

Europcar Reports Results for the 3rd Quarter and First Nine Months of 2009

- ▶ Revenue of €575 million on good leisure demand; improved revenue trend compared with the first half year of 2009
 - Strong Revenue Per Day performance : +5.3% in Q3 2009 at constant exchange rates, 4th consecutive quarter of meaningful year-on-year RPD increase
 - At 19.9%, 3rd quarter 2009 adjusted operating margin up to Q3 2008 pre-downturn mark
- ▶ €315 million free cash flow generated in the first nine months of 2009 vs €344 million consumed in same period last year
- ▶ Average net debt down by 15.6% in the first nine months of 2009 compared with 2008

Europcar, the European leader in passenger car and light utility vehicle rental, today announced its results for the 3rd quarter and first nine months of 2009.

Key Figures (in millions of € unless specified otherwise)	Third Quarter		First Nine Months	
	2009 Consolidated	2008 Pro forma ¹ at const. exchange rates	2009 Consolidated	2008 Pro forma ¹ at const. exchange rates
Revenue	574.8	632.6	1,429.1	1,619.0
Adjusted ² operating income	114.7	126.0	157.3	222.6
Adjusted ² operating margin	19.9%	19.9%	11.0%	13.7%
Net debt at Sept 30 ³			3,329.8	4,036.8
Rental days (in millions)	15.6	17.9	39.7	46.3
Fleet at Sept 30 (in units)			203,802	239,424

The adjusted operating income and margin measures above (unaudited) exclude charges resulting from the accounting treatment of the acquisitions carried out in 2007 and 2008, as well as one-off expenses and reorganization charges incurred in connection with these acquisitions and in response to the current economic downturn. They are not meant to be considered in isolation or as a substitute for comparable IFRS measures. Europcar believes these adjusted financial measures are helpful in assessing its past financial performance and its future results.

^{1,2,3} See footnotes at the end of the document

3rd quarter 2009: Improvement in the revenue evolution trend, operating profitability at pre-downturn level

Europcar's consolidated revenue for the 3rd quarter came in at €575 million, down by 9.1% at constant exchange rates compared with the 3rd quarter 2008 level and making a meaningful improvement compared with the 13.4% revenue decrease reported for the 1st half of 2009. Rental day volumes were down by 12.8% year on year, also bettering the 15% shortfall reported for first half.

The main driver for the improved revenue evolution trend in the 3rd quarter was the company's strong Revenue Per Day (RPD) performance. Europcar increased its RPD by 5.3% at constant exchange rates in the 3rd quarter, after posting gains of 1.4% and 3.4% in the 1st and 2nd quarters of the year, respectively. This 4th consecutive quarter of rising RPD is an achievement in light of the economic and market climate, and reflects the company's pricing discipline and efforts over the past 12 months to size its fleet to demand, enhance its business mix, focusing on the highest-margin segments.

During the 3rd quarter, the effect of the programs of unprecedented scope initiated by the company one year ago to adapt its fleet and non-fleet cost structures to lower demand gained momentum. Thanks to these programs, Europcar reduced its fleet holding costs by 11.9% and its non-fleet operating expenses by 8.6% in the period. Overall cost reduction outpaced the decrease in revenue. Combined with the strong pricing performance, this accounts for the company's adjusted operating margin matching its pre-downturn mark of 19.9%, reported for the third quarter of 2008.

First nine-month performance

Europcar generated revenue of €1,429 million in the first nine months of 2009. The 11.7% decrease compared with the first nine months of 2008 is essentially due to lower rental day volumes (down 14.1%) across all "corporate" countries (ie, where the company has direct operations) and segments; entirely attributable to low market demand for car rental services stemming from the global economic downturn.

Adjusted operating margin came in at 11%, essentially reflecting the lower activity in the period and low margin in the first half of the year as the company's cost cutting measures were being implemented.

Europcar reduced its average fleet by 15.4% in the first nine months compared with the same period in 2008. This reduction exceeds the rental day volume decrease, reflecting the quick sizing of fleet to demand, completed in the first quarter, and improved fleet utilization performances in the second and third quarters.

Further strong cash flow and debt reduction performances, focus on liquidity

The company generated €315 million in free cash flow in the first nine months of 2009, whereas it consumed €344 million in cash in the first nine months of 2008. This year's strong cash flow performance reflects the company's fleet adjustments and significant reduction in non-fleet working capital, as well as a greater use of operating leases to finance fleet.

Thanks to the strong free cash flow performance and smaller fleet, Europcar reduced its average net debt (including the debt equivalent of operating leases and excluding high-yield bonds) by 15.6% in the first nine months of 2009, compared with the year-earlier period. Europcar had net debt of €2.5 billion (IFRS - including the debt equivalent of fleet operating leases and excluding high-yield notes) at the end of September 2009, down €0.7 billion compared with end of September 2008.

The corporate free cash flow generated in the period also allowed the Company to maintain adequate liquidity headroom through the first nine months of the year.

Reorganization programs on track and nearing completion

During the first nine months of the year, the company continued to implement wide-ranging reorganization plans to further improve its cost base and operating efficiency. These plans are proceeding on schedule and nearing completion. They are expected to generate pretax savings of €35 million in 2009, and €80 million over the full year in 2010 compared with the 2008 cost base.

Outlook

Salvatore Catania, Chief Executive Officer of Europcar Groupe, commented:

"In the first nine months of 2009, all of our key performance indicators showed progressive improvement, with an acceleration in the 3rd quarter as most of the measures taken to adapt our organization and resources to the changing market landscape near completion. This demonstrates that we have been properly addressing the challenges that have arisen from the economic downturn.

While we do not see any sign of meaningful recovery in demand, we expect our operating profitability and net debt position to continue to improve significantly in the 4th quarter.

A year of managing through the downturn has taught us a lot and we plan to translate this experience into revenue enhancement initiatives in 2010, though we are very cautious about how demand will evolve.

We remain confident that the measures we are taking and improvements we are making to respond to the downturn, will further enhance our position as the best-in-class and most flexible company in the car rental industry. And we are determined to remain the market and profitability leader."

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About Europcar:

Europcar is the European leader in passenger car and light utility vehicle rentals. The company serves business and leisure customers throughout Europe, Africa, the Middle East, Latin America and Asia-Pacific. Excluding franchise operations, in 2008 Europcar signed more than 10 million rental contracts, with 8,000 employees and a fleet exceeding 225,000 vehicles. In September 2008, Europcar and U.S. market leader Enterprise Rent-A-Car joined forces in a strategic commercial alliance to form the world's largest car rental network, with more than 1.2 million vehicles and 13,000 locations around the world. Europcar is owned by the French investment company Eurazeo.

Europcar is also leading in its environmental approach to car rental. It opened its first "environmental agency" in Paris in 1999, and in 2008 it was the first company in Europe to have its "Environmental Charter" – which formalizes its commitments in favor of sustainable development -- certified by Bureau Veritas. In 2008, Europcar was also the first company ever to win the World Travel Award for "the World's Leading Green Transport Solution Company."

For more information: www.europcar.com

The management of Europcar held a conference call for high-yield bond investors and financial analysts to present the Company's results for the 3rd quarter and first nine months of 2009. The supporting documents used for that conference call are available on a restricted basis. Qualified investors and analysts can request access to the supporting documents by contacting:

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Financial Communications Calendar:

Full-year 2009 results:

March/April 2010

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¹ *Pro forma basis: i.e.: assumes that the acquisition of Europcar Australia - New Zealand, acquired on May 1, 2008 took place as of Jan. 1, 2008, to allow better comparability of the performance of the first nine months of 2009 with that of the same period in 2008.*

² *Adjusted: excludes all charges resulting from the accounting treatment of the acquisitions carried out in 2007 and 2008, as well as one-off and restructuring expenses incurred in connection with these acquisitions; this measure also excludes the estimated interest expense included in fleet operating leases.*

³ *Debt at Sept 30 includes the debt equivalent of the outstanding fleet operating leases which was €1,114.1 million in 2009 and €810.1 million in 2008, restated at constant exchange rates.*