that allow customers to save money and reduce CO<sub>2</sub> emissions.

Successfully operated under the *Autoliberté* brand in France since 2001, this service was launched in six other European countries in 2009: Belgium, Germany, Italy, Portugal, Spain and the UK.

#### E-COMMERCE

In 2009, e-commerce continued to spearhead Europcar's business development.

On the Group's websites, Europcar completely overhauled the pages concerning its rental agencies, integrating enriched content and new features, such as interactive maps. The procedure for adding complementary services during the reservation process was simplified and page visibility was enhanced, resulting in increased sales of options and complementary services

and therefore higher revenue per reservation.

Europcar knows how to extract the best from new technology, to develop new synergies with partners and propose new offers for its customers. For Accor, Europcar launched a customized vehicle rental reservation tool on its partner's website. When guests reserve a room at one of Accor's 4,000 hotels worldwide using [www.accorhotels.com](http://www.accorhotels.com), the website automatically proposes three pre-selected rental cars based on the duration of the guest's stay, destination and selected hotel.

In its latest innovation for partner easyjet, Europcar modernized the website design and renamed it [www.cars.easyjet.com](http://www.cars.easyjet.com). The presentation of cars and promotional offers is enhanced by the site's clean visual look, which facilitates the reservation process.

Another initiative, developed in association with Solaris Mobile, is a car prototype equipped with broadband TV. Presented at the Mobile World Congress 2009, this prototype is the result of a partnership designed to equip VIP vehicles with the most advanced onboard communications technology for receiving satellite television and radio.

#### AWARD-WINNING QUALITY AND INNOVATION STRATEGY

As the market leader, Europcar is obliged to demand ever more from itself, and to constantly demonstrate

its performance in terms of quality, services and innovation.

This dynamic drive has earned Europcar numerous awards, the most prestigious being the "World's Leading Car Rental Company" presented by the World Travel Awards on November 8, 2009. Considered the Oscars of the tourism industry, the World Travel Awards showcase the success of one company per region around the world, based on the votes of 187,000 travel industry professionals.

Active in nearly 150 countries, Europcar was also named "Leading Car Rental Company" in Europe, the Middle East, Africa and Central America, reflecting the high quality of its services around the world.

The Group was also honored with other awards in 2009, including the Golden Travel award, given to Europcar France for the "Best Car Rental Website" based on a Mediametrie survey of 10,000 users. This award is particularly important considering the priority the Group places on new technology.

For the 9<sup>th</sup> year in a row, Europcar Belgium won the "Gazelles Trophy," which singles out the most competitive and fastest growing companies.

Lastly, the German Service Quality Institute and trade magazine Firmenautos both named Europcar Germany the "Best Car Rental Company." All of these awards crown a year rich in innovation and quality services.



**WOLFGANG E. REINHOLD**  
SENIOR VICE PRESIDENT  
CAR REMARKETING,  
OPERATIONS & PROCUREMENT,  
LEASEPLAN CORPORATION

**BRIT SCHOENENBERGER**  
MANAGING DIRECTOR,  
LEASEPLAN SUPPLY SERVICES

“ Our long-term partnership to provide customers with better solutions has proved to be a real win-win situation over the years, which we further strengthened in 2009. Our two companies, both leaders in complementary mobility services, have worked hard to adapt to demand and ensure customer satisfaction. In recent months, customer-oriented Europcar teams have proven their effectiveness at developing our activity and our business relations. ”





# EUROPCAR'S ENVIRONMENTAL CHARTER: THE EXPRESSION OF A DELIBERATE APPROACH

A pioneer in taking an ecological approach to vehicle rental, Europcar formally structured its commitments by drafting its "Environmental Charter" in 2007. A veritable roadmap for the company in terms of environmental issues, the Charter was certified by Bureau Veritas in 2008. Today, Europcar is pursuing and intensifying action plans to increase the strategic outreach of its efforts worldwide.

## GREEN FLEET: THE "CLEANEST" VEHICLES AVAILABLE

Europcar delivers on its promises: in just one year, the company increased the share of "green" vehicles – i.e. those equipped with engines with low CO<sub>2</sub> emissions – purchased for its fleet by 12 percentage points. A pioneer since 2000, when the Group began introducing hybrid vehicles and the very first electric cars to its fleet, Europcar was also the first to offer cars with the smallest possible environmental impact. This is why Europcar

has been working for the past three years to purchase cars emitting less than 140 g/km, based on alternative hybrid or electric engines and including models that run on biofuels, super ethanol or natural gas. Today, 99.9% of Europcar's vehicles are Euro IV certified, and some already meet Euro V specifications – the next generation of standards.

Europcar relies on special partnerships with carmakers to expand its line of vehicles with low CO<sub>2</sub> emissions, in keeping with technological advances.



## FOCUS

### Real transparency for CO<sub>2</sub> emissions

Anyone who wants to rent from Europcar can check the company's websites for the average CO<sub>2</sub> emissions of each model. But what about the actual emissions, emitted during the rental period? To answer this question, Europcar introduced in 2009 a new service that provides on each invoice the estimated amount of CO<sub>2</sub> emitted during the rental period. Data is calculated on the basis of the model rented and the number of kilometers driven.





# EUROPCAR AND SUSTAINABLE DEVELOPMENT: TIMELINE

2000

- Europcar opens an eco-friendly rental agency in Paris
- Europcar adds the first hybrid and electric vehicles to its fleet

2005

- Europcar signs the United Nations Global Compact

2007

- Europcar drafts its Environmental Charter

2008

- Bureau Veritas certifies Europcar's Environmental Charter
- Europcar is elected "World's Leading Green Transport Solution Company" at the World Travel Awards

2009

- Europcar is the first car rental company to sign agreements with Nissan and Renault, to offer their electric cars to its customers

Europcar demonstrated its pioneering role again this year by being the first vehicle rental company to sign a partnership agreement with Nissan in June 2009 to provide customers with electric cars as soon as they reach the market in 2010/2011, and to develop zero emission mobility at the global level. Future electric cars will be silent and will not emit CO<sub>2</sub>, NO<sub>x</sub> or particles. In September 2009, Europcar signed another agreement, this time with Renault.

In both cases, the agreements call for finding innovative solutions for installing the infrastructure necessary for recharging batteries at rental agencies, and for developing specific short-term rental offers for electric vehicles.

## VEHICLE MAINTENANCE: EUROPCAR TURNS TO ITS SUPPLIERS

Maintaining a fleet of approximately 200,000 vehicles is a major challenge. Europcar launched an investment program in 2009 to equip its main airport rental agencies with the latest-generation facilities for recycling wastewater and separating water and oils, starting in 2010.

Aware of the environmental impact of its business, Europcar is also involving its suppliers worldwide in the process. It has notably further toughened its standards in terms of wastewater and fluid recycling, use of non-toxic products, and other areas.

## RAISING CUSTOMER AWARENESS: SIMPLE, PRECISE INFORMATION

To highlight its green fleet and encourage consumers to use low CO<sub>2</sub> emission vehicles, Europcar has created a specific "eco-friendly" section on [www.europcar.com](http://www.europcar.com) and its country websites, such as [www.europcar.co.uk](http://www.europcar.co.uk).

Some customers still have a rather fuzzy understanding of the environmental impact of vehicle rentals, so Europcar has also decided to indicate the quantity of CO<sub>2</sub> emissions per rental on each invoice.



Although consumer information is key, it is also important to offer carbon offset options through projects to reduce greenhouse gas emissions. This is why Europcar established a partnership with ClimateCare, world leader in carbon offset initiatives, and set up a carbon offset program at [www.europcar.com/Carbon-Offset](http://www.europcar.com/Carbon-Offset).

## ISO 14001 CERTIFICATION FOR INTERNAL PROCESSES

No sooner had Europcar formalized the commitments in its Environmental Charter than it sought certification for them, to guarantee the coherence, seriousness and sustainability of its approach. This was done by independent organization Bureau Veritas, which certified the Charter in June 2008. It stands as a notable achievement, because it was the first

such certification in the fields of quality, safety, health, the environment and corporate social responsibility given to a business in Europe. To date,

Germany, Spain, Italy and France have received ISO 14001 certification, and the UK, Portugal and Belgium are expected to be certified.







# PEOPLE, THE PILLARS OF QUALITY SERVICE

**7,000** EUROPCAR EMPLOYEES

In 2009's challenging economic environment, several major projects were launched simultaneously to make the Group more flexible and responsive. Europcar finalized its reorganization and placed the priority on internal mobility and training.

## FINALIZATION OF THE REORGANIZATION

To adapt to the tough economic climate in 2009, Europcar had to reduce the size of its workforce in certain areas. This last-resort decision was made in consultation with the company's labor partners and implemented in a responsible manner, by taking all the necessary support measures to help those involved to find new jobs. Europcar also sought innovative ways to maintain employment. In Italy, for example, some 40 headquarters employees were trained to work in rental offices, to

ensure service during peak summer demand; in this way, the company managed to retain its entire staff. At the same time, Europcar launched a vast job alignment project – called "Role of the Center" – covering sales, marketing, fleet management, finance and human resources at the Group level, to reinforce the coherence between countries and enhance the company's efficiency.

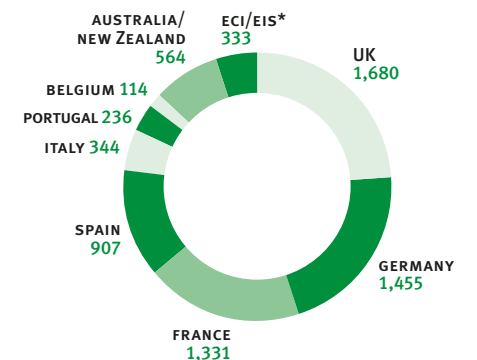
To guarantee the quality and continuity of customer services, following the announced risk of a swine flu epidemic, Europcar set up a prevention system for employees. It also drafted a business continuity plan that identifies key processes and personnel, as well as potential replacements.

## PRIORITY ON INTERNAL MOBILITY AND SKILLS DEVELOPMENT

A Europcar hallmark, internal promotion is no empty promise: in 2009, 6 of the 8 General Managers had risen through the ranks, thanks to this policy. In 2009, Europcar affirmed its

commitment to expanding and further strengthening this system to include non-managerial positions. On each country's intranet site, Europcar has set up a highly visible list of vacant positions to give all employees access to the career opportunities offered by the Group. This support in favor of internal mobility is accompanied by training programs to ensure skills development for Group employees.

BREAKDOWN OF EUROPCAR EMPLOYEES BY COUNTRY



\*Europcar International / Europcar Information Services



# CORPORATE GOVERNANCE

Europcar Groupe S.A. is a “société anonyme” incorporated under the laws of France and governed by a Board of Directors. Europcar has been owned by Eurazeo since May 31, 2006.

## EUROPCAR GROUPE S.A. BOARD OF DIRECTORS

Europcar Groupe S.A. is governed by its Board of Directors, who are responsible for its strategy and the development and oversight of its business and operations. Gilbert Saada is Chairman of the Board and Philippe Guillemot was named Chief Executive Officer of Europcar Groupe S.A. on April 1, 2010.

The Executive Committee of Europcar Groupe is composed of Philippe Guillemot, Charles Desmartis and Rafael Girona.

## THE BOARD OF DIRECTORS’ AUDIT COMMITTEE

The Audit Committee is composed of Philippe Audouin (Chairman) and Fabrice de Gaudemar.

## EUROPCAR’S BOARD OF DIRECTORS

| POSITION           |  | EXPIRATION OF TERM |
|--------------------|--|--------------------|
| Gilbert Saada      | Chairman of the Board of Directors of Europcar Groupe and Member of the Executive Board of Eurazeo | 2012               |
| Philippe Guillemot | Chief Executive Officer of Europcar Groupe since April 2010  | 2012               |
| Patrick Sayer      | Chief Executive Officer of Eurazeo   | 2012               |
| Bruno Keller       | Chief Operating Officer and Member of the Executive Board of Eurazeo                               | 2012               |
| Philippe Audouin   | Chief Financial Officer and Member of the Executive Board of Eurazeo                               | 2012               |
| Eurazeo            | Eurazeo is represented by Fabrice de Gaudemar, Member of the Executive Board of Eurazeo            | 2012               |

# EXECUTIVE COMMITTEE

Since April 1, 2010, the Executive Committee is composed of Philippe Guillemot, Chief Executive Officer, Charles Desmartis, Chief Financial Officer and Rafael Girona, Chief Operating Officer.



PHILIPPE GUILLEMOT

Philippe Guillemot was named Chief Executive Officer of Europcar Groupe S.A. on April 1, 2010. Before joining Europcar, Philippe Guillemot held various positions at Booz-Allen & Hamilton, Michelin, Peugeot Citroën (PSA) and Areva. In particular, Philippe Guillemot was a Member of the Executive Board at Michelin from 1996 till 1998, when he joined Valeo as Head of the engine cooling branch. In addition, Philippe Guillemot was Executive Vice President of the car seating activity at Faurecia, the car parts division of Peugeot Citroën (PSA) from 2001 until 2004. Finally, he was named Chairman and CEO of Areva T&D and Member of the Executive Committee of Areva from 2004.

Philippe Guillemot, a French national, was born in 1959. He holds a degree from French engineering school l’École des Mines and MBA from Harvard.



CHARLES DESMARTIS

Charles Desmartis joined Europcar Groupe S.A. as Chief Financial Officer in October 2007. Prior to that, he spent much of his career at Schlumberger, notably as worldwide controller for Schlumberger Resource Management Services (1999 to 2001), and Director of Internal Audit for Schlumberger Ltd. (2001 to 2002). In 2003 he was appointed Vice-President of Finance at Axalto, Schlumberger’s smart-card and electronic payment terminal subsidiary, and in May 2004 oversaw its initial public offering on the Paris stock market. In June 2006, Axalto and Gemplus merged to form Gemalto, the world leader in digital security. As CFO of the new Group, he played a key role in the companies’ financial integration.

A French national, Charles Desmartis was born in 1957. He is a graduate of the École des Hautes Études Commerciales (HEC) and of Stanford University, where he earned a Master’s of Science in Management.



RAFAEL GIRONA

Rafael Girona was named Chief Operating Officer of Europcar Groupe S.A. on May 31, 2006, and COO of Europcar International (ECI) in 2001. He has also been co-chairman of Europcar Information Services (EIS) since 2002. At the Group level and for Europcar’s worldwide network, he oversees operations, information systems, sales & marketing, fleet management, the deployment of franchises, service quality, business process optimization and sustainable development.

Since joining ECI in 1987, Mr. Girona has held various positions with Europcar in Spain and France, notably serving as Controller and Regional Director. He also served as Europcar France’s Director of operations from 1996 to 2001.

A Spanish national, Rafael Girona was born in 1962. He holds a degree in science and a certificate from INSEAD in financial control, management, quality, sales and international business.



# GROUP ORGANIZATION CHART

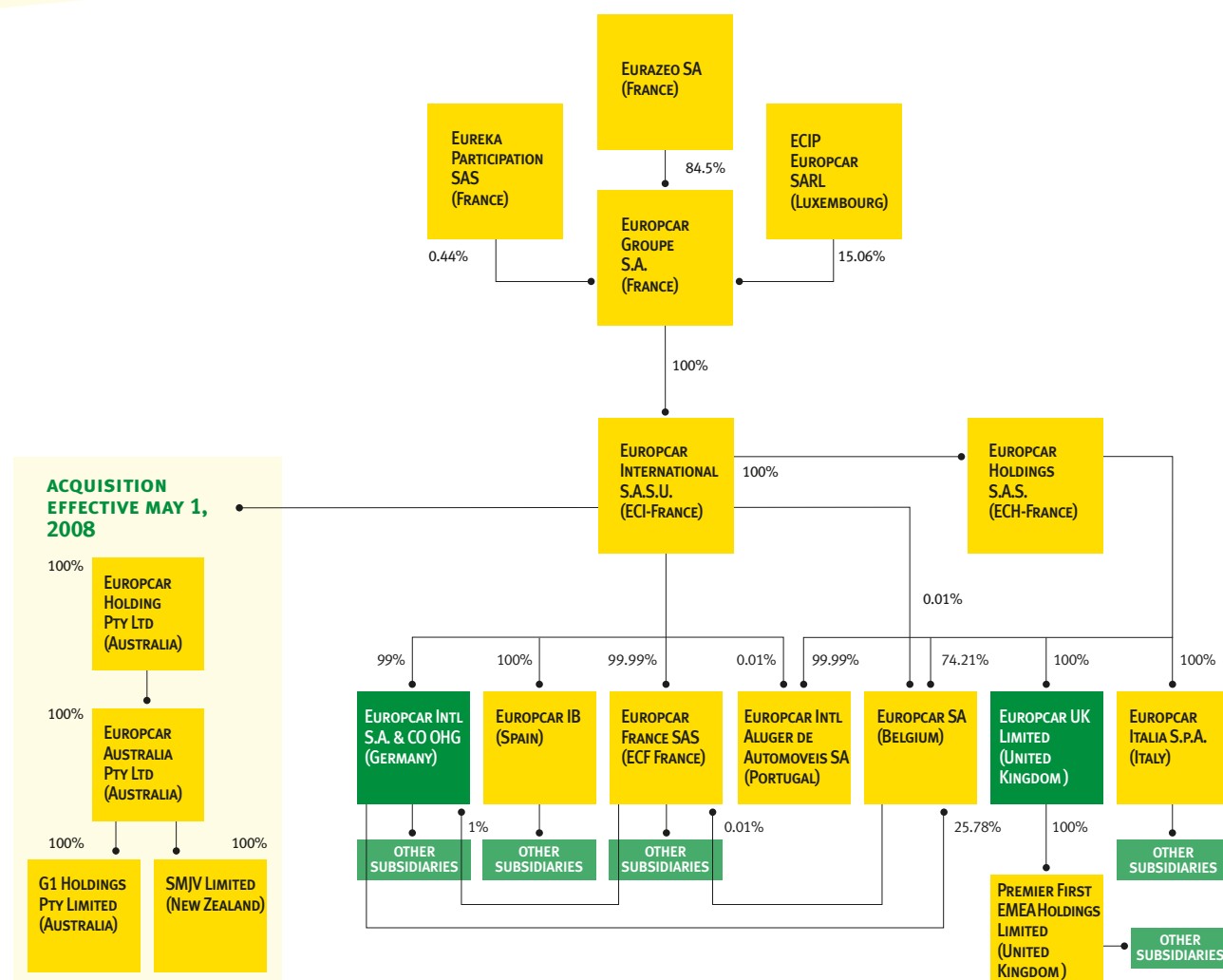
Owned by Eurazeo since May 2006, Europcar finalized the acquisition of its Australian and New Zealand master franchisee in May 2008. This acquisition has given Europcar a direct presence outside of Europe for the first time.



## FINANCIAL REVIEW



|   |  |
|---|--|
| <b>PAGE 30</b><br>Key performance indicators                | <b>PAGE 34</b><br>Free cash flow             |
| <b>PAGE 31</b><br>Pro forma revenue – IFRS reported figures | <b>PAGE 35</b><br>Consolidated balance sheet |
| <b>PAGE 32</b><br>Income statement                          | <b>PAGE 36</b><br>Financing and liquidity    |
| <b>PAGE 33</b><br>Fleet key figures and ratios              | <b>PAGE 37</b><br>Basis of preparation       |







# KEY PERFORMANCE INDICATORS

| IN MILLIONS OF € (EXCEPT FOR HEADCOUNT AND FLEET)   | FULL YEAR                                 |  |                      |
|---|---|--|----------------------|
|   | 2008<br>Pro forma at<br>hist. exch. rates | 2008<br>Pro forma at<br>const. exch. rates | 2009<br>Consolidated |
| Revenue   | 2,122                                     | 2,075                                      | 1,851                |
| Change vs. prior year   | n.a                                       | +0.5%                                      | -10.8%               |
| Adjusted operating income / (loss)<br>(excluding estimated interest expense in operating lease rents) | 253                                       | 248  | 213                  |
| Adjusted operating margin<br>(excluding estimated interest expense in operating lease rents)          | 11.9%                                     | 12.0%                                      | 11.5%                |
| Average headcount   | n.a                                       | 7,920                                      | 6,963                |
| Average fleet (change vs. prior year)   | n.a                                       | +1.6%                                      | -15.3%               |
| Average net debt excluding high-yield notes issued (IFRS)   | 2,133                                     | 2,088                                      | 1,364                |
| Average debt equivalent of fleet operating leases (1)   | 655                                       | 651  | 924                  |
| Average net debt excl. high-yield notes   | 2,788                                     | 2,739                                      | 2,288                |
| Change vs. prior year   | n.a                                       | +1.0%                                      | -16.5%               |
| Net debt at end of year excl. high-yield notes  | 2,455                                     | 2,504                                      | 2,049                |
| Change vs. prior year   | n.a                                       | -1.6%                                      | -18.2%               |

(1) Debt equivalent of operating leases estimated on the basis of the average value of fleet under operating leases; detail on components of net debt is presented on page 36.  
See basis of preparation of reported financial information on page 37.

Continuing a trend initiated during the summer of 2008, the year 2009 was marked by low market demand for car rental services.

In this difficult market context, Europcar’s cost-cutting and network and structure optimization measures demonstrated their effectiveness and helped contain the unfavorable impact of the economic crisis on revenue and profitability. Quarter

after quarter, the company steadily improved its operating and financial performance.

## FOUR QUARTERS OF REVENUE PER DAY IMPROVEMENTS

Europcar generated revenue of €1,851 million in 2009, compared with €2,075 million in 2008 on a pro forma basis and restated at constant exchange rates. The 10.8% decrease essentially reflects lower rental day

volumes across all corporate countries (i.e. where the company has direct operations) and segments. The company posted year-on-year increases in Revenue Per Day (RPD) in all four quarters of 2009, despite the lackluster demand and competitive pressure. For the year overall, RPD rose by 3.4% from the 2008 level at constant exchange rates. This performance reflects the company’s strict pricing discipline and

# PRO FORMA REVENUE - IFRS REPORTED FIGURES

EFFECT OF ACQUISITIONS AND OF EXCHANGE RATE VARIATIONS

| IN MILLIONS OF €  | FULL YEAR |       |             |
|---|-----------|-------|-------------|
|   | 2008      | 2009  | %<br>change |
| Rental revenue  | 1,933     | 1,722 | -10.9%      |
| Franchise revenue   | 35        | 33    | -5.4%       |
| Fuel and other revenue  | 124       | 96    | -22.1%      |
| Revenue (IFRS)  | 2,091     | 1,851 | -11.5%      |
| Pro forma adjustment: Australia and New Zealand revenue from Jan. to April '08  | 31        |       |             |
| Pro forma revenue (2008)  | 2,122     | 1,851 | -12.8%      |
| Effect of the conversion of revenue for the first twelve months of 2008 at the avg. exch. rates for the first twelve months of 2009 (GBP, AUD, CHF) | (47)      | -     |             |
| Pro forma revenue: 2008 restated at 2009 avg. exch. rates   | 2,075     | 1,851 | -10.8%      |

See basis of preparation of reported financial information on page 37.

active management of the business mix toward the most profitable segments.

## ADJUSTED OPERATING MARGIN AND FLEET

Adjusted operating margin came in at 11.5, only 0.5% down compared with 2008 despite the lower activity and the low margin in the first half of the year, as cost-cutting measures were being implemented. The resilience of the operating margin in a context of low demand through the year reflects the effectiveness of the measures taken by the Group in response to the downturn. Average headcount declined by 12.1%, compared with 2008.

The company reduced its average fleet by 15.3% to approximately 191,000 vehicles in 2009, compared with 225,700 vehicles in 2008. This reduction markedly exceeded the rental day volume decrease, reflecting the quick sizing of fleet to demand, which was completed in the first quarter of 2009, and continued improvements in fleet utilization in the rest of the year.

## FURTHER REDUCTIONS IN NET DEBT

The strong reduction in fleet size and non-fleet working capital resulted in a 16.5% reduction in average net debt (including the debt equivalent of fleet operating leases and excluding high-

yield notes) in 2009. At the end of the year, net debt (including fleet operating leases and excluding high-yield notes) amounted to €2,049 million, down from €2,504 million at constant exchange rates at December 31, 2008.

# INCOME STATEMENT

| IN MILLIONS OF €   | FULL YEAR                                    |   |                      |             |
|--|--|---|----------------------|-------------|
|  | 2008<br>Pro forma at<br>hist. exch.<br>rates | 2008<br>Pro forma at<br>const. exch.<br>rates | 2009<br>Consolidated | %<br>change |
| Revenue  | 2,122  | 2,075   | 1,851                | -10.8%      |
| Fleet holding costs<br>(excluding estimated interest expense in operating lease rents)       | (545)  | (532)   | (464)                | -12.8%      |
| Total operating expenses   | (1,336)                                      | (1,307)                                       | (1,181)              | -9.7%       |
| Other revenue and charges  | 12   | 13  | 7                    |             |
| Adjusted operating income<br>(excluding estimated interest expense in operating lease rents) | (a) 253                                      | 248   | 213                  |             |
| Adjusted operating margin<br>(excluding estimated interest expense in operating lease rents) | 11.9%  | 12.0%   | 11.5%                |             |
| Interest expense included in fleet operating lease rents (estimated)                         | (b) (40)                                     | (40)  | (45)                 | +11.5%      |
| Acquisition-related and reorganization charges and other non-recurring items                 | (17)   | (18)  | (51)                 |             |
| Amortization and impairment of intangible assets   | (8)  | (7)   | (5)                  |             |
| Goodwill impairment  | -  | -   | (91)                 |             |
| Total non-recurring items  | (c) (25)                                     | (25)  | (147)                |             |
| Operating income (EBIT) (a) + (b) + (c)  | (d) 188                                      | 183   | 21                   |             |
| Net financing cost   | (e) (225)                                    | (220)   | (189)                | -14.1%      |
| Of which, income (expense) from interest rate swaps  | 6  | 6   | (61)                 |             |
| Adjusted profit / (loss) before tax (a) + (b) + (e)  | (12)   | (12)  | (21)                 |             |
| Profit / (loss) before tax (d) + (e)   | (37)   | (38)  | (168)                |             |
| Income tax credit / (expense)  | 2  | 3   | 20                   |             |
| Share in profit of associates  | 0  | 0   | 0                    |             |
| Profit / (loss) for the period   | (34)   | (34)  | (148)                |             |

See basis of preparation of reported financial information on page 37.

# FLEET KEY FIGURES AND RATIOS

| IN MILLIONS OF €   | FULL YEAR         |                      |  |
|--|-------------------|----------------------|--|
|  | 2008<br>Pro forma | 2009<br>Consolidated |  |
| Revenue  | 2,075*            | 1,851                |  |
| Change vs. prior year                                      | +0.5%             | -10.8%               |  |
| Average fleet in volume                                    | units 225,696     | 191,074              |  |
| Change vs. prior year                                      | % +1.6%           | -15.3%               |  |
| Utilization rate   | % 71.6%           | 73.7%                |  |
| Average holding period of vehicles purchased in the period | months 7.7        | 7.9                  |  |
| Fleet at December 31 in volume                             | units 194,507     | 167,705              |  |
| Change vs. prior year                                      | % -8.7%           | -13.8%               |  |

\*restated at 2009 average exchange rates  
See basis of preparation of reported financial information on page 37.

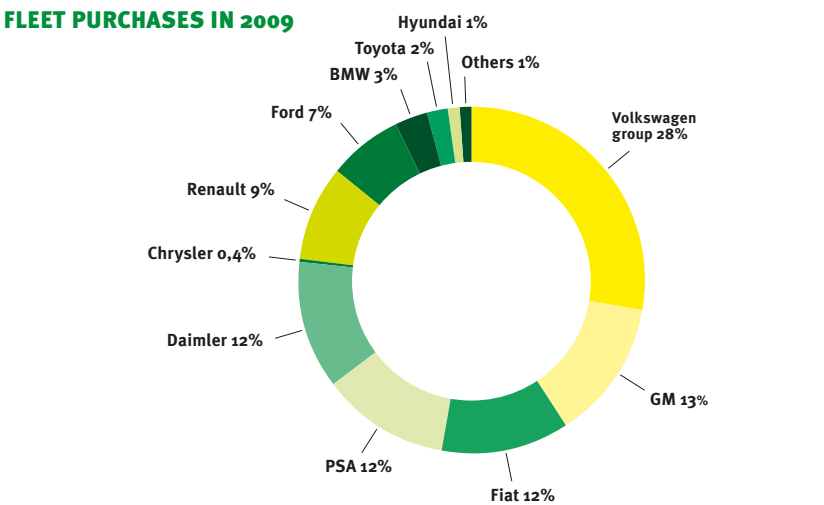
In 2009, Europcar improved its fleet utilization ratio to 73.7% —more than two points higher than in 2008– and held its vehicles for an average 7.9 months, in line with previous years.

Throughout 2009, Europcar continued to apply its strategy of highly diversified fleet sourcing. This was an achievement in light of the financial uncertainties facing US carmakers and the fact that some manufacturers reduced their volumes to the car rental industry last year.

In 2009, Europcar implemented measures to reduce its exposure to temporary risks arising from the degraded financial condition of the European subsidiaries of the big US car makers. Overall, purchases from those car makers accounted for 20%

of total purchases in 2009, compared with 22% in 2008 and 24% in 2007. At the same time, thanks to its strong relationships with the automotive

industry, the Group confirmed its leading position as a purchaser of fleet covered by buy-back commitment from the manufacturers.





# FREE CASH FLOW

| IN MILLIONS OF €  | FULL YEAR |       |
|---|-----------|-------|
|   | 2008      | 2009  |
| Adjusted corporate EBITDA   | 119       | 105   |
| Non-recurring items   | (17)      | (51)  |
| Corporate EBITDA after non-recurring items  | 102       | 54    |
| Non-fleet capital expenditure, net of proceeds from disposal                      | (24)      | (27)  |
| Change in non-fleet working capital   | 44        | 45    |
| Change in provisions, employee benefits and accrued fleet financing interest exp. | 1         | 7     |
| Income tax (paid) / received  | (34)      | 12    |
| Corporate free cash flow before fleet acquisition and disposal activities         | 89        | 90    |
| Cash interest paid on corporate debt, including allocated swap cash charge        | (61)      | (67)  |
| Free cash flow before fleet acquisition and disposal activities                   | 28        | 24    |
| Cash flow from fleet acquisition and disposal activities                          | 373       | 579   |
| Free cash flow  | 401       | 603   |
| Business acquisition, net of cash acquired  | (34)      | -     |
| Other investing activities  | 2         | (2)   |
| Decrease in drawings on fleet financing and working capital facilities            | (339)     | (622) |
| Net change in cash  | 29        | (20)  |

See basis of preparation of reported financial information on page 37.

Europcar generated free cash flow of €603 million in 2009, a 50% increase compared with 2008. The improvement reflects a €206-million increase in cash flow from fleet acquisition and disposal activities, which amounted to €579 million in 2009. For the year, the company reported a slight improvement in corporate free cash flow to €90 million, despite a €48-million shortfall in corporate

EBITDA after non-recurring charges. This essentially reflects strong cash generation of €45 million from the reduction in non-fleet working capital achieved in the year. Added to the €44 million of cash generated in 2008, essentially in the second half of the year, this €45 million generated in 2009 brings to €90 million the liquidity produced through improved management of non-fleet working

capital over 18 months. Income tax refunds of €12 million also contributed to the strong corporate free cash flow performance in 2009.

# CONSOLIDATED BALANCE SHEET AT REPORTED EXCHANGE RATES

| IN MILLIONS OF €                              | FULL YEAR   |         |
|---|-------------|---------|
|   | 2008        | 2009    |
| Property, plant and equipment                 | 122         | 115     |
| Non-current assets held for sale              | -           | -       |
| Intangible assets                             | 1,407       | 1,315   |
| Other investments (provisions), net           | 1           | 6       |
| Employee benefits                             | (53)        | (67)    |
| Deferred tax assets (liabilities), net        | (215)       | (184)   |
| Derivatives (non-current)                     | (54)        | (91)    |
| Operating Investment - Non-current            | (a) 1,208   | 1,093   |
| Rental fleet                                  | 1,982       | 1,518   |
| Fleet receivables                             | 478         | 548     |
| Fleet payables                                | (473)       | (599)   |
| Fleet-related VAT receivables (payables), net | 29          | 19      |
| Fleet working capital                         | 35          | (33)    |
| Fleet asset base                              | 2,017       | 1,486   |
| Trade and other receivables                   | 403         | 369     |
| Trade and other liabilities                   | (358)       | (355)   |
| Inventories                                   | 17          | 15      |
| Non-fleet working capital                     | 62          | 30      |
| Provisions                                    | (150)       | (173)   |
| Income tax receivable (payable), net          | (0)         | (8)     |
| Derivatives (current)                         | 2           | -       |
| Operating Investment - Current                | (b) 1,931   | 1,335   |
| Operating Investment - Total (a) + (b)        | (1) 3,140   | 2,428   |
| Borrowings - Non-current                      | (795)       | (795)   |
| Borrowings - Current                          | (2,015)     | (1,449) |
| Cash and cash equivalents                     | 280         | 266     |
| Other investments (current)                   | 39          | 43      |
| Accrued interest and other loans, net         | 5           | 4       |
| Net liquidity (debt)                          | (2) (2,486) | (1,931) |
| Equity (1) + (2)                              | 654         | 497     |

See basis of preparation of reported financial information on page 37.

The decrease in intangible assets mainly reflects a €91 million impairment related to goodwill allocated to Europcar’s Spain cash generating unit booked at the end of 2009, and a €37 million change in the fair value of the company’s interest rate swaps. The strong reduction in the rental fleet and fleet working capital (€464 million

and €67 million at reported exchange rates, respectively) reflects both the sizing of fleet to lower demand and the greater use of operating leases to finance the fleet, which are reported off-balance-sheet. The current portion of on-balance-sheet borrowings, which are mainly fleet-related, declined accordingly by €566 million to €1,449 million in 2009.

The company cut its non-fleet working capital requirements in half, to €30 million at the end of December, 31 2009 from €62 million at the end of December 2008. As mentioned in the cash flow section (see page 34), the company generated nearly €90 million in cash through the reduction of non-fleet working capital over the last two years.

# FINANCING AND LIQUIDITY

| IN MILLIONS OF € (EXCEPT FLEET, REPORTED IN UNITS)                                      | AVERAGE FOR THE YEAR             |         | AT YEAR END                      |         | GUARANTEES<br>ISSUED |
|---|----------------------------------|---------|----------------------------------|---------|----------------------|
|   | 2008 <sup>(2)</sup><br>Pro forma | 2009    | 2008 <sup>(2)</sup><br>Pro forma | 2009    |                      |
| Revenue   | 2,122                            | 1,851   | 2,122                            | 1,851   | 38                   |
| Fleet in volume   | 225,696                          | 191,074 | 194,507                          | 167,705 |                      |
| High-yield notes issued   | 800                              | 800     | 800                              | 800     |                      |
| Other long-term liabilities   | (17)                             | (13)    | (14)                             | (12)    |                      |
| Senior asset financing loan   | 1,716                            | 1,142   | 1,511                            | 900     |                      |
| UK and other fleet financing  | 579                              | 425     | 453                              | 435     |                      |
| Revolving credit facility   | 113                              | 64      | 42                               | 85      |                      |
| Deferred issuance costs on credit facility  | (27)                             | (18)    | (23)                             | (14)    |                      |
| Bank overdraft  | 12                               | 19      | 15                               | 11      |                      |
| Accrued interest  | 16                               | 12      | 10                               | 7       |                      |
| Other loans   | 54                               | 13      | 12                               | 28      |                      |
| Total financial liabilities (1)   | 3,246                            | 2,442   | 2,805                            | 2,241   |                      |
| Cash and cash equivalents (2)   | 274                              | 237     | 280                              | 266     |                      |
| Other investments (current) (3)   | 39                               | 41      | 39                               | 43      |                      |
| Net debt (IFRS) (1) - (2) - (3)   | 2,933                            | 2,164   | 2,486                            | 1,931   |                      |
| At constant exchange rates  |                                  |         |                                  |         |                      |
| Net debt (IFRS) at constant exchange rates  | 2,888                            | 2,164   | 2,526                            | 1,931   |                      |
| Debt equivalent of fleet operating leases <sup>1</sup>                                  | 651                              | 924     | 778                              | 917     |                      |
| Net debt at constant exchange rates including debt equivalent of fleet operating leases | 3,539                            | 3,088   | 3,304                            | 2,849   |                      |
| Change vs. prior year   |                                  | (451)   |                                  | (455)   |                      |

(1) Estimate based on the average value of fleet under operating leases in both periods

(2) At historical exchange rates

See basis of preparation of reported financial information on page 37.

Europcar maintained robust liquidity throughout the year in 2009. The company's corporate financing (high-yield bonds) remains secured until May 2013 and its fleet financing until May 2011. The company continued to implement new operating lease lines to finance

its fleet in 2009. The debt equivalent of fleet operating leases amounted to €917 million at the end of December 2009, up from €778 million one year earlier. As a result, operating leases accounted for 41% of Europcar's on- and off-balance-sheet fleet financing facilities at the end of December

2009; a significant increase from the 28% they represented in 2008. In 2009, Europcar reduced the average utilization of its revolving credit facility to €64 million —nearly half the 2008 level— on the back of strong corporate cash flow generation and enhanced cash management.

# BASIS OF PREPARATION OF THE FINANCIAL INFORMATION PRESENTED

The accounting treatment of the acquisitions of Vanguard EMEA on February 28, 2007, Betacar on May 31, 2007 and Europcar Australia-New Zealand, effective as of May 1, 2008, in accordance with IFRS 3 Business Combinations, had several significant effects on Europcar's Consolidated Financial Statements.

These effects include primarily: significant changes in the consolidation scope of the Europcar Group and the recognition of intangible assets in its consolidated balance sheet effective as of the date when these acquisitions were completed; and the recognition in its income statement of the amortization and impairment charges related to these intangible assets and of expenses directly incurred in connection with these acquisitions.

Therefore, in addition to the IFRS consolidated financial statements, Europcar has prepared adjusted pro forma information for the income statement since 2007. Pro forma information was prepared for the years 2007 and 2008, because business acquisitions were carried out in those years, which resulted in changes in the scope of consolidation of Europcar Group effective on the day these acquisitions were completed. Because Europcar Group made no business acquisitions in 2009

only adjusted information was prepared for those periods. Adjusted pro forma information has been prepared as outlined below.

Such additional adjusted pro forma financial information, which differs from IFRS standards, assumes the acquisition of Vanguard EMEA and Europcar Australia-New Zealand took place as of January 1, 2007, thus allowing a meaningful comparison of the performance of Europcar Group for 2007, 2008 and 2009 on a full-year basis.

Adjusted pro forma operating income and operating margin exclude charges resulting from the accounting treatment of the acquisitions carried out by Europcar Group in 2007 and 2008, as well as one-off expenses and reorganization charges incurred in connection with these transactions. Charges resulting from the accounting treatment of these transactions consist of amortization and impairment of intangible assets. One-off acquisition-related expenses consist of charges which would have not been incurred had the transaction not occurred, in particular professional advisory services incurred in connection with the integration of the businesses acquired and charges related to the early termination of certain franchise contracts. Acquisition-related reorganization

charges consist of severance costs related to headcount reductions in the support functions, and expenses resulting from the rationalization of the rental stations network and office sites (including asset write-offs and transfer costs, severance costs, lease termination and building refurbishment costs) as well as the rationalization and harmonization of the service portfolio and information systems.

All expenses excluded from adjusted pro forma operating income and operating margin are reported on separate lines of the income statement below the adjusted operating income aggregate.

Europcar has a significant presence in the UK and in Australia as a result of its acquisition of Vanguard EMEA and of Europcar Australia, whose revenue, costs and debt are denominated in British pounds and Australian dollars, respectively, so that the income statement and cash flow of these two countries are naturally hedged. However, Europcar Group's results and financial statements reported in euro are exposed to the currency conversion risk related to the consolidation of the results and financial statements of the UK and Australia operations. Therefore, in order to allow a meaningful, like-for-like comparison between 2008 and 2009, the UK, Australia and



# BASIS OF PREPARATION

Switzerland contribution to the 2008 income statement of Europcar Group and their net debt information for that year have been restated at the 2009 British pound/euro, Australian dollar/euro and Swiss Franc/euro exchange rates, respectively. Income statement information presented in the tables included in this report has been restated using average exchange rates, which are calculated as the year to date average daily exchange rate (excluding weekend and bank holidays) as reported by the European Central Bank.

Debt information has been restated using exchange rate information at the relevant month's end. Finally, adjusted pro forma operating income

and operating margin also exclude reorganization expenses incurred since the beginning of the fourth quarter of 2008 in order to adapt Europcar Group's structure and cost base to the economic downturn that has affected the worldwide economy since 2008.

The adjusted pro forma information is not audited but is directly derived from the IFRS audited income statements for the years 2008 and 2009. It has been prepared on a quarterly and consistent basis in accordance with the principles described above and is used by management to review the operating and financial performance of Europcar Group and to report on the results of Europcar Group. We believe such adjusted pro forma information

provides a better understanding of Europcar's operating performance by allowing a full comparison of the performance for the full year of 2008 and 2009 on a like-for-like basis.

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