

Activity and Financial Report 2006

# EUROPCAR IN 2006,



***Europcar***

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Profile

# OUR AMBITION,



## N°1 IN EUROPE

REVENUE OF **1.5 BILLION EUROS**

**+15%** REVENUE GROWTH IN 2006

**AMONG THE TOP 3** WORLDWIDE PLAYERS

WORLDWIDE PRESENCE **IN 160 COUNTRIES**



Since May 2006, Europcar is controlled by the French investment company Eurazeo.

In 2006, Europcar achieved revenue of 1.5 billion euros, representing a remarkable 15% increase over 2005.

With this historic growth, Europcar reinforced its N°1 position in Europe. Europcar's own operations and extensive network of franchisees place its brand and network as one of the only three international car rental organisations in the rental car industry with truly global operations.

Europcar's network comprises more than 3,000 locations in 160 countries. With a fleet of over 200,000 vehicles and almost 8 million rental contracts signed in 2006, Europcar provides services to business and private customers throughout its worldwide network.

**Everyday, Europcar is ready to provide personalised and exclusive attention to each of its customers, whether they are from the corporate, replacement or leisure segments.**

Everywhere in the world, Europcar is committed to deliver best in class service to its customers. Through privileged partnerships with airlines, railway operators, hotel groups, automobile clubs, roadside assistance services and car manufacturers, Europcar makes the business of renting cars part of an integrated and global mobility concept.

Throughout its development, the group has always focused on the core values of excellence and service quality. Accordingly, Europcar considers human resources, corporate governance, quality policies and environmental initiatives as key priorities.

Europcar's ambition is to be the car rental brand of choice everywhere in the world, striving for perfection every day and driven by strong values.

We believe this is the basis of success and the key to customer loyalty.

## Mission statement



"Since its acquisition by Eurazeo in May 2006, Europcar has considerably reinforced its position as Europe's leading car rental company and has become one of the three worldwide car rental companies via its alliance with Vanguard."

**Xavier Marin** Europcar Groupe Chairman of the Board of Directors

2006 has been a year of considerable activity for Europcar starting with its acquisition by Eurazeo in May. A few weeks later, Europcar completed two acquisitions, Keddy and Ultramar. In addition, during the summer, a number of key commercial partnerships, among which those of easyJet and TUI, were successfully renewed. In the autumn, Europcar signed a two-pronged strategic alliance with Vanguard, including the purchase of its European businesses.

Throughout the year, Europcar actively pursued a development strategy based on both organic and external growth that enabled the group to become N°1 in six out of the seven largest markets in Europe. In 2006, Europcar became the leading rental operator in the United Kingdom with the acquisition of Vanguard's (National and Alamo) European businesses, gained the N°1 position in Belgium following the acquisition of Keddy and reinforced its N°1 position in Spain via the acquisition of Ultramar.

Today, Europcar has become one of the three worldwide car rental leaders and has strengthened its position as N°1 in Europe. Our annual revenue grew by 15%, nearly four times the industry growth, and by 13% when excluding Keddy and Ultramar.

As the largest European car rental company, Europcar is also acutely aware of environmental issues and 2006 saw various initiatives being developed to build on our existing eco-citizenship measures. In the near future, we will take further steps in this direction, for example with the inclusion of hybrid vehicles in our rental fleets.

Europcar's strategy for 2007 is focused on strengthening its position as a global leader. We have to successfully integrate Vanguard's European activities and complete the implementation of the transatlantic alliance with Vanguard. Simultaneously, Europcar will continue to extend its network into Asia and expand its partner network.

In 2007, Europcar will maintain the strong financial and administrative discipline that has driven financial growth, whilst ensuring that our creativity, entrepreneurial spirit and dedication to our customers continue to make us the leading car rental company.

With the quality of its team, the force of its brand name, the strength of its network and the performance of its operational systems, Europcar is well prepared to take on new challenges and build towards its future success."



“Today, we are determined to pursue our operational and financial excellence targets, including within the newly acquired European businesses of Vanguard. Revenue growth, improved profitability and strengthening our international network are at the very core of the group’s future strategy.”

**Salvatore Catania** Europcar Groupe Chief Executive Officer



**I**n 2006, Europcar consolidated its place as the N°1 car rental company in Europe, a position that it has held since 2003. Revenue rose by 15% over 2005, to reach €1.5 billion, mainly driven by organic growth. The number of rentals days billed reached 41.6 million, a 14.6% increase versus 2005 with a 0.8% improvement in revenue per day. Fleet utilisation rate grew further to reach 71.8%, a 0.5% improvement on the 2005 level.

A number of developments in 2006 provided significant growth opportunities for the car rental industry, including further expansion of low cost carriers and high speed trains. We estimate that these factors contributed to a 4% increase in the European car rental market. However, Europcar actually grew nearly four times faster than the market. A truly historical year.

As customers become increasingly sensitive to service quality, we strongly believe that the commitment of our employees and franchisees, and our long term relationships with partners and car manufacturers will remain a strong asset central to Europcar’s success.

As in previous years, Europcar’s partnerships played a strategic role. Europcar currently has a network of over 80 partners, many of whom are leaders in their own industry. In 2006, Europcar successfully renewed its agreements with easyJet,

the leading European low cost airline, and with TUI, the world leading travel and tourism company. Relations with Accor, the largest hotel group in Europe and one of the largest in the world, have also been reinforced through joint online initiatives and co-marketing activities. In addition, Europcar signed an exclusive partnership agreement in Japan, further extending its international network.

The alliance with Vanguard is a major step in Europcar’s development. It will create strong fleet management synergies, optimize service quality, and offer comprehensive solutions tailored to customer needs. The added value of the three brands – Europcar, National and Alamo – reinforces our global presence and allows our customers to choose their preferred brand around the world.

In 2007, we are well positioned to provide a premium service to both business and leisure customers and our strong reputation of professionalism, innovation and customer-focused service is driving us forward.

We would like to take this opportunity to thank all of our employees, customers and partners, for their active contributions to a successful year 2006. More than ever, Europcar remains dedicated to providing its customers and partners with the highest standard of service.”





The year 2006

BE THE  
CAR RENTAL  
BRAND  
OF CHOICE,

## Key events 2006

In 2006, Europcar became a worldwide player. Europcar reinforced its position as N°1 in Europe in particular in the UK with the acquisition of Vanguard's European activities, the acquisition of Keddy in Belgium and Ultramar in Spain. Europcar also renewed key strategic partnerships, notably with easyJet and TUI. And finally, thanks to the strategic alliance with Vanguard (National – Alamo), Europcar became one of the three worldwide car hire leaders.

### JANUARY

Europcar voted Best Car Rental Company in Europe by Business Traveller Magazine.

### FEBRUARY

Europcar official partner of the XX<sup>th</sup> Winter Olympic games in Turin.

### MARCH

Eurazeo signed an acquisition agreement to buy Europcar from Volkswagen.

### APRIL

Google chose Europcar as pilot partner for the launch of Google Mobile.

### MAY

First Europcar bond loan issued.  
Completion of the Europcar acquisition by Eurazeo.

### JUNE

Acquisition of Keddy in Belgium - Europcar became N°1 car rental company in Belgium.  
Acquisition of Ultramar in Spain.  
Europcar Germany partnered the Football World Cup 2006.



#### MAJOR STRATEGIC TRANSACTION

The acquisition of Vanguard's European businesses positions Europcar as the leading car hire company in the UK and strengthens the N°1 status held in Europe since 2003. The transatlantic partnership also signed with Vanguard enables Europcar to attain a worldwide leadership position and to offer its clients a premier network in North America.

## JULY

easyJet and TUI partnership agreements renewed.

## AUGUST

easyJet 2006 rentals overshot the 2005 full-year figure.

## SEPTEMBER

Publication of 2006 first half-year results (+15% compared with the same period in 2005).  
Mazda Car Rental, one of Japan's leading car rental companies, integrated into the Europcar network.

## OCTOBER

Europcar and Jetfleet, a Jetair promoted entity, started operations in India.

## NOVEMBER

Vanguard EMEA acquisition and strategic alliance.  
Salvatore Catania, CEO of Europcar Groupe, named Car Rental Travel Personality of the Year 2006.

## DECEMBER

Europcar closed 2006 with increase of +15% in revenue and +19.7% in EBITDA.



### EUROPCAR RECEIVES 9 AWARDS

At the 13th Annual World Travel Awards ceremony, Europcar was named "Leading Car Hire" in the world, in Europe, Africa, Australasia, Caribbean, Central & Latin America, South America and the Middle East. The voting campaign reached over 160,000 travel professionals worldwide. Europcar's CEO, Salvatore Catania, was presented with a prestigious World Travel Award for "Car Rental Travel Personality of the Year".



## Key figures 2006

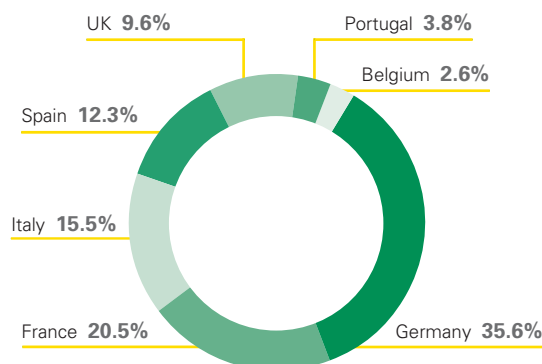
### 2006: Europcar confirmed its strong growth

Total revenues rose from €1,280 million in 2005 to €1,469 million in 2006, corresponding to an increase of 14.8%. Changes in the various components of this revenue performance were as follows: Vehicle (cars and light vans) rental revenues rose by 15.4%, from €1,251 million at 31<sup>st</sup> December 2005 to €1,444 million at 31<sup>st</sup> December 2006. This €193 million increase was mainly due to a rise in business volumes, together with a 14.6% increase in the number of rental days billed and a 0.8% improvement in revenue per day. Excluding the Keddy and Ultramar acquisitions, revenue growth amounted to 13.0% for a 12.6% increase in the number of rental days. The average rental period increased by 2.8%.

### Increase in pre-tax profit from continuing activities (EBIT):

EBIT increased from €146 million in 2005 to €168 million in 2006, corresponding to an increase of 15.0%. Recurring EBIT reached €184 million with a 12.5% operating margin on the back of increased revenues, effective cost control and enhanced economies of scale.

#### > ACTUAL REVENUE SHARE OF CORPORATE COUNTRIES - 2006



#### > SPLIT BUSINESS - LEISURE



## > EUROPCAR GROUPE KEY FIGURES

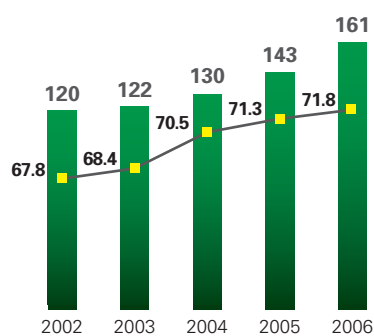
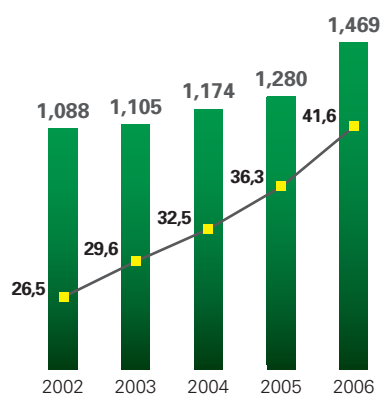
In 2006, recurring EBIT : €184 m, margin 12.5%

€m	2003	2004	2005	2006
Sales	1,105	1,174	1,280	1,469
Growth	1.7%	6.2%	9.0%	14.8%
EBITDA	301	312	360	431
Margin	27.2%	26.6%	28.1%	29.3%
EBIT	118	124	146	168
Margin	10.7%	10.6%	11.4%	11.5%
KPIs				
Rental Days (in thousands)	29,600	32,500	36,300	41,600
RPD («yield») in €	36,0	35,0	34,2	34,5

## > KEY OPERATIONAL MILESTONES

Sales and rental days 2002-2006

Utilisation rate and average fleet 2002-2006



■ Revenues (€m)  
■ Rental Days (m)

■ Average fleet (x 1,000)  
■ Utilisation (%)





International presence

EVERYWHERE  
IN THE  
WORLD,

## Europcar international network

The broad scope of the Europcar Network, operating over 3,000 locations in 160 countries, provides extensive coverage of all travel hubs. It enables maximum proximity to customers and generates growth of domestic and international business.



### AFRICA

Angola  
Benin  
Botswana  
Burkina Faso  
Burundi  
Cap Verde  
Congo  
Congo (Dem. Rep.)  
Djibouti  
Equatorial Guinea  
Ethiopia  
Gabon  
Gambia  
Ghana  
Guinea  
Kenya  
Libya  
Madagascar

Mauritania  
Mauritius  
Mayotte  
Morocco  
Mozambique  
Namibia  
Nigeria  
Reunion Island  
Rwanda  
South Africa  
Swaziland  
Syria  
Tanzania  
Togo  
Tunisia  
Uganda  
Zambia  
Zimbabwe

### AMERICAS

Antigua  
Argentina  
Aruba  
Bahamas  
Barbados  
Bonaire  
Brazil  
Canada  
Cayman Islands  
Chile  
Colombia  
Costa Rica  
Cuba  
Curaçao  
Dominican Republic  
El Salvador  
French Guiana  
Grenada

Guadeloupe  
Guatemala  
Guyana  
Haiti  
Honduras  
Jamaica  
Martinique  
Mexico  
Nicaragua  
Panama  
Peru  
Puerto Rico  
Saint Barthélemy  
Suriname  
Trinidad & Tobago  
Uruguay  
US Virgin Island  
Venezuela

### ASIA PACIFIC

Armenia  
Australia  
Azerbaijan  
Bangladesh  
Brunei Darussalam  
Cambodia  
Cook  
Fiji  
French Polynesia  
India  
Indonesia  
Japan  
Kazakhstan  
Kiribati  
Laos  
Malaysia  
Mariana  
Marshall





Myanmar  
Nepal  
New Caledonia  
New Zealand  
Pakistan  
Palau  
Papua  
Philippines  
Samoa  
Singapore  
South Korea (Rep Of)  
Taiwan  
Thailand  
Timor  
Tonga  
Vanuatu  
Vietnam

**EUROPE**  
Albania  
Andorra  
Austria  
Belarus  
Belgium  
Bosnia And Herzegovina  
Bulgaria  
Croatia  
Cyprus  
Czech Republic  
Denmark  
Estonia  
Faroe Islands  
Finland  
France  
Germany  
Great Britain

Greece  
Greenland  
Hungary  
Iceland  
Ireland  
Italy  
Kosovo  
Latvia  
Lichtenstein  
Lithuania  
Luxembourg  
Macedonia  
Malta  
Moldova  
Montenegro  
Netherlands  
Norway  
Poland  
Portugal

Romania  
Russia  
Serbia  
Slovak Republic  
Slovenia  
Spain  
Sweden  
Switzerland  
Turkey  
Ukraine

**MIDDLE EAST**  
Abu Dhabi  
Dubai  
Iran  
Iraq  
Jordan  
Kingdom Of Bahrain  
Kuwait  
Lebanon  
Oman  
Qatar  
Yemen







**Our services**

STRIVING  
FOR  
PERFECTION  
EVERY DAY,

## PLACING SERVICE QUALITY AT THE FOREFRONT

Europcar's commitment to delivering quality service is an integral part of the company's philosophy. Europcar's Global Service Quality Programme aims at delivering the highest standards, ensuring consistent practices throughout Europcar's worldwide locations.

## GLOBAL SERVICE FOR A WIDE RANGE OF CUSTOMERS

For both leisure and business rentals, Europcar works closely with many major corporations, organisations and individual travellers. Rentals for leisure and business requirements place different demands on Europcar's operations and Europcar maintains a stable balance between these two segments to enhance the profitability of the business and the consistency of operations.

## BUSINESS DRIVEN TECHNOLOGICAL SOLUTIONS

Europcar has harnessed technology to better inform and serve customers with fast, easy and user-friendly online interfaces. Internet bookings represent an increasingly important part of Europcar's business. A strong focus on IT is instrumental in implementing Europcar's corporate strategy and in achieving productivity and performance targets.

## FRANCHISING AND INTERNATIONAL PARTNERSHIPS GAIN GROUND

With the continued expansion of the franchise network, Europcar's service quality and range of coverage are clearly competitive advantages and are used as tangible differentiators to attract large partners and clients. Europcar's high level of customer service, attention to detail and the ability to respond to changing consumer requirements are key factors driving its attractiveness as a partner.



# PLACING SERVICE QUALITY AT THE FOREFRONT

Europcar further strengthened its "Global Service Quality Programme" in 2006. The Global Service Quality Programme aims at delivering the highest standards of service, ensuring consistent quality practices and having common standards implemented throughout Europcar's global locations.

Key values could be summarised as: "Safety", "Reliability", "Transparency" and "Customer focus."

### Global quality as a goal

The Global Quality Service programme is piloted by Europcar International, supported by the network and the IT teams, at all levels and at all times.

Europcar uses the strong foundations of its ISO 9001 certification across its entire network, which ensures that:

- operating procedures are set up
- monitoring is implemented for an efficient and seamless application of a continuous improvement process.

Europcar's target is to meet customers' expectations via the excellence of its consistent Global Service Quality across the whole rental experience: From the initial contact (reservation) through to vehicle pick up, rental, return, invoicing, query handling and post rental feedback.

### KPI's & SLA's for customer benefits

Customers have great influence on service and related performances. For this reason, Europcar actively involves them in the overall service optimisation efforts.

Key Performance Indicators (KPIs) serve as typical examples of Europcar's ability to manage Service Level Agreements (SLAs) within commonly agreed frameworks. With customers, Europcar jointly monitors all aspects from reservation to fleet management.

Analysis of the majority of Key Performance Indicators in 2006 has shown that commitments are actually exceeded, as Europcar immediately overcomes any shortcomings via targeted action plans and careful follow up.

In addition, and at the same time, other projects are under way to further optimise the customer service support management for improved customer benefits and transparency, such as the "Customer Service Tool", fully integrated in Greenway, that captures and stores all customer queries in a unique system.

Europcar is confidently taking new paths to achieve service excellence.



## FULFILLING CUSTOMERS' EXPECTATIONS

*Europcar is performing periodic reassessments of its customers' expectations and values in order to establish the service attributes that are most important. These surveys are being conducted quarterly by an external company. The objective of this programme is to truly understand customer expectations and purchase decisions in order to track on going satisfaction and long term loyalty. It is also used to ensure all staff is fully up to date with current performance. The programme has been rolled out across seven corporate countries with the possibility of extension to further territories in the near future.*

# GLOBAL SERVICE FOR A WIDE RANGE OF CUSTOMERS

Europcar serves a large spectrum of customers ranging from multinational corporations and tour operators to individuals. In 2006, Europcar derived 55% of its revenue from corporate customers and 45% from leisure customers; and no single account generated more than 5% of consolidated revenue.

## **Leisure rentals: TUI partnership renewal**

Europcar reaches a large part of its leisure customers through its extensive portfolio of partnerships. Agreements with tour operators like TUI have always provided significant business to Europcar.

In 2006, Europcar renewed its agreement with TUI by signing a multi-year contract. This partnership with Europe's largest tour operator ensures a solid distribution channel for leisure car rental as well as a good base for marketing and brand awareness.

Europcar's commitment to providing the highest level of customer service to TUI has also been recognised. For the second year running, Europcar Spain was rewarded by TUI Germany with the Silver Wheel Award for the best rental/complaint ratio over one year.

## **Business rentals: leveraging IT to deliver better service**

Europcar works closely with many major corporations, organisations and associations in the business rental segment.

Europcar serves as the exclusive or preferred provider for these business houses and offers rentals to employees or members at pre-negotiated rates with agreed service-level guarantees.

Many of Europcar's business house customers have direct access to Europcar's IT system via dedicated micro-sites. These micro-sites provide reservation and invoicing interfaces specifically tailored to meet business needs.

Last year, business rentals recorded double digit growth rates in both corporate accounts and small and medium business house segments. Europcar also successfully consolidated its leadership in the replacement market and renewed agreements with two of its biggest vehicle replacement accounts.

Leisure and business rentals have different characteristics and place different types of demands on Europcar's operations. Europcar maintains a stable balance between these two segments to enhance the profitability of business and the consistency of operations.

## **Christian Zeller - TUI: Director, Head of Process Engineering and New Markets**



*"Our great partnership with Europcar has been lasting for many years now. Europcar is preferred partner in all the car hire activities of the entire TUI Group for many reasons: Europcar offers an excellent product quality worldwide combined with an innovative service. The employees' commitment to always focus on the customer's need strengthens our true partnership. It is our mission to continuously improve our business together."*



# BUSINESS-DRIVEN TECHNOLOGICAL SOLUTIONS

Europcar has harnessed technology to better inform and serve customers with a fast, easy and user-friendly online experience. In 2006, the importance of Europcar's websites and Internet partnerships grew significantly as distribution channels.

### Focus on internet

In 2006, Internet reservations (Europcar websites and web partners) experienced strong growth, with this channel representing almost one quarter of total activity for the group. Traffic on Europcar websites increased by 25% between 2005 and 2006, with an average of 1.6 million unique visitors per month. Internet reservations increased in each Europcar corporate country, as well as on the global Europcar.com website.

During the first half of 2006, Europcar launched new Search Engine Marketing campaigns for all cross-border activity. Throughout the year Europcar continued to refine sponsored link campaigns on Google and as a result significantly decreased the distribution costs in this segment. Google also selected Europcar as exclusive partner in the launch of their Mobile Search programme in the UK and Germany.

Third-party travel websites have also grown in importance to Europcar as a distribution channel. Europcar is currently partnered with several of the leading Online Travel Agencies (OTAs).

These partnerships provide three distinct marketing advantages. Firstly, the global reach of the OTAs complements the geographic diversity of the Europcar Network and broadens Europcar's potential customer base. Secondly, the OTAs' packaging of car rental with other services, such as airline or train travel and hotel accommodation, offers Europcar the opportunity to take advantage of the

increased importance of dynamic packages in the online travel industry.

Lastly, Europcar is able to benefit from the strength of the OTAs' relationships with airline companies that are not Europcar partners.

During the second half of 2006, Europcar renewed contracts with Expedia and Travelocity in the United States. Europcar also enhanced its partnership with Orbitz by agreeing to distribute Europcar through the Orbitz package path as well as through the traditional standalone path.

### Dynamic packaging

The dynamic packaging capabilities developed within the easyJet partnership agreement were extended in Europcar's systems to support insurance and booking modifications. As a result of the implementation of dynamic packaging – which allows customers to book rentals at the same time as flights – reservations on easyJet reached double digit increases every month in 2006.

### New rental agreement: paperless deployment

Although pre and post-rental information for customers is moving more and more to Europcar's websites, the face-to-face relationship at Europcar locations remain a key focus. As a result, Europcar developed a programme designed to improve the quality of this relationship at the counter.

**+25%**  
**Increase of**  
**traffic on Europcar**  
**websites**

The objective of the programme was to facilitate and simplify the handling of the overall rental agreement administrative process and to reduce the flow of paper at rental locations and corporate offices. With the introduction of Paperless Business practices, Europcar is introducing innovative rental counter practices for its direct customer contacts.

Paperless enables the customer to view, approve and sign the rental agreement on a customer-facing screen at the Europcar counter. This point of sale device electronically captures the customer's signature, makes rental agreement production faster and easier and ultimately saves time for the customer.

The system also enhances and improves the archiving process through an immediate digitisation of key rental information. The rental agreement and the wallet are also produced in a more manageable pocket format, close to the size of an airline boarding card.

Germany acted as a pilot country and received the first hardware. In 2006, nine airport and city stations were equipped and over 100,000 rental agreements were created using the Paperless Business system. Further stations will be equipped

with this new system in 2007 as part of the continued implementation phase.

### System development

Europcar regards its IT structure as instrumental in implementing its corporate strategy and in achieving its productivity and performance targets. The centralised, in-house development of core applications by Europcar Information Services (EIS) is an important element of this strategy, resulting in system enhancements and high quality of service for customers.

Europcar's significant investment in technology is intended to further enhance its ability to offer innovative and cost-effective services. Technical projects aimed at establishing and securing the continuity of services are given special attention. Business projects maintaining and enhancing the system's capabilities are assessed with respect to the expected added value to the business, including revenue growth, cost reduction and legal risk avoidance.

### Touch-screen: Europcar paperless policy



*The counter terminal will allow the customer to display the contractual data (contract, conditions of sale) and validate them using a digitized signature. Features of the terminal include a fixed, colour, touch-screen, and the capability to rapidly and reliably record customers' electronic signatures.*

# FRANCHISING AND INTERNATIONAL PARTNERSHIPS GAIN GROUND

Europcar's network of over 3,000 rental stations now comprises an almost equal split between franchise countries and corporate operations. With the continued expansion of the franchise network, Europcar's service quality and range of coverage are clearly competitive advantages and key differentiators to attract large partners and clients.

### Europcar expands and strengthens network

Already a leader in six out of seven corporate countries, Europcar's franchisees are equally impressive. This excellent achievement is a testament to the inclusive franchising strategy introduced six years ago.

Of particular note is Europcar's strength of presence in countries bordering Europcar's corporate operations. This proximity ensures active implementation of best practice policies and account sharing, practices now firmly ingrained within the company ethos.

As the sphere of influence widens in these countries, Europcar will continue to reinforce its leading market position whilst leveraging its strength to support the expansion into adjoining countries and territories.

Outside of Europe, Europcar has also pursued strong expansion plans, with the African, Middle East and Asia Pacific regions seeing significant development in 2006. Further developments were also seen with the implementation of Europcar operations in Japan through the partnership agreement with Mazda Car Rental Corporation.

### Integrated reservations strategy pays dividends

Europcar's pursuit of a fully integrated reservations channel strategy paid significant dividends during 2006. The network is now well positioned to take advantage of an increasingly centralised global leisure

market requiring integrated reservations solutions.

Reservations, made from one Europcar country to another, increased significantly during both 2005 and 2006. Franchisee countries in particular benefited from this strategy in 2006 with an increase of approximately 30% in reservations received compared to 2005.

### A solid partnership network

Renewing its exclusive partnership agreement for a further three years with easyJet, Europe's number one low-cost airline, demonstrates Europcar's commitment to developing enduring and close partnerships. Europcar's high level of customer service, attention to detail and the ability to respond to changing consumer requirements were key factors in easyJet's selection of Europcar.

Europcar and easyJet maximised customer synergies through coordinated communications and technological improvements. In particular, dynamic packaging has provided greater service to customers wanting to book their flight and car at the same time.

Europcar's online services to easyJet customers include access to an easy-to-use booking system and the ability to pre-book one way rentals. Offline, Europcar's airport operations are optimised to serve easyJet customer bookings and deal with all enquiries.

Europcar's long-term partnership with Accor generated a significant year on year increase in rentals. A number of on-line developments – including cross-selling on the hotel confirmation page and e-mail – were implemented throughout the year and will enable strong growth for 2007.

Whilst existing Europcar partners renewed their trust with the European car hire leader, new partners also joined Europcar's partner portfolio in 2006, such as SunExpress, Royal Air Maroc, TAP and Etihad. These partnerships will bring new customers to Europcar and increase brand penetration and cross-border business.

#### Partnerships with car manufacturers

Europcar places particular importance on the development of marketing partnerships with car manufacturers. These programmes allow Europcar to highlight and offer the latest models available in its fleet and give customers the opportunity to be the first to rent these vehicles. For the manufacturers, joint marketing initiatives in alignment with their objectives create direct and privileged contacts with

a new customer base.

In 2006, Europcar implemented a pan-European programme to support the launch of the new Fiat Grande Punto. Fiat's objectives of brand and model assessment and sales contact generation were achieved through direct marketing actions supported by point of sales activities in the Europcar network.

As a result of our long term partnership with Fiat and the successful Grande Punto campaign, Fiat selected Europcar for a special viewing of the new Fiat Bravo prototype. Europcar has since created a pan-European marketing campaign for the Bravo's European launch in 2007.

As longstanding partners, Europcar and DaimlerChrysler developed online campaigns and direct marketing activities in 2006 to increase awareness of the B-Class, R-Class and E-Class European vehicle ranges. Discussions on the 2007 programme include most notably the option to accompany the market introduction of the new C-class.

With Volkswagen AG, Europcar has jointly developed an international programme to

showcase the Volkswagen Golf Plus available for hire in the Europcar fleet. Over a one-month period, Europcar gave the Golf Plus high visibility on all communications in seven different countries.

With the availability of the latest models, Europcar is able to create and offer its customers a new driving experience every time. Europcar will continue to develop its automotive industry partner portfolio and create innovative marketing actions to place itself in a privileged position in terms of customer expectation.

#### Andrew Harrison: easyJet Chief Executive Officer



*"As Europe's number one low-cost airline, easyJet is constantly looking for ways of improving the customer experience and offering the best possible deal. In Europcar, we have a partner that shares our values. Like easyJet, Europcar is a European market leader with a reputation to match. The strength of their brand complements ours."*





**Sustainable development**

DRIVEN  
BY STRONG  
VALUES



# Sustainable development

## QUALITY CERTIFICATION DRIVES ENVIRONMENTAL CARING

As a company with the public interest at heart, Europcar cares for environmental sustainability and proves it by developing and implementing various initiatives. Europcar is constantly looking for new ways of improving its environmental protection and quality policies.

## WHEN DEDICATED HUMAN RESOURCES DELIVER TOP PERFORMANCE

Europcar's 5,600 employees are professional and motivated people who bring their dynamism to the company. They care for the company and are committed to customer service. To maintain excellence and quality service, HR promotes training and career development throughout the group.

## CORPORATE GOVERNANCE

Since its acquisition by Eurazeo, Europcar Groupe has continued to implement the highest Corporate Governance standards. Europcar Groupe is governed by a Board of Directors, composed of 6 Directors. The Board of Directors has established control procedures and Committees. The Executive Committee supervises the management of Europcar.



# QUALITY CERTIFICATION DRIVES ENVIRONMENTAL CARING

In 2006, Europcar implemented several initiatives in support of environmental protection programmes. In addition to complying with European regulations, Europcar strives to excel on environmental issues at both international and local levels.

### ISO 14001

Europcar's commitment to environmental awareness and conservation is reflected throughout its business.

Spain and Portugal have been ISO 14001 certified since 2003 and Italy obtained certification in 2006. The other Europcar corporate countries have launched various environmental protection programmes and policies.

The ISO 14001 certification framework provides Europcar with management tools to control the environmental aspects of its activities and to improve its environmental performance. These tools provide significant tangible economic benefits, including:

- reduced raw material/resource usage;
- reduced energy consumption;
- improved process efficiency;
- reduced waste generation and disposal costs, and
- use of recyclable resources.

These economic benefits go hand in hand with Europcar's environmental objectives for sustainable development.

### Fleet initiatives

Europcar is constantly looking at new ways of improving its environmental protection and quality policies. This is reflected by its "Eco-Citizen" vehicle range available throughout Europe.

As an "Eco-Citizen", Europcar offers innovative and environmentally aware vehicles for the "green consumer", including electric vehicles and hybrid vehicles. Its fleet has over 500 green vehicles in Europe (i.e. Toyota Prius, Ford Flexifuel, etc.).

The Europcar fleet also complies with changing and high-level environmental standards. Using new vehicles with an average service life of approximately 6.5 months, the fleet (cars and trucks) always meets the stringent European CO<sub>2</sub> emission standards imposed on vehicle manufacturers.

In addition, Europcar corporate countries are heavily involved in CO<sub>2</sub> emission limitation processes. Over 95% of the Europcar fleet is EURO IV compliant (European emission standards for Passenger Cars in the EU).

In Germany, most diesel cars are equipped with Diesel Particulate Filter (DFP) systems. On top of the fact that Diesel cars produce lower CO<sub>2</sub> levels, the technical features of the DFP system significantly reduce toxic particle emissions.

**95%**  
of the Europcar  
fleet is Euro IV certified

Europcar's operational teams are also conscious that environmental issues form part of the daily workshop and maintenance procedures. For example, during 2006 environmental audits were conducted in Spain to check proper hazardous waste management and compliance with ISO 14001 certification requirements.

Most of Europcar's corporate operations have installed special equipment for water and oil recycling. Decantation tanks are cleaned regularly with activated coal product and Europcar even ensures that only water-based paint is used in workshops and offices.

During 2006, Europcar UK introduced hand held devices in an effort to both improve productivity and cut paperwork to reduce unnecessary documentation. Europcar UK also opened discussions to

develop a special partnership in order to support further Carbon replacement / offsetting programmes.

Europcar France will celebrate in 2007 the 10th anniversary of its green range of vehicles. Since 1997 it has been offering its customer LPG, electric, hybrid and more recently natural gas powered cars for hire in all major cities. As a reward for the decade of effort, Europcar France won the second prize at the 2006 Oxygen awards for its green fleet.



*Ford Focus Flexifuel.*

## **Greenfleet** Europcar Australia



*In 2006 Europcar Australia kicked off a carbon-neutralisation campaign in conjunction with its major fleet supplier Subaru and the environmental organisation Greenfleet. When Europcar took delivery of its 836 new Subaru Forester, Outback and Impreza models in early December, Greenfleet planted 14,000 trees to offset one year's carbon emissions for each new car.*

# WHEN DEDICATED HUMAN RESOURCES DELIVER TOP PERFORMANCE

At the end of December 2006, Europcar and its consolidated subsidiaries had an average full-time equivalent headcount of approximately 5,600 persons. Europcar distinguishes between operations staff and total staff. Operations staff includes the total number of employees based at Europcar’s corporate operated rental locations and «implant» stations at customer premises, while total headcount includes all corporate staff including those at central and regional headquarters.

> BREAKDOWN OF EUROPCAR EMPLOYEES PER FUNCTION

Operations = 61%  
Other functions = 39%  
52% of employees are male and 48% are female.



> BREAKDOWN OF EUROPCAR EMPLOYEES\* BY COUNTRY

Germany	29%
France	27%
Spain	16%
UK	13%
Italy	7%
Portugal	6%
Belgium	2%

\* excluding Europcar International, Information Services and Groupe. Ultramar and Keddy respectively integrated in Spain and Belgium.



Europcar Human Resources policy, conducted by a team of highly qualified human resources professionals throughout the network, aims to attract and retain the best applicants, reward performance and ensure career development in line with each employee's potential and capabilities. The annual performance reviews and management dialogues provided throughout the group accompany the development of each member of staff.

So where excellence and quality service are essential, HR promotes training and career development. Employees are encouraged to enhance their know-how and are offered not only diversified classroom training, but also state-of-the-art e-learning opportunities to develop technical and personal skills.

#### **Initiatives were implemented to achieve these goals**

E-learning is being made available throughout the station network, offering online training and development tools to support sales team, senior station managers, as well as management development initiatives.

Training programmes for future station managers, as well as career development plans via structured skills profile management were developed. The Europcar Top Executives from all corporate countries participated in an Intensive Corporate Management Development programme at IMD Lausanne.

Europcar HR teams are also working on the progressive introduction of employee portals throughout the network to offer Europcar staff a state-of-the-art administrative environment.

Europcar also assumes its role as an active member of the European community by undertaking socially responsible actions where possible. In the past year Europcar Spain was recognized for its work in recruiting disabled people as well as for initiating a policy aimed at employing people with difficulties in returning to work.



**“Our mission is to be perceived as the most innovative, friendly and customer-oriented car rental company.”**

# CORPORATE GOVERNANCE

Europcar Groupe SA is a French law public limited company (société anonyme). As such, it is managed by its Board of Directors (Conseil d’administration). Since 31<sup>st</sup> May 2006, Europcar is controlled by Eurazeo.

**Europcar Groupe SA**  
**Board of Directors**

Europcar is governed by its Board of Directors, responsible for its strategy and the development and oversight of its business and operations. Xavier Marin is Chairman of the Board and Salvatore

Catania is Chief Executive Officer of Europcar. The Executive Committee is composed of Salvatore Catania, Rafael Girona and Gerhard Noack.

>

THE MEMBERS OF THE EUROPCAR BOARD OF DIRECTORS

Xavier Marin	Chairman of Europcar and Member of the Executive Board of Eurazeo
Salvatore Catania	Chief Executive Officer of Europcar
Patrick Sayer	Chief Executive Officer of Eurazeo
Bruno Keller	Member of Executive Board and Chief Operating Officer of Eurazeo
Philippe Audouin	Chief Financial Officer of Eurazeo
Philippe Renault	Investment Director of Eurazeo

**Committees of the Board of Directors**

**Audit Committee** composed of Philippe Audouin (Chairman), Xavier Marin and Philippe Renault

**Nominations and Remuneration Committee** composed of Bruno Keller (Chairman) and Xavier Marin

**Strategic Committee** composed of Patrick Sayer (Chairman), Xavier Marin and Salvatore Catania



## EXECUTIVE COMMITTEE

The Executive Committee is composed of Salvatore Catania, Chief Executive Officer, Gerhard Noack, Chief Financial Officer and Rafael Girona, Chief Operating Officer.



**Salvatore Catania**

Mr. Salvatore Catania is Chief Executive Officer of Europcar Groupe SA since 31<sup>st</sup> May 2006. He is also Chairman of Europcar International (ECI) since 31<sup>st</sup> May 2006 and has been its CEO since January 2003. His responsibilities include the coordination of the ECI Corporate Countries as well as Europcar's communications, fleet and human resources functions. Since 1974 when he joined Europcar, and before being appointed as Chief Executive Officer of Europcar Groupe SA, Mr. Catania has held various positions within Europcar in Italy. In particular, from 1993 to 1994, Mr. Catania served as General Manager of Europcar Lease Srl, and then from 1995 to 2002, his responsibilities as General Manager were extended to cover Europcar's Italian entities.

Mr. Catania, an Italian national, was born in 1953. He holds a high school diploma in chemistry.



**Gerhard Noack**

Mr. Gerhard Noack is the Chief Financial Officer of Europcar Groupe SA since 31<sup>st</sup> May 2006 and of Europcar International (ECI) since 1999. His responsibilities include monitoring Europcar's accounting, finance, controlling, insurance, legal affairs and treasury functions. Additionally, Mr. Noack has served as the Chairman of Ultramar Cars SL, Europcar's joint venture with TUI AG, since 18<sup>th</sup> December 2004. Before joining Europcar, Mr. Noack held various positions at Volkswagen in France and Germany. In particular, from 1989 to 1994, Mr. Noack served at Volkswagen Financial Services AG as head of the international group's financial control and accounting department and, from 1994 to 1998, Mr. Noack was Managing Director of Volkswagen Financial Services (France). Mr. Noack, a German national, was born in 1949. He holds a Masters Degree in Economics from the University of Göttingen.



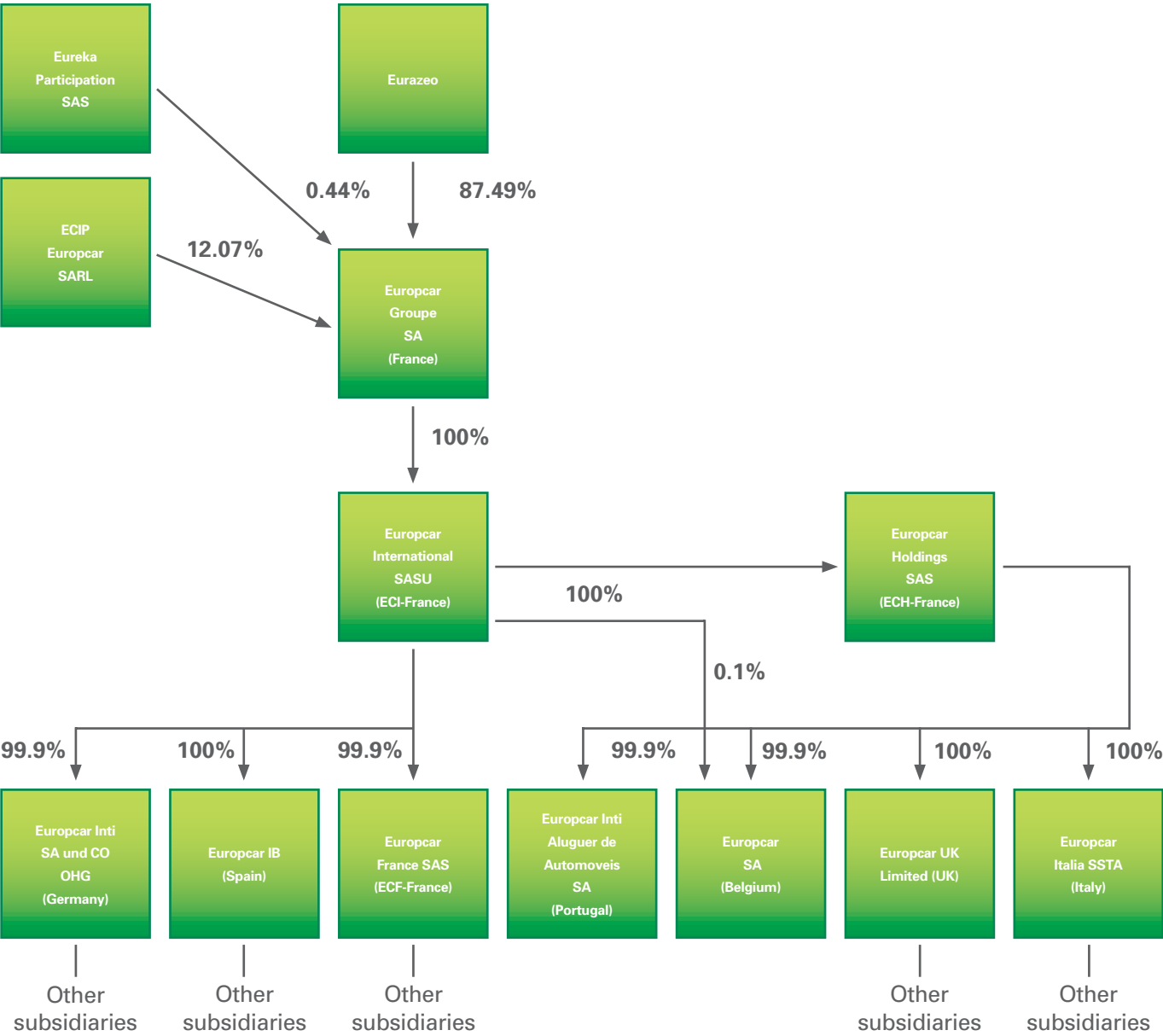
**Rafael Girona**

Mr. Rafael Girona is the Chief Operating Officer of Europcar Groupe SA since 31<sup>st</sup> May 2006, of Europcar International (ECI) since 2001 and is Chief Information Officer since 2005. His responsibilities include monitoring Europcar's operations, IT, international reservation and data center, procedures and global service quality. Since joining ECI in 1987, Mr. Girona has held positions with Europcar Spain and Europcar France. In particular, Mr. Girona was Director of Operations of Europcar France from 1996 to 2001. He has also held other positions such as Controller and Regional Director with Europcar Spain and Europcar France.

Mr. Girona, a Spanish national, was born in 1962. He holds a Science degree and has a vocational qualification from INSEAD, obtained in 2001, in controlling, management, quality, sales and managerial skills for international business.

> GROUP STRUCTURE

On May 31, 2006 Eurazeo acquired, through Europcar Groupe SA, a subsidiary formed for such purpose, 100% of the share capital of Europcar International from Volkswagen AG. Europcar Groupe SA is a *société anonyme* incorporated under the laws of the Republic of France.



2006

# FINANCIAL OVERVIEW

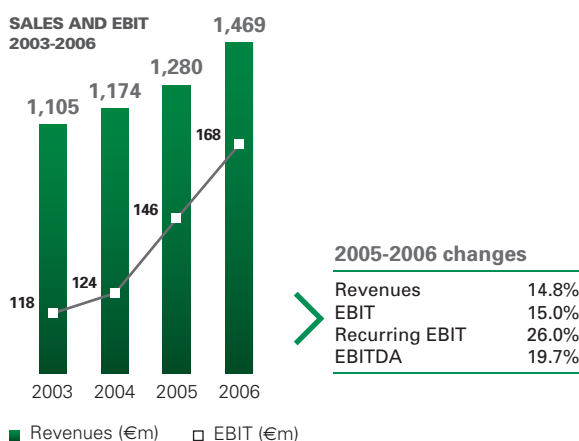
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## 1- FINANCIAL OVERVIEW

### SALES DEVELOPMENT

#### A record growth in 2006



## KEY PERFORMANCE INDICATORS

### A confirmation of margins strengthening

#### EUROPCAR GROUPE KEY FIGURES

(€m)	2003	2004	2005	2006
<b>Sales</b>	<b>1,105</b>	<b>1,174</b>	<b>1,280</b>	<b>1,469</b>
Growth	1.7%	6.2%	9.0%	14.8%
<b>EBITDA</b>	<b>301</b>	<b>312</b>	<b>360</b>	<b>431</b>
Margin	27.2%	26.6%	28.1%	29.3%
<b>EBIT</b>	<b>118</b>	<b>124</b>	<b>146</b>	<b>168</b>
Margin	10.7%	10.6%	11.4%	11.5%
<b>KPIs</b>				
Rental Days (in thousands)	29,600	32,500	36,300	41,600
RPD in €	36,0	35,0	34,2	34,5

In 2006, the recurring EBIT reached €184m euros representing a 12.5% margin.

## 2- 2006 PERFORMANCE ANALYSIS

### EUROPCAR GROUPE COMBINED P&L STATEMENT

#### EUROPCAR GROUPE COMBINED PROFIT AND LOSS

(€m)	ECI 2005	ECI 2006	ECGSA 2006	EGSA combined 2006 <sup>(1)</sup>
<b>Revenue</b>	1,279.5	1,468.7	0.6	<b>1,469.3</b>
<b>EBIT</b>	<b>146.5</b>	<b>173.6</b>	<b>-5.3</b>	<b>168.3</b>
<b>EBT</b>	<b>101.1</b>	<b>86.1</b>	<b>-37.4</b>	<b>48.7</b>
<b>EAT</b>	<b>70.5</b>	<b>50.4</b>	<b>-18.1</b>	<b>32.3</b>

(1) The combined P&L considers 12 months of both ECI and ECG SA while the acquisition effectively took place in May 2006. The consolidated financial statements show 7 months of ECI activity.

#### ECI Group (Historical perimeter)

Revenue increased by 14.8% based on volume (+14.6%), on average prices (+0.8%) and a slight decrease on franchisee revenues. Franchise revenue includes the franchise fees of the international and local franchisees as well as one time fees for new or renewed contracts. A decrease of local franchise revenues is due to the purchase of local franchisees by EC France and EC UK. Local franchisee revenue is now included within the corporate rental revenue. One time fees in 2005 were €4m higher than in 2006 due to new contracts. For 2006 we have not had similar contracts to sign. The international franchisee revenue without the one time fees has increased by 8%.

Profits followed the revenue growth of our group as mentioned above. The increase on EBIT was not as high as it could have been due to non-recurring costs for the preparation of the Group sale and some provisions. Without these

one-time-effects, the EBIT would have reached €190m (€184m including ECG SA) with a growth of 29.8%. EBIT growth in the last quarter of 2006 was higher than in the first quarter due to the seasonality effect.

EBIT margin represents 11.8% of the revenue which is 0.4 point better compared to last year. If we take into account the non-recurring items mentioned above the EBIT margin would have reached 12.9%.

The net financing costs include €22m of one time bank fees for the new financing structure and the sale of a swap for €8m. Without the one-time effects on the financing cost and the recurring EBIT of €190m, the EBT would have reached €116m, which would represent an increase of 16% compared to 2005.



## ECG SA (Holding company)

The EC combined P&L includes the group holding company ECG SA. Revenues of ECG SA include fees from franchisees, who explore long-term leasing activities under the Europcar brand. The ECG management team (around 20 managers) is

integrated within the holding company. ECG SA receives a management fee from the ECI group for leading the operations.

## REVENUE STRUCTURE AND DRIVERS

### A growth supported by the combined effect of higher volume and prices in all corporate countries

#### EUROPCAR GROUPE KEY FIGURES - DECEMBER YTM

Rental activity (Cars and vans)		2005	2006	variance
Rentals	thousands	6,943	7,752	11.6%
Rental days	thousands	36,258	41,625	14.8%
Average duration	days	5.2	5.4	2.8%
Revenue per day	€	34,21	34,47	0.8%
Total rental revenue	(€m)	1,252	1,444	15.4%
Franchise revenue	(€m)	28	25	(10.1%)
Total revenue	(€m)	1,280	1,469	14.8%

Rental activity has increased continuously over the whole year of 2006. The Olympic Winter Games in Italy have supported the Italian activity as well as the Football World Cup in Germany. The other large countries like France, Spain and the UK have also improved their activities with a double digit increase.

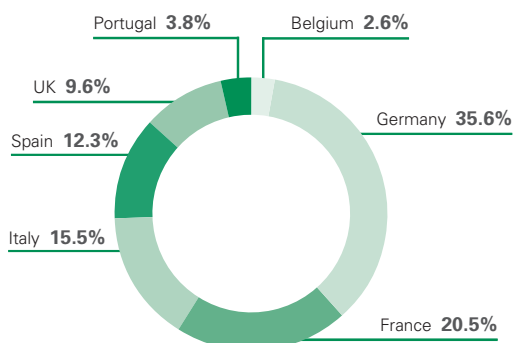
The new companies, Ultramar and Keddy, represent 1.8% of the group's rental revenues, so the organic growth reached 13%.

The revenue breakdown between airport and non-airport stations remains stable (35% vs. 65%), leisure revenue has gained 1 point vs. business in 2006 (45% vs. 55%).

Compared to 2005, the group has improved its revenue per day by 0.8%.

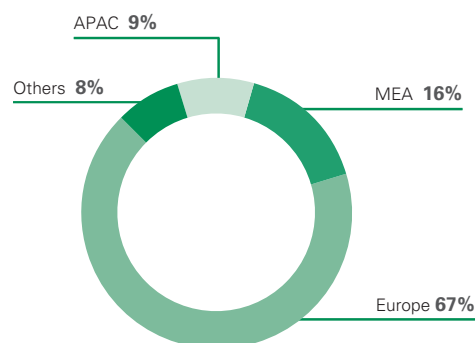
## CORPORATE COUNTRIES

#### ACTUAL REVENUE SHARE 2006



## FRANCHISEE COUNTRIES

#### ACTUAL REVENUE SHARE 2006



Based on annual fees excluding domestic (local) franchisees and one time fees.

## FLEET AND HOLDING COST DRIVERS

### Improved operational fundamentals in 2006 in a context of higher car costs

#### IMPROVED FUNDAMENTALS: FLEET

Fleet		2005	2006	variance
Purchases buy-back (cars and vans)	units	222,251	231,584	4.2%
Purchases buy-back in % of total	%	95%	96%	1.5
Purchases at risk (cars and vans)	units	12,637	9,255	(26.8%)
Average fleet (cars and vans)	units	139,298	158,755	14.0%
Utilisation	%	71.3%	71.8%	0.5
Total average fleet (incl. EC fleet leased to Franchisees)	units	142,613	161,071	12.9%
Net book value	(€m)	2,176	2,168	(0.4%)

Europcar has needed around 161,000 cars on average to serve the business demand in 2006.

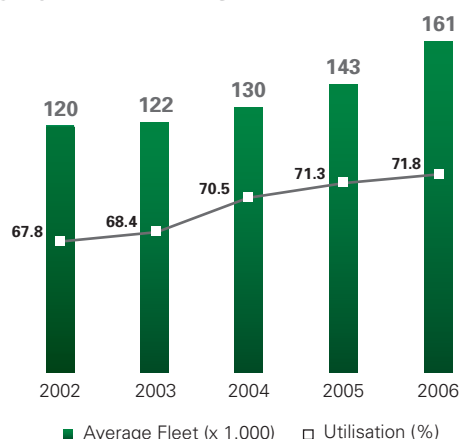
Additional efforts were made to increase our utilisation further which led to a fleet increase of 12.9% combined with 14.8% more rental days.

Cars have become more expensive in terms of holding costs. The cost increase was compensated on our results through

RPD increases, scale efficiencies and cost control on all lines. At the year-end of 2006 the net book value remains very similar to last year's.

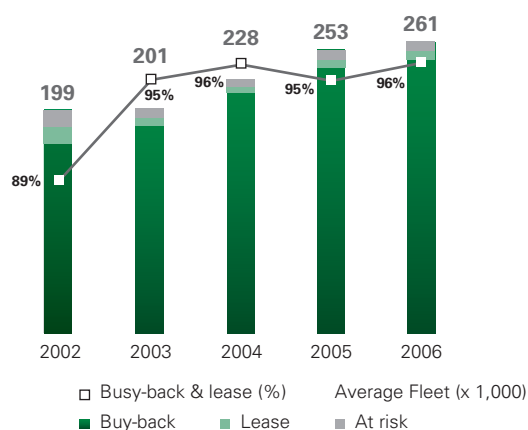
Unlike other years Europcar has not purchased any fleet under special offer at the end of 2006. Therefore the average growth of the fleet has not led to a similar increase in net book value at year-end.

#### UTILISATION RATE AND AVERAGE FLEET



We believe that Europcar is among the leaders in fleet utilisation among the major European car rental companies, having successfully increased its fleet utilisation rate from 67.8% in 2002 to 71.8% for the year ended December 31, 2006. Fleet utilisation rates reflect the number of rental days per available days for the period from first in-service date of a vehicle to the vehicle's sale date. Although we believe that our fleet utilisation rate is close to the maximum obtainable rate for the industry, we are nevertheless constantly exploring ways to improve it. Current initiatives to this end include focusing on reducing the time between receipt of the new car and first rental use of the vehicle, the time between each rental and the time between last rental and disposal of the vehicle, as well as on improving the processes for accident and repair management.

#### A PURCHASING STRATEGY TO MINIMISE RISK AND REDUCE EXPOSURE TO USED CAR MARKET



96% of the fleet is covered by buy-back or lease.

During 2006, approximately 96% of all vehicles acquired by Europcar (including the vehicles acquired by financing entities but excluding vehicles acquired via manufacturer leasing operators) were covered by repurchase programmes with explicit or implicit buy-back provisions.

Repurchase programmes limit Europcar's potential residual risk with respect to vehicles purchased under the programmes, allow Europcar to arrange financing on the basis of the agreed repurchase price and provide Europcar's fleet managers with flexibility to respond to changes in demand.

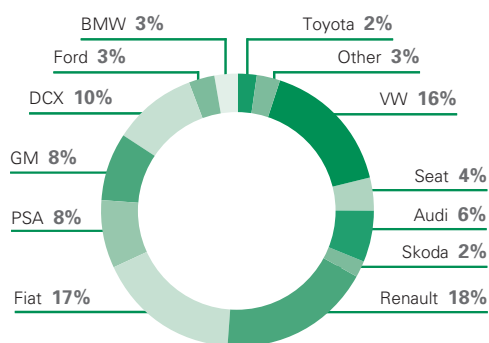
In addition, the high percentage of buy-back and leased vehicles in Europcar's fleet permits Europcar to focus on its

core business of renting vehicles and not on efforts to resell used vehicles.

Europcar is able to respond to seasonal fluctuations in demand through continuously optimized fleet management. The size of fleet at peak is typically approximately 20% above the average fleet size for a given year. Europcar can alter its fleet size by adjusting acquisition plans or holding periods to meet both expected and unforeseen variations in demand.

Through its flexible contracts with vehicle manufacturers, Europcar can increase its orders for vehicles in advance of the peak season, and use the flexibility of the holding periods, ranging from four to eight months to de-fleet the vehicles once the high demand subsides. Europcar is also able to react to peaks in demand at short notice by re-directing the delivery of new vehicles and is thus able to further optimize its fleet utilization rates

#### FLEET DELIVERIES BY BRAND



Europcar's fleet is sourced from a number of manufacturers, including Volkswagen (with the brands VW, Audi, Seat and

Skoda), Renault, Fiat, Peugeot, General Motors, DaimlerChrysler, Ford, BMW and Toyota. Volkswagen AG has historically been Europcar's largest supplier of vehicles. During the year ended December 31, 2006, approximately 28% of Europcar's fleet was acquired from the Volkswagen group, 18% from Renault, and the remaining 54% from other manufacturers.

The diversity of Europcar's fleet allows it to meet the rental demands of a broad range of customers.

The charts on the left illustrates the diversity of Europcar's fleet in terms of deliveries by manufacturer (expressed as a percentage of Europcar's average fleet for the year ended December 31, 2006).

## HUMAN RESOURCES

### Improved processes contributed to a higher productivity

#### IMPROVED FUNDAMENTALS: HUMAN RESOURCES

		2005	2006	variance
Average headcount operations	heads	3,108	3,349	7.7%
Average headcount headquarters	heads	2,124	2,222	4.7%
Average headcount total (incl ECG)	heads	5,232	5,591	6.9%
Rentals	thousands	6,943	7,752	11.6%
Productivity (rentals per head and month)	units	111	116	4.5%
Personnel costs	(€m)	234	256	9.3%

Rentals are the most important driver for the human resources of our operations. Thanks to a more efficient process organisation and positive/advantageous scale effects in rental stations the increase of operational staff could be

limited to 8% for an increase in rentals of 12%. Headquarter staff has increased by 5% mainly due to increases in reservation centres. As for productivity it improved by nearly 5% compared to last year.

## 2006 Financial Overview

### 3- 2006 FINANCING HIGHLIGHTS

#### EUROPCAR GROUPE BALANCE SHEET AS AT 31 DEC 2006

##### BALANCE SHEET EUROPCAR GROUPE

Assets	€m
Intangible assets	986
Property, plant and equipment	74
Leasing and rental assets (fleet)	2,168
Other non current assets	44
<b>Non current assets</b>	<b>3,272</b>
Inventories	10
Trade receivables	706
Other receivables and financial assets	211
Cash and cash equivalents	230
<b>Current assets</b>	<b>1,157</b>
<b>TOTAL ASSETS</b>	<b>4,429</b>

Equity and liabilities	€m
Subscribed capital	778
Capital reserves and retained earnings	29
<b>Equity</b>	<b>807</b>
Financial liabilities	537
Other liabilities	13
Provisions	63
<b>Non current liabilities</b>	<b>613</b>
Financial liabilities	2,154
Trade payables	662
Other liabilities and payables	151
Other provisions	42
<b>Current liabilities</b>	<b>3,009</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,429</b>

The ratio of consolidated net debt / EBITDA decreased from 6.5x in 2005 to 5.7x in 2006.

#### CAPITAL STRUCTURE AND LIQUIDITY ANALYSIS

#### A Flexible financing structure to fit the patterns of the business

##### LIQUIDITY ANALYSIS

(€m)	31 December 2006		
	Funded	Undrawn Liquidity	Total
<b>Fleet Senior Asset Financing Loan</b>	1,971	629	2,600
<b>Total fleet Corporate</b>	<b>1,971</b>	<b>629</b>	<b>2,600</b>
RCF	82	168	250
HY Notes	550	0	550
<b>Total corporate</b>	<b>632</b>	<b>168</b>	<b>800</b>
<b>Consolidated</b>	<b>2,602</b>	<b>798</b>	<b>3,400</b>

The Senior Asset Financing Loan provides maximum flexibility regardless of economic cycle. No amortization is required. Liquidity is structured so as to accommodate seasonal fleet demand.

Consolidated funded liquidity €(2,602)m reconciles to the total financial liabilities of €2,691m after consideration of the following items: (i) documentary credit reported off-balance for €(50)m, (ii) UK Tax based lease for €148m, (iii) deferred transaction costs on High Yield issuance for €(17)m, and (iv) other reconciling items for €8m.

## 4- EUROPCAR AND VANGUARD EMEA PROFORMA

### SELECTED FINANCIAL DATA


#### A 2007 strategic external growth operation

##### EUROPCAR GROUPE & VANGUARD EMEA PROFORMA

(€m) in 2006	Europcar Actual	Vanguard Actual <sup>(1)</sup>	Proforma <sup>(1)</sup>
<b>Revenue</b>	<b>1,469</b>	<b>381</b>	<b>1,850</b>
<b>EBIT</b>	<b>168</b>	<b>48</b>	<b>216</b>
Margin	11.5%	12.6%	11.7%
<b>EBITDA</b>	<b>431</b>	<b>135</b>	<b>566</b>
Margin	29.3%	35.4%	30.6%
<b>Net Debt</b>	<b>2,461</b>	<b>409</b>	<b>3,125</b>
Net Debt /EBITDA	5.7x	3.0x	5.5x

(1) Non audited



**Concept :**  Publicis Consultants | **Photo credit :** Europcar, Getty images, Chabruken/Getty images,  
George Doyle/Getty images, Bernhard Lang/Getty images, Sylvain Modet.  
The report for 2006 is published in English and French. It is available on the Internet : [www.europcar.com](http://www.europcar.com)

OUR AMBITION:

BE THE CAR RENTAL BRAND OF CHOICE,  
EVERYWHERE IN THE WORLD,  
STRIVING FOR PERFECTION  
EVERY DAY,  
DRIVEN BY STRONG VALUES.

***Europcar***

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***Europcar***