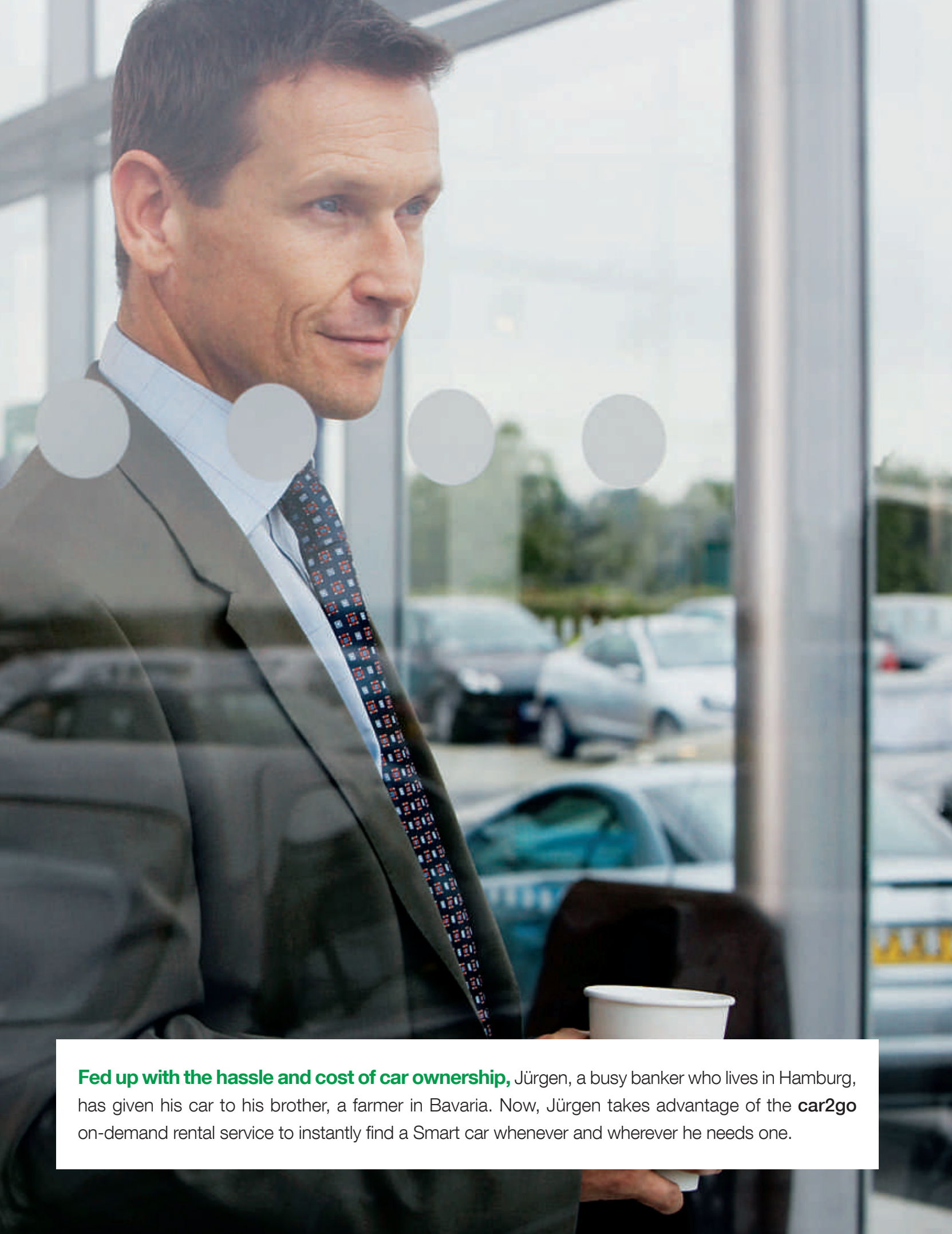


Europcar Activity Report 2010



Europcar





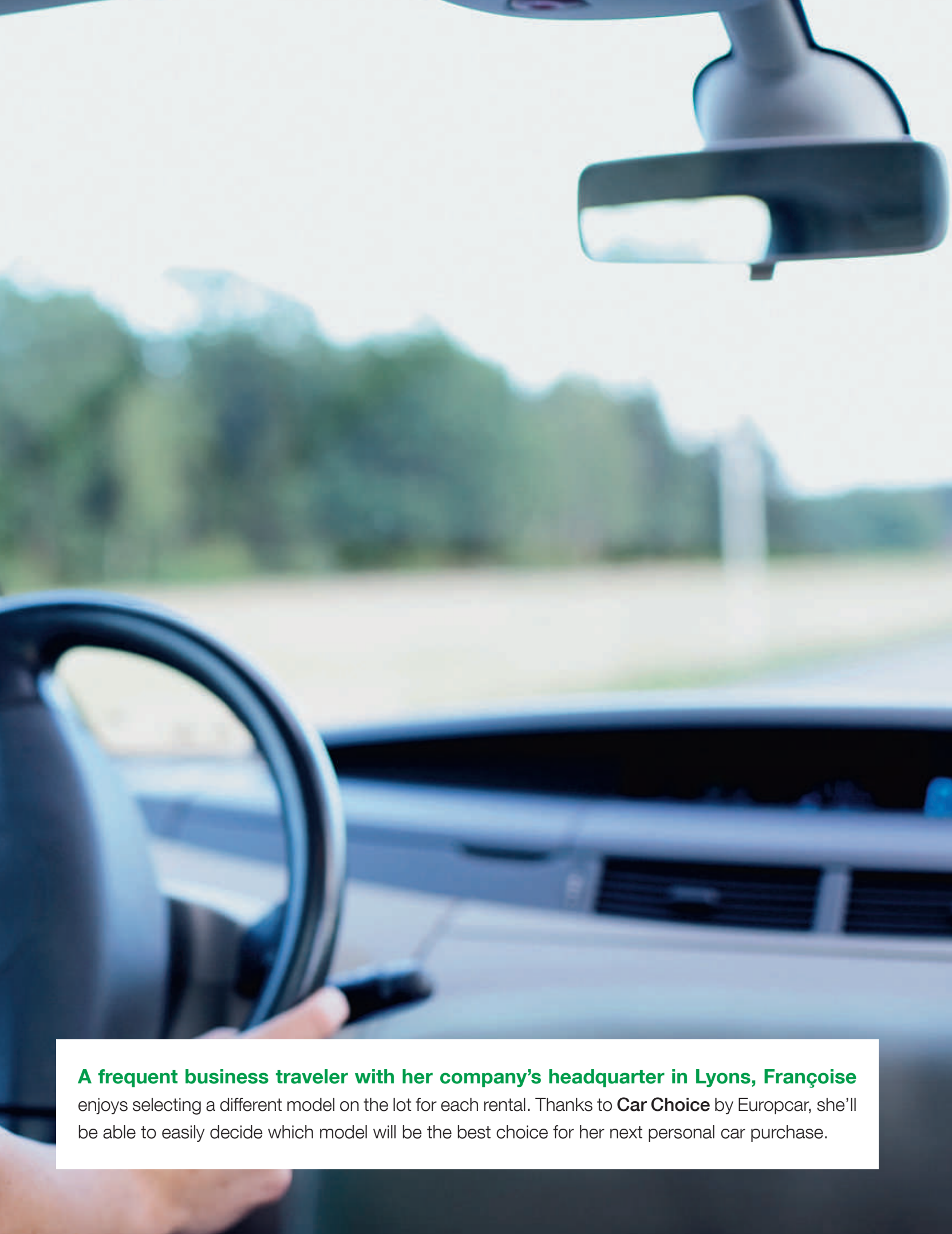
Fed up with the hassle and cost of car ownership, Jürgen, a busy banker who lives in Hamburg, has given his car to his brother, a farmer in Bavaria. Now, Jürgen takes advantage of the **car2go** on-demand rental service to instantly find a Smart car whenever and wherever he needs one.



Mario drives his economical subcompact to and from work every day in the Madrid suburbs. But the tiny vehicle is just too small for weekends and the long vacations he spends with his three children. That's why he belongs to the **EuropcarClub**, which enables him to benefit from attractive rates on a range of vehicles, according to his need at any given time.







A frequent business traveler with her company's headquarter in Lyons, Françoise

enjoys selecting a different model on the lot for each rental. Thanks to **Car Choice** by Europcar, she'll be able to easily decide which model will be the best choice for her next personal car purchase.

A STRATEGY TO REALIZE ATTRACTIVE GROWTH POTENTIAL



A discussion with **Philippe Guillemot**,
Chief Executive Officer

What is noteworthy about 2010?

It was a major turning point for Europcar, as we began to emerge from the severe economic slowdown. In 2010, we started laying the foundations for an exciting, new development stage by defining our three-year transformation plan. We also renewed key senior management personnel. It was satisfying to see the fruits of our pricing discipline and leadership in our financial results and encouraging to note increases in rental volume and revenue as well as gains in market share. Once again last year, we demonstrated our ability to match our fleet resources with market demand and optimize fleet costs, which contributed to our resilient operating performance through the economic downturn. What is more, we reinforced our financial position through a successful debt refinancing initiative. All told, we can demonstrate that Europcar emerged stronger from the downturn than when it began.

What are your top priorities for the coming year?

Nothing is more important than focusing on the quality of the service we deliver to our customers. Customer satisfaction is at the heart of the three-year transformation plan we began implementing in 2011. Every single Europcar employee, franchisee and partner must be committed to continuously improved customer service. We are committed to publishing regular updates on our customer satisfaction progress and results, so that all our internal and external stakeholders can

see how we are doing. In what I believe is an unprecedented and truly extraordinary program, every Europcar manager, including me, is engaging regularly with ordinary customers to better understand their needs and how to satisfy them. Building equity in the Europcar brand is likewise a key goal. The strength of our brand must reflect our market position as the undisputed European leader. Through sponsorship, advertising and other means, we are beginning a vigorous brand building program. Finally, to further leverage our market leadership and reap the full benefits of our vast network, we are placing special emphasis on developing cross-border rentals. This involves creating the right incentives and promotions, especially for seasonal travelers and holidays.

Car rental is a growth industry, especially in Europe where the penetration rate is relatively low and where consumer attitudes towards cars are evolving. But we will not be able to take full advantage of new growth opportunities without changing consumer attitudes towards the car rental industry, which has not always put the customer first. As the market leader, we have the ability and the responsibility to change that, to enhance the image of our industry as a whole.

How do you see the evolution of the car rental market and what does that mean for Europcar?

For a wide variety of reasons, people's views on the automobile are evolving, especially in urban

areas. This opens attractive new growth opportunities for the car rental industry. As the car rental company that is closest to its customers, we are best positioned to detect and understand changing customer attitudes and expectations. As the market leader, we can benefit hand-somely as urbanites transition from traditional car ownership to more flexible car usage alternatives. However, our ability to benefit fully from these changing attitudes depends on our ability to fulfill our leadership role by developing the innovative solutions that respond to changing urban mobility needs. Initiatives such as car2go, freeDeliver in the UK, the EuropcarClub and on-the-lot car choice are examples of how we are bringing innovative ideas and options to customers.

Why does the company have a transformation plan and what is it supposed to achieve?

As I just explained, thanks to changing attitudes, car rental is a growth industry. However, as the industry leader, Europcar should be able to achieve growth beyond average market expansion. Our three-year transformation plan is designed to enable us to achieve that goal. The plan establishes a clear framework and objectives in terms of establishing a whole new relationship with our customers. It covers development of new customer services to enhance ease and flexibility as well as innovative responses to changing urban mobility needs. At the same time, the transformation plan defines concrete objectives for continued excellence in fleet management, cost control and business processes. Comprehensive and compelling, the plan involves all Europcar employees and franchisees on a daily basis.

What are your expectations for 2011?

All indications are that we will see modest economic recovery in 2011. Revenue should continue to grow, with a better balance between price and volume. Demand will continue to recover slowly; it will take several years to return to pre-crisis levels. Thanks to last year's successful debt maturity extension, we have the financial stability necessary to launch and rigorously pursue implementation of the three-year transformation plan. As the plan proceeds and its goals are achieved, I'm confident that all of our stakeholders will be able to clearly discern how we are consolidating our position as the European market leader and realizing our attractive growth potential.



“Customer satisfaction is at the heart of the three-year transformation plan we began implementing in 2011.”

EUROPE'S EMERGING NEW MOBILITY PARADIGM

Independent research underlines that growing European consumer concerns over costs, climate change and congestion are changing attitudes towards car ownership.

Europcar Transportation & Mobility Observatory

Conducted for the third time in 2010, the Europcar Transportation and Mobility Observatory is one of the principal ways that Europcar tracks European attitudes towards cars and mobility. The Europcar Transportation & Mobility Observatory is an annual survey of car owners in seven European countries: Belgium, France, Germany, Italy, Portugal, Spain and the UK. Conducted by IPSOS, the survey involves questioning more than 6,000 people to detect the relationship between Europeans and their cars and to identify new types of behavior.

Profound change occurs infrequently. But when it does happen, it inevitably creates opportunity for those able to understand the signs of change and devise new ways to respond. Deep shifts have begun to stir within Europe, as people grow increasingly concerned about the sustainability of the planet and the economic, social, political and cultural fabric of modern life. Such issues as climate change, energy usage and pollution are affecting attitudes towards many aspects of daily life. Personal transportation markets are among the areas most strongly impacted. Convinced that these deep-seated changes open substantial opportunities in the car rental market, Europcar is creating innovative approaches and services tailored specifically to Europe's new, emerging mobility paradigm. For the past three years, results from the Europcar Transportation & Mobility Observatory have shown an unmistakable trend in consumer attitudes towards cars: Europeans are increasingly willing to replace the asset by the service. In other words, consumers are deeply attached to the automobile as a way to get around, but less attached to auto ownership. The trend is particularly strong in urban areas.

The European Commission (EC) notes that increased traffic in town and city centers throughout Europe has resulted in chronic congestion, costing the EU economy nearly 100 billion euros in lost growth annually. The EC underlines that air and noise pollution continue to worsen, with urban traffic responsible for 40% of CO₂ emissions and 70% of emissions of other pollutants arising from road transport. In a recent report, the Commission argues that "a new urban mobility culture" must be created to meet the dual challenge facing urban areas: "to reconcile the economic development of towns and cities and accessibility with improving the quality of life and with environmental protection."



Declining auto ownership?

The weakening attractiveness of car ownership stems from three main reasons: cost, environmental concerns and public urbanization policies that discourage car usage in congested urban areas. Nearly 90% of European car owners report that they have changed their driving habits or driven less in the past year for cost reasons. More than half (54%) said they changed their driving habits for environmental reasons. What is more, in 2010, more than one third (40%) of European car owners said they could consider getting rid of one of their cars or doing without a car – up from 20% in 2008.



The cost factors stem not only from general economic hardship created by the economic downturn but also from specific auto-related expenses. More than 70% of those who said they could give up at least one of their household cars cited auto-related costs such as insurance, fuel and parking. Nearly half (48%) also cited environmental reasons. A relatively large proportion of those who said they could give up their cars (68%) cited car rental as an alternative to car ownership, along with use of public transportation, walking and biking. In urban areas, “self service systems” such as car2go (see p. 14) are seen as complements to public transportation.

Consumers also cite the restrictive policies designed to alleviate urban congestion in numerous European cities as a further reason not to own a car. Asked to predict traffic patterns in the coming years, 47% of those surveyed said they expected more congestion in urban areas versus 11% who predicted less congestion and 42% who expected congestion to remain stable.

Instant, permanent connectivity

The nearly universal use of mobile communications is further opening new opportunities in car rental markets. Increasingly, car rental services can take advantage of e-commerce

opportunities as on-line commerce is increasingly adopted by broad segments of the European population. Furthermore, the increasingly widespread use of smart phones has led to the development of more and more mobile applications, making it even easier for consumers to review car rental options and select the ones best suited to their needs.

The combination of ubiquitous mobile communications services with smart phones and innovative network applications opens new horizons for new car sharing and urban mobility services. The car2go joint venture being rolled out jointly by Daimler and Europcar is an exciting example of the possibilities (see p. 14). Car2go opens new options for urban mobility by combining localization techniques with advanced telematics, Web 2.0 technology and individual wireless electronic transponders.

Sustainability challenge

With nearly half of Europeans convinced that climate change is one of the most serious problems facing the world today, the car rental industry has an opportunity to respond to consumer concerns over sustainability. Still in their early phase, industry responses will need to offer environmentally-friendly car-related services. Europcar believes these will include availability of hybrid and electric passenger cars as well as paperless processes and innovative ways to measure and reduce carbon emissions. Through its Environmental Charter, Europcar is formally committed to respect the environment by creating a “Green Fleet”, observing environmentally sound fleet maintenance practices, raising awareness of environmental issues and adapting internal processes to reduce carbon emissions.

ACCELERATE
TOP LINE GROWTH

THREE-YEAR TRANSFORMATION PLAN

The company's strategic plan, defined in 2010 and now being implemented, shows how Europcar intends to leverage its market-leading position to generate profitable growth and lead car rental sector evolution.

PRICE
COMPETITIVENESS

CONTROL,
RELIABILITY &
RISK MANAGEMENT

QUALITY OF SERVICE

BRAND POSITIONING

ORGANIC GROWTH

- Cross border sales
- Launch of innovative products and services
- Multi-brand management
- Franchisees growth

EXTERNAL GROWTH

- Explore new geographic opportunities
- Urban mobility
- Develop new business models
- Franchise network expansion

FLEET HOLDING COST AND OTHER SAVINGS

- Fleet costs
- Operating expenses

INSURANCE

ORGANIZATION

- | | |
|-------------|---|
| ● Structure | ● Management processes (initiatives management) |
| ● Systems | ● IT |
| | ● e-commerce |
| ● Culture | ● Value Charter |
| | ● Compliance |

LEADERSHIP

- Performance
- Talent management
- Employee engagement
- Internal communication

CUSTOMER SATISFACTION FIRST AND FOREMOST

We are implementing a bold program to cultivate a new kind of relationship with our customers. From top to bottom, everyone in the company is listening to customers and devising new ways to continuously improve their experience.

Europcar's ambitious customer promoter initiative lies at the heart of our three-year transformation plan. The goal is to substantially improve customer satisfaction by systematically tracking customer attitudes, identifying sources of dissatisfaction and taking the actions needed to turn at least 80% of Europcar renters into Europcar promoters.

The promoter program involves surveying all customers after each rental and questioning each customer who is not completely satisfied. Rather than outsource the customer contact portion of the program to a third party, customers are being questioned directly by Europcar managers. The idea, unprecedented in the car rental business and extremely rare elsewhere, is to demonstrate to customers that Europcar people are genuinely, personally concerned about each rental experience. At the same time, the program aims to ensure that everyone in the Europcar organization – from senior corporate management to entry level

personnel at remote franchise rental stations – understands and responds to customer expectations.

TRANSFORMING CUSTOMERS INTO PROMOTERS

The promoter program is predicated upon the fact that a completely satisfied customer is three times more likely to re-rent than a somewhat satisfied one. Building on this fact, customers are asked, following each rental, how likely they are to recommend Europcar to others, using a scale of 0 (not at all likely) to 10 (extremely likely). Only those who give ratings of 9 or 10 are defined as promoters.

Customers are e-surveyed, via e-mail and a dedicated Europcar customer survey website. When e-surveying is not possible for some reason, customers are surveyed by phone. The aim is to obtain basic customer satisfaction data on every rental experience, every day, worldwide. The telephone surveys are conducted by Europcar managers

and, in some cases, by non-management personnel. Survey results are tracked daily and compiled by rental station, airport, region, country and worldwide. Available on-line, survey data enable management to quickly analyze results and take appropriate action – at whatever level is required.

NURTURING PROMOTERS

One universally required action is that all customers who do not qualify as promoters be contacted by phone by a member of Europcar management to find out why they are not totally satisfied. To implement the program, every member of management, starting with the Chief Executive Officer, is required to phone at least five individual customers every week. With management directly involved, necessary improvements can be made quickly and easily. What is more, customer satisfaction indices now factor into management remuneration. At the same time, staff at local rental stations are being empowered to resolve customer





Three questions to...



AnnMari Dalon,

Quality-to-Customer director

What is the link between quality and customer satisfaction?

In a service business like ours, the customer is only satisfied when we meet his or her expectations at every contact point. That starts with the reservation or account creation and continues through the rental pick-up, rental return and final invoice. We want to be able to measure the quality of the customer experience at every step, for every single station in our network. It's important to remember that what we think is good service might not be the same as what the customer says is good service.

Why are the customer calls being made by Europcar management?

For one, it's a way to demonstrate to customers that the company really, really cares about them, about their satisfaction, by contacting them personally rather than outsourcing it. But the effort is also having a huge impact within Europcar. Even over lunch or after work, everyone is discussing customer satisfaction. By talking to customers on a regular basis, everyone has become extraordinarily sensitized to customer concerns. And everyone is motivated, working together to improve our promoter score.

How does the promoter program fit into the context of the three-year transformation plan?

Fundamentally, the transformation plan aims to increase revenues and profits. Some of the increase will come from market growth, as we provide new and better services to customers and increase the car rental industry's image and relatively low penetration rate. But much of it depends on our ability to further build market share, and that requires that we establish Europcar as the overwhelmingly preferred supplier in our field. Our customer satisfaction targets, in the form of promoter score, are absolutely critical for us to achieve our financial objectives.

satisfaction issues on the spot by, for example, offering discounts, vouchers or free rental upgrades whenever warranted.

Defined during the latter half of 2010 and launched at the start of 2011, the promoter program aims to survey 60% of Europcar customers by the end of the initial year. The pilot roll-out during the first quarter of 2011 covered 30% of customers through surveys in all corporate (i.e., Europcar owned-and-operated) countries. Major franchises will be included by the end of 2011, starting with Switzerland and the Netherlands around mid-year. The overall goal is to achieve a minimum 60% promoter score by the end of 2011, a minimum 70% score one year later, and a minimum 80% score by the end of 2013.



SOLUTIONS THAT ARE FLEXIBLE, ADAPTABLE, INNOVATIVE

Today's customer wants a different relationship with their car rental company. In response, Europcar is developing mobility solutions that offer easy transactions and full transparency while setting new benchmarks for customer freedom and flexibility.

UNPRECEDENTED EASE OF USE AND FLEXIBILITY

Launched as a pilot program in Hamburg in April 2011, car2go is an innovative urban mobility solution akin to the public bicycle rental systems that have proved so popular in recent years. Car2go is a joint venture with Daimler AG, which provides the car2go vehicles – specially equipped Smart Fortwos – and the necessary telematics. Europcar provides the necessary operating expertise and resources to handle the customer side of the business, including logistics, fleet management and commercialization.

Without human intervention, car2go enables customers to locate available vehicles on the spot quickly and easily via the Internet or a telephone service hotline. Or they can reserve up to 24 hours in advance, with vehicle location sent to the customer via a text message. Billed by the minute, the rental period can be as short or as long as desired.

Thanks to its unprecedented ease of use and flexibility, the car2go service means that urbanites can rent a vehicle according to their precise, particular needs – from a short shopping trip in town, to a lunch appointment in the suburbs, to a day with the family at the circus.



FREEDELIVER

Because customers can not always get to our offices quickly or easily, we have begun coming to them instead. The rental vehicle is delivered right to the customer's door thanks to our freeDeliver service, originated at Europcar in the UK. The home delivery service is expected to be rolled out at other locations over the next few months.

MIX AND MATCH SUBSCRIPTIONS

Membership in the EuropcarClub enables customers to select from our entire range of vehicles according to their particular needs at any given time. Thanks to a form of annual subscription, EuropcarClub members can choose, for example, a mini car for urban usage one day, a large van for moving purposes the next, and a spacious station wagon for the annual family holiday. EuropcarClub membership is currently offered in six countries.

CUSTOMER CHOICE ON THE LOT

Business travelers are particularly enthusiastic about our new car choice on the lot option. Now being tested at our Düsseldorf and Lyon airport sites, the option enables travelers to bypass the counter entirely and select a rental vehicle right on the parking lot. The service not only saves time but enables customers to try different vehicles and/or to rent their preferred model.

CUSTOMER RECOGNITION

Our updated, three-tier loyalty program was launched in early 2011. The program better recognizes the value of loyal customers by providing dedicated services and benefits for our most frequent customers.

USER-FRIENDLY ON-LINE RESERVATIONS

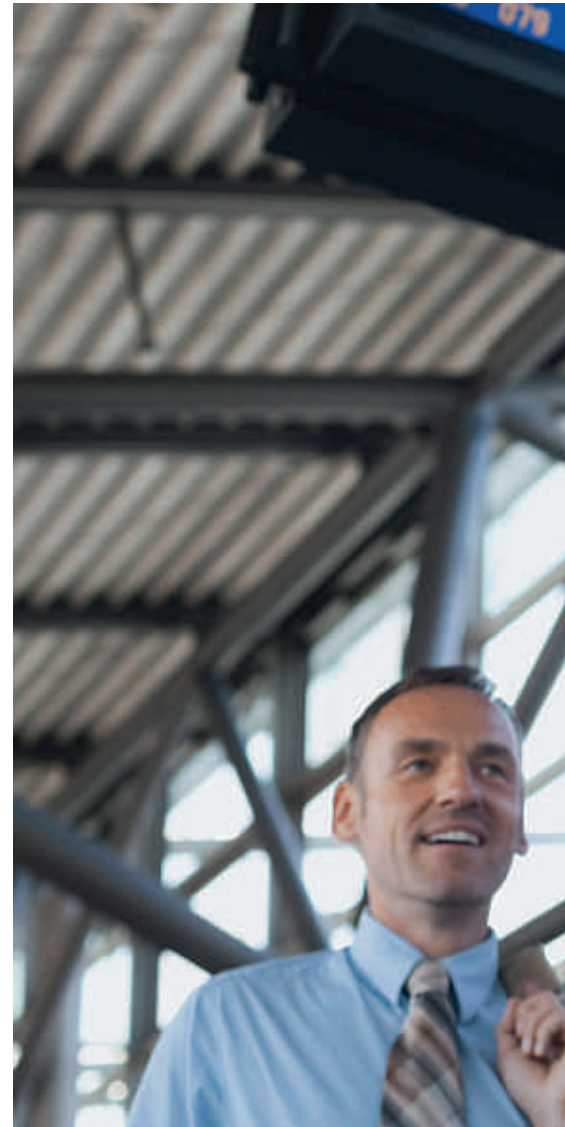
Our new website launched in 2010 significantly enhances the Europcar customer reservation experience. The site integrates such user-friendly innovations as automatically adapting to customers' needs by memorizing previous entries and displaying on the first page only the most frequently used elements. The simple, straightforward three-step booking process features innovative maps and predictive search to help users find locations easily. This site also offers maps, directions and user-friendly location search features. Vehicle information is clearly and attractively presented on the site, including extras and flexible pricing options with price automatically recalculated. Extras can be added or deducted up to the last moment before payment. What is more, the site enables customers to select a vehicle based on price, size or CO₂ emissions.

Driving Technologies

The car2go joint venture with Daimler AG is only one of the ways Europcar has put new technology to work to enhance and expand the customer experience. For example, Europcar is the first car rental company in Europe to offer Microsoft's touch-sensitive Surface® platform for trip planning. Introduced at the ITB Berlin travel trade show in March 2010, Surface®-equipped tables provide a new, fun way to plan journeys. Several new smart phone apps were introduced in 2010. The new Europcar iPhone app, for example, enhances the reservation process through better ergonomics and presentation of cars and accessories such as baby seats and GPS. Likewise, new apps were launched for the Samsung Wave smart phone and for Nokia smart phones.

PARTNERSHIPS MULTIPLY CUSTOMER BENEFITS

Alliances with leading travel partners enable customers to benefit from customized Europcar services, discount rates and one-stop shopping.



CUSTOMIZED RENTAL RESERVATIONS FOR ACCOR GUESTS

Customers of Accorhotels.com benefit from a customized Europcar system. Three vehicles are automatically pre-selected based on each Accor customer's destination, hotel and length of stay. Regardless of the vehicle selected, Accor guests benefit from exclusive discounts of up to 20%.

EASY BOOKING FOR EASYJET

Easyjet customers can take advantage of vehicle rental offers customized to their needs. An easy-to-use booking system has been improved to help customers select the extras they need for their rental and give them more information about the vehicles they can rent. With just a few clicks, customers can reserve a flight and rental car simultaneously.

ONE-STOP SOLUTIONS

The long-standing partnership between Europcar and TUI AG, Europe's leading travel group, enables customers to find solutions to all their travel needs with a single stop.



GREENER MOBILITY FOR THALYS CUSTOMERS

Renewed for another three years in 2010, our partnership with Thalys, the high-speed train service linking Paris, Brussels, Amsterdam and Cologne, includes joint development of greener mobility solutions. As a key partner, Thalys customers benefit from a selection of vehicles from the Europcar “eco-friendly” fleet. These are vehicles whose CO₂ emissions do not exceed 120g/km. They also enjoy priority access to Peugeot iOn electric vehicle, now available on a limited basis to Europcar customers in Belgium. Thalys customers also benefit from preferential pricing as well as contributions to ClimateCare, Europcar’s European carbon offset partner.

BENEFITS FOR FLYERS

Our partnership agreement with Air Berlin, renewed in 2010, enables Air Berlin customers to benefit from our best rates, including pre-paid, “early bird” specials. Europcar has been integrated into the Air Berlin flight reservation process and co-branded mini-sites have been set up. A similar partnership with Swiss International Air Lines means that its Miles & More Frequent Travellers, Senators and Honors Circle members benefit from preferred Europcar rates and numerous exclusive services in all Swiss airports, such as valet parking.

World’s Largest Car Rental Network

The strategic partnership between Europcar and Enterprise continues to provide outstanding benefits to both customers and the two companies. Established in 2008, the partnership unites the North American car rental leader with the leading European car rental company. Together, the partners provide customers with more than 1.2 million vehicles at more than 10,000 locations in some 150 countries worldwide.

THE LEADING BRAND FOR THE MARKET LEADER

A massive turnaround in the company's communications efforts is underway to help ensure achievement of Europcar's ambitious three-year goals.

Communications are critical to achieving the objectives laid out in the three-year transformation plan. To ensure that the necessary internal and external communications policies and programs are put into place, the company has undertaken a significant reinforcement of its corporate communications staff and resources. A Group communications department, established in late 2010, now holds responsibility for promoting and protecting Europcar's image and reputation, both internally and externally. The department is charged with enhancing the corporate brand and developing a communications strategy to support it. The new communications department also aims to enhance information flows and knowledge sharing to help employees collaborate more effectively and to work alongside internal partners by providing support for their business goals.

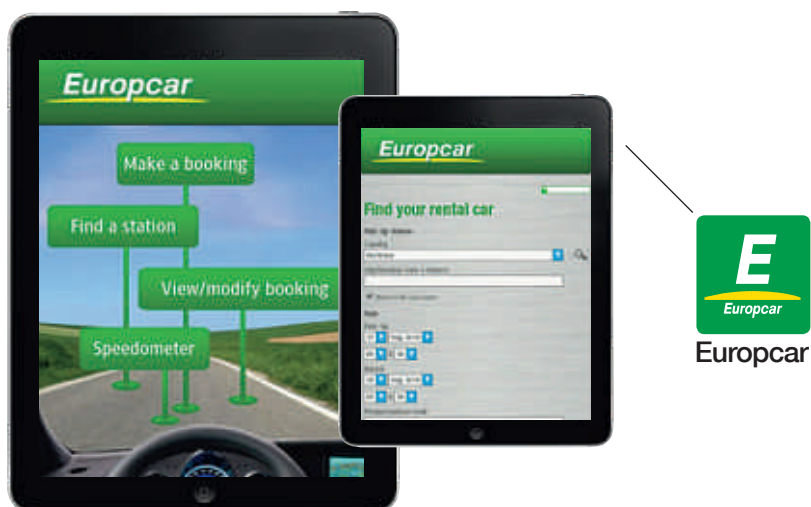
Group communication actions focus on two critical objectives: reinforcing awareness of the Europcar brand and enhancing brand value and differentiation. Communications efforts further aim to protect and enhance the company's reputation generally.

LAYING FOUNDATIONS

The Group communications department is laying the foundation for a highly professional, ongoing set of communications programs and policies. All key stakeholders have been identified, so that targeted initiatives can be defined and launched for each of them. To ensure precise measurement and tracking, various brand and image research is being conducted. The results establish the clear starting points needed to define key performance indicators and to enable progress and achievements to be objectively measured and evaluated.

To ensure brand consistency worldwide, the entire Europcar network will be involved in





virtually all communications initiatives. Careful attention will be paid to ensure that a single, coherent brand identity and set of brand messages are conveyed through all communications programs.

METHODS AND MEANS

Communications programs will take advantage of a full array of tools and methods. For example, a media relations department is being created, to attract attention to Europcar achievements and innovations and promote the company's executives. A particular focus is being placed on telling the Europcar story by, for example, publicizing the company's ambitious customer promoter score program and its three-year transformation plan.

Likewise, a thought leadership program is being defined to highlight the views and opinions of Europcar executives on key issues of interest to the industry and the public. In synch with the company's clear market leadership, it is natural that Europcar executives be viewed as authoritative industry spokespersons on such subjects as urban mobility, customer satisfaction and transportation services. The company's thought leadership program aims to place Europcar executives as speakers and authors on such topics before key audiences.

HEIGHTENING BRAND AWARENESS

The brand awareness program aims to raise the Europcar brand to the top position in Europe, i.e. the position that corresponds to its leading market position. The Europcar brand current suffers from a deficit compared to its less successful competitors in Europe.

Investments in high-visibility sports sponsorship and advertizing are among the actions designed to begin to redress the relative brand deficit, starting in 2011. Europcar has become the title

sponsor of the professional cycling team led by Jean-René Bernaudeau (see p. 20).

The idea is to insist through communication program on Europcar's distinctive customer focus and position Europcar as the leading car rental company. The brand's commitment to environmental sustainability and devising innovative urban mobility solutions will also be underlined.

In addition, Europcar is further helping raise brand awareness through proactive media relations, a new approach to the use of social media and better integration of franchisees into the company's communications efforts generally.

EMERGING INTERNAL COMMUNICATIONS

Effective internal communications programs are vital to achieving the goals laid out in Europcar's three-year transformation plan. Designed and operated in synch with the human resources network, internal communications policy is being defined to stimulate open dialogue, rally all employees around the company's three year transformation plan and help break down the silos separating various company functions and departments.

Internal communications goals will be achieved in part by using the latest social networking tools. For example, one new program, "People Make the Difference", is founded upon the conviction that, more than technology or services, Europcar people will have the greatest impact on customer satisfaction. Building on this idea, the groundwork for a company-wide internal social network is being put into place to encourage Europcar employees at all levels to share ideas and best practices that enhance customer satisfaction.

SPONSORSHIP WORTHY OF THE LEADING BRAND

Investments in high-visibility sports sponsorship and advertising are among the actions designed to begin to redress the relative brand deficit, starting in 2011.

For the next three years, Europcar will be the title sponsor of the professional cycling team led by the French former cycling star Jean-René Bernaudeau. Cycling was selected for many reasons, including its ongoing high popularity throughout the main European countries and the strong brand identification and visibility afforded by sponsoring “Team Europcar”, referred to as such by the media and elsewhere. Furthermore, the values inherent in cycling – solidarity, selflessness and precedence of the team over the individual – reflect the ethic which has long been instilled within Europcar.

The annual Tour de France, cycling’s highest profile event, attracts more TV viewers than any other annual sporting event worldwide. In fact, with 3.5 billion TV contacts, it trails only the quadrennial Olympics and Football World Cup for global sports audience. In addition to the Tour de France, cycling races take place in all of the largest European countries, including teams from every continent.





Jean-René Bernaudeau

Following his successful, decade-long career as a professional cyclist, Jean-René Bernaudeau turned to team management in 1995. He took a few moments out of his busy schedule to answer our questions.

What differentiates the Europcar team from its rivals?

We are the only team with a sports/study program, certified by the French authorities. The young men who are selected for the program are 17 to 21 years old and from an amateur cycling team. In fact, in 2010 it was the top-ranked amateur team in France. These 40 young cyclists provide a nursery of talent for the professional Europcar team. One advantage of this system, which was set up in 1991, is that it enables us to nurture talent ourselves and install among young riders our values and work methods rather than the more widespread practice of purchasing riders to strengthen a team.

What does Europcar bring to the team as a sponsor?

For one, the international dimension. Today, cycling is extremely international and Europcar is present nearly everywhere. Within a few years, there will be major events on every continent. Just look at the beginning of this season. In the month of January alone, we began in South Africa, where Europcar is present, followed by Chile – where Europcar is also present – for the amateur team, then Gabon in Africa, and Europcar is there as it is in Malaysia where we finished the month. That's four continents during a single month. Europcar's international presence fits perfectly with the international expansion of professional cycling today and the strategy of the International Cycling Union (UCI).

What does the cycling team bring to Europcar in return?

The most obvious response is spontaneous brand recognition. Cycling is the only sport, aside from sailing, where the team carries the name of the sponsor. We are the Europcar team. We are proud of Europcar and we hope to strongly represent the company's values beyond the realm of sports. If we have come together as partners, it is because my values and the Europcar values are basically the same.

And what are those shared values?

A strong work ethic. Attention to details. The same approach to development. I manage my team like a company and I can see clear parallels with the business world. It's obvious for the sales force, for example. A sales person must win, just like a cyclist must win.

HUMAN RESOURCES CHANGE MANAGEMENT

Europcar's approach to human resources management and development is undergoing a far-reaching overhaul in order to reinforce the company's customer-centric culture and achieve strategic three-year goals.

The human resources function began undergoing an almost total revamping at the start of 2011 with the appointment of a new HR director. Previously focused principally on headquarters personnel, the department has now become responsible for overseeing all of the company's human resources and skills base with a transversal approach. The idea is to build a human resources philosophy, vision and programs tailored to Europcar's strategic three-year plan.

In broad terms, the new human resources policies and programs currently being defined and implemented aim to more strongly instill a customer-centric culture throughout the Europcar organization and network. The company's ambitious customer promoter program, detailed on pages 12 and 13, has already begun to have a significant impact, as Europcar managers regularly and systematically phone customers to learn of their rental experiences and better understand their expectations.

Compensation of all employees has been linked to customer promoter program results. Furthermore, all bonuses for managers and employees may be increased or decreased by as much as 15% according to customer promoter increases or declines.

TRANSVERSAL APPROACH

While local management retains its authority and ability to react quickly to local needs, the new approach now being implemented aims to manage human resources across

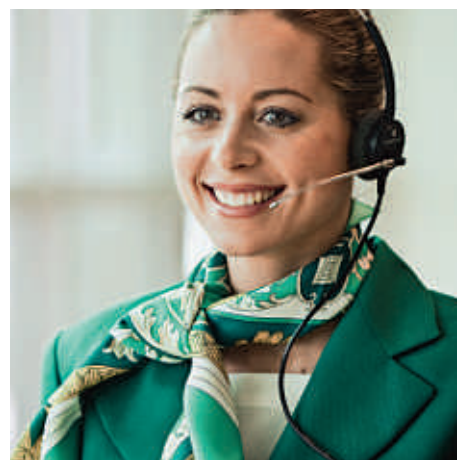
national and organizational borders. The goal is to take full advantage of the talents and skills spread throughout Europcar. As a first critical step, a preliminary talent review took place in late 2010 and early 2011 to provide a rough inventory of the company's existing skills and talents and set a benchmark for future progress.

To ensure achievement of the strategic plan goals, human resources requirements for the next three years are currently being defined, so that the results of the next annual talent review can be mapped against these requirements.

Just as a common standard is being used to review talent across the company, a single, shared performance management system is being defined. Designed for application for all executives and some non-executive personnel, the new performance management system will instill common criteria for evaluating performance and common methods for defining objectives. A training program is being devised to ensure that all senior managers are familiar with the new approach by the end of 2011. All Europcar managers should be trained by the end of 2013.

A transversal approach is being applied to measure levels of employee engagement. A company-wide employee engagement survey is planned for the fourth quarter of 2011. The survey will provide a benchmark to measure progress in employee engagement, critical to success of the three-year plan.





STATE-OF-THE-ART COMMUNICATIONS

The results of the employee engagement survey will provide invaluable input as the human resources and communications functions work together to define and implement internal communications programs and tools. An employee brand awareness plan is also being put into place, to highlight Europcar's distinctive market position and assets and to help reinforce the company's attractiveness to potential new recruits. An initiative has also been launched to clearly define the company's internal values.

As up-to-date IT and social networking tools are developed for internal usage, Europcar employees are already benefitting from the remote access network portal launched in 2010. The portal provides access to the Europcar management network from any public or private computer with an Internet connection, enabling employees to work from home or when they are away on business.

REDUCING CARBON EMISSIONS

The Europcar environmental commitment encompasses both direct and indirect emissions by seeking to reduce the direct environmental impact of company activities and enabling customers to reduce their carbon emissions.



Responsible Business Practices

Committed to protect the health and safety of our employees, partners and customers everywhere we do business, Europcar adheres to the United Nations Global Compact, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

Committed to responsible, sustainable business practices, Europcar has formalized its pledge to respect the environment in its Environmental Charter. The charter constitutes a formal engagement to take environmental factors into account by creating a “Green Fleet”, observing environmentally sound fleet maintenance practices, raising awareness of environmental issues and adapting internal processes to reduce carbon emissions. What is more, Europcar’s Environmental Charter has been certified by Bureau Veritas, a leading supplier of conformity assessment and certification services, who will objectively review progress against goals.

To ensure environmentally sound practices across the organization, environmental management systems that comply with the ISO 14001 standard are being adapted with company-wide. Most of Europcar’s owned and operated rental stations have already been certified to comply with ISO 14001. Now, franchisees are being required to obtain certification for their environmental management systems as well.

GREEN FLEET

Newer cars generally offer a better environmental profile than older ones. The average age of the cars offered for rental by Europcar is five months, compared to an average age of eight years for all cars on the road in Europe. To further reduce emissions, Europcar anticipates and strictly complies with EU regulations limiting acceptable emission levels. To enable customers to decide for themselves, Europcar provides comparative CO₂ emissions data for its rental car groups and offers carbon offsets through partnerships with ClimateCare in Europe and Greenfleet in Australia.

CLEANER MAINTENANCE

Most of the rental stations owned and operated by Europcar have already adapted water recycling systems to conserve water used for washing cars. To facilitate recycling, many have also installed hydrocarbon separator units. Franchisees are likewise installing these systems. At the same time, the Europcar green supplier policy favors suppliers who have demonstrated their own commitment to responsible business practices, for example, by using non-toxic ingredients in their vehicle preparation products.



World's Leading Green Transport Solution Company

For the second time, Europcar was voted the World's Leading Green Transport Solution Company in 2010 by the World Travel Awards. The awards are chosen by 187,000 industry professionals, who select the best company in each category in seven world regions. Europcar was also named World's Leading Car Hire Company for the fourth straight year.

RAISING AWARENESS

In addition to offering low environmental-impact cars, Europcar encourages customers and employees to drive in a more environmentally sound fashion. In 2010, Europcar France provided customers with tips on how to reduce carbon emissions while driving, for example, as part of an initiative now being expanded to other countries. The program, developed in partnership with Mobigreen, uses a simulator to teach drivers simple, energy-saving techniques.

TRACKING CARBON

Europcar Portugal is breaking new ground through participation in that country's innovative Carbon Zero program. Applying Greenhouse Gas Protocol methodology, the program enables Europcar Portugal to measure its total carbon emissions and to purchase carbon credits to offset those emissions. The net result is a neutral carbon footprint for the company. In addition, on a worldwide basis, Europcar helps corporate customers track carbon emissions by offering to provide an annual CO₂ emission report to key corporate account.

GREENER PROCESSES

As a complement to ISO 14001 certification, Europcar has undertaken a broad paper reduction program. The idea is to reduce the amount of paper used in the rental process through deployment of such immaterial documents as e-invoices and e-vouchers. The Green Ideas boxes found throughout the Europcar network are designed to make it easy for employees to share ideas and suggestions on environmental initiatives.

EMERGING TRENDS

As electric vehicles start to roll off automakers' assembly lines, Europcar will be among the first to make them available to drivers. We have pre-ordered 500 electric vehicles from Renault, slated for delivery to the largest European cities during the second half of 2011. Under a 2010 agreement with PSA Peugeot Citroën, we will also help launch the Peugeot iOn and Citroën C-ZERO electric vehicles on European rental markets in 2011.



FLEET LEADERSHIP

Efficient fleet management plays a crucial role in Europcar's renewed focus on customer satisfaction, but it is also a critical factor in financial performance.

The goal is to provide each customer with the right car at the right place at the right time while achieving maximum usage of the company's entire fleet of vehicles. In 2010, the fleet utilization ratio was maintained at a high level (more than 73.5%).

Because customers prefer newer vehicles with low mileage, Europcar constantly renews its fleet. As befits its position as Europe's leading car rental agency, the company and its franchisees offer customers the newest rental fleet of any rental company – with an average age of five months for cars and eleven to twelve months for vans and trucks. The Europcar fleet is also environmentally friendly, with average CO₂ emissions below 140 g/km.

ADAPTABILITY

It is thanks to Europcar's distinctive approach to fleet procurement and management that the company is able to rapidly adapt the size of its fleet to customer demand while it continues to maintain high fleet utilization. The approach relies on building premium, long-term relationships with automakers, in which both Europcar and the manufacturers benefit. Such relationships help ensure secure sourcing and stability over time. In 2010, Europcar signed one new three-year agreement and renewed two others for two years with automakers. All told, the company has international, multi-year contracts with six automakers, covering 80% of its acquisitions.

Europcar's position as the market leader in Europe gives it significant leverage in negotiating favorable agreements with car makers. For example, Europcar's estimated 2011 auto purchases, totaling nearly 300,000 vehicles, are expected to be about 30% more than its nearest competitor.

RELIABLE PARTNER

Europcar is an extremely reliable partner. Despite the challenging conditions caused by the recent economic downturn, the company has respected all its commitments to its long term partners.





RECIPROCAL BENEFITS

Co-marketing agreements contribute to the reciprocal value in all of Europcar's multi-year international framework agreements with car makers. Such agreements support launches of new models in European markets while providing Europcar customers with early access and attractive offers for new or updated car models. Both parties find further reciprocal value in joint mid-office and back-office optimization efforts. These lower logistics and administrative costs and reduce processing delays. As part of its relationship with car makers, Europcar also seeks preferential supplier status to ensure that auto manufacturers give preference to Europcar for their own car and fleet rental and management needs.

Finally, the Europcar fleet procurement and management business model involves a high proportion of buy-back contracts with manufacturers, which set manufacturer buy-back prices and terms for vehicles at the moment they are acquired. In fact, 92% of Europcar's total vehicle purchases were covered by such agreements in 2010. One valuable result is that Europcar can focus entirely on revenues from rentals, its core business, rather than speculating or hedging on vehicle resale values.

ENHANCING FLEXIBILITY

As Europcar continues to focus on long-term agreements with automakers, the company will increasingly seek ways to build more flexibility into its contracts. Especially for the next few years, as rental markets continue to be more volatile and less predictable than in the past, Europcar will focus on agreements that include, for example, variable - rather than fixed-length periods, enabling the company to better adjust the size of its fleet to demand.

FIRST GLOBAL CAR RENTAL NETWORK

WITH 10,000 STATIONS operated directly,
by franchisees and through partnerships

A responsible actor of the
automotive industry (Global Compact)

THE LEADING CAR RENTAL
COMPANY IN EUROPE

BRAND REVENUE OF €3.1 BILLION⁽¹⁾
ACROSS **150 COUNTRIES** THROUGH
LEADING BRANDS: EUROPCAR
(WORLDWIDE), NATIONAL AND ALAMO (EMEA)

Average fleet over **193,000 vehicles^{(1) (2)}**
6,600 EMPLOYEES ALL OVER THE WORLD



Winner of the first World Travel Award recognizing the World's Leading Green Transport Solutions Company, **Europcar** was also honored with the award in 2010, the second time it was presented.

For the fourth consecutive year, Europcar has received the World's Leading Car Hire Award during **the World Travel Awards**.

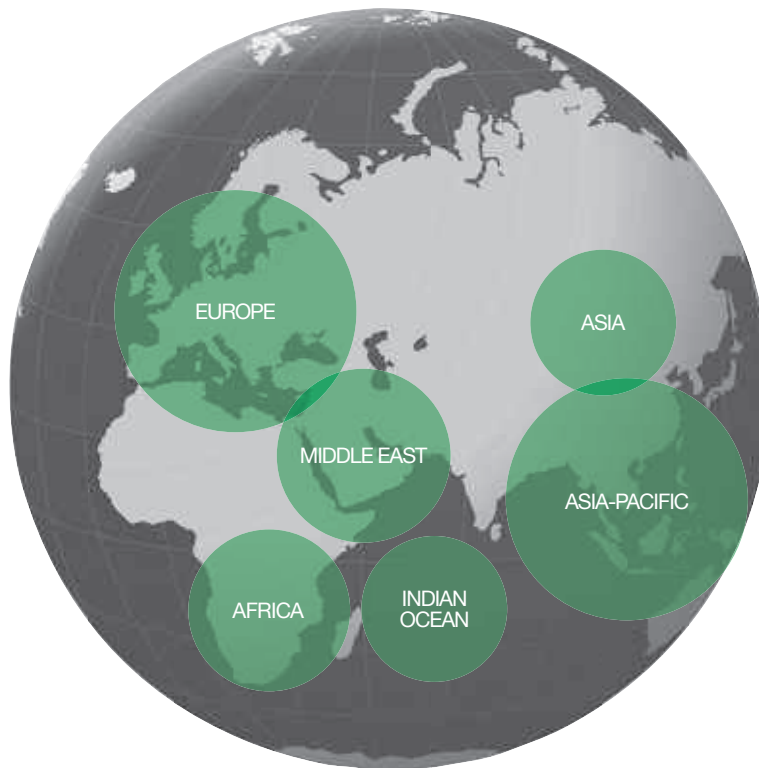
⁽¹⁾ 2010.
⁽²⁾ Excluding franchisees.

EUROPE

Albania – Andorra – Austria – Belarus – Belgium – Bosnia and Herzegovina – Bulgaria – Croatia – Cyprus – Czech Republic – Denmark – Estonia – Faeroe Islands – Finland – France – Germany – United Kingdom – Greece – Hungary – Iceland – Ireland – Italy – Kosovo – Latvia – Lithuania – Luxembourg – Macedonia – Malta – Moldavia – Montenegro – Netherlands – Norway – Poland – Portugal – Romania – Russia – Serbia – Slovakia – Slovenia – Spain – Sweden – Switzerland – Turkey – Ukraine.

AFRICA

Angola – Benin – Botswana – Burkina Faso – Burundi – Cameroon – Democratic Republic of the Congo – Djibouti – Egypt – Equatorial Guinea – Gabon – Ghana – Guinea – Côte d'Ivoire – Kenya – Lesotho – Libya – Malawi – Mauritania – Morocco – Mozambique – Namibia – Niger – Nigeria – Republic of the Congo – Senegal – South Africa – Sudan – Swaziland – Togo – Tunisia – Uganda – Zambia – Zimbabwe.



ASIA & ASIA-PACIFIC

Australia – Bangladesh – Fiji – French Polynesia – India – Indonesia – Japan – Kazakhstan – Laos – Malaysia – New Caledonia – New Zealand – Pakistan – Philippines – Papua New Guinea – Samoa – Singapore – Sri Lanka – Tonga – Vanuatu.

MIDDLE EAST

Abu Dhabi – Dubai – Iran – Iraq – Israel – Jordan – Bahrain – Kuwait – Lebanon – Oman – Palestine – Qatar – Saudi Arabia – Syria – Yemen.

INDIAN OCEAN

Madagascar – Mauritius – Mayotte – Réunion Island.



NORTH AMERICA

Canada – United States.

CARIBBEAN

Aruba – Curaçao – Dominican Republic – Guadeloupe – Haiti – Jamaica – Martinique – Saint Barthélemy – Saint Maarten (Dutch Antilles) – Saint Martin – Trinidad and Tobago.

CENTRAL & SOUTH AMERICA

Argentina – Chile – Costa Rica – French Guyana – Mexico – Nicaragua – Panama – Peru – Suriname – Uruguay – Venezuela.

€1,973
million in revenue



Breakdown
of 2010 revenue
by country

- Germany **28%**
- United Kingdom **18%**
- France **18%**
- Italy **13%**
- Spain **10%**
- Australia and New Zealand **5%**
- Portugal **4%**
- Belgium **4%**



Breakdown
of 2010 revenue
by market segment

- Business customers **51%**
- Leisure customers **49%**

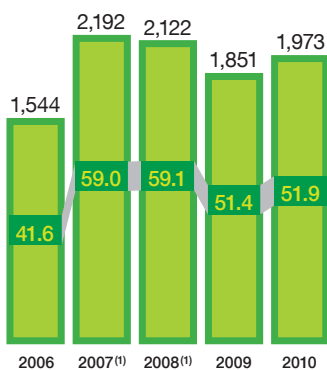
Income statement

in millions of €	2008 pro forma ⁽¹⁾	2008 pro forma ⁽¹⁾ at 2009 exchange rates	2009 consolidated	2009 at 2010 exchange rates	2010 consolidated
Revenue	2,122	2,075	1,851	1,886	1,973
Change vs. prior year (%)	+0.5		-10.8		+4.6
Adjusted operating income ⁽²⁾	253	248	213	217	243
Operating margin (as a % of revenue)	11.9	12.0	11.5	11.5	12.3

(1) Pro forma: assumes the acquisition of Premier First and Europcar Australia and New-Zealand.
(2) Adjusted: excludes all charges resulting from the accounting treatment of the acquisition.

Key figures

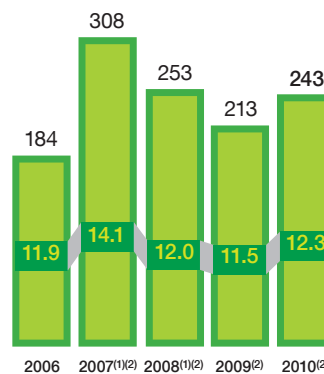
	2008 pro forma ⁽¹⁾	2009	2010
Rental days (in millions)	59.1	51.4	51.9
Number of rentals (in millions)	10.8	9.5	9.3
Fleet utilization rate	71.6	73.7	73.6
Average fleet (in thousands of units)	226	191	193



(1) Proforma

2006-2010 revenue and rental days

- Revenue (€M)
- Rental days (M)



(1) Proforma (2) Adjusted

2006-2010 operating income and operating margin

- Operating income (€M)
- Operating margin (%)

GOVERNANCE

Europcar Groupe SA 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 SA BOARD OF DIRECTORS

Europcar Groupe SA the holding company of Europcar Group, is governed by its Board of Directors, who are responsible for the Europcar Group strategy and the development and oversight of its business and operations. Patrick Sayer is Chairman of the Board and Philippe Guillemot is Chief Executive Officer of Europcar Groupe SA since April 1, 2010.



EXECUTIVE COMMITTEE

The Executive Committee of Europcar Group is composed of Philippe Guillemot, Chief Executive Officer, Charles Desmartis, Chief Financial Officer and Rafael Girona, Chief Operating Officer.

Philippe Guillemot

Philippe Guillemot was appointed Chief Executive Officer of Europcar Group on April 1, 2010.

Before joining Europcar, Philippe Guillemot held various positions at Booz Allen Hamilton, Michelin, PSA Peugeot Citroën 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 PSA Peugeot Citroën 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 graduated from l'Ecole des Mines and holds an MBA from Harvard.

Charles Desmartis

Charles Desmartis joined Europcar Group 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 Chief Financial Officer 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 of Science in Management.

Rafael Girona

Rafael Girona was appointed Chief Operating Officer of Europcar Group on May 31, 2006.

He has also been Co-Chairman of Europcar Information Services (EIS) since 2002. At the Group level, he oversees operations, information systems, sales and marketing, fleet management, deployment of franchises, service quality, business process optimization and sustainable development.

Since joining Europcar in 1987, Mr Girona has held various positions 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.



Didier Fenix
General Manager
Europcar Belgique



José Maria González
General Manager
Europcar Spain



Guirec Grand-Clément
General Manager
Europcar France



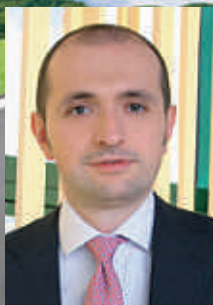
Roland Keppler
General Manager
Europcar Germany



Ken McCall
General Manager
Europcar UK



Paulo Moura
General Manager
Europcar Portugal



Fabrizio Ruggiero
General Manager
Europcar Italy



Ron Santiago
General Manager
Europcar Australia
and New Zealand

EUROPCAR COUNTRY GENERAL MANAGERS

Europcar prides itself on being the car rental company that is closest to its customers. Our country general managers help ensure that everyone in the Europcar organization remains intimately tuned to specific customer needs in the nine countries where Europcar services are owned and operated directly by Europcar. Our dedicated national country teams ensure that we can continue to understand and serve Europe's rich diversity of customer needs and market environments.

Income Statement

in millions of €		FULL YEAR	
	2009 consolidated at reported exchange rates	2009 consolidated at constant exchange rates	2010 consolidated
Revenue	1,851	1,886	1,973
Fleet holding costs (excluding estimated interest expense in operating lease rents)	(464)	(473)	(492)
Total operating expenses (excluding fleet holding costs)	(1,181)	(1,202)	(1,253)
Other income	7	6	14
Adjusted operating income (excluding estimated interest expense in operating lease rents)	213	217	243
Adjusted operating margin (excluding estimated interest expense in operating lease rents)	11.5%	11.5%	12.3%
Interest expense included in fleet operating lease rents	(45)	(46)	(38)
Acquisition-related and reorganization expenses and other non-recurring items	(51)	(51)	(29)
Amortization and impairment of intangible assets	(96)	(96)	(60)
Total non-recurring items	(147)	(148)	(89)
Operating income (IFRS)	21	23	116
Net financing cost	(189)	(191)	(242)
of which, income/(expense) from interest rate swaps	(61)	(61)	(71)
Profit/(loss) before tax	(168)	(168)	(126)
Adjusted profit/(loss) before tax	(21)	(20)	(37)
Income tax credit/(expense)	20	20	(3)
Share in profit of associates	0	0	0
Profit/(loss) for the period	(148)	(147)	(128)

in millions of €		FULL YEAR	
		2009 consolidated	2010 consolidated
Revenue		1,851	1,973
Change vs. prior year at constant exchange rates		-10.8%	+4.6%
Average fleet in volume	units	191,074	193,154
Change vs. prior year	%	-15.3%	+1.1%
Utilization rate	%	73.7%	73.6%
Forecast average holding period of vehicles purchased in the period	months	7.9	7.8
Fleet at December 31 in volume	units	167,705	175,591
Change vs. prior year	%	-13.8%	+4.7%

Recovering growth

Europcar's 2010 results show the return to growth after eighteen months of business contraction. Revenue rose 4.6% year-on-year to €1.973 billion, from €1.886 billion in 2009, restated at constant exchange rates. Average Revenue Per Day (RPD) rose by 3.7% in the year, in line with the 3.4% increase reported for the full year 2009. Overall for the year, rental day volume increased by 0.9% compared with the 2009 level. The company's adjusted operating margin advanced to 12.3% in 2010, from 11.5% in 2009. Along with the revenue growth, the leaner cost structure resulting from the measures taken in 2009 to adapt the company's fleet size and organization to lower demand and tight control on fleet volume and holding cost account for the improvement in operating profitability in the period.

Average net debt remained under control, and its increase was contained to 3.0% at constant exchange. Debt maturities extended through innovative refinancing initiatives.

Financing and Liquidity Analysis

in millions of € at constant exchange rates

	Average of the year		At period end		Guarantees issued
	2009	2010	2009	2010	
Corporate debt					
HY notes due in 2013 and 2018	800	806	800	825	
Accrued interests, premium received and capitalized financing arrangement costs on corporate notes	(3)	(0)	(6)	(10)	
Total gross corporate debt (A)	797	806	794	815	
Fleet financing loans and operating leases					
Senior Asset Financing Loan (August 2010)/ Senior Asset Revolving Facility (as from September 2010)	1,142	905	900	630	
2017 € 250 million Senior Secured Notes (issued in June 2010)	-	105	-	250	
UK and other Fleet financing facilities	454	502	464	489	
Senior Revolving Credit Facility	64	169	85	220	66
UK Senior Revolving Credit Facility and other debt	21	20	32	7	
Debt equivalent of fleet operating leases ⁽¹⁾ (off-balance-sheet)	931	1,034	926	991	
Total gross fleet debt including debt equivalent of fleet operating leases (B)	2,611	2,733	2,408	2,588	
Change vs. prior year	-	+4.7%	-	+7.5%	
Cash, cash equivalents and other investments ⁽²⁾ (C)	281	318	313	398	
Net debt including debt equivalent of fleet operating leases (A)+(B)-(C)	3,128	3,220	2,889	3,005	
Change vs. prior year	-	+3.0%	-	+4.0%	

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

(2) Including: Restricted cash and short-term investments dedicated to cover liabilities in the captive insurance structure in the amount of €74 million as of December 31, 2010 (€78 million as of December 31, 2009); Restricted cash in the amount of €61 million as of December 31, 2010 carried in the FCT Synople (securitization entity) as liquidity enhancement required amount; Cash and cash equivalents in the amount of €114.1 million carried in the four SecuritFleet companies, dedicated to fleet financing in France, Germany, Italy and Spain (€57 million as of December 31, 2009).

Full Year 2010 Key Figures: Revenue Growth and Margin Improvement

in millions of €			FULL YEAR
	2009 consolidated at reported exchange rates	2009 consolidated at constant exchange rates	2010 consolidated
Rental revenue	1,722	1,754	1,836
Change vs. prior year	-10.3%	n.a.	+4.7%
Revenue	1,851	1,886	1,973
Change vs. prior year	-10.8%	n.a.	+4.6%
Adjusted operating income/(loss) (excluding estimated interest expense in operating lease rents)	213	217	243
Adjusted operating margin (excluding estimated interest expense in operating lease rents)	11.5%	11.5%	12.3%
Average headcount	n.a.	6,963	6,488
Change vs. prior year	n.a.	-12.1%	-6.8%
Average fleet (change vs. prior year)	n.a.	-15.3%	+1.1%
Utilization rate	n.a.	73.7%	73.6%
Average net debt excluding corporate high-yield notes issued (IFRS)	1,364	1,396	1,381
Average debt equivalent of fleet operating leases ⁽¹⁾	924	931	1,034
Average net debt excluding corporate high-yield notes	2,288	2,328	2,414
Change vs. prior year	-16.5%	n.a.	+3.7%
Average net debt including corporate high-yield notes	3,088	3,128	3,220
Change vs. prior year	-12.8%	n.a.	+3.0%

CONTINUED IMPROVEMENT IN OPERATING PERFORMANCE

ADJUSTED OPERATING MARGIN INCREASES BY 80BPS TO 12.3% FROM 11.5% IN 2009

(1) Debt equivalent of operating leases estimated on the basis of the average value of fleet under operating leases in each period.

Consolidated Cash Flow Statement

in millions of €	FULL YEAR	
	2009	2010
Adjusted corporate EBITDA	105	128
Non-recurring items	(51)	(22)
Corporate EBITDA after non-recurring items	54	107
Non-fleet capital expenditure, net of proceeds from disposal	(27)	(25)
Change in non-fleet working capital	45	(13)
Change in provisions, employee benefits and accrued fleet financing interest exp.	7	(0)
Income tax (paid)/received	12	(10)
Corporate free cash flow before change in fleet asset base	90	58
Cash interest paid on corporate debt, including allocated swap cash charge	(66)	(66)
Free cash flow before change in fleet asset base	24	(9)
Change in fleet asset base (fleet assets and fleet working capital)	579	45
Income tax paid related to 2005 and prior years	–	(10)
Free cash flow	603	27
Business acquisition, net of cash acquired	(0)	(0)
Other investing activities	(2)	(8)
Increase in capital	–	1
Proceeds of issuance of 2017 €250 million senior secured notes, net of discount	–	247
Proceeds of issuance of 2018 €400 million senior secured notes, net of reimbursement	–	25
Financing arrangement costs	–	(88)
Increase (decrease) in drawings on fleet financing and working capital facilities	(622)	(122)
Net change in cash	(20)	81

in millions of €		DECEMBER 31	
		2009	2010
Property, plant and equipment		115	102
Non-current assets held for sale		–	–
Intangible assets		1,315	1,265
Other non-current investments (provisions), net		6	7
Employee benefits		(67)	(75)
Deferred tax assets (liabilities), net		(184)	(149)
Derivatives (non-current)		(91)	(73)
Operating investment – Non-current	(a)	1,093	1,078
Rental fleet		1,518	1,519
Fleet receivables		548	544
Fleet payables		(599)	(617)
Fleet-related VAT receivables (payables), net		19	33
Fleet working capital		(32)	(40)
Fleet asset base		1,486	1,479
Trade and other receivables		369	391
Trade and other liabilities		(355)	(357)
Inventories		15	16
Non-fleet working capital		30	50
Other current investments (provisions), net		(173)	(171)
Income tax receivable (payable), net		(8)	(10)
Derivatives (current)		–	–
Operating investment – Current	(b)	1,335	1,348
Operating investment – Total (a) + (b)	(1)	2,428	2,426
Borrowings – Non-current		(795)	(1,064)
Borrowings – Current		(1,450)	(1,347)
Cash and cash equivalents		266	350
Other investments (current)		43	48
Accrued interest and other loans, net		4	–
Net liquidity (debt)	(2)	(1,931)	(2,013)
Equity (1)+(2)		497	413

IFRS Revenue and Effect of Exchange Rate Variations

in millions of €		FULL YEAR	
	2009 consolidated	2010 consolidated	% change
Corporately-owned rental business	1,722	1,836	+6.6%
Other revenue associated with rental activity ⁽¹⁾	80	87	+8.0%
Franchising business ⁽¹⁾	49	51	+2.3%
Revenue (IFRS)	1,851	1,973	+6.6%
Effect of the conversion of revenue for the full year 2009 at the average exchange rates for the full year 2010 (GBP, AUD, CHF)	35	—	—
Revenue: 2009 restated at 2010 average exchange rates	1,886	1,973	+4.6%

(1) €96 million for “Other revenue associated with rental activity” and €33 million for “Franchising business” as shown in 2009 full year financial results. The franchising business related to franchises in corporate countries were reported within “Other revenue associated with rental activity”; as of 2010, it has been decided to show this revenue in “Franchising business”.



Europcar

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