

# Europcar Groupe 2006 Annual Results

*Paris - Wednesday 21 March 2007*



***Europcar***

# Introduction

*Xavier Marin*



***Europcar***

## Speakers



### ***Mr. Xavier Marin***

Europcar Groupe Chairman of the Board of Directors  
Eurazeo Executive Board Member



### ***Mr. Salvatore Catania***

Europcar Groupe Chief Executive Officer



### ***Mr. Gerhard Noack***

Europcar Groupe Chief Financial Officer

## 2006: Europcar becomes a worldwide player

- ▶ Europcar reinforces its **position as #1 in Europe** in particular in the UK
  - Acquisition of Vanguard's European activities
  - Keddy in Belgium
  - Ultramar in Spain
- ▶ Europcar becomes **one the 3 worldwide leaders** thanks to the strategic alliance with Vanguard (National - Alamo)
- ▶ 15% of revenue growth and **further profitability increase**
- ▶ **Key strategic partnerships** with easyJet, Accor and TUI

## Winning strategy for Europcar

*“Our mission is to be the most innovative, friendly and customer orientated car rental company”*

- ▶ Extend market leadership
- ▶ Expand partner network
- ▶ Strengthen global franchisee network, especially in Asia
- ▶ Permanent attention to quality and implementation of sustainable development policy
- ▶ Maintain profitable growth strategy

# 2006 highlights

## *Salvatore Catania*



***Europcar***

## Europcar overview

- ▶ N°1 in Europe
- ▶ 1,5 billion euros of consolidated revenues
- ▶ 42 million of corporate rental days per year
- ▶ A fleet of over 160,000 corporate vehicles
- ▶ 5,600 employees
- ▶ A **solid reputation** of professionalism, innovation and client service oriented

### *Leveraging the strategic alliance with Vanguard*

- ▶ Among the **top 3** worldwide
- ▶ 6,000 outlets worldwide, 160 countries
- ▶ 3 complementary brands with a strong recognition : Europcar, National and Alamo

# A strong track record of profitable growth

## Key Performance 2006

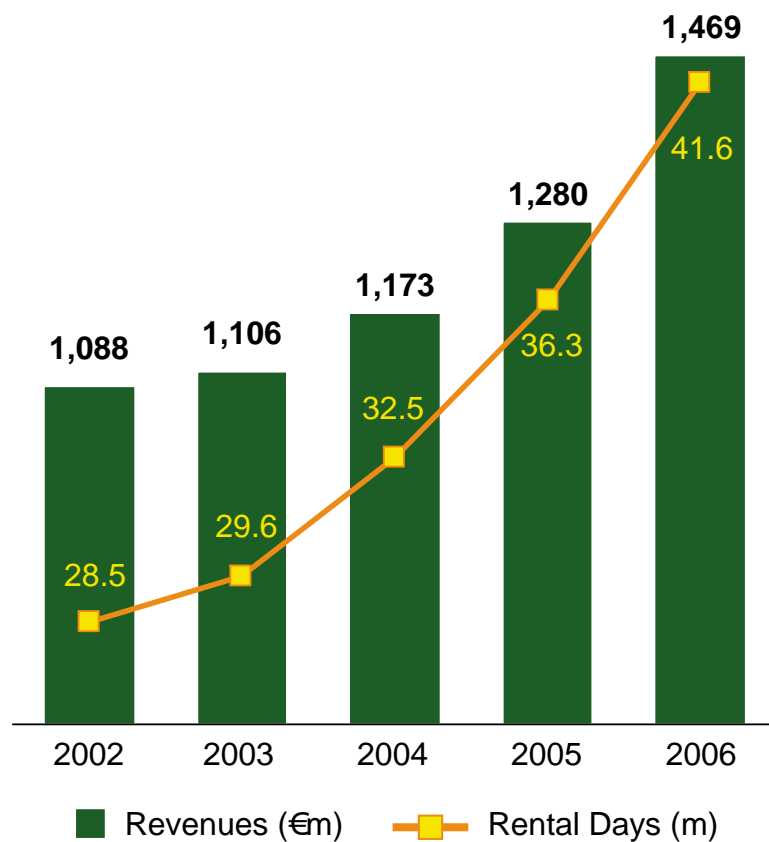
|                   |                                |
|-------------------|--------------------------------|
| ► Revenue         | + 15% vs Last Year             |
| ► Revenue per day | + 0.8% vs Last Year            |
| ► Utilisation     | + 71.8%<br>+ 0.5% vs Last Year |
| ► EBIT            | 168 €m<br>+ 15% vs Last Year   |
| ► Recurring EBIT  | 184 €m<br>+ 26% vs Last Year   |

Source: Europcar.

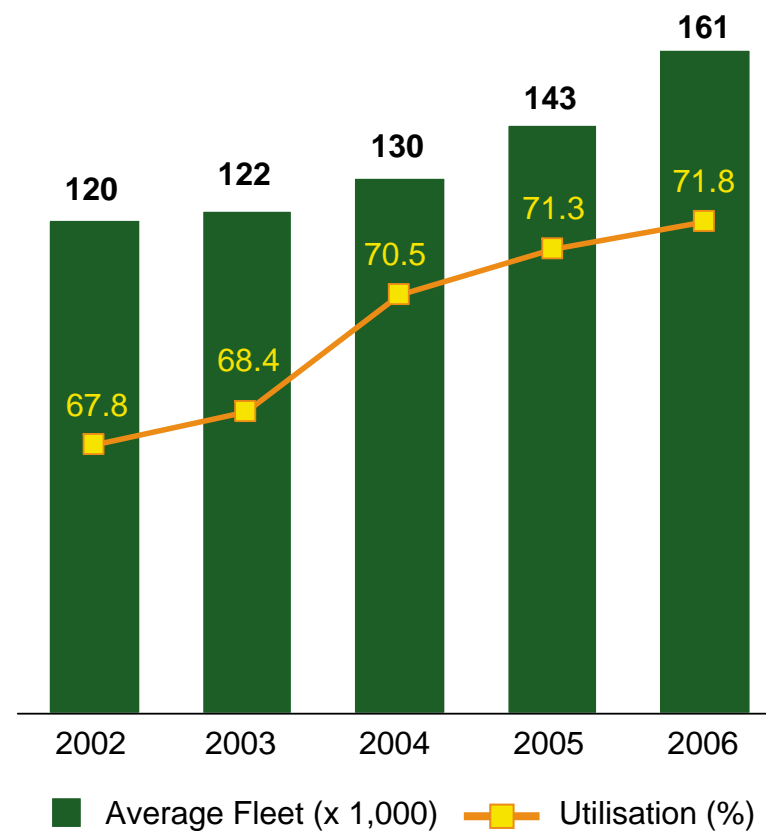


## Key operational milestones

*Sales and Rental Days 2002-2006*



*Utilisation Rate and Average Fleet 2002-2006*



Source: Europcar.

# Car rental market

*Salvatore Catania*



***Europcar***

## Car rental market development 2006: Significant growth opportunities in Europe

- ▶ Airport passenger traffic continues to grow
- ▶ Continuous development of low cost carriers
- ▶ European high speed train development
- ▶ Slight increase of the penetration of car rental
- ▶ Internet and mobile penetration



Market increase: 4.0%

## Car rental market development: 2007-2010 growth forecast by regions

**2007-10E CAGR**

|                   |      |
|-------------------|------|
| Global Market     | 3.5% |
| US                | 1.8% |
| Europe            | 3.3% |
| Asia-Pacific      | 7.0% |
| Rest of the World | 5.6% |

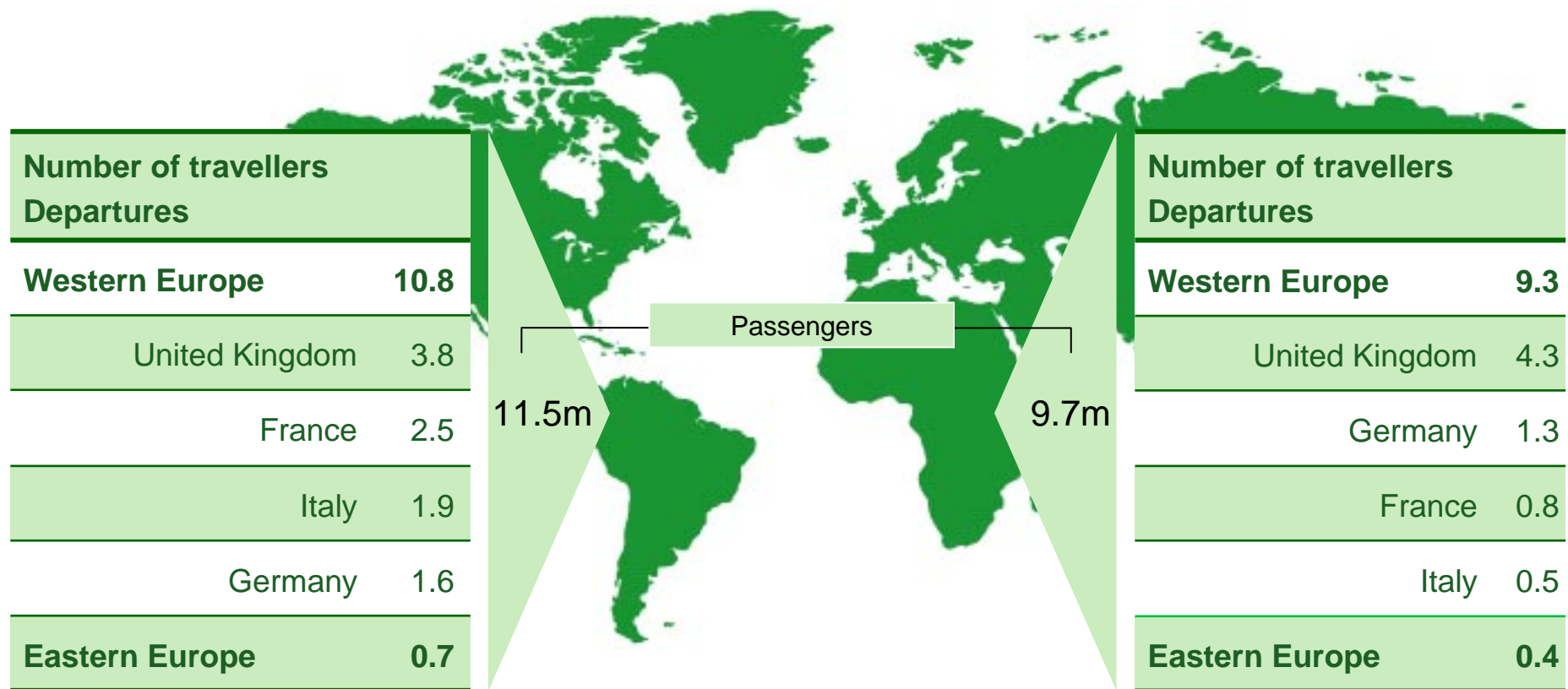
Source: Company, Euromonitor.

## Competitive landscape: Europcar N°1 in Europe and one of the 3 top worldwide leaders

| Global players  | Regional players  | Local providers   |
|---|---|---|
| <ul style="list-style-type: none"><li>▶ Europcar / Vanguard</li><li>▶ Avis Budget Group / Avis Europe</li><li>▶ Hertz</li></ul> | <ul style="list-style-type: none"><li>▶ Enterprise (US, UK, Germany)</li><li>▶ Sixt (Germany)</li></ul> | <ul style="list-style-type: none"><li>▶ Various local providers</li><li>▶ Ada (France), Gold Car (Spain), Arnold Clark (UK)</li></ul> |

- ▶ Europcar has considerably reinforced its competitive advantage

# Major flows between the United States and Europe



Source: US Dept. of Commerce.

# Europcar: an effective global strategy

*Xavier Marin and Salvatore Catania*



***Europcar***

## Two-pronged strategic transaction with Vanguard

Europcar's acquisition  
of Vanguard's European  
businesses  
(Vanguard EMEA)

Strategic  
transatlantic alliance  
between Europcar  
and Vanguard

### Europcar

Acquires #1 position in the United Kingdom

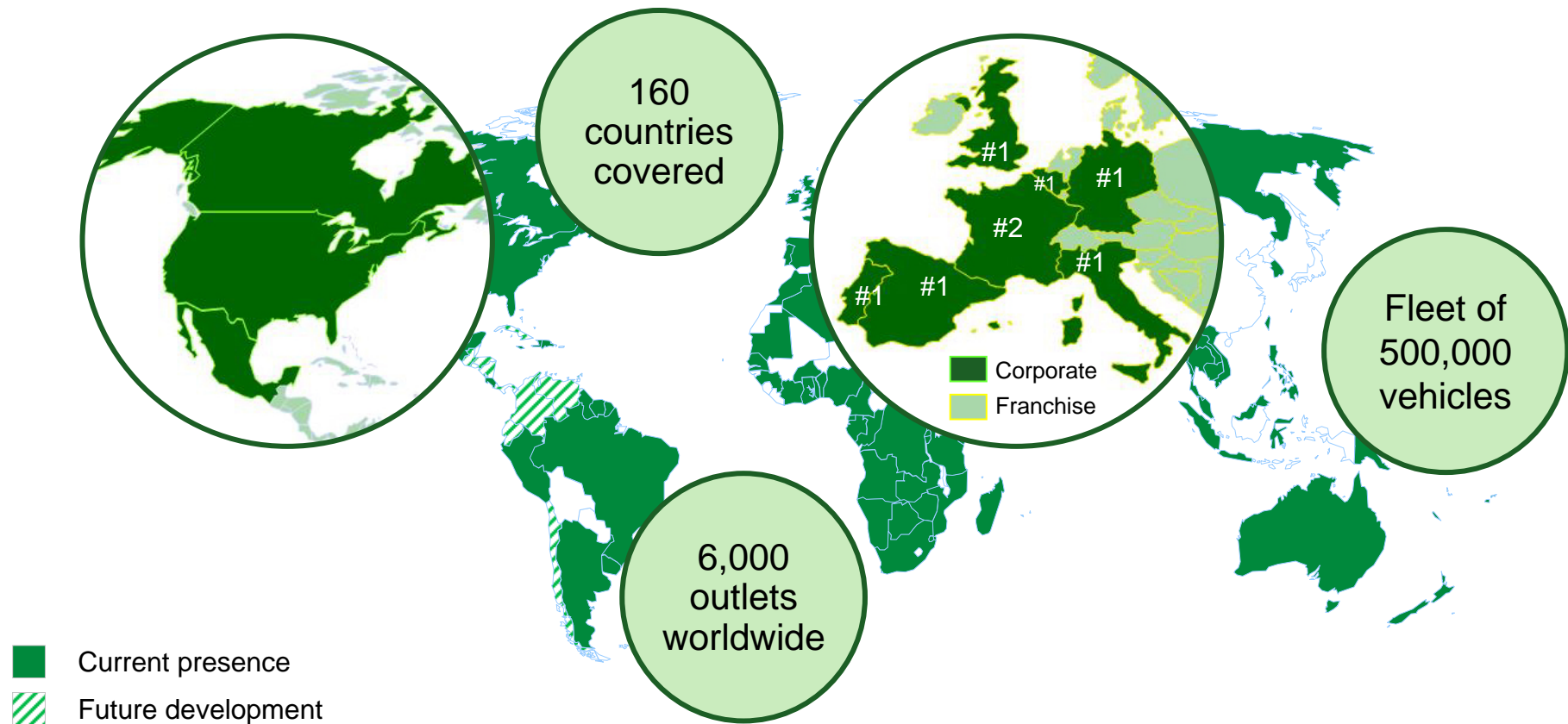
Strengthens its #1 position in Europe

Positions itself as a premier worldwide player



## Europcar: a worldwide player

Global Europcar, National and Alamo outlet revenues of €4.5bn



## A major step in Europcar's development and in the industry

- ▶ Creation of strong synergies in terms of fleet management
- ▶ Optimisation of its offering and service quality
- ▶ Development of comprehensive solutions tailored to its clients' expectations

Europcar: a global and competitive offer

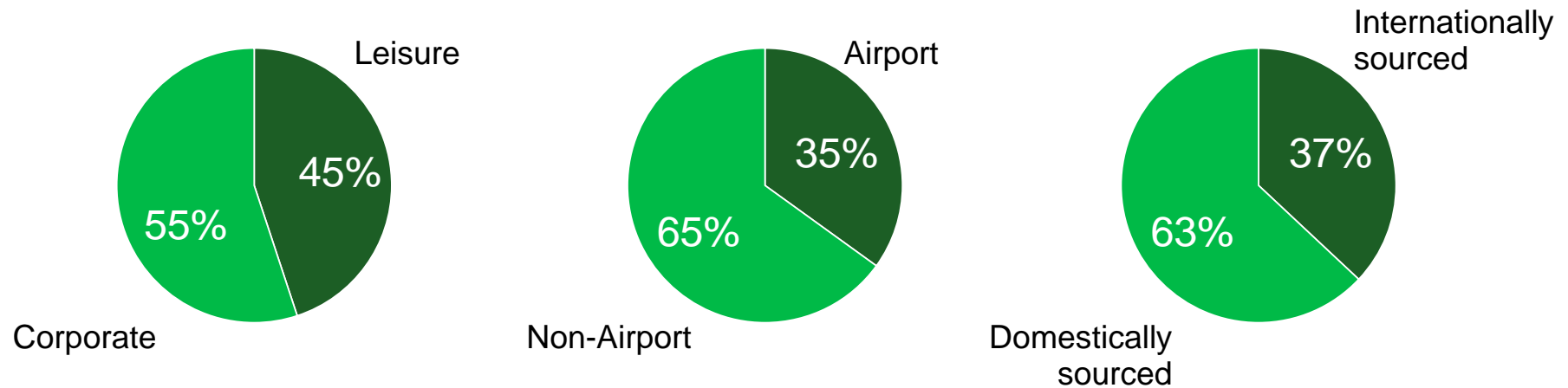
## Europcar: leveraging three complementary brands and their global reach



*Taking advantage of their international network coverage  
and pursuing additional business opportunities*

## Well balanced business mix

### Revenue split 2006



- ▶ Europcar is well positioned to attract all types of customers
- ▶ Well balanced business mix to manage seasonality

Source: Europcar.

Note: Based on rentals in corporate countries including domestic franchisees, before Vanguard EMEA acquisition.

## Europcar's solid partnership network

- ▶ Diverse partnership network with leaders in travel related and other industries
  - Airlines, hotel groups, travel agencies, roadside assistance service providers, automobile clubs
- ▶ Strategic partnerships with market leaders
  - easyJet - leading low-cost airline
  - Accor - leading hotel group
  - TUI - leading tour operator
- ▶ Exclusive preferred access to a wide range of customers through key partner relationships

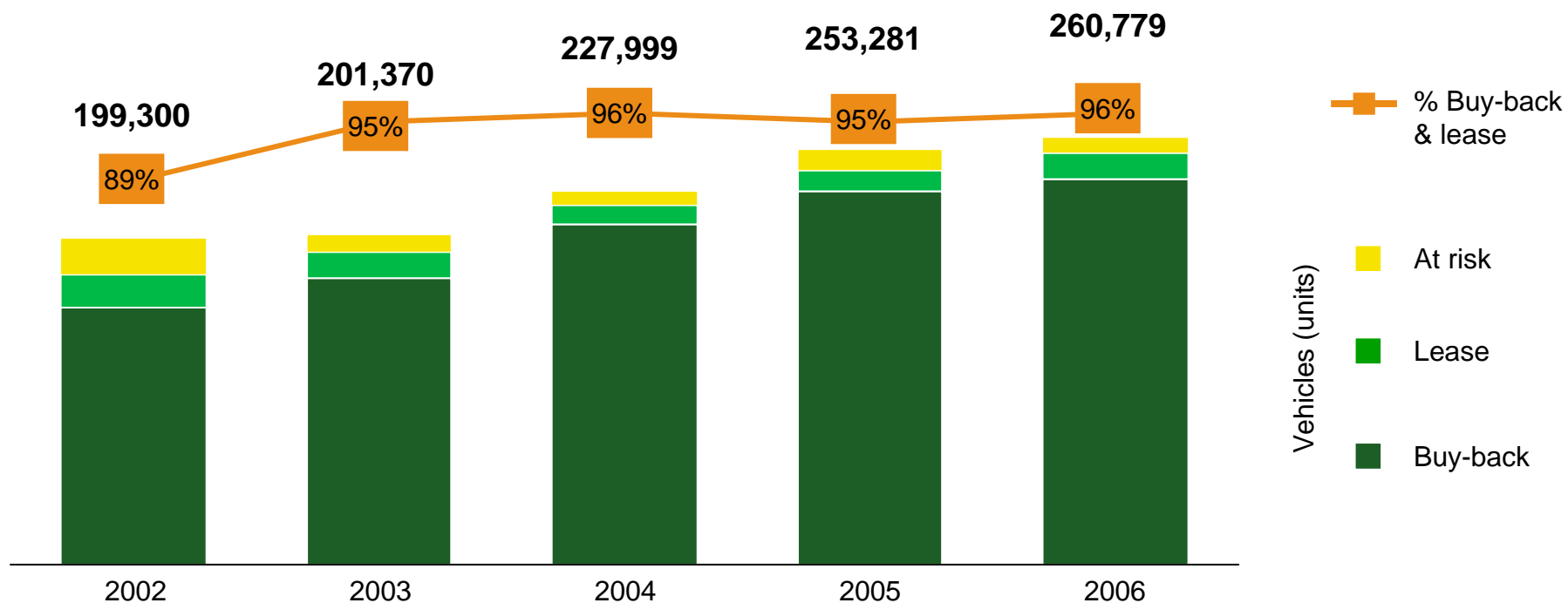


Preferred partner of



In 2006 successful renewal of strategic agreements  
with TUI and easyJet

## A purchasing strategy to minimise risk and reduce exposure to used car market

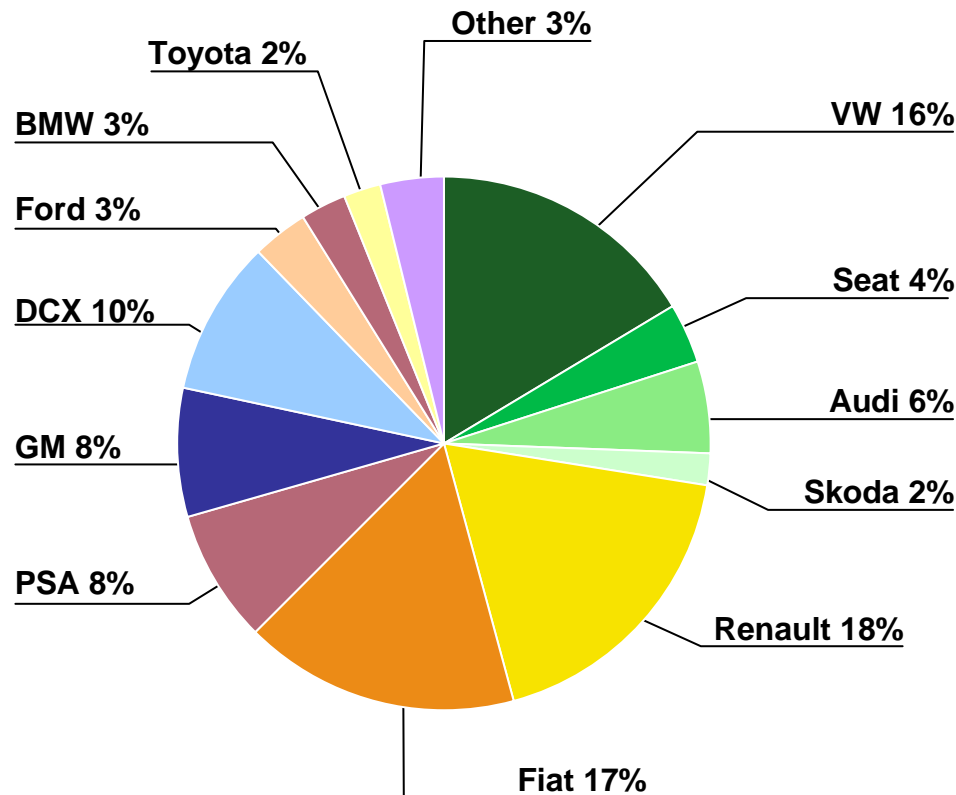


► **96%** of the fleet covered by buy-back or lease

Source: Europcar, based on vehicle deliveries in the GreenWay system.

## Fleet overview by brand: a diversified portfolio

*Fleet deliveries by brand 2006*



- ▶ c.72% of vehicles sourced from suppliers with investment grade rating
- ▶ Maintains relationships with leading OEMs
  - Well diversified supplier base
  - No undue reliance on any one supplier
- ▶ Offers latest vehicle models from range of suppliers
- ▶ Co-marketing initiatives with car manufacturers

Source: Europcar.

# 2006 financial review

*Gerhard Noack*

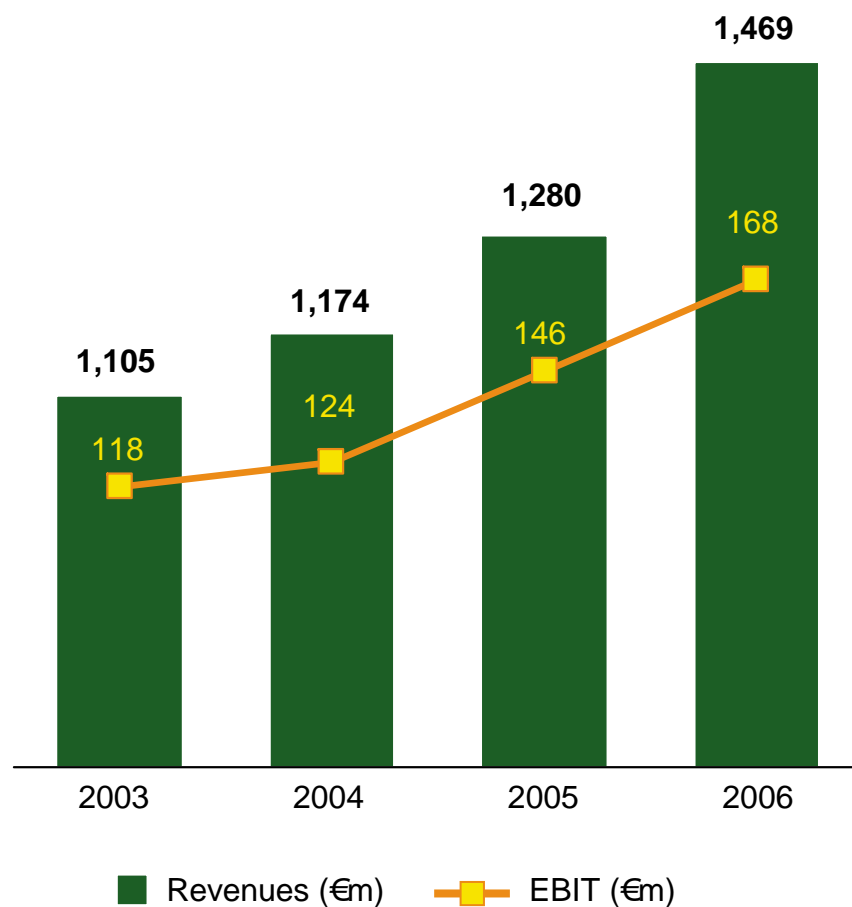


***Europcar***



## A record growth in 2006

### Sales and EBIT 2003-2006



### 2005-2006 changes

|                |       |
|----------------|-------|
| Revenue        | 14.8% |
| EBIT           | 15.0% |
| Recurring EBIT | 26.0% |
| EBITDA         | 19.7% |

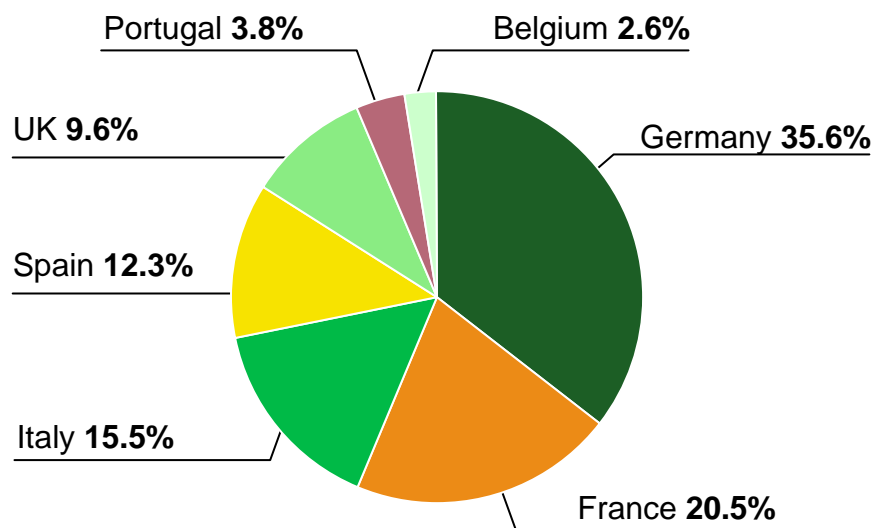
## Europcar Groupe key figures

| (€m)                          | 2003         | 2004         | 2005         | 2006         |
|-------------------------------|--------------|--------------|--------------|--------------|
| <b>Sales</b>                  | <b>1,105</b> | <b>1,174</b> | <b>1,280</b> | <b>1,469</b> |
| <i>Growth</i>                 | 1.7%         | 6.2%         | 9.0%         | 14.8%        |
| <b>EBITDA</b>                 | <b>301</b>   | <b>312</b>   | <b>360</b>   | <b>431</b>   |
| <i>Margin</i>                 | 27.2%        | 26.6%        | 28.1%        | 29.3%        |
| <b>EBIT</b>                   | <b>118</b>   | <b>124</b>   | <b>146</b>   | <b>168</b>   |
| <i>Margin</i>                 | 10.7%        | 10.6%        | 11.4%        | 11.5%        |
| <b>KPIs</b>                   |              |              |              |              |
| Rental Days<br>(in thousands) | 29,600       | 32,500       | 36,300       | 41,600       |
| RPD ("yield") in €            | 36.0         | 35.0         | 34.2         | 34.5         |

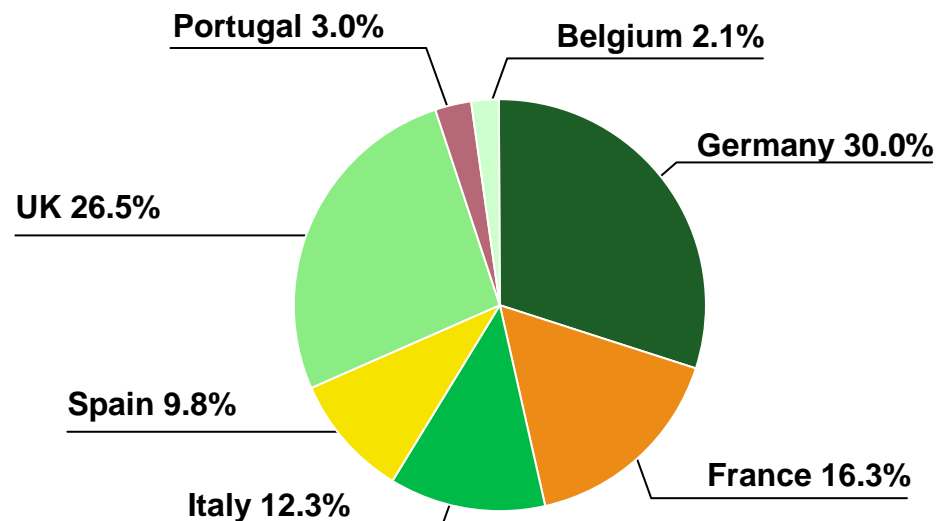
► In 2006, recurring EBIT: **184 €m**, margin **12.5%**

## Revenue share of corporate countries - 2006

**Actual**



**With Vanguard**



- ▶ Better revenue distribution among corporate countries
- ▶ 83% of corporate revenue where Europcar is #1

## 2006 Europcar Groupe - Balance sheet

| Assets                                 | €m           | Equity and liabilities                 | €m           |
|--|--------------|--|--------------|
| Intangible assets                      | 986          | Subscribed capital                     | 778          |
| Property, plant and equipment          | 74           | Capital reserves and retained earnings | 29           |
| Leasing and rental assets (fleet)      | 2,168        | <b>Equity</b>                          | <b>807</b>   |
| Other non current assets               | 49           | Financial liabilities                  | 560          |
| <b>Non current assets</b>              | <b>3,277</b> | Other liabilities                      | 11           |
| Inventories                            | 10           | Provisions                             | 71           |
| Trade receivables                      | 706          | <b>Non current liabilities</b>         | <b>642</b>   |
| Other receivables and financial assets | 206          | Financial liabilities                  | 2,131        |
| Cash and cash equivalents              | 230          | Trade payables                         | 664          |
| <b>Current assets</b>                  | <b>1,152</b> | Other liabilities and payables         | 139          |
| <b>TOTAL ASSETS</b>                    | <b>4,429</b> | Other provisions                       | 45           |
|  |              | <b>Current liabilities</b>             | <b>2,979</b> |
|  |              | <b>TOTAL EQUITY AND LIABILITIES</b>    | <b>4,429</b> |

- ▶ Ratio of consolidated net debt / EBITDA decreased from 6.5x in 2005 to 5.7x in 2006
- ▶ Cash Flow linked to Fleet: (476) €m

## Europcar Groupe & Vanguard Proforma – Key Figures

| (M€)                    | Europcar Actual | Vanguard Actual <sup>(1)</sup> | Proforma <sup>(1)</sup>    |
|-------------------------|-----------------|--------------------------------|----------------------------|
|                         | 2006            | 2006                           | 2006                       |
| <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>                 |
| <i>Margin</i>           | <i>11,5%</i>    | <i>12,6%</i>                   | <i>11,7%</i>               |
| <b>EBITDA</b>           | <b>431</b>      | <b>135</b>                     | <b>566</b>                 |
| <i>Margin</i>           | <i>29,3%</i>    | <i>35,4%</i>                   | <i>30,6%</i>               |
| <b>Net Debt</b>         | <b>2,461</b>    | <b>409</b>                     | <b>3,125<sup>(2)</sup></b> |
| <i>Net Debt /EBITDA</i> | <i>5,7x</i>     | <i>3,0x</i>                    | <i>5,5x</i>                |

(1) Non audited

(2) Including 255 M€ linked to the acquisition of Vanguard shares

# 2006 assessment and 2007 outlook

*Xavier Marin*



***Europcar***

## 2006 key events

|                  |   |
|------------------|---|
| <b>March</b>     | Signing of Europcar acquisition by Eurazeo  |
| <b>April</b>     | First project<br>Cash management improvement programme  |
| <b>May</b>       | High Yield (550 €m)<br>Completion of Europcar's acquisition by Eurazeo                          |
| <b>June</b>      | Acquisition of Keddy in Belgium<br>Acquisition of Ultramar in Spain<br>TUI partnership renewal  |
| <b>August</b>    | ALD partnership renewal   |
| <b>September</b> | easyJet partnership renewal   |
| <b>November</b>  | LeasePlan partnership renewal<br>Signing of the two-pronged strategic transaction with Vanguard |

# Europcar Groupe - Principles of Corporate Governance

Europcar Groupe is governed by a Board of Directors, composed of 6 Directors including Salvatore Catania, Chief Executive Officer

The Board of Directors has established control procedures and Committees

- ***Strategic Committee***
- ***Nomination and Remuneration Committee***
- ***Audit Committee***

The Executive Committee supervises the management of Europcar and is composed of

- ***Mr. Salvatore Catania, Chief Executive Officer***
- ***Mr. Rafael Girona, Chief Operating Officer***
- ***Mr. Gerhard Noack, Chief Financial Officer***



## Sustainable Development

Several actions taken in 2006 to actively support environmental measures and develop eco-citizenship

### ► Fleet initiatives

- Regular trials of innovative eco-vehicles in Europcar's fleet : A fleet of 280 "Flexifuel" vehicles in partnership with Ford
- Europcar France awarded second prize at the Oxygen Awards
- 95% of the fleet is Euro IV

### ► ISO 14000 initiatives: controlling and improving environmental performance

- Italy, Spain & Portugal already certified
- Fields of application
  - Water & oil recycling installations
  - Management of dangerous and hazardous waste

## 2007: a strengthening year

- ▶ **Integration** of Vanguard's **European activities**
- ▶ **Implementation of the transatlantic alliance** with Vanguard
- ▶ Further pursue **organic growth** and leverage **market leadership in Europe**
- ▶ Continue **targeted expansion** in attractive new markets via potential **opportunistic acquisitions**
- ▶ Continue to ensure **profitable growth strategy**

## Contacts and calendar

### ► Contacts

- Investor relations

Gerhard Noack

Tel: +33 (0)1 30 44 94 58

- Press relations

Stéphanie Tabouis - Alienor Miens

Tel: + 33 (0)1 44 43 75 10

### ► Calendar

First Quarter 2007 Results

May 2007

Half Year 2007 Results

September 2007

Third Quarter 2007 Results

December 2007