

Europcar is pleased to announce that important milestones have been achieved in optimizing its capital structure and maturity profile, with amendments to certain of its key financing arrangements

These milestones include the following:

- Successful rating of the Senior Asset Revolving Facility to a “A” level by Standard & Poor’s;
- Amendment of the Senior Revolving Credit Facility with an extended maturity;
- Commitments to extend the maturity of the long-term fleet financing in the UK; and
- Amendment to the company’s principal swap agreement to better match its capital structure and optimize fleet financing costs.

As a result, Europcar will have arranged to extend all of its maturities to 2015 and beyond, except for the “A” rated Senior Asset Revolving Facility maturing in 2014 and the bonds maturing in May 2013.

In order to provide Europcar support for the refinancing of the bonds due May 2013, which the company is actively pursuing, Europcar’s principal shareholder Eurazeo is committed to inject €90 million of equity concurrently with the bond refinancing, and in doing so will permit to decrease Europcar leverage ratios.

Caroline Parot, Chief Financial Officer of Europcar Groupe, commented:

“During our full year 2011 results presentation on 29 March 2012 we provided an update on our refinancing plans. I am very pleased to state today that we have achieved all but one of our milestones. We are working with our banks on the refinancing of our remaining near-term maturity, the May 2013 FRN. We are reviewing market conditions and will select timing that optimizes execution for the company.”

Senior Asset Revolving Facility

Europcar's Senior Asset Revolving Facility provides a committed facility under which drawings are made available for the sole purpose of financing fleet acquisition and maintenance in France, Italy, Germany and Spain. Initially entered into on July 30, 2010 and subsequently amended, it was further amended on April 5, 2012 in certain respects, principally as a result of obtaining an ‘A’ rating from Standard & Poor’s with respect to the borrower, Securitifleet Holdings, which allowed us to provide for increased flexibility on vehicle concentration and eligibility criteria, to provide for a dynamic advance rate scheme allowing the group to benefit from increased liquidity, to reduce the total amount of the facility commitment from €1.3 billion to €1.1 billion and to reduce the margin payable under the facility from 3.00% to 2.70%.

Senior Revolving Credit Facility

Europcar amended its Senior Revolving Credit Facility on April 19, 2012 with a group of new and existing lenders, principally to extend its maturity which had been scheduled for May 2013. The amendment agreement was signed subject to customary conditions precedent, including a successful refinancing of the 2013 FRN. The extended €300 million facility commitment, together with the increased liquidity under the Senior Asset Revolving Facility thanks to the "A" rating, provides sufficient liquidity to the group. The amended facility will mature on April 19, 2015, subject to two one year extension options, with a final maturity date of April 19, 2017. Europcar is pleased to highlight that the margin only increases by 25bps to a total 3.75%, subject to a margin grid based on leverage ratio, therefore allowing the company considerable visibility over its financing costs going forward.

Europcar UK Group Fleet Financing

As Europcar's current long-term UK fleet financing facilities mature at the end of 2012, we have materially progressed negotiations with Lloyds TSB Bank plc ("Lloyds") and Lombard North Central plc, a unit of Royal Bank of Scotland ("Lombard") for their renewal and we are actively progressing on discussions with OEMs. As of April 24, 2012, we have received commitments, subject to certain conditions precedent, from Lloyds and Lombard relating to new vehicle financing facilities to be provided to ECGUK in the amount of £200 million and £175 million, respectively. Pursuant to these facilities, vehicles will be acquired from the manufacturers, then sold to lessors and operated through lease-back agreements. Europcar's current facilities include two working capital facilities and two leasing facilities, one with Lloyds for £250 million and the other with Lombard for £295 million. These two facilities, with a total committed amount of £545 million, mature on December 31, 2012. The amount outstanding under these facilities as at December 31, 2011 was £261 million (2010: £337.3 million). Europcar believes that the refinanced facilities, which would amount to £375 million, will provide sufficient long-term funding for its ongoing operations, in addition to some of the OEMs lease facilities. Nevertheless, it will continue to pursue opportunities to refinance or add other facilities as appropriate.

Amended Swap Agreement

In December 2010, the Group entered into an interest rate swap agreement with a starting date of December 18, 2011 and maturity date of January 17, 2015. According to this agreement, Europcar was required to pay a fixed interest expense ranging from 2.42% to 2.45% on the outstanding notional amount of €1.3 billion and received interest income calculated at a rate equal to one-month EURIBOR. On April 18, 2012, Europcar entered into certain amendments to this agreement, pursuant to which the notional principal amount subject to this agreement was reduced to €900 million and the fixed interest expense that Europcar would be required to pay was reduced from 2.42% to 0.66%, therefore providing for a significant decrease in fleet financing costs for the future.

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About Europcar

Europcar is the leader in car rental services in Europe. Present in 140 countries, the company provides customers with access to the world's largest vehicle rental network through its own operations, franchisees and partnerships. With 6,600 employees committed to delivering customer satisfaction and an average fleet of close to 190,000 vehicles, Europcar is conscious of its corporate citizenship responsibilities. Winner of the first World Travel Award recognizing the World's Leading Green Transport Solutions Company, Europcar also was honored with the Award in 2010 and 2011. Europcar is owned by Eurazeo.

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