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LISTING PARTICULARS

€475,000,000

Europcar Notes Limited.

€475,000,000 5.750% Senior Notes due 2022

All obligations of Europcar Notes Limited are to be assumed on the escrow release date by

Europcar Groupe S.A.

This document consists of the listing particulars (the "Listing Particulars") in connection with the application to have the €475,000,000 aggregate principal amount of 5.750% Senior Notes due 2022 (the "Notes") issued by Europcar Notes Limited (the "Issuer") admitted to the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market. These Listing Particulars supplement the Offering Memorandum dated May 27, 2015 (the "Offering Memorandum") attached as Appendix 1. The Offering Memorandum, jointly with these Listing Particulars, constitute a prospectus for the purpose of part IV of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities.

The following is added as a new first sentence under the caption "Clearing Information" on page 353 of the Offering Memorandum:

"The Notes have been accepted for clearance and settlement through Euroclear France, Euroclear and Clearstream."

The following supplements and amends the monthly exchange rate data presented on page (xv) of the Offering Memorandum:

	U.S. dollars per €1.00			
Month	**Period end**	**Average**	**High**	**Low**
April	1.12	1.08	1.12	1.06
May (through May 31)	1.10	1.12	1.14	1.09

The following clarification is made to page 188 of the Offering Memorandum: the references to Europcar International SAS in the section "Business − Subsidiaries and Equity Investments" and elsewhere throughout the Offering Memorandum should be read to be a reference to Europcar International S.A.S.U.

Similarly, the reference to Europcar International S.A. und Co. oHG on page 225 under the caption "Certain Related Party Transactions - Principal Related Party Transactions − Guarantee" and elsewhere throughout the Offering Memorandum should be read to be a reference to Europcar International S.A.S.U. and Co. oHG.

These Listing Particulars supplement, amend and modify the Offering Memorandum. These Listing Particulars are provided only for the purpose of obtaining approval of admission of the Notes to the Official List of the Luxembourg Stock Exchange and admission for trading on the Euro MTF Market and shall not be used or distributed for any other purposes. These Listing Particulars do not constitute an offer to sell, or a solicitation of an offer to buy, any of the Notes.

Europcar Groupe S.A. accepts responsibility for the information contained in these Listing Particulars. To the best of our knowledge, except as otherwise noted, the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of these Listing Particulars. These Listing Particulars may only be used for the purposes for which they have been published.

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Except as disclosed in the Offering Memorandum, there has been no material adverse change in the Issuer's nor Europcar Groupe S.A.'s financial position or prospects occurring since the date of the Offering Memorandum and the date of these Listing Particulars.

The Notes have not been registered under the securities laws of any jurisdiction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities law of any state of the United States of America and unless so registered may not be offered or sold within the United States of America or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to the registration requirements of the securities act and any applicable State laws.

The date of these Listing Particulars is June 10, 2015.

APPENDIX 1

Offering Memorandum dated May 27, 2015

Offering Memorandum

Not for General Circulation
in the United States

Europcar Notes Limited

€475 million 5.750% Senior Notes due 2022

All obligations of Europcar Notes Limited are to be assumed on the escrow release date by

Europcar Groupe S.A.

Europcar Notes Limited, a private company with limited liability incorporated under the laws of Ireland (the "**SPV Issuer**"), is offering (the "**Offering**") € 475 million in aggregate principal amount of its 5.750% Senior Notes due 2022 (the "**Notes**"). The gross proceeds from the Offering will be deposited into a segregated escrow account (the "**Escrow Account**") until the date that certain conditions are satisfied (the "**Completion Date**"). In addition, an amount of cash provided by Europcar Groupe S.A., a corporation organized under the laws of France ("**EGSA**"), to the SPV Issuer will be added to the Escrow Account to ensure that the total amount of escrow funds will be sufficient to pay the special mandatory redemption price for the Notes, when and if due, plus interest to the special mandatory redemption date. The conditions to the release of the proceeds from escrow include the completion of the initial public offering of EGSA, as successor issuer of the Notes, as well as certain refinancing events, as described herein, relating to EGSA. The Escrow Account will be in the name of the SPV Issuer but controlled by, and pledged on a first-ranking basis in favor of, the Trustee (as defined herein) for the benefit of the holders of Notes. Until the date the proceeds are released from escrow, the Notes will be limited recourse Notes of the SPV Issuer only and will be limited in recourse to the funds held in the Escrow Account.

On the Completion Date, the escrow funds will be paid to or upon the order of EGSA, EGSA will assume all of the obligations of the SPV Issuer under the Notes, and the SPV Issuer will be released from all further obligations with respect to the Notes. If the conditions to the release of the proceeds from escrow have not been satisfied on or prior to October 8, 2015, the SPV Issuer will be required to redeem the Notes not later than five business days after such date, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption. See "*Use of Proceeds*" and "*Description of the Notes—Escrow Arrangement*".

The Notes will bear interest at a rate of 5.750% per annum. Interest on the Notes will accrue from and including the issue date and will be payable on June 15 and December 15, of each year, beginning on December 15, 2015.

Upon assumption of the Notes by EGSA on the Completion Date, the Notes will be senior obligations of EGSA and will be secured by a second-ranking pledge of the shares of Europcar International S.A.S.U., a wholly owned subsidiary of EGSA, held by EGSA, which pledge will rank junior to the pledge securing EGSA's new senior revolving credit facility. The Notes will rank equally in right of payment to all existing and future senior indebtedness of EGSA including indebtedness incurred under EGSA's new senior revolving credit facility.

At any time on or after June 15, 2018, EGSA may redeem all or any part of the Notes by paying a specified premium. Prior to June 15, 2018, EGSA will be entitled, at its option, to redeem all or a part of the Notes by paying the relevant "make-whole" premium. In addition, prior to June 15, 2018, EGSA may redeem, at its option, up to 40% of the principal amount of Notes with the net proceeds from certain equity offerings at a specified premium. If EGSA undergoes a change of control or sells certain of its assets, EGSA may be required to make an offer to purchase the Notes. In the event of certain developments affecting taxation, EGSA may redeem all, but not less than all, of the Notes.

We have applied to have the Notes admitted to the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market (the "**Euro MTF Market**"). We expect that the Notes will be made ready for delivery in book-entry form through Euroclear and Clearstream on or about June 10, 2015, against payment in immediately available funds.

Investing in the Notes involves a high degree of risk. Please see the section entitled "Risk Factors" beginning on page 32**.**

We have not registered and will not register the Notes under the U.S. federal securities laws or the securities laws of any other jurisdiction. The Notes are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A of the Securities Act of 1933 (the "Securities Act"), and in transactions outside the United States in accordance with Regulation S of the Securities Act. Please see the sections entitled "Plan of Distribution" and "Transfer Restrictions" for additional information about eligible offerees and transfer restrictions.

Offering Price: 99.289% plus accrued interest, if any, from the issue date.

Joint Global Coordinators and Joint Bookrunners

Deutsche Bank **Crédit Agricole CIB** **BNP PARIBAS**

Joint Bookrunners

Goldman Sachs International **HSBC** **Lloyds Bank** **The Royal Bank of Scotland** **Société Générale**

The date of this Offering Memorandum is May 27, 2015

Europcar

moving your way

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Important Information about this Offering Memorandum

By purchasing the notes, you will be deemed to have acknowledged that you have reviewed this offering memorandum (the "**Offering Memorandum**") and have had an opportunity to request, and have received all additional information that you need from us.

None of the SPV Issuer, EGSA or any of the initial purchasers named in "*Plan of Distribution*" (collectively, "**Initial Purchasers**") has authorized anyone to provide any information or to make any representations other than those contained in this Offering Memorandum. You should carefully evaluate the information provided by the SPV Issuer and EGSA in light of the total mix of information available to you, recognizing that neither the SPV Issuer nor EGSA can provide any assurance as to the reliability of any information not contained in this Offering Memorandum.

None of the SPV Issuer, EGSA or any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where an offer would not be permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date of this Offering Memorandum. The business, financial condition, results of operations and prospects of Europcar Groupe S.A. and its subsidiaries (together the "**Europcar Group**") may have changed since that date.

This Offering Memorandum is a document that we are providing only to prospective purchasers of the Notes. Each prospective purchaser is authorized to use this Offering Memorandum solely for the purpose of considering the purchase of the Notes described herein. You should read this Offering Memorandum before making a decision whether to purchase the Notes. You must not:

- use this Offering Memorandum for any other purpose; or
- disclose any information in this Offering Memorandum to any other person.

You are responsible for making your own examination of EGSA and Europcar Group and your own assessment of the merits and risks of investing in the Notes. We have summarized certain documents and other information, but we refer you to the actual documents for a more complete understanding of what we discuss in this document. EGSA is not providing you with any legal, business, tax or other advice in this Offering Memorandum. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes. By purchasing the Notes, you will be deemed to have acknowledged that:

- you have reviewed this Offering Memorandum;
- this Offering Memorandum relates only to offers and sales with respect to the Notes;
- you have had an opportunity to request all additional information that you need from us;
- the Initial Purchasers are not responsible for, and are not making any representation to you concerning Europcar Group's future performance or the accuracy or completeness of this Offering Memorandum; and
- no person is authorized to give any information or to make any representation not contained in this Offering Memorandum in connection with the issue and sale of the Notes, and any information or representation not contained herein must not be relied upon as having been authorized by or on behalf of the SPV Issuer, EGSA or Europcar Group.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States to "qualified institutional buyers" ("**QIBs**") in reliance on Rule 144A under the Securities Act ("**Rule 144A**"). Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain other restrictions on offers, sales and transfers of the Notes and the distribution of this Offering Memorandum, see "*Plan of Distribution*" and "*Transfer Restrictions*".

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The SPV Issuer is not and will not be regulated by the Central Bank of Ireland as a result of issuing the Notes.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration thereunder or exemption therefrom. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. Laws in certain jurisdictions may restrict the distribution of this document and the offer and sale of the Notes. Persons into whose possession this Offering Memorandum or any of the Notes are delivered must inform themselves about and observe those restrictions. Each prospective purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this document, and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it purchases, offers or sells the Notes, and neither we nor the Initial Purchasers shall have any responsibility therefore.

We reserve the right to withdraw this Offering of the Notes at any time. We and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it.

The SPV Issuer accepts responsibility for the information contained in this document under the caption "*Europcar Notes Limited*". To the best of the knowledge and belief of the SPV Issuer the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Europcar Group accepts responsibility for the information contained in this Offering Memorandum. Europcar Group has made all reasonable inquiries and confirms, to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with regard to the SPV Issuer, Europcar Groupe S.A. and its subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AG, LONDON BRANCH (THE "STABILIZATION MANAGER") OR PERSONS ACTING ON BEHALF OF THE STABILIZATION MANAGER MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZATION MANAGER OR PERSONS ACTING ON BEHALF OF THE STABILIZATION MANAGER WILL UNDERTAKE ANY STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF ANY STABILIZATION MANAGER) IN ACCORDANCE WITH APPLICABLE LAWS AND RULES.

Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES, ANNOTATED, 1955, AS AMENDED, ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATION OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notices to Certain European Residents

European Economic Area. Each Initial Purchaser has represented and agreed that is has not made and will not make an offer of any Notes to the public in a Member State of the European Economic Area ("**EEA**"), other than:

a. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

b. to fewer than 100 or, if the Relevant Member State (as defined below) has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant initial purchaser or Initial Purchasers nominated by the SPV Issuer for any such offer; or

c. in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Notes shall require us or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

This Offering Memorandum has been prepared on the basis that any offer of the Notes in any relevant member state of the EEA (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, from the requirements to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer in that Relevant Member State of the EEA of the Notes may only do so in circumstances in which no obligations arise for us or any of the Initial Purchasers to produce a prospectus that is compliant with the Prospectus Directive in relation to such offer, including Article 3. Neither we nor the Initial Purchasers have authorized, nor do we or they authorize, the making of any offer of Notes in circumstances in which an obligation arises for us or the Initial Purchasers to publish a prospectus for such offer. For the purposes of the provisions above, the expression "offer of the Notes to the public" in relation to the Notes in any Relevant Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State of the EEA by any measure implementing the Prospectus Directive in that Relevant Member State of the EEA and the expression "**Prospectus Directive**" means Directive 2003/71/EC and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State. The expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The Grand Duchy of Luxembourg. The terms and conditions relating to this Offering Memorandum have not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*) for the purposes of public offering or sale in the Grand Duchy of Luxembourg. Accordingly, the Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in or from, or published in, the Grand Duchy of Luxembourg except for the sole purpose of the admission of the Notes to the Official List of the Luxembourg Stock Exchange and admission of the Notes for trading on the Euro MTF Market and except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with applicable Luxembourg law and in particular the Luxembourg act dated 10 July 2005 on prospectuses for securities, as amended.

United Kingdom. This Offering Memorandum is directed solely at (i) persons who are outside the United Kingdom; (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order and (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons in (i), (ii), (iii) and (iv) above together being referred to as "**relevant persons**"). Any investment or investment activity to which this Offering Memorandum relates will only be available to and will only be engaged with, relevant persons. This Offering Memorandum is directed only at relevant persons and any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

France. This Offering Memorandum has not been prepared and is not being distributed in the context of a public offering of financial securities in France within the meaning of Article L.411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the French financial markets authority, or the "**AMF**"). Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France (*offre au public de titres financiers*) and neither this Offering Memorandum nor any offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France. The Notes may only be offered or sold in France to qualified investors (*investisseurs qualifiés*) acting for their own accounts and/or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*. The Notes may only be offered, directly or indirectly, to the public in France, in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Prospective investors are informed that:

(i) this Offering Memorandum has not been and will not be submitted for clearance to the AMF;

(ii) in compliance with Articles L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*, any qualified investors subscribing for the Notes should be acting for their own account; and

(iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Germany. The Offering of the Notes is not a public offering in the Federal Republic of Germany. The Notes may be offered and sold in the Federal Republic of Germany only in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (*Wertpapierprospektgesetz*) (the "**German Securities Prospectus Act**"), as amended, the Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, the Commission Regulation No (EC) 809/2004 of April 29, 2004, as amended, or any other applicable German law. The SPV Issuer has not, and does not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**") or obtain a notification to BaFin from another competent authority of a Relevant Member State of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17 Para. 3 of the German Securities Prospectus Act. Consequently, in Germany the Notes will only be available to, and this offering memorandum and any other offering material in relation to the Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the German Securities Prospectus Act or who are subject of another exemption in accordance with Section 3(2) of the German Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the German Securities Prospectus Act and other applicable laws.

Ireland. No action may be taken with respect to the Notes in Ireland otherwise than in conformity with the provisions of (a) the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998, (b) the Companies Acts (as amended or superceded by the Companies Act 2014 of Ireland, which is to be commenced by statutory instrument with effect from June 1, 2015), the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989, (c) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the "**Irish Prospectus Regulations**") and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank of Ireland, and (d) the Market Abuse (Directive 2003/6/EC) Regulations 2005(as amended) and any rules issued by the Central Bank of Ireland under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, or Section 1370 of the Companies Act 2014.

This Offering Memorandum has been prepared on the basis that, to the extent any offer is made in Ireland, any offer of the Notes will be made pursuant to one or more of the exemptions in Regulation 9(1) of the Irish Prospectus Regulations from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in Ireland of the Notes which are subject of the offering contemplated in this Offering Memorandum may only do so in circumstances in which no obligation arises for the SPV Issuer or the Initial Purchasers to publish a prospectus pursuant to Regulation 12 of the Irish Prospectus Regulations or supplement a prospectus pursuant to Regulation 51 of the Irish Prospectus Regulations, in each case, in relation to such offer. None of the SPV Issuer or the Initial Purchasers have authorized, or do authorize, the making of any offer of the Notes in circumstances in which an obligation arises for the SPV Issuer or the Initial Purchasers to publish or supplement a prospectus for such offer.

Spain. The Notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law (*Ley 24/1988, de 28 de Julio, del Mercado de Valores*) as amended and restated and Royal Decree 1310/2005 on admission to trading of securities in a regulated market, public offers of securities and the prospectus required for those purposes (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) as amended and restated ("**R.D. 1310/2005**"), and subsequent legislation.

This Offering Memorandum is neither verified nor registered in the administrative registries of the Comisión Nacional del Mercado de Valores ("**CNMV**"), and therefore a public offer for subscription of the Notes will not be carried out in Spain. Notwithstanding that and in accordance with article 30bis.1 of the Spanish Securities Market Law and article 41 of the R.D. 1310/2005 it shall not be considered a public offer of securities, amongst others, those that are exclusively addressed to qualified investors.

The Netherlands. The Notes may not be offered or sold to any person in the Netherlands, other than to qualified investors (as defined in the Prospectus Directive).

Italy. This Offering Memorandum has not been, nor will be, published in the Republic of Italy ("**Italy**") in connection with the Offering of the Notes and such Offering of the Notes has not been, nor will be, registered with the *Commissione Nazionale per le Società e la Borsa* ("**Consob**") in Italy pursuant to Legislative Decree no. 58 of February 24, 1998 as amended (the "**Financial Services Act**") or to Consob Regulation no. 11971 of May 14, 1999 as amended (the "**Issuers Regulation**") and, accordingly, no Notes may, or will, be offered, sold, transferred or delivered, directly or indirectly in an offer to the public in Italy, nor may, or will copies of this Offering Memorandum or

of any other document relating to the Notes be distributed in Italy, except (i) to qualified investors (*operatori qualificati*), as defined in Article 34-ter, paragraph 1(b), of Issuers Regulation and Article 26, paragraph 1, letter D of Consob Regulation No. 16190 of October 29, 2007, as amended (the "**Intermediaries Regulation**") or (ii) in other circumstances which are exempted from the rules governing offers to the public pursuant to, and in accordance with, the conditions set out in Article 100 of the Financial Services Act and its implementing regulations including Article 34-ter, first paragraph, of Issuers Regulation.

Moreover, and subject to the foregoing, any offer, sale, transfer or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in Italy under (i) or (ii) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations, and in particular will be made:

(a) by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Consob Regulation no. 16190 of October 29, 2007, as amended and Legislative Decree No. 385 of September 1, 1993 (the "**Banking Act**"), as amended, and any other applicable laws and regulations;

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may not request information on the issue of the offer of securities in the Republic of Italy or by Italian persons outside of Italy; and

(c) in compliance with any other applicable laws and regulations, requirement or limitation which may, from time to time be imposed by Consob, the Bank of Italy and/or any other Italian authority.

Any investor purchasing the Notes in the Offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the Offering occurs in compliance with applicable Italian laws and regulations. Article 100-bis of the Financial Services Act affects the transferability of the Notes in Italy to the extent that the Notes are placed solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following such placement. Should this occur without the publication of a prospectus in Italy or outside of the application of one of the exemptions referred to above, purchasers of Notes who are acting outside of the course of their business or profession are entitled to have such purchase declared void and to claim damages from any authorized intermediary at whose premises the Notes were purchased. No person resident or located in Italy other than the original addressees of this Offering Memorandum may rely on this Offering Memorandum, its content or any other document relating to the Notes.

Use of Terms and Conventions; Presentation of Financial and other Information

Unless otherwise specified or the context otherwise requires, in this Offering Memorandum:

"**Adjusted Consolidated EBITDA**" refers to Consolidated EBITDA before non-recurring items.

"**Adjusted Corporate EBITDA**" is defined as Adjusted Consolidated EBITDA less fleet depreciation, fleet operating lease rents and fleet financing costs.

"**Airport Stations**" refers to Car rental stations located at airports.

"**At risk vehicle**" refers to Vehicles acquired by Europcar from vehicle manufacturers or auto dealers without the benefit of buy-back options or commitments.

"**AU$**", "**AUD**" or "**Australian dollar**" refers to the lawful currency of the Commonwealth of Australia.

"**Auto dealer**" refers to a Business that sells new or used vehicle at the retail level, based on a dealership contract with car manufacturers or their sales subsidiaries.

"**Broker**" refers to intermediaries acting on the leisure segment and selling, on behalf of the Group, vehicle rentals services to end customers.

"**Business Customers**" refers to corporations, small and medium sized businesses and organizations that rent vehicles as well as entities renting vehicles to provide replacement services.

"**Buy-back commitments**" means undertakings from car manufacturers or auto dealers to repurchase vehicles at a pre-determined fixed price subject to certain terms and conditions.

"**Car-Sharing**" means car sharing services restricted to subscribing members. The marketplace matches available cars to potential drivers. The car-sharing market can be divided into three sub-segments: (i) car-sharing operators that provided virtual ownership of cars to urban users, (ii) players offering corporate services such as fleet optimization and management and (iii) P2P car-sharing platforms that connect individuals for purposes of sharing cars.

"**Check-out**" refers to vehicle collection by the customer at the station.

"**Completion Date**" refers to the date on which certain conditions are satisfied and the proceeds of the offering of Notes made hereby are released from escrow to or upon the order of EGSA.

"**Concessionary arrangement**" means an arrangement whereby a local authority, corporation or other legal entity grants Europcar the right to use land or property.

"**Consolidated EBITDA**" is defined as consolidated net income before tax, share of (profit)/loss of associates, net financing costs, fleet depreciation, fleet operating lease rents and non-fleet depreciation and amortization. This definition is used for presentation of financial information only and may not correspond to the term used in the section "Description of the Notes".

"**Corporate Countries**" refers to countries where Europcar owns and operates its own network, where directly-operated stations and agent-operated stations are located (Germany, United Kingdom, France, Italy, Spain, Portugal, Belgium and Australia and New Zealand).

"**CRM (Customer Relationship Management)**" refers to a system for managing Europcar's interactions with current and future customers.

"**ECF"** refers to EC Finance plc

"**EC Finance Notes**" refers to the €350 million 5.125% Senior Secured Notes due 2021 issued by a special purpose vehicle, EC Finance plc, and guaranteed on a senior basis by ECI.

"**ECGUK**" refers to Europcar Group UK Limited.

"**ECI**" refers to Europcar International S.A.S.U.

"**E-Commerce**" refers to the sale or purchase of goods or services effected by means of an electronic network.

"**ECUK**" refers to Europcar UK Limited.

"**EGSA**" or the "**Company**" refers to Europcar Groupe S.A.

“**EGSA Consolidated Financial Statements**” refers to, as the context requires, the audited consolidated financial statements for EGSA for the years ended December 31, 2014, 2013 and 2012 and the notes thereto and the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2015 and 2014 and the notes thereto, an English translation of which is included in this Offering Memorandum.

“**Equity Investors**” refers to Eurazeo, and ECIP Europcar SARL.

“**Eurazeo**” or “**Eurazeo Group**” refers to Eurazeo S.A.; any subsidiary of Eurazeo; any person controlled by the managers or employees of Eurazeo or any of its subsidiaries; and any of their respective successors in interest.

“**Europcar**”, “**Europcar Group**” or “**Group**” refers collectively to EGSA and consolidated entities, unless the context requires otherwise.

“Europcar Australia” refers to Europcar Holding Pty. Ltd.

“Europcar Belgium” refers to Europcar S.A.

“Europcar France” refers to Europcar France S.A.S.

“Europcar Germany” refers to Europcar Autovermietung GmbH

“Europcar Italy” refers to Europcar Italia S.p.A.

“Europcar Portugal” refers to Europcar International Aluger de Automoveis S.A.

“Europcar Spain ” refers to Europcar IB S.A.

“Europcar UK” refers to Europcar UK Ltd.

“**Europrogramme**” refers to a program under which certain operating subsidiaries in certain countries purchase the required third-party liability insurance from a local affiliate of AIG Europe Ltd.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“**Existing Senior Revolving Credit Facility**” refers to the senior revolving credit facility agreement entered into on May 31, 2006, and amended and restated on April 19, 2012 between, among others, EGSA and certain of its subsidiaries, as borrowers, and BNP Paribas, Crédit Agricole Corporate and Investment Bank (formerly known as CALYON), Deutsche Bank AG, London Branch and Société Générale, as lenders.

“**Finance lease vehicle**” means an agreement by which a vehicle, held by a credit institution, is leased for a long period of time to a car rental company which in turn pays for the lease on a periodic basis and has the option to acquire ownership of such vehicle during or at the end of the rental period. During the term of the lease, the finance company remains the legal owner of the vehicle; however the rental company retains the benefits and risks of (economic) ownership.

“**Fleet**” refers to all vehicles operated by the car rental company, whether or not available for rent.

“**Fleet financial utilization rate**” means the number of actual rental days of the vehicles of the fleet as a percentage of the theoretical total potential number of rental days of the vehicles of the fleet. The theoretical total potential number is equal to the number of vehicles held over the period, multiplied by the total number of days over the period.

“**Franchise/Franchising**” refers to an arrangement where the franchiser grants the franchisee the right to use its trademark or trade-name as well as certain know-how in order to produce and market goods or services according to certain specifications. In return, the franchisee usually pays the franchiser an entry fee and, each year, a percentage of sales revenues as royalty.

“**General Sales Agent**”or “**GSA**” means a general sales representative that promotes and sells the services offered by Europcar in a specific country or region in consideration of a commission. Contrary to franchisees, general sales agents do not own the rental fleet which is the property of Europcar.

“**Global Distribution System**” or “**GDS**” refers to a computerized reservation systems operated by third parties and used by intermediaries such as travel agents and travel operators/tour operators to make reservations with the Europcar Network.

“**GreenWay® system**” refers to a software application, owned by Europcar, offering a comprehensive business solution mainly in the areas of fleet management, e-commerce, reservations and global distribution systems and rental operations.

“**Holding Period**” means the period for which a vehicle is owned or leased by the Group (i.e., from the date of acquisition or start date of a lease of a vehicle by the Group to its sale or return date).

“**Indenture**” means the indenture, dated as of the Issue Date, governing the Notes.

“**Intercreditor Agreement**” means the intercreditor agreement to be entered into on or about the Completion Date between, among others, EGSA, the trustee for the Notes and the facility/security agent under the New Senior Revolving Credit Facility, regulating in certain respects the first and second ranking share pledges of ECI shares, including the enforcement thereof. *See “Description of the Notes—Security”.*

“**Leisure Customers**” refers principally to individual travelers renting cars for vacation purposes, as well as people renting vehicles to meet other personal needs, directly or indirectly through travel agents, tour operators or brokers.

“**New Senior Revolving Credit Facility**” refers to the new senior revolving credit facility agreement entered into on May 12, 2015 between, among others, EGSA and certain of its subsidiaries, as borrowers, and BNP Paribas, Crédit Agricole Corporate and Investment Bank, Credit du Nord, Credit Industriel et Commercial, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC France, Société Générale among other lenders, the proceeds of which will initially be used to refinance the Existing Senior Revolving Credit Facility and thereafter will be used for working capital and general corporate purposes.

“**Non-airport stations**” means stations located at railway terminals, hotels, resorts, office buildings, and other urban and suburban locations.

“**Notes**” refers to the €475 million 5.750% Senior Notes due 2022.

“**Operating lease vehicle**” refers to an agreement by which a vehicle is leased to a car rental company on a short-term basis, which pays periodically a rent to a financial institution or the finance division of a car manufacturer; at the end of the operating lease, ownership does not pass to the car rental company. For instance, in the context of the implementation of the securitization program of the Group, the Securitifleet Companies, which purpose is to purchase and own vehicles, lease them to the operating companies of the Group pursuant to master operating lease agreements.

“**Outstanding Subordinated Notes**” refers to the Outstanding Subordinated Notes Due 2018 together with the Outstanding Subordinated Notes Due 2017.

“**Outstanding Subordinated Notes Due 2017**” refers to the €324 million 11.50% Senior Subordinated Secured Notes Due 2017 issued by EGSA pursuant to an indenture dated as of May 14, 2012. The Outstanding Subordinated Notes Due 2017 are guaranteed by certain of our German and UK subsidiaries, and are secured on a second ranking basis by the shares of ECI.

“**Outstanding Subordinated Notes Due 2018**” refers to the €400 million 9.375% Senior Subordinated Unsecured Notes Due 2018 issued by EGSA pursuant to an indenture dated as of November 26, 2010.

“**Refinancing**” refers to: (i) the completion of the New Senior Revolving Credit Facility and the use of the proceeds thereof to repay and retire the Existing Senior Revolving Credit Facility; (ii) the issuance of the Notes offered hereby; (iii) the use of proceeds from the issuance of the Notes, to redeem in full the Outstanding Subordinated Notes Due 2018; (iv) the completion of the initial public offering of EGSA; (v) the use of a portion of the net proceeds from the initial public offering of EGSA to redeem in full the Outstanding Subordinated Notes Due 2017; (vi) the amendment of our Senior Asset Revolving Facility, primarily to extend the maturity thereof and to lower the overall interest cost thereof; and (vii) the amendment of certain of our interest rate swap agreements.

“**RentWay® system**” refers to global fleet and vehicle rental management system for the InterRent brand.

“**Replacement vehicle**” refers to a business offered by the Group to insurance companies, vehicle leasing companies, vehicle dealers and other entities offering vehicle replacement to their own customers.

“**Revenue Per Day (RPD)**” refers to rental revenue divided by the Rental Day Volume for the relevant period.

“**Securities Act**” refers to the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as amended.

“**Securitifleet Companies**” refers to the companies established to purchase and own vehicles and lease them to the local Europcar operating companies in France, Germany, Italy and Spain. The Securitifleet Companies are: Securitifleet France, Securitifleet Germany, Securitifleet Italy and Securitifleet Spain.

“**Securitifleet France**” refers to Securitifleet S.A.S.

“**Securitifleet Germany**” refers to Securitifleet GmbH.

“**Securitifleet Holding**” refers to Securitifleet Holding S.A., the financing entity for the fleet purchasing and leasing activities of the Securitifleet Companies.

“**Securitifleet Italy**” refers to Securitifleet S.p.A.

“**Securitifleet Spain**” refers to Securitifleet SL.

“**Senior Asset Revolving Facility**” or “**SARF**” refers to the senior asset revolving facility agreement entered into on July 30, 2010 and amended on August 26, 2010, November 4, 2010, January 11, 2011, April 25, 2012, March 4, 2014 and May 12, 2015 between, among others, Securitifleet Holding, as borrower, Crédit Agricole Corporate and Investment Bank, as lender and ECI, in order to provide funding for the acquisition and maintenance of Europcar’s fleet through the Securitifleet Companies.

“**Senior Facility Fronting Bank**” refers to the lending bank that acted as the fronting bank under the Senior Asset Revolving Facility.

“**Station**” refers to locations where the Group offers its rental services. These may take the form of station counters at certain locations such as airports.

“**SPV Issuer**” refers to Europcar Notes Limited.

“**UK**”, “**U.K.”** or “**United Kingdom**” refers to the United Kingdom of Great Britain and Northern Ireland.

“**Vehicle de-fleeting**” refers to vehicles leaving the rental fleet, including when vehicles are withdrawn.

“**Vehicle in-fleeting**” refers to vehicles joining the rental fleet.

“**we**”, “**us**” and “**our**” refer to Europcar or Europcar Group, unless the context requires otherwise.

“**2014**”, “**2013”** and “**2012**” refer to the year ending December 31 of the year designated, unless the context requires otherwise.

“**$**”, “**U.S.$**”, “**dollar**”, “**U.S. dollar**” or “**USD**” refers to the lawful currency of the United States of America.

“**€**”, “**euro**” or “**EUR**” refers to the lawful currency of those countries participating in the Third Stage of European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time.

“**£**”, “**GBP**”, “**pounds sterling**”, “**British pound**” or “**sterling**” refer to the lawful currency of the United Kingdom.

Presentation of Financial Information

The historical financial information presented in this Offering Memorandum is based upon the audited consolidated financial statements of EGSA and its subsidiaries as of and for the years ended December 31, 2014, 2013 and 2012 and the unaudited condensed consolidated interim financial information of EGSA and its subsidiaries as of and for the three months ended March 31, 2015 and 2014. An English translation of the EGSA Consolidated Financial Statements, presented in euro, is included herein. The EGSA Consolidated Financial Statements and the notes thereto as of and for the years ended December 31, 2014, 2013 and 2012 and the unaudited EGSA Consolidated Financial Statements as of and for the three months ended March 31, 2015 have been prepared in accordance with the principles and methods described therein which state in particular that the accounts of EGSA have been established in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union. The EGSA Consolidated Financial Statements as of and for the three months ended March 31, 2015 have been subject to a limited review by PricewaterhouseCoopers Audit and Mazars and were prepared in accordance with the principles and methods described therein.

This Offering Memorandum contains certain forecasts, projections and other prospective financial information. Such prospective financial information was not prepared with a view toward compliance with published guidelines of the U.S. Securities and Exchange Commission (“**SEC**”) or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The statutory auditors’ reports included in this Offering Memorandum relate solely to the Company’s consolidated historical financial statements. They do not extend to any prospective financial information. The prospective financial information included in the Offering Memorandum has been prepared by, and is the responsibility of the Company.

Pricewaterhouse Coopers Audit and Mazars have neither audited, examined nor compiled the accompanying prospective financial information for the purpose of its inclusion herein, and, accordingly, Pricewaterhouse Coopers Audit and Mazars do not provide any form of assurance with respect thereto for the purpose of this Offering Memorandum.

Other Information and Use of Non-GAAP measures

This Offering Memorandum contains information for Europcar Group regarding Consolidated EBITDA, Adjusted Corporate EBITDA, and certain other financial measures and ratios which are not recognized measurements under IFRS.

The Group has identified certain impacts from exchange rate fluctuations (primarily in the pound sterling, the Australian dollar and the New Zealand dollar) and has presented certain information (i) for the year ended December 31, 2012 by applying the exchange rates for the year ended December 31, 2013, (ii) for the year ended December 31,

2013, by applying the exchange rates for the year ended December 31, 2014 and (iii) for the three-month period ended March 31, 2014 by applying the exchange rates for the three-month period ended March 31, 2015.

You should not consider the items which are not recognized measurements under IFRS as alternatives to the applicable IFRS measurements. In particular, you should not consider these measurements of Europcar Group's financial performance or liquidity as an alternative to net income, operating income or any other performance measures derived in accordance with generally accepted accounting principles or as an alternative to cash flow from operating activities as a measurement of Europcar Group's liquidity. We have included these measurements because we believe they are important indicators of the underlying historical performance of Europcar Group.

Certain numerical figures set out in this Offering Memorandum, including financial data presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments and, as a result, the totals of the data in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information.

Forward-Looking Statements

This Offering Memorandum includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative, or other variations or other comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Group's actual financial condition, actual results of operations and cash flows, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Memorandum. In addition, even if the Group's financial condition, results of operations and cash flows, and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to, those described below, those described under "Risk Factors" and those described elsewhere in this Offering Memorandum:

- our substantial outstanding indebtedness and high degree of leverage and the restrictions imposed by such indebtedness;
- our reliance on fleet asset-backed financing;
- debt covenants that could restrain our ability to finance future operations and capital needs;
- risks associated with our structure, the Offering of the Notes, and our other indebtedness;
- our ability to generate free cash flow or to obtain sufficient resources to meet our debt service obligations, to acquire fleet and to finance working capital and capital expenditure needs;
- the highly competitive nature of the vehicle rental industry, together with increasing use of the Internet that might result in downward pressure on pricing;
- risks related to structural changes in the vehicle rental market;
- general risks relating to macro-economic conditions or in travel demand in Europe or in other areas in which the Group operates;
- the highly seasonal nature of the vehicle rental industry and its sensitivity to weather conditions;
- risks related to the evolution of the vehicle rental industry and the advent of mobility solutions and the Group's ability to keep pace or pursue products or technologies that become commercially accepted;
- risks related to the Group's ability to develop and maintain favorable brand recognition;
- risks related to the importance of operations at airports and train stations;
- risks related to fleet supply and financing;
- factors that adversely affect the financial condition of vehicle manufacturers and dealers upon which we rely heavily for fleet supply and fleet repurchase programs;
- our exposure to the vehicle resale market for vehicles not covered by repurchase programs;
- incidents of manufacturer safety recalls of vehicles;
- our reliance on key contractual relationships with certain third parties;
- our ability to become more cost-efficient;
- our ability to implement our strategy into new markets;
- rising personnel costs;
- our ability to retain the services of our senior management team and to retain and attract key personnel and high-quality staff;
- our reliance on centralized information systems;
- any potential failure by the Group to protect customer data;
- our exposure to risks associated with the international nature of our customer base and operations;

- our exposure to currency fluctuations;
- an impairment of our goodwill and/or other intangible assets;
- risks relating to natural disasters affecting the supply chain;
- risks related to compliance with current or future regulations applicable to the Group's business;
- our exposure to liabilities and insurance claims, as well as uninsured claims in excess of historical levels;
- risks related to the protection of intellectual property rights;
- risks related to administrative, legal and arbitration proceedings; and
- other factors discussed in this Offering Memorandum

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive, and should be read in conjunction with other factors that are included in this Offering Memorandum. See "*Risk Factors*" in this Offering Memorandum. Should one or more of these risks materialize, or should any underlying assumptions prove to be incorrect, our actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. All forward-looking statements should be evaluated in light of their inherent uncertainty.

The Group's forward-looking statements speak only as of the date of this Offering Memorandum. The Group operates in a competitive and rapidly changing environment. New risks, uncertainties and other factors may emerge that may cause actual results to differ materially from those contained in any forward-looking statements. Except as required by law or the rules and regulations of any stock exchange on which its securities are listed, The Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Offering Memorandum to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this Offering Memorandum is based.

Market and Industry Data

The information about the Group's market contained in this Offering Memorandum was obtained from various sources, including a KPMG report dated February 27, 2015 prepared at the request of the Company (hereinafter, the "**KPMG Study**"). The work performed by KPMG in order to prepare its report was limited to obtaining and analyzing information and data about the Group's key markets from certain public sources (such as Eurostat, INSEE, the IMF, the World Bank and the OECD) and non-public sources. KPMG did not conduct an audit or valuation and did not make any recommendations relating to potential market opportunities for the Company. Moreover, certain information contained in this Offering Memorandum consists of publicly available information that the Company considers reliable but that has not been verified by an independent expert. The Group cannot guarantee that a third party using other methods to collate, analyze or compile the market data would obtain the same results. In addition, the Group's competitors may define their economic and geographic markets differently. Except as otherwise indicated, the market data in this Offering Memorandum is taken from the KPMG Study.

There may be differences between Europcar's estimated market share per country as presented in the KPMG Study and the calculation of market share based on the proportion of revenues per country to the estimated size of the market in each country, as presented in this Offering Memorandum. The numbers presented in this Offering Memorandum with respect to market share and the size of the markets are the mid-point of the ranges estimated by KPMG. In addition, an essential source of information used by KPMG to establish the revenues by company were the published financial statements (or those submitted by Europcar and its competitors to regulatory authorities, such as the registry (*greffe*) in France or Companies House in the United Kingdom). There may be differences in the revenues presented in this Offering Memorandum and in the published financial statements due to the consideration of other components of revenues. In order to ensure the highest level of comparability between Europcar and its competitors, KPMG did not make any adjustments to the published numbers. Any adjustment made by Europcar could have resulted in an under- or over-estimation of the Group's market share in the absence of equivalent adjustments being made with respect to its competitors. As the level of adjustments made by competitors is unknown, KPMG therefore chose not to make any adjustments for Europcar.

Currency Presentation and Exchange Rate Data

The following table sets forth, for the periods indicated, high, low, average and period-end daily reference euro/U.S. dollar exchange rates based on the noon buying-rate, as defined below, expressed in U.S. dollars for €1.00. The information concerning the U.S. dollar exchange rate is based on the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the "**Noon Buying Rate**"). We provide the exchange rates below solely for your convenience. We do not represent that euros were, could have been, or could be, converted into U.S. dollars at these rates or at any other rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this offering memorandum.

Because the Noon Buying Rate is not published on a daily basis, we have also obtained information on the euro-dollar exchange rate published by the European Central Bank (the "**ECB**"). On May 21, 2015, the ECB daily reference exchange rate was U.S. $1.11 = €1.00.

Month **U.S. dollar/Euro**	**Period End**	**Average rate**[1]	**High**	**Low**
May 2015 (through May 21)	1.11	1.12	1.14	1.11
April 2015	1.12	1.08	1.12	1.06
March 2015	1.07	1.08	1.12	1.05
February 2015	1.12	1.14	1.15	1.12
January 2015	1.13	1.16	1.20	1.13
December 2014	1.21	1.23	1.25	1.21
November 2014	1.24	1.25	1.26	1.24
Year **U.S. dollar/Euro**				
2015 (through May 21)	1.11	1.11	1.13	1.08
2014	1.21	1.33	1.39	1.21
2013	1.38	1.33	1.38	1.28
2012	1.32	1.29	1.35	1.21
2011	1.30	1.39	1.49	1.29
2010	1.33	1.33	1.45	1.20

1 The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for year average; on each business day of the month (or portion thereof) for monthly average.

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in the exchange rates that may occur at any time in the future. No representations are made in this offering memorandum that the euro or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or euros, as the case may be, at any particular rate.

Summary

This summary highlights information about us and the Offering of the Notes contained elsewhere in this Offering Memorandum. This summary does not contain all the information you should consider before investing in the Notes. The following summary should be read in conjunction with, and the following summary is qualified in its entirety by, the more detailed information included in this Offering Memorandum, including the EGSA Consolidated Financial Statements and the related notes thereto. You should read carefully the entire Offering Memorandum to understand our business, the nature and terms of the Notes and the tax and other considerations which are important to your decision to invest in the Notes, including the risks discussed under the caption "Risk Factors".

Introduction to the Group

With over 60 years of experience and a diversified customer base of close to six million drivers in 2014, Europcar is a global operator and the European leader in the vehicle rental industry. Present in over 140 countries worldwide in 2014, Europcar provides vehicles for short- and medium-term business and leisure rentals through its network of approximately 3,650 stations (including stations operated by agents and franchisees). With an average fleet in units of 189,269 and rental car annual volume of 52.8 million in its "Corporate Countries" (Australia, Belgium, France, Germany, Italy, New Zealand, Portugal, Spain and the United Kingdom) in 2014, the Group leverages its extensive knowledge of the vehicle rental business to provide a diverse range of mobility solutions.

In 2014, the Group generated consolidated revenues of €1,978.9 million and Adjusted Corporate EBITDA of €212.8 million. The Group's revenues are composed of rental revenue generated by its subsidiaries through directly-operated or agent-operated rental stations (€ 1,822.8 million of revenues in 2014, of which 93% was generated in Europe and 7% in the Rest of the World, its two operating segments), additional services revenue generated by its subsidiaries through directly-operated or agent-operated rental stations (€102.8 million of revenues in 2014), as well as royalties and fees received from its franchises (€53.3 million in 2014, of which 64% was generated in Europe and 36% in the Rest of the World). For further information on the breakdown of the Group's revenues and the definition of Adjusted Corporate EBITDA, see "*Selected Financial Information and Other Data*" and "*Management's Discussion and Analysis of Results of Operations and Financial Condition*".

Europcar's Brands

Europcar operates through two brands:

- Europcar®, the Group's core brand, which is used worldwide directly and through its franchisee network in order to service a wide range of market segments, from the high-end to the cost-conscious, as well as a large portfolio of diversified customers, from large corporate customers to individual leisure customers; and
- InterRent®, which the Group has been deploying since 2013, to target the "low-cost leisure" segment in order to extend the customer segments serviced.

This strategy seeks to present a clear brand portfolio in order to improve customer perception and readability by the different targeted customer segments and continue to strengthen Europcar's position in its key markets.

Europcar Service Offerings

Since 2012, the Group has implemented a "Fast Lane" transformation program seeking to strengthen the Group's market presence and prepare its transition from a vehicle rental company to a mobility services provider. The Group leverages its knowledge of the rental vehicle market to develop new products and innovative services under its Europcar® and InterRent® brands and seize opportunities in new mobility trends.

Europcar Customers

The Group offers its products and services to a wide range of customers in the business and leisure markets. Business customers include, in particular, large corporations and small and medium-sized businesses that rent vehicles and companies renting vehicles to provide vehicle replacement services to their customers. Leisure customers primarily include individuals who rent vehicles for vacation travel and individuals who rent vehicles for other personal transportation needs, directly or indirectly, via travel agencies, tour-operators and brokers.

Europcar's Network

The Group's network consists of directly-operated, agent-operated and franchise stations. In order to extend and deepen its global reach, the Group also uses partnerships and general sales agency arrangements. The Group's directly-operated and agent-operated stations are located in the following countries which the Group refers to as "Corporate Countries" and in which the Group has a long-standing local presence and expertise: Australia, Belgium,

France, Germany, Italy, New Zealand, Portugal, Spain and the United Kingdom. Franchise stations strengthen the network both in certain Corporate Countries (particularly in France) and especially around the world, providing increased brand awareness and revenues, and allowing the Group to offer its customers services worldwide. This broad network gives the Group a large and diversified business and leisure customer base, with revenue generated by individual Corporate Countries either weighted to one segment or the other or balanced between them, depending on its geographic location.

As of December 31, 2014, the Group had 2,461 stations in Europe, of which 928 were directly-operated, 597 were agent-operated and 936 were franchises. At the same date the Group had 1,192 stations in the Rest of the World, of which 79 were directly-operated, 15 were agent-operated and 1,098 were franchises.

Europcar Fleet

During the year ended December 31, 2014, the Group took delivery of approximately 262,000 vehicles and operated an average rental fleet of 189,269 leisure and utility vehicles in Corporate Countries. For the year ended December 31, 2014, Europcar's approximate average vehicle holding period was 8.3 months (7.4 months for vehicles (cars and trucks) covered by buyback commitments). The Group purchases its vehicles from a range of manufacturers with whom it has longstanding relationships, including primarily Volkswagen, Fiat, General Motors, Renault, Peugeot, Hyundai, Daimler and Ford.

The Group views fleet management as a key component of its expertise. The Group has significantly increased its fleet financial utilization rate in recent years through focused actions and it reached 76.4% in 2014 (compared to 74.4% in 2012). Fleet management and the improvement of the fleet financial utilization rate are based on internal Group procedures, on the Revenue and Capacity Management teams that were established during 2012 at a centralized level and throughout all operating subsidiaries and on the centralized "Greenway" system and its various specialized modules.

Competitive Strengths

Market Growth Supported by Structural Trends in Vehicle Rental and Mobility Solutions

The vehicle rental market in the Group's Corporate Countries is expected to continue to grow in the near to mid-term due to several positive key structural factors: increasing GDP, increasing leisure and air travel, and new mobility usages. The value of the vehicle rental industry in the Group's Corporate Countries in Europe will increase by approximately 2.0%, 2.2% and 2.3% in 2015, 2016 and 2017, respectively (source: KPMG Study).

Furthermore, the Group believes that changing perceptions of car ownership should foster increasing growth in the vehicle rental market. These changing perceptions stem in particular from the increase in costs related to vehicle ownership and public policies towards car usage in urban centers: the percentage of people in the Group's Corporate Countries indicating that they are ready to stop owning a car and use "car-sharing" instead has increased significantly between 2010 and 2012, from 9% to 33% (source: Observatoire Cetelem—2010 and 2012 reports—based on surveys of 3,600 and 6,000 individuals, respectively, in Germany, France, Italy, Spain and the United Kingdom). In parallel, private car purchases have decreased significantly in Europe (especially since 2011, with a decrease of 10% between 2011 and 2013) (source: KPMG Study). These market dynamics contribute to a growing population of latent users of vehicle rental services and to the market trend towards mobility services and other innovative service offerings that should provide the Group with new revenue opportunities, in particular given the high levels of urban density in Europe.

Established Leadership and Innovation Conferring Competitive Advantages

With over 60 years of experience, a strong and well recognized brand and a customer base of close to six million drivers in 2014, Europcar is a global operator and the European leader in the vehicle rental industry. The Group has a wide and international network serving a broad range of customer mobility needs based on sophisticated revenue and fleet capacity management. The Group leverages these strengths to deploy innovative solutions and services to better serve changing customer mobility usages.

In 2013, the Group was the leading European vehicle rental organization. In particular, it was number one in each of Belgium, France, Spain and Portugal, number two in Germany and the United Kingdom and among the top three in Italy (source: KPMG Study, on the basis of the mid-point of estimated market shares, based on company revenues excluding franchisees).

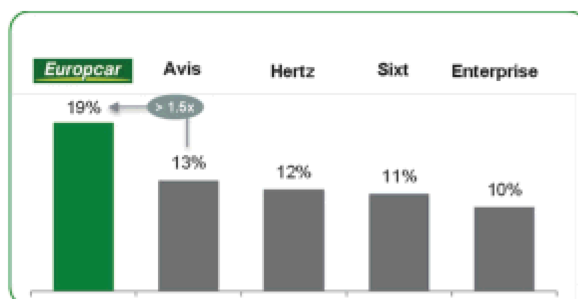
The chart below sets out the Group's competitive position in Corporate Countries and franchisee countries in Europe in 2013:

Europcar's presence in Corporate Countries and franchisee countries in Europe in 2013

Source: KPMG Study for Corporate Countries and Euromonitor and the Company for franchised countries.

The chart below sets out the Group's market share in Corporate Countries in Europe (Belgium, France, Germany, Italy, Portugal, Spain and the United Kingdom) and the market share of its principal competitors in those markets in 2013:

2013 Market Share in Corporate Countries in Europe



Source: KPMG Study, on the basis of the mid-point of estimated market shares, based on company revenues excluding franchisees

The Group believes that this leading position in Europe is sustainable due to, among other things, the scale of its operations and the quality of its network, its recently re-affirmed dual-brand strategy and its ability to manage complex operational systems and financing structures in a flexible and efficient manner. Over the 2009 to 2013 period, the Group's market share in Corporate Countries in Europe remained stable, at between 19% and 20% (source: KPMG Study, on the basis of the mid-point of estimated market shares, based on company revenues excluding franchisees).

The Group also benefits from the well-recognized Europcar® brand and the newly deployed InterRent® brand, a powerful IT system and an average fleet of 189,269 units in its Corporate Countries in 2014. The European vehicle rental market is one of the most difficult to penetrate due to the multiplicity and diversity of jurisdictions with different rules and regulations and with regional differences in consumer habits. The Group believes that its extensive local presence and professional expertise would be difficult for a competitor to replicate fully and rapidly and allows it to respond effectively to the complex and highly diverse nature of its markets.

Moreover, the Group's solid positioning across various countries in Europe allows it to track and anticipate changing levels of demand and market trends and therefore to better manage the size of its fleet.

The Group has a global footprint, with approximately 3,650 stations (including franchises) in over 140 countries in 2014 and numerous general sales agency (GSA) arrangements and partnerships. Franchises enable the Group to extend its network and are a source of high-value growth with lower risk, while its partnerships and alliances provide additional market penetration in growing markets.

The Group's GSA strategy, with 18 GSA arrangements in 2014 and 11 to come in 2015 (of which 7 were signed during the first four months of 2015) and partnerships with major airlines and travel intermediaries allow the Group to be present at points of entry for inbound and outbound traffic. In North America, the Group concluded a partnership with Franchises Services of North America ("**FNSA**") through which the Group can service its customers in the United States under its Europcar brand and via the FNSA network, and FNSA can serve its customers under its own Advantage-Rent-A-Car brand via the Europcar network in regions in which the Group operates. This alliance allows the Group to extend its proprietary network and improve its services for its customers in the United States. In February 2015, the Group also entered into a new agreement with a general sales agent in the United States ("Discover the World"), which should improve outbound customer flows from the United States to Corporate Countries. Moreover, in order to develop its activities in China, the Group recently entered into a two-year general sales agency agreement (which came into force on April 21, 2014) with an online Chinese travel agency pursuant to which such agency has been appointed to act as a non-exclusive representative authorized to promote and offer Europcar's rental services. This agreement should allow the Group to promote outbound flows of its customers from China toward its Corporate Countries.

The Group's network, particularly in its Corporate Countries, is supported by its proprietary GreenWay® system, a powerful and effective reservation platform and revenue capacity and fleet management tool. The Group's network is also commercially supported by the use of forecasting models that help to determine pricing while also optimizing the distribution, planning, allocation and yield of the fleet according to demand.

The Group has a diversified customer base of close to six million drivers in 2014 and reaches them through a wide variety of distribution channels. The Group's efficient fleet management benefits from central coordination and local initiatives, leveraging strong and longstanding partnerships with vehicle manufacturers and a pragmatic approach to the fleet, optimizing the mix between pan-regional and local contracts, maintaining flexibility in volume commitments to secure short and long-term flexibility of sourcing while also accommodating a changing economic environment and optimizing holding periods as part of the management of demand seasonality.

The Group leverages this extensive experience and know-how in the vehicle rental industry to focus on innovation, enhance the customer experience and seize opportunities arising from new mobility trends. The Group's innovations include new products serving its Europcar® branded vehicle rental offer (such as FitRent, AutoLiberté, ToMyDoor, ToMyCar, chauffeur services and Keddy by Europcar) as well as the development of its low cost brand InterRent®. In response to targeted customer mobility needs, the Group has established a "Lab" that is designed to draw from these technological innovations from in-house and external innovators to design new products and services in the area of mobility solutions to stay at the forefront of this rapidly evolving and expanding market. The Group also recently took a majority stake in Ubeeqo, a French start-up specializing in car-sharing and a pioneer in the B2B mobility solutions area, and is also a part of the Car2go Europe joint venture with Daimler, in order to establish a position in the consumer car-sharing market.

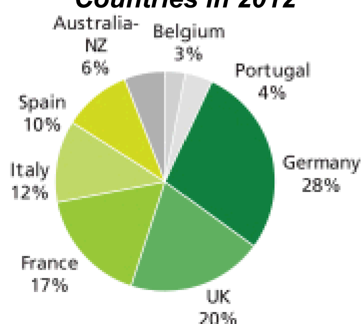
Diversified Business Model

The Group's business model is based on a well-balanced and complementary revenue base, which optimizes fleet utilization as well as its network and its related costs and limits dependency on specific sectors or industries.

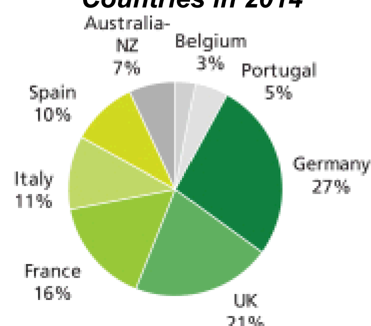
The Group has a broad customer base, well-balanced between business and leisure customers (which generated 45% and 55%, respectively, of total Group rental revenue in 2014). This mix helps the Group manage seasonality over the year (with leisure peaks during the summer and business demand more stable throughout the year) and during the week (weekend for leisure and weekdays for business). The Group's contractual relationships with numerous large corporate customers, as well as with small and medium-sized businesses across multiple industries and insurance companies for vehicle replacement services, contribute to the stability of the Group's business rental revenue, in particular during periods outside of tourist seasons and during business days. The Group's leisure activity involves rentals that are longer in duration and generate more revenue per day than business rentals. The Group also addresses the leisure segment through its portfolio of partnerships with recognized leaders in the travel industry, including major European airlines, tour operators and hotel groups, such as easyJet, TUI, Accor and Aeroflot. Within the leisure segment, the Group benefits from its core brand Europcar® on the medium and upscale markets and is deploying its InterRent® brand on the low cost market.

The Group's revenue base is also geographically diverse. The Group's rental revenue (excluding royalties received from its franchisees) in Corporate Countries for the years ended December 31, 2012 and 2014 was as follows:

Breakdown of Group rental revenue in Corporate Countries in 2012



Breakdown of Group rental revenue in Corporate Countries in 2014



Source: Company

The Group's revenue base is optimized between airports, where customer traffic is relatively higher, and non-airport locations. In 2014, the Group's network included directly operated and agent-operated stations in 254 airports; these stations represented 16% of corporate and agent-operated stations in 2014 yet generated 42% of the Group's rental revenue in 2014.

This diversification, along with the Group's operational expertise and effective management and information systems, contributes to a high fleet financial utilization rate (76.4% in 2014 as compared to 75.6% in 2013 and 74.4% in 2012).

The Group's diversified customer base and network are supported by a flexible fleet that has one of the highest proportions of buy-back commitments in the industry, a diverse fleet supply and flexible fleet financing. Approximately 92% of Europcar's 2014 fleet vehicles delivered were covered by such buy-back commitments. This high level of buy-back commitments not only limits risk by providing greater fleet cost visibility, it also increases the flexibility of the Group's fleet, with the commitments generally allowing for a five to eight month buy-back period deliberately chosen by the Group in order to manage inherent business seasonality. The sourcing of the Group's fleet is diversified in terms of automobile manufacturers and brands: in 2014, approximately 33% of its fleet was acquired from Volkswagen, 15% from Fiat, 11% from General Motors, 10% from Renault, 9% from Peugeot Citroen, 6% from Hyundai, 6% from Daimler, 3% from Ford and the remaining 7% from other manufacturers. The Group currently has, and periodically and opportunistically may enter into, multiyear framework contracts (generally for a two-year term) with certain manufacturers to ensure fleet availability. The Group uses diversified fleet asset-backed financing, including securitization, capital market financing (bond financing), revolving credit facilities and operating leases, to ensure that it benefits from competitive financing conditions.

This wide diversification of sources of revenue, fleet and financing provide the Group with a business model tailored towards the limitation of risks and optimization of revenue and costs.

“Fast Lane” Transformation Program that has Set the Foundation for Sustainable Profitable Growth

Since 2012, the Group has been implementing a transformation program called “Fast Lane” that aims to strengthen the Group’s presence and prepare its transition from a pure vehicle rental company to a major player shaping the future of mobility, while benefiting from improved growth levers and cost efficiency. The Fast Lane program has helped foster a business culture based on improvement, due to defining key priorities that are monitored precisely and continuously. Fast Lane has helped transform the organization, rendering it more efficient and more focused on the customer and on cash generation.

The Fast Lane program is built around three prongs:

(i) setting the basis for change with a series of cost and cash management optimization initiatives;

(ii) getting traction by optimizing customer portfolios through the renegotiation and if necessary termination of certain contracts that were not sufficiently profitable and by improving the network’s structure via an operating and strategic review of the rental station network and the alignment of territorial coverage; and

(iii) enabling future growth by enhancing differentiation as a competitive advantage of the Group through new products, active brand management and adaptive strategic positioning as well as instilling a strong customer service culture in the Group.

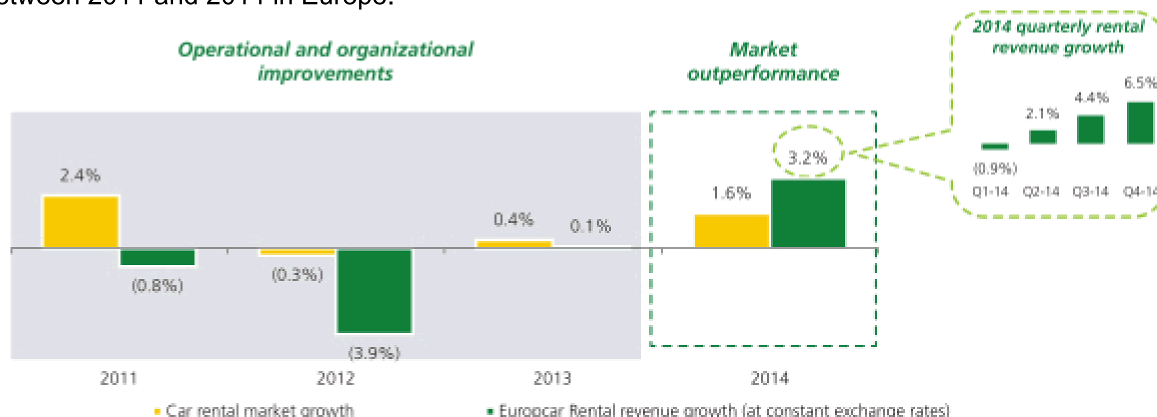
Implementation of the Fast Lane program has proven to be successful to date. The initial targets set at its inception have been noticeably exceeded. Over the 2012-2014 period, the Group estimates that the Fast Lane program has had a positive impact of more than €90 million on its Adjusted Corporate EBIDTA (as compared to an initial objective of €50 million). Similarly, the actions taken with respect to cash management have led to estimated improvements in non-fleet working capital requirements of € 90 million (as compared to an initial objective of €60 million).

The main projects for the first transformation prong concerned the creation of a pan-European shared services center (the “**Shared Services Center**”, or “**SCC**”) and the optimized management of fleet expenses. The Group has also invested in the transformation and optimization of its Internet websites as well as the transformation of its sales and marketing organization and IT systems.

The pan-European Shared Services Center opened in Portugal in early 2014 to handle transaction, accounting and cash collection activities. A centralized purchasing department, focusing on process improvement while accelerating purchasing centralization, was also created in early 2014.

The optimization of fleet management and efforts to reduce fleet sourcing and maintenance costs generated a significant share of Fast Lane’s improvements. Initiatives implemented with respect to the fleet mainly included an improvement of the fleet mix by vehicle category, cleansing of the product portfolio and an optimization of the buyback program to lower fleet acquisition and disposal costs and improve the match of the of the fleet mix to customer demand and associated prices. As part of this goal, the Group created the “Revenue and Capacity Management” department at the Group level and in all its operating subsidiaries to manage customer demand and the related pricing terms, and to ensure the alignment of the fleet (category/price and optimized distribution within the network) to demand.

At this stage, the impact of the plan is only partially reflected in the Group's results, and the Group believes that certain savings have yet to be realized. Furthermore, the implementation of the next two next prongs is ongoing and new efforts must be made with respect to costs and revenue. As part of the second prong, the Group began optimizing its network of stations and at the same time began reviewing its customer contracts in order to renegotiate or terminate those that were not sufficiently profitable. The following graph shows the impact of the implementation of the Fast Lane program on rental revenue at constant exchange rates compared to the growth of the vehicle rental market between 2011 and 2014 in Europe.



Source: Euromonitor for the growth of the vehicle rental market based on a scope of 47 countries, including Russia and excluding Cyprus, Luxembourg and Malta and estimated growth for 2014.

The Group believes that both the operational and organizational improvements will allow it to continue to quickly adapt to, and seize opportunities generated by, the evolving market environment and, more generally, to pursue sustainable growth.

Strong Improvement in Financial Performance in Recent Years

The Group's financial performance has substantially improved since 2012 and the inception of Fast Lane. The Group has managed to significantly lower its fleet costs (including fleet depreciation), which declined from €639 million in 2012 to € 567 million in 2014 and its fleet operating and holding costs per unit, which decreased from €284 per month in 2012 to € 248 per month in 2014. The improvement of the fleet financial utilization rate, from 74.4% in 2012 to 76.4% in 2014, was a key part of this cost optimization.

In a context of modest growth in volumes, and relatively stable RPD, this optimization, combined with contained network and headquarters costs, and optimized fleet financing costs, drove a 4.6 point increase in the Group's Adjusted Corporate EBITDA margin between 2012 and 2014. 2014 was marked by a strong acceleration in the deployment of the Fast Lane program, which enabled the Group to return to growth in its revenues, which increased 2.4%, 4.3% and 7.1% at constant exchange rates in the second, third and fourth quarters of 2014, respectively, compared to the corresponding quarters of 2013. In the first quarter of 2015, the Group's consolidated revenues increased 7.4% at constant exchange rates, including the positive impact of the integration of Europ Hall, which accounted for an increase of 1.2% of the Group's consolidated revenue growth rate 1.2 basis points compared to the first quarter of 2014.

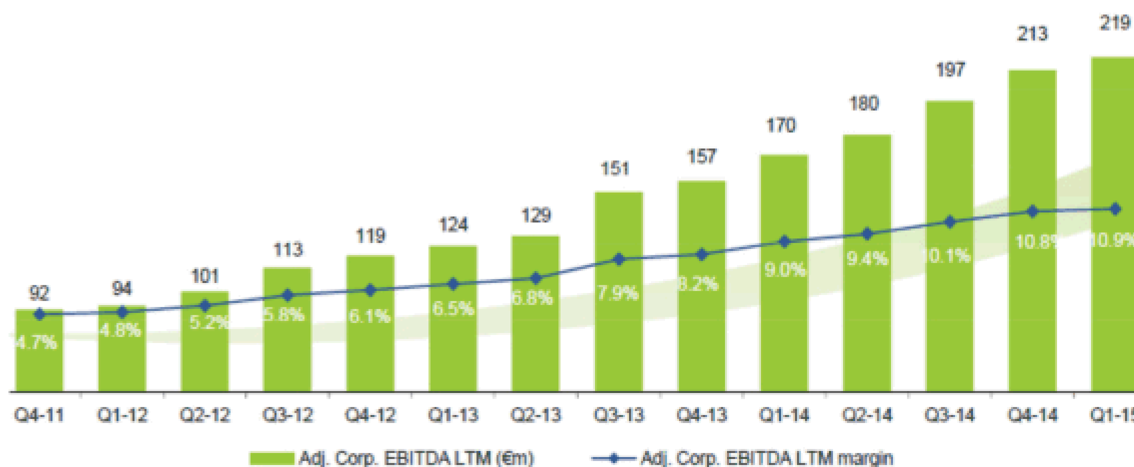
The following chart presents the changes in the Group's consolidated revenue and Adjusted Corporate EBITDA margin over the 2008 to 2014 period:

Changes in the Group's revenue and Adjusted Corporate EBITDA margin over the 2008 to 2014 period

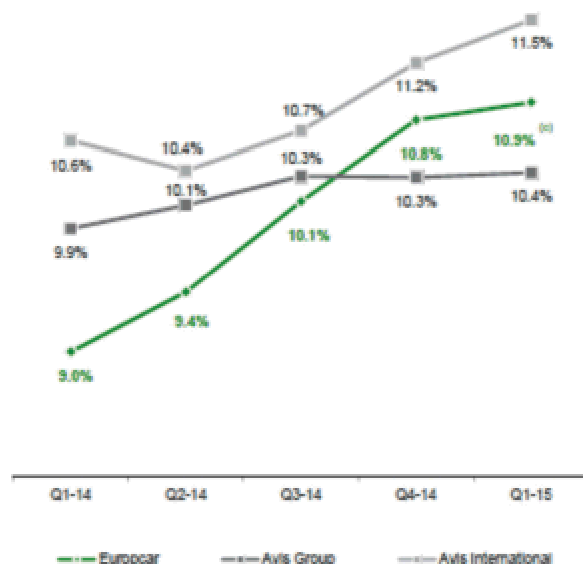
The following charts present (i) the changes in the Group's Adjusted Corporate EBITDA and Adjusted Corporate EBITDA margin per quarter between the fourth quarter of 2011 and the first quarter of 2015 (based on the last twelve months for each quarter) and (ii) a comparison of the Group's Adjusted Corporate EBITDA margin to the EBITDA margin of the Avis Group and Avis International per quarter for the last twelve months for 2014 and the first quarter of 2015. The Group uses the indicator "Adjusted Corporate EBITDA," which it defines as recurring operating income

before depreciation and amortization, and after deduction of the interest expense on certain liabilities related to rental fleet financing. Adjusted Corporate EBITDA includes all vehicle fleet related costs (including impairment charges and fleet-related interest). Adjusted Corporate EBITDA is a not a measure recognized under IFRS as adopted by the European Union and does not have a generally accepted definition. Avis Group and Avis International may calculate Adjusted Corporate EBITDA differently from the Group, in particular given the use of different accounting standards (US GAAP for Avis Group and Avis International and IFRS for the Group). In addition, the application of different adjustments to EBITDA made by competitors may be different from those made by the Group. For more information with respect to the Group's Adjusted Corporate EBITDA, see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Presentation of Accounting and Financial Information*".

Changes in the Group's Adjusted Corporate EBITDA and Adjusted Corporate EBITDA margin by quarter between the fourth quarter of 2011 and the first quarter of 2015 (calculated based on the last twelve months)



Comparison of the margin levels of the Group's Adjusted Corporate EBITDA with the EBITDA margin of the Avis Group and Avis International per quarter (calculated based on the last twelve months of 2014 and the first quarter of 2015)



Source: Company, 2014 annual report and 2014 and 2015 quarterly reports of Avis

The Group's experience with respect to the management of its fleet and operating costs, together with its diversified fleet financing (including operating leases) and its ability to control non-fleet working capital requirements (in particular by harmonizing payment terms across the Group) have contributed to stronger cash generation. This has also allowed the Group to manage its total net debt recorded on the balance sheet (consisting both of its fleet financing debt, which is asset-backed, and its corporate debt), giving the Group a sound financing foundation as well as financial flexibility. In particular, the ratio of the Group's Corporate Net Debt to Adjusted Corporate EBITDA decreased from 4.8x as of December 31, 2012 to 2.7x as of December 31, 2014, due to the improvement in operating performance.

The Group's believes that this track record positions it well to benefit from future market growth.

Energized, Dynamic and Experienced Renewed Management Team

The success of the Group's strategy and growth depends on the experience and strength of its management team. The Group's senior management team has been renewed over the last four years and is now composed of complementary backgrounds at top-tier companies in various industries. Mr. Philippe Germond, CEO since October 2014 and Chairman of the Management Board following the transformation of the Company's governance, leads the team of managers who possess extensive business and operating expertise, a deep understanding of the vehicle rental services industry garnered from many years of experience, and a strong track record of execution in respect of the Fast Lane program. The Group's top management includes country managers in an organizational structure based on highly complementary international and local teams who have the knowledge, passion and vision to lead the Group in the execution of its strategy.

The Group's Strategy

Pursue its "Fast Lane" transformation program and its systematic implementation in order to:

• ***Reinforce its position as a leader to allow sustainable growth***

- *The Group intends to pursue its targeted brand strategy, based on the development of its offer of services under its Europcar® and InterRent® brands, in order to support growth in the volume of activity and to improve its visibility with existing and potential customers.* The Group adopted a dual-brand strategy intended to target a wide range of customer segments for vehicle rentals, based on an active management of its main Europcar® brand and its InterRent® brand for the "low cost" segment. This strategic positioning is intended to present a clearly differentiated portfolio of brands, to reinforce Europcar's position on its key markets and to capture the volume increase in the "low cost" segment.
- *The Group plans to strengthen its commercial efforts in the business segment, with the deployment of new commercial tools and the implementation of targeted actions.* The Group plans to develop its existing business customer base, relying on the recent reorganization and revitalization of its sales teams and the implementation of new commercial processes, supported by the recent deployment of commercial productivity tools as well as the deployment of training programs adapted to its commercial strategy. The Group plans to adopt a targeted approach specific to each customer category:
    - With respect to "large corporates", by focusing on gaining significant new contracts as well as on increasing customer loyalty in order to support sustainable growth;
    - With respect to "SMEs", by seizing new opportunities through the development of new products specifically intended for this category of customers and, to that end, by capitalizing on its reenergized sales teams; and
    - With respect to the "vehicle replacement" segment, by broadening its current customer base through the conclusion of new agreements.
- *The Group intends to strengthen its attractiveness in the leisure segment, by optimizing its digital and mobile strategy, its distribution channels and its revenue and capacity management system.* To support this strategy, the Group continuously adapts its digital distribution channels in order to ensure that they are responsive to changing customer behavior which is trending towards an ever-increasing simplification of the process of reserving and accessing a vehicle. In recent years, the Group reorganized and harmonized its websites in order to facilitate their use by customers and make them more intuitive, in particular by facilitating the purchase of additional services. It also launched new tools and online reservation solutions while continuing to develop its distribution channels through intermediaries such as brokers or tour-operators to optimize the global scope of its offer. The Group intends to continue to strengthen its focus on leisure customers while continuously optimizing its distribution network, including via new distribution channels such as new mobile applications, smartphones and tablet computers in order to respond to new customer consumption patterns (for more information on the Group's distribution channels, see "*Business—Distribution Channels*"). This development of distribution channels will be accompanied by the optimization of the Group's "Revenue and Capacity Management" department, which involves optimizing processes for the management and generation of demand as well as the management of the availability and distribution of the fleet, which allows the Group to adapt its offers (in terms of price, availability and other factors) to fluctuations in demand and to the composition of the Group's fleet.
- *The Group intends to continue to improve its service offerings to best meet customers' new expectations in terms of mobility*. The Group is planning to continue to develop targeted products and services, based on its thorough knowledge of the vehicle rental sector and of uses in its local markets. The Group will continue to develop and deploy its innovative products and services to meet these new expectations, such as the recent innovations ToMyDoor, ToMyCar, FitRent and Keddy by Europcar®. These developments will be supported by the progressive implementation of new management and customer portfolio analysis tools.

- *The Group intends to implement new customer relationship management tools and to improve its customer loyalty programs*. New customer relationship management tools based on performance and on a strict monitoring of key activity indicators will be implemented, with a view to refining its understanding of customer profiles to improve the targeting of marketing campaigns and real time transmission of customer data to agents to enable them to better handle each customer's needs, and, if applicable, offer additional services (up-selling). Customer prospecting will be reinforced by segmentation and data mining tools that will allow for customer acquisition actions, with a priority on digital actions, based on targeted profiles similar to valued customers in the database (i.e., searching for "peers"). Within the framework of its customer relationship management efforts, the Group also intends to continue to improve its customer loyalty programs, including its "Privilege" program, which was expanded in 2014, and which is designed to improve customer loyalty of individuals and businesses. The "Privilege" program has four levels of loyalty depending on the number of rentals and rental days (Privilege Club, Privilege Executive, Privilege Elite and Privilege Elite VIP). There are specific benefits for each loyalty level. These customer relationship management tools should enable the Group to improve commercial synergies among Europcar users in the business and leisure segments.

• ***Pursue operational excellence***

- The Group intends to continue improving its organizational efficiency. The Group continues to optimize the management of its customer relationships and network. The next step of the Fast Lane program will emphasize strengthening the management teams and sales teams, in order to ensure that they benefit from a full range of tools that allow them to effectively contribute to the Group's profitable growth. The Group recently created international teams responsible for sales and marketing, which coordinate and ensure that the Group's marketing efforts are consistent at the local level. The Group is also implementing projects targeting the management of people and talent, in order to foster a corporate culture based on accountability and the sharing of ideas.

- *The Group intends to continue improving the architecture of its IT system in order to better support the development of new service offerings.* In recent years, the Group has invested in the development of its IT system to guide and facilitate the implementation of new products and services. The Group has already implemented a 2020 plan to renovate the architecture of its IT system in order to make it more open and flexible and facilitate the integration of third-party applications. A number of modules and innovations are being analyzed to capitalize on the Group's operational excellence, promote data-based decisions, adapt products and prices in real time and, more generally, accelerate digital development and strengthen customer relationship management.

- *The Group intends to rationalize its semi-fixed cost base, in particular by expanding the scope of the Shared Services Center and optimizing its non-fleet purchases.* The Group has a detailed roadmap to further rationalize its semi-fixed costs base, in particular via the transfer of additional functions to its Shared Services Center in Portugal and the optimization of the activities of its operating subsidiaries' headquarters. This optimization is based on the nature of its business and the use of its exclusive Greenway® system, which offers a single solution covering all the functional areas of vehicle rentals. Furthermore, the Group will continue to optimize its non-fleet purchases. The Group will continue to optimize its network, which it has already begun in certain countries, in order to better serve the needs of its existing and potential customers (for example, by opening downtown rental stations). The optimization of its network will also aim to strengthen and improve customers' experiences, via innovative tools and processes, in connection with the Group's marketing and sales strategy.

- *The Group intends to continue rationalizing its fleet costs, in particular by harmonizing management processes throughout its rental stations.* The Group plans to harmonize its management processes in its rental stations, such as the inspection of returned vehicles (the E-Check-in procedure launched in 2012), in order to improve the customer experience. Moreover, the scope of the Shared Services Center in Portugal will include certain activities related to fleet vehicles, such as processing insurance claims. These measures, in connection with the continuous optimization efforts beyond the fleet, should allow the Group to realize additional savings.

Develop drivers for the Group's growth

• ***Develop and strengthen its network of agents, franchises and sales agents***

- *Capitalize on its network of agents, franchises and sales representatives to continue to strengthen and expand it internationally.* The Group will continue to optimize its network of existing franchises via initiatives such as the sharing of better practices, inter-country conferences among franchisees and an improvement of administrative management via the Shared Services Center. Furthermore, the Group aims to extend its presence in international markets, by developing its network of international franchises in selected regions and countries where opportunities exist. For example, the Group is currently looking to expand its presence in Latin America and the Asia-Pacific region, particularly in China, through various types of partnerships.

Moreover, the Group will continue to explore expansion opportunities beyond its international network of franchises and continue its joint marketing efforts with international partners and client companies, including, for example, joint advertising campaigns and online promotional offers. The Group may also acquire companies in regions where it considers that such acquisitions will be profitable, considering, in particular, that the European market is relatively more fragmented than the U.S. market (the five largest market participants in Europe represented approximately 65% of the market in Corporate Countries in 2013, whereas the three largest market participants represented approximately 95% of the U.S. market in 2013 (source: Euromonitor)).

• ***Develop new mobility solutions***

- *Use the "Lab" to accelerate the implementation of innovative mobility solutions.* The Group recently created a "Lab", designed as an incubator of ideas for research into new products and services in mobility solutions. The Lab seeks to support internal projects as well as the acquisition of minority or majority stakes in innovative structures. The Lab is structured around a dedicated team of four individuals including a director responsible for supervising the Group's team and employees. The Lab's activities are designed to respond to the mobility concerns of the Group's customers via:

    - a multimodal offer that provides customers with fully integrated mobility solutions that link the customer and the offering in real time; and

    - a local mobility solution targeting a well-defined ecosystem; this solution already exists within the Group via the "Excel London" partnership under which Europcar offers specific rental vehicles in London's business district.

  The Group intends to continue investing in the Lab in order to seize opportunities for new mobility solutions in the market. The first evidence of this commitment was the acquisition of a majority stake, alongside the founders, in Ubeeqo, a French start-up specialized in B2B car-sharing and a pioneer in this market.

- *Expand the Group's mobility solution offerings and capitalize on its existing offers to better respond to consumer's new mobility needs.*

  As part of its "Fast Lane" transformation program, the Group is preparing its transition from a rental vehicle company to a mobility services provider. It seeks to extend its offerings of innovative solutions in order to respond to changes in the mobility market and consumer expectations. The Group aims to create an ecosystem of mobility services that complements Europcar's principal activity of vehicle rentals. The Group plans to leverage key competitive advantages such as its brand recognition, customer diversity, fleet size, fleet management expertise and density of its network to seize opportunities resulting from new mobility trends. The Group will focus in particular on intermodal solutions using a digital platform aggregating different means of transportation (such as public transportation, rental vehicles, taxis and other mobility solutions) in order to offer its customers the best possible itinerary for a given route and alternative solutions to vehicle ownership, ensuring access to a nearby vehicle as well as solutions that aim to generate value on unused third-party vehicles and unused parking spaces. The Group will rely upon the experience it has already acquired in this field to propose innovative internal solutions or make targeted acquisitions of companies whose services complement those of the Group's.

The Refinancing

The Offering is part of a series of transactions aimed at significantly reorganizing, simplifying and optimizing our capital structure. Shortly after completion of the Offering, we intend to carry out an initial public offering of shares of EGSA, with estimated gross proceeds of €475 million. On May 20, 2015, we filed a Registration Document (*Document de base*) with the French *Autorité des Marchés Financiers*; this is the first formal step of the initial public offering process. Pending completion of the initial public offering, the gross proceeds of the Offering will be deposited in the Escrow Account, together with an amount of cash provided by EGSA in the form of a subordinated loan that will ensure that the escrowed funds will be sufficient to pay the special mandatory redemption price plus interest. Upon, and subject to, completion of our initial public offering:

• the proceeds of this Offering will be used to fully redeem the Outstanding Subordinated Notes Due 2018 and pay the early redemption premium; and

• the proceeds of the initial public offering will be used to fully redeem the Outstanding Subordinated Notes Due 2017 and pay the early redemption premium.

The remaining proceeds after the redemption of the Outstanding Subordinated Notes will be used to pay transaction costs and for general corporate purposes of the Group (including investments in strategic initiatives).

In conjunction with the Offering and our initial public offering, we have:

- entered into the New Senior Revolving Credit Facility and will use the proceeds of a drawing thereunder to repay all indebtedness under the Existing Senior Revolving Credit Facility, whereupon we will retire that facility (see "—*New Senior Revolving Credit Facility*"); and
- entered into an amendment of our Senior Asset Revolving Facility primarily to extend the maturity thereof and lower overall interest cost thereunder (see "—*Senior Asset Revolving Facility*").

The completion of the foregoing transactions will bring important benefits to the Group, including:

- a significant reduction in our overall corporate leverage;
- a significant reduction in our interest expense;
- an extension of the maturities on most of our indebtedness; and
- the establishment of a simpler and more flexible long-term capital structure.

See "*Capitalization of Europcar Group*" for a description of the capitalization of the Group on an as adjusted basis to give effect the completion of the Offering and the initial public offering and the application of the proceeds of each.

New Senior Revolving Credit Facility

The New Senior Revolving Credit Facility was signed on May 12, 2015, and is expected to enter into effect after satisfaction of certain conditions precedent, which we anticipate to occur by the end of June 2015, at which time the Existing Senior Revolving Credit Facility will be refinanced in full. The New Senior Revolving Credit Facility consists of a senior secured revolving credit facility providing for loan advances or issuance of letters of credit, denominated, in both cases, in euro, pounds sterling, US dollars or such other currencies as may be agreed upon with the lenders, in a total aggregate principal amount committed of €350 million outstanding at any one time and available from time to time under certain conditions to EGSA and ECI and certain operating companies of the Group. The maximum aggregate amount of the letters of credit may not exceed €100 million. Under certain circumstances, the amount available pursuant to the New Senior Revolving Credit Facility may be increased to €450 million. The purpose of the facility is to provide funding mainly for working capital needs and general corporate purposes of the Group.

The New Senior Revolving Credit Facility will mature three years from the effective date. Under certain circumstances, the maturity date of the New Senior Revolving Credit Facility may be extended to five years from the effective date.

Redemption of Outstanding Subordinated Notes Due 2018

The gross proceeds from the issuance of the Notes will be deposited into the Escrow Account pending satisfaction of certain conditions. Upon release from escrow, such funds will be used (i) to redeem the Outstanding Subordinated Notes Due 2018, (ii) to pay the premium payable on redemption of the Outstanding Subordinated Notes Due 2018 and (iii) to pay the transaction fees and expenses in connection with the issuance of the Notes offered hereby.

On or prior to the Completion Date, EGSA intends to issue, in accordance with the provisions of the indenture governing our Outstanding Subordinated Notes Due 2018, a conditional notice of redemption. Such notice of redemption will provide for the redemption in full of the Outstanding Subordinated Notes Due 2018. The date of redemption will be 10 days after the giving of such notice of redemption, conditional upon the release of proceeds of the Offering from escrow on the Completion Date.

Redemption of Outstanding Subordinated Notes Due 2017

A portion of the net proceeds from the initial public offering of EGSA will be used to redeem in full the Outstanding Subordinated Notes Due 2017.

After completion of the initial public offering, as described above, and on or prior to the Completion Date, EGSA intends to issue, in accordance with the provisions of the indenture governing the Outstanding Subordinated Notes Due 2017, a conditional notice of redemption. Such notice of redemption will provide for the redemption in full of the Outstanding Subordinated Notes Due 2017. The date of redemption will be 10 days after the giving of such notice of redemption, conditional upon satisfaction of the escrow release conditions.

Senior Asset Revolving Facility

The Senior Asset Revolving Facility was initially entered into on July 30, 2010 and amended on August 26, 2010, November 4, 2010, January 11, 2011, April 5, 2012 and March 4, 2014. The Senior Asset Revolving Facility was further amended on May 12, 2015 in certain respects, principally to (i) reduce the margin and the margin payable on the FCT Senior Notes (as described in "*Description of Certain Europcar Financing Arrangements—Fleet Financing Arrangements*") issuable under the facility from 2.2% to 1.7% (before the amortization period) and from 2.75% to

2.25% (during the amortization period), (ii) reduce the non-utilization fee rate from 1% to 0.75 % in case the utilization percentage is less than or equal to 50 % and from 0.75% to 0.5% in case the utilization percentage exceeds 50%, (iii) extend the maturity of the facility from January 2017 to the settlement date occurring in January 2019, (iv) add two additional banks to the facility, and (v) increase the maximum amount of senior notes that may be issued by the FCT Issuer from €1.0 billion to €1.1 billion. The Senior Asset Revolving Facility provides a committed facility to Securitifleet Holding, as borrower. Drawings are made available to Securitifleet Holding for the sole purpose of financing fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet Companies only.

Swap Agreements

As of the date of this Offering Memorandum, the Group has entered into two interest rate swap agreements.

The first interest rate swap agreement was originally entered into by the Group in December 2010. Pursuant to this agreement, as amended from time to time to the date hereof, the Group pays a fixed interest rate ranging from 0.823% to 0.893% on the outstanding notional amount of €0.9 billion and receives interest income equal to the EURIBOR one-month rate. The maturity date of this swap agreement is July 17, 2017.

It is anticipated that, on or prior to the Completion Date, Europcar will enter into amendments to this agreement pursuant to which the notional amount will be increased to €1.0 billion, the maturity date will be extended from July 17, 2017 to July 17, 2019 (the "**Extended Period**") and the fixed interest rate payable during the Extended Period will be reduced.

In July 2011, the Group entered into a second interest rate swap agreement, with a start date of December 19, 2011. Pursuant to this agreement, as amended from time to time to the date hereof, the Group pays interest at a fixed rate of 1.489% on the outstanding notional amount of €0.5 billion and received interest income equal to the EURIBOR six-month rate. The maturity date of this agreement is July 19, 2018.

The Offering

The summary below describes the principal terms of the Offering. Certain of the terms and conditions described below are subject to important limitations and exceptions. For additional information regarding the Notes, including the definitions of certain terms used herein, see "Description of the Notes".

The Notes

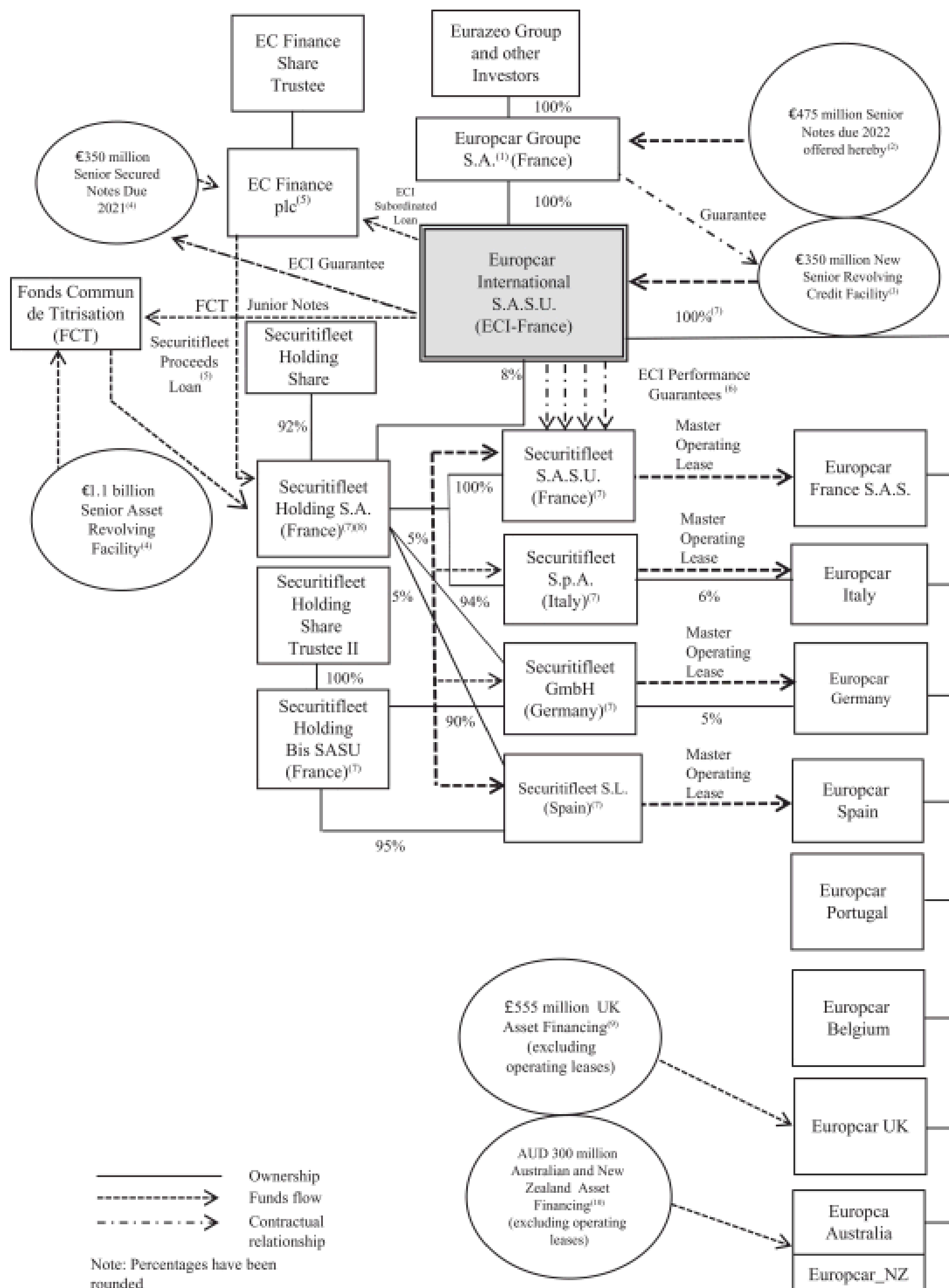
The Issuer Prior to the Completion Date	Europcar Notes Limited (the "**SPV Issuer**"), an Irish private limited company.
The Issuer On and After the Completion Date	Europcar Groupe, S.A. ("**EGSA**")
Notes Offered	€475 million aggregate principal amount of 5.750% Senior Notes due 2022.
Issue Price	99.289% plus accrued and unpaid interest, if any, from the Issue Date.
Issue Date	On or about June 10, 2015 (the "**Issue Date**").
Maturity	June 15, 2022
Interest Payment Dates	Interest on the Notes will be payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2015.
Denominations	€100,000 and any integral multiple of € 1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.
Escrow of Proceeds	The gross proceeds of the Notes will be deposited into the Escrow Account until the date certain conditions are met (the "**Completion Date**"). In addition, an amount of cash provided in the form of a subordinated loan to the SPV Issuer by EGSA will be added to the Escrow Account to ensure that the total amount of escrowed funds will be sufficient to pay the special mandatory redemption price for the Notes, when and if due, plus interest to the special mandatory redemption date. On the Completion Date, the escrow funds, including the gross proceeds from the Offering and the proceeds from the subordinated loan from EGSA to the SPV Issuer, will be applied first to a deposit with the trustee for the Outstanding Subordinated Notes Due 2018 in an amount equal to the redemption price for such Notes, with the remainder being paid to or upon the order of EGSA. See "*Use of Proceeds*".
Special Mandatory Redemption	In the event that the escrow release conditions are not satisfied on substantially the terms described herein on or prior to October 8, 2015, the Notes will be subject to a special mandatory redemption. The escrow release conditions include the satisfaction and discharge of the Outstanding Subordinated Notes Due 2017 by way of the irrevocable deposit with the trustee thereunder of a portion of the net proceeds from the initial public offering of EGSA in an amount sufficient to redeem the Outstanding Subordinated Notes Due 2017. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*".
Use of Proceeds	The gross proceeds from the issuance of the Notes will initially be deposited into the Escrow Account, as described herein. Upon release from escrow, such funds will be used to (i) redeem in full the €400 million aggregate principal amount of EGSA's Outstanding Subordinated Notes Due 2018, (ii) pay the redemption costs of the Outstanding Subordinated Notes Due 2018, and (iii) pay the transaction fees and expenses. Any proceeds not used for such purposes will be used for general corporate purposes. In accordance with the provisions of the indenture governing the Outstanding Subordinated Notes Due 2018, EGSA intends to issue a conditional notice of redemption to redeem in full the Outstanding Subordinated Notes Due 2018 on or prior to the Completion Date, conditional upon release of funds from the Escrow Account on the Completion Date.

Ranking of Notes	On and after the Completion Date, the Notes will be senior obligations of EGSA and will: • be equal in right of payment to all existing and future indebtedness that is not subordinated in right of payment to the Notes (including indebtedness of EGSA under the New Senior Revolving Credit Facility); • be secured by a second-ranking pledge of the shares of ECI, ranking junior to the first-ranking pledge of such shares in favor of the lenders under the New Senior Revolving Credit Facility; • be effectively subordinated to all existing and future indebtedness of EGSA that is secured by property and assets that do not secure the Notes (including indebtedness of EGSA under the New Senior Revolving Credit Facility and the SARF), to the extent of the value of the assets securing such secured indebtedness; • be effectively subordinated to all existing and future indebtedness and other liabilities (including trade payables) of each subsidiary of EGSA that is not a guarantor of the Notes (including indebtedness of subsidiaries of EGSA under the New Senior Revolving Credit Facility and the SARF); and • rank senior in right of payment to all existing and future indebtedness of EGSA that is expressly subordinated in right of payment to the Notes.
Security	Prior to the Completion Date, the Notes will be limited recourse senior obligations of the SPV Issuer and will be secured on a first-ranking basis by a pledge of the Escrow Account. On and after the Completion Date, the Notes will be secured by a second ranking pledge over the shares of ECI owned by EGSA. The first priority security interest over such shares of ECI is in favor of the New Senior Revolving Credit Facility lenders, including any refinancing thereof. The second ranking pledge securing the Notes may also be released under certain other circumstances. Enforcement of the second ranking share pledge is subject to material limitations pursuant to the Intercreditor Agreement. See "*Risk Factors—Risks Related to the Security"* and "*Description of the Notes—Security*".
Intercreditor Agreement	The Intercreditor Agreement will be entered into by, among others, EGSA, the Trustee, the Security Agent and the facility/security agent under the New Senior Revolving Credit Facility and will govern in certain respects the first and second ranking share pledges of ECI shares, including the enforcement thereof.
Optional Redemption	On or after the Completion Date but prior to June 15, 2018, EGSA will be entitled, at its option, to redeem all or a part of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the applicable "make whole" premium. On or after June 15, 2018, EGSA may redeem all or a portion of the Notes at the redemption prices set forth in the Offering Memorandum under the caption "*Description of the Notes—Optional Redemption*" plus accrued and unpaid interest to the redemption date. In addition, at any time on or after the Completion Date but prior to June 15, 2018, EGSA may use the net proceeds of specified equity offerings to redeem up to 40% of the original principal amount of the Notes at a redemption price equal to 105.750% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, up to the redemption date, provided that, among other things, at least 60% of the aggregate principal amount of the Notes originally issued remains outstanding after the redemption. See "*Description of the Notes*".
Optional Tax Redemption	In the event of certain developments affecting taxation, EGSA may redeem all, but not less than all, of the Notes at 100% of the outstanding principal amount thereof plus accrued and unpaid interest to the date of redemption. See "*Description of the Notes—Redemption for Taxation Reasons*".

Additional Amounts	All payments under the Notes and the Indenture will be made without withholding or deduction for or on account of any taxes. If any such taxes are imposed, EGSA will pay additional amounts so that the holders receive the full amount which would otherwise have been received, subject to customary exceptions.
Change of Control	Upon the occurrence of certain events constituting a "change of control," EGSA is required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. See "*Description of the Notes—Change of Control*".
Certain Covenants	The Indenture will, among other things, contain certain covenants restricting our activities, including the following: • limitation on incurrence of additional indebtedness; • limitation on restricted payments; • limitation on asset sales and use of cash proceeds; • limitation on mergers, acquisitions and consolidations; • limitation on transactions with affiliates; • limitation on creation of liens and guarantees; and • limitation on restricting payment of dividends by subsidiaries. Each of these covenants is subject to a number of important limitations and exceptions as described under "*Description of the Notes—Certain Covenants*".
Transfer Restrictions.	The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer) under the Securities Act.
No Established Market for the Notes	The Notes will be new securities for which there is no existing market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing	Application has been made to have the Notes admitted for trading on the Euro MTF Market and to list the Notes on the Official List of the Luxembourg Stock Exchange.
Trustee, Transfer and Principal Paying Agent	The Bank of New York Mellon.
Registrar	The Bank of New York Mellon (Luxembourg) S.A.
Luxembourg Listing Agent	The Bank of New York Mellon (Luxembourg) S.A.
Luxembourg Paying and Transfer Agent	The Bank of New York Mellon (Luxembourg) S.A.
Escrow Agent	The Bank of New York Mellon, London Branch
Governing Law	The Indenture and the Notes will be governed by the laws of the State of New York. The agreement relating to the Escrow Account will be governed by English law. The Intercreditor Agreement will be governed by French law.
ISINs	Rule 144A: XS 1241054391 Regulation S: XS 1241053666
Common Code	Rule 144A: 124105439 Regulation S: 124105366

Corporate Structure

The following diagram depicts, in simplified form, our corporate structure and certain financing arrangements following the completion of the Offering and the Refinancing. See "*Description of Certain Europcar Financing Arrangements*". The chart does not include all of our subsidiaries, nor all of our debt obligations. For a summary of the debt obligations identified in this diagram and certain of our other debt obligations, please refer to the sections "*Description of the Notes*", "*Description of Certain Europcar Financing Arrangements*" and "*Capitalization of Europcar Group*".



(1) A portion of the net proceeds from the initial public offering will be used to redeem in full the €324 million 11.50% Senior Subordinated Secured Notes due 2017 (the "**Outstanding Subordinated Notes Due 2017**".

(2) On and after the Completion Date, the Notes offered hereby will be obligations of EGSA, secured on a second ranking basis by the shares of ECI. The net proceeds from the issuance of the Notes will be used to redeem in full (including redemption premium and transaction fees) the €400 million 9.375% Senior Subordinated Unsecured Notes due 2018 (the "**Outstanding Subordinated Notes Due 2018**" and together with the Outstanding Subordinated Notes due 2017, the "**Outstanding Subordinated Notes**") and with the remainder to be used for general corporate purposes.

(3) At March 31, 2015, outstanding amounts under the Existing Senior Revolving Credit Facility were €230 million (which does not include €13 million of letters of credit guaranteed by the Group under the facility). Drawings under the New Senior Revolving Credit Facility will be used to repay the Existing Senior Revolving Credit Facility and the latter facility will be retired. The New Senior Revolving Credit Facility will be secured, subject to certain security consideration principles, by (a) a first ranking pledge over (i) the shares of ECI and the shares of certain direct and indirect subsidiaries of ECI (Europcar Holding S.A.S., Europcar France, Europcar IB S.A.U. and Europcar International S.A.S.U. und CO OHG), (ii) bank accounts of EGSA, ECI, Europcar Holding SAS, Europcar France, Europcar International S.A.S.U. und CO OHG, Europcar IB S.A.V., Europcar Autovermietung Gmbh and Europcar Italia S.p.a. as well as (b) assignments by way of security over intra-group receivables under the cash-pooling arrangements dated April 27, 2011 entered into between Europcar Holding SA as cash pool manager and other subsidiaries of EGSA. EGSA, ECI, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar International S.A.S.U. und CO OHG, Europcar France and Europcar IB S.A.U. will be borrowers and guarantors under the New Senior Revolving Credit Facility, and Europcar UK Limited and Europcar Italia S.p.a. will be guarantors thereunder. See "*Description of Certain Europcar Financing Arrangements*".

(4) The € 1.1 billion Senior Asset Revolving Facility and the €350 million Senior Secured Notes due 2021 (the "**EC Finance Notes**") benefit from the following collateral: (i) a first ranking share pledge over the shares of Securitifleet Holding held by ECI, (ii) a first ranking pledge over the shares of each of the Securitifleet Companies (other than shares held by Europcar Italy in Securitifleet Italy), (iii) a first ranking pledge over receivables held by Securitifleet Holding in respect of each of the Securitifleet Companies evidencing amounts loaned directly or indirectly to each Securitifleet Company by Securitifleet Holding (the "**Securitifleet Advances**") (other than in respect of Securitifleet Italy), (iv) a first ranking pledge over Securitifleet Holding's bank accounts, (v) a first ranking security over certain receivables (including under buy-back agreements from vehicle manufacturers) of each of the Securitifleet Companies (other than Securitifleet Italy), subject to certain exceptions in Spain and (vi) a first ranking security over certain assets (including the bank accounts and the vehicle fleet) of each Securitifleet Company from time to time (other than Securitifleet Italy), subject to certain exceptions in Spain. The rights of the lenders under the Senior Asset Revolving Facility to such security rank senior to the rights of the holders of the EC Finance Notes pursuant to the provisions of an intercreditor agreement. At March 31, 2015, €350 million was outstanding under the Senior Asset Revolving Facility. See "*Description of Certain Europcar Financing Arrangements*".

(5) EC Finance plc is a public limited company incorporated under the laws of England and Wales for the purpose of issuing the EC Finance Notes and loaning the proceeds thereof to Securitifleet Holding pursuant to the securitifleet proceeds loan. See "*Description of Certain Europcar Financing Arrangements*".

(6) Under the Senior Asset Revolving Facility, ECI granted performance guarantees, each being a *caution solidaire* in favor of each Securitifleet Company and Securitifleet Holding to guarantee payments due to Securitifleet Holding or to a Securitifleet Company by the relevant Europcar operating company (including under the relevant Master Operating Lease Agreement, services agreement and the guarantee issued by each Europcar operating company in respect of Securitifleet Advances relating to the Senior Asset Revolving Facility).

(7) Direct and indirect ownership.

(8) Securitifleet Holding acts as the financing entity for the fleet purchasing and leasing activities of the Securitifleet Companies. Securitifleet Holding used the proceeds of the EC Finance Notes and drawings under the Senior Asset Revolving Facility to on-lend such amounts to the Securitifleet Companies. See "*Description of Certain Europcar Financing Arrangements*".

(9) The Group currently finances its UK fleet on a stand-alone basis through its UK subsidiaries including Europcar Group UK Limited ("**ECGUK**"), Europcar UK Limited ("**ECUK**") and certain subsidiaries of ECUK (the "**Europcar UK Group**") under an overdraft facility (for an amount of £5 million), a revolving credit facility (for an amount of £15 million) and seven leasing facilities (in the total aggregate amount of £535 million).

(10) Europcar Australia and Europcar New Zealand currently benefit from senior credit facilities provided by National Australia Bank (the NAB), Toyota Financial Services (TFS), Volkswagen Financial Services, Alphabet Financial Services, St George Bank, Mercedes Benz Finance, Nissan Finance and other Australian and New Zealand financial institutions (the "**Australian and New Zealand Asset Financing Facilities**"), including revolving and non-revolving fleet operating and finance leases up to AUD 300 million. These facilities are renewed annually and finance the fleet in Australia and New Zealand.

Summary Europcar Consolidated Financial and Other Data

The following tables present summary consolidated financial and other data for our business. The summary historical consolidated financial information for EGSA has been derived from the EGSA Consolidated Financial Statements as of and for the three months ended March 31, 2015 and 2014 and from the EGSA Consolidated Financial Statements as of and for the years ended December 31, 2014, 2013 and 2012. The EGSA Consolidated Financial Statements as of and for the years ended December 31, 2014, 2013 and 2012 have been audited by PricewaterhouseCoopers Audit and Mazars (with respect to the years ended December 31, 2014 and 2013) and by PricewaterhouseCoopers Audit (with respect to the year ended December 31, 2012), and were prepared in accordance with IFRS as adopted by the European Union. The EGSA Consolidated Financial Statements as of and for the three months ended March 31, 2015 have been subject to a limited review by PricewaterhouseCoopers Audit and Mazars and were prepared in accordance with the principles and methods described therein.

The summary financial data presented below for the twelve months ended March 31, 2015 have been derived by taking the results of the year ended December 31, 2014 and subtracting the results for the three months ended March 31, 2014 and then adding the results for the three months ended March 31, 2015.

We have also presented certain unaudited information as adjusted to give effect to the Refinancing and certain other transactions as if, in the case of balance sheet data, they had occurred on March 31, 2015, and in the case of income statement data and Adjusted Corporate EBITDA, they had occurred on April 1, 2014. The adjustments are based upon available information and certain assumptions that we believe are reasonable. The summary unaudited as adjusted consolidated financial and other data are for informational purposes only and do not purport to represent what our results of operations or other financial information actually would have been if the Refinancing and such other transactions had occurred at any date, and such data do not purport to project the results of operations for any future period.

You should read the following summary consolidated financial and other data in conjunction with the EGSA Consolidated Financial Statements and the notes thereto, and other financial information appearing elsewhere in this Offering Memorandum, including under the headings "*Capitalization of Europcar Group*", "*Selected Consolidated Financial Information*" and "*Management's Discussion and Analysis of Results of Operations and Financial Condition*".

(In millions of €)	Twelve months ended March 31, 2015	Three months ended March 31, 2015	2014	Year ended December 31, 2014	2013	2012
	(unaudited)	(unaudited)	(unaudited)			
Selected Income Statement Data						
Revenue	**2,018.4**	**413.7**	**374.2**	**1,978.9**	**1,902.7**	**1,936.4**
Expenses						
Fleet holding costs[1]	(508.9)	(117.6)	(105.0)	(496.3)	(495.0)	(536.8)
Fleet operating, rental and revenue related costs[1]	(698.9)	(151.1)	(138.5)	(686.3)	(671.8)	(691.3)
Personnel costs	(323.1)	(81.0)	(76.1)	(318.2)	(310.8)	(309.2)
Network and head office overheads	(205.4)	(53.3)	(47.2)	(199.3)	(194.8)	(212.0)
Amortization, depreciation and impairment expense	(31.8)	(8.0)	(8.0)	(31.8)	(33.8)	(33.0)
Other income	5.8	0.7	1.8	6.9	13.7	19.0
Recurring operating income	**256.4**	**3.6**	**1.1**	**253.9**	**210.2**	**173.0**
Other operating income and expenses[2]	(144.4)	(32.7)	(4.0)	(115.7)	(36.3)	(31.6)
Operating income	**112.0**	**(29.1)**	**(2.9)**	**138.2**	**174.0**	**141.4**
Net financing costs	**(222.4)**	**(43.4)**	**(53.7)**	**(232.7)**	**(223.6)**	**(230.2)**
Profit/(loss) before tax	**(110.5)**	**(72.6)**	**(56.6)**	**(94.5)**	**(49.6)**	**(88.8)**
Income tax	(5.6)	5.0	(0.1)	(10.7)	(8.1)	(18.4)
Share of profit/(loss) in associates	(7.2)	(1.9)	(1.2)	(6.5)	(5.1)	(3.5)
Net profit/(loss)	**(123.2)**	**(69.5)**	**(57.9)**	**(111.7)**	**(62.7)**	**(110.7)**

(In millions of €)	As of March 31, 2015	As of December 31, 2014	2013	2012
	(unaudited)			
Selected Balance Sheet Data				
Non-current assets	1,375.4	1,363.0	1,336.8	1,373.1
Current assets	2,858.2	2,583.5	2,330.5	2,402.7
of which rental fleet related receivables(3)	*2,154.1*	***1,932.8***	*1,668.4*	*1,788.3*
of which current investments(4)	*45.1*	*49.5*	*41.4*	*36.8*
of which cash and cash equivalents	*163.8*	*144.0*	*196.4*	*135.1*
Total assets	**4,233.6**	**3,946.4**	**3,667.2**	**3,775.8**
Non-current liabilities	1,408.3	1,351.2	1,292.8	1,286.9
of which loans and borrowings	*1,047.6*	*1,043.1*	*1,036.0*	*1,016.5*
Current liabilities	2,726.3	2,437.1	2,083.8	2,143.5
of which loans and borrowings	*1,098.4*	*1,127.5*	*945.1*	*1,000.3*
Total liabilities	**4,134.6**	**3,788.3**	**3,376.6**	**3,430.4**
Total equity and subordinated loan	**99.0**	**158.1**	**290.6**	**345.4**

(In millions of €)	Twelve months ended March 31, 2015	Three months ended March 31, 2015	2014	Year ended December 31, 2014	2013	2012
	(unaudited)	(unaudited)	(unaudited)			
Selected Statement of Cash Flows Data						
Operating profit before changes in working capital	**221.1**	**(5.3)**	**(2.4)**	**224.0**	**204.9**	**182.4**
Change in rental fleet	(191.4)	(123.0)	(23.1)	(91.5)	(7.0)	65.0
Change in fleet working capital	70.5	244.2	99.7	(74.0)	63.0	30.5
Change in non-fleet working capital	*52.6*	1.0	(1.6)	50.0	62.6	(18.6)
Income tax received/(paid)	(33.3)	(5.4)	(3.5)	(31.4)	(35.6)	(65.8)
Net interest paid	(157.0)	(20.3)	(30.1)	(166.8)	(174.1)	(166.3)
Net cash generated from (used by) operating activities	**(37.5)**	**91.3**	**39.1**	**(89.7)**	**113.9**	**27.3**
Net cash used by investing activities	**(77.3)**	**(5.5)**	**(4.8)**	**(76.6)**	**(23.1)**	**(28.4)**
Net cash generated from (used by) financing activities(5)	**122.5**	**(73.5)**	**(92.7)**	**103.3**	**(35.6)**	**(133.6)**
Net change in cash and cash equivalents after effect of foreign exchange differences	**7.7**	**12.2**	**(58.5)**	**(63.0)**	**55.3**	**(134.7)**

(In millions of €)	Twelve months ended March 31, 2015	Three months ended March 31, 2015	2014	Year ended December 31, 2014	2013	2012
Performance Indicators – Cash Flow	**(unaudited)**	**(unaudited)**	**(unaudited)**			
Adjusted Corporate EBITDA	**219**	**(4)**	**(10)**	**213**	**157**	**119**
Other operating income and expenses[(A)]....	(29)	(4)	(3)	(28)	(29)	(23)
Acquisition of intangible assets and property, plant and equipment, net of disposals	(23)	(5)	(4)	(22)	(22)	(24)
Changes in provisions and employee benefits[(B)]	8	(10)	(7)	11	(4)	6
Changes in non-fleet working capital[(B)(C)]	12	(6)	(2)	16	63	31
Income taxes received/paid[(C)]....................	(33)	(5)	(4)	(31)	(36)	(49)
Corporate Free Cash Flow	**153**	**(35)**	**(29)**	**159**	**128**	**60**
Net interest paid on High Yield borrowings	(74)	0	0	(74)	(74)	(67)
Cash flow after payment of High Yield interest	**79**	**(35)**	**(29)**	**85**	**54**	**(7)**
Acquisition of subsidiaries, net of cash acquired and other investment transactions[(D)]	(55)	(0)	(1)	(56)	(2)	(2)
Changes in vehicle fleet, in fleet working capital and in fleet financing and working capital facilities	16	47	(24)	(55)	7	63
New/(net of repayment) senior subordinated secured notes	–	–	–	–	–	(130)
Shareholders' subordinated loan	–	–	–	–	–	110
Payment of financing transaction costs and redemption premium......................	(30)	0	(4)	(34)	(4)	(34)
Temporary effect following settlement of VAT claim in the UK (received in 2011, transferred out in 2012)[(C)]......................	–	–	–	–	–	(68)
Swap repayment	(2)	–	–	(2)	(1)	(67)
Increase (decrease) in cash and cash equivalents before effect of foreign exchange conversions	**8**	**12**	**(58)**	**(63)**	**55**	**(135)**
Cash and cash equivalents at beginning of period	*209*	*206*	*267*	*267*	*213*	*345*
Effect of foreign exchange conversions	*9*	*2*	*1*	*2*	*(1)*	*3*
Cash and cash equivalents at end of period	*221*	*221*	*209*	*206*	*267*	*213*

(A) The line item "other operating income and expenses" (non-recurring) as presented in this table differs from the line item with the same name in the income statement because the line item in this table excludes depreciation of the right to use the National and Alamo brands in 2012, 2013 and 2014. In addition, in 2014, certain non-recurring items with no impact on cash flow in 2014 were also excluded from this line item (see note (2) below). These items related to provisions and working capital relating to the Enterprise litigation, as well as the €23.9 million charge pursuant to a multi-year compensation program for which the objectives were achieved in 2014, which was offset in changes in working capital. The line item "other non-recurring operating income and expenses" as presented in this table differs from the line item with the same name in the income statement because the line item in this table excludes all non-recurring items that do not have an impact on cash for the three months ended March 31, 2015. These items are related to provisions and items of working capital related to disputes and proceedings (see Note 15 to the EGSA Consolidated Financial Statements for the three months ended March 31, 2015 and 2014), as well as a charge of €8 million for a reorganization program (see Note 6 to the EGSA Consolidated Financial Statements for the three months ended March 31, 2015 and 2014).

The items were excluded from the line item "other non-recurring operating income and expenses" and were reclassified into the line items "Changes in provisions and employee benefits included in Adjusted Corporate EBITDA" and "Changes in non-fleet working capital."

(B) Changes in provisions and employee benefits and changes in non-fleet working capital were restated in 2014 for non-recurring items that had no impact on cash in 2014 (for €33 million and €38 million, respectively), and offset in other operating income and expenses.

(C) In 2011, Europcar received a €66 million payment (£55.5 million converted as of the balance sheet date) following settlement of the Fleming VAT claim. This amount was repaid to the claim's beneficiaries in 2012. This item was isolated, offsetting an adjustment of €17.4 million recorded in income tax received/paid and an adjustment of €51 million in changes in non-fleet working capital.

(D) These related to financial assets.

	Twelve months ended March 31,	Three months ended March 31,		Year ended December 31,		
	2015	2015	2014	2014	2013	2012
Selected Key Operating Indicators (unaudited)						
Number of Invoiced Rental Days (in millions)	53.8	11.4	10.3	52.7	50.7	50.7
RPD year-on-year variation[6]	1.0%	1.0%	–	(0.3%)	(1.4%)	(1.0%)
Average Fleet Size in units[7] (in thousands)	n.a	172.4	155.8	189.3	183.6	186.0
Average Fleet Unit Costs/Month (in euros)[8]	n.a	(265)	(260)	(248)	(260)	(284)
Fleet Financial Utilization Rate[9]	n.a	73.6%	73.7%	76.4%	75.6%	74.4%

(In millions of €)	As of and for the twelve months ended March 31,	As of and for the three months ended March 31,		As of and for the year ended December 31,		
	2015	2015	2014	2014	2013	2012
Other Financial Data		(unaudited)				
Adjusted recurring operating income[10]	310.5	15.1	12.1	307.5	260.5	227.4
Adjusted Consolidated EBITDA[10]	707.9	107.4	94.5	695.0	651.1	649.7
Adjusted Corporate EBITDA[10]	219.3	(3.7)	(10.2)	212.8	156.5	119.1
Adjusted Corporate EBITDA Margin	10.9%	(0.9)%	(2.7)%	10.8%	8.2%	6.1%
Total Net Debt (including fleet related off balance sheet commitments)[11]	3,322.3	3,322.3	n.a	3,148.4	2,818.4	2,948.7
Net Corporate Debt[12]	607.0	607.0	n.a	581.2	524.6	567.5
Net Financing Costs (including interest expense included in fleet operating lease rents (estimated), excluding amortization of financing arrangement costs and excluding interest expense from interest rate swaps)	(224.6)	(46.5)	(51.9)	(230.0)	(218.4)	(213.7)
Credit Statistics (unaudited)						
Total Net Debt (including fleet related off balance sheet commitments)/Adjusted Consolidated EBITDA	4.69x	n.a	n.a	4.53x	4.33x	4.54x
Net Corporate Debt/Adjusted Corporate EBITDA	2.77x	n.a	n.a	2.73x	3.35x	4.76x

(1) The components of "fleet holding costs" and "fleet operating, rental and revenue related costs" are discussed in "*Management's Discussion and Analysis of Results of Operations and Financial Condition— Cost Structure and Operational Efficiency*" in this Offering Memorandum.

(2) Other operating income and expenses (other non-recurring income and expenses) of €115.7 million in 2014 included the following expenses: €59.4 million relating to the then-ongoing litigation and an arbitration with Enterprise (see Note 9 to the EGSA Consolidated Financial Statements for the three months ended March 31, 2015 and 2014); €23.9 million related to a multi-year compensation program, whose objectives were reached in 2014; €13 million of restructuring charges related to redundancy plans in several of the Group's entities; and € 9.8 million of external fees incurred in relation to the Fast Lane program (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition*" of this Offering Memorandum).

Other operating income and expenses (other non-recurring income and expenses) of €32.7 million for the three months ended March 31, 2015 include the effect of developments in legal proceedings and in particular (i) the recording of a €45 million provision in connection with the investigation by the French Competition Authority and (ii) the settlement of all litigation with Enterprise entered into on April 29, 2015 (see Note 15 to the EGSA Consolidated Financial Statements for the three months ended March 31, 2015).

Other operating income and expenses of €36.3 million in 2013 primarily included of reorganization charges of €26.7 million related to plans implemented by several Group entities to adapt their cost structure under the Fast Lane program as well as a depreciation of receivables for €6.2 million following the change in law in 2013 in Italy with respect to VAT deductibility for tour operators established outside of the European Union.

Other operating income and expenses of €31.6 million in 2012 primarily included of €19.6 million of reorganization charges and € 8.8 million of amortization and impairment of intangible assets. Reorganization charges included of €12.2 million of redundancy costs and € 7.4 million of external fees incurred in relation to the Fast Lane program.

(3) The amount recorded under "Rental fleet and related receivables" in the statement of financial position represents the acquisition cost of the vehicles (net of volume rebates) and is the sum of two amounts representing distinct current assets:

- the "Vehicle buy-back agreement receivable", representing the agreed buy-back price (the obligation of the manufacturer or dealer); and
- the "Deferred depreciation expense on vehicles", representing the difference between the acquisition cost of the vehicle and the agreed buy-back price. This asset is depreciated in the income statement on a straight-line basis over the contractual holding period of the vehicle.

(4) These investments are earmarked to cover the liabilities of the Group's captive insurance company. See Note 16 to the EGSA Consolidated Financial Statements for the years ended December 31, 2014, 2013 and 2012.

(5) As part of the Group's 2012 refinancing, Eurazeo and ECIP Europcar SARL (a vehicle for co-investors with Eurazeo in Europcar) provided the Group with a €110 million subordinated shareholder's loan, which was capitalized in early February 2013 through the issuance of additional Company shares.

(6) RPD (revenue per rental day) corresponds to rental revenue for the period divided by the number of rental days for the period. The variation in RPD is calculated compared to the RPD of the prior year.

(7) Average fleet of the period is calculated by considering the number of days of the period when the fleet is available (period during which the Group holds the vehicles), divided by the number of days of the same period, multiplied by the number of vehicles in the fleet for the period.

(8) The average fleet costs per unit per month is the total fleet costs (fleet holding costs and fleet operating cost) excluding Interest expense included in fleet operating lease rents, divided by the average fleet of the period, divided by the number of months of the period.

(9) The fleet financial utilization rate corresponds to the number of rental days as a percentage of the number of days in the fleet's financial availability period. The fleet's financial availability period corresponds to the period during which the Group holds vehicles.

(10) The table below presents a reconciliation of adjusted recurring operating income, Adjusted Corporate EBITDA and Adjusted Consolidated EBITDA to recurring operating income.

The Group presents adjusted recurring operating income, Adjusted Consolidated EBITDA and Adjusted Corporate EBITDA because the Group believes they provide investors with important additional information to evaluate the Group's performance. The Group believes these indicators are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Group's industry. In addition, the Group believes that investors, analysts and rating agencies will consider adjusted recurring operating income, Adjusted Consolidated EBITDA and Adjusted Corporate EBITDA useful in measuring the Group's ability to meet its debt service obligations. None of adjusted recurring operating income, Adjusted Consolidated EBITDA or Adjusted Corporate EBITDA is a recognized measurement under IFRS and should not be considered as alternative to operating income or net profit as a measure of operating results or cash flows as a measure of liquidity.

(In millions of €)	Twelve months ended March 31, 2015	Three months ended March 31, 2015	Three months ended March 31, 2014	Year ended December 31, 2014	2013	2012
	(unaudited)	(unaudited)	(unaudited)			
Recurring operating income*	**256.4**	**3.6**	**1.1**	**253.9**	**210.2**	**173.0**
Reversal of interest expense related to fleet operating leases (estimated)[(A)]	54.2	11.6	11.0	53.6	50.2	54.4
Adjusted recurring operating income	**310.5**	**15.1**	**12.1**	**307.5**	**260.4**	**227.4**
Reversal of amortization, depreciation and impairment expense*	31.8	8.0	8.0	31.8	33.8	33.0
Net fleet financing expenses*	(68.9)	(15.3)	(19.3)	(72.9)	(87.5)	(87.0)
Interest expense related to fleet operating leases (estimated)(A)	(54.2)	(11.6)	(11.0)	(53.6)	(50.2)	(54.4)
Adjusted Corporate EBITDA	**219.3**	**(3.7)**	**(10.2)**	**212.8**	**156.5**	**119.1**
Reversal of fleet depreciation*	169.4	40.8	35.6	164.2	171.2	221.6
Reversal of fleet operating lease rents[(A)]*	250.3	55.1	49.8	245.0	235.8	222.0
Reversal of net fleet financing expenses*	68.9	15.3	19.3	72.9	87.5	87.0
Adjusted Consolidated EBITDA	**707.9**	**107.4**	**94.5**	**695.0**	**651.0**	**649.7**

*as set forth in the consolidated income statement and the notes to the financial statements

(A) Fleet operating lease rents consist of a fleet depreciation expense, an interest expense as well as, under several operating lease contracts, a small administration fee. For those fleet operating lease contracts entered into by the Group that do not provide the precise split of the rents amongst the depreciation expense, the interest expense and the administrative fee, the Group makes estimates of this split on the basis of information provided by the lessors. Furthermore, because the interest expense component of the lease rent is in substance a fleet financing cost, Europcar's management reviews fleet holding costs and the adjusted operating income of the Group excluding this expense.

(11) The table below presents the calculation of Total Net Debt (including fleet-related off-balance sheet commitments):

(In millions of €)	As of March 31, 2015	As of December 31 2014	2013	2012
	(unaudited)			
Non-current and current loans and borrowings*	2,146.0	2,170.6	1,981.1	2,016.8
Cash and cash equivalents and restricted cash*	(238.5)	(225.8)	(278.1)	(219.1)
Held-to-maturity investments and other current investments*	(80.5)	(80.6)	(69.4)	(72.9)
Net debt on the statement of financial position*	**1,827.1**	**1,864.2**	**1,633.6**	**1,724.8**
Estimated debt equivalent of fleet operating leases off-balance sheet[(A)]*	1,495.2	1,284.1	1,184.8	1,223.9
Total Net Debt including fleet-related off-balance sheet commitments[(B)]	**3,322.3**	**3,148.4**	**2,818.4**	**2,948.7**

*as set forth in the consolidated balance sheet and the notes to the financial statements

(A) Estimated debt equivalent of fleet operating leases off-balance sheet corresponds to the net book value of applicable vehicles, which is calculated on the basis of the purchase price and depreciation rates of corresponding vehicles (based on contracts with the manufacturers). The Company's financial management verifies the consistency of the external information that is provided.

(B) Net fleet debt (including estimated debt equivalent of fleet operating leases) encompasses all debt and cash financing the fleet.

(12) The table below presents a breakdown of Net Corporate Debt and Total Net Debt (including fleet-related off balance sheet commitments):

(In millions of €)	As of March 31, 2015	As of December 31, 2014	2013	2012
	(unaudited)			
Senior Subordinated Secured 11.50% Notes due in 2017	324	324	324	324
Senior Subordinated Unsecured 9.375% Notes due in 2018	400	400	400	400
Existing Senior Revolving Credit Facility	230	201	133	182
FCT Junior Notes[(A)], accrued interest, capitalized costs of financing contracts and other[(B)(G)]	(149)	(152)	(127)	(198)
Gross Corporate Debt	**805**	**773**	**730**	**708**
Short-term Investments[(C)]	(63)	(63)	(53)	(57)
Cash in operating and holding entities[(C)]	(135)	(129)	(152)	(84)
Net Corporate Debt	**607**	**581**	**525**	**568**
Outstanding EC Finance Notes[(D)]	350	350	350	350
Senior Asset Revolving Facility	350	418	402	337
FCT Junior Notes[(A)] accrued interest, capitalized costs of financing contracts and other	142	128	102	150
UK, Australia and other fleet financing facilities	498	501	395	471
Gross Fleet Debt recorded on the balance sheet	**1,340**	**1,396**	**1,250**	**1,307**
Short-term fleet investments[(C)]	(16)	(16)	(15)	(15)
Cash held in fleet financing entities[(C)]	(103)	(97)	(126)	(135)
Net Fleet Debt recorded on the balance sheet	**1,220**	**1,283**	**1,109**	**1,157**
Estimated debt equivalent of fleet operating leases off-balance sheet[(E)]	1,495	1,284	1,185	1,224
Net Fleet Debt including fleet-related off balance sheet commitments[(F)]	**2,715**	**2,567**	**2,294**	**2,381**
Total Net Debt including fleet-related off balance sheet commitments[(F)]	**3,322**	**3,148**	**2,818**	**2,949**

(A) The subscription proceeds of the FCT Junior Notes subscribed by Europcar International SAS ("**ECI**") provide the overall credit enhancement and, when applicable, an additional liquidity requirement. The FCT Junior Notes are used only to finance the fleet debt requirement. FCT Junior Notes are subscribed by ECI using available cash or drawings on the Senior Revolving Credit Facility.

(B) For countries where fleet costs are not financed through dedicated entities (i.e. Securitifleet entities), the cash used to finance the fleet, which could have been financed by fleet debt, is restated from the net fleet debt with a de-risk ratio.

(C) Other than fleet items, other items included in short-term investments and the Group's cash are those related to the Group's recurring business, including its insurance program (see "*Business—Insurance*" in this Offering Memorandum).

(D) The EC Finance Notes were refinanced in July 2014. These new notes are due in 2021 and bear interest at a rate of 5.125% (as compared to previously being due in 2017 and bearing interest at a rate of 9.75%).

(E) The estimated debt equivalent of fleet operating leases off-balance sheet corresponds to the net book value of applicable vehicles, which is calculated on the basis of the purchase price and depreciation rates of corresponding vehicles (based on agreements signed with the manufacturers). The Company's financial management verifies the consistency of the external information that is provided.

(F) Net fleet debt (including fleet-related off balance sheet commitments) encompasses all debt and cash financing the fleet.

(G) Including non-accrued interest on held-to-maturity investments (Euroguard).

Other financial data adjusted for refinancings (unaudited) (in millions of € except ratios)	**As of and for the twelve months ended March 31, 2015**
Adjusted Corporate EBITDA as adjusted for the issuance of the EC Finance Notes in 2014 [(A)]	225
Corporate consolidated interest expense as adjusted[(B)]	30
Total Net Debt Including fleet-related off balance sheet commitments as adjusted for the Refinancing[(C)(D)]	3,092
Net Corporate Debt as adjusted for the Refinancing[(C)(D)]	377
Ratio of Total Net Debt including fleet-related off balance sheet commitments as adjusted for the Refinancing to Adjusted Consolidated EBITDA	4.37x
Ratio of Net Corporate Debt as adjusted for the Refinancing to Adjusted Corporate EBITDA as adjusted for the issuance of the EC Finance Notes in 2014	1.68x
Ratio of Adjusted Corporate EBITDA as adjusted for the issuance of the EC Finance Notes in 2014 to Corporate consolidated interest expense as adjusted	7.45x

(A) Adjusted to give effect to the issuance of the EC Finance Notes in July 2014 and the application of the net proceeds therefrom as if such transaction had occurred on April 1, 2014.

(B) Corporate consolidated interest expense as adjusted refers to consolidated interest expense (as adjusted for the issuance of the Notes offered hereby and the redemptions of the Outstanding Subordinated Notes pursuant to the Refinancing) on net corporate debt. On an unadjusted basis, corporate consolidated interest expense amounted to €78 million for the 12 months ended March 31, 2015.

(C) Adjusted to give effect to the Refinancing, including the issuance of the Notes and the redemption in full of the Outstanding Subordinated Notes, as if the Refinancing had occurred on March 31, 2015.

(D) The calculations of (i) Total Net Debt including fleet-related off balance sheet commitments and (ii) Net Corporate Debt, in each case, as adjusted for the Refinancing, do not take into account the net cash proceeds remaining after the Refinancing (€ 122 million). Such proceeds are intended for general corporate purposes of the Group, including investments in strategic initiatives (see "*Use of Proceeds*").

Risk Factors

You should carefully consider the following risks, as well as the other information set forth in this Offering Memorandum before purchasing the Notes. If any of the following risks occurs, our business, prospects, general results of operations or financial condition and our ability to make payment on the Notes could be materially adversely affected. The price of the Notes could decline due to any of these risks, and you may lose part or all of your investment. The risks set forth herein are not the only risks that we face. In addition to the risks described below, we may encounter unknown risks, or risks that we currently believe to be immaterial, which may also impair our business, prospects, general results of operations or financial condition. If any of the possible events described below were to occur, our business, financial condition and results of operations could be materially and adversely affected. If that happens, we may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on our business prospects, general results of operations or financial condition. In addition, our past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. Unless the context requires otherwise, references in this section to "Europcar", "we", "us" and "our" include references to EGSA and its consolidated subsidiaries, and do not include the SPV Issuer.

This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum.

Risks relating to the group's industry and markets

The Group faces risks related to the high level of competition in the vehicle rental industry.

The vehicle rental industry is a competitive market. The Group competes at the international level primarily with a number of global vehicle rental companies such as Hertz, Avis and Enterprise. The Group also competes in specific regions or countries with a number of smaller regional companies (such as Sixt in Europe or GoldCar in Southern Europe). Enterprise, which has regained control of its National and Alamo brands in Europe, the Middle East and Africa, could become a more significant competitor in several of the Group's main markets (see "*Business—Regulatory, Legal and Arbitration Proceedings*"). In particular regions, some of the Group's competitors and potential competitors may have greater market share, more technical staff, larger customer bases, lower cost bases, more established distribution channels or greater brand recognition and may adapt more rapidly than the Group does to respond to expectations and changes in demand in the regions in which they operate. On a worldwide basis, some of these competitors and potential competitors may have greater financial or marketing resources. The market shares of the leading participants of the vehicle rental market in the Group's European Corporate Countries were approximately 19% for Europcar, 13% for Avis, 12% for Hertz, 11% for Sixt and 10% for Enterprise in 2013, as compared to 20% for Europcar, 13% for Avis, 12% for Hertz, 11% for Sixt and 9% for Enterprise in 2012 (source: KPMG Study, based on the mid-point of the estimated company market shares and based on company revenues (excluding those of franchisees)).

Price is one of the industry's main competitive factors. Pricing is significantly affected by the supply of vehicles available for rent relative to demand, and oversupply of rental vehicles relative to demand can result in intense pricing pressure as vehicle rental companies seek to maintain high fleet utilization rates by rapidly adapting their fleet capacity to demand. Vehicle rental companies adjust fleet size based on their demand and supply forecasts as well as competitive positioning strategies. A number of variables complicate the accuracy of such forecasts, including the variability of other vehicle rental companies' fleet sizes and the relative dispersion of the European market, which may lead to mismatches between supply and demand.

The Group's competitors may also seek to compete aggressively on the basis of price in order to protect or gain market share. The Group risks losing rental volume to the extent that its competitors reduce their prices and the Group does not match or provide competitive pricing or if price increases the Group seeks to implement make it less competitive. To the extent that the Group does not match or remain within a competitive margin of its competitors' prices, it could lose rental volume. If competitive pressures require the Group to match competitors' prices but the Group is not able to reduce operating costs correspondingly, then the Group's results of operations and financial condition could be materially and adversely affected.

Furthermore, the emergence of new mobility solutions creates opportunities but also carries risks. The arrival of new potential competitors such as companies offering car-sharing and car-pooling services and their growing presence in the mobility market may also affect the Group's competitive position.

Structural changes in the vehicle rental market could have an adverse effect on the Group's profitability.

The vehicle rental market has been undergoing structural changes that have affected its competitive dynamics in recent years.

The increasing use of the Internet for vehicle rental reservations is a significant structural change that has increased and will likely continue to increase competitive transparency and thus potential price pressure in the vehicle rental industry. The percentage of vehicle rental reservations made via the Internet (including through brokers) has substantially increased in recent years (increasing from 27% of the Group's reservations in 2008 to 41% in 2011 and 52% in 2014). The Internet's popularity is due, among other things, to its ease of use (including for last minute bookings) and the fact that it enables price and service comparisons. With the goal of limiting competitive pressure on prices, the Group seeks, for example, to maintain good relationships with brokers, based on a multi-brand and multi-product strategy. In particular, the Group benefits from support during low seasons and certain prepayments and offers brokers in this respect guaranteed availability during high seasons. The Internet also enables cost-conscious customers, in particular business travelers who generally make reservations through their purchasing departments, to obtain the lowest rates and best and clearest terms from vehicle rental companies for any given trip. This increase in transparency is ongoing and may continue to increase the intensity of competition as well as the homogenization of offers such that price could increasingly become the primary, or even sole, differentiating factor. Trends in regulation with respect to consumer rights may also push the market towards a homogenization of offers (see "*Business—Consumer Protection Regulations in the EEA*"). These trends could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In parallel with increased pricing transparency and the recent economic downturn, individuals and businesses have been increasingly focused on low-cost travel and many companies have implemented measures to reduce business travel costs. As a result, the vehicle rental market has also witnessed increased demand for smaller economy vehicles, which has required providers to adjust their fleet. Failure to adapt to these market changes, together with increased competition, could have a material adverse effect on the Group's profitability.

Weakness in macro-economic conditions or in travel demand in Europe or the other areas in which the Group operates could depress vehicle rental volume in such markets.

Europcar benefits from an international network and operates primarily in Europe. 92% and 8% of Europcar's total revenue (before intra-group eliminations and holdings) for the year ended December 31, 2014 was generated in Europe and the Rest of the World, respectively. Demand for vehicle rentals in a given region, and corporate rentals in particular, is affected by trends in the gross domestic product (GDP). Declines in or stagnation of GDP negatively impacts the level of vehicle rental demand. For example, the vehicle rental industry in general and the Group in particular were negatively affected by the global financial and ensuing economic crisis beginning in 2008/2009 and again in Europe in 2011/2012 by the sovereign debt crisis. Such crises resulted in a tightening of the credit markets, a reduction in business and leisure travel, reduced consumer spending and an increase in volatility of fuel prices, all of which negatively affected the vehicle rental industry, particularly corporate rentals. Although macro-economic conditions improved globally and in the Group's key markets in 2013 and 2014, current conditions in and outlook for the Euro-zone economy remain uncertain, with a persistent risk of stagnation or deflation, as well as the possibility of the reemergence of a sovereign debt crisis. In particular, in January 2015, the International Monetary Fund (IMF) released its forecasts of growth in the Eurozone of 1.2% in 2015 and 1.4% in 2016. A deflationary environment in Europe would limit the Group's growth prospects and any deterioration in the Euro-zone economy could adversely affect the Group's business, results of operations, financial condition and prospects.

Vehicle rental demand, particularly in the leisure segment, is also affected by trends in air travel, which themselves are in turn affected both by macroeconomic conditions as well as by specific factors such as flight ticket prices, fuel price trends, work stoppages, terrorist incidents (or a perceived heightened risk of incidents), natural disasters, epidemics, military conflicts or government responses to any of these events. 42% of Europcar's total rental revenue for the year ended December 31, 2014 was generated from rentals at its airport rental stations. Europcar has significant alliances and partnership arrangements with a number of major airlines that generate a significant source of demand for its services. Accordingly, a substantial portion of Group revenue is strongly correlated with the level of air traffic. Any event that disrupts or reduces business or leisure air travel could therefore have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Uncertainty and volatility with respect to economic conditions and air travel frequency levels also complicate demand trend projections and hence fleet management.

The vehicle rental industry is highly seasonal and sensitive to weather conditions, and any disruption in rental activity during the peak season, or any difference between actual and anticipated demand, could have a material adverse effect on the Group's business, results of operations and financial condition.

The second quarter and, even more significantly, the third quarter of the year have historically been the Group's strongest quarters due to higher levels of leisure travel in the summer months. As an example, for the year ended December 31, 2014, the second and third quarters combined accounted for 57.7% of the Group's revenue for the year and 89.4% of its Adjusted Corporate EBITDA. Any occurrence that disrupts rental activity during the second or third quarters could have a significant material adverse effect on the Group's revenues and profitability (given the existence of substantial fixed costs).

Vehicle rental demand is also highly sensitive to weather conditions. The tendency towards last minute reservations (itself resulting in part from the increasing weight of Internet-based distribution channels) has increased this sensitivity. Bad weather, particularly in the summer months, could reduce demand during this critical period of the year. A sharp reduction in demand due to poor weather may not be anticipated by the Group's fleet management planning, and could have a material adverse effect on the Group's revenues and profitability.

The Group purchases vehicles for its fleet based on anticipated fluctuations in demand, in particular seasonal fluctuations. The necessary variation in fleet levels also results in higher levels of debt in the summer months compared to other times of year, as additional capital is required to fund fleet acquisitions. The Group manages its cost base and investment decisions in line with forecast activity levels and prior experience. Any difference between forecasted and actual activity, in particular during peak periods, could have a material adverse effect on pricing both during the peak periods and in the "shoulder" periods before and after them and therefore on the Group's business, results of operations and financial condition.

The vehicle rental industry is evolving rapidly, in particular due to the advent of mobility solutions. The Group's failure to keep pace or the Group's pursuit of products or technologies that do not become commercially accepted, may adversely affect its business, results of operations, financial condition and prospects.

The vehicle rental industry has been evolving and is facing further and potentially substantial structural changes due to changing customer preferences and usages combined with and driven by technological change. The evolution of the mobility solutions market poses risks in addition to opportunities (see "*Business—Presentation of the Group's Market and Competitive Position*" *and* "*Business—The Group's Strategy*"), to the extent that the Group could fail to adapt quickly enough to meet customer expectations and seize opportunities in this evolving market. In addition, there is a risk of cannibalization of products or services proposed by new entrants in the vehicle rental market or by other parties in related markets, which may gain more market acceptance and could result in the decline of vehicle rental use.

In order to keep pace, the Group must concentrate its resources on the products, services and technologies that it believes, according to its estimates, will provide the most value or will achieve substantial customer acceptance and in which it has or can acquire or develop the appropriate technical expertise for their operation (see "*Business—Europcar Lab / Mobility Solutions*"). Due to the evolving nature of the technologies and customer usages, however, the Group's efforts and investments may not turn out to be appropriately focused on products and services that could gain market acceptance.

As part of the Group's strategy to expand into new mobility solutions, it has entered into and may continue to enter into long-term agreements and joint ventures with strategic partners, such as the Car2go Europe joint venture with Daimler, and make acquisitions, such as its recent acquisition of Ubeeqo. However, joint ventures and acquisitions are themselves subject to risks inherent to this type of structure or transaction (see "*—The Group's strategy to expand into new markets, both geographic and in the changing field of mobility solutions, may not be successful and may strain its resources*").

The Group's prospects depend in part on its ability to maintain a product and service portfolio that is attractive to its existing and prospective customers and to continue to introduce new products and services successfully on a timely basis. Potential failure by the Group to bring valuable new services to the market in a timely manner could result in market share losses and could in the long term have a material adverse effect on its business, results of operations, financial condition and prospects.

Risks related to the group’s business

The Group faces risks related to its ability to develop and maintain favorable brand recognition.

The Group invests in its Europcar® and InterRent® brands and incurs substantial expense to promote its brands, including through partnerships and advertising campaigns. Factors affecting brand recognition are often outside the Group’s control, however, and such efforts may not be successful (for examples, see *“—Risks related to the protection of intellectual property rights*” and *“—Risks related to regulatory, legal and arbitration proceedings*”). The Group is also in the process of deploying its InterRent® brand, and no assurances can be given that the InterRent® brand will become as well-established as the Europcar® brand in its targeted segment. More generally, unfavorable publicity concerning the Group’s brands or the industry, and in particular, as the Group’s leisure rental activity is increasingly reliant on online sales, any negative publicity on the Internet or social media, could damage the Group’s brands and accordingly have a material adverse effect on its business, results of operations, financial condition and prospects.

The risk of reputational damage to the Group’s brand is magnified by the existence of its extensive network of franchisees, agents and independent partners (see “*Business—Europcar Network*”). While the Group has implemented Brand Guidelines that specify the conditions under which its partners, franchisees and agents may reproduce and/or represent its brands and it ensures, in particular via Internet monitoring, that franchisees, agents and partners adhere to its standards and thereby uphold and promote its brands that they use under license, any failure by them to do so could adversely affect the brands’ reputation. This could in turn make it more difficult for the Group to attract new franchisees, agents or partners and thus compromise its growth strategy.

The Group’s operations at airports and train stations are dependent upon the conclusion and renewal of concession agreements on acceptable terms.

For the year ended December 31, 2014, revenue generated by rentals from airport stations represented 42% of total Group rental revenue in Corporate Countries. The number of rental stations in airports as a percentage of the Group’s total number of rental stations remained stable at between 14% and 16% over the 2011 to 2014 period. The Group operates airport and train station rental locations pursuant to concessionary arrangements that have terms typically of three to five years. While historically such arrangements have been renewed, the commercial terms may be adjusted and there can be no assurance that they will be renewed on similar terms (in particular due to an upward trend in commissions paid to airports reflecting inflation to be passed on to the end consumer, where applicable). A potential inability to continue operations on acceptable terms at major airports and train stations currently within the Europcar network could have a material adverse effect on the Group’s business, results of operations and financial condition.

The Group faces risks related to fleet supply and financing.

The Group’s fleet is composed of vehicles purchased from a number of automobile manufacturers. During the year ended December 31, 2014, the Group acquired approximately 33% of its fleet from Volkswagen, 15% from Fiat, 11% from General Motors, 10% from Renault, 9% from Peugeot Citroen, 6% from Hyundai, 6% from Daimler, 3% from Ford and the remaining 7% from other manufacturers, with the fleet mix by manufacturer varying by country. Any of these automobile manufacturers may decide to significantly curtail production or sales to the vehicle rental industry as a result of a number of factors. For example, depending on market conditions, sales of vehicles to rental companies may be less profitable for automobile manufacturers than other sales channels or may not suit their marketing and branding strategy at a given time. Indeed, sales to the vehicle rental industry have historically been relatively less profitable for automobile manufacturers due to sales incentive and other discount programs that allow fleet purchasers such as Europcar to decrease the average holding costs for their vehicles. Fleet supply and holding costs could increase if automobile manufacturers implement strategies to limit sales to the vehicle rental industry or improve the profitability of such sales (*e.g.*, by offering lower discounts or repurchase prices), and there can be no assurance that the Group will be able to pass on such increased costs to its rental customers. If the Group is unable to obtain favorable pricing and other terms when it acquires vehicles and is unable to pass on increased costs to customers, the Group’s results of operation and financial condition could be materially adversely affected. For further information on the Group’s expenses related to vehicle purchases and costs related to purchasing and selling vehicles, see “*The Group—Historical Investments*” *and* “*Management’s Discussion and Analysis of Results of Operations and Financial Conditions—Cost Structure and Operational Efficiency*”.

The terms of the Group’s fleet financing vary widely, depending on the supplier and the market in which the vehicles are to be used. While the Group has benefited from credit terms that are in line with its activity, there can be no assurance that the Group’s principal fleet suppliers will continue to offer credit, through their financing divisions, on the same terms in the future. Adverse changes to credit terms have in some instances resulted and may in the future result in an increase in the Group’s debt funding requirement, which the Group may not be able to satisfy by other means on more attractive terms.

The Group faces risks related to the financial condition of automobile manufacturers and dealers upon which it relies to supply its fleet, particularly if they are unable or unwilling to repurchase vehicles whose residual value has decreased.

The Group relies to a significant extent on contractual agreements with a limited number of automobile manufacturers and dealers; Volkswagen, Fiat, General Motors and Renault represented approximately 70% of the purchases made by the Group to supply its fleet in 2014.

The automobile industry was largely impacted by the economic recession, which seriously challenged U.S. automakers in particular, and ultimately led to filings for Chapter 11 bankruptcy protection by Chrysler and General Motors in 2009. Although such automakers have since seen improvements in their financial conditions and benefited from funds received as part of the U.S. federal government automobile industry bail out, they and other automakers outside the U.S. remain vulnerable to uncertain market conditions and risks associated with renewed economic downturns in the U.S. and Europe. Furthermore, changes in the automotive sector could accelerate the concentration of automakers, ultimately resulting in the disappearance of certain brands or models.

Any economic or financial distress affecting manufacturers, dealers and their suppliers of vehicle components, could also cause them to raise the prices the Group pays for vehicles or to reduce their supply. As a result, there is no guarantee that the Group will continue to be able to obtain vehicles at competitive terms and conditions or in the form of the particular vehicle sales arrangements on which the Group currently relies. In particular, the Group relies on buy-back arrangements (whereby the Group’s vehicles are repurchased by the manufacturer or dealer on pre-established terms after a certain pre-determined period) to limit potential residual risk with respect to vehicles purchased under the programs, to enable financing on the basis of the agreed repurchase price and to provide flexibility for fleet management. If vehicle acquisition costs increase and the Group is unable to pass on all or part of increased costs to its customers, or if the Group is unable to supply itself with vehicles by benefiting from buy-back arrangements at competitive terms and conditions, the Group’s results of operations and financial condition may be materially and adversely affected.

Furthermore, although the aforementioned U.S. automobile manufacturers that benefitted from Chapter 11 bankruptcy protection under U.S. law in 2009 have always been able to meet their buy-back arrangements with the Group, the Group could incur material expenses following a manufacturer or dealer default under its agreements with the Group as a result of bankruptcy proceedings or otherwise. In these circumstances, the Group may be unable to dispose of its vehicles at the prices specified under the repurchase program or calculated based on the guaranteed depreciation, or it may be unable to receive contractual premiums. Failure by a manufacturer or dealer to fulfill its aforementioned obligations could leave the Group with a substantial and uncertain unpaid claim particularly with respect to vehicles that have been (i) resold for an amount less than the amount contractually guaranteed and therefore subject to a payment obligation from the manufacturer or dealer for the loss incurred by the Group or (ii) returned to the manufacturer or dealer but for which the Group may risk not receiving any payment or only partial payment. Such failure to perform could lead the Group to incur a substantial loss.

In the case of insolvency or default of a vehicle manufacturer or dealer, it may not be possible to recover all amounts owed to the Group under buy-back agreements in certain jurisdictions. If an automobile manufacturer or dealer were to become insolvent, applicable bankruptcy laws may prohibit the Group from asserting its rights with respect to the buy-back agreement under certain circumstances. Where the payment claims are secured by a retention of title provision, the enforcement of the security may be significantly delayed due to the time necessary to regain control of vehicles. Moreover, in some jurisdictions, the Group may still be subject to certain residual liabilities as a matter of law. The default probability of a manufacturer is monitored on a monthly basis through ratings by Standard & Poor’s and Moody’s. However, a downgrade of one or more manufacturers would have a material adverse effect on the eligibility of vehicles for financing and on the advance rate of the financing, and therefore on the Group’s liquidity.

With respect to “risk vehicles” not covered by repurchase programs with buy-back commitments from the vehicle manufacturers or dealers (representing approximately 8% of Europcar’s 2014 fleet purchases in units), any reduction in their residual values could cause the Group to sustain a loss during the ultimate resale of such vehicles and would affect its liquidity by decreasing the value of the asset base upon which financing is based. Any increase in the share of “risk vehicles” in the Group’s fleet would increase its exposure to fluctuations in the residual value of used vehicles.

The Group faces risks related to the vehicles not covered by repurchase programs, including exposure to the vehicle resale markets and reduced flexibility with respect to management of the Group’s fleet.

Approximately 94%, 92% and 92% of the Group’s fleet in units delivered in 2012, 2013 and 2014, respectively, was covered by a buyback commitment.

Residual values of the remaining vehicles not covered by repurchase programs, referred to as “risk vehicles”, are exposed to adverse pricing conditions and uncertainties in the used vehicle market. The Group’s ability to sell its vehicles in the used vehicle market place could become severely limited as a result of a number of factors, including the macro-economic environment, model changes, legislative requirements (*e.g.*, changes to environmental legislation or vehicle taxes), and oversupply by manufacturers of new vehicles. A decline in used vehicle prices or a lack of

liquidity in the used vehicle market may severely hinder the Group's ability to resell "risk vehicles" without a loss on investment and could adversely affect the Group's profitability.

Although the Group has entered into several multi-year agreements for the buy-back of vehicles, the current relatively low percentage of "risk vehicles" in the Group's rental fleet could increase as a result of market conditions or if manufacturers were reluctant to agree to sales with buy-back agreements or if they offered less attractive buy-back terms. Market trends in certain jurisdictions tend towards greater demand for low-cost vehicles, which may result in an increase in the percentage of "risk vehicles" in the Group's fleet, since they are less costly to purchase than vehicles purchased in the context of repurchase programs. Automobile manufacturers may cease granting repurchase programs or modify the terms of repurchase programs from one year to another, rendering the purchase of vehicles in the context of such programs less attractive. The Group's vehicles covered by repurchase programs may also fail to meet repurchase conditions, in particular condition and mileage requirements for returned vehicles. Vehicles that fail to meet repurchase conditions become "risk vehicles". For the years ended December 31, 2012, 2013 and 2014, the percentage of vehicles covered by buy-back programs converted into "risk vehicles" was 2.7%, 2.2% and 1.7%, respectively.

The Group relies on repurchase programs for a substantial portion of its fleet financing. If the Group were to fail to purchase a significant part of its fleet through repurchase agreements at acceptable conditions, vehicle-related debt financing would become more difficult to obtain on acceptable terms. See "*—The Group may be unable to continue financing vehicle acquisitions for its fleet via asset-backed financing, or there may be unfavorable changes in asset-backed financing terms, which could entail a significant increase in financing costs and have a material adverse effect on the Group's financial condition and results of operations*".

Fleet holding costs represent a significant portion of the Group's operating expenses and repurchase programs enable the Group to determine a substantial portion of its fleet holding cost expense in advance. Any increase in the proportion of "risk vehicles" in the Group's fleet would decrease the Group's ability to determine its fleet holding cost expense in advance.

In addition, repurchase programs provide increased flexibility to adjust the size of the Group's fleet to respond to seasonal fluctuations in demand or in the event of an economic downturn, because such programs typically allow vehicles to be returned sooner than originally expected without risk of loss if certain conditions are met. This flexibility has enabled the Group to optimize its fleet holding costs and increase its profitability. There can be no assurance that the Group will be able to maintain the currently high percentage of buy-back vehicles in its rental fleet or that the same level of flexibility will be maintained in the future, which could have a material adverse effect on the Group's results of operations and financial condition.

Manufacturer safety recalls could adversely affect the Group's business.

Vehicles in the Group's fleet may be subject to safety recalls by their manufacturers. Under certain circumstances, recalls may cause the Group to attempt to retrieve rented vehicles from customers or to decline to rent available vehicles until the steps described in the recalls can be applied. If a large number of vehicles are the subject of simultaneous recalls, or if needed replacement parts are not in adequate supply, the Group may not be able to re-rent recalled vehicles for a significant period of time. The Group could also potentially face liability claims if recalls concern vehicles that it has already re-sold. Depending on their number and severity, recalls could materially adversely affect the Group's revenue, reduce the residual value of the vehicles involved, create customer service problems and harm the Group's general reputation.

The Group's business relies in part on key contractual relationships with certain partners and distribution channels.

In the leisure segment, the Group relies on a number of key targeted partnerships and distribution channels, which generate significant rental revenue and accounted for approximately 36% of its vehicle rental reservations in 2014 (for more information on the Group's partnerships in the leisure segment, see "*Business—Partnerships to Reach Leisure Customers*") including, in particular:

• in the airline sector, partnerships with airline companies such as easyJet, Aeroflot, Emirates and Qatar Airways;

• in the hotel sector, partnerships with large groups such as Accor and Hilton;

• in the railway sector, partnerships with Thalys;

• marketing partners such as credit card companies, credit institutions or membership organizations such as American Express, HSBC and Citibank; and

• distribution channels such as traditional and online travel agencies or global distribution systems that connect travel agents, travel service providers and corporations to the Group's reservation system.

In the business segment, the Group also has numerous exclusive or non-exclusive contracts with large corporations, which cumulatively generate a substantial portion of the Group's consolidated revenue.

The loss of certain of these partnerships, distribution channels or contracts, unfavorable changes in their terms, including commission schedules or financial arrangements, the potential termination of certain of these contracts (a certain number of which may be terminated at any time by partners), a reduction in the volume of sales from certain partners or channels, or a party's inability to process and communicate reservations to the Group could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's business relies on contractual relationships with certain key suppliers in addition to automobile manufacturers.

The Group has a number of contractual agreements with suppliers other than automobile manufacturers, in particular insurance providers, information technology suppliers and call center suppliers. The Group relies mainly on AIG and, in Spain, on Allianz in relation to the mandatory insurance cover for its business and is dependent on such relationships to the extent that few insurance companies in Spain write such policies. See "—*Risks Related to Liability and Insurance*" and "Business—*Insurance*". The Group also has important relationships with several suppliers of software and services that it uses to operate its systems, manage reservations and its fleet and provide certain customer services. The Group has outsourced a number of its call centers and is reliant on such suppliers with respect to a significant portion of its calls from customers.

The suppliers on which the Group relies may be unwilling to extend contracts that provide favorable terms to the Group, or they may seek to renegotiate existing contracts with the Group. The Group cannot guarantee that the suppliers on which it relies will properly provide the services and products it needs for the operation of its business on competitive terms or at all. The occurrence of any of these risks may create operational problems, damage the Group's reputation, result in the loss of customers and have a material adverse effect on the Group's business, results of operation and financial condition.

The Group's business relies on key contractual relationships with franchisees and agents.

Royalties received from franchisees represented €53.3 million for the year ended December 31, 2014. In addition to an entrance fee, and, upon renewal of their contracts, a territory fee, franchisees pay royalties representing a percentage of rental revenue generated by their vehicle rental operations, and a reservation fee based on the number of reservations booked through the Group's reservations systems. Approximately 15%, 14%, 13%, 19% and 39% of Europcar branded franchise contracts are due for renewal in 2015, 2016, 2017, 2018 and 2019 and beyond, respectively. The Group cannot guarantee that franchisees will continue to renew their contracts or will renew them on as favorable terms. The Group may lose franchisees to competitors who may have greater market share, larger customer bases, more established distribution channels or greater brand recognition than the Group does. If one or more of the Group's franchisees were to leave the Group's network, and if the Group were unable to secure agreements with equally profitable replacement franchisees, the Group's profitability and prospects could be adversely affected. The loss of franchisees could also weaken the Group's brands.

Moreover, franchises are independent operators and their employees are not Group employees. Consequently, the Group's franchisees may not operate in a manner fully consistent with the Group's standards and requirements or may not hire and train qualified managers and other personnel. If this were to occur, the Group's image and reputation could suffer.

The Group also operates certain rental stations through agents in its Corporate Countries. From time to time the validity or enforceability of certain terms and provisions of the Group's agency agreements have been and may in the future be challenged by the Group's agents or third parties. To the extent a court or regulatory authority were to find a term or provision to be invalid or unenforceable and if such finding were determined to be applicable to all of the Group's agency agreements in a particular jurisdiction, the Group's results of operations could be materially adversely affected.

In addition, the Group faces risks with respect to the actions of, or failures to act by, its franchisees and agents. Although the Group actively monitors the activities of these third-party operators, and under certain circumstances is entitled to terminate their agreements in case of failure to adhere to contractual operational standards, the Group may be unable to detect significant problems as they arise. Moreover, the actions of third-party operators may not be clearly distinguishable from the Group's own, which may expose the Group to liability or reputational damage. It is the Group's policy to disassociate itself, when possible, from such claims involving its franchisees and agents and to pursue indemnity for any adverse outcomes that affect the Group. Failure of franchisees and agents to comply with laws and regulations may expose the Group to liability, damages and unfavorable publicity that could adversely impact the Group's business, results of operations or financial condition (for further information on the management and operation of franchisee activities, See "*Business—Franchises*").

The Group may not succeed in its efforts to improve its operating efficiency.

Since 2012, the Group has been implementing a transformation program called "Fast Lane", seeking in particular to improve the Group's operating efficiency via the optimization of its fleet management and reduction of its vehicle acquisition and maintenance costs. The initiatives implemented include or may include headcount reductions, business process re-engineering and internal reorganization of the Group. Certain initiatives entail costs (particularly reorganization charges, which amounted to €19.6 million, €26.7 million and €22.8 million in 2012, 2013 and 2014, respectively). If the Group is unable to implement such initiatives for cost-related reasons or any other reason, its ability to improve its operating efficiency and profitability could be limited.

The Group's strategy to expand into new markets, both geographic and in the changing field of mobility solutions, may not be successful and may strain its resources.

The Group's strategy depends in part on its ability to continue to expand into geographic areas where the Group has little or no experience and where competitive pressures, particularly on prices, may be substantial. It also depends on its ability to identify and successfully exploit opportunities in the changing mobility solutions markets and more generally to adapt its commercial strategy to evolving customer preferences and customer mix in its existing markets. The Group has a global presence in over 140 countries (directly and through franchises and partnerships) and may expand into additional countries in connection with its development strategy, including in emerging markets in Asia, Africa, Latin America and Eastern Europe (for more information on the Group's development strategy, see "*Business—Develop drivers for the Group's growth*"). Operations in emerging markets are inherently subject to higher economic, political and legal risks than in developed markets.

The Group's forays into new markets or market segments may take the form of franchise arrangements in line with the Group's traditional approach, a joint venture or partnership with another company, or the acquisition of an existing business. However, the Group may not be successful in identifying appropriate opportunities, potential franchisees, joint venture partners, alliances or agents, or in entering into agreements with them. The Group's partners may also have economic or business interests or goals that are inconsistent with the Group's or they may be unable or unwilling to fulfill their obligations under the joint venture or other agreements. Furthermore, they may benefit from knowledge acquired under these joint venture agreements. In addition, certain of the Group's debt instruments and facilities place certain limitations on the Group's ability to make acquisitions, enter into joint ventures or other partnership arrangements. See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*".

In the event that the Group chooses to expand by means of a franchise agreement, the Group could face additional risks, including (i) possible conflicts of interests with the new franchisees, (ii) lack of expertise in local franchise laws, (iii) unfavorable commercial terms, (iv) the Group's difficulty in maintaining uniform standards, control procedures and policies and (v) the possible failures of a franchisee to fulfill its contractual obligations. An expansion into new markets or customer segments through a new franchise agreement could also involve a significant amount of management time, potentially disrupting ongoing business.

In the event that the Group chooses to expand by means of one or more acquisitions, the Group could face additional risks, including: (i) potential disruption of the Group's ongoing business, changing, in particular, the Group's business profile in ways that could have unintended negative consequences, and monopolization of management's time; (ii) potential failure to achieve anticipated synergies; (iii) difficulty integrating the acquired business; and (iv) exposure to unknown and/or contingent or other liabilities, including litigation arising in connection with the acquisition and/or against any businesses the Group may acquire.

If the Group makes acquisitions in the future, acquisition-related accounting charges may affect the Group's financial condition and results of operations. In addition, the financing of any significant acquisition may result in changes in the Group's capital structure, including the incurrence of additional indebtedness. The Group may not be successful in addressing these risks or any other problems encountered in connection with any acquisitions.

Any one of these factors could result in delays in implementation of the Group's growth strategy, increased costs or decreases in the amount of expected revenues related to the expansion and have a material adverse effect on the Group's results of operations, financial condition and prospects.

Personnel costs constitute a significant portion of the Group's operating expenses such that increases in prevailing wages, benefits and related costs, including increases in the minimum wage in the jurisdictions in which the Group operates, could have a material adverse effect on its results of operations and financial condition.

The Group's financial performance is affected by trends in wage levels and benefits granted to personnel. The Group has a substantial number of employees who are paid wage rates at or slightly above the statutory minimum wage. If statutory minimum wage rates increase in one or more countries in which the Group directly operates, the Group may be required to increase not only the wages of its minimum wage employees but also the wages paid to employees whose wage rates are above minimum wage. A shortage of qualified employees also could require the Group to

increase wages and benefit offerings in order to compete effectively in the hiring and retention of qualified employees or to retain more expensive temporary employees. Due to competitive conditions in the Group's business, any such increases in labor and benefits costs could be difficult for the Group to recover through contemporaneous price increases, and there can be no assurance that the Group would be able to absorb such cost increases through efforts to increase efficiencies in other areas of its operations. For the years ended December 31, 2012, 2013 and 2014, the Group's personnel costs totaled €309.2 million, €310.8 million and €318.2 million, respectively (or 18% of the Group's total operating expenses for these three years). Accordingly, increased labor and benefits costs, particularly in Germany, France and the United Kingdom, where the Group has more employees, could have a material adverse effect on the Group's results of operations and financial condition.

The Group's operations are dependent to a significant extent on its ability to retain the members of its senior management team and retain and attract key personnel and high-quality staff.

The Group relies on a number of key employees, both in the Group's management and the Group's operations, with specialized skills and extensive experience in their respective fields. The Group believes that the growth and success of its business will depend on the Group's ability to attract highly skilled and qualified personnel with specialized know-how in the vehicle rental industry. The Group's senior management team has extensive industry experience, and the Group's success depends to a significant degree upon the continued contributions of that team. If the Group were to lose any members of its senior management team, the Group's ability to successfully implement its business strategy, financial plans, marketing and other objectives, could be significantly affected.

While the Group places emphasis on retaining and attracting talented personnel and invests in extensive training and development of its employees, there can be no assurance that the Group will be able to retain or hire personnel with equivalent expertise. For example, the Group's management and executives benefit from a multi-annual compensation program implemented in 2013 under the "Fast Lane" transformation program. Moreover, for several years the Group has made use of its "Europcar University" program that offers different training programs depending on the relevant public as well as its "Europcar Master Sales Certification Program" intended for Sales Directors, Leaders and Large Account Representatives (see "*Business—Human Resources Policy*"). The seasonality of the rental vehicle industry requires the Group to adjust staffing levels throughout the year in line with business needs, particularly through the use of temporary employees. Should the Group encounter any difficulty in retaining and attracting sufficient staff or experience labor disputes or stoppages, its business and results of operations may be adversely affected.

The Group relies on centralized information systems to conduct its day-to-day operations, and the failure or unavailability of such systems or the Group's inability to keep pace with new information technology developments could have a material adverse effect on its operations.

The Group relies heavily on information systems to record reservations, process rental and sales transactions, manage its fleets of vehicles, account for its activities and otherwise conduct its business. The Group has centralized its information systems and relies on communications service providers to link its systems with the business locations these systems serve. See "*Business—IT System*". A major failure of IT or other systems, or a major disruption of communications between the system and the locations it serves, could cause a loss of reservations, slow rental and sales processes, interfere with the Group's ability to manage its fleet and otherwise materially adversely affect its ability to manage its business effectively. The Group's systems designs and business continuity plans may not be sufficient to appropriately respond to any such failure or disruption.

In addition, to achieve its strategic objectives and remain competitive, the Group must continue to develop and enhance its information systems in order to meet market needs and keep pace with new information technology developments. This may require investment in and development of new proprietary software or other technology, the acquisition of equipment and software, or upgrades to the Group's existing systems. The Group has invested in its information systems, including under its "Fast Lane" program (with IT development expenses excluding software and hardware of € 9.3 million in 2014, €8.2 million in 2013 and €9.1 million in 2012), but no assurance can be given that the Group will be able to anticipate such developments or have the resources to acquire, design, develop, implement or utilize, in a cost-effective manner, information systems that provide the capabilities necessary for the Group to compete effectively. In addition, regulatory changes may require the Group to bring its IT system to applicable standards which may entail significant costs. Any failure to adapt to technological developments could have an adverse effect on the Group's business, results of operations and financial condition.

Any potential failure by the Group to protect customer data against security breaches and cyber-attacks could damage the Group's reputation and substantially harm the Group's business and results of operations.

The Group's systems regularly possess, store and handle customer data, including personal data concerning millions of individuals and nonpublic data concerning many businesses. Failure by the Group to maintain the security of the data it holds, whether as the result of the Group's own error or the malfeasance or errors of others, could harm the Group's reputation and give rise to significant liabilities. Third parties may have the technology or expertise to breach the security of the Group's customer transaction data. The Group's security measures may not prevent security breaches that could result in substantial harm to its business and results of operations and damage to its reputation. The Group intends to rely on encryption and/or authentication technology licensed from third parties to securely transmit sensitive data, including credit card numbers. Advances in computer capabilities, new discoveries in the field of cryptography, or other developments may result in a compromise or breach of the technology the Group uses to protect customer transaction data. In addition, anyone who is able to circumvent the Group's security measures could misappropriate proprietary information or cause interruptions in the Group's operations see "*Business—IT System*" for further information on the Group's IT system).

In addition, the payment card industry ("**PCI**") imposes strict customer credit card data security standards to insure that the Group's customers' credit card information is protected. Failure to meet the PCI data security standards could result in substantial increased fees to credit card companies, other liabilities and/or loss of the right to collect credit card payments.

Any failure to protect customer data could damage the Group's reputation and brand or result in administrative investigations or material civil or criminal liability, which would substantially harm the Group's business, results of operations and financial condition.

The Group is exposed to risks associated with the international nature of its customer base and operations.

The Group has operations (directly or through franchises) in over 140 countries and may expand into additional countries in connection with its development strategy. Operating in many different countries exposes the Group to varying risks, which include: (i) multiple, and sometimes conflicting, foreign regulatory requirements and laws that are subject to change in each of the countries in which the Group operates, including laws relating to taxes, automobile-related liability, marketing, insurance rates, insurance products, consumer privacy, data security, fight against money laundering and corruption, employment matters, cost and fee recovery, price controls and the protection of the Group's trademarks and other intellectual property; (ii) the effect of foreign currency translation risk, as well as limitations on the Group's ability to repatriate income; (iii) varying tax regimes, including consequences from changes in applicable tax laws; (iv) local ownership or investment requirements, as well as difficulties in obtaining financing in foreign countries for local operations; and (v) political and economic instability, labor strikes, natural calamities, war, and terrorism. The effects of these risks may, individually or in the aggregate, materially adversely affect the Group's business, results of operations or financial condition.

The Group is exposed to currency fluctuation risks that could adversely affect its profitability.

Although the Group reports its results in euro, the Group conducts business in countries that use currencies other than the euro, and the Group is therefore subject to risks associated with currency fluctuations. 27.5% of Europcar's total consolidated revenue for the year ended December 31, 2014 was generated outside the Euro-zone.

The Group's results of operations may be affected by both the transaction effects and the translation effects of foreign currency exchange rate fluctuations. The Group is exposed to transaction effects when one of the Group's subsidiaries incurs costs or earns revenue in a currency different from its functional currency. The Group is exposed to currency fluctuation when the Group converts currencies that the Group may receive from its operations into currencies required to pay the Group's debt, or into currencies which the Group uses to purchase vehicles, incur fixed costs or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. See "—*Exchange Risk*" and Note II "*Significant Accounting Policies—Management of Financial Risk—(i) Foreign exchange risk*" to the Group's Consolidated Financial Statements included elsewhere herein.

The Group's results are also exposed to foreign currency translation risk as its sales in several countries are invoiced in currencies other than the euro while its consolidated revenue is reported in euro. Therefore, the Group's financial results in any given period are materially affected by fluctuations in the value of the euro relative to the British pound, Australian dollar and other currencies. Currency exchange rates have been especially volatile in the recent past. Currency fluctuations may make it difficult for the Group to predict and/or provide guidance on the Group's results. If the value of the euro declines against currencies in which the Group's obligations are denominated or increases against currencies in which the Group's revenue is denominated, the Group's results of operations and financial condition could be materially adversely affected.

Changes in the assumptions used to determine the carrying amount of certain assets, especially assumptions resulting from an unfavorable market environment, could result in the impairment of the Group's assets, in particular intangible assets such as goodwill and the Europcar trademark.

As of December 31, 2014, the Group had € 449.4 million of goodwill and €721.7 million of intangible assets, including €699 million with respect to the Europcar® trademark, recorded on its balance sheet. Following annual impairment tests for goodwill and intangible assets during the fourth quarter of 2014, the Group concluded that there was no impairment related to its goodwill and intangible assets. However, the value of the Group's right to use the National and Alamo brands depreciated to zero (i.e., a depreciation of €17 million (of which €12.3 million of exceptional depreciation was recorded in 2014)) following an arbitration decision in December 2014. See "*Business—Regulatory, Legal and Arbitration Proceedings*".

The Group reviews its goodwill and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable and at least annually. Goodwill is tested based on the higher of its fair value less costs to sell and its value-in-use determined using the discounted cash flow method; the value-in-use calculations depend on certain key assumptions, including assumptions regarding Adjusted Corporate EBITDA, non-fleet capital expenditure and capitalized IT expenditure. Trademarks are tested based on the net royalty method, determined based on five-year projections of the royalties to be received inside the Europcar network (Corporate Countries, domestic and international franchisees).

If management's projections underlying these calculations change, the estimate of the recoverable amount of goodwill or the asset could fall significantly and result in impairment. While impairment does not affect reported cash flows, the decrease of the estimated recoverable amount and the related non-cash charge in the income statement could have a material adverse effect on the Group's results of operations or financial condition.

Natural disasters could disrupt the Group's supply chain.

Natural disasters affecting countries that are important suppliers of electronics or other key components to global automobile manufacturers could result in disruptions to the supply of vehicles by manufacturers. For example, the earthquakes and related disasters in Japan in 2011 resulted in a disruption of the supply of electronic components for automobiles from Japanese manufacturers and, as a result, in the supply of vehicles.

In the event that one or more of the Group's vehicle suppliers were unable to satisfy the Group's purchase requirements, the Group would have to increase the number of vehicles it purchases from other manufacturers, or start purchasing vehicles from one or more manufacturers from which it does not typically purchase vehicles. There can be no guarantee that, in such a circumstance, the Group would be able to purchase a sufficient number of vehicles at purchase prices equal to those for the vehicles the Group currently purchases, or at all. If the Group is not able to purchase sufficient quantities of vehicles on competitive or acceptable terms and conditions, or if a manufacturer from whom it purchases a significant number of vehicles or equipment is unable to continue to supply the Group with vehicles, then the cost of purchased vehicles may increase.

Risks Relating to the Group's Financial Structure and Profile

The Group's substantial indebtedness could adversely affect its business, results of operations and financial condition.

The Group is, and following the Refinancing, will continue to be highly leveraged. As of March 31, 2015, the Group's total consolidated financial liabilities stood at €2,146 million. The Group has also entered into off-balance sheet commitments under operating lease financing arrangements, whose outstanding amount is estimated at €1,495 million at March 31, 2015 (see "*Selected Financial Information and Other Data*" and "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*" for more information on the Group's debt structure on- and off- balance sheet).

Refinancing is also described in "*Description of Certain Europcar Financing Arrangements*".

Of the Group's total consolidated financial liabilities as of March 31, 2015, €1,379 million was secured or asset-backed, primarily consisting of vehicles and the Europcar® trademark. The €1,379 million consists of €230 million under the €350 million existing senior revolving credit facility (the "**Existing Senior Revolving Credit Facility**") (the new senior revolving credit facility amounts to €350 million and may be increased to € 450 million under certain conditions (the "**New Senior Revolving Credit Facility**")), € 350 million under the senior asset revolving facility (the "**SARF**"), (of a total amount that may be refinanced by senior notes backed by assets of €1,000 million (€1.1 billion after the 2015 Amendments)), £254 million (€ 349 million) under the UK fleet finance facilities agreements, €350 million in the form of secured senior subordinated notes issued by EC Finance plc (the "**EC Finance Notes**"), $AUD 111 million (€78 million) under the Australia and New Zealand fleet finance facilities agreements and €22 million under the Portugal fleet finance facilities agreements. The Group also finances its vehicle fleet by means of operating lease financing agreements recorded off balance sheet with an estimated outstanding value of €1,495 million as of March 31, 2015.

Furthermore, a significant portion of the assets of the Group are pledged to secure the consolidated debt referred to above. The obligations of Securitifleet Holding under the SARF together with its obligations to repay the proceeds borrowed under a proceeds loan between EC Finance plc and Securitifleet Holding (the "**Securitifleet Proceeds Loan**") (which would allow EC Finance plc to repay the proceeds of the EC Finance Notes) are secured directly or indirectly by the following shared collateral:

• a first priority share pledge over a limited percentage of the shares of Securitifleet Holding held by ECI;

• a first priority security interest over a limited percentage of the shares held by each of the Group's operating companies in the relevant Securitifleet entity in its jurisdiction (other than a limited percentage of the shares held by Europcar Italy in Securitifleet Italy with respect to the EC Finance Notes);

• a first priority security interest over receivables (including bank accounts and the vehicles fleet) in respect of each of the Securitifleet Companies (other than in respect of Securitifleet Italy with respect to the EC Finance Notes);

• a first priority pledge over Securitifleet Holding's bank accounts;

• a first priority security interest over certain receivables (including under buy-back agreements from vehicle manufacturers) of each of the Securitifleet Companies (other than Securitifleet Italy with respect to the EC Finance Notes), subject to certain exceptions in Spain; and

• first priority security interest over certain assets (including bank accounts and the vehicle fleet) of each Securitifleet Company from time to time (other than Securitifleet Italy with respect to the EC Finance Notes), subject to certain exceptions in Spain.

All assets subject to the liens in the foregoing paragraph are collectively referred to herein as the "**Securitifleet Collateral**".

The Securitifleet Collateral secures the SARF and the Securitifleet Proceeds Loan (and, hence, indirectly the EC Finance Notes) on a shared *pari passu* basis and enforcement proceeds from such collateral would be paid first to the senior lenders under the SARF and then to EC Finance plc under the Securitifleet Proceeds Loan (and, as a result, indirectly to the holders of EC Finance Notes) pursuant to the priority of payments in the Securitifleet Intercreditor Agreement. Such senior lenders, in addition, benefit from direct security interests over the assets of Securitifleet Italy. The holders of the EC Finance Notes indirectly benefit only from a negative pledge in respect of the assets of Securitifleet Italy.

The Securitifleet Companies benefit from a performance guarantee (in the form of a joint and several guarantee) from Europcar International S.A.S.U. ("ECI"). The EC Finance Notes also benefit from a) guarantee by ECI. The Existing Senior Revolving Credit Facility is secured, subject to certain security principles, by a first ranking pledge over certain assets of the Group including, in particular, a first ranking pledge over the Europcar® trademark (valued in the Company's financial statements at €699 million as of March 31, 2015, the shares of certain subsidiaries (including a first ranking share pledge over the shares of ECI) and bank accounts (following the proposed listing of the Company's shares on Euronext Paris, the New Senior Revolving Credit Facility will benefit from similar security, other than the pledge over the Europcar® trademark).

In connection with the Company's proposed initial public offering, the Group intends to refinance and repay certain of its outstanding debt (the "**Refinancing**"). The Refinancing is designed in particular to reduce the Group's interest expense and to improve its leverage ratio, and is expected to include the following transactions:

• the issuance of the Notes by the Group, and the use of the proceeds to redeem in full the €400 million owed under the Outstanding Subordinated Notes Due 2018 and, with respect to any remaining amount, for general corporate purposes. See "*Use of Proceeds*";

• the implementation of the New Senior Revolving Credit Facility and the use of proceeds thereof to repay and retire the Existing Senior Revolving Credit Facility;

• the use of a portion of the proceeds of the capital increase that will occur at the time of the initial public offering of the Company and its listing on the regulated market of Euronext Paris to repay in full the € 324 million in principal due with respect to the Outstanding Subordinated Notes Due 2017;

• an amendment of the Group's SARF (signed on May 12, 2015 and expected to enter into effect after the satisfaction of certain conditions precedent) primarily to extend the maturity thereof and to lower the overall interest cost thereof; and

• the extension and amendment of certain of the Group's interest rate swap agreements (primarily to reflect the extension of the maturity date of the SARF and include necessary Standard & Poor's rating criteria), expected to take effect on the closing date of the New Senior Revolving Credit Facility.

As of March 31, 2015, as adjusted to give effect to the Refinancing, the Group's total consolidated third party debt would have been €1,914 million (excluding estimated debt equivalent of fleet operating leases off-balance sheet). The

Group would also have had an estimated €1,495 million in estimated debt equivalent of fleet operating leases off-balance sheet as of such date.

The Group's substantial debt could have important consequences, in particular:

- requiring the Group to dedicate a substantial portion of the Group's cash flow from operations to payment of the Group's debt, thereby reducing the funds available for (i) working capital, (ii) distributing dividends, (iii) capital expenditures and (iv) other general corporate purposes such as purchasing and leasing vehicles;
- limiting the Group's flexibility in planning for or reacting to changes in the rental vehicle business;
- placing the Group at a competitive disadvantage compared to any of the Group's competitors that are less leveraged;
- increasing the Group's vulnerability to both general and industry-specific adverse economic conditions;
- limiting the Group's ability to borrow additional funds and increasing the cost of any such borrowing; and
- restricting the Group from making strategic acquisitions or exploring business opportunities.

Any of these or other consequences or events could have a material adverse effect on the Group's results of operations and/or financial condition.

In addition, the Group may incur substantial additional indebtedness in the future to the extent such indebtedness is incurred in compliance with certain covenants included in the Group's debt instruments (see "*Description of Certain Europcar Financing Arrangements*" for a description of the Group's debt instruments, including covenants) or is available under its credit facilities or under operating lease financing arrangements (as the Group calibrates drawings under the Group's revolving indebtedness and the Group's leasing to correspond to the Group's fleet needs). See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*". If new debt is added to the Group's current debt levels, the risks that the Group now face could intensify. Although it is expected that, following the contemplated initial public offering, the ratio of net debt to the Group's Adjusted Corporate EBITDA will decrease, these risks may have a material adverse effect on the Group's business, results of operations and financial condition. See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*" for further information about the Group's substantial debt.

The Group may be unable to continue financing vehicle acquisitions for its fleet via asset-backed financing, or there may be unfavorable changes in asset-backed financing terms, which could entail a significant increase in financing costs and have a material adverse effect on the Group's financial condition and results of operations.

The Group relies significantly on fleet asset-backed financing to purchase vehicles for its domestic and international vehicle rental fleets. Currently, the Group mainly relies on the SARF and the outstanding EC Finance Notes. See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*".

If the Group's access to asset-backed financing were reduced or the cost of such financing were to increase, the Group may not be able to refinance or replace its existing asset-backed financing or continue to finance new vehicle acquisitions through asset-backed financing on favorable terms, or at all. The Group's asset-backed financing capacity could be decreased, or financing costs could be increased, as a result of risks and contingencies, many of which are beyond the Group's control, including, without limitation:

- requirements by the rating agencies that provide credit ratings for the Group's asset-backed indebtedness to change the terms or structure of the Group's asset-backed financing, including increased credit enhancement (i) in connection with the incurrence of additional or refinancing of existing asset-backed debt, (ii) upon the occurrence of external events, such as changes in general economic and market conditions or deterioration in the credit ratings of the Group's principal vehicle manufacturers, including Volkswagen, Fiat, General Motors, Renault or Peugeot Citroen, or (iii) otherwise;
- the insolvency or deterioration of the financial condition of one or more swap counterparties or financial institutions acting in certain capacities under the asset-backed financing of the Group;
- the occurrence of certain events that, under the agreements governing the Group's existing asset-backed financings, could result, among other things, in (i) an amortization event pursuant to which payments of principal and interest on the relevant indebtedness may be accelerated, or (ii) a liquidation event of default pursuant to which the security trustee or relevant creditors would be permitted to require the sale of fleet vehicles that collateralize the asset-backed financing; or
- legislative changes that negatively impact the Group's asset-backed financing structure.

Any disruption to the Group's ability to continue to finance new vehicle acquisitions through asset-backed financing, or any negative development in the terms of the asset-backed financing available to the Group could cause the Group's cost of financing to increase significantly and have a material adverse effect on the Group's financial condition and results of operations. The assets that collateralize the Group's asset-backed financing may not be available to satisfy the claims of the Group's other creditors. The terms of the Group's outstanding indebtedness permit the Group to finance or refinance new vehicle acquisitions through other means, including secured financing that is not limited to the assets of special purpose subsidiaries. The Group may seek in the future to finance or refinance new vehicle acquisitions through such other means. No assurances can be given, however, as to whether such financing will be available, or as to whether the terms of such financing will be comparable to the existing asset-backed financings.

An increase in interest rates or in the Group's borrowing margin would increase the cost of servicing the Group's debt and could reduce the Group's profitability.

A significant portion of the Group's debt, including indebtedness incurred under its facilities, bears interest at a variable rate which is based on EURIBOR or LIBOR, as applicable, plus an agreed margin and certain additional costs. Given that the 6-month EURIBOR is generally used as the basis for these contracts' financing, there is a risk of an increase in the cost of rentals under the Group's operating leases. At December 31, 2014, if interest rates had risen by 100 basis points, the fair value recognized in other comprehensive income in shareholders' equity would have increased by €38.0 million (€13.1 million at December 31, 2013). At December 31, 2014, if interest rates had declined by 100 basis points, the fair value recognized in other comprehensive income in shareholders' equity would have decreased by €39.2 million (€13.4 million at December 31, 2013). See also "*—Exchange Risk*" and Note II "*Significant Accounting Policies—Management of Financial Risk—(i) Interest rate risk*" to the Group's Consolidated Financial Statements included elsewhere herein. As a result, to the extent the Group has not fully hedged against rising interest rates, an increase in the applicable benchmark interest rates would increase the Group's cost of servicing its debt and could adversely affect the Group's liquidity and results of operations. The Group manages cash flow interest rate risk by using derivatives and cannot guarantee that it will be able to continue doing so under favorable terms.

In addition, the Group regularly refinances its indebtedness. If interest rates or the Group's borrowing margins increase between the time an existing financing arrangement was consummated and the time such financing arrangement is refinanced, the cost of anticipated or at maturity refinancing of the Group's debt would increase and the Group's liquidity and results of operations could be materially adversely affected.

The Group is subject to debt covenants that could adversely affect its ability to finance the Group's future operations and capital needs and to pursue business opportunities and activities.

The Group and the Group's subsidiaries are subject to restrictive covenants contained in the Group's debt instruments. These covenants restrict, in certain circumstances, the ability of certain of the Group's subsidiaries to make payments to the Group which could, in turn, affect the Group's ability to make payments under the Group's debt instruments. These covenants do not include requirements to maintain a certain rating or any repayment or interest step-up clauses based on a downgrade in the Group's credit rating. For example, the Standard & Poor's downgrading of the Group's credit rating from B+ to B with negative outlook did not result in any direct deterioration of the Group's existing debt (no event of default). However, this downgrade did occur while the Group was refinancing its debt, and the Group's financing costs with respect to the debt raised during such refinancing process were affected.

The New Senior Revolving Credit Facility and the Indenture governing the Notes and the indenture governing the outstanding EC Finance Notes contain customary default provisions and provide that any payment event of default or acceleration with respect to aggregate indebtedness of €35 million or more (in the case of each of the New Senior Revolving Credit Facility and the Notes) or €30 million or more (in the case of the outstanding EC Finance Notes) of the Company or its subsidiaries is an event of default thereunder. The New Senior Revolving Credit Facility, the UK fleet finance facilities agreements and certain of the Group's other indebtedness also require the Group or certain of the Group's subsidiaries to maintain specified financial ratios and satisfy financial tests. The Group's ability or the ability of the Group's subsidiaries to satisfy these financial tests can be affected by events beyond the Group's control, and there can be no assurances that the Group or its subsidiaries will satisfy them.

A breach of any of these covenants, ratios, tests or restrictions could result in an event of default under the Notes, the New Senior Revolving Credit Facility or the outstanding EC Finance Notes or hinder the Group's ability to borrow under the New Senior Revolving Credit Facility or other indebtedness, which could have a material adverse effect on the Group's ability to operate the Group's business and to make payments under the Group's debt instruments. Upon the occurrence of any event of default under the New Senior Revolving Credit Facility, the lenders thereunder could cancel the availability of the facilities and elect to declare all amounts outstanding thereunder, together with accrued interest, immediately due and payable. If the Group was unable to repay these amounts, the lenders could, subject to the terms of the applicable intercreditor agreement, proceed against the collateral granted to them to secure repayment of these amounts. If the lenders under the New Senior Revolving Credit Facility demand repayment of these amounts, there can be no assurances that the assets of the Group's subsidiaries would be sufficient to repay in full those amounts, or to satisfy all of the Group's other liabilities which would be due and payable.

The SARF also includes substantial restrictive covenants applicable to certain of the special purpose entities established in the context of the Group's asset-backed financing, including Securitifleet Holding SA ("**Securitifleet Holding**"), the special purpose entity providing financing for the fleet purchasing and leasing activities of the Securitifleet Companies in France, Italy, Spain and Germany. Failure to satisfy these covenants and conditions could result in a decrease in the advance rate and an increase in the margin under the SARF, or a default thereunder. In addition to customary default provisions, the SARF provides that any acceleration with respect to the New Senior Revolving Credit Facility, the Notes or the EC Finance Notes will constitute a "level 2" event of default under the SARF (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*"). A breach of any of these covenants, ratios, tests or restrictions could result in an event of default under the SARF or hinder the ability of Group companies to borrow under such facilities. Upon the occurrence of any event of default under the SARF (including as a result of acceleration of the Notes or the New Senior Revolving Credit Facility), the lenders thereunder could cancel the availability of the facilities and elect to declare all amounts outstanding under the SARF, together with accrued interest, immediately due and payable.

The Group's debt instruments, including the Notes, include covenants whose aim is to, *inter alia*, limit the ability of the Company and certain of its subsidiaries to:

- incur additional indebtedness;
- pay dividends or make any other distribution;
- make certain payments or investments;
- issue security interests or guarantees;
- sell or transfer assets or shares;
- enter into transactions with affiliated companies; and
- merge or consolidate with other entities.

These limitations are subject to various conditions and exceptions, including the ability to distribute dividends and make investments under certain circumstances. However, these covenants could limit the Group's ability to finance its future operations and capital needs and its ability to pursue business opportunities and activities that may be in its interest. In addition, the Group's ability to comply with the covenants in its debt instruments may be affected by events beyond its control.

The Group's ability to repay or refinance and service its debt, to acquire fleet and to fund planned capital and development expenditures requires a significant amount of cash and/or access to funding or lease arrangements.

The Group's ability to make payments on and to refinance its indebtedness, to acquire vehicles in its fleet and to fund planned capital and development expenditures or opportunities that may arise, such as acquisitions of other businesses, will depend on its future performance and its ability to generate cash and/or obtain financing, which to a certain extent, are subject to macro-economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this section, many of which are beyond the Group's control.

There can be no assurances that the Group will generate sufficient cash flows from operations or that future borrowing will be available in an amount sufficient to enable it to pay its debts, or to fund other liquidity needs. If future cash flows from operations and other capital resources are insufficient to pay the Group's obligations as they mature or to fund liquidity needs, the Group may be forced to reduce or delay its business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of its debt. There can be no assurances that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, the terms of the Group's existing and future indebtedness may limit its ability to pursue any of these alternatives. For a description of the Group's financial liabilities, including hedging derivatives by relevant maturity based on the remaining contractual period at December 31, 2014, 2013 and 2012, see Section "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity Risk*" and Note II "*Significant Accounting Policies—Management of Financial Risk—(i) Liquidity risk*" to the Consolidated Financial Statements.

The Group believes that it has or will have, including after the Refinancing, sufficient resources to repay or refinance the current portion of its debt and lease obligations and to fund its foreseeable liquidity requirements. However, as the Group's debt matures, the Group anticipates that it will seek to refinance or otherwise extend its debt instruments' maturities. The Group's ability to invest in its businesses and refinance maturing debt obligations could require access to the credit and capital markets and sufficient bank credit lines to support cash requirements. The Group may also experience difficulties in obtaining financing in foreign countries for local operations. If the Group is unable to access the credit, securitization and capital markets, the Group could experience a material adverse effect on its liquidity, financial position or results of operations. In addition, the Group's available financing could be decreased, or its financing costs increased, as a result of factors which are beyond its control, including the insolvency, deterioration of the financial condition, a change in law or a change in credit policy of one or more of the Group's lenders, certain of which are local or regional lenders.

Regulatory and Legal Risks

Risks related to compliance with current or future regulations applicable to the Group's business

The Group's operations in over 140 countries throughout the world are subject to a broad range of local, national and international laws and regulations. See "*Business—Regulation*".

Amendments to legislation, regulations or other standards applicable to the Group's activities could expose it to liability or have a material and unforeseeable effect on the Group's business in France, the European Union or other jurisdictions. Changes to legislation, regulations or other applicable standards, as well as changes in the application and interpretation of these texts could have a material adverse effect on the Group's operating costs, its competitive position or its prospects. Although the Group tracks and monitors the regulations to which it is subject, the Group's activities in France or abroad could violate applicable rules and regulations and expose the Group to liability. The Group's potential noncompliance with the laws and rules to which it is subject, both in France and at the international level, could result in different types of sanctions, including limits on or the suspension or prohibition of certain activities and the imposition of fines, damages or other penalties, which could have a material adverse effect on the Group's business, financial condition, results of operations, reputation or prospects. Even if these amendments to legislation, regulations or standards do not apply directly to the Group, their effects on its customers or partners could indirectly and significantly affect the manner in which the Group conducts its business, related costs or demand for the services it provides.

Risks related to compliance with consumer protection regulations

The Group's business and its business practices are highly regulated with respect to consumer protection and any changes in these laws, regulations or their interpretation, in particular in terms of rules related to price transparency, non-discriminatory pricing, unfair terms or misleading advertising, could affect the Group's reputation as well as its business both in terms of logistics and costs, which could have a material adverse effect on the Group's financial condition and results of operations. For example, the adoption of regulations affecting or limiting rules related to insurance deductibles or the sale of supplementary insurance could entail a reduction or loss of these revenue sources and have a material adverse effect on the Group's profitability.

The European Commission is particularly attentive to price discrimination by market participants in the rental vehicle sector at the European level. In a press release dated August 11, 2014, the European Commission requested that participants in the vehicle rental sector end certain practices considered to be "discriminatory" and requested that the relevant authorities of Member States take any necessary measures to ensure compliance with European Union and national regulations with respect to consumer protection. As of September 2014, the Group implemented, in accordance with its commercial strategy, a single pricing policy by sales location, regardless of the residence of the customer and the country from which the reservation was made. To date, no legal proceedings have been initiated against the Group by the European Commission or any national authorities with respect to this issue (see "*Business—Consumer Protection Regulations in the EEA*".

Moreover, in the context of the cooperative process between the national authorities of Member States of the European Union that are responsible for applying legislation for the protection of consumers pursuant to Regulation EC No. 2006/2004, a dialogue was opened with the European Commission aimed at improving consumer experiences within the European Union and the Group submitted proposals of commitments, including the publication of new general rental conditions in the second quarter of 2015 and the clarification of the insurance and contractual guarantee policy in the event of damage caused to the vehicle. The European Commission may consider adopting guidelines applicable to or imposing the obligations proposed by participants in the vehicle rental market, which, if adopted and applied, could affect the Group's business operations (see "*Business—Regulation*").

Finally, in most jurisdictions in which the Group operates, the Group passes various costs on to its customers, including airport concession fees, as separate fees in connection with vehicle rentals. Nevertheless, the sector may in the future be subject to potential legislative or administrative changes that may limit, constrain and/or prohibit the possibility to indicate, bill and collect these separate fees, which would result in such costs being reallocated back to the Group. If such measures were adopted at the European level, they could have a material adverse effect on the Group's revenue, results of operations or prospects.

Risks related to compliance with personal data protection regulations

Changes concerning regulations applicable to the protection of personal data may also have a material adverse effect on the Group's business. European directives and regulations as well as national regulations in the various countries in which the Group operates limit the kind of information it may collect with respect to persons with whom it does business or wishes to do business, as well as the way in which it collects, maintains and uses the information it is authorized to collect. Moreover, the centralized nature of the Group's information systems requires a regular flow of information with respect to its customers and potential customers beyond the borders of the countries in which such information was collected. If this information flow were to become illegal or generate additional infrastructure costs, the Group's ability to serve its customers could be significantly compromised for an unknown amount of time.

Other changes in legislation relating to customer data confidentiality and data security may also have a material adverse effect on the Group's business. Confidentiality and security of customer data are areas of regulation that are still evolving and new standards, certain of which may be difficult for the Group to apply, are frequently proposed and sometimes adopted. For example, on January 25, 2012, the European Commission proposed a draft regulation defining a new legal framework applicable to all companies that process personal data in Europe. On March 12, 2014, the European Parliament, at first reading, voted in favor of this draft regulation. This regulation, which must still be approved by the European Commission, is intended to replace Directive 95/46/EC of October 24, 1995 concerning the protection of physical persons with respect to processing personal data and the free flow of this data. The adoption of this regulation could affect the Group's business, in particular via transposition of certain technical and operational changes. In particular, the draft regulation would require the Group to (i) implement internal rules and mechanisms aiming to guarantee and show its compliance with regulations toward its customers, relevant persons and supervisory authorities responsible for the protection of personal data, (ii) carry out impact studies related to data protection before processing transactions likely to present risks and (iii) report violations of personal data and, in particular, security flaws. Changes affecting the legal and regulatory environment of a country in which the Group operates, and related to (i) its customers' personal lives or data and/or (ii) the security of data and cross-border data flows, could have a material adverse effect on the Group's business, in particular through the deterioration of its commercial activities and processing of transactions.

Moreover, although the Group has implemented procedures to secure the personal data and banking data it gathers, data theft, hacking of its security systems, or theft of its customers' identities or banking information could have a material adverse effect on the Group's reputation, revenue, results of operations or prospects.

Risks related to compliance with environmental and safety rules

The Group has its own storage facilities for petroleum products as well as centers for the washing, service and maintenance of vehicles. In this capacity, the Group's activities are subject to environmental laws and regulations, in particular as part of the (i) ownership and use of reservoirs for the storage of petroleum products such as gasoline and diesel fuel and (ii) production, storage, transportation and elimination of waste, including sludge from vehicle cleaning, waste water and other dangerous substances.

Environmental regulations have evolved significantly in recent years and continue to change. Public authorities and courts may impose criminal or civil fines and sanctions, as well as enforce repair work and environmental cleanup, in response to noncompliance with applicable environmental regulations. Furthermore, in certain cases, authorities may modify or revoke the Group's operating permits, which could require temporary or definitive closures of its facilities and require the Group to pay the resulting closure, maintenance and repair costs. Ensuring the Group's compliance with environmental legislation and regulations could affect its results of operations and its financial condition.

Each Corporate Country of the Group manages, for the relevant Corporate Country, compliance of its storage facilities with local regulations, in order to ensure that they (i) are properly reported to the relevant authorities of the country in which the facilities are located and (ii) have been replaced or updated to fulfill applicable requirements concerning leakage detection and protection against spillage, overflow and corrosion. Nevertheless, no assurance can be made that the everyday operation of these reservoir systems will not result in leakage or flows that, although not significant on a day-to-day basis, could become so over the course of months and years.

Furthermore, international legislative and regulatory bodies have considered and will probably continue to consider numerous measures related to greenhouse gas emissions and climate change. Should rules seeking to limit greenhouse gas emissions or to impose taxes on entities deemed to be responsible for greenhouse gas emissions come into force, demand for the Group's services may be affected, its fleet and/or other costs could increase and its results of operations and financial condition may be adversely affected.

Risks related to compliance with franchise regulations

Franchises ensure widespread territorial coverage of the Group's business and contribute to its revenue. Legislative and regulatory changes, as well as changes in the application and interpretation of texts governing this type of contractual relationship, in particular developments in case law that may limit the franchisor's ability to terminate franchise contracts (for example, by requiring the payment of penalties in case of termination) or to refuse the renewal or transfer of these agreements, could have a material adverse effect on the Group's business, financial condition and results of operations.

Although franchisees are independent from the Group, they receive guidelines drafted by the Group mandating compliance with the laws and regulations applicable to their activities. Franchisee noncompliance with such guidelines could have a material adverse effect on the Group's reputation and business in the relevant countries.

Risks related to liability and insurance

The Group's business generates significant risk with respect to automobile civil liability. Vehicles from the Group's fleet entrusted to its customers or employees may be involved in cases of physical injury and death or property damage caused to third parties. The Group has purchased an automobile insurance program covering civil liability for bodily injury (including death) and property damage to third parties resulting from the use of its rented vehicles. If the Group were not able to renew its automobile insurance under acceptable commercial terms, or to find alternative and equivalent coverage, it would be unable to rent its vehicles. Historically, automobile insurance premiums calculated per rental day, have both trended upward and downward, reflecting trends in the insurance market and the Group's own loss ratio. The availability and cost of coverage should remain the controlling factors in the future. Furthermore, there are only a limited number of insurers that are prepared to offer multinational automobile insurance programs. For example, the Group has implemented an insurance program in Belgium, France, Germany, Italy, Portugal and the United Kingdom (the "**Europrogram**") with AIG Europe Ltd. ("**AIG**"). There can be no assurance that the Group's insurance premiums will not increase in the future, in particular in countries where signed insurance policies are not profitable for insurance companies.

Historically, a significant share of the Group's exposure to civil liability, in particular automobile civil liability, has remained the Group's responsibility under its insurance policies. As part of the Europrogram, accidents, or the share of accidents related to automobile civil liability, less than or equal to € 500,000 per accident are "self-insured" by the Group. In this case, AIG covers third parties, under local insurance policies subscribed to by the Group's subsidiaries, and is then reimbursed by the Group. There can be no assurance that the remaining amount payable by the Group will not significantly increase in the future. Furthermore, with respect to insured risks, there can be no assurance that current or future liability claims will not exceed the Group insurance policy levels. The occurrence of such an event could have a material adverse effect on the Group financial condition. See "*Business—Insurance*".

Moreover, the Group bears the risk of damages to vehicles it owns and to its business beyond its automobile fleet. The Group has decided not to purchase an insurance policy against these risks. Over the long run, the Group considers that insuring property damage to its fleet and theft of vehicles would be greater than or equal to actual costs of damages and theft. Nevertheless, there can be no assurance that the Group will not be exposed to non-insured damages from asset-related risks, whose levels may be greater than historical levels, and which could have a material adverse effect on the Group's financial condition and results of operations. See "*Business—Insurance*".

Risks related to the protection of intellectual property rights

The Group's business and its future growth depend in particular on its ability to obtain, maintain and protect its trademarks, domain names, "Greenway" technology (see "*Business—The GreenWay® System*" and other intellectual property rights. The Group grants operating licenses of its trademarks and other intellectual property rights (including those it uses under licenses) to its franchises, agents and service providers (see "*Business—Intellectual Property, Licenses, Usage Rights, and Other Intangible Assets*"). All of the royalties received by the Group from franchises (including with respect to intellectual property rights) for the year ended December 31, 2014 represented 2.7% of its total revenue. The Group, its franchises, agents or service providers may not be able to adequately protect these trademarks and other intellectual property rights against challenges to their validity, violations and abusive use by third parties, in particular in markets in which the Group has not been active in the past.

Furthermore, certain intellectual property rights that the Group uses were granted to it by Franchise Services of North America under a reciprocal license agreement under which ECI is granted an exclusive license on certain "Advantage" brands in countries in which the Group operates or has a franchise, excluding the United States (see "*Business—Intellectual Property, Licenses, Usage Rights, and Other Intangible Assets*"). An inability to continue using these intellectual property rights could have a material adverse effect on the Group's business. Moreover, the Group relies on this third party to take adequate measures in order to protect and enforce its intellectual property rights, which it has granted to the Group under a license. It is also possible that disputes arise as part of the Group's use of trademarks subject to licenses, particularly when the interests of the licensor and those of the Group diverge as

market conditions change. The Group may be ordered to pay significant damages and interest, discontinue the sale of services violating the intellectual property rights in question and incur additional expenses to sign, where applicable, licenses allowing it to use the disputed intellectual property rights (see "*Business—Administrative, Legal and Arbitration Proceedings*").

For example, various entities of the Group were parties to litigation and an arbitration with Enterprise Holdings Inc. relating, in particular, to the right to use the National and Alamo trademarks in the EMEA region and to Europcar's "e-moving" logo. On April 29, 2015, the Group and Enterprise Holdings Inc. signed a settlement agreement which put an end to all of these proceedings. For a description of these proceedings and the settlement, see "*Business-Regulatory, Legal and Arbitration Proceedings*".

Similarly, any material violation of the Group's intellectual property rights could entail disputes, which may also result in costs and commercial uncertainty for the Group. Any of these incidents could have a material adverse effect on the Group, its financial condition, results of operations or prospects.

Risks related to regulatory, legal and arbitration proceedings

In the ordinary course of its business, the Group is involved or at risk of being involved in a certain number of regulatory, legal or arbitration proceedings, the more significant of which are described in "*Business—Regulatory, Legal and Arbitration Proceedings*". In certain of these proceedings, claims of a significant amount have been made against companies of the Group and sanctions, in particular administrative ones, could be imposed on companies of the Group. The imposition of sanctions on companies of the Group could have a material adverse effect on the Group's business, its financial condition, results of operations and prospects. In addition, any provisions recorded by companies of the Group, with respect to regulatory, legal and arbitration proceedings in its financial statements could be insufficient (for a description of these disputes, see "*Business—Regulatory, Legal and Arbitration Proceedings"*), which could have a material adverse effect on the Group's business, results, financial condition, liquidity or prospects, independently of the claim's underlying validity.

Risks related to competition law

The Group's activities may be subject to legal action or investigations with respect to competition, marketing practices and price setting, which could impact the Group's business, results of operations and financial condition. The Group could be held liable for any failure to comply with competition law, either directly or indirectly (including because of a failure by one of the Group's agents, franchisees or partners), which could result in significant negative consequences for the Group, particularly with respect to its reputation, financial condition or prospects. Certain Group entities are subject to investigations by different administrative authorities relating to competition law and/or marketing practices and price setting.

The French Competition Authority has opened a procedure on potential anti-competitive practices by participants in the vehicle rental sector, including Europcar France, to which it addressed a notice of complaint on February 17, 2015. See "*Business—Regulatory, Legal and Arbitration Proceedings*". The Group recorded a provision in its interim condensed consolidated financial statements for the three months ended March 31, 2015, reflecting the Company's best estimate of the financial risks at this stage of the procedure in the event that the French Competition Authority were to impose a fine, notwithstanding the Group's arguments in defense of its position. See note 15 to the Group's Consolidated Financial Statements as of and for the three months ended March 31, 2015. There is no guarantee that the amount of any fine would not be significantly higher than this provision, which could have a material adverse effect on the Group's results, or that damage claims would not be brought at a later date. The imposition of fines or damages as a result of the procedure could have a material adverse effect on the Group's liquidity and financial condition, leading it to seek additional financing or resources.

Tax risks

By operating in many countries, the Group is subject to multiple and complex tax situations. The Group is located in countries where the laws and tax regulations in effect as well as the legal decisions of courts and/or local tax authorities are constantly evolving.

This environment does not always allow the Group to establish clear or definitive guidelines with respect to the tax regulations applicable to its business, transactions or intra-group reorganizations (past or future) which could as a result be based on an erroneous interpretation of French or foreign tax laws and regulations.

As such, the Group cannot guarantee that these interpretations will not be called into question by the relevant tax authorities. More generally, any failure to comply with tax laws and regulations in countries in which the Group or Group companies are located or operate may lead to tax reassessments, the payment of default interest, fines and penalties. In addition, tax laws and regulations may change or be modified in their interpretation and in their application by the relevant courts and authorities, in particular with respect to initiatives decided at an international or community level (such as the OECD, G20 or European Union). Any of these elements may lead to an increase in the Group's tax burden and have a material adverse effect on its financial condition and results.

Taxation applicable to the ownership and commercial use of vehicles in Europe is rapidly evolving over time and varies from country to country. In the context of its operating activities, Europcar may be subject, in particular but not exclusively, to fleet, circulation or registration taxes, also known as "ecological taxes". These taxes could have a material adverse effect on the Group's results of operations in that this additional tax burden would not be passed on to its customers.

French and foreign tax rules could limit the Group's ability to benefit from tax deductions on interest, which may lead to a reduction in the Group's net cash.

Several European countries in which Europcar operates have implemented restrictive rules with respect to the tax deductibility of loan interest and other similar financial expenses. These changes could have an impact on Group companies that have relatively high debt levels. As an example, many countries have recently introduced maximum tax limits on interest deductibility. In general, these rules limit the deduction of interest under net financial expenses that exceed a certain threshold such as a percentage of EBITDA, or which do not respect debt/equity ratios.

Even when regulations of a particular regime allow for a deferral of the rejected interest deductions over future fiscal periods, the Group's ability to make tax deductions of this interest could depend on a number of factors, such as its ability to record future taxable income as well as restrictions related to the duration of the permitted deferral.

With respect to French tax regulations, Articles 212 *bis* and 223 B *bis* of the French General Tax Code, created by Article 23 of Finance Law no. 2012-1509 for 2013, limit the portion of net financial expenses that can be deducted from corporate income tax, subject to certain conditions and exceptions, to 85% for tax years ended as from December 31, 2012 and to 75% for tax years starting from January 1, 2014.

The Group believes that this limit has prevented the Group from deducting approximately €26.0 million in 2014 and a similar amount in 2015 (based on applicable regulations and information available as of the date of this Offering Memorandum).

In addition, as provided for in French regulations on undercapitalization, the deduction of interest paid on loans granted by a related party and, subject to certain exceptions, on loans granted by third parties but guaranteed by a related party, is authorized under certain conditions but subject to limitations, pursuant to the provisions of Article 212 of the French General Tax Code.

The impact of all such regulations on the Group's ability to deduct interest paid on loans could increase the Group's tax burden and have a material adverse effect on the Group's effective tax rate (negative 11.2% at December 31, 2014; the calculation of the effective tax rate involves comparing the corporate income tax to the loss before tax of the Group), financial condition and results. Nevertheless, given current regulations and the Group's tax situation, the Group does not expect these limits to have a significant impact on its cash.

The Group's future results, French and foreign tax regulations and tax audits or disputes could limit the Group's ability to use its tax loss carryforwards and, as a result, have a material adverse effect on the Group's financial condition.

The Group has significant tax loss carryforwards (whose tax impacts are described in Notes 11 and 17 to the Group's 2014 Consolidated Financial Statements).

The ability to effectively use these losses will depend on various factors including (i) the ability to record taxable income and the balance between income and losses, (ii) the general limit applicable to French tax loss carryforwards, under which the percentage of losses that can be carried forward to offset the portion of taxable income exceeding €1 million is limited to 50% for fiscal years ending as from December 31, 2012, as well as certain more specific restrictions related to using certain categories of deficits, (iii) limits to the use of tax losses that may be imposed by foreign laws and regulations, (iv) consequences of present or future tax audits or disputes and (v) potential changes in applicable laws and regulations.

These factors could increase the Group's tax burden and have a material adverse effect on the Group's effective tax rate, financial condition and results.

Risks related to labor law

With an average annual number of employees of 6,284 employees in 2014, including 1,609 employees in France, the Group is subject to multiple and complex national labor laws. The Group also uses a number of temporary workers and outsources services, mainly for the moving and cleaning of vehicles in high season and in compliance with the legislation applicable to the countries in which the Group operates. The Group is located in countries where laws, applicable regulations as well as their interpretation by the relevant courts or authorities may rapidly change. The Group cannot guarantee that its interpretation, past or present, of the laws and regulations applicable in France or abroad is correct and will not be contested on different grounds by its employees or previous employees before the relevant authorities. If such claims were heard, the Group could be exposed to the questioning of its practices and/or sanctions, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Risks related to retirement pensions

The Group has obligations relating to defined benefit pension plans, in particular in the United Kingdom. The Group's financial obligations depend on the future performance of the assets, the level of interest rates used to determine future commitments, actuarial forecasts and experience, changes in the retirement regimes and applicable regulations. Given the large number of variables that determine the financial obligations of retirement regimes, which are difficult to forecast, and given that there may be regulatory changes, the future obligation to finance in cash the retirement regimes of the Group and other post-employment benefit plans may be more significant than the amounts estimated at December 31, 2014 (see "Employee Benefits" in Note II "Significant Accounting Policies" of the Consolidated Financial Statements). If this were to occur, such financial obligations may have an adverse effect on the Group's financial condition or results of operations.

Risks Relating to the Notes

If the conditions to the escrow release are not satisfied, the SPV Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes.

The gross proceeds from the Offering will be held in escrow pending the satisfaction of certain conditions, some of which are outside of our control. The escrow release conditions include the satisfaction and discharge of the Outstanding Subordinated Notes Due 2017 by way of the irrevocable deposit with the trustee thereunder of a portion of the net proceeds from the initial public offering of EGSA in an amount sufficient to redeem the Outstanding Subordinated Notes Due 2017.

Upon delivery to the escrow agent of an officer's certificate stating that the escrow release conditions are satisfied, the escrowed funds will be released to EGSA whereupon such funds will be deposited with the trustee for the Outstanding Subordinated Notes Due 2018 in an amount sufficient to redeem such notes, with the remainder being paid to or upon the order of EGSA. If any of these conditions are not satisfied, the escrow will not be released. There can be no assurance that the escrow will be released. See "*Use of Proceeds*" and "*Description of the Notes—Escrow Arrangement*".

Prior to the satisfaction of the conditions to the escrow release, the proceeds of the Offering of the Notes will be held in the Escrow Account in the name of the SPV Issuer but controlled by and pledged on a first-ranking basis in favor of the Trustee for the benefit of the holders of the Notes. The SPV Issuer will be required to redeem the Notes, at a special mandatory redemption price equal to 99.289% of their outstanding principal amount plus accrued and unpaid interest from the Issue Date, if, on or prior to October 8, 2015, any of the conditions for releasing the escrowed funds is not satisfied or waived, or in the event of certain other events that trigger escrow termination. If this occurs, you may not obtain the return you expect to receive on the Notes.

In addition to the gross proceeds of the Offering of the Notes, additional amounts on hand at EGSA will be provided to the SPV Issuer by way of a subordinated loan and thereupon deposited in the Escrow Account in order to ensure that, on the Issue Date, the Escrow Account will contain funds sufficient to pay the special mandatory redemption price, if and when due.

Your decision to invest in the Notes is made at the time of purchase. Changes in our business or financial conditions between the Issue Date and the Completion Date will have no effect on your rights as a purchaser or holder of the Notes.

The Notes are structurally subordinated to the debt and liabilities of our subsidiaries.

The Notes are not guaranteed by any of our subsidiaries. Therefore, the rights of holders of the Notes will be structurally subordinated to those of the creditors of our subsidiaries. Generally, claims of creditors of a subsidiary, including trade creditors, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent company. In the event of bankruptcy or insolvency, holders of the Notes may receive less, ratably, than holders of debt of subsidiaries and other liabilities. At March 31, 2015, as adjusted for the Refinancing,

we and our subsidiaries had total consolidated third party debt of € 1,914 million including borrowings of consolidated special purpose entities (excluding estimated debt equivalent of fleet operating leases off-balance sheet). The Group would also have had €1,495 million in estimated debt equivalent of fleet operating leases off-balance sheet. At March 31, 2015, as adjusted for the Refinancing, our subsidiaries (including consolidated special purpose entities) would have had total outstanding borrowings of €1,449 million (excluding estimated debt equivalent of fleet operating leases off-balance sheet) and €1,495 million in estimated debt equivalent of fleet operating leases off-balance sheet.

You may not be able to recover amounts due under the Notes due to the effective subordination of the Notes to the claims of our secured lenders.

The Notes will be effectively subordinated to any existing and future secured indebtedness we may incur to the extent of the value of the assets securing such indebtedness. As a result, upon any distribution to our creditors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or our property, the holders of our secured debt will be entitled to be paid, to the extent of the value of the property and assets pledged in their favor, before any payment may be made on the Notes.

In particular, the New Senior Revolving Credit Facility will be secured by:

(i) a first ranking pledge of the shares of ECI and the shares of certain direct and indirect subsidiaries of ECI (Europcar Holding SAS, Europcar France, Europcar IB S.A.U. and Europcar International S.A.S.U. und CO OHG),

(ii) a first ranking pledge over bank accounts of EGSA, ECI, Europcar Holding SAS, Europcar France, Europcar International S.A.S.U. und CO OHG, Europcar IB S.A.U. Europcar Italia S.p.a., Europcar Autovermietung Gmbh and

(iii) assignments by way of security or first ranking pledges over intra-group receivables under the cash-pooling arrangements dated April 27, 2011 entered into between Europcar Holding SA as cash pool manager and other subsidiaries of EGSA.

The Notes will have the benefit of a second ranking pledge of the shares of ECI owned by EGSA. Otherwise, the Notes are unsecured and therefore do not have the benefit of collateral. Accordingly, if an event of default occurs under the New Senior Revolving Credit Facility, the senior secured lenders will have a prior right to the shares of ECI owned by EGSA, and a right, to the exclusion of the holders of the Notes, to such other assets as are pledged to the lenders under the New Senior Revolving Credit Facility and not to such holders. In such event, assets securing the New Senior Revolving Credit Facility (or future senior secured indebtedness) would first be used to repay in full all such indebtedness, resulting in all or a portion of our assets being unavailable to satisfy the claims of holders of the Notes and other indebtedness.

We are a holding company with no operations.

We are a holding company with limited business operations and assets other than the capital stock of ECI and the brand for long term vehicle rentals (Europcar Lease). Consequently, we are dependent on dividends and other payments from ECI and its subsidiaries to make payments of principal and interest on the Notes. Holders of the Notes will not have any direct claim on the cash flows of ECI or its subsidiaries and our operating subsidiaries have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available to us for these payments, whether by dividend, distribution, loan or other payments. The ability of our subsidiaries to make dividends and other payments to us will depend on their cash flows and earnings which, in turn, will be affected by economic, commercial, contractual, legal and regulatory considerations and other factors discussed in these Risk Factors. Any potential decrease in profits, or potential failure by our subsidiaries to make payments to other Group subsidiaries or to the Company could have a material adverse effect on our ability to meet our obligations under the Notes.

Contractual and other restrictions limit the ability of our subsidiaries to make dividends or loans or other advances to us necessary for us to make payment on the Notes.

The payment of dividends and the making of loans and advances to us by ECI and its subsidiaries are subject to various restrictions. The New Senior Revolving Credit Facility and the indenture for the EC Finance Notes, or other existing or future agreements governing the debt of ECI and its subsidiaries, may prohibit or restrict the payment of dividends or the making of loans or advances to us.

In addition, the ability of ECI and its subsidiaries to make payments, loans or advances to EGSA may be limited by:

- restrictions under applicable company or corporate law that restrict or prohibit companies from paying dividends unless such payments are made out of profits available for distribution;
- restrictions under the laws of certain jurisdictions that can make it unlawful for a company to provide financial assistance in connection with the acquisition of its shares or the shares of any of its holding companies; and
- statutory or other legal obligations that affect the ability of our subsidiaries to make payments on account of intercompany loans.

If we are not able to obtain sufficient funds from ECI and its subsidiaries, we may not be able to make payments on the Notes. See "*Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Law Considerations*."

If our subsidiaries default on their obligations to pay their indebtedness, we may not be able to make principal payments on the Notes.

If our subsidiaries are unable to generate sufficient cash flows and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on their indebtedness, or if they otherwise fail to comply with the various covenants, including financial and operating covenants, in their debt instruments, we or such subsidiaries could be in default under the terms of such debt instruments. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, or the lenders under the New Senior Revolving Credit Facility could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or insolvency proceedings. Any of the foregoing could prevent us from paying principal on the Notes and substantially decrease the market value of the Notes.

Holders of the Notes have limited recourse to the SPV Issuer, as payments under the Notes are limited to the amount of funds in the Escrow Account.

The obligations of the SPV Issuer under the Indenture and the Notes will be limited as set forth in the Indenture. The holders of the Notes will have the full and unconditional right to claim against the SPV Issuer for all amounts due and payable under the Notes, but only to the extent of the amount of funds in the Escrow Account.

Each Holder will agree that its rights against the SPV Issuer under the Indenture and the Notes will be limited to the extent that it will not take any action or proceedings against the SPV Issuer to recover any amounts due and payable by the SPV Issuer to it under the Indenture or the Notes except as expressly permitted by the provisions of the Indenture and the Notes. Each Holder will further agree that it will not, and will not request that the Trustee on its behalf, petition a court for, or take any other action or commence any proceedings for, the liquidation or winding-up of the SPV Issuer or any other bankruptcy or insolvency proceedings or appoint any liquidator, receiver, administrator or other insolvency practitioner with respect to the SPV Issuer or any of its assets whether under Irish law or other applicable bankruptcy laws; *provided* that each Holder will have the full and unconditional right to claim against the SPV Issuer for all amounts due and payable under the Notes and the Indenture, but only to the extent of the amount of funds in the Escrow Account.

To the extent that the amount of funds in the Escrow Account is not sufficient to meet all amounts payable by the SPV Issuer under the Notes and the Indenture (such deficiency being referred to as a "**shortfall**"), the obligations of the SPV Issuer in respect of the Notes and the Indenture to the holders of the Notes will be limited to such amount which shall be applied in accordance with the Indenture and the Escrow Agreement. In such circumstances the SPV Issuer will not be obligated to pay, and the other assets (if any) of the SPV Issuer will not be available for payment of, such shortfall, the rights of the holders of the Notes to receive any further amounts in respect of such obligations shall be extinguished and shall not thereafter revive and none of the holders of the Notes may take any further action to recover such amounts against the SPV Issuer.

In addition, none of the holders of the Notes will have any recourse against any director, shareholders or officer of the SPV Issuer in respect of any obligations, covenant or agreement entered into or made by the SPV Issuer pursuant to the terms of the Notes, the Indenture or any other document relating to the Notes to which the SPV Issuer is a party or any notice or documents which it is requested to deliver thereunder.

Relevant insolvency laws in France and Ireland and potentially other jurisdictions may provide you with less protection than U.S. bankruptcy law.

We are incorporated under the laws of France and, upon assumption of the Notes by EGSA on the Completion Date, the Notes will have the benefit of a second-ranking pledge over the financial securities account to which are credited the shares of ECI, which is also organized under the laws of France. Therefore, any insolvency proceedings by or against us would likely be based on French insolvency laws. The SPV Issuer is incorporated in Ireland, which means that any insolvency proceedings by or against it would likely be based on Irish insolvency laws. See "*Limitations on Validity and Enforceability of the Security Interests* and *Certain Insolvency Considerations*" for a description of the insolvency laws in France and Ireland which could limit the enforceability of the Notes and the share pledge of the ECI shares.

Under certain circumstances in the future, however, one or more Restricted Subsidiaries incorporated in other jurisdictions may guarantee the Notes. In addition, the Indenture and our other debt instruments allow us, in certain circumstances, to be succeeded by an issuer that is organized in another jurisdiction. In the event of bankruptcy, insolvency, administration or similar event, proceedings could be initiated in any such other jurisdictions. Your rights under the Notes and the second-ranking pledge of shares of ECI could therefore be subject to insolvency and administrative laws of several jurisdictions, and there can be no assurance that you will be able to effectively enforce your rights in such complex proceedings.

The insolvency, administration and other laws of the jurisdiction of organization of EGSA, or any successor issuer or any future guarantors may be materially different from, or conflict with, each other and with the laws of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest, the duration of proceeding and preference periods. The application of these laws, and any conflict between them, could call into question whether, and to what extent, the laws of any particular jurisdiction should apply, adversely affecting your ability to enforce your rights under the second-ranking pledge of shares of ECI in these jurisdictions or limiting any amounts that you may receive. See "*Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Considerations*".

We may not have the ability to raise the funds necessary to finance an offer to repurchase Notes upon the occurrence of certain events constituting a change of control as required by the Indenture.

Upon the occurrence of certain events constituting a change of control, we will be required to make an offer for cash to repurchase all of the Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest and additional amounts in respect of withholding taxes, if any. If a change of control occurs, no assurance can be given that we will have sufficient funds to pay the purchase price for the Notes. In addition a change of control would trigger the requirement to make an offer for cash to repurchase the EC Finance Notes, the right of lenders under the New Senior Revolving Credit Facility to require prepayment of their loans thereunder and mandatory prepayments or events of default under other indebtedness. Moreover, the repurchase of the Notes pursuant to such a change of control offer could cause a default under such indebtedness, even if the change of control itself does not. Our ability to receive cash from ECI to allow us to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by ECI's then existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. In addition, we expect that we would require third party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we would be able to obtain such financing. Any failure on our part to offer to repurchase Notes would constitute an event of default under the Indenture, which would in turn constitute a default under the New Senior Revolving Credit Facility, the EC Finance Notes and the Senior Asset Revolving Facility and other indebtedness. See "*Description of Certain Europcar Financing Arrangements*", "*Description of the Notes—Events of Default*", and "*Description of the Notes—Change of Control*".

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Indenture. Except as described under "*Description of the Notes—Change of Control*," the Indenture will not contain provisions that would require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of "Change of Control" in the Indenture will include a disposition of all or substantially all of our and our Restricted Subsidiaries' assets taken as a whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of our assets and our Restricted Subsidiaries taken as a whole. As a result, it may be unclear as to whether a "Change of Control" has occurred and whether we are required to make an offer to repurchase the Notes.

The interests of the Equity Investors may be inconsistent with the interests of Holders of our Notes.

Upon completion of our initial public offering, the Equity Investors will likely continue to be our biggest shareholders. See "*Principal Shareholders.*" As a consequence, the Equity Investors may continue to indirectly control our policies and operations and their interests could conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. The Equity Investors could also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to you as a holder of the Notes.

Additionally, our majority shareholder, Eurazeo, is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Eurazeo may also

pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.

The Notes will be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until Notes in definitive registered form, or definitive registered notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of the Notes. The Common Depositary for Euroclear and Clearstream (or its nominee) will be the sole holder of the global notes. After payment to the Common Depositary or the custodian (as the case may be), we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and, if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights of a holder under the Indenture. See "*Book-Entry, Delivery and Form*".

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon EGSA's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any request actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream. We cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to insure the timely exercise of rights under the Notes. See "*Book-Entry, Delivery and Form*".

You may face foreign exchange risks by investing in the Notes.

The Notes are denominated and payable in euro. If you measure your investment returns by reference to another currency, an investment in the Notes entails foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to your reference currency. Such currency fluctuations could result from economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the euro against your reference currency could cause a decrease in your effective yield from the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into your reference currency. There may also be tax consequences for you as a result of any foreign exchange gains or losses resulting from investment in the Notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the Notes.

You may be unable to enforce judgments obtained in U.S. courts against EGSA.

None of our directors and executive officers are residents of the United States and most of our assets are located outside of the United States. As a consequence, although we will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws or under the Indenture, you may not be able to effect service of process on these non-U.S. resident directors and officers in the United States or to enforce judgments against them outside of the United States, including judgments of U.S. courts predicated upon the civil liability provisions of the U.S. securities laws. There is also uncertainty about the enforceability in the courts of certain jurisdictions of judgments against us obtained in the United States. Please see the section entitled "*Enforceability of Judgments*".

Transfers of the Notes will be restricted.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable laws. See "*Transfer Restrictions*". We have not agreed or otherwise undertaken to register the Notes under the Securities Act, and we have no intention to do so.

There may not be an active trading market for the Notes.

The Initial Purchasers have informed us that they currently intend to make a market in the Notes. However, they are not obligated to do so and they may discontinue market-making at any time. As a result, no assurance can be given that a market will develop. In addition, such market-making activity will be subject to limitations imposed by the Securities Act and other applicable laws and regulations. As a result, there may not be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

Although an application has been made for the Notes to be listed on the Official List and admitted to trading on the Euro MTF Market, no assurance can be given that the Notes will become or remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the Euro MTF Market, failure to be approved for listing or the delisting of the Notes from the Official List of the Luxembourg Stock Exchange may have a material adverse effect on a holder's ability to resell Notes in the secondary market or the prices at which you would be able to sell your Notes.

Risks Relating to the Security

The security interests over the shares of ECI will be subject to certain defenses that may adversely affect their validity and enforceability.

Enforcement of the security interests over the shares of ECI will be subject to certain generally available defenses or, in some cases, to limitations contained in the terms of the pledge designed to ensure full compliance with applicable statutory requirements. These defenses may include those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these defenses are applicable, the security interests over the shares of ECI may be void or may not be enforceable.

We, as the grantor of the security interests over the shares of ECI, are organized under the laws of France. Under French fraudulent conveyance and other laws, a court or, for example, an insolvency administrator or a liquidator, could subordinate, void or otherwise declare unenforceable against third parties any security interest in the collateral and, if payment had already been made under the relevant security interest, require that the recipient return the payment to the relevant grantor if such court, insolvency administrator or liquidator found that, among other things:

- the relevant security interest was granted with actual intent to give preference to one creditor over another or hinder, delay or defraud creditors or shareholders of the grantor, or the beneficiary was aware that the grantor was insolvent when it granted the relevant security interest;
- (i) the relevant security interest is prejudicial to the interests of the other creditors and (ii) the grantor and the beneficiary of such security interest were aware of or should have been aware of the fact that the granting of such security interests would defraud the other creditors (*i.e.*, where the granting of such security interest was for no consideration, in which case the fraudulent intent of the beneficiary need not be proven) (see "*Limitations on Validity and Enforceability of Security Interests and Certain Insolvency Law Considerations—Limitation on enforcement of security interests—Fraudulent conveyance in France*");
- the relevant security interest was granted before the commencement of judicial reorganization proceedings and may fall within the so-called hardening period (*période suspecte*) (see "*Limitations on Validity and Enforceability of Security Interests and Certain Insolvency Law Considerations—The "Hardening period"* (*période suspecte*) *in judicial reorganization and liquidation proceedings*");
- the grantor did not receive fair consideration or reasonably equivalent value for the relevant security interest and the grantor: (i) was insolvent at the time of the grant or rendered insolvent because of such security interest; (ii) was undercapitalized or became undercapitalized at the time of the grant because of such security interest; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the relevant security interest was held to exceed the corporate objects of the grantor or not to be in the best interests or for the corporate benefit of the grantor; or
- the amount paid or payable under the relevant security interests was in excess of the maximum amount permitted under applicable law.

Under French law, a company will generally be deemed to be insolvent (*en état de cessation de paiements*) when it is unable to pay its debts as and when they fall due with its available assets, taking into account available credit lines, existing rescheduling agreements and debt moratoria. (see "*Limitations on Validity and Enforceability of Security Interests and Certain Insolvency Law Considerations—Insolvency test*").

In addition, it is possible that the grantor of the security interests, or a creditor thereof, or the bankruptcy trustee or (preliminary) insolvency administrator in the case of a bankruptcy of the grantor of the security interests, may contest

the validity and enforceability of the relevant security interest on any of the above grounds and that the applicable court may determine that any such security interest should be limited or voided. As a result, the grantor's liability under its security interests could be materially reduced or eliminated. To the extent that the security interest over the shares of ECI is found to be unenforceable, the Notes would become unsecured obligations of EGSA and be effectively subordinated to all secured liabilities of EGSA, to the extent of the value of the property and assets securing such other indebtedness. For more information about defenses to enforcement proceedings relating to security interests over the shares of ECI in France, see "*Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Law Considerations.*"

Your security over the shares of ECI ranks behind the security over those shares benefitting the lenders under the New Senior Revolving Credit Facility, so your ability to recover in the event of an enforcement on such security interest will be limited

EGSA will enter into a share pledge agreement pursuant to which all the shares of ECI held directly by EGSA will be pledged to the Security Agent for the benefit of the Trustee and the holders of the Notes on a second ranking basis. This share pledge agreement will secure the Parallel Debt. The New Senior Revolving Credit Facility (and any refinancing thereof) will be secured by a first ranking pledge of the shares of ECI, ranking senior to the pledge of such shares securing the Notes. Consequently, you may not be able to recover on such security interest because the senior lenders under the New Senior Revolving Credit Facility will have a prior claim on all proceeds realized from any enforcement of such security interest.

Your right to take enforcement action with respect to the liens securing the Notes is limited.

The Intercreditor Agreement will contain certain provisions restricting the rights of holders of the Notes to take enforcement action with respect to the security in certain circumstances. These provisions will provide that, until the expiration of a 179-day standstill period and for so long as any amounts under the New Senior Revolving Credit Facility remain outstanding, the Trustee may not force a sale of any of the collateral for the Notes, otherwise independently pursue the remedies of a secured creditor under the security documents relating to such collateral or take any other enforcement action. In addition, the second-ranking interest in the collateral securing the Notes and the first-ranking interest in the collateral securing our indebtedness under the New Revolving Credit Facility are held, and will have to be enforced, by the Security Agent acting as common security agent with respect to the first- and second-ranking security interests in the collateral. The Intercreditor Agreement provides that the Security Agent will act with respect to the shared collateral only at the direction of the agent under the New Senior Revolving Credit Facility, so that such agent will have (subject to certain limited exceptions) the exclusive right to make all decisions with respect to the enforcement of remedies relating to the shared collateral. By accepting a Note, you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse against us in the event of a default. See "*Description of Certain Financing Arrangements—The Intercreditor Agreement*".

Your rights in the security interests over the shares of ECI may be adversely affected by the failure to perfect such security interests.

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The pledge of the shares of ECI securing the Notes may not be perfected with respect to the claims of the Notes if we fail or are unable to take the actions required to perfect any of these liens.

Under French law, a pledge over a financial securities account (*nantissement de compte—de titres financiers*) (i) will be valid once a statement of pledge (*déclaration de nantissement de compte de titres financiers*) has been executed by the relevant pledgor in favor of the relevant beneficiaries (i.e. the Security Agent as beneficiary of the Parallel Debt) and (ii) will have to be registered in the relevant shareholder's account (*compte d'actionnaire*) and shares registry (*registre de mouvement de titres*) held by the relevant securities account holder. In France, no lien searches are available for such types of security interests which have not been registered, with the result that no assurance can be given on the priority of a security interest if it is not registered.

Security interests over the shares of ECI will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the security interests over the shares of ECI may be restricted by local law and other procedural constraints.

The security interests over the shares of ECI that will secure the obligations of the Issuer under the Notes will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent, as parallel debt creditor (the "**Parallel Debt Creditor**") and beneficiary of parallel debt obligations (the "**Parallel Debt**"). The Indenture will provide that only the Security Agent has the right to enforce such security documents under which the security interests over the shares of ECI have been or will be created. As a consequence, holders of the Notes will not have direct security interests over the shares of ECI and will not be entitled to take enforcement action in respect of the

securities account on which are credited the shares of ECI, except through the Trustee, who will provide instructions (subject to the provisions of the Indenture) to the Security Agent.

This parallel debt structure is used in jurisdictions where legal requirements relating to the creation and ongoing valid existence of security interests are linked with the original secured claims and where certain actions under the debt documents may cause invalidity of the security interests over the shares of ECI under local law. The parallel debt is in the same amount and payable at the same time as the obligations of EGSA under the Notes, and any payment in respect of the principal obligations will discharge the corresponding parallel debt obligations and any payment in respect of the parallel debt will discharge the corresponding principal obligations.

None of the parallel debt structures have been generally recognized by French courts. There is only one published decision of the French Supreme Court (*Cour de cassation*) on parallel debt mechanisms (Cass. com. September 13, 2011 number 10-25533 Belvedere). The decision, rendered in the context of safeguard proceedings opened in France, held that, subject to certain conditions being met, the concept of parallel debt governed by the laws of the State of New York was not incompatible with the French law concept of international public policy (*ordre public international*). This decision cannot be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a parallel debt obligation and no assurance can be given that such a structure will be effective in all cases before French courts. To the extent that the security interests over the shares of ECI created under the parallel debt structure are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the security interests over the shares of ECI. Furthermore, holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent.

The grant of security interests over the shares of ECI in favor of the Security Agent may be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant.

Finally, the security interests over the shares of ECI will be subject to practical problems generally associated with the enforcement of security interests in collateral. For example, we cannot assure you that the consents of any third parties (where required) will be given when required to facilitate a foreclosure on such assets.

French law may adversely affect the validity and enforceability of the second ranking share pledge.

The second ranking pledge over the financial securities account to which are credited the shares of ECI held by EGSA in favor of the Security Agent for the benefit of the Trustee and the holders of the Notes will be governed by French law. Although there is no express prohibition under French law on granting a second or lower ranking pledge over a financial securities account (*nantissement de compte—de titres financiers*) in which the shares of a French company are registered, some legal commentators have queried whether a second ranking share pledge is legally permissible to the extent that a pledge over a securities account is deemed, under French law, to remove the financial securities account from the possession of the grantor, thereby preventing such grantor from granting a further, second pledge thereon.

In order to create the second ranking pledge over the financial securities account to which are credited the shares of ECI owned by EGSA in favor of the Security Agent for the benefit of the Trustee and the holders of the Notes, the possession of the securities account has been transferred to the custody of an agreed third party (*entiercement*), thereby satisfying the legal requirement of possession of the pledged asset by or on behalf of the secured creditors. Although there is no case law on the matter, the majority of legal academics and practitioners are of the opinion that creation of second or lower ranking pledges over a financial securities account through such form of *entiercement* is valid, provided that the first or higher ranking pledgees agree to such creation of a lower ranking pledge and that the account holder has accepted its appointment as third party holder and holds the pledged securities credited to the pledged account as custodian for the benefit of all such pledgees. No assurance can be given, however, that a court would concur with such beliefs and positions.

The second ranking share pledge may be declared null and void in case of insolvency of EGSA.

We may seek to secure new indebtedness over our shares in ECI where such indebtedness and security interest are permitted by the Indenture. If we are raising new indebtedness, in certain circumstances the security agent is authorized by the Trustee to release the second ranking pledge in connection with the granting of a new security interest in the shares of ECI to secure such additional indebtedness, which may rank senior to or equally with the Notes. Following any such release, the second ranking pledge in favor of the Security Agent and benefiting to the Trustee and the holders of the Notes would be retaken, thereby potentially resulting in the commencement of a new hardening period.

The validity of the second ranking share pledge granted by EGSA in its shares of ECI could be challenged in the event that insolvency proceedings were commenced in respect of EGSA during the 18 month period following the date on which such security interest is granted.

Article L.632-1-6° of the French Commercial Code (*Code de commerce*) provides that any security interest granted after the date on which the underlying debt it secures was incurred (*dettes antérieurement contractées*) and which was determined to have been granted during the hardening period, is null and void. The hardening period (*période suspecte*) is a period of time the duration of which is determined by the bankruptcy judge upon the judgment recognizing that the cessation of payments of the insolvent company has occurred. The hardening period commences on the date of such judgment and extends for up to 18 months previous to the date of such judgment.

Furthermore, Article L.632-2, 1st paragraph, of the French Commercial Code (*Code de commerce*) provides that the bankruptcy court may declare void any agreement involving a consideration (*acte à titre onéreux*) entered into during the hardening period if the bankrupt debtor's contracting party knew such debtor was insolvent (*état de cessation des paiements*).

The proceeds from the enforcement of the second-ranking pledge of the shares of ECI may not be sufficient to satisfy the obligations under the Notes.

The Notes will be secured on a second-ranking basis by the shares of ECI held by EGSA. The shares of ECI held by EGSA will also secure on a first-ranking basis our obligations under the New Senior Revolving Credit Facility Indebtedness and may also secure additional debt to the extent permitted by the terms of the Indenture, the New Senior Revolving Credit Facility Agreement and the Intercreditor Agreement. The rights of holders of the Notes may be diluted by any increase in the debt secured by the first ranking share pledge of the shares of ECI.

The value of the shares of ECI held by EGSA and the amount to be received upon an enforcement of such security interests will depend upon many factors, including, among others, the ability to sell the pledged shares of ECI in an orderly sale, whether or not the business is sold as a going concern, the condition of the French economy and the availability of buyers. The book value of the shares of ECI should not be relied on as a measure of realizable value for such assets. All or a portion of the security interests over the shares of ECI may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the shares of ECI, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the shares and ownership interests of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding because all of the obligations of the entity must first be satisfied, leaving little or no remaining assets in the entity.

You may be required to pay a "soulte" in the event you decide to enforce the share pledges by judicial attribution of the shares rather than by a sale of the shares in a public auction.

Under French law, a pledge over a financial securities account may be enforced at the option of the secured creditor either by a sale of the pledged shares in a public auction (the proceeds of the sale being paid to the secured creditors) or by way of foreclosure ("*attribution judiciaire*") of the shares to the secured creditor, following which the secured creditor is the legal owner of the pledged shares. In case of enforcement by way of foreclosure, (*attribution*), a court appointed expert will determine the value of the collateral (in this case, the shares) and, if the value of the collateral exceeds the amount of the secured debt, the secured creditors will be required to pay the obligor an amount, the "*soulte*", equal to the difference between the value of the foreclosed shares as asserted by such expert and the amount of the secured debt. Conversely, if the value of the foreclosed shares is less than the amount of the secured debt, the relevant amount owed to the secured creditors will be reduced by an amount equal to the value of such foreclosed shares, and the remaining amount owed to such secured creditors will be unsecured. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent sale of the collateral.

Use of Proceeds

We estimate that the gross proceeds from the issuance of the Notes will be € 471.6 million before deducting estimated fees and expenses incurred in connection with the Offering. The proceeds from the offering of the Notes will be used to (1) redeem in full the €400.0 million aggregate principal amount of the Outstanding Subordinated Notes Due 2018, (2) pay the redemption costs of the Outstanding Subordinated Notes Due 2018, and (3) pay the transaction fees and expenses. Any proceeds not used for such purposes will be used for general corporate purposes.

The gross proceeds of the Notes will be deposited in the Escrow Account, together with an amount of cash provided by EGSA in the form of a subordinated loan that will ensure that the escrowed funds will be sufficient to pay the special mandatory redemption price for the Notes, when and if due, plus interest for the escrow period. In the event that the escrow release conditions are not satisfied on or prior to October 8, 2015 on substantially the terms described herein, the Notes will be subject to a special mandatory redemption. See "*Description of the Notes—Escrow of Proceeds: Special Mandatory Redemption*". If the escrow release conditions are satisfied within such period, the escrowed funds will be deposited with the trustee for the Outstanding Subordinated Notes Due 2018 in an amount equal to the redemption price for such notes, with the remainder being paid to or upon the order of EGSA. On the Completion Date, EGSA will assume all of the obligations of the SPV Issuer on and with respect to the Notes, and the SPV Issuer will be released from all further obligations with respect to the Notes. The SPV Issuer will then start voluntary liquidation proceedings.

EGSA intends to issue, in accordance with the provisions of the Indenture governing the Outstanding Subordinated Notes Due 2018, a conditional notice of redemption of the Outstanding Subordinated Notes Due 2018 on or prior to the Completion Date. Such notice of redemption will be conditional upon the release of proceeds from the Escrow Account and will provide for a redemption date that is 10 days after the giving of such notice.

The following table sets out the sources and uses of proceeds for (i) the offering of the Notes and (ii) the completion of the initial public offering of the shares of EGSA.

Sources **(In millions of €)**		**Uses**	
Notes offered hereby[1]	472	Repayment of Outstanding Subordinated Notes Due 2018, including the applicable redemption premium[2][3]	419
Primary Proceeds from IPO	475	Repayment of Outstanding Subordinated Notes Due 2017, including the applicable redemption premium[3][4]	361
		Estimated fees and expenses	45
		General corporate purposes[4][5]	122
Total	**947**	**Total**	**947**

(1) Represents €475.0 million aggregate principal amount of the Notes offered hereby net of an original issue discount of 0.711% (€3.4 million).

(2) The proceeds from the issuance of the Notes will be used to redeem the Outstanding Subordinated Notes Due 2018, to pay the premium payable upon such redemption and to pay the transaction fees and expenses in connection with the issuance of the Notes, with the remainder being used for general corporate purposes.

(3) Use of proceeds does not include payment of accrued interest on the Outstanding Subordinated Notes Due 2018 and the Outstanding Subordinated Notes Due 2017 at the date of redemption.

(4) The proceeds from the initial public offering of EGSA will be used to redeem the Outstanding Subordinated Notes Due 2017, to pay the premium payable upon such redemption and to pay the transaction fees and expenses in connection with the initial public offering, with the remainder being used for general corporate purposes.

(5) Consists of the net cash proceeds remaining after the Refinancing. Up to €80 million of such proceeds are earmarked for financial investments, including acquisitions and partnerships, in strategic initiatives over the 2015-2017 period, including up to €25 million for Lab-related activities.

Capitalization of Europcar Group

The following table sets forth the cash and cash equivalents and capitalization of the Europcar Group, as derived from the EGSA Consolidated Financial Statements as of March 31, 2015, on an actual basis and on an adjusted basis to give effect to (i) the issuance of the Notes, (ii) the use of the net proceeds thereof to redeem in full the Outstanding Subordinated Notes Due 2018, (iii) the completion of the initial public offering of EGSA, and (iv) the use of a portion of the net proceeds from the initial public offering of EGSA to redeem in full the Outstanding Subordinated Notes 2017.

This table should be read in conjunction with "*Use of Proceeds*", "*Management's Discussion and Analysis of Results of Operations and Financial Condition*" and the unaudited EGSA Consolidated Financial Statements as of and for the three month period ended March 31, 2015 and the notes thereto included elsewhere in this Offering Memorandum.

	As of March 31, 2015	
(In millions of €)	**(unaudited) Actual**	**(unaudited) As adjusted**
Cash and cash equivalents[1][2]	238	360
Short term investments[3]	79	79
Notes offered hereby	—	475
Outstanding Subordinated Notes Due 2017[4]	324	—
Outstanding Subordinated Notes Due 2018[5]	400	—
EC Finance Notes[6]	350	350
Senior Asset Revolving Facility[6]	350	350
UK, Australia and other Fleet Financing Facilities, accrued interest, capitalized cost of financing contracts and other[7]	492	510[8]
Existing/New Senior Revolving Credit Facility[9]	230	230
Total consolidated third-party debt	**2,145**	**1,914**
Total equity[10]	**99**	**454**
Total consolidated capitalization	**2,244**	**2,369**

(1) Cash and cash equivalents as adjusted is adjusted for the expected net cash proceeds remaining after the Refinancing (i.e, after redemption of the Outstanding Subordinated Notes, including payment of the redemption premiums and payment of transaction costs). See "*Use of Proceeds*". These net cash proceeds are for general corporate purposes, with up to € 80 million of such proceeds earmarked for financial investments, including acquisitions and partnerships, in strategic initiatives over the 2015-2017 period, including up to €25 million for Lab-related activities.

(2) Including restricted cash in the amount of €75 million.

(3) Primarily dedicated to cover liabilities from the Group's captive insurance company. See Note 16 and 21 to the EGSA Consolidated Financial Statements as of and for the year ended December 31, 2014 included elsewhere in this Offering Memorandum.

(4) The Outstanding Subordinated Notes Due 2017 will be redeemed in full with a portion of the proceeds from the initial public offering of EGSA ordinary shares.

(5) The Outstanding Subordinated Notes Due 2018 will be redeemed in full with a portion of the proceeds from the issuance of the Notes.

(6) See "*Description of Certain Europcar Financing Arrangements*".

(7) Including non-accrued interest on held-to-maturity investments (Euroguard).

(8) Adjusted for the write off of previously capitalized costs in connection with the Refinancing, and capitalization of the issuance costs of the Notes.

(9) The New Senior Revolving Credit Facility was entered into on May 12, 2015. Upon closing of the New Senior Revolving Credit Facility, which we anticipate will occur by the end of June 2015, the Existing Senior Revolving Credit Facility will be refinanced in full. See "*Description of Certain Europcar Financing Arrangements*".

(10) Total equity as adjusted is adjusted to reflect €475 million of gross proceeds from our initial public offering less (i) related initial public offering issuance costs, (ii) the write off of previously capitalized costs in connection with the Refinancing and (iii) the redemption premiums paid in respect of the redemptions of the Outstanding Subordinated Notes.

Selected Consolidated Financial Information

The following tables present summary consolidated financial and other data for our business. The summary historical consolidated financial information for EGSA has been derived from the EGSA Consolidated Financial Statements as of and for the three months ended March 31, 2015 and 2014 and from the EGSA Consolidated Financial Statements as of and for the years ended December 31, 2014, 2013 and 2012. The EGSA Consolidated Financial Statements as of and for the years ended December 31, 2014, 2013 and 2012 have been audited by PricewaterhouseCoopers Audit and Mazars (with respect to the years ended December 31, 2014 and 2013) and by PricewaterhouseCoopers Audit (with respect to for the year ended December 31, 2012) and were prepared in accordance with IFRS as adopted by the European Union. The EGSA Consolidated Financial Statements as of and for the three months ended March 31, 2015 have been the subject of a limited review by PricewaterhouseCoopers Audit and Mazars and were prepared in accordance with the principles and methods described therein.

You should read the following summary consolidated financial and other data in conjunction with the EGSA Consolidated Financial Statements and the notes thereto, and other financial information appearing elsewhere in this Offering Memorandum, including under the headings "*Capitalization of Europcar Group*", "*Selected Consolidated Financial Information*" and "*Management's Discussion and Analysis of Results of Operations and Financial Condition*".

(In millions of €)	**Three months ended March 31, 2015**	**2014**	**Year ended December 31, 2014**	**2013**	**2012**
Selected Income Statement Data	**(unaudited)**	**(unaudited)**			
Revenue	**413.7**	**374.2**	**1,978.9**	**1,902.7**	**1,936.4**
Expenses					
Fleet holding costs[1]	(117.6)	(105.0)	(496.3)	(495.0)	(536.8)
Fleet operating, rental and revenue related costs[1]	(151.1)	(138.5)	(686.3)	(671.8)	(691.3)
Personnel costs	(81.0)	(76.1)	(318.2)	(310.8)	(309.2)
Network and head office overheads	(53.3)	(47.2)	(199.3)	(194.8)	(212.0)
Amortization, depreciation and impairment expense	(8.0)	(8.0)	(31.8)	(33.8)	(33.0)
Other income	0.7	1.8	6.9	13.7	19.0
Recurring operating income	**3.6**	**1.1**	**253.9**	**210.2**	**173.0**
Other operating income and expenses[2]	(32.7)	(4.0)	(115.7)	(36.3)	(31.6)
Operating income	**(29.1)**	**(2.9)**	**138.2**	**174.0**	**141.4**
Net financing costs	**(43.4)**	**(53.7)**	**(232.7)**	**(223.6)**	**(230.2)**
Profit/(loss) before tax	**(72.6)**	**(56.6)**	**(94.5)**	**(49.6)**	**(88.8)**
Income tax	5.0	(0.1)	(10.7)	(8.1)	(18.4)
Share of profit/(loss) in associates	(1.9)	(1.2)	(6.5)	(5.1)	(3.5)
Net profit/(loss)	**(69.5)**	**(57.9)**	**(111.7)**	**(62.7)**	**(110.7)**

(In millions of €)	**As of March 31, 2015 (unaudited)**	**As of December 31, 2014**	**2013**	**2012**
Selected Balance Sheet Data				
Non-current assets	1,375.4	1,363.0	1,336.8	1,373.1
Current assets	2,858.2	2,583.5	2,330.5	2,402.7
of which rental fleet related receivables[3]	*2,154.1*	***1,932.8***	*1,668.4*	*1,788.3*
of which current investments[4]	*45.1*	*49.5*	*41.4*	*36.8*
of which cash and cash equivalents	*163.8*	*144.0*	*196.4*	*135.1*
Total assets	**4,233.6**	**3,946.4**	**3,667.2**	**3,775.8**
Non-current liabilities	1,408.3	1,351.2	1,292.8	1,286.9
of which loans and borrowings	*1,047.6*	*1,043.1*	*1,036.0*	*1,016.5*
Current liabilities	2,726.3	2,437.1	2,083.8	2,143.5
of which loans and borrowings	*1,098.4*	*1,127.5*	*945.1*	*1,000.3*
Total liabilities	**4,134.6**	**3,788.3**	**3,376.6**	**3,430.4**
Total equity and subordinated loan	**99.0**	**158.1**	**290.6**	**345.4**

(In millions of €)	Three months ended March 31, 2015 (unaudited)	2014 (unaudited)	Year ended December 31, 2014	2013	2012
Selected Statement of Cash Flows Data					
Operating profit before changes in working capital	**(5.3)**	**(2.4)**	**224.0**	**204.9**	**182.4**
Change in rental fleet	(123.0)	(23.1)	(91.5)	(7.0)	65.0
Change in fleet working capital	244.2	99.7	(74.0)	63.0	30.5
Change in non-fleet working capital	1.0	(1.6)	50.0	62.6	(18.6)
Income tax received/(paid)	(5.4)	(3.5)	(31.4)	(35.6)	(65.8)
Net interest paid	(20.3)	(30.1)	(166.8)	(174.1)	(166.3)
Net cash generated from (used by) operating activities	**91.3**	**39.1**	**(89.7)**	**113.9**	**27.3**
Net cash used by investing activities	**(5.5)**	**(4.8)**	**(76.6)**	**(23.1)**	**(28.4)**
Net cash generated from (used by) financing activities[5]	**(73.5)**	**(92.7)**	**103.3**	**(35.6)**	**(133.6)**
Net change in cash and cash equivalents after effect of foreign exchange differences	**12.2**	**(58.5)**	**(63.0)**	**55.3**	**(134.7)**

(In millions of €)	Three months ended March 31, 2015 (unaudited)	2014 (unaudited)	Year ended December 31, 2014	2013	2012
Performance Indicators – Cash Flow					
Adjusted Corporate EBITDA	**(4)**	**(10)**	**213**	**157**	**119**
Other operating income and expenses[(A)]	(4)	(3)	(28)	(29)	(23)
Acquisition of intangible assets and property, plant and equipment, net of disposals	(5)	(4)	(22)	(22)	(24)
Changes in provisions and employee benefits[(B)]	(10)	(7)	11	(4)	6
Changes in non-fleet working capital[(B)(C)]	(6)	(2)	16	63	31
Income taxes received/paid[(C)]	(5)	(4)	(31)	(36)	(49)
Corporate Free Cash Flow	**(35)**	**(29)**	**159**	**128**	**60**
Net interest paid on High Yield borrowings	0	0	(74)	(74)	(67)
Cash flow after payment of High Yield interest	**(35)**	**(29)**	**85**	**54**	**(7)**
Acquisition of subsidiaries, net of cash acquired and other investment transactions[(D)]	(0)	(1)	(56)	(2)	(2)
Changes in vehicle fleet, in fleet working capital and in fleet financing and working capital facilities	47	(24)	(55)	7	63
New/(net of repayment) senior subordinated secured notes	–	–	–	–	(130)
Shareholders' subordinated loan	–	–	–	–	110
Payment of financing transaction costs and redemption premium	0	(4)	(34)	(4)	(34)
Temporary effect following settlement of VAT claim in the UK (received in 2011, transferred out in 2012)[(C)]	–	–	–	–	(68)
Swap repayment	–	–	(2)	(1)	(67)
Increase (decrease) in cash and cash equivalents before effect of foreign exchange conversions	**12**	**(58)**	**(63)**	**55**	**(135)**
Cash and cash equivalents at beginning of period	*206*	*267*	*267*	*213*	*345*
Effect of foreign exchange conversions	*2*	*1*	*2*	*(1)*	*3*
Cash and cash equivalents at end of period	*221*	*209*	*206*	*267*	*213*

(A) The line item "other operating income and expenses" (non-recurring) as presented in this table differs from the line item with the same name in the income statement because the line item in this table excludes depreciation of the right to use the National and Alamo brands in 2012, 2013 and 2014. In addition, in 2014, certain non-recurring items with no impact on cash flow in 2014 were also excluded from this line item (see note (2) below). These items related to provisions and working capital relating to the Enterprise litigation, as well as the €23.9 million charge pursuant to a multi-year compensation program for which the objectives were achieved in 2014, which was offset in changes in working capital. The line item "other non-recurring operating income and expenses" as presented in this table differs from the line item with the same name in the income statement because the line item in this table excludes all non-recurring items that do not have an impact on cash for the three months ended March 31, 2015. These items are related to provisions and items of working capital related to ongoing disputes and proceedings (see Note 15 to the EGSA Consolidated Financial Statements for the three months ended March 31, 2015 and 2014), as well as a charge of €8 million for a reorganization program (see Note 6 to the EGSA Consolidated Financial Statements for the three months ended March 31, 2015 and 2014).

The items were excluded from the line item "other non-recurring operating income and expenses" and were reclassified into the line items "Changes in provisions and employee benefits included in Adjusted Corporate EBITDA" and "Changes in non-fleet working capital."

(B) Changes in provisions and employee benefits and changes in non-fleet working capital were restated in 2014 for non-recurring items that had no impact on cash in 2014 (for €33 million and €38 million, respectively), and offset in other operating income and expenses.

(C) In 2011, Europcar received a €66 million payment (£55.5 million converted as of the balance sheet date) following settlement of the Fleming VAT claim. This amount was repaid to the claim's beneficiaries in 2012. This item was isolated, offsetting an adjustment of €17.4 million recorded in income tax received/paid and an adjustment of €51 million in changes in non-fleet working capital.

(D) These related to financial assets.

	Three months ended March 31,		Year ended December 31,		
	2015	2014	2014	2013	2012
Selected Key Operating Indicators (unaudited)					
Number of Invoiced Rental Days (in millions)	11.4	10.3	52.7	50.7	50.7
RPD year-on-year variation(6)	1.0%	–	(0.3%)	(1.4%)	(1.0%)
Average Fleet Size in units(7) (in thousands)	172.4	155.8	189.3	183.6	186.0
Average Fleet Unit Costs/Month (in euros)(8)	(265)	(260)	(248)	(260)	(284)
Fleet Financial Utilization Rate(9)	73.6%	73.7%	76.4%	75.6%	74.4%

(1) The components of "fleet holding costs" and "fleet operating, rental and revenue related costs" are discussed in "*Management's Discussion and Analysis of Results of Operations and Financial Condition— Cost Structure and Operational Efficiency*" in this Offering Memorandum.

(2) Other operating income and expenses (other non-recurring income and expenses) of €115.7 million in 2014 included the following expenses: €59.4 million relating to the then- ongoing litigation and an arbitration proceeding with Enterprise (see Note 9 to the EGSA Consolidated Financial Statements for the three months ended March 31, 2015 and 2014); €23.9 million related to a multi-year compensation program, whose objectives were reached in 2014; €13 million of restructuring charges related to redundancy plans in several of the Group's entities; and € 9.8 million of external fees incurred in relation to the Fast Lane program (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition*" of this Offering Memorandum).

Other operating income and expenses (other non-recurring income and expenses) of €32.7 million for the three months ended March 31, 2015 include the effect of developments in legal proceedings and in particular (i) the recording of a €45 million provision in connection with the investigation by the French Competition Authority and (ii) the settlement of all litigation with Enterprise agreed on April 29, 2015 (see Note 15 to the EGSA Consolidated Financial Statements for the three months ended March 31, 2015).

Other operating income and expenses of €36.3 million in 2013 primarily included of reorganization charges of €26.7 million related to plans implemented by several Group entities to adapt their cost structure under the Fast Lane program as well as a depreciation of receivables for €6.2 million following the change in law in 2013 in Italy with respect to VAT deductibility for tour operators established outside of the European Union.

Other operating income and expenses of €31.6 million in 2012 primarily included of €19.6 million of reorganization charges and €8.8 million of amortization and impairment of intangible assets. Reorganization charges included of €12.2 million of redundancy costs and € 7.4 million of external fees incurred in relation to the Fast Lane program.

(3) The amount recorded under "Rental fleet and related receivables" in the statement of financial position represents the acquisition cost of the vehicles (net of volume rebates) and is the sum of two amounts representing distinct current assets:

- the "Vehicle buy-back agreement receivable", representing the agreed buy-back price (the obligation of the manufacturer or dealer);
- the "Deferred depreciation expense on vehicles", representing the difference between the acquisition cost of the vehicle and the agreed buy-back price. This asset is depreciated in the income statement on a straight-line basis over the contractual holding period of the vehicle.

(4) These investments are earmarked to cover the liabilities of the Group's captive insurance company. See Note 16 to the EGSA Consolidated Financial Statements for the years ended December 31, 2014, 2013 and 2012.

(5) As part of the Group's 2012 refinancing, Eurazeo and ECIP Europcar SARL (a vehicle for co-investors with Eurazeo in Europcar) provided the Group with a €110 million subordinated shareholder's loan, which was capitalized in early February 2013 through the issuance of additional Company shares.

(6) RPD (revenue rental day) corresponds to rental revenue for the period divided by the number of rental days for the period. The variation in RPD is calculated compared to the RPD of the prior year.

(7) Average fleet of the period is calculated by considering the number of days of the period when the fleet is available (period during which the Group holds the vehicles), divided by the number of days of the same period, multiplied by the number of vehicles in the fleet for the period.

(8) The average fleet costs per unit per month is the total fleet costs (fleet holding costs and fleet operating cost) excluding Interest expense included in fleet operating lease rents, divided by the average fleet of the period, divided by the number of months of the period.

(9) The fleet financial utilization rate corresponds to the number of rental days as a percentage of the number of days in the fleet's financial availability period. The fleet's financial availability period corresponds to the period during which the Group holds vehicles.

Management's Discussion and Analysis of Results of Operations and Financial Condition

The information presented below on the Group's results of operations and financial condition should be read in conjunction with the Consolidated Financial Statements for the years ended December 31, 2012, 2013 and 2014, including the notes thereto, included in elsewhere in this Offering Memorandum and the unaudited interim condensed consolidated financial statements for the three month period ended March 31, 2015, including the notes thereto, included elsewhere in this Offering Memorandum.

In this discussion, the Group also presents certain financial information and other data for the periods indicated in order to facilitate the understanding of the Group's activity. In particular, the Group presents the indicator Adjusted Corporate EBITDA, defined as recurring operating income before depreciation and amortization, and after deduction of the interest expenses on liabilities related to rental fleet financing. Adjusted Corporate EBITDA is a non-IFRS indicator that does not have a single generally accepted definition. The Group believes that Adjusted Corporate EBITDA, which includes all costs relating to the vehicle fleet (including fleet-related depreciation and interest charges), offers investors important additional information for evaluating the Group's performance, in particular because the Group uses this indicator to monitor its own performance. See "*—Presentation of Accounting and Financial Information—Adjusted Corporate EBITDA*" below. Moreover, the Group has identified certain impacts from exchange rate fluctuations (primarily in the pound sterling, the Australian dollar and the New Zealand dollar) and has presented certain information (i) for the year ended December 31, 2012 by applying the exchange rates for the year ended December 31, 2013, (ii) for the year ended December 31, 2013 by applying the exchange rates for the year ended December 31, 2014 and (iii) for the three-month period ended March 31, 2014 by applying the exchange rates for the three-month period ended March 31, 2015.

General Presentation

Overview

With over 60 years of experience and a diversified customer base of close to six million drivers in 2014, Europcar is a global player and the European leader in the vehicle rental industry. Present in more than 140 countries throughout the world in 2014, the Group provides its business and leisure customers with short-term and medium-term vehicle rentals through its network of approximately 3,650 rental stations (including stations operated by its agents and franchisees). With an average fleet of 189,269 vehicles and a volume of 52.8 million rental days in its "Corporate Countries" (Germany, Australia, Belgium, Spain, France, Italy, New Zealand, Portugal and the United Kingdom) in 2014, the Group uses its extensive knowledge of the vehicle rental industry to provide a wide range of mobility solutions.

The Group is organized around two main operating segments, Europe and Rest of World, within which the nature of the services provided, the categories of targeted customers and the seasonality are similar. The distinctions between the two segments are mainly based on criteria related to the characteristics of the economic zone, the organization of customers, interdependency between countries with respect to customer contract and fleet management, and daily operational management:

- The Europe operating segment includes the European countries where the Group operates its fleet directly (Germany, Belgium, Spain, France, Italy, Portugal, and the United Kingdom), organized around common service, customer and distribution criteria, as well as the franchised European countries (Austria, Denmark, Finland, Greece, Ireland, Luxembourg, the Netherlands, Norway, Sweden, Switzerland and Turkey), which have similar economic characteristics and offer synergies in terms of fleet negotiation, customer management, and seasonality of activity. During the year ended December 31, 2014, the Group generated consolidated revenue in Europe of €1,836.2 million (or 92% of the Group's consolidated revenue before intragroup eliminations and holdings) and Adjusted Corporate EBITDA of €151.4 million (or 71% of the total).

- The Rest of World operating segment includes the other countries in which the Group operates directly (Australia and New Zealand), as well as all of the franchised countries that are not included in the Europe operating segment. During the year ended December 31, 2014, the Group generated consolidated revenue in the Rest of the World of €150.0 million (or 8% of the Group's consolidated revenue before intragroup eliminations and holdings) and Adjusted Corporate EBITDA of €28.0 million (or 13% of the total).

Eliminations and Holdings encompasses the departments supporting the two operating segments, Europe and Rest of World, including IT, legal, tax, e-commerce, fleet, financing, insurance, marketing, sales and transformation. It includes personnel costs, IT costs, and sales and marketing costs, and, in return, management commissions from the two operating segments. During the year ended December 31, 2014, Eliminations and Holdings represented Adjusted Corporate EBITDA of €33.5 million (or 16% of the total).

Between 2012 and 2014, the Group's business and results were driven in particular by the following factors.

During the year ended December 31, 2014, the Group returned to revenue growth, with consolidated revenue of €1,978.9 million, up 3.4% at constant exchange rates compared to 2013, due in particular to the accelerated deployment of the "*Fast Lane*" transformation program (see "*Business—Fast Lane*"). This growth, which occurred in both the leisure and the business segments, was sustained by an ambitious sales strategy that included (i) reinforcing the Revenue and Capacity Management teams at the central level and in all of the operating subsidiaries, enabling the Group to manage customer demand, pricing and the adaptation of the fleet (optimizing category, price and distribution within the network of stations), as well as (ii) a reorganization of the e-commerce department and (iii) entry into agreements with general sales agents in order to boost international demand, in particular in China, India, Russia and Brazil. The development of digital distribution channels (particularly mobile platforms) also contributed to growth, as well as an increase in leisure demand in southern Europe and reenergized relationships with business customers.

During the year ended December 31, 2014, the Group generated Adjusted Corporate EBITDA of €212.8 million. Adjusted Corporate EBITDA, which reflects the Group's operational performance, was 1.8 times higher in 2014 than in 2012 (€119.1 million at constant exchange rates), in particular due to the deployment of several initiatives as part of the Fast Lane program, described below. Adjusted Corporate EBITDA margin was 10.8% for the year ended December 31, 2014, an increase of 4.7 points as compared with 2012.

In addition, in 2014, through its French subsidiary Europcar France, the Group acquired 100% of the share capital of Europ Hall, a significant Europcar France franchisee in eastern France, and acquired a majority stake in the French startup Ubeeqo, which pioneered and specializes in B2B car-sharing. These recent acquisitions are expected to support the Group's growth by expanding its scope in France and enriching its offerings and portfolio of technological innovations to respond to its customers' additional needs.

Key Factors Affecting the Group's Results

Certain key factors as well as past events and transactions have affected and may continue to affect the Group's operating results, including (i) the dynamics of the vehicle rental industry and the attractiveness of the Group's services; (ii) macro-economic conditions; (iii) the number of rental days and amount of revenue per day generated by rental activities; (iv) the seasonal nature of the vehicle rental business; (v) the effects of the Fast Lane transformation program; (vi) the Group's cost structure and operational efficiency; (vii) financing expenses; and (viii) changes in the Group's scope of consolidation. Each of these factors is discussed in greater detail below.

Industry Dynamics and Attractiveness of the Group's Services

The vehicle rental sector is evolving rapidly, due in particular to changes in consumer habits and technological advances.

- *The growth of e-commerce*. Customers' booking habits have changed in recent years due to e-commerce. E-commerce enables the Group to adapt to its customers' continually evolving needs. The Group has invested in its websites and applications, with a view to the growing role of e-commerce. It has also entered into local arrangements with large tour operators and travel agents, specifically targeting business customers, as well as partnerships with several leading Internet travel portals (see "*Business—Europcar Direct Distribution Channels*"). The percentage of vehicle rental reservations made through the Internet (including through rental brokers) has significantly increased in recent years, from 27% of the Group's reservations in 2008 to 41% in 2011 and 52% in 2014). Online reservations facilitate price comparison and thus further increase competitive pressure in the industry. These channels also generate lower costs than the traditional channels.
- *Technological changes and changes in offerings*. In order to remain competitive, vehicle rental companies have to develop management models integrating information and telecommunications systems that are both effective and complementary with those of their partners, both with respect to the customer's ability to make reservations through multiple distribution channels and in order to strengthen their ability to offer innovative and less costly services. The Group regularly invests in improving its IT system, which was built around the centralized Greenway system, and has implemented a plan for 2020 to continuously modernize the architecture of its information system.
- *Demand trends in the high-end and low-cost segments*. The Group believes that consumers in the transportation sector tend to group themselves around either high-end offers or low-cost offers. Growth in demand in the high-end market provides new growth opportunities for vehicle rental companies that are able to capitalize on their brand recognition to develop new services and enter into key partnerships with large players in the tourism industry. The Group believes that it benefits from the established recognition of its principal brand, Europcar®, in order to develop new high-end services such as its "Prestige" offer and chauffeur services (see "*Business—Europcar® Offerings*"). Moreover, demand is also increasing for low-cost and small economy vehicles, which drives the companies in the industry to adapt their fleet composition and to develop new low-cost offers. Given these trends, the Group began deploying its InterRent® brand on the low-cost market (see "*Business—InterRent® Brand*"). The InterRent® brand was deployed as from 2013 in six Corporate Countries in Europe and was available at 76 rental stations, primarily at

airports and train stations, as of December 31, 2014. The Group is also developing its network of InterRent® franchises, with franchisees in 19 countries as of December 31, 2014 and an objective of 40 countries by the end of 2015.

- *New mobility solutions.* The vehicle rental sector has undergone structural changes relating to technological developments and changes in consumer preferences and behavior (see "*Business—Growth Drivers and General Market Trends*"). These industry dynamics have created growth opportunities for vehicle rental companies, which can concentrate their investments on the products, services and technologies that they believe will have strong added value or that many consumers will like, and for which they have or are able to develop the necessary technical expertise to operate. The Group relies on its extensive experience and know-how in the vehicle rental industry to innovate and seize opportunities arising out of new mobility trends. The Group's innovations include new products and services under its Europcar® brand (such as FitRent, AutoLiberté, ToMyDoor, ToMyCar and Keddy by Europcar® (see "*Business—Europcar® Offerings*"). Moreover, in response to its customers' specific mobility needs, the Group created a "Lab" to design innovative mobility solutions and capitalize on existing ones, in particular through Ubeeqo and Car2go (see "*Business Europcar Lab / Mobility Solutions*").

- *Pricing dynamics*. The vehicle rental market is competitive, and pricing is one of the principal competitive factors. The Group seeks to capitalize on the density of its network, its expertise in the industry, its operational excellence and its brand recognition to increase its capacity to offer an attractive price-quality ratio, while improving profitability. Supply and demand affect both the Group's fleet financial utilization rate and its price positioning. In periods of high demand or when demand is greater than supply, the fleet financial utilization rate increases and competitive pressure on prices decreases. Conversely, if demand decreases or supply exceeds demand, downward pressure on prices may occur. The management capacity of the available fleets of the various vehicle rental market participants also affects the Group's fleet financial utilization rate and price positioning. For more information on the Group's fleet financial utilization rate, see "*—Cost Structure and Operational Efficiency Indicators*".

- *Regulatory changes*. The Group is subject to numerous regulatory regimes throughout the world, in particular with respect to the environment, personal data, consumer protection and franchise operation (see "*Business—Regulation*"). Changes in regulations may affect the Group's activities and results of operations, in particular when new requirements are imposed.

Macro-Economic Conditions

Demand for rental vehicles, particularly in the business segment, is driven by macro-economic conditions in the countries where the Group provides its services, including gross domestic product. The Group's business in Europe is particularly affected, as the Europe operating segment represented 71% of consolidated Adjusted Corporate EBITDA for the year ended December 31, 2014. For example, the global financial crisis and resulting economic slowdown in 2008 and 2009 had a negative effect on the vehicle rental business as a whole and on the Group.

Demand is also driven by changes in air and rail traffic, as well as the factors underlying those changes, such as currency fluctuations that can impact passenger flows (see "*Business—Growth Drivers and General Market Trends*"). During the year ended December 31, 2014, airport stations operated either by the Group directly or by agents represented 42% of rental revenue, whereas non-airport stations represented 58% of such revenue. The Group has also entered into significant alliances and partnerships with several large airlines. As a result, a significant portion of the Group's revenue is tied to the level of air traffic.

Revenue Growth Indicators

Revenue includes (i) income from vehicle rentals net of discounts and rebates, (ii) commissions on related services, and (iii) royalties received from Europcar franchisees.

The following indicators are generally used to analyze changes in the Group's consolidated revenue: (i) activity volume, measured by the number of rental days; and (ii) average revenue per day generated by vehicle rental activities.

(a) Number of rental days

The number of rental days is calculated as the number of rental days invoiced to customers, including each day or period of less than a day for which a vehicle rental is invoiced to a customer (the "**Number of Rental Days**").

The Number of Rental Days is impacted by a number of factors including those described in "*—Industry Dynamics and Attractiveness of the Group's Services*" and *"—Macro-economic Conditions"* above, the seasonal nature of the business, changes in the services offered by the Group and its customer portfolio, and the Group's efforts to achieve profitable growth in line with its strategy (see "*Business—The Group's Strategy*").

The table below shows the Number of Rental Days during the years ended December 31, 2012, 2013 and 2014:

	Year ended December 31,		
	2014	2013	2012
Number of Rental Days (in millions)	52.8	50.7	50.7

(b) Revenue generated per day by rental activities

Revenue per day is calculated as the consolidated revenue generated by rental activities divided by the Number of Rental Days for the period in question ("**RPD**"). The change in RPD is calculated by reference to the previous year and is presented at constant exchange rates to correct for fluctuations in exchange rates (primarily for impacts relating to the pound sterling, the Australian dollar and the New Zealand dollar).

The table below shows the annual change in RPD for the year ended December 31, 2014 as compared with 2013 and for the year ended December 31, 2013 as compared with 2012:

	Year ended December 31,	
	2014	2013
Annual change in RPD at reported exchange rates	(0.3%)	(1.4%)
Annual change in RPD at constant exchange rates	(0.8%)	0.1%

RPD primarily depends on the following factors:

- *The Group's price positioning*. The Group's prices generally reflect (i) positioning of the Group's services and the related pricing policy; (ii) sales of additional services and equipment, such as insurance products, optional protection, and equipment; (iii) specific market conditions and the structure of the customer base in the geographic areas where the Group does business; (iv) Revenue and Capacity Management to manage customer demand and the related pricing terms, and to ensure the alignment of the fleet (category/price and optimized distribution within the network) (v) competitive pressure; and (vi) the average rental duration;

- *Composition and diversity of the Group's fleet*. The Group's fleet includes 11 main categories of vehicles, based on general industry standards: mini, economy, compact, intermediate, standard, full-size, premium, luxury, mini-vans, trucks and convertibles. The fleet varies by brand, with the fleet offered under the Europcar® brand covering a full range of vehicles, whereas the InterRent® brand offers less expensive vehicles. The diversity of the Group's fleet enables it to meet rental demand from a large range of customers. Generally, rentals in the higher categories have higher RPD than rentals of vehicles in the lower categories. However, the lower categories generate lower costs for the Group, generally resulting in comparable profitability;

- *Types of customers: business or leisure* (see "*Business—Customers (Business/Leisure)").* Leisure rentals tend to be of longer duration and have a higher RPD than business rentals. In addition, longer rentals usually generate lower RPD than shorter rentals but have a different cost structure, which generally gives them comparable profitability (see *"—Cost Structure and Operational Efficiency*").

- *Geographical diversity*. The Corporate Countries serve different types of customers and use different price and fleet composition strategies. In Europe, Germany and Belgium generate a larger percentage of their revenue in the business market, while Spain, Italy and Portugal generate more of their revenue in the leisure market. Lastly, France and the United Kingdom have a fairly even balance between business and leisure customers. The Corporate Countries in the Rest of World operating segment (Australia and New Zealand) are more active in the leisure market; and

- *Fluctuations in certain exchange rates*. Since RPD is measured in euros, it can be affected by fluctuations in exchange rates, in particular between the euro and the pound sterling and between the euro and the Australian dollar. As a result, the Group generally monitors RPD at constant exchange rates.

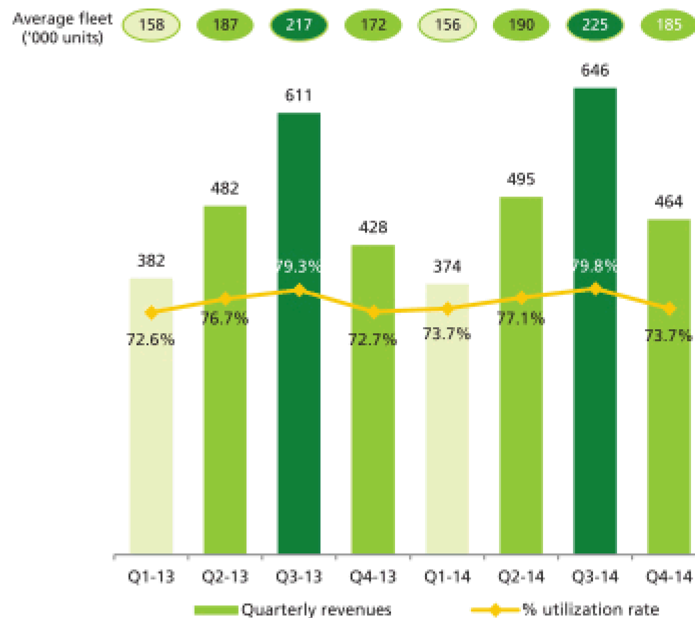
Seasonality

The vehicle rental business is very seasonal and sensitive to weather conditions (see “*Business—Seasonality*”). Activity generally peaks in June through September. The leisure market is characterized by higher demand during the summer months and school holidays, in line with greater activity in the transportation industry generally. As a result, the Group’s revenue and Adjusted Corporate EBITDA are higher during these periods than during the rest of the year. For example, the Group generated 65% of its Adjusted Corporate EBITDA during the third quarter of the year ended December 31, 2014. The leisure market is also characterized by increased demand on weekends as compared with the workweek. The business market complements the leisure market, as it is relatively stable throughout the year, with a slight dip during the summer months and more activity midweek (Tuesday through Thursday).

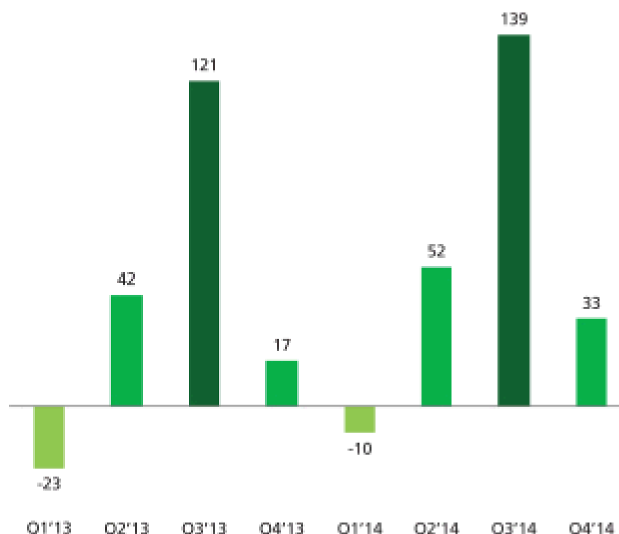
For the year ended December 31, 2014, leisure rentals represented 55% of rental revenue, as compared with 45% for business rentals.

Good management of seasonality is an important aspect of the Group’s financial model. The Group seeks to take advantage of activity during weekly and annual peaks, while remaining attentive to the fleet holding costs before and after these periods (low or normal, with the annual peaks being labeled high), with the objective of maintaining its fleet financial utilization rate, which was between 73% and 80% for each quarter in 2013 and 2014, for example. The Group meets these fluctuations in demand through flexible agreements with vehicle suppliers. These agreements provide that the Group may increase its vehicle orders in advance of the busier months and include short-term buyback clauses (generally varying from five to eight months) to decrease the number of vehicles once the strong demand has decreased (see “*Business—Fleet*”).

The following graph shows changes in consolidated revenue, in millions of euros, in the fleet financial utilization rate and in the average fleet per quarter during the years ended December 31, 2013 and 2014:



The following graph shows changes in quarterly Adjusted Corporate EBITDA in millions of euros for the years ended December 31, 2013 and 2014:



Fast Lane Transformation Program

Beginning in 2012, the Group deployed a transformation program called "Fast Lane" seeking to reinforce the Group's market presence and manage the transition from a vehicle rental company to a larger role as a mobility services provider, with sustainable growth and improved profitability. The strategic initiatives aim to improve the Group's fixed and variable cost structure and to re-energize its commercial strategy. The Fast Lane program is described in detail in "*Business—Fast Lane.*"

The Fast Lane program has surpassed its original objectives. The Group believes that Fast Lane had a positive impact of more than €90 million on Adjusted Corporate EBITDA (as compared with an initial objective of €50 million) during the 2012-2014 period and contributed approximately €90 million to improving non-fleet working capital requirements (as compared with an initial objective of €60 million).

Cost Structure and Operational Efficiency

The Group's operating costs essentially comprise fleet holding costs (excluding estimated interest included in operating lease payments, which the Group analyzes as fleet financing costs included in Adjusted Corporate EBITDA); fleet operating, rental and revenue related costs (which excludes estimated interest included in operating lease payments, which the Group analyzes as fleet financing costs, and excludes "other operating income" and "other operating expenses"); personnel costs; and network and head office overhead. The Group's "operating cost base" represented 87% of the Group's revenues in 2014. The Group believes that its "operating cost base" is 70% variable and 30% fixed or semi-fixed, as described below.

The following costs are considered variable:

Fleet holding costs (which represented 29% of the operating cost base and 25% of the revenues in 2014). These costs include:

- Costs related to rental fleet agreements, which represented 24% of the operating cost base for the year ended December 31, 2014 and which in turn consist of (i) "depreciation" expense relating both to vehicles purchased with manufacturer or dealer buyback commitments and to "at risk" vehicles (based, with respect to vehicles purchased with a buyback commitment, on monthly depreciation rates negotiated under the buyback agreements, net of volume rebates, and with respect to "at risk" vehicles, to the difference between the acquisition cost of the vehicles and the estimated residual value, the value of "at risk" vehicles being adjusted monthly on the basis of the vehicles' market values) and (ii) charges under operating leases;
- Acquisition and sale-related costs, which represented 3% of the operating cost base for the year ended December 31, 2014 and include principally (i) the cost of vehicle accessories; (ii) costs relating to the conditioning of new vehicles; and (iii) costs relating to disposal of used vehicles and of vehicles purchased in connection with buyback programs; and
- taxes on vehicles, which represented 2% of the operating cost base for the year ended December 31, 2014.

These costs are considered variable because the Group is able to adapt and adjust its fleet using the flexibility provided for under its buyback agreements with car manufacturers. Europcar has the ability to increase its vehicle orders in anticipation of the high season and to use the variability in holding periods, which generally range from five to eight months, to sell back vehicles once demand decreases. Europcar is also able to react to short-term peaks in demand by optimizing new-vehicle distribution (see "*Business—Fleet—Fleet Management*"). The Group monitors the following principal indicators for these costs: (i) average fleet size; (ii) average fleet costs per unit per month; and (iii) the fleet financial utilization rate (as discussed below).

Fleet operating, rental and revenue related costs (which represented 40% of the operating cost base and 35% of revenues in 2014). These costs include:

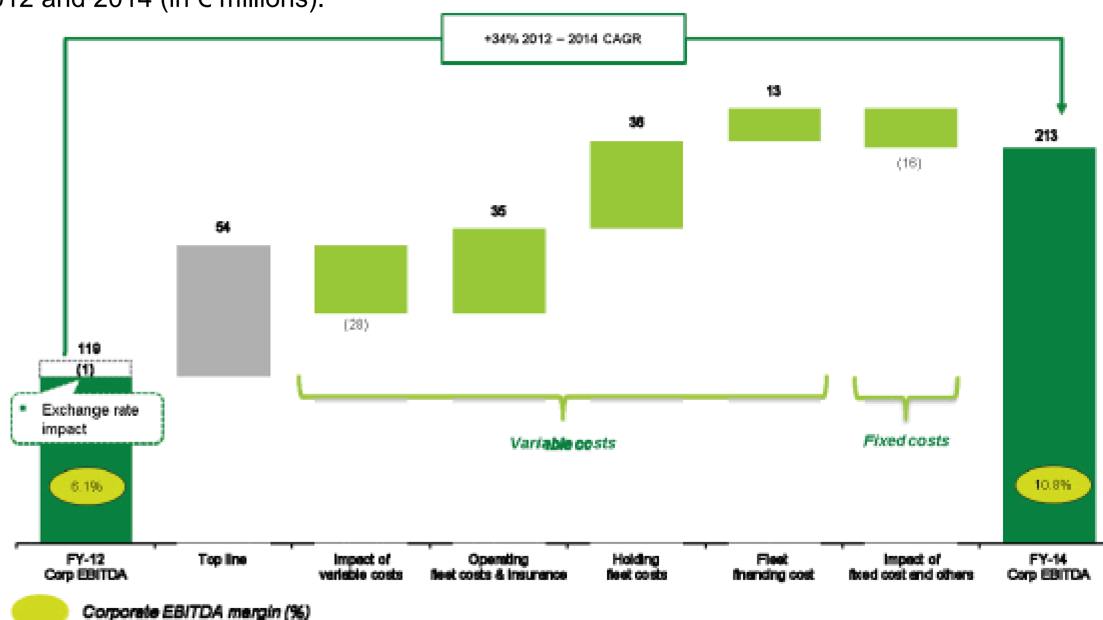
• Fleet operating costs, which represented 13% of the operating cost base for the year ended December 31, 2014 and include insurance (the costs of car insurance covering civil liability and damage to vehicles, as well as self-insurance costs), repairs and maintenance costs and costs incurred for damaged and stolen cars, as well as the costs of reconditioning vehicles for repurchase by the car manufacturer or dealer. These costs vary with the average fleet size and to a lesser extent with the Number of Rental Days;

• Revenue-related commissions and fees, which include commissions paid to agents, such as personnel costs and station overhead (excluding vehicle fleet), as well as commissions paid to travel agents, brokers and other commercial partners and fees and taxes paid for airport and train station concessions. These costs represented 14% of the operating cost base for the year ended December 31, 2014 and vary with the revenue generated by the underlying rental activity; and

• Rental related costs, which represented 12% of the operating cost base for the year ended December 31, 2014 and include the cost of transferring vehicles from one site to another, vehicle washing costs and fuel costs. Rental related costs are generally incurred once per rental, with the result that a shorter-term rental will have about the same level of these costs as a longer-term rental.

Costs considered fixed or semi-fixed include personnel costs as well as head-office and network overhead and IT costs, which together represented 30% of the operating cost base for the year ended December 31, 2014. These charges and costs may vary based on numerous factors, including changes in the number of employees, the launch of marketing campaigns, the implementation of the Fast Lane program and the launch and deployment of the Shared Services Center. Charges incurred within the network of stations may also vary depending on activity.

The following graph shows the impact on the Group's operating cost base on the Group's Adjusted Corporate EBITDA between 2012 and 2014 (in € millions).



Source: Company

Cost Structure and Operational Efficiency Indicators

In connection with the Fast Lane transformation program, the Group has achieved significant savings in fleet unit costs and other operating expenses expressed as a number of vehicle rentals or as a percentage of revenue.

The Group uses the following indicators to monitor and optimize its fleet-related costs:

• *Average fleet during the period*. The average fleet during the period is calculated as the number of days during the period when the fleet was available divided by the number of days in that period, multiplied by the number of vehicles

in the fleet during the period. The size of the average fleet during the period, and therefore fleet holding costs, vary based on predicted demand and the Number of Rental Days, and in particular on the effect of seasonality.

- *Average fleet cost per unit per month*. The average fleet cost per unit per month corresponds to total monthly fleet costs (fleet holding costs and fleet operating costs, excluding interest included in rental payments under operating leases), divided by the average fleet over the period. The Group also separately calculates monthly per-unit fleet holding costs (excluding estimated interest included in rental payments on operating leases) and monthly per-unit fleet operating costs. The average fleet cost per unit per month is affected both by the macro-economic conditions that affect car manufacturers and by the Group's negotiating power in its vehicle supply agreements with manufacturers. The average per-unit cost for small economy cars tends to be lower than the average per-unit cost for larger cars.

- *Fleet financial utilization rate*. The fleet financial utilization rate means the Number of Rental Days over the number of days in which the fleet is considered financially available (the period during which the Group holds the vehicles). The higher the fleet financial utilization rate, the fewer vehicles are needed in order to generate a given number of rental days (see "*Business—Fleet*"). Optimized management of fleet size through the acquisition and disposal of vehicles and a higher rate of long-term rentals contribute to increasing the fleet financial utilization rate.

Fleet management and improvements in the fleet financial utilization rate rely on the Group's internal procedures, on its Revenue and Capacity Management teams that were set up in 2012 in connection with the Fast Lane program, and on the centralized GreenWay system and its specialized modules.

The following table shows changes in the average fleet over the period, average fleet costs per unit per month and the fleet financial utilization rate for the years ended December 31, 2014, 2013 and 2012.

	Year ended December 31,		
	2014	**2013**	**2012**
Key selected operational indicators (unaudited)			
Average fleet during the period (in thousands of units)	189.3	183.6	186.0
Average fleet costs per unit per month in euros[(1)]	(248)	(260)	(284)
Fleet financial utilization rate	76.4%	75.6%	74.4%

(1) Average fleet costs per unit per month include fleet holding costs, excluding estimated interest included in payments under operating leases (€194, €200 and €214 per vehicle per month for the years ended December 31, 2014, 2013 and 2012, respectively) and fleet operating costs (maintenance, repair, and reconditioning costs).

Since 2012, in connection with the Fast Lane program, the Group has launched several initiatives to reduce the average fleet costs per unit per month (which decreased from €284 in 2012 to €248 in 2014) and fleet operating (including insurance), rental and revenue related costs, which represented 38.8%, 38.3% and 37.7% of consolidated rental revenue for the years ended December 31, 2012, 2013 and 2014, respectively.

Financing Costs Relating to Fleet Financing and Other Loans

Financing costs include two types of cost:

- Financing costs relating to fleet financing, which vary in accordance with the selected or available financing option: either financing through operating leases, which relies primarily on the financing capacity of car manufacturers and dealers (and, to a lesser extent, of banks and other companies specialized in vehicle leasing), or financing through debt or securitization, for vehicles recorded on the balance sheet. The type of financing used affects recognition of financing costs under IFRS accounting standards. In the IFRS income statement, payments under operating leases, including the estimated portion corresponding to interest, are recorded in operating income under fleet holding costs, whereas expenses relating to other types of financing relating to the fleet of vehicles recorded on the balance sheet are recorded in net financing costs under gross financing costs. In order to facilitate monitoring the Group's performance, both of these types of expenses are included in the calculation of Adjusted Corporate EBITDA (see *"—Presentation of Accounting and Financial Information—Adjusted Corporate EBITDA*"); and

- Financing costs relating to other borrowings.

Financing costs have a significant impact on the Group's results of operations. The following tables show total fleet-related financing costs (including estimated interest included in payments under operating leases) as well as gross financing costs (which do not include such estimated interest) for the years ended December 31, 2014, 2013 and 2012 (in millions of euros):

Fleet-related financing expenses

	2014	2013	2012	Change 2014 vs. 2013	Change 2013 vs. 2012
Estimated interest expenses included in operating leases	*(54)*	*(50)*	*(54)*	*6.7%*	*(7.6%)*
Net fleet financing expenses	*(73)*	*(88)*	*(87)*	*(16.7%)*	*0.6%*
Fleet-related financing costs, including estimated interest included in operating lease payments	**(126)**	**(138)**	**(141)**	**(8.2%)**	**(2.6%)**

Gross finance costs

	2014	2013	2012	Change 2014 vs. 2013	Change 2013 vs. 2012
Net fleet financing expenses	*(73)*	*(88)*	*(87)*	*(16.7%)*	*(0.6%)*
Other financing expenses, net	*(79)*	*(77)*	*(69)*	*2.5%*	*10.2%*
Gross financing costs	**(151)**	**(164)**	**(156)**	**(7.7%)**	**4.9%**

As was the case during the 2012-2014 period, the Group may optimize its financial structure through refinancings that affect financing costs. For example, the Group intends to repay and refinance a portion of its financial indebtedness in connection with the listing of the Company's shares on Euronext Paris. However, following the initial public offering, financing costs will remain a significant component of the Group's net profit (loss) (see "—Liquidity and Capital Resources").

Changes in the Group's Scope of Consolidation

On October 31, 2014, through its French subsidiary Europcar France SAS, the Group acquired 100% of the shares of Europ Hall SAS. With revenue of €23 million, 2,400 vehicles and 134 employees (full time equivalent) in 2014, Europ Hall has been a significant franchisee of Europcar France in Eastern France since 1978. For the year ended December 31, 2014, Europ Hall contributed €3.4 million to the Group's consolidated revenue. The integration of Europ Hall had a positive impact of 1.2% on the Group's consolidated revenue growth rate in the first quarter of 2015.

In addition, on November 30, 2014, the Group acquired a majority stake in Ubeeqo, a French startup formed in 2008 that provides car-sharing solutions for business customers. The Group acquired 70.64% of Ubeeqo's share capital through a share purchase and a capital increase subscribed by the Group. The company's founders retained the remainder of the share capital. Ubeeqo does business in France and Belgium and is in the process of entering the German market. Ubeeqo also plans to expand into the United Kingdom and Southern Europe, and potentially into Australia, New Zealand and other countries in Europe where Europcar benefits from a network of franchisees to build a global footprint.

Description of the Principal Line Items in the Group's Income Statement

The description below is based on the Group's income statement prepared in accordance with IFRS.

Revenue

Revenue includes rental revenue (or vehicle rental income), fees from the provision of services incidental to vehicle rental (including fuel), and income received from the Europcar franchise network, net of discounts and rebates and excluding intragroup sales and value-added taxes and sales taxes:

- Rental revenue (or vehicle rental income) includes rental revenue generated by the stations operated directly by the Group and by the rental stations operated by agents;
- Fees from the provision of services complementary to vehicle rental include, in particular, revenue from fuel sales and commissions received for fleet management of large accounts; and
- Income from franchisee rental activity includes annual royalties, import and territorial duties and other costs (such as reservation fees) invoiced by Europcar; recovery fees; and fees for IT services provided to franchisees. Royalties paid by franchisees to the Group are determined on the basis of the rental revenue generated by the franchisees within their territories.

Fleet Holding Costs

Fleet holding costs include depreciation charges on vehicles acquired under agreements with buyback clauses and on "at risk" vehicles, costs relating to vehicle rental agreements, costs relating to vehicle acquisitions and disposals, and taxes on vehicles (see *"—Key factors affecting the Group's Results—Cost Structure and Operational Efficiency*" for more detail).

Fleet Operating, Rental and Revenue Related Costs

Fleet operating, rental and revenue related costs comprise the costs of operating the fleet, commissions and fees relating to income from ordinary activities and costs relating to the rental. See "*—Key factors affecting the Group's Results—Cost Structure and Operational Efficiency*" for more detail.

Personnel Costs

Personnel costs include wages and salaries (including expenses relating to bonuses and profit sharing), social security contributions, post-employment benefits and other items. Personnel costs relating to employees of the rental stations are monitored separately from personnel costs relating to employees working for the network and based in the head offices of each of the Group's operating subsidiaries or at the Group's head office.

Following the creation of the Shared Services Center in Portugal in 2014, certain finance back-office functions were centralized in Lisbon (see "*Business—Fast Lane*").

Network and Head Office Overhead

Network and head office overhead includes costs relating to rental stations (including rental costs and general network costs) and costs relating to the head offices of the Group and its Corporate Countries (including rental charges, travel costs, and audit and advisory fees at the local and parent company levels), as well as the related sales and marketing costs, costs relating to IT systems, and telecommunications costs.

The head offices of the Group's Corporate Countries carry out a number of marketing and operational activities defined by the Group and tailored to local needs, such as management of large customer accounts and sales administration; Revenue and Capacity Management activities; reservations and customer service; e-commerce and marketing; and vehicle acquisition, logistics and maintenance, as well as support functions such as finance and human resources.

Amortization, Depreciation excluding vehicle fleet

Amortization, depreciation excluding vehicle fleet primarily includes amortization of intangible assets (software and operating systems owned by the Group), depreciation of property, plant and equipment (IT equipment).

Other Income and Expense

Other income and expense includes net revenue from certain commercial agreements; reversals of excess provisions; capital gains and losses on disposals of property, plant and equipment; and other items (such as rental agreement retrocessions and tax penalties).

Other Operating Income and Expenses (Other Non-Recurring Income and Expenses)

Other operating income and expenses include expenses relating to the acquisition of businesses and reorganization charges, as well as other operating costs.

Acquisition-related expenses include charges incurred in connection with the integration of acquisitions, such as legal and accounting fees, severance and consultancy costs related to headcount reductions due to the streamlining of the rental station network and its support functions, asset write-offs and transfer costs, lease termination and building refurbishment costs carried out for the purpose of integrating acquisitions.

Reorganization charges include charges incurred in connection with business restructurings carried out in response to economic downturns or to adapt local or corporate organizational structures to changing business conditions. They include headcount reduction expenses, consultancy fees, asset write-offs and transfer costs and early lease termination costs incurred as part of restructuring programs.

Unusual, non-recurring items for material amounts are presented separately in other operating income and expenses to provide a clearer picture of the Group's performance.

Net Financing Costs

Net financing costs include gross financing costs, which in turn include net financing expense on fleet financing loans and net financing expense on other loans (excluding estimated interest included in rental payments under operating leases, which are recorded in operating results), as well as other financing expenses and other financing income. Other financing expenses and income include gains and losses on derivative financial instruments, amortization of financing transaction costs, foreign exchange gains and losses, the financial component of pension charges (discounting and the expected return on plan assets), dividend income, gains and losses on financial instruments that are recognized in the income statement, and the ineffective portion of the gain or loss on cash flow hedging instruments, as well as other charges (including the repayment premium due in 2014 as a result of the early repayment and refinancing of the €350 million high yield fleet-related bonds due in 2017).

Income Tax

Income tax on profit or loss for the year comprises current and deferred tax. Income tax on profit or loss is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, as well as any adjustment to tax payable in respect of previous years.

The amount of deferred tax recognized is based on the expected pattern of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that it will be used to offset future taxable profits. This probability is assessed based on:

• the existence of time-related differences that will give rise to taxation in the future; and
• forecasts of taxable profits.

Share of Profit/Loss of Associates

Share of profit/loss of associates is the share of the profits of the entities over which the Group has significant influence without controlling them, in particular Car2go Europe and Ubeeqo.

Presentation of Accounting and Financial Information

Adjusted Corporate EBITDA

To evaluate its performance, the Group uses an indicator it calls "Adjusted Corporate EBITDA," which it defines as recurring operating income before depreciation and amortization, and after deduction of the interest expense on certain liabilities related to rental fleet financing. Adjusted Corporate EBITDA includes all vehicle fleet related costs (including impairment charges and fleet-related interest).

The Group believes that Adjusted Corporate EBITDA is a key indicator, because it measures the performance of the Group's ordinary activities including all expenses relating to fleet financing (namely, fleet depreciation expenses included in fleet holding costs and interest expenses relating to fleet financing, which are included in net financing costs in the IFRS Income Statement), without taking into account charges relating to past disbursements (depreciation and amortization not related to the fleet) or that by their unusual nature are not representative of the trends in the Group's results of operations.

Adjusted Corporate EBITDA is a non-IFRS indicator that does not have a single generally accepted definition. It should not be considered a substitute for operating income or net profit or loss as a measure of operating results or for net cash generated from operating activities as a measure of liquidity. Other issuers may calculate Adjusted Corporate EBITDA differently from the Group.

The table below provides a reconciliation of the Group's Adjusted Corporate EBITDA to recurring operating income for the years ended December 31, 2014, 2013 and 2012 (in millions of euros, except for percentages):

Adjusted Corporate EBITDA

Exchange rates used	2014 Reported	2013 Reported	2012 Reported
Recurring operating income	**254**	**210**	**173**
(-) Net fleet financing expenses	(73)	(88)	(87)
(+) Amortization and depreciation expense, excluding vehicle fleet	32	34	33
Adjusted Corporate EBITDA	**213**	**157**	**119**
Adjusted Corporate EBITDA Margin	*10.8%*	*8.2%*	*6.1%*

The table below shows a reconciliation of the Group's Adjusted Corporate EBITDA to quarterly recurring operating income for the years ended December 31, 2014 and 2013 (in millions of euros, except for percentages):

Quarterly Adjusted Corporate EBITDA

Exchange rate used	Q1 '14 Reported	Q2 '14 Reported	Q3 '14 Reported	Q4 '14 Reported	Q1 '13 Reported	Q2 '13 Reported	Q3 '13 Reported	Q4 '13 Reported
Recurring operating income	**1**	**63**	**151**	**39**	**(11)**	**55**	**136**	**30**
(-) Net fleet financing expense	(19)	(19)	(20)	(15)	(20)	(22)	(23)	(22)
(+) Depreciation—excluding vehicle fleet	8	8	8	9	8	8	8	9
Adjusted Corporate EBITDA	**(10)**	**52**	**139**	**33**	**(23)**	**42**	**121**	**17**

Significant Accounting Policies

For a description of the Group's significant accounting policies, see Note II "Significant Accounting Policies" in the Group's Consolidated Financial Statements as of and for the years ended December 31, 2012, 2013 and 2014, included in elsewhere in this Offering Memorandum.

Comparison of Results of Operations for the years ended December 31, 2014 and 2013

The table below shows the Group's consolidated results of operations for the years ended December 31, 2014 and 2013.

Comparison of results of operations for the years ended December 31, 2014 and 2013—IFRS income statement

In millions of euros Exchange rates used	2014 IFRS Reported	2013 IFRS Reported	Changes 2014 vs. 2013
Total revenue	**1,979**	**1,903**	**4.0%**
Fleet holding costs	(496)	(495)	0.3%
Fleet operating, rental and revenue related costs	(686)	(672)	2.2%
Personnel costs	(318)	(311)	2.4%
Network and head office overhead	(199)	(195)	2.3%
Other income and expense	7	14	(50.0%)
Depreciation—excluding vehicle fleet	(32)	(34)	(5.9%)
Recurring operating income	**254**	**210**	**20.8%**
Other operating income and expenses	(116)	(36)	219.2%
Operating income	138	174	(20.6%)
Net financing costs	(233)	(224)	4.1%
Profit/(loss) before tax	**(95)**	**(50)**	**90.6%**
Income tax	(11)	(8)	31.4%
Share of profit/(loss) of associates	(7)	(5)	29.1%
Net profit/(loss)	**(112)**	**(63)**	**78.0%**

The analysis in this section is based on the Group's income statement prepared in accordance with IFRS as well as on management figures that are monitored to help inform strategic decisions. Management figures are prepared in order to improve understanding of the Group's economic performance.

Comparison of results of operations for the years ended December 31, 2014 and 2013—Performance indicators

In millions of euros (except as otherwise indicated) Exchange rates used	2014 Reported rates	2013 Reported rates	Changes 2014 vs. 2013
Number of rental days invoiced (in thousands)	52,770	50,689	4.1%
Total revenue	**1,979**	**1,903**	**4.0%**
Change at constant exchange rates			3.4%
Fleet holding costs, excluding estimated interest included in operating leases	(443)	(445)	(0.5%)
Fleet operating, rental and revenue related costs	(686)	(672)	2.2%
Average fleet size in units (in thousands)	*189.3*	*183.6*	*3.1%*
Fleet financial utilization rate (%)	*76.4%*	*75.6%*	*0.7 pts*
Average fleet costs per unit per month (in €)	*(248.0)*	*(260.4)*	*(4.8%)*
Personnel costs	(318)	(311)	2.4%
Network and head office overhead	(199)	(195)	2.3%
Other income and expense	7	14	(50.0%)
Personnel costs, network and head office overhead, IT and other	(511)	(492)	3.8%
Net fleet financing expense	(73)	(88)	(16.7%)
Estimated interest included in operating leases	(54)	(50)	6.7%
Fleet financing expenses, including estimated interest included in operating leases	(126)	(138)	(8.2%)
Adjusted Corporate EBITDA	**213**	**157**	**35.9%**
Margin	*10.8%*	*8.2%*	*2.5 pts*
Depreciation—excluding vehicle fleet	(32)	(34)	(5.9%)
Other operating income and expenses	(116)	(36)	219.2%
Other financing income and expense not related to the fleet	(160)	(136)	17.4%
Profit/loss before tax	**(95)**	**(50)**	**90.6%**
Recurring operating income	254	210	20.8%
(-) Net fleet financing expenses	(73)	(88)	(16.7%)
(+) Depreciation—excluding vehicle fleet	32	34	(5.9%)
Adjusted Corporate EBITDA	**213**	**157**	**35.9%**

Revenue

The following table shows the Group's consolidated net revenue for the years ended December 31, 2014 and 2013, as a total and by product type.

Comparison of results of operations for the years ended December 31, 2014 and 2013—Breakdown of revenue

In millions of euros Exchange rates used	2014 IFRS Reported	2013 IFRS Reported	Changes 2014 vs. 2013
Vehicle rental income	1,823	1,756	3.8%
Other revenue associated with car rental	103	95	8.0%
Franchising business	53	52	2.7%
Total revenue	1,979	1,903	4.0%

Revenue was €1,979 million in 2014, an increase of 4.0% from 2013. Based on constant exchange rates for the pound sterling and the Australian dollar, revenue increased 3.4% from 2013 to 2014. All components of revenue contributed to the increase: rental revenue increased by 3.8% (3.2% at constant exchange rates), other revenue associated with vehicle rentals increased by 8.0% (6.3% at constant exchange rates) and revenue from franchisee business increased by 2.7% (2.6% at constant exchange rates).

The Group believes that the increase in revenue generated by rental activities resulted primarily from the initiatives launched in connection with the Fast Lane program, the most significant of which were the following:

- The Group's marketing efforts, including the centralization and reorganization of its e-commerce teams, the launch of the new Europcar website in 2012, the updates of its iOS and Android apps, as well as the transformation of its IT systems, which facilitates the development of its e-commerce activities;

- The training of station teams to promote the sale of additional services, such as specific equipment (including navigation systems, winter equipment, and child car seats) and the sale of additional insurance products;
- The implementation of new sales tools to better organize and coordinate with business customers;
- Efforts to accelerate the deployment of the InterRent® brand offerings in new countries;
- The development of strategic and commercial partnerships to attract international customers to the Group and its franchisees; and
- The redefinition of the Group's product portfolio and the launch of additional services, such as car-sharing and ToMyDoor.

Rental revenue benefited from a 4.1% increase in the Number of Rental Days in 2014 as compared with 2013, with 52.7 million rental days in 2014. This increase in activity took place in the Europe operating segment, in particular in the United Kingdom, as well as in the Rest of World operating segment. In addition, both the business and leisure markets contributed to this growth, representing 45% and 55%, respectively, of consolidated rental revenue for the year ended December 31, 2014, as compared with 46% and 54%, respectively, for the year ended December 31, 2013.

Revenue per day (RPD) was stable at reported exchange rates between 2013 and 2014, and decreased slightly, by 0.8%, at constant exchange rates. This stabilization of RPD between 2013 and 2014 resulted from the following:

- Increased sales of additional services in connection with the Fast Lane program, which led to an increase in the number of services offered, with increased clarity and understanding on the part of customers; offset by
- A 1.4% increase in rental duration in the Europe operating segment, in particular in Germany, the United Kingdom, Italy and Spain;
- The increase in the relative weight of certain countries in which RPD is lower than the Group average (differences in RPD between countries are primarily related to the size and cost of vehicles, the pressure of competition, the weight of truck activity as well as the average rental duration, itself linked to the structure of the customer base in each country); and
- to a certain extent, the effect of competitive pressure on prices, in particular with respect to business customers.

Revenue from sales of products related to vehicle rentals increased by 8.0% at reported exchange rates and by 6.3% at constant exchange rates, to €102.8 million. This increase was primarily due to the growth in rental revenue.

Income from franchise business increased by 2.7%, from €51.9 million in 2013 to €53.3 million in 2014. This increase was the result of the Group's Fast Lane program initiatives, which also contributed to the franchise network, partially offset by the reduction in royalties invoiced for revenue generated by the National and Alamo brands, for which the commercial partnership with Enterprise was terminated in August 2013 although the Group continued to operate the brands in the EMEA region until December 2014, pursuant to a brand license agreement with Enterprise (see "*Business—Regulatory, Legal and Arbitration Proceedings*").

Fleet Holding Costs

Fleet holding costs as per IFRS, including rental payments under operating leases (and therefore including the financing component of such rental payments as estimated by the Group) remained stable between 2013 and 2014, increasing by 0.3% at reported exchange rates and decreasing by 0.4% at constant exchange rates, totaling € 496.3 million in 2014. The 4.1% decrease in fleet depreciation charges, from €171.2 million in 2013 to €164.2 million in 2014, was partially offset by the 3.9% increase in rental payments under operating leases, from € 235.8 million in 2013 to €245.0 million in 2014.

Rental payments under operating leases, by their nature, have an interest component. As explained below, the accounting of fleet financing expenses is based on the type of financing (operating lease or other type of financing). To increase clarity, the Group groups together all fleet financing expenses and analyzes them in Adjusted Corporate EBITDA above (see *"Presentation of Accounting and Financial Information—Adjusted Corporate EBITDA"*) and excludes these expenses from its analysis of fleet holding costs.

Excluding the estimated financing expense included in the payments on operating leases (€54 million and €50 million, respectively, in 2014 and 2013), the change in fleet holding costs was a result of increased activity, offset by a decrease in the monthly per-vehicle cost and an improvement in the fleet financial utilization rate:

- In light of the 4.0% increase in revenue, fleet holding costs per vehicle improved, with a 4.1% decrease in the average fleet cost per unit per month from €200 in 2013 (€202 at constant exchange rates) to €194 in 2014. This decrease was due to the rationalization of fleet composition by category to better align it with customers' needs, better logistics in fleet-in and fleet-out phases, harmonization of procedures for monitoring the mileage of vehicles covered by buy-back programs, and optimization of buyback programs.

- In addition, the fleet financial utilization rate improved by 0.8 points, from 75.6% in 2013 to 76.4% in 2014. This increase was due in particular to the progress made in certain Corporate Countries in aligning their performance with that of the higher performing Corporate Countries, which was achieved through the sharing of best practices with respect to adapting the fleet in terms of category, price and optimized distribution within the network, to reducing idle time between the delivery of new vehicles and their first rental, between rentals and between the last rental and the sale or return of vehicles, as well as with respect to improving procedures for managing accidents and repairs.

These results are related to the actions taken in connection with the implementation of the Fast Lane program, which was launched in 2012 and the impact of which grew in 2013 and 2014, in particular through the creation of the Revenue and Capacity Management department with a division in each Corporate Country, helping to better match the Group's fleet composition with customer demand, to optimize the management of this demand and to optimize fleet distribution.

Fleet Operating, Rental and Revenue Related Costs

Fleet operating, rental and revenue related costs increased by 2.2% at reported exchange rates and by 1.4% at constant exchange rates from 2013 to 2014, reaching €686.3 million for the year ended December 31, 2014, in the context of a substantial increase in revenue.

- Fleet operating costs decreased by 6.9% at reported exchange rates and by 7.4% at constant exchange rates, principally due to better management of vehicle damage and a reduction in maintenance costs. Insurance cost per day decreased by 5.6% in 2014, primarily due to changes in the franchise buyback policy and better fraud detection on damage caused by Europcar customers to third-party vehicles.
- Rental related costs increased by 4.4% at reported exchange rates and by 3.3% at constant exchange rates, in line with the increase in the Number of Rental Days.
- Revenue related costs increased by 6.5% at reported exchange rates and by 6.3% at constant exchange rates, an increase that was about two points greater than the increase in revenue. This increase resulted in particular from the increase in airport activity, where the commissions paid by the Group are more significant.

Personnel Costs

Personnel costs increased 2.4% at reported exchange rates and 2.0% at constant exchange rates, an increase of €7.4 million from €310.8 million for the year ended December 31, 2013 to €318.2 million for the year ended December 31, 2014.

- One-third of that increase was the result of personnel costs in the network to sustain the increased business volume. Personnel costs relating to the network increased 1.5%, while the Number of Rental Days increased by 4%, reflecting gains in productivity.
- The remainder of the increase was the result of expenses relating to employees working at the head offices of the Group and its subsidiaries as well as at the Shared Services Center created in 2014. The transition and continuity of administrative activities in connection with the service transfers to the Shared Services Center led to a period of overstaffing, due to the time delay between the creation of positions at the Shared Services Center and the reduction in the number of positions with the subsidiaries.

Network and Head Office Overhead

Network and head office overhead increased 2.3% at reported exchange rates and 1.9%, or €3.7 million, at constant exchange rates, from €195.7 million for the year ended December 31, 2013 at constant exchange rates to €199.3 million for the year ended December 31, 2014.

This increase was primarily the result of an increase in sales and marketing expenses, in line with the Group's intention to invest in its brands, the development of e-commerce activities, and sponsorships.

Amortization and depreciation expense, excluding vehicle fleet

Amortization and depreciation expense, excluding vehicle fleet, decreased by € 2.0 million from €33.8 million for the year ended December 31, 2013 to €31.8 million for the year ended December 31, 2014. This change is explained by the decrease in amortization relating to the Group's IT systems.

Other Income and Expense

Other income and expense decreased by €6.9 million, from €13.7 million for the year ended December 31, 2013 to €6.9 million for the year ended December 31, 2014. This line item includes, in particular, income from commercial agreements (which decreased by €5.1 million in 2014 as compared with 2013) and capital gains or losses from disposals of fixed assets.

Other Operating Income and Expenses (Other Non-Recurring Income and Expenses)

Other operating income and expenses totaled €(115.7) million for the year ended December 31, 2014 and €(36.2) million for the year ended December 31, 2013. In 2014, other operating interest and expenses consisted of the following items:

- Reorganization charges, which totaled €22.8 million in 2014, (as compared with €26.7 million in 2013) and resulted in part from the measures implemented by several of the Group's entities or announced before the end of the year to lower the head offices' cost structure. These charges include €13 million in severance costs relating to the creation of the Shared Services Center, for which most of the restructuring costs were provisioned in 2013 (see below). Moreover, the Group used outside service providers for a total of €9.8 million in 2014 in connection with the reorganizations of the head offices and the network.
- A net charge of €59.4 million in 2014 in connection with the then ongoing litigation and arbitration with Enterprise, including attorneys' fees, the cost of removing the "e-moving" logo from certain stations, the one-off impairment of the remaining value of the right to use the National and Alamo brands, and a provision in an amount equal to the risk of certain of the damages that the Group was reasonably able to estimate as of the closing date (See Note 9 to the consolidated financial statements as of and for the year ended December 31, 2014 and "*Business—Regulatory, Legal and Arbitration Proceedings*");
- A charge of €23.9 million pursuant to a multi-year compensation program (described in "*Business—Human Resources Policy*") for which the objectives were achieved in 2014;
- Other charges, including €3.1 million in 2014 for vehicle damage from unusually bad weather.

In 2013, other operating income and expenses included €26.7 million in reorganization charges, including €18.8 million in severance costs, as well as a € 6.2 million impairment of an Auto Europe receivable following a regulatory change in 2013 relating to the deductibility of VAT for tour operators based outside the European Union.

Adjusted Corporate EBITDA

As discussed in "*Presentation of Accounting and Financial Information*", Adjusted Corporate EBITDA is defined as recurring operating income before depreciation and amortization, and after deduction of the interest expense on certain liabilities related to rental fleet financing.

Adjusted Corporate EBITDA increased by 35.9% at reported exchange rates and 35.3% at constant exchange rates, from €156.5 million for the year ended December 31, 2013 to €212.8 million for the year ended December 31, 2014. Adjusted Corporate EBITDA margin as a percentage of revenue increased by 2.6 points, from 8.2% for the year ended December 31, 2013 to 10.8% for the year ended December 31, 2014.

This improvement reflects the following main items:

- The increase in revenue, which had an impact of €13 million on Adjusted Corporate EBITDA, net of the increase in costs directly related to the increase in revenue (such as fleet holding costs and fleet operating, rental and revenue related costs);
- The improvement in per-unit fleet holding costs and fleet-related operating costs, which had an estimated impact of € 35 million excluding the impact caused by the increase in volumes and the improvement in the fleet financial utilization rate; and

• The optimization of fleet financing (estimated interest under operating leases and financing expenses relating to financing the fleet on the balance sheet), with a decrease of 8.1% in financing expenses, from €138 million in 2013 to €126 million in 2014, despite an increase in business volumes. In particular, the Group refinanced a portion of its fleet-financing debt in 2014, thus lowering its financing expenses (see *"—Net Financing Costs"* and *"—Liquidity and Capital Resources"*).

These items were partially offset by the increase in marketing and communications costs and personnel costs, as described above.

Net Financing Costs

Net financing costs amounted to €232.7 million in 2014, comprising €72.9 million in interest charges relating to the financing of the vehicle fleet recorded on the balance sheet, €78.5 million in interest charges relating to other borrowings (subordinated notes in corporate debt) and €81.3 million in other financing income and expense. Net financing costs decreased by 4.1% at reported exchange rates and by 3.9% at constant exchange rates, or € 9.1 million, from costs of €223.6 million for the year ended December 31, 2013 to costs of €232.7 million for the year ended December 31, 2014. The change from 2013 to 2014 resulted from the following:

• A 16.7% decrease in interest expenses for financing relating to fleet vehicles recorded on the balance sheet, from €87.5 million in 2013 to € 72.9 million in 2014. The Group succeeded in reducing these expenses by renegotiating some of its financing relating to the fleet (in particular the SARF and the July 2014 refinancing of a €350 million high yield bond issuance, the maturity of which was extended by 4 years, to 2021, and the interest rate of which was reduced from 9.75% to 5.125%); offset by

• A €23.7 million increase in other financing income and expense, due in particular to repayment premiums paid in July 2014 following the early repayment of the € 350 million high yield bonds due 2017 and their refinancing (€17.1 million) and the complete amortization of the transaction costs related to the notes.

Income Tax

Income tax increased by €2.6 million, from €8.1 million for the year ended December 31, 2013 to €10.6 million for the year ended December 31, 2014, due primarily to changes in French tax law limiting the deductibility of interest.

Share of Profit/Loss of Associates

The share of profit/loss of associates represented a loss of €6.5 million for the year ended December 31, 2014 as compared with a loss of €5.0 million for the year ended December 31, 2013, due to the increase in losses generated by Car2go Europe which is in the development phase. Ubeeqo, which was acquired in November 2014, did not contribute to share of profit/loss of associates in 2014.

Net Profit/Loss

Net profit/loss presented a loss of €111.7 million in 2014, as compared with a loss of €62.7 million in 2013. It included a number of non-recurring items, relating primarily to the following:

• the costs of refinancing the fleet operational debt (see in particular *"—Net Financing Costs");*

• the various restructuring and multi-year compensation costs relating to the implementation of the Fast Lane program (including the creation of the Shared Services Center in Portugal) (see, in particular, *"—Other Operating Income and Expenses");* and

• provisions and impairment of intangible assets relating to pending litigation (see, in particular, *"—Other Operating Income and Expenses"* and "*Business—Regulatory, Legal and Arbitration Proceedings"*). In accordance with IFRS, pending proceedings and disputes for which the financial risk could not reasonably be evaluated were not provisioned in the Group's consolidated financial statements as of December 31, 2014.

Comparison of results of operations for the years ended December 31, 2013 and 2012

The table below shows the Group's consolidated results of operations for the years ended December 31, 2013 and 2012.

Comparison of results of operations for the years ended December 31, 2013 and 2012—IFRS income statement

In millions of euros Exchange rates used	2013 IFRS Reported	2012 IFRS Reported	Changes 2014 vs. 2013
Total revenue	**1,903**	**1,936**	**(1.7%)**
Fleet holding costs	(495)	(537)	(7.8%)
Fleet operating, rental and revenue related costs	(672)	(691)	(2.8%)
Personnel costs	(311)	(309)	0.5%
Network and head office overhead	(195)	(212)	(8.1%)
Other income and expense	14	19	(27.5%)
Depreciation—excluding vehicle fleet	(34)	(33)	2.4%
Recurring operating income	**210**	**173**	**21.5%**
Other operating income and expenses	(36)	(32)	14.6%
Operating income	**174**	**141**	**23.0%**
Net financing costs	(224)	(230)	(2.9%)
Profit/(loss) before tax	**(50)**	**(89)**	**(44.1%)**
Income tax	(8)	(18)	(56.3%)
Share of profit/(loss) of associates	(5)	(3)	45.7%
Net profit/(loss)	**(63)**	**(111)**	**(43.3%)**

The analysis in this section is based on the Group's income statement prepared in accordance with IFRS as well as on management figures that are monitored in order to steer the Group. Management figures are prepared in order to improve understanding of the Group's economic performance.

Comparison of Results of Operations for the Years Ended December 31, 2013 and December 31, 2012—Performance Indicators

In millions of euros (except as otherwise indicated) Exchange rates used	2013 Reported rates	2012 Reported rates	Changes 2013 vs. 2012
Number of Rental Days (in thousands)	*50,689*	*50,686*	*0.0%*
Total Revenue	**1,903**	**1,936**	***(1.7%)***
Change at constant exchange rates			*(0.2%)*
Fleet holding costs, excluding estimated interest included in rental payments under operating leases	(445)	(482)	(7.8%)
Fleet operating, rental and revenue related costs	(672)	(691)	(2.8%)
Average size of fleet in units (in thousands)	*183.6*	*186.1*	*(1.4%)*
Fleet financial utilization rate	*75.6%*	*74.4%*	*1.2 pts*
Average fleet cost per unit per month (in €)	*(260.4)*	*(284.0)*	*(8.3%)*
Personnel costs	*(311)*	*(309)*	*0.5%*
Network and head office overhead	*(195)*	*(212)*	*(8.1%)*
Other income and expenses	*14*	*19*	*(27.5%)*
Personnel costs, head office and network costs, IT and other	(492)	(502)	(2.1%)
Net financing costs relating to borrowings intended for fleet financing	*(88)*	*(87)*	*0.6%*
Estimated interest included in operating leases	*(50)*	*(54)*	*(7.6%)*
Fleet-related financing costs, including estimated interest included in operating leases	(138)	(141)	(2.6%)
Adjusted Corporate EBITDA	**157**	**119**	**31.5%**
Margin (%)	*8.2%*	*6.1%*	*2.1 pts*
Amortization and depreciation expense, excluding vehicle fleet	(34)	(33)	2.4%
Other operating income and expenses	(36)	(32)	*14.6%*
Non fleet-related other financing income and expenses	(136)	(143)	*(5.0%)*
Profit/loss before tax	**(50)**	**(89)**	**(44.1%)**
Current operating income	**210**	**173**	**21.5%**
(-) Net financing costs relating to borrowings intended for fleet financing	(88)	(87)	*0.6%*
(+) Amortization and depreciation expense, excluding vehicle fleet	34	33	*2.4%*
Adjusted Corporate EBITDA	**157**	**119**	**31.5%**

Revenue

The following table shows the Group's consolidated revenue for the years ended December 31, 2013 and 2012, as a total and by product type.

Comparison of results of operations for the years ended December 31, 2013 and 2012—Breakdown of revenue

In millions of euros Exchange rates used	2013 IFRS Reported	2012 IFRS Reported	Changes 2013 vs. 2012
Vehicle rental income	1,756	1,781	(1.4)%
Other revenue associated with car rental	95	100	(5.1)%
Franchising business	52	55	(6.1)%
Total revenue	**1,903**	**1,936**	**(1.7)%**

Revenue was €1,903 million in 2013, a decrease of 1.7% as compared with 2012. Using constant exchange rates for the pound sterling and the Australian dollar, 2013 revenue remained generally in line with 2012 levels, both as to the Number of Rental Days and in RPD (the latter at constant exchange rates).

The Number of Rental Days remained stable in 2013 as compared with 2012, with 50.7 million rental days in 2013. This stability resulted principally from the following two effects:

- A decrease in business market volumes following Management's decision, in connection with the Fast Lane program, to promote more profitable volume through the renegotiation of certain agreements and the termination of

other, insufficiently profitable, agreements (in particular in the business market in Italy and, to a lesser extent, in Spain); offset by

- Strong demand in the leisure market, supported by the launch of the new Europcar website, deployment of the InterRent® brand in Southern Europe, and the creation of Revenue and Capacity Management teams in all of the Corporate Countries.

In 2013, RPD increased slightly, by 0.1%, as compared with 2012 at constant exchange rates (and decreased 1.4% at reported exchange rates). The initiatives implemented in connection with the Fast Lane program have enabled the Group to increase RPD in the leisure segment, whereas with respect to business segment contracts, prices were affected by slightly lower demand, increased competition, and an increase in the rental duration principally attributed to the increase in medium-term rental volumes.

Other revenue associated with vehicle rentals decreased by 5.1%, from € 100.3 million for the year ended December 31, 2012 to €95.2 million for the year ended December 31, 2013. This €5 million decrease resulted principally from the decrease in revenue from fuel sales due to increased cost consciousness among both business and leisure customers, partially offset by an increase in optional services in connection with the InterRent® brand and new services offered in certain countries.

Revenue from franchise business decreased by 6.1% at reported exchange rates (or 4.8% at constant exchange rates), from €55.3 million for the year ended December 31, 2012 to €51.9 million for the year ended December 31, 2013, primarily due to a reduction in royalties invoiced for revenue generated by the National and Alamo brands, for which the commercial partnership with Enterprise was terminated in August 2013, although the Group continued to use the brands in the EMEA until December 2014, pursuant to a brand licensing agreement with Enterprise (see "*Business—Regulatory, Legal and Arbitration Proceedings*").

Fleet Holding Costs

Fleet holding costs as per IFRS, including rental payments under operating leases (and therefore including the financing component of those payments as estimated by the Group) decreased by 7.8% at reported exchange rates from 2012 to 2013 (6.4% at constant exchange rates), totaling €495.0 million in 2013. This decrease reflects a 22.7% decrease in fleet depreciation, from €221.6 million in 2012 to €171.2 million in 2013, which in turn resulted principally from lower average monthly fleet holding costs per unit (see below), partially offset by an increase in rental payments under operating agreements, which increased by 6.2%, from €222.0 million in 2012 to €235.8 million in 2013.

Rental payments under operating leases, by their nature, have an interest component. As explained below, the accounting of fleet financing expenses is based on the type of financing (operating lease or other type of financing). To increase clarity, the Group groups together all fleet financing expenses and analyzes them in Adjusted Corporate EBITDA above (see *"—Presentation of Accounting and Financial Information— Adjusted Corporate EBITDA*") and excludes these expenses from its analysis of fleet holding costs.

Excluding the estimated financing expenses on operating leases (€50 million and €54 million, respectively, in 2013 and 2012), the change in fleet holding costs was a result of changes in activity, in the monthly per-unit holding cost and in the fleet financial utilization rate:

- Fleet holding costs per vehicle improved strongly, with a decrease of 6.5% in the holding cost per unit monthly average, from €214 per vehicle per month in 2012 to €200 per vehicle per month in 2013, at reported exchange rates. This decrease is principally explained by the initiatives implemented in connection with the Fast Lane program beginning in 2012, such as rationalizing the mix of vehicle categories, optimizing buyback programs, and reducing fleet acquisition costs.
- In addition, the fleet financial utilization rate improved by 1.0 point, from 74.6% in 2012 to 75.6% in 2013. This increase reflected progress in optimizing vehicle logistics within the network, shortening periods of non-availability for rental (reducing preparation, maintenance and repair times) and better matching of supply to demand.

Fleet Operating, Rental and Revenue Related Costs

Fleet operating, rental and revenue related costs decreased by 2.8% at reported exchange rates and by 1.3% at constant exchange rates to reach €671.8 million in 2013.

- Fleet operating costs, excluding insurance, fell sharply, by 15.0% at reported exchange rates and 13.7% at constant exchange rates, primarily due to better recovery rates of damages throughout the Corporate Countries, and in particular in the United Kingdom, through the implementation of new procedures and a reduction in reconditioning costs.
- Insurance costs decreased by 3.1% at reported exchange rates and 2.1% at constant exchange rates. Insurance costs per rental day decreased proportionately, since volumes were stable at the Group level, principally due to an improvement in internal processes in most of the European countries, an improvement in the Group's loss rate, as well as increases in the Number of Rental Days in countries with lower per-unit insurance costs, such as Australia.
- Rental-related costs decreased by 4.1% at reported exchange rates and 2.5% at constant exchange rates, principally due to a decrease in vehicle transfer and cleaning costs resulting from rationalization in connection with the Fast Lane program.
- Revenue-related costs increased by 7.4% at reported exchange rates and by 9.3% at constant exchange rates. This increase resulted from an increase in the proportion of commissions paid to travel agencies and tour operators, as well as to brokers, in connection with the increase in leisure market activity.

Personnel Costs

Personnel costs were relatively stable at €310.8 million in 2013 as compared with €309.2 million in 2012. This stability reflects, on the one hand, the decrease in headcount from an average of 6,373 in 2012 to an average of 6,210 in 2013 (annual average in full time equivalent) and, on the other hand, a slight increase in salaries and social security contributions, which included an increase in bonuses paid in connection with the achievement of the Group's objectives for 2013.

Network and Head Office Overhead

Network and head office overhead decreased by 8.1%, or €17.2 million, from €212.0 million for the year ended December 31, 2012 to €194.8 million for the year ended December 31, 2013.

This decrease was the result of savings initiatives introduced through the Fast Lane program. The initiatives launched in late 2012 were progressively implemented in all of the Corporate Countries, resulting in an improvement in nearly all fixed costs (general network, head office, and telecommunications costs, etc.).

Amortization and Depreciation Expense, Excluding Vehicle Fleet

Amortization and depreciation expense, excluding vehicle fleet, increased by €0.8 million from € 33.0 million for the year ended December 31, 2012 to €33.8 million for the year ended December 31, 2013. This change is explained by the increase in amortization relating to the Group's IT systems.

Other Income and Expense

Other income and expense decreased by 27.5%, or €5.2 million, from €19.0 million for the year ended December 31, 2012 to €13.7 million for the year ended December 31, 2013. This decrease primarily reflects the recognition of one-off income and expenses in 2012, including €2.5 million of retrocessions in connection with rental agreements and €1.5 million in tax penalties.

Other Operating Income and Expenses

Other operating income and expenses increased by 14.6%, or €4.6 million, from €31.6 million for the year ended December 31, 2012 to €36.3 million for the year ended December 31, 2013.

The €36.3 million in other operating income and expenses in 2013 consisted principally of the following:

- Reorganization charges of €26.7 million, including € 18.8 million in severance costs, relating to measures implemented by several Group entities in order to adapt their cost structures to lowered demand caused by the economic slowdown, as well as to the creation of the Shared Services Center as part of the Fast Lane program; and
- Impairment of receivables in the amount of €6.2 million following a regulatory change in Italy in 2013 as to the deductibility of VAT by tour operators located outside the European Union as of December 31, 2013.

The €31.6 million in other operating income and expenses in 2012 included principally €19.6 million in reorganization charges (including € 12.2 million in severance costs and €7.4 million in external costs incurred in connection with the Fast Lane program), €8.8 million in depreciation and amortization of fixed assets and €2.1 million in provisions for tax penalties.

Adjusted Corporate EBITDA

As discussed in *"—Presentation of Accounting and Financial Information*". Adjusted Corporate EBITDA is defined as recurring operating income before depreciation and amortization, and after deduction of the interest expense on certain liabilities related to rental fleet financing.

Adjusted Corporate EBITDA increased by 31.4%, or €37.4 million, from €119.1 million for the year ended December 31, 2012 to €156.5 million for the year ended December 31, 2013. Adjusted Corporate EBITDA margin as a percentage of consolidated revenue increased by 2.0 points, from 6.2% for the year ended December 31, 2012 to 8.2% for the year ended December 31, 2013.

In a context of stable revenue and at constant exchange rates, this improvement primarily reflects the following:

- An improvement in per-unit fleet holding costs and fleet-related operating costs (€45 million estimated impact excluding impact caused by the increase in volumes and the improvement in the fleet financial utilization rate);
- A one-point improvement in the fleet financial utilization rate, which had a €9 million impact on Adjusted Corporate EBITDA; and
- A slight decrease in interest expense related to fleet financing (in other words, estimated interest relating to operating leases and financing expense relating to financing the fleet held on the balance sheet), from €141 million in 2012 to €138 million in 2013.

These items were partially offset by the increase in costs related to revenues, as described above.

Net financing costs

Net financing costs amounted to €224 million in 2013, including €87 million in interest expense relating to the financing of the vehicle fleet recorded on the balance sheet, €77 million in interest charges relating to other borrowings (subordinated notes in corporate debt) and €60 million in other financial income and expense. This represented a slight decrease of 2.9% at reported exchange rates and of 2.3% at constant exchange rates from 2012 to 2013, due to:

- The €14 million decrease in other financial income and expenses, due primarily to the reduction in expense following the renegotiation of a derivative financial instrument in April 2012 (which decreased charges by €16 million). The €67 million outflow relating to the renegotiation took place in 2012, at the time of the renegotiation, and was amortized through 2014; partially offset by:
- A €7 million increase in interest expense relating to the refinancing of the €324 million high yield bonds in mid-2012.

Income Tax

Income tax expense was €8.1 million in 2013 and €18.4 million in 2012. This decrease of €10.3 million was principally caused by a non-recurring charge without impact on cash flow that was recorded in 2012 following a change in French tax law reducing the maximum use of tax losses from 60% to 50%, leading the Group to revise the valuations of some of its deferred taxes.

For the year ended December 31, 2013, income tax expense was composed primarily of the professional tax in Germany (€4.6 million), the impact of tax withheld at the source in Italy (€1.5 million) and in France (€ 1.0 million), the corporate income tax and the regional tax in Italy (€0.4 million), and the CVAE (*cotisation sur la valeur ajoutée des entreprises*) (Contribution on the Added Value of Businesses) in France (€5 million).

Share of Profit/Loss of Associates

The share of profit/loss of associates represented a loss of €5.1 million for the year ended December 31, 2013 as compared with a loss of €3.5 million for the year ended December 31, 2012, due to the increase in losses generated by Car2go Europe which is in the development phase.

Net Profit/Loss

Net profit/loss represented a loss of €62.7 million in 2013, as compared with a loss of €110.7 million in 2012. This significant improvement reflected the increase in operating income associated with the reduction in net financing costs and income tax.

Comparison of results of operations for the three months ended March 31, 2015 and 2014—IFRS income statement

	First Quarter, 2015	First Quarter 2014	Change First Quarter 2015 vs. First Quarter 2015 at reported exchange rates
In millions of euros **Exchange rates used**	**IFRS Reported exchange rates**	**IFRS Reported exchange rates**	
Total revenue	**414**	**374**	**10.6%**
Fleet holding costs	(118)	(105)	12%
Fleet operating, rental and revenue related costs	(151)	(138)	9.1%
Personnel costs	(81)	(76)	6.4%
Network and head office overhead	(53)	(47)	12.8%
Other income and expense	1	2	(61.6%)
Depreciation—excluding vehicle fleet	(8)	(8)	0.0%
Recurring operating income	**4**	**1**	**–**
Other non-recurring income and expenses	(33)	(4)	–
Operating income	**(29)**	**(3)**	**–**
Net financing costs	(43)	(54)	(19.2%)
Profit/(loss) before tax	**(73)**	**(57)**	**28.1%**
Income tax	5	(0)	–
Share of profit/(loss) of associates	(2)	(1)	57.6%
Net profit/(loss)	**(69)**	**(58)**	**19.9%**

The analysis in this section is based on the Group's income statement prepared in accordance with IFRS as well as on management figures that are monitored to help inform strategic decisions. Management figures are prepared in order to improve understanding of the Group's economic performance.

Comparison of results of operations for the three months ended March 31, 2015 and 2014—Performance indicators

In millions of euros (except as otherwise indicated)	First Quarter 2015	First Quarter, 2014	Change First Quarter 2015 vs. First Quarter, 2014
Exchange rates used	**Reported rates**	**Reported rates**	**Reported rates**
Number of rental days invoiced (in thousands)	11,414	10,335	10.4%
Number of rental days invoiced (in thousands)—Excluding Europ Hall	11,272	10,335	9.1%
Total revenue	**414**	**374**	**10.6%**
Change at constant exchange rates			7.4%
Fleet holding costs, excluding estimated interest included in operating leases	(106)	(94)	12.7%
Fleet operating, rental and revenue related costs	(151)	(138)	9.1%
Average fleet size in units (in thousands)	*172.4*	*155.8*	*10.7%*
Fleet financial utilization rate (%)	*73.6%*	*73.7%*	*(0.2) pts*
Average fleet costs per unit per month (in €)	*(265)*	*(260)*	*2.2%*
Personnel costs	(81)	(76)	6.4%
Network and head office overhead	(53)	(47)	12.8%
Other income and expense	1	2	(61.6%)
Personnel costs, network and head office overhead, IT and other	(134)	(122)	(9.9%)
Net fleet financing expense	*(15)*	*(19)*	*(21%)*
Estimated interest included in operating leases	*(12)*	*(11)*	*5.2%*
Fleet financing expenses, including estimated interest included in operating leases	(27)	(30)	(11.5%)
Adjusted Corporate EBITDA	**(4)**	**(10)**	**(63.9)%**
Margin	*(0.9%)*	*(2.7%)*	*1.8 pts*
Depreciation—excluding vehicle fleet	(8)	(8)	0.0%
Other operating income and expenses	(33)	(4)	n/a
Other financing income and expense not related to the fleet	(28)	(34)	(18.1%)
Profit/loss before tax	**(73)**	**(57)**	**28.1%**
Recurring operating income	**4**	**1**	**218.2%**
(-) Net fleet financing expenses	(15)	(19)	(21.0%)
(+) Depreciation—excluding vehicle fleet	8	8	0.0%
Adjusted Corporate EBITDA	**(4)**	**(10)**	**(63.9%)**

Revenue

The following table shows the Group's consolidated revenue for the three months ended March 31, 2015 and 2014, as a total and by product type.

Comparison of results of operations for the three months ended March 31, 2015 and 2014—Breakdown of revenue

In millions of euros Exchange rates used	First Quarter 2015 IFRS Reported	First Quarter 2014 IFRS Reported	Changes First Quarter 2015 vs. 2014 Reported
Vehicle rental income	383	343	11.5%
Other revenue associated with car rental	19	19	(0.5%)
Franchising business	12	11	1.7%
Total revenue	414	374	10.6%

Revenue was € 414 million for the three months ended March 31, 2015, up 10.6% as compared to the three months ended March 31, 2014. Based on constant exchange rates for the pound sterling and the Australian dollar, revenue for the three months ended March 31, 2015 increased by 7.4%, mainly supported by the increase in the Number of Rental Days. Europcar acquired Europ Hall, one of its French franchisees, in the fourth quarter of 2014 and fully consolidated it for two months. In 2014, Europ Hall generated standalone revenues of approximately €23 million. The consolidation of Europ Hall had a positive impact of 1.2% on the Group's consolidated revenue growth rate in the first quarter of 2015. Excluding Europ Hall, at constant exchange rates, revenue increased by 6.2%.

The Number of Rental Days significantly increased, with 11.4 million rental days in the first quarter of 2015, as compared to 10.3 million rental days in the first quarter of 2014, representing
an increase of 10.4%. This trend was seen throughout the Corporate Countries, particularly in the United Kingdom, Spain and Italy. Both the business and leisure segments benefited from this increase:

- Increased volumes for the business segment, in particular for vehicle replacement and SME customer activities, in line with the sales efforts implemented by the Group;
- Increased demand on the leisure segment, supported by the accelerated deployment of the InterRent® brand throughout the Corporate Countries.

In the first quarter of 2015, RPD decreased by 1.9% at constant exchange rates, as compared to the first quarter of 2014 (up 1.0% at reported exchange rates). The change in the RPD in the first quarter of 2015 was mainly driven by the business segment and the more significant contribution of the vehicle replacement business, as this activity has an RPD lower than the average for the segment. The leisure segment benefited from a slightly higher RPD, at constant exchange rates, even though the countries responsible for rising volumes recorded RPDs lower than this segment's average.

Revenue from sales of products related to vehicle rentals was stable at € 19 million for the first quarter of 2015.

Income from franchisee business increased by 1.7% at reported exchange rates (or 0.9% at constant exchange rates) to reach €11.6 million for the first quarter of 2015.

Fleet Holding Costs

Excluding the estimated financing expense included in the payments on operating leases (€11.6 million and € 11.0 million, respectively, in the first quarter of 2015 and in the first quarter of 2014, respectively) fleet holding costs totaled €106 million in the first quarter of 2015 compared to € 94 million in the first quarter of 2014. This change in fleet holding costs was a result of increased activity, changes in the monthly fleet holding cost per unit and the fleet financial utilization rate:

- The fleet holding cost per vehicle slightly decreased, by 1%, at constant exchange rates (with an increase of 2% at reported exchange rates);
- The fleet financial utilization rate remained stable at 73.6% in the first quarter of 2015, compared to 73.7% in the first quarter of 2014.

Fleet Operating, Rental and Revenue Related Costs

Fleet operating, rental and revenue related costs increased by 9.1% at reported exchange rates and by 6.0% at constant exchange rates in the first quarter of 2015 compared to the first quarter of 2014, reaching €151.1 million. This change is consistent with trends observed for revenue.

Personnel Costs

Personnel costs increased by 4%, or €3 million, at constant exchange rates in the first quarter of 2015 as compared to the first quarter of 2014, mainly in the Group's network of stations, which accounted for almost all of the recorded increase.

Network and Head Office Overhead

Network and head office overhead increased by 10.6%, or €6 million, at constant exchange rates (up 12.8% at reported exchange rates) in the first quarter of 2015 as compared to the first quarter of 2014.

This increase was primarily the result of the increase in marketing expenses intended to support revenue growth in the first quarter and the preparation for the summer season, as well as the launch of "*Keddy by Europcar®",* a dedicated service for tour-operators, travel agencies and brokers.

Other Non-Recurring Income and Expenses

Other non-recurring income and expenses were a charge of € 32.7 million for the first quarter of 2015, primarily including:

- Reorganization charges of €11.2 million, including € 9.6 million of severance costs relating to the implementation of measures in Germany for the streamlining of the network.
- A provision recorded based on the best estimate of the financial risk (at the current stage of the procedure with the French Competition Authority), in the event that the French Competition Authority were to impose a fine, notwithstanding the Group's arguments in defense of its position. See Note 15 to the consolidated financial statements as of and for the three months ended March 31, 2015; and
- A net reversal of a provision related to the execution of a settlement agreement with Enterprise on April 29, 2015, putting an end to all legal proceedings with this company. See Note 15 to the consolidated financial statements as of and for the three months ended March 31, 2015.

For comparison purposes, other non-recurring income and expenses totaled €4.0 million in the first quarter of 2014, including €1.4 million of impairment with respect to the National and Alamo brands, €0.8 million in severance costs, € 1.3 million of costs for the supporting consultants on the Group's Shared Services Center project in Portugal as well as the streamlining of the network in Germany.

Adjusted Corporate EBITDA

Adjusted Corporate EBITDA is defined as recurring operating income before depreciation and amortization not related to the fleet, and after deduction of the interest expense on certain liabilities related to rental fleet financing (see *"—Presentation of Accounting and Financial Information—Adjusted Corporate EBITDA*").

Seasonality strongly influences the level of Adjusted Corporate EBITDA (see "*Business—Seasonality*"), and the first quarter of 2015 recorded a negative Adjusted Corporate EBITDA, as was the case in prior years. Adjusted Corporate EBITDA for the first quarter of 2015 was negative €3.7 million, as compared to negative €10.2 million for the first quarter of 2014. This improvement mainly reflects the following items:

- The increase in revenue, which had an impact of €6 million on Adjusted Corporate EBITDA, net of the increase in costs directly related to the increase in revenue (such as fleet holding costs and fleet operating, rental and revenue related costs);
- The decrease in fleet financing interest expenses (or estimated interest under operating leases and financing expenses relating to fleet financing on the balance sheet), with a decrease from €30 million in the first quarter of 2014 to €27 million in the first quarter of 2015, following the refinancings which took place after the first quarter of 2014 (see "*Net Financing Costs*" below).

These items were partially offset by the increase in personnel costs in the network of stations and marketing expenses, as described above, as well as by the impact of the change in IFRS standards (IFRIC 21), which resulted in early recognition of a charge for the year in the amount of €1 million. In addition, the Group also incurred expenses to prepare for the summer season earlier than in the prior year.

Adjusted Corporate EBIDTA over the last twelve months was €219 million with a margin of 10.9%, which continues to improve thanks to the continuation of the Fast Lane transformation plan.

Net Financing Costs

Net financing costs amounted to €43 million in the first quarter of 2015, comprising €15 million in interest charges relating to the financing of the vehicle fleet recorded on the balance sheet, € 19 million in interest charges relating to other borrowings (subordinated notes in corporate debt) and €9 million in other financing income and expense. Net financing costs significantly improved, decreasing €10 million compared to the first quarter of 2014, due to a decrease in interest expenses for fleet financing and other financing expenses, in particular the end of the amortization of the balance of the swap contract that was renegotiated in 2012 (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Interest Rate Risk*").

Income Tax

In the first quarter of 2015, the Group recorded tax income of €5 million, as compared to a net expense of almost zero in 2014. This difference can be explained by the relative weight from one period to another of profit before tax of different entities, particularly in Germany where the profit before tax and tax credit were almost zero in the first quarter of 2014 while the profit before tax in the first quarter of 2015 represented a loss of €5.9 million with a tax credit of €2.3 million.

Share of Profit/Loss of Associates

The share of profit/loss of associates represented a loss of €1.9 million for the first quarter of 2014 as compared with a loss of €1.2 million for the first quarter of 2015, due to the increase in losses generated by Car2Go Europe.

Net Profit/Loss

Net profit/loss presented a loss of €69.5 million in the first quarter of 2015, as compared with €57.9 million in the first quarter of 2014. The improvements in Adjusted Corporate EBITDA and non-fleet financial expenses were offset by an increase in other non-recurring income and expenses.

Comparison Of Revenue With Adjusted Corporate EBITDA By Operating Segment For The Years Ended December 31, 2014, 2013 And 2012

In this section, the revenue of each Corporate Country includes revenue from franchising business.

Europe

The table below shows (i) the allocation of revenue generated in Europe by Corporate Country and in the other European countries, and (ii) Adjusted Corporate EBITDA generated in Europe for the years ended December 31, 2014, 2013 and 2012:

	Year ended December 31,					
In millions of euros Exchange rates used	**2014 Reported rates**	**2013 Reported rates**	**Changes 2014 vs. 2013**	**2013 Reported rates**	**2012 Reported rates**	**Changes 2013 vs. 2012**
Revenue						
Germany	518.3	511.9	1.2%	511.9	507.1	1.0%
United Kingdom	410.4	365.2	12.4%	365.2	369.1	(1.1)%
France	325.4	333.4	(2.4)%	333.4	339.2	(1.7)%
Italy	205.8	197.5	4.2%	197.5	220.8	(10.5)%
Spain	200.3	191.2	4.8%	191.2	197.3	(3.1)%
Belgium	60.3	59.3	1.8%	59.3	63.6	(6.9)%
Portugal	94.3	84.8	11.2%	84.8	78.9	7.5%
Other European countries (franchises)	21.4	23.2	(7.8)%	23.2	25.7	(9.6)%
Europe	**1,836.2**	**1,766.4**	**3.9%**	**1,766.4**	**1,801.6**	**(2.0)%**
Adjusted Corporate EBITDA (Europe)	**151.4**	**100.7**	**50.3%**	**100.7**	**48.5**	**107.6%**

Revenue

(a) Comparison of the years ended December 31, 2014 and December 31, 2013

Between 2013 and 2014, revenue of the Europe operating segment increased by €69.8 million at reported exchange rates, or 3.9%, from €1,766.4 million for the year ended December 31, 2013 to €1,836.2 million for the year ended December 31, 2014. This increase was primarily the result of a 4.1% increase in the Number of Rental Days, with particular improvement in the United Kingdom. The business and leisure markets had similar increases in revenue. At constant exchange rates, RPD decreased slightly, by 1.4%.

• Germany

The Group's revenue in Germany increased by € 6.4 million, or 1.2%, from €511.9 million for the year ended December 31, 2013 to €518.3 million for the year ended December 31, 2014. This increase was due primarily to the increase in the Number of Rental Days in 2014, which in turn resulted from increased demand in the business segment and an even larger increase in demand in the leisure segment. RPD decreased slightly for the period, due to the increase in rental duration in the business segment, to the adaptation of the vehicle mix in the leisure segment, and to intense competition in all segments.

• United Kingdom

The Group's revenue in the United Kingdom increased by € 45.2 million at reported exchange rates, or 12.4%, from €365.2 million for the year ended December 31, 2013 to €410.4 million for the year ended December 31, 2014. At 2014 constant exchange rates, the Group's UK revenue increased by 6.7% over the period. This increase was due to a significant increase in the Number of Rental Days in both leisure and business segments. RPD increased slightly over the period, sustained mainly by the growth in sales of additional services in the leisure segment.

• France

The Group's revenue in France decreased by €8.0 million, or 2.4%, from €333.4 million for the year ended December 31, 2013 to €325.4 million for the year ended December 31, 2014. This change, in the context of a particularly slow economy, was due primarily to decreased demand in the business segment, partially offset by an increase in the Number of Rental Days in the leisure segment. The change in RPD over the period reflects decreased demand in an increasingly competitive market. Moreover, revenue in France in 2014 includes €3.4 million from external growth relating to the acquisition of Europ Hall.

• Italy

The Group's revenue in Italy increased by €8.3 million, or 4.2%, from €197.5 million for the year ended December 31, 2013 to €205.8 million for the year ended December 31, 2014. This growth was caused by an increase in the Number of Rental Days over all customer segments, despite the renegotiation and termination of certain insufficiently profitable large customer accounts that continued during the period. RPD decreased slightly, tempered by the relative weight of the leisure segment, which grew slightly over the period.

• Spain

The Group's revenue in Spain increased by € 9.1 million, or 4.8%, from €191.2 million for the year ended December 31, 2013 to €200.3 million for the year ended December 31, 2014. This increase was supported by the significant increase in the Number of Rental Days, both in the leisure segment and, even more significantly, in the business segment. RPD remained stable over the period, as the increase in the average rental duration was offset by a more favorable RPD in the leisure segment.

• Belgium

The Group's revenue in Belgium increased by € 1.0 million, or 1.8%, from €59.3 million for the year ended December 31, 2013 to €60.3 million for the year ended December 31, 2014. This slight increase was caused primarily by the growth in the Number of Rental Days in the leisure segment, which had slightly lower RPD for the period.

• Portugal

The Group's revenue in Portugal increased by € 9.5 million, or 11.2%, from €84.8 million for the year ended December 31, 2013 to €94.3 million for the year ended December 31, 2014. This significant increase resulted, on the one hand, from an increase in the Number of Rental Days in the business segment, and, on the other hand, from sustained growth in RPD in the leisure segment.

• Other European countries (franchises)

Revenues from franchisee business in the other European countries decreased by €1.8 million to €21.4 million for the year ended December 31, 2014. Overall, there was an improvement in the Europcar franchises in the other European countries, in part due to the Group's initiatives under the Fast Lane program, which also benefited the franchisee network. However, this improvement was limited by the reduction in royalties invoiced for revenue generated by the National and Alamo brands, for which the commercial alliance with Enterprise was terminated in August 2013, although the Group continued to operate the brands in the EMEA until December 2014, pursuant to a license agreement with Enterprise (see "*Business—Regulatory, Legal and Arbitration Proceedings*"). As of the end of 2014, the Group was present in 11 other European countries pursuant to franchise agreements. For information purposes, revenues from franchisee business in the European Corporate Countries totaled €14.9 million for the year ended December 31, 2014.

(b) Comparison of the years ended December 31, 2013 and December 31, 2012

Between 2012 and 2013, revenue of the Europe operating segment decreased by € 35.2 million at reported exchange rates, or 2.0%, and by €17.9 million at constant exchange rates, from €1,801.6 million for the year ended December 31, 2012 to €1,766.4 million for the year ended December 31, 2013. This decrease was primarily the result of a 0.7% decrease in the Number of Rental Days during the period, largely caused by the Group's decision to favor a volume of activity associated with better profitability. Strong demand in the leisure market, supported by the launch of the new Europcar website, deployment of the InterRent® brand in Southern Europe, as well as by the creation of Revenue and Capacity Management teams, has offset the decrease in the business segment. At constant exchange rates, RPD has remained stable over the period, with an increase in the leisure segment that offset the decrease in the business segment.

• Germany

The Group's revenue in Germany increased by € 4.8 million, or 1.0%, from €507.1 million for the year ended December 31, 2012 to €511.9 million for the year ended December 31, 2013. This increase was generated principally by strong growth in the Number of Rental Days in the leisure segment, partially offset by the decrease in RPD in the same segment.

• United Kingdom

The Group's revenue in the United Kingdom decreased by € 3.9 million at reported exchange rates, or 1.1%, from €369.1 million for the year ended December 31, 2012 to €365.2 million for the year ended December 31, 2013. At 2013 constant exchange rates, the Group's UK revenue increased by 3.6% over the period. This growth resulted from an increase in the Number of Rental Days in both the leisure and the business segments. RPD remained stable for the period.

• France

The Group's revenue in France decreased by €5.8 million, or 1.7%, from €339.2 million for the year ended December 31, 2012 to €333.4 million for the year ended December 31, 2013. The Number of Rental Days remained stable as a result of growth in volumes in the leisure segment. RPD decreased slightly over the period in both the leisure and the business segments.

• Italy

The Group's revenue in Italy decreased by € 23.3 million, or 10.5%, from €220.8 million for the year ended December 31, 2012 to €197.5 million for the year ended December 31, 2013. In 2013, the Number of Rental Days declined sharply following the Group's decision, in connection with the Fast Lane program, to favor business volumes that tend to be more profitable through the renegotiation of certain agreements and the termination of other, unprofitable, agreements, leading to the rationalization of the network of rental stations. However, RPD increased in both the leisure and business segments.

• Spain

The Group's revenue in Spain decreased by € 6.1 million, or 3.1%, from €197.3 million for the year ended December 31, 2012 to €191.2 million for the year ended December 31, 2013. This decrease was the result of a decline in the Number of Rental Days, in particular in the business segment, following the Group's decision to terminate certain insufficiently profitable arrangements, which enabled it to improve RPD.

• Belgium

The Group's revenue in Belgium decreased by €4.3 million, or 6.9%, from €63.6 million for the year ended December 31, 2012 to €59.3 million for the year ended December 31, 2013. The decrease was strong in the business segment, with a decrease in the Number of Rental Days but a more favorable RPD.

• Portugal

The Group's revenue in Portugal increased by € 5.9 million, or 7.5%, from €78.9 million for the year ended December 31, 2012 to €84.8 million for the year ended December 31, 2013. The revenue increase resulted from a substantial increase in the Number of Rental Days in the leisure segment and, still more significantly, in the business segment. RPD continued to grow overall, led in particular by demand in the leisure segment.

• Other European countries (franchises)

Income from franchising business in the other European countries decreased by € 2.5 million, or 9.6%, to €23.2 million for the year ended December 31, 2013. Despite the strong growth in royalties on the Europcar® brand over the period, growth was restrained by the reduction in royalties invoiced for revenue generated by the National and Alamo brands, for which the commercial partnership with Enterprise was terminated in August 2013, although the Group continued to use the brands in the EMEA until December 2014, pursuant to a brand licensing agreement with Enterprise (see *"Business—Regulatory, Legal and Arbitration Proceedings"*). As of the end of 2013, the Group was present in 11 other European countries pursuant to franchise agreements. For information purposes, revenue from franchising business in the European Corporate Countries totaled €14.0 million for the year ended December 31, 2013.

Adjusted Corporate EBITDA

(a) Comparison of the years ended December 31, 2014 and December 31, 2013

The Group's Adjusted Corporate EBITDA in Europe increased by €50.7 million at reported exchange rates, or 50.3%, from €100.7 million for the year ended December 31, 2013 to €151.4 million for the year ended December 31, 2014. The Group's Adjusted Corporate EBITDA margin in Europe increased by 2.5 points to 8.2% in 2014. In 2014, Adjusted Corporate EBITDA margins increased in all of the European countries. The increase was led in particular by the United Kingdom and the countries of Southern Europe. It was also supported by the improvement in per-unit fleet holding costs and in fleet operating costs, by the improvement in the fleet financial utilization rate in all countries

except Germany, which remained stable, and by the decrease in interest expense relating to fleet financing, which benefited all of the countries in the Europe operating segment. The substantial increase in Adjusted Corporate EBITDA margin in the countries of Southern Europe also resulted from the sharing of best practices throughout the Group, leading to better management of the balance between fleet supply and demand (in terms of category, price and optimized distribution within the network), as well as from the Group's decision to terminate certain arrangements in the business segment due to insufficient profitability.

Comparison of the years ended December 31, 2013 and December 31, 2012

The Group's Adjusted Corporate EBITDA in Europe increased by €52.3 million at reported exchange rates, from €48.5 million for the year ended December 31, 2012 to €100.7 million for the year ended December 31, 2013. The Group's Adjusted Corporate EBITDA margin increased by 3.0 points to 5.7% in 2013. In 2013, Adjusted Corporate EBITDA margin increased as compared with 2012 in all of the countries in the segment except for Italy and Spain, due to a temporary lag in adapting a portion of the fixed cost structure (in particular general network and head office costs) to changes in revenue. This increase was supported by the improvement in per-unit fleet holding costs and in fleet operating costs, by the improvement in the fleet financial utilization rate in all countries except the United Kingdom, which remained stable, and by the slight decrease in interest expense relating to fleet financing, which benefited all of the countries in the Europe operating segment.

Rest of World

The table below shows (i) the distribution of revenue generated in Australia and New Zealand and in the other Rest of World countries, and (ii) the Adjusted Corporate EBITDA generated in the Rest of World operating segment for the years ended December 31, 2014, 2013 and 2012:

	Year ended December 31,					
In millions of euros	**2014**	**2013**	**Changes**	**2013**	**2012**	**Changes**
Exchange rates used	**Reported rates**	**Reported rates**	**2014 vs. 2013**	**Reported rates**	**Reported rates**	**2013 vs. 2012**
Revenue						
Australia and New Zealand	132.3	126.7	4.4%	126.7	125.1	1.3%
Other Rest of World Countries (Franchises)	17.7	16.2	9.2%	16.2	15.2	6.8%
Rest of World	**150.0**	**142.9**	**4.9%**	**142.9**	**140.2**	**1.9%**
Adjusted Corporate EBITDA	**27.9**	**21.1**	**32.3%**	**21.1**	**19.1**	**10.4%**

Revenue

(a) Comparison of the years ended December 31, 2014 and December 31, 2013

• Australia and New Zealand

The Group's revenue generated in Australia and New Zealand increased by €5.6 million at reported exchange rates, or 4.4%, from € 126.7 million for the year ended December 31, 2013 to €132.3 million for the year ended December 31, 2014. At constant exchange rates, the Group's revenue in Australia and New Zealand increased by 11.5% over the period. This significant growth over the period was the result of an increase in the Number of Rental Days in both the leisure and the business segments, and of the especially marked increase in RPD, due in turn to the increase in sales of additional services. In 2014, Australia and New Zealand benefited for the full year from the effects, first, of organic growth from the acquisition of a strategic large account and, second, of external growth from the acquisition of domestic franchises in Tasmania in 2012. Revenue from franchising business in Australia was €1.6 million and € 2.2 million for the years ended December 31, 2014 and 2013, respectively.

• Other Rest of World countries (franchises)

Revenue from franchising business in the other Rest of World countries increased by 9.2% to €17.7 million for the year ended December 31, 2014. This increase was due to organic growth in the existing franchise network, the collective benefit of the initiatives taken in connection with the Fast Lane program over the entire network, and the integration of new franchisees. As of the end of 2014, the Group was present in 117 other Rest of World countries.

(a) Comparison of the years ended December 31, 2013 and December 31, 2012

• Australia and New Zealand

The Group's revenue generated in Australia and New Zealand increased by €1.6 million at reported exchange rates, or 1.3%, from € 125.1 million for the year ended December 31, 2012 to €126.7 million for the year ended December 31, 2013. At constant exchange rates, the Group's revenue in Australia and New Zealand increased by 12.5% over the period. This significant growth was the result of an increase in the Number of Rental Days in both the leisure and the business segments, with RPD that remained stable over the period. The increase in the Number of Rental Days was supported by the acquisition of a strategic large account, as well as by external growth, with the acquisition of the domestic franchises of Tasmania. Income from franchise activities in Australia was € 2.2 million and €3.0 million for the years ended December 31, 2013 and 2012, respectively.

• Other Rest of World countries (franchises)

Income from franchising business in the other Rest of World countries increased by 6.8% to €16.2 million for the year ended December 31, 2013. This increase was due to organic growth in the existing franchise network as well as external growth through the integration of new franchisees. As of the end of 2013, the Group was present in 119 other Rest of World countries.

Adjusted Corporate EBITDA

(a) Comparison of the years ended December 31, 2014 and December 31, 2013

The Group's Adjusted Corporate EBITDA in the Rest of World operating segment increased by €6.8 million at reported exchange rates, or 32.3%, from €21.1 million for the year ended December 31, 2013 to €27.9 million for the year ended December 31, 2014. The Group's Adjusted Corporate EBITDA margin increased by 3.9 points to 18.6%. This improvement in Adjusted Corporate EBITDA margins was the result of substantial growth in revenue in Australia and New Zealand, as well as by significant growth in revenue from franchising business.

(b) Comparison of the years ended December 31, 2013 and December 31, 2012

The Group's Adjusted Corporate EBITDA in the Rest of World operating segment increased by €2.0 million at reported exchange rates, or 10.4%, from €19.1 million for the year ended December 31, 2012 to €21.1 million for the year ended December 31, 2013. Adjusted Corporate EBITDA margin increased by 1.1 points to 14.8%.

Elimination and Holdings

The table below shows (i) revenue recorded in Elimination and Holdings and (ii) Adjusted Corporate EBITDA of Elimination and Holdings for the years ended December 31, 2014, 2013 and 2012:

	Year ended December 31,					
In millions of euros	**2014**	**2013**	**Changes**	**2013**	**2012**	**Changes**
Exchange rates used	**Reported rates**	**Reported rates**	**2014 vs. 2013**	**Reported rates**	**Reported rates**	**2013 vs. 2012**
Revenue	(7.3)	(6.7)	(9.0)%	(6.7)	(5.4)	(24.0)%
Adjusted Corporate EBITDA	33.5	34.7	(3.4)%	34.7	51.5	(32.6)%

Revenue

Between 2013 and 2014, Elimination and Holdings revenue decreased slightly, by € 0.6 million, from €(6.7) million for the year ended December 31, 2013 to €(7.3) million for the year ended December 31, 2014. This change was primarily due to changes in the elimination of intragroup commissions for the recovery of customer receivables. Between 2012 and 2013, the revenue of Elimination and Holdings decreased by € 1.3 million, from €(5.4) million for the year ended December 31, 2012 to €(6.7) million for the year ended December 31, 2013.

Adjusted Corporate EBITDA

Adjusted Corporate EBITDA of Elimination and Holdings, taking into account inter-segment eliminations, decreased by €1.2 million, from €34.7 million for the year ended December 2013 to €33.5 million for the year ended December 31, 2014. This slight decrease was related, on the one hand, to the decrease in revenue generated by Elimination and Holdings and, on the other hand, to the increase in structural costs, in particular with the creation of the Shared Services Center in 2014 and additional investments in the Group's IT system.

Adjusted Corporate EBITDA of Elimination and Holdings, taking into account inter-segment eliminations, decreased by €16.8 million, from €51.5 million for the year ended December 2012 to €34.7 million for the year ended December 31, 2013. This decrease was related, on the one hand, to the decrease in revenue generated by Elimination and Holdings and, on the other hand, to the creation of the Revenue and Capacity Management and e-commerce departments, as well as to the positive effect in 2012 of refinancing the Group's hedging instruments, for which the profit was held for several months by the holding companies before being passed on to the subsidiaries, while awaiting the preparation of intra-enterprise agreements (see *" —Liquidity and Capital Resources*").

Comparison Of Revenue With Adjusted Corporate EBIDTA By Operating Segment For The Three Months Ended March 31, 2015 And 2014

Europe

The table below shows (i) the allocation of revenue generated in Europe by Corporate Country and in the other European countries, and (ii) Adjusted Corporate EBITDA generated in Europe for the three months ended March 31, 2015 and 2014:

	Three months ended March 31,		
In millions of euros	**2015**	**2014**	**Change**
Exchange rates used	**Reported rates**	**Reported rates**	**2015 vs. 2014**
Revenue			
Germany	117.8	112.9	4.4%
United Kingdom	91.1	78.0	16.8%
France	66.3	58.8	12.7%
Other European countries	94.7	85.7	10.5%
Other European countries (franchises)	4.1	3.9	5.1%
Europe	374.0	339.2	10.3%
Adjusted Corporate EBITDA (Europe)	(19.3)	(17.7)	(8.6)%

Revenue

(a) Comparison of the three months ended March 31, 2015 and March 31, 2014

Between the first quarters of 2014 and 2015, revenue of the Europe operating segment increased by 10.3%, or €34.8 million, at reported exchange rates, from €339.2 million for the first quarter of 2014 to €374.0 million for the first quarter of 2015. This increase was primarily the result of a 10.7% increase in the Number of Rental Days in the first quarter of 2015 compared to the first quarter of 2014. This trend was seen throughout the Corporate Countries and on both the business and leisure segments. At constant exchange rates, RPD decreased slightly, by 1.9%.

• Germany

The Group's revenue in Germany increased by €4.9 million, or 4.4%, from €112.9 million for the first quarter of 2014 to €117.8 million for the first quarter of 2015. This increase was due primarily to the increase in the Number of Rental Days in the first quarter of 2015, which in turn resulted from increased demand in the business segment.

• United Kingdom

The Group's revenue in the United Kingdom increased by €13.1 million, or 16.8%, at reported exchange rates, from €78.0 million for the first quarter of 2014 to € 91.1 million for the first quarter of 2014. At constant exchange rates, the Group's revenue in the United Kingdom increased by 4.9% in the first quarter of 2015 compared to the first quarter of 2014. This increase was due to a significant increase in the Number of Rental Days in the business and leisure segments in the first quarter of 2015, with growth in the vehicle replacement activity and an increase in the relative proportion of rentals under the InterRent® brand in the leisure segment, reflecting the Group's strategy to accelerate its development on the low-cost segment.

• France

The Group's revenue in France increased by €7.5 million, or 12.7%, from €58.8 million for the first quarter of 2014 to €66.3 million for the first quarter of 2015. This change was due primarily to an increase in the Number of Rental Days, in particular in the business segment but also on the leisure segment. Moreover, revenue in France includes €4.8 million from of Europ Hall acquired in the fourth quarter of 2014.

• Italy

The Group's growth in Italy in the first quarter of 2015 compared to the first quarter of 2014 was driven by a significant increase in the Number of Rental Days, in particular in the business segment.

• Spain

The increase in the Group's revenue in Spain in the first quarter of 2015 compared to the first quarter of 2014 was supported by the significant increase in the Number of Rental Days, both in the business segment and, even more significantly, in the leisure segment. RPD decreased over the period due to the business segment, which experienced a slight increase in rental duration in a more competitive environment.

• Belgium

The Group's revenue in Belgium increased slightly in the first quarter of 2015 compared to the first quarter of 2014, mainly caused by the growth in the Number of Rental Days on the business and leisure segments.

• Portugal

The Group's revenue in Portugal increased significantly in the first quarter of 2015 compared to the first quarter of 2014, driven, on the one hand, by an increase in the Number of Rental Days in the business and leisure segments, and, on the other hand, by significant growth in RPD in the leisure segment.

• Other European countries (franchises)

Income from franchising business in the other European countries increased by €0.2 million to €4.1 million for the first quarter of 2015. Overall, there was an improvement in the Europcar franchises in Europe, in part due to the Group's initiatives under the Fast Lane program, which also benefited the franchisee network. However, this improvement was limited by the reduction in royalties invoiced for revenue generated by the National and Alamo brands, for which the commercial alliance with Enterprise was terminated in August 2013, although the Group continued to operate the brands in the EMEA until December 2014, pursuant to a license agreement with Enterprise (see "*Business—Regulatory, Legal and Arbitration Proceedings".* As of March 31, 2015, the Group was present in 11 other European countries pursuant to franchise agreements.

Adjusted Corporate EBITDA

(a) Comparison of the three months ended March 31, 2015 and 2014

Seasonality significantly affected the Group's Adjusted Corporate EBITDA, with both the first quarter of 2015 and 2014 being negative. The Group's Adjusted Corporate EBITDA in Europe decreased by €1.5 million, or 8.6%, at reported exchange rates, from a loss of €17.7 million for the first quarter of 2014 to a loss of €19.3 million for the first quarter of 2015. The Group's Adjusted Corporate EBITDA margin was stable over the period at negative 5.2%. The variation in Adjusted Corporate EBITDA benefitted from several favorable factors: an increase in revenue over the period, an improvement in per-unit fleet holding costs and in fleet operating costs and the decrease in interest expense relating to fleet financing, which benefited all of the countries in the Europe operating segment. These factors were partially offset by the increase in personnel costs related to the network of stations and marketing expenses to sustain the revenue growth in revenues and to launch the Keddy by Europcar® product. In addition, the first quarter was affected by the change in IFRS standards (IFRIC 21), which resulted in early recognition of a charge for the year in the amount of €1 million. In addition, the Group also incurred expenses to prepare for the peak season earlier than in the prior year. Adjusted Corporate EBITDA in the first quarter of 2015 were also affected by the redefinition of the allocation of IT costs that are invoiced back to the countries on a monthly basis, following the Group's decision in January 2015 to merge the autonomous entity responsible for the Group's IT business with the Europcar International operating entity (both considered "*holding*" entities below). As a result, expenses related to the invoicing of such IT costs in European countries increased by €4.0 million in the first quarter of 2015, as compared to the first quarter of 2014. This additional expenses negatively affected the Group's Adjusted Corporate EBITDA in Europe, but had the opposite effect in the Eliminations and Holding segment with no impact at the Group level. Excluding this change in allocation of IT costs, the Group's Adjusted Corporate EBITDA in Europe increased by €2.4 million in the first quarter of 2015 compared to the first quarter of 2014.

Rest of World

Revenue

The table below shows (i) the distribution of revenue generated in the Rest of World, and (ii) the Adjusted Corporate EBITDA generated in the Rest of World operating segment for the three months ended March 31, 2015 and 2014:

In millions of euros Exchange rates used	Three months ended March 31, 2015 Reported rates	 2014 Reported rates	 Change 2015 vs. 2014
Revenue	40.5	36.3	11.6%
Adjusted Corporate EBITDA	7.3	6.0	20.8%

(a) Comparison of the three months ended March 31, 2015 and March 31, 2014

The increase in the Group's revenue generated in Australia and New Zealand between the first quarters of 2014 and 2015 was supported by an increase in the Number of Rental Days in the leisure segment. RPD remained stable over the period, with a slight decrease in the leisure segment, offset by a more significant increase in the business segment.

The growth in revenue from franchising business in the other Rest of World countries in the first quarter of 2015 was due to organic growth in the existing franchise network, which benefited from the initiatives taken in connection with the Fast Lane program over the entire network. As of March 31, 2015, the Group was present in 120 other Rest of World countries.

Adjusted Corporate EBITDA

(a) Comparison of the three months ended March 31, 2015 and March 31, 2014

The Group's Adjusted Corporate EBITDA in the Rest of World operating segment increased by €1.3 million at reported exchange rates, or 20.8%, from €6.0 million for the first quarter of 2014 to € 7.3 million for the first quarter of 2015. The Group's Adjusted Corporate EBITDA margin increased by 1.4 points to 18.0%. This improvement in Adjusted Corporate EBITDA margins was primarily the result of growth in revenue in Australia and New Zealand, as well as in revenue from franchising business.

Elimination and Holdings

The table below shows (i) revenue recorded in Elimination and Holdings and (ii) Adjusted Corporate EBITDA of Elimination and Holdings for the three months ended March 31, 2015 and 2014:

In millions of euros Exchange rates used	Three months ended March 31, 2015 Reported rates	 2014 Reported rates	 Change 2015 vs. 2014
Revenue			
Rest of World	(0.7)	(1.3)	(46.2)%
Adjusted Corporate EBITDA (Europe)	8.3	1.5	453.3%

Revenue

Between the first quarters of 2014 and 2015, Elimination and Holdings revenue increased slightly, by € 0.6 million, from €(1.3) million for the first quarter of 2014 to €(0.7) million for the first quarter of 2015. This change was primarily due to changes in the elimination of intragroup royalties billed with respect to revenue generated by the National and Alamo brands, for which the commercial alliance with Enterprise was terminated in August 2013, although the Group continued to operate the brands in the EMEA until December 2014, pursuant to a license agreement with Enterprise. See "*Business—Regulatory, Legal and Arbitration Proceedings*".

Adjusted Corporate EBITDA

Adjusted Corporate EBITDA of Elimination and Holdings, taking into account inter-segment eliminations, increased by €6.8 million, from €1.5 million for the first quarter of 2014 to € 8.3 million for the first quarter of 2015. This increase was primarily related to the increase in invoicing of IT costs in Corporate Countries following the redefinition of the allocation of such costs and the change to monthly invoicing in connection with the merger of the autonomous entity responsible for the Group's IT business with the Europcar International operating entity (both considered "*holding*" entities); this increase did not have an impact at the Group level.

Liquidity and Capital Resources

General Presentation

The Group's principal financing needs include fleet financing, working capital requirements, capital investment, interest payments and loan repayment. The Group may also need financing for acquisitions.

The Group's principal regular sources of liquidity are its operating cash flows as well as its financings, a substantial portion of which is dedicated to and secured by the portion of the fleet that is recorded on the balance sheet. The Group's ability to generate cash flow from its operating activities in the future will depend on its future operating performance, which depends to a certain extent on external factors, including the risk factors described in "*Risk Factors*". The Group also has cash and cash equivalents to finance its ongoing requirements related to its activity. Moreover, the Group has cash and cash equivalents that are considered "*restricted*". Restricted cash is cash that is (i) used to cover the future settlement of insurance claims or (ii) not immediately available to finance the activity of its subsidiaries. This includes, in particular, cash that is held within certain special purpose vehicles set up for vehicle rental activities and insurance.

As of December 31, 2014, the total amount of the Group's consolidated gross indebtedness was €2,169 million. The Group considers €1,396 million of that amount to relate to fleet financing, the majority of which is backed or secured by assets (mainly vehicles).

In addition, in order to finance its fleet, the Group also uses operating leases, the outstanding amount of which totaled €1,284 million as of December 31, 2014. The estimated debt equivalent of fleet operating leases off-balance sheet corresponds to the net book value of the vehicles in question, which is determined based on the acquisition prices and depreciation rates of the corresponding vehicles (on the basis of statistics provided by the car manufacturers). In accordance with IFRS, this amount is not recorded on the balance sheet. See "*Description of Certain Europcar Financing Arrangements*" and Note 31 to the Consolidated Financial Statements for the years ended December 31, 2012, 2013 and 2014 included elsewhere in this Offering Memorandum for a more detailed description of the Group's financing.

The table below shows the breakdown of the Group's consolidated gross indebtedness recorded on the balance sheet as of December 31, 2014:

(in millions of euros)	**As of December 31, 2014**
Outstanding Subordinated Notes Due 2017	324.0
Outstanding Subordinated Notes Due 2018	400.0
Existing Senior Revolving Credit Facility (SRCF)	201.0
FCT Junior Notes, non-accrued interest and other[(a)]	(120.6)
Capitalized costs of finance agreements	(31.5)
Corporate gross debt	**772.9**
EC Finance Notes (2021)	350.0
SARF	417.6
FCT Junior Notes non-accrued interest and other	128.6
Financing of the fleet in the United Kingdom, Australia and other fleet financing facilities	501.0
Gross fleet-related debt recorded on the balance sheet	**1,396.2**
Total gross debt recorded on the balance sheet	**2,169.1**

(a) Including non-accrued interest on held-to-maturity investments (Euroguard).

The Group has significantly restructured its indebtedness over the last few years. See "*Description of Certain Europcar Financing Arrangements*" for a more detailed description of the Group's credit lines and debt instruments.

In 2012:

- In April, Standard & Poor's gave a rating of "A" to the senior notes issued by the issuer of a French securitization fund, which led, in accordance with the applicable documentation, to an improvement in the margin to be paid under the SARF;
- In June, the Group carried out the following transactions:
    - the Existing Senior Revolving Credit Facility (SRCF) was amended to extend its maturity date from May 2013 to April 19, 2015. The SRCF included two options for one-year extensions, exercisable on the first and second anniversary dates of the agreement. Since the lenders agreed to the extension (for all but €22.5 million), the SRCF maturity date has since been extended to April 19, 2017;
    - the Group refinanced certain credit lines dedicated to financing the UK fleet;
    - Eurazeo granted a subordinated loan to the Company in the amount of €110 million (the "Subordinated Loan"). This loan was then capitalized through an issuance of ordinary shares in February 2013;
    - the Group issued senior subordinated secured notes due in 2017, for a principal amount of €324 million and bearing interest at a rate of 11.5%, in order to finance the full repayment of Europcar's senior subordinated notes due in 2013 (which had a principal amount of €425 million and bore interest at a variable rate). Proceeds from the Subordinated Loan referred to above were also used for this repayment;
- In connection with these refinancing transactions, the Group also renegotiated one of its two interest rate swaps; the other was renegotiated in 2013.

In 2014:

- In March, the SARF was amended, in particular in order to reduce the margin and extend the maturity date of the facility from July 2014 to July 2017;
- In July, the Group refinanced its debt dedicated to financing the vehicle fleet in France, Italy, Germany and Spain, through an issuance of senior secured notes due in 2021, for a principal amount of €350 million and bearing interest at a rate of 5.125%. These notes were issued by EC Finance plc, a special purpose vehicle, and guaranteed by ECI. This issuance enabled the Group to repay the full principal amount of the senior notes also issued by EC Finance Plc in two tranches (€250 million in the summer of 2010 and €100 million in May 2011), which were repayable in 2017 and bore interest at a rate of 9.75%; and
- In connection with these refinancing transactions, the Group also renegotiated its two interest rate swaps.

In connection with the Company's initial public offering, The Group is currently engaged in a refinancing and repayment of certain of its outstanding debt (the "**Refinancing**"), which is expected to include the following transactions:

- the implementation of a New Senior Revolving Credit Facility (signed on May 12, 2015 and expected to enter into effect after the satisfaction of certain conditions precedent) and the use of proceeds thereof to repay the Existing Senior Revolving Credit Facility;
- the issuance of the Notes by the Group, and the use of the proceeds to redeem in full the €400 million owed under the Outstanding Subordinated Notes Due 2018, including make-whole costs of approximately 0.5 times the annual interest costs and approximately € 10 million of issuance costs, and, with respect to any remaining amount, for general corporate purposes. See "*Use of Proceeds*";
- the use of a portion of the proceeds of the capital increase that will occur at the time of the initial public offering of the Company and its listing on the regulated market of Euronext in Paris to repay in full the €324 million in principal due with respect to the Outstanding Subordinated Notes Due 2017;
- an amendment of the Group's SARF (signed on May 12, 2015 and expected to enter into effect after the satisfaction of certain conditions precedent) primarily to extend the maturity thereof and to lower the overall interest cost thereof, and
- the extension and amendment of certain of the Group's interest rate swap agreements (primarily to reflect the extension of the maturity date of the SARF and include necessary Standard & Poor's rating criteria) expected to take effect on the closing date of the New Senior Revolving Credit Facility).
- the amendment of certain of the Group's interest rate swap agreements (primarily to reflect the extension of the maturity of the SARF and include necessary Standard & Poor's rating criteria).

The Group believes that its financing needs in 2015 will primarily include working capital requirements, interest expense and the repayment of loans.

Analysis of Cash Flows

Analysis Of Cash Flows For The Years Ended December 31, 2014, 2013 And 2012

The Group's principal cash flow drivers are its operating performance as reflected in its operating profit before changes in working capital, cash related to financing transactions, interest on its corporate debt, cash flow relating to acquisitions and disposals of the fleet and cash from (used by) investments.

	Year ended December 31,		
(in millions of euros)	**2014**	**2013**	**2012**
Net cash generated from (used by) operating activities	(89.7)	113.9	27.3
Net cash used by investing activities	(76.6)	(23.1)	(28.4)
Net cash generated from (used by) financing activities	103.3	(35.6)	(133.6)
Net increase (decrease) in cash and cash equivalents after effect of foreign exchange differences	(63.0)	55.3	(134.7)

Net Cash Generated From (Used By) Operations

The table below summarizes the Group's net cash generated from operating activities for the years ended December 31, 2014, 2013 and 2012.

	Year ended December 31,		
In millions of euros	**2014**	**2013**	**2012**
Operating profit before changes in working capital	**224.0**	**204.9**	**182.4**
Changes in rental fleet and in fleet working capital	(165.5)	56.0	95.5
Changes in non-fleet working capital	50.0	62.6	(18.6)
Cash generated from operations	**108.6**	**323.6**	**259.3**
Income taxes received (paid)	(31.4)	(35.6)	(65.8)
Net interest paid	(166.8)	(174.1)	(166.3)
Net cash generated from (used by) operations	**(89.7)**	**113.9**	**27.3**

Net Cash Generated From Operations

Net cash generated from operations represented a cash inflow of € 323.6 million in 2013, as compared with a cash inflow of €108.6 million in 2014. While operating profit before changes in working capital generated an additional resource of € 19.1 million as a result of an improvement in the Group's operating profitability between the two years, this change was largely offset by the significant increase (€221.5 million) in resources necessary for additional fleet acquisition as compared to 2013.

Cash outflow from changes in rental fleet and in fleet working capital totaled € 165.5 million in 2014. This change as compared with 2013 (cash inflow of €56.0 million) was the result of increased activity at the end of the year 2014 as compared with the end of 2013, reflected in the 9.2% increase in the Number of Rental Days in the last quarter of 2014 as compared with the last quarter of 2013, and, to a lesser extent, of the financing of that increase in activity principally through balance sheet debt. The effect of the increase in the Number of Rental Days was partially offset by an improvement in the fleet financial utilization rate. In addition, the €50 million improvement in changes in non-fleet working capital in 2014 was the result, on the one hand, of the actions taken over the last two years to manage non-fleet working capital in connection with the Fast Lane program, which continued to generate cash, and, on the other hand, of the impact of other operating income and expenses, which the Company considers to be non-recurring.

Net cash generated from operations represented a cash inflow of € 323.6 million in 2013, as compared with a cash inflow of €259.3 million in 2012. This increase in 2013 reflects the improvement in operating profit before changes in working capital, due in large part to an improvement in Adjusted Corporate EBITDA between 2012 and 2013, from €119 million to €157 million, and in particular due to the Group's initiatives in connection with the Fast Lane program in order to better manage changes in the rental fleet, changes in fleet working capital and changes in non-fleet working capital (which improved by €41.7 million in 2013 as compared with 2012).

Changes in the rental fleet and in fleet working requirements represented a cash inflow of €56.0 million in 2013, as compared with a cash inflow of €95.5 million in 2012. The positive change in 2013 reflects slightly increased activity at the end of the year, with a 0.8% increase in the Number of Rental Days, the effect of which on working capital was more than offset by the improvement in the fleet financial utilization rate and therefore by a decrease in the number of vehicles needed for this activity. The €95.5 million positive change in the rental fleet and in changes in fleet working capital in 2012 resulted from a decrease in activity at the end of the year as compared with the prior year.

Excluding the € 48.6 million repayment to the final beneficiaries of the amount received by the Group in 2011 in relation to the settlement of the non-tax portion of the "Fleming VAT Claim" (see "*—Income Taxes Received/Paid*" below), non-fleet working capital represented a cash inflow of €30.0 million in 2012, as compared with a cash inflow of €62.6 million in 2013. These increases resulted primarily from measures implemented in order to align payment periods within the Group.

Income Taxes Received/Paid

Income taxes paid represented a cash outflow of €31.4 million in 2014, as compared with a cash outflow of €35.6 million in 2013. In 2013, income tax paid included €15.2 million in corporate income tax, €10.0 million in professional tax in Germany, €5.3 million in CVAE (*cotisation sur la valeur ajoutée des entreprises*) (Contribution on the Added Value of Businesses) and € 4.4 million in withholding tax. In 2014, income tax paid included €17.2 million in corporate income tax, €9.6 million in professional tax in Germany and IRAP (Italian Regional Production Tax) in Italy, and €4.6 million in CVAE.

Income taxes paid represented a cash outflow of €35.6 million in 2013, as compared with a cash outflow of €65.8 million in 2012, principally due to an unusually high tax payment in 2012. In 2011, the Group had received € 66.0 million (£55.5 million converted into euros on the payment date) in repayment of value added tax by the British tax authorities in connection with the "Fleming VAT Claim," which the Group had brought on behalf of the former shareholders of Premier First in connection with agreements with Vanguard. In 2012, the Group was required to pay €17.4 million in taxes to the United Kingdom (£13.7 million converted into euros on the balance sheet date) relating to this repayment, and €48.6 million (£41.8 million converted into euros on the balance sheet date) was transferred to the former shareholders of Premier First, with 10% retained by the Group as compensation. Restated for this amount, tax-related cash outflow was €48.4 million in 2012 and reflected payments made in Germany, France and Italy. The 2012 fiscal year was also affected by new European tax legislation limiting the deductibility of financial interest as well as the timing effect in cash out from 2011 to 2012. The related impact was an additional tax expense of €5.9 million.

Net Interest Paid

Net interest paid represented a cash outflow of €166.8 million in 2014, as compared with a cash outflow of €174.1 million in 2013, due to the refinancing of fleet-related senior notes carried out in mid-2014, which reduced their interest rate from 9.75% to 5.125%.

Net interest paid represented a cash outflow of € 174.1 million in 2013, as compared with a cash outflow of €166.3 million in 2012. This increase was due to the full-year impact in 2013 of the refinancing of the subordinated notes due in 2017 carried out in mid-2012.

Net Cash Used by Investing Activities

The table below summarizes the Group's net cash used by investing activities for the years ended December 31, 2014, 2013 and 2012.

	Year ended December 31,		
In millions of euros	**2014**	**2013**	**2012**
Changes in other investments and loans	(1.2)	–	7.4
Acquisitions of intangible assets and property, plant and equipment	(23.6)	(23.2)	(25.5)
Proceeds from disposal of fixed assets	3.5	1.8	2.0
Acquisitions and proceeds from disposal of financial assets	(9.6)	2.9	(6.6)
Acquisition of subsidiaries, net of cash acquired	(45.8)	(4.6)	(5.7)
Disposal of subsidiaries, net of cash sold	–	–	–
Dividends received from associates	–	–	–
Net cash used by investing activities	**(76.6)**	**(23.1)**	**(28.4)**

Net cash used by investing activities represented a cash outflow of € 76.6 million during the year ended December 31, 2014, as compared with a cash outflow of €23.1 million during the year ended December 31, 2013 and a cash outflow of €28.4 million during the year ended December 31, 2012.

The increase in cash outflow in 2014 was due principally to the following factors:

- acquisitions of subsidiaries in 2014, including the acquisition prices, net of cash net of any bank overdrafts, for Ubeeqo (€17.3 million) and Europ'Hall (€22.5 million) and the subscription for a capital increase of Car2Go Europe (€5.7 million), for a total cash outflow of € 45.8 million;
- acquisitions of financial assets by the captive insurance company Euroguard, for a cash outflow of €9.6 million.

In 2012 and 2013, acquisitions of subsidiaries included Car2go Europe, in connection with which Europcar subscribed for capital increases in proportion to its equity investment for €5.7 million and € 4.6 million in 2012 and 2013, respectively, to support the development of the Group's business.

Acquisitions of intangible assets and property, plant and equipment remained relatively stable over the last three years, representing a cash outflow of €23.6 million 2014, €23.2 million in 2013 and € 25.5 million in 2012. These amounts included investments in infrastructure and IT equipment representing €9.3 million in 2014, € 8.2 million in 2013 and €9.1 million in 2012. Other investments mainly include purchases of furniture and fixtures for rental stations and head offices.

Acquisitions and proceeds from the disposal of financial assets in 2013 and 2012 related to investments made by the captive insurance company, Euroguard.

Net Cash Generated From (Used By) Financing Activities

The table below summarizes the Group's net cash generated from (used by) financing activities for the years ended December 31, 2014, 2013 and 2012.

	Fiscal year ended December 31,		
In millions of euros	**2014**	**2013**	**2012**
Increase in share capital	–	110.0	–
Shareholder's subordinated loan	–	–	110.0
New senior subordinated secured notes	350.0	–	324.0
Redemption of senior subordinated secured notes	(367.1)	–	(425.0)
Change in senior fleet financing liability[1]	84.4	16.7	(15.5)
Change in other fleet financing liabilities	56.2	(47.9)	2.6
Payment of transaction costs	(17.3)	(4.0)	(34.0)
Cash payment for swap amendment	(2.0)	–	(67.1)
Other new borrowings		–	3.5
Repayment of other borrowings	(0.9)	(110.3)	(32.1)
Net cash generated from (used by) financing activities	**103.3**	**(35.6)**	**(133.6)**

(1) Changes in borrowings dedicated to fleet financing are reported on a net basis since they relate to buyback agreements with short-term maturities.

Net cash generated from (used by) financing activities represented a cash inflow of €103.3 million in 2014, as compared with a cash outflow of €35.6 million in 2013 and a cash outflow of € 133.6 million in 2012.

These changes reflect the various debt repayments and issuances by the Group, an increase in share capital in 2013 (in repayment of the 2012 shareholder's subordinated loan), the payment of transaction costs incurred in the process of refinancing the subordinated notes and senior loans dedicated to fleet financing, as well as cash adjustments paid in connection with amendments to interest rate swaps. See "*Description of Certain Europcar Financing Arrangements*" above for more information on the Group's gross indebtedness.

Analysis Of Cash Flows For The Three Month Period Ended March 31, 2015

The Group's principal cash flow drivers are its operating performance as reflected in its operating profit before changes in working capital, cash related to financing transactions, interest on its corporate debt, cash flow relating to acquisitions and disposals of the fleet and cash from (used by) investments.

	Three months ended March 31,	
(in millions of euros)	**2015**	**2014**
Net cash generated from (used by) operating activities	91.3	39.1
Net cash used by investing activities	(5.5)	(4.8)
Net cash generated from (used by) financing activities	(73.5)	(92.7)
Net increase (decrease) in cash and cash equivalents after effect of foreign exchange differences	12.2	(58.5)

Net Cash Generated From (Used By) Operations

The table below summarizes the Group's net cash generated from operating activities for the first quarters of 2014 and 2015.

In millions of euros	Three months ended March 31, 2015	2014
Operating profit before changes in working capital	**(5.3)**	**(2.4)**
Changes in rental fleet and in fleet working capital	121.2	76.7
Changes in non-fleet working capital	1.0	(1.6)
Cash generated from operations	**122.2**	**72.7**
Income taxes received (paid)	(5.4)	(3.5)
Net interest paid	(20.3)	(30.1)
Net cash generated from (used by) operations	**91.3**	**39.1**

Net Cash Generated From Operations

Net cash generated from operations represented a cash inflow of € 122.2 million in the first quarter of 2015, as compared with a cash inflow of €72.7 million in the first quarter of 2014. While operating profit before changes in working capital remained stable between the two periods, the Group benefitted from a significant increase of changes in working capital net of changes in rental fleet.

Changes in rental fleet and in fleet working capital represented a cash inflow of €121.2 million in the first quarter of 2015, as compared with a cash inflow of €76.7 million in the first quarter of 2014. The positive change in 2015 reflects significantly increased activity in the first quarter of 2015, with a 10.4% increase in the Number of Rental Days as compared with the first quarter of 2014 and an increase in the number of vehicles with a relatively stable fleet financial utilization rate (with a 6% increase in the fleet in the March 31, 2015 balance sheet as compared with December 31, 2014 and stable as at March 31, 2014 as compared with December 31, 2013). Fleet working capital significantly improved with increasing fleet supplier debts due to the increase in business activity and a different rotation plan for vehicles, as compared to 2014. The first quarter of 2014 was marked by the repayment of €39 million in connection with the sales and lease-back mechanisms on one of the Group's lines of financing (an amount received just before the closing of December 31, 2013 and repaid at the beginning of 2014). Excluding this amount, the changes in rental fleet and in fleet working capital would have represented a net cash inflow of €115 million in the first quarter of 2014.

Income Taxes Received/Paid

Income taxes paid represented a cash outflow of €5.4 million in the first quarter of 2015, a slight increase as compared with the same period in 2014.

Net Interest Paid

Net interest paid represented a cash outflow of €20.3 million in the first quarter of 2015, as compared with a cash outflow of €30.1 million in the first quarter of 2014, mainly due to the refinancing of senior notes dedicated to the fleet carried out in mid-2014, which resulted in a reduction of the interest rate from 9.75% to 5.125%.

Net Cash Used by Investing Activities

The table below summarizes the Group's net cash used by investing activities for the three months ended March 31, 2015 and March 31, 2014.

In millions of euros	Three months ended March 31, 2015	2014
Changes in other investments and loans	(0.1)	1.7
Acquisitions of intangible assets and property, plant and equipment	(8.2)	(5.3)
Proceeds from disposal of fixed assets	2.7	1.8
Acquisitions and proceeds from disposal of financial assets	–	(0.8)
Acquisition of subsidiaries, net of cash acquired	–	(2.3)
Disposal of subsidiaries, net of cash sold	–	–
Dividends received from associates	–	–
Net cash used by investing activities	**(5.5)**	**(4.8)**

Net cash used by investment activities remained relatively stable between the two periods.

Net Cash Generated From (Used By) Financing Activities

The table below summarizes the Group's net cash generated from (used by) financing activities for the three months ended March 31, 2015, and March 31, 2014.

	Three months ended March 31,	
In millions of euros	**2015**	**2014**
Increase in share capital	–	–
Shareholder's subordinated loan	–	(0.4)
EC Finance Notes	–	–
Redemption of senior subordinated secured notes	–	–
Change in senior fleet financing liability[1]	(38.7)	(89.2)
Change in other fleet financing liabilities	(54.9)	0.7
Payment of transaction costs	–	(3.8)
Cash payment for swap amendment	–	–
Other new borrowings	20.1	–
Repayment of other borrowings	–	(0.0)
Net cash generated from (used by) financing activities	**(73.5)**	**(92.7)**

(1) Changes in borrowings dedicated to fleet financing are reported on a net basis since they relate to buyback agreements with short-term maturities.

Net cash generated from (used by) financing activities represented a cash outflow of €73.5 million in the first quarter of 2015, as compared with a cash outflow of €92.7 million in the first quarter of 2014. These financing transactions primarily related to the rental fleet over these two periods. Drawdowns on the Existing Senior Revolving Credit Facility were made in the same proportions between the first quarter of 2015 and the first quarter of 2014.

Analysis of Corporate Free Cash Flow

Analysis Of Corporate Free Cash Flow For The Years Ended December 31, 2014, 2013 And 2012

Overview

In analyzing its liquidity, the Group uses the indicator of corporate free cash flow.

The Group believes that corporate free cash flow is a useful indicator because it measures the Group's liquidity based on its ordinary activities, including net financing costs on borrowings dedicated to fleet financing, without taking into account (i) past disbursements in connection with debt refinancings, (ii) costs which due to their exceptional nature are not representative of the trends in the Group's results of operations and (iii) cash flows in relation to the fleet analyzed in a separate manner as the Group makes acquisitions through asset-backed financing.

The calculation of corporate free cash flow for 2014, 2013 and 2012 is set forth below. This presentation differs from the IFRS statement of cash flows primarily due to the analytic regrouping carried out and the items that do not affect cash flow, which vary based on the financial indicator used as the starting point (in this case, Adjusted Corporate EBITDA, as presented below, as compared with the pre-tax profit in the IFRS statement of cash flows).

The table below shows the calculation of corporate free cash flows, as well as the regrouping of certain items deemed significant in analyzing the Group's cash flow, including cash flow relating to changes in the rental fleet, in fleet-related trade receivables and trade payables, and in fleet-related financing and other working capital facilities, principally used for fleet-related needs.

Performance Indicators—Table of Cash Flows

In millions of euros	December 31, 2014	2013	2012
Adjusted Corporate EBITDA	**213**	**157**	**119**
Other Operating Income and Expenses[(1)]	(28)	(29)	(23)
Acquisition of intangible assets and property, plant and equipment, net of disposals	(22)	(22)	(24)
Changes in provisions and employee benefits[(2)]	11	(4)	6
Changes in non-fleet working capital requirements[(2)(3)]	16	63	31
Income taxes received/paid[(3)]	(31)	(36)	(49)
Corporate Free Cash Flow	**159**	**128**	**60**
Net interest paid on High Yield borrowings	(74)	(74)	(67)
Cash flow after payment of High Yield interest	**85**	**54**	**(7)**
Acquisition of subsidiaries, net of cash acquired and other investment transactions[(4)]	(56)	(2)	(2)
Changes in vehicle fleet, in fleet working capital and in fleet financing and working capital facilities	(55)	7	63
New (net of repayment) senior subordinated notes	–	–	(130)
Shareholder's subordinated loan	–	–	110
Payment of financing transaction costs and redemption premium	(34)	(4)	(34)
Temporary effect following settlement of VAT claim in the UK (received in 2011, transferred out in 2012)[(3)]	–	–	(68)
Swap repayment	(2)	(1)	(67)
Increase (decrease) in cash and cash equivalents before effect of foreign exchange conversions	**(63)**	**55**	**(135)**
Cash and cash equivalents at beginning of period	*267*	*213*	*345*
Effect of foreign exchange conversions	*2*	*(1)*	*3*
Cash and cash equivalents at end of period	*206*	*267*	*213*

(1) The line item "other operating income and expenses" (non-recurring) as presented in this table differs from the line item with the same name in the income statement, because the line item in this table excludes depreciation of the right to use the National and Alamo brands in 2012, 2013 and 2014. In addition, in 2014, certain non-recurring items with no impact on cash flow in 2014 were also excluded from this line item (see note (2) below). These items related to provisions and working capital relating to the Enterprise litigation, as well as the €23.9 million charge pursuant to a multi-year compensation program for which the objectives were achieved in 2014, which was offset in changes in working capital.

(2) Changes in provisions and employee benefits included in Adjusted Corporate EBITDA and changes in non-fleet working capital were restated in 2014 for non-recurring items that had no impact on cash in 2014 (for €33 million and €38 million, respectively), and offset in other operating income and expenses.

(3) In 2011, Europcar received a €68 million payment (£55.5 million converted as of the balance sheet date) following settlement of the Fleming VAT claim. This amount was repaid to the claim's beneficiaries in 2012. This item was isolated, offsetting an adjustment of €17.4 million recorded in income tax received/paid and an adjustment of €51 million in changes in non-fleet working capital.

(4) These related to financial assets.

Corporate Free Cash Flow

Corporate free cash flow is defined as free cash flow before the impacts of the fleet and acquisitions of subsidiaries. Free cash flow totaled €60 million in 2012, €128 million in 2013 and € 159 million in 2014. These significant increases, of €68 million in 2013 and €31 million in 2014, reflected the following factors:

- *Adjusted Corporate EBITDA.* Adjusted Corporate EBITDA increased €94 million over the period, from €119 million in 2012 to €213 million in 2014, due primarily to an increase in revenue and an improvement in operating costs per day and rental volumes in connection with the Fast Lane program.

- *Other Operating Income and Expenses* (*non-recurring*). Other operating income and expenses, which the Company considers to be non-recurring, represented a cash outflow of € 28 million in 2014 (€88 million in other non-recurring operating income and expenses had no impact on cash in 2014, as explained in the notes to the table above (see "*Management's Discussion and Analysis of Results of Operations and Financial Conditions—Other Operating Income and Expenses of this Offering Memorandum*" for a description of this income and expense)). In 2013 and 2012, other operating income and expenses, which the Company considers to be non-recurring, totaled € 29 million and €23 million, respectively (see "*Management's Discussion and Analysis of Results of Operations and Financial Conditions—Other Operating Income and Expense*" for a description of this income and expense).

- *Acquisition of Intangible Assets and Property, Plant and Equipment.* This line item, which is presented net of disposals, includes primarily purchases of IT equipment and remained stable over the period.

- *Changes in Non-Fleet Working Capital.* Non-fleet working capital improved continuously over the period, with a cash inflow of €31 million in 2012, € 63 million in 2013 and €16 million in 2014 (excluding the €38 million that had no impact on cash in 2014), principally due to the Fast Lane program. In connection with that program, the Group improved its collection procedures, implemented pre-payment procedures in certain circumstances, and harmonized supplier payment terms.
- *Income Taxes Received/Paid.* For a description of these cash outflows, see *"—Income Taxes Received/Paid"*.

Other Components of Cash Flow

Net interest paid on high yield borrowings increased by € 7 million between 2012 and 2013, due to the full-year impact of the mid-2012 refinancing of the subordinated notes due in 2017.

Cash outflow relating to acquisitions of subsidiaries, net of cash acquired and other investment transactions, totaled €56 million in 2014. In 2012 and 2013, the amounts recorded in this line item were insignificant. In 2014, these items included cash outflows resulting from the acquisitions of Ubeeqo and Europ'Hall and the subscription of Car2go's capital increase, as well as acquisitions of financial assets by the captive insurance company Euroguard (see *"—Net Cash Used by Investing Activities*").

The net impact of changes in the fleet recorded on the balance sheet, rental fleet related receivables, rental fleet related payables, and borrowings dedicated to fleet financing is primarily the result of temporary lags between the delivery of a vehicle, payment for this delivery, and entry into securitization and financing of these vehicles. Changes from one year to the next may thus be significant (as seen in the €55 million outflow in 2014, the €7 million inflow in 2013) and the € 63 million inflow in 2012.

As indicated above, the Group issued senior secured subordinated notes due 2017, in a principal amount of €324 million and bearing interest at 11.5%, for the purpose of redeeming in full the senior subordinated notes due 2013 issued by Europcar, in a principal amount of €425 million and bearing a floating interest rate. This redemption was effected with the proceeds of the Subordinated Loan.

Payments of financing transaction costs and redemption premium totaled € 34 million in 2014 and €41 million in 2012 as a result of the refinancing transactions carried out during those two years. The € 34 million in 2014 includes €17 million in early redemption premium and €17 million in transaction costs.

The temporary effect following settlement of a VAT claim in the United Kingdom (the Fleming VAT Claim) represented a cash inflow of €67 million in 2011 and a cash outflow of €68 million in 2012 (see *"—Income Taxes Received/Paid"*).

In 2012, amendments to interest rate swaps led to a €67 million cash outflow.

Analysis Of Corporate Free Cash Flow For The Three Month Period Ended March 31, 2015

Overview

In analyzing its liquidity, the Group uses the indicator of corporate free cash flow.

The Group believes that corporate free cash flow is a useful indicator because it measures the Group's liquidity based on its ordinary activities, including net financing costs on borrowings dedicated to fleet financing, without taking into account (i) past disbursements in connection with debt refinancings, (ii) costs which due to their exceptional nature are not representative of the trends in the Group's results of operations and (iii) cash flows in relation to the fleet analyzed in a separate manner as the Group makes acquisitions through asset-backed financing.

Performance Indicators—Table of Cash Flows	**Three months ended March 31,**	
In millions of euros	**2015**	**2014**
Adjusted Corporate EBITDA	**(4)**	**(10)**
Other non-recurring operating income and expenses[(1)]	(4)	(3)
Acquisition of intangible assets and property, plant and equipment, net of disposals	(5)	(4)
Changes in provisions and employee benefits	(10)	(7)
Changes in non-fleet working capital	(6)	(2)
Income taxes received/paid	(5)	(4)
Corporate Free Cash Flow	**(35)**	**(29)**
Net interest paid on High Yield borrowings	0	0
Cash flow after payment of High Yield interest	**(35)**	**(29)**
Acquisition of subsidiaries, net of cash acquired and other investment transactions	(0)	(1)
Changes in vehicle fleet, in fleet working capital and in fleet financing and working capital	47	(24)
Payment of financing transaction costs and redemption premium	0	(4)
Increase / (decrease) in cash and cash equivalents before effect of foreign exchange conversions	**12**	**(58)**
Cash and cash equivalents at beginning of period	*206*	*267*
Effect of foreign exchange conversions	*2*	*1*
Cash and cash equivalents at end of period	*221*	*209*

(1) The line item "*other non-recurring operating income and expenses*" as presented in this table differs from the line item with the same name in the income statement, because the line item in this table excludes all non-recurring items that do not have an impact on cash for the three months ended March 31, 2015. These items are related to provisions and items of working capital related to ongoing disputes and proceedings (see Note 15 to the interim condensed consolidated financial statements for the three months ended March 31, 2015, included in "*Group interim condensed consolidated financial statements*", as well as a charge of €8 million for a reorganization program (see note 6 to the interim condensed consolidated financial statements for the three months ended March 31, 2015, included in "*Group interim condensed consolidated financial statements*"). The items were excluded from the line item "*other non-recurring operating income and expenses*" and were indicated in line items "*Changes in provisions and employee benefits*" included in Adjusted Corporate EBITDA and "*Changes in non-fleet working capital*."

Corporate Free Cash Flow

Corporate free cash flow is defined as free cash flow before the impacts of the fleet and acquisitions of subsidiaries. Free cash flow represented an outflow of €35 million in the first quarter of 2015, compared to an outflow of €29 million in the first quarter of 2014 mainly due to the seasonality of the Group's business. This slight deterioration reflected the following factors:

- *Adjusted Corporate EBITDA.* Adjusted Corporate EBITDA increased €6 million over the period, from negative €10 million in the first quarter of 2014 to negative €4 million in the first quarter of 2015, due primarily to the increase in revenue in connection with the Fast Lane program and the decrease of interest for fleet financing; this improvement was offset by:
- *Changes in non-fleet working capital and provisions*. These two items slightly deteriorated in the first quarter of 2015, due to the payment of fees relating to non-recurring items.
- *Acquisition of Intangible Assets and Property, Plant and Equipment and Income Taxes Received/Paid.* These two items represented a slightly higher amount of cash outflow for the first quarter of 2015, compared to the first quarter of 2014.

Other Components of Cash Flow

Net interest paid on High Yield borrowings is paid twice a year in the second and fourth quarters of each year and is consequently equal to zero in the first quarters of 2014 and 2015.

The net impact of changes in the fleet recorded on the balance sheet, rental fleet related receivables, rental fleet related payables, and borrowings dedicated to fleet financing is primarily the result of temporary lags between the delivery of a vehicle order, payment for this delivery, and entry into securitization and financing of these vehicles. This net impact represented a €47 million outflow in the first quarter of 2015, as compared with a €24 million outflow in the first quarter of 2014. Excluding the effect of the sales and lease-back mechanism described in "*—Net Cash Generated From Operations*" (€39 million received in December 2013 and disbursed at the beginning of 2014), the net impact of changes in the fleet recorded in the balance sheet, changes in trade receivables and payables related to the fleet and changes in fleet financing would have represented a cash inflow of €15 million in the first quarter of 2014.

Market Risks and Financial Risks

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's risk management programs seek to mitigate the potential negative effects of the volatility of financial markets on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is handled by the Group Treasury Department, which submits proposed financial transactions to the Executive Committee for approval, which may solicit approval of the Supervisory Board and Management Board. The Group Treasury Department identifies, evaluates and recommends derivative instruments to hedge financial risks in close collaboration with the Group's operational units. The Executive Committee then decides whether to authorize such proposals based on formal documentation describing the context, purpose and main characteristics of the proposed transactions. Once the Executive Committee has approved the transactions, the Group Treasury Department is responsible for setting up the relevant hedges. This procedure is implemented and monitored for the management of all material financial risk, in particular interest rate risk, credit risk as well as for the use of derivative and ordinary financial instruments and short-term investments of cash. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either centrally coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. The Group considers that its exposure at December 31, 2014 has not changed significantly during the last 12 months and therefore the policy implemented to mitigate such exposure remains consistent with prior years.

Market Risk

Exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the pound sterling. Foreign exchange risk arises from translation into euros of the results and net assets of the subsidiaries having a functional currency other than the euro, from financial intra-group transactions and, to a lesser extent from transactions with franchisees.

As at December 31, 2014, the Group did not have any investments in foreign operations whose net assets are exposed to foreign currency translation risk other than in the United Kingdom, Australia and New Zealand.

In thousands of €	**GBP**	**AUD***	**Total 2014**
Trade and other receivables (including fleet)	105,988	11,386	**117,374**
Other financial assets:			
Non-current investments	1,657	43	**1,700**
Derivative financial instruments	–	–	**–**
Other financial assets	2	–	**2**
Cash and cash equivalents	17,797	17,695	**35,492**
Total financial assets	**125,444**	**29,124**	**154,568**
Trade and other payables (including fleet)	112,889	17,138	**130,027**
Loans and borrowings	347,365	102,668	**450,033**
Impact of hedging derivatives	–	–	**–**
Total financial liabilities	**460,254**	**119,806**	**580,060**
Total net exposure (arising from translation)	**(334,810)**	**(90,682)**	**(425,492)**

Summary of the Group's quantitative exposure to foreign exchange risk due to conversion into functional currency.

In thousands of €	GBP	AUD*	Total 2013
Trade and other receivables (including fleet)	77,798	9,694	**87,492**
Other financial assets:			
Non-current investments	1,753	82	**1,835**
Derivative financial instruments	–	–	**–**
Other financial assets	–	(3)	**(3)**
Cash and cash equivalents	35,585	9,808	**45,393**
Total financial assets	**115,136**	**19,581**	**134,717**
Trade and other payables (including fleet)	93,595	14,710	**108,305**
Loans and borrowings	265,191	103,605	**368,796**
Impact of hedging derivatives	–	–	**–**
Total financial liabilities	**358,786**	**118,315**	**477,101**
Total net exposure (arising from translation)	**(243,650)**	**(98,734)**	**(342,384)**

In thousands of €	GBP	AUD*	Total 2012
Trade and other receivables (including fleet)	80,836	13,449	94,285
Other financial assets:			
Non-current investments	1,808	281	2,089
Derivative financial instruments	–	–	–
Other financial assets	1	(2)	(1)
Cash and cash equivalents	16,737	7,739	24,476
Total financial assets	**99,382**	**21,467**	**120,849**
Trade and other payables (including fleet)	79,740	15,004	94,744
Loans and borrowings	313,857	129,191	443,048
Impact of hedging derivatives	–	–	–
Total financial liabilities	**393,597**	**144,195**	**537,792**
Total net exposure (arising from translation)	**(294,215)**	**(122,728)**	**(416,943)**

* including New Zealand dollars which are consolidated at the level of the Australia operating subsidiary.

At December 31, 2014, if the euro had appreciated or depreciated by 15% against the pound sterling, with all other variables held constant, net loss for the year would have increased/decreased by € 1.1 million (in 2012 and 2013, the equivalent figures were €1.9 million and €1.4 million, respectively) and shareholders' equity would have increased/decreased by €74.7 million (in 2012 and 2013, the equivalent figures were €69.2 million and €69.6 million, respectively).

Interest Rate Risk

With the exception of investments in bonds in the Euroguard insurance program (see "*Business—Insurance*"), the Group does not hold any significant interest-bearing assets. Accordingly, its income and operating cash flows are largely unaffected by changes in market interest rates.

The Group's interest rate risk arises on revolving lines of credit. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's policy and obligation in accordance with certain of its debt instruments (specifically the SARF and the Existing Senior Revolving Credit Facility) and, upon closing, the New Senior Revolving Credit Facility, has been to hedge a significant portion of its variable interest rate debt against fluctuations of the reference rate, which is generally EURIBOR. During 2014 and 2013, all of the Group's borrowings at variable rate were denominated in euro and based on EURIBOR. The Group may also consider, as it deems appropriate, hedging its exposure to fluctuations in LIBOR and/or the Australian base rate.

The Group's interest rate risk also arises from operating leases issued at variable rates. As of December 31, 2014, €0.8 billion worth of operating leases were hedged (€0.3 billion at December 31, 2013) and €0.1 billion were not hedged (€0.6 billion at December 31, 2013).

The Group analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration, among other things refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings for revolving fleet financing facilities at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

As of the date of this Offering Memorandum, the Group is protected against the risk of increasing interest rates by two swap interest rate swap agreements:

- An interest rate swap with a nominal principal amount of €900 million maturing on July 17, 2017, for which the Group pays a fixed interest rate of between 0.8230% and 0.8930% and receives a variable interest rate corresponding to the one-month EURIBOR; and
- An interest rate swap with a nominal principal amount of €500 million maturing in July 2018, for which the Group pays a fixed interest rate of 1.489% and receives a variable interest rate corresponding to the six-month EURIBOR.

Both swap agreements qualify for cash flow hedge accounting, and therefore the effective part of changes in fair value is recognized in the Group's equity.

Based on the tests performed on these hedging instruments, no ineffectiveness was detected and accordingly no impact was recorded in the consolidated income statement for 2013 and 2014.

The following table shows the impact of hedging of the Group's financial assets and liabilities at December 31, 2014:

		Financial Liabilities (a)		**Nominal amount of rate-hedging instruments (b)**		**Net exposure after hedging = (a) - (b)**	
(in € million) At December 31 2014		**Floating Rate**	**Fixed Rate**	**Floating Rate**	**Fixed Rate**	**Floating Rate**	**Fixed Rate**
Balance Sheet Debt							
	Less than a year	1,119,901	7,644	618,600		501,301	7,644
	From 1 to 5 years	(4,613)	699,410			(4,613)	699,410
	More than 5 years		348,272				348,272
	Balance Sheet total..................	**1,115,288**	**1,055,326**	**618,600**		**496,688**	**1,055,326**
Off-balance Sheet Debt							
Estimated debt equivalent of fleet operating leases off-balance sheet.[(1)]	Less than a year	1,284,052		781,400		501,301	
	Off-Balance Sheet Total......	**1,284,052**		**781,400**		**502,052**	

(1) see Note 24—Borrowing and financial debt

At December 31, 2014, if interest rates had risen by 100 basis points, the fair value recognized in other comprehensive income in shareholders' equity would have increased by €38.0 million (€13.1 million at December 31, 2013).

At December 31, 2014, if interest rates had declined by 100 basis points, the fair value recognized in other comprehensive income in shareholders' equity would have decreased by €39.2 million (€13.4 million at December 31, 2013).

As of the balance sheet dates indicated, the interest rate profile of the Group's interest-bearing borrowings was as follows.

in thousands of €	As at Dec 31, 2012	As at Dec 31, 2013	As at Dec 31, 2014
Non-current liabilities			
Fixed rate borrowings	1,028,116	1,039,425	1,047,682
Variable rate borrowings	(11,620)	(3,410)	(4,613)
Of which variable rate hedged	*(12,072)*	*(3,713)*	*(4,916)*
Of which variable rate not hedged	*452*	*303*	*303*
	1,016,496	**1,036,015**	**1,043,069**
Current liabilities			
Fixed rate borrowings	16,646	15,487	7,644
Variable rate borrowings	983,632	929,628	1,119,901
Of which variable rate hedged	*506,849*	*524,506*	*614,700*
Of which variable rate not hedged	*476,782*	*405,122*	*505,201*
	1,000,278	**945,115**	**1,127,545**

Counterparty credit risk

Credit risk is managed on a Group-wide basis. Credit risk arises from the following:

- Cash and cash equivalents;
- Derivative financial instruments;
- Deposits at banks and financial institutions;
- Arrangements with car manufacturers and dealers; and
- Customer receivables, in particular outstanding receivables and outstanding commitments.

For banks and financial institutions, only independently-rated counterparties are accepted. The utilization of credit limits is regularly monitored.

The table below shows the credit limit and balance of the three principal counterparties at the balance sheet date indicated:

	As at Dec. 31, 2012		**As at Dec. 31, 2013**		**As at Dec. 31, 2014**	
In thousands of €	**Credit Limit**	**Utilized**	**Credit Limit**	**Utilized**	**Credit Limit**	**Utilized**
Revolving credit[(1)]	300,000	229,000	300,000	174,700	300,000	214,300
Senior Asset financing lines related to fleet financing	1,100,000	336,796	1,100,000	402,496	1,000,000	417,600
Financing other than senior asset financing lines related to fleet financing[(2)]	1,320,386	819,161	1,153,310	752,289	1,235,159	884,201

(1) The amounts drawn include revolving credit facilities of €201 million as of December 31, 2014 (2012 : €182.0 million and 2013 : €133 million) and guarantees given in the context of the Group's operating activities.

(2) Mainly relates to the activities of the British fleet, which are financed with various credit lines.

Analysis of credit risk in relation to loans and receivables

In thousands of €	As at Dec 31 2012	As at Dec 31, 2013	As at Dec 31, 2014
Neither past due nor impaired[(1)]	1,445,839	1,352,276	1,459,322
Past due but not impaired	142,474	102,092	139,290
Impaired	31,579	35,963	36,899
Total	**1,619,892**	**1,490,331**	**1,635,511**

(1) Net of provisions for stolen and badly damaged cars. (see Note 19 to the Group's Financial Statements included herein).

With respect to loans and receivables, the maximum exposure to credit risk at the balance sheet date is the carrying amount of loans and receivables. The Group does not hold any collateral as security on these instruments.

The loans and receivables neither past due nor impaired relate to a number of independent counterparties for whom there is no recent history of default or expected default.

The Group's credit risk exposure to car manufacturers and dealers primarily arises from:

• the risk of non-recoverability of receivables relating to buyback commitments received from car manufacturers;

• the risk of having to self-finance the receivables referred to in the previous point; and

• as an ancillary risk, a bankruptcy of a significant supplier and the subsequent uncertainty surrounding future supplies.

No single customer represented 10% or more of the Group's revenue in 2014.

The Group has implemented procedures to monitor and reduce credit risk exposure that include customer credit limits in the information system, monthly tracking of car manufacturer credit ratings and overdue receivable risk monitoring reporting. The aged analysis of loans and receivables past due but not impaired and excluding financial loans and receivables is as follows:

In thousands of €	Not yet due	Less than 3 months past due	From 3 to 6 months past due	Over 6 months past due	Total
Vehicle buy-back agreements receivables	812,184				812,184
Fleet receivables	432,829	35,503	1,409	479	470,220
Rental receivables	104,160	51,430	8,472	3,520	167,582
Trade receivables	12,039	6,338	371	9,477	28,225
Other receivables	27,510	16,350	2,177	5,167	51,204
Total as at December 31, 2012	**1,388,722**	**109,621**	**12,429**	**18,643**	**1,529,415**

In thousands of €	Not yet due	Less than 3 months past due	From 3 to 6 months past due	Over 6 months past due	Total
Vehicle buy-back agreements receivables	792,002				792,002
Fleet receivables	348,197	28,941	494	211	377,843
Rental receivables	108,825	41,094	7,496	797	158,212
Trade receivables	12,726	6,252	733	8,491	28,202
Other receivables	35,946	3,072	1,523	1,949	42,490
Total as at December 31, 2013	**1,297,696**	**79,359**	**10,246**	**11,448**	**1,398,749**

In thousands of €	Not yet due	Less than 3 months past due	From 3 to 6 months past due	Over 6 months past due	Total
Vehicle buy-back agreements receivables	832,196				832,196
Fleet receivables	387,896	63,436	6,280	2,426	460,038
Rental receivables	127,582	37,116	12,322	4,467	181,487
Trade receivables	18,937	4,503	301	6,832	30,573
Other receivables	48,900	19	8	1	48,928
Total as at December 31, 2014	**1,415,511**	**105,074**	**18,911**	**13,726**	**1,553,222**

Liquidity risk

The Group is currently monitored by the rating agencies Moody's and Standard & Poors, which have issued the following ratings, respectively: B3 stable outlook and B stable outlook.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows determined on a consolidated basis. Each operational entity produces liquidity and cash forecasts for internal reporting purposes. Those forecasts are consolidated at Group Treasury level and analyzed by Group management and operational units.

The budget, on which is based the cash forecast for fiscal year 2015, has been built on assumptions taking into account the impact of the currently uncertain economic environment.

The Group's liquidity risk management strategy is based around maintaining sufficient available lines of credit and guaranteed credit facilities for appropriate amounts. Given the dynamic nature of the underlying businesses—particularly seasonal fluctuations—flexible financing arrangements are provided by guaranteed medium- to long-term revolving lines of credit.

The following table presents the Group's financial liabilities including hedging derivatives by relevant maturity, based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying values, as the impact of discounting is not significant.

In thousands of €	Carrying Value	Up to 1 year		From 1 year to 5 years		Later than 5 years		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2014									
Notes issued	**1,055,324**		112,850	724,000	215,026	350,000	27,654	1,074,000	355,529
Bank borrowings and finance lease liabilities	**671,357**	124,706	15,874	552,018[1]	26,607			676,724	42,841
Senior asset financing facility	**414,153**		14,040	417,600[1]	20,298			417,600	34,338
Other borrowings	**29,780**	29,780						29,780	
Derivative liabilities	**41,928**				41,928				41,928
Trade and fleet payables	**794,333**	794,333						794,333	
Deposits	**42,875**	42,875						42,875	
Total financial liabilities	**3,049,750**	**991,694**	**142,764**	**1,693,618**	**303,859**	**350,000**	**27,654**	**3,035,312**	**474,276**

In thousands of €	Carrying Value	Up to 1 year		From 1 year to 5 years		Later than 5 years		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2013									
Notes issued	**1,054,919**	–	108,885	1,074,000	306,045	-	-	1,074,000	414,930
Bank borrowings and finance lease liabilities	**516,437**	393,414	22,000	133,000[1]	16,750	-	-	526,414	38,750
Senior asset financing facility	**397,770**	–	12,600	402,496[1]	31,500	-	-	402,496	44,100
Other borrowings	**12,003**	12,003	–	–	–	-	-	12,003	–
Derivative liabilities	**13,748**	–			13,748			–	13,748
Trade and fleet payables	**726,382**	726,382						726,382	–
Deposits	**33,960**	33,960						33,960	–
Total financial liabilities	**2,755,219**	**1,165,759**	**143,485**	**1,609,496**	**368,043**	**-**	**-**	**2,775,255**	**511,528**

In thousands of €	Carrying Value	Up to 1 year		From 1 year to 5 years		Later than 5 years		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2012									
Notes issued	**1,044,162**	–	135,679	674,000	402,430	400,000	12,500	1,074,000	550,609
Bank borrowings and finance lease liabilities	**639,430**	469,161	19,756	182,000 (1)	10,349	–	–	651,161	30,105
Senior asset financing facility	**325,301**	–	16,476	336,796 (1)	8,238	–	–	336,796	24,714
Other borrowings	**7,881**	7,881	–	–	–	–	–	7,881	–
Derivative liabilities	**24,938**				24,938			–	24,938
Trade and fleet payables	**806,525**	806,525						806,525	–
Deposits		–						–	–
Total financial liabilities	**2,848,237**	**1,283,567**	**171,911**	**1,192,796**	**445,955**	**400,000**	**12,500**	**2,876,363**	**630,366**

(1) Revolving credit facilities are classified on the balance sheet as current indebtedness given their nature.

See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*" for a description of the Group's financing.

Risk Management

Risk management relates to measures implemented by the Group to identify and analyze the risks to which it is exposed in the ordinary course of business. Risk management is considered a priority by the Group's management and is considered to be closely associated with internal control (see "*Corporate Governance and Management—Internal Control*"). The Group's internal control and risk management procedures are based on a set of measures, policies, procedures, behaviors and customized actions aiming to ensure that the necessary measures are taken to:

- ensure the efficiency of operations and the efficient use of resources; and
- identify, analyze and control risks that could have a material effect on the Group's assets, results, operations or achievement of its objectives, whether they are operational, commercial, legal or financial or related to compliance with laws and regulations.

The Group's internal control system is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) principles as well as international standards, as defined by the Institute of Internal Auditors (IIA). The Group's risk management and internal control process was spearheaded by the Board of Directors through the Company's Audit Committee and has been taken over by the Supervisory Board (through the Audit Committee), as from the transformation of the Company's governance. The Audit Committee ensures the relevance, reliability and implementation of internal control procedures, the identification, hedging and management of the Group's risks in relation to its activities as well as accounting and financial information. The Company has established and manages, under the supervision of the Internal Audit Department and the Chairman of the Management Board, the risk map and the risk management program. The internal control process will continue to be developed and managed under equivalent conditions following the admission to trading of the Company's shares to Euronext Paris.

The Group's risk management program integrates, in particular, the unpredictable nature of financial markets, and seeks to minimize their potentially negative effects on the Group's financial performance by using derivative financial instrument in order to hedge certain exposures, in particular those related to interest rate fluctuations. On the financial front, the Group's Treasury Department is tasked with managing financial risks under the stewardship of the Group Chief Financial Officer. The Group's Treasury Department identifies, evaluates and hedges financial risks, in close collaboration with the Group's operating units. All of these hedging operations are either coordinated and validated centrally or directly executed by the Group's Treasury Department.

Controlling risk exposure in each country in which the Group's companies operate depends on local management teams, who are as close as possible to the risks related to the activities they exercise or supervise.

The Risk Map

The risk map was established at the Group by the Internal Audit Department on the basis of global risks as identified by management. In 2014, 72 global risks, internal or external to the Group, were identified. Once these risks are identified, a ranking is drawn up depending on the estimated impact of each risk and the likelihood of its occurrence. Risks identified as having severe impacts and a strong probability of occurring are mapped as "highly critical". Conversely, risks identified as having little impact and a weak probability of occurring are mapped as "moderately critical". The resulting map obtained for a given year provides a comparative tool with the previous year's map, and helps in understanding the development of risks to which the Group is exposed. The map allows the Group to set up a

dashboard with the estimated degree of control of each of the identified risks and to identify those that must be dealt with in priority, as well as to ensure that internal control is adequate to prevent and detect them. The risk map also helps to update the audit plan, in particular on topics that are identified as requiring increased supervision.

The Group's Internal Audit Department regularly updates the risk map at the level of the Group and its related subsidiaries on a rolling basis. The risk map is presented to the Group's Audit Committee and Executive Committee, which then studies and analyzes the actions and specific monitoring of certain risks (see "*Corporate Governance and Management—Internal Control*").

Fraud prevention and fight against corruption and money-laundering

The Group's Internal Audit Department oversees identification and fraud prevention processes for all of its activities. Beginning in 2015, this process will be strengthened by a Fraud Prevention Plan, which is currently being developed.

The Group has implemented a signed reporting policy. Under this policy, the managers of the Group's different subsidiaries sign an annual compliance letter. The purpose of the compliance letter is to (i) report and analyze situations and risks of non-compliance, as well as to present any implemented corrective measures; (ii) ensure that all employees have received training related to the Group's charter of values, conflicts of interest, personal data protection and competition law over the course of the fiscal year; and (iii) certify, in particular, the absence of any conflicts of interest and compliance with anti-corruption rules, personal data protection, labor laws and human rights.

Moreover, in the context of its compliance program (including anti-corruption, compliance with economic sanctions, anti-fraud), the Group has recently adopted a data-processing tool allowing for the identification of at-risk commercial partners.

Risks related to operations of the Group's international franchisee network are subcontracted to an external audit firm. At times, external auditors are called upon to cover certain business sectors with respect to technical issues that cannot be covered internally.

Investments

Historical Investments

The Group's capital expenditures relate primarily to the Group's information technology infrastructure and equipment as well as to fixtures and improvements in its office and rental stations.

The Group's expenses relating to the purchase of vehicles are not accounted for as capital expenditures but as operating expenses if the acquisition is recorded on the balance sheet.

Rental fleet and related receivables and payables

The Group records all of its vehicle fleet either on the balance sheet or, with respect to vehicles acquired through leases that meet the definition of an operating lease, off-balance sheet.

The Group's gross expenses relating to the acquisition of vehicles totaled € 1.8 billion, €1.8 billion and €1.9 billion for the years ended December 31, 2012, 2013 and 2014, respectively. These expenses are primarily financed through special purpose financing arrangements. Repayment of these loans is based on the proceeds of the sales of the vehicles at the end of their period of use. These net amounts resulted in the use of €55 million of cash in 2014 cash generation of €7 million in 2013 and use of €63 million in cash in 2012.

The Group's rental fleet is composed of vehicles that are acquired or financed in different ways, as shown in the following table:

	% of total volume of vehicles purchased		
	2014	**2013**	**2012**
Type of acquisition and related financing			
Vehicles purchased with manufacturer or dealer buy-back commitment	43%	44%	43%
Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements qualifying as operating leases	49%	48%	51%
Total fleet purchased with buy-back arrangements	**92%**	**92%**	**94%**
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" or "risk vehicles")	7%	7%	6%
Vehicles financed through rental agreements qualifying as finance leases	1%	1%	0%
Total purchases of rental fleet	**100%**	**100%**	**100%**

Please see "*Business—Fleet*" for more information about the Group's fleet and "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*" for more information about the Group's cash flows relating to fleet acquisition.

Capital expenditures

The Group's capital expenditure (acquisitions of tangible and intangible assets net of sales) decreased to €20.1 million for the year ended December 31, 2014, compared to €21.4 million for the year ended December 31, 2013 and €23.6 million for the year ended December 31, 2012.

These items consist of the following categories and amounts in each of these years:

- Expenditures for the development of IT, excluding software and equipment, of €9.3 million in 2014, € 8.2 million in 2013 and €9.1 million in 2012;
- Expenditures on other equipment (IT software and equipment, furniture, interior layouts and fixtures) of €8.1 million in 2014, € 7.8 million in 2013 and €7.9 million in 2012.

The Group's IT development expenditures relate to projects to develop new functionalities in the Group's application portfolio. In 2014, tools for managing the sales teams and pricing in real time were put in place in the sales and marketing department. The fleet department was equipped with a sales site for at-risk vehicles and a tool for vehicle fleet optimization. In e-commerce, the Internet sites of the Europcar brand were renewed and a content manager was put in place while referencing on Internet sites was improved.

Acquisitions/Joint Ventures:

In 2012, 2013 and 2014, the Group subscribed to capital increases of Car2go Europe amounting to €5.7 million, €5.0 million and € 5.7 million, respectively.

On November 30, 2014, the Group acquired 70.64% of Ubeeqo for a total amount of €17.3 million and subscribed to a capital increase amounting to €4.0 million. See "Business—*Europcar Lab / Mobility Solutions*".

On October 31, 2014, the Group acquired 100% of Europ Hall, the Group's second leading franchise in terms of revenues and network size and an important and long standing partner of Europcar France. Europ Hall has 40 stations in 12 departments, from Colmar to Villefranche sur Saone through Burgundy and Franche-Comté. Europ Hall generated revenues of €23 million in 2014 and had a fleet of 2,400 vehicles and 140 employees.

Ongoing Investments

The Group continues in 2015 its Fast Lane transformation program aimed at strengthening the Group's presence on the market and preparing the transition from a vehicle rental company to a mobility services player, with an estimated investment amount of €30 million in 2015.

The Group also voted in favor of a capital increase of Car2go Europe to take place in 2015.

Future Investments

The Group plans to continue its Fast Lane transformation program aimed at strengthening the Group's presence on the market and preparing the transition from a vehicle rental company to a mobility services player (see "*Business—Fast Lane*").

As part of its development strategy, the Group plans in particular to continue to develop innovative services and products in response to consumers' new expectations in terms of mobility and to seize opportunities for external growth that present an attractive yield profile in order to widen the Group's mobility services offering (see *"Business—the Group's Strategy*").

The Group plans to continue to invest in its strategic initiatives during the 2015-2017 period, investing up to €80 million over this period, including up to €25 million relating to the Lab. The Group expects, in particular, to increase non-fleet capital expenditure to approximately €40 million in 2017, compared to approximately €20.1 million in 2014.

The Outstanding Subordinated Notes and the New Senior Revolving Credit Facility include provisions limiting the Group's ability to make certain investments (in particular acquisitions) (see "*Description of Certain Europcar Financing Arrangements*").

In order to support the Group's efforts to develop and implement innovative mobility solutions, the Group plans to continue its investments as part of its 2020 plan aimed at improving the architecture of its IT systems with the goal of making it more open and flexible in order to facilitate the integration of applications developed by third parties (see "*Business—IT System*").

Please see “*Management’s Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*”.

As of the date of this Offering Memorandum, other than commitments related to the purchase of vehicles financed by special purpose financing, the repayment of which will be financed by the sale of such vehicles at the end of their period of use, the Company does not have any significant, firm commitments to make investments in the future (see Note 31 “Off-balance sheet commitments” to the Group’s Consolidated Financial Statements presented elsewhere herein).

Trend Information

A detailed description of the Group’s results for the year ended December 31, 2014 and the first quarter of 2015 is set out in “*Management’s Discussion and Analysis of Results of Operations and Financial Condition*”.

Medium-Term Objectives

The objectives of the Group described below are not projections or profit forecasts but result from its strategic orientation and action plan, as described in “*Business—The Group’s Strategy*”.

The objectives of the Group described below are based on data, assumptions and estimates that the Group considers reasonable as at the date of this Offering Memorandum and are based in particular upon the Group’s expectations as to prevailing economic conditions, market trends and the expected effects of its ongoing Fast Lane program.

The data, assumptions and estimates upon which the Group has based its objectives may evolve or change over the course of the period in question due to uncertainties related to the economic, financial, competitive, tax or regulatory environment or other factors of which the Group is not aware as at the date of this Offering Memorandum. The occurrence of one or more of the risks described in “*Risk Factors*” could affect the business, results of operations, financial condition or prospects of the Group over the period in question and thus impair its ability to meet the objectives described below.

Accordingly, the Group provides no assurance that the objectives described below will be met and does not undertake to publish updates to this information.

Organic Revenue Growth Mid-Term Objective

The Group recorded consolidated revenues of € 1,978.9 million in 2014.

The Group targets organic revenue growth at constant exchange rates between 3% and 5% in each of 2016 and 2017. The Group expects this growth to come mainly from higher volumes, with RPD expected to remain relatively stable.

This organic growth objective at constant exchange rates is based on the continued implementation of the Group’s Fast Lane transformation program, including its strategic pillars that aim to:

(i) grow the Group’s top line by driving more profitable volume;

(ii) differentiate the Group’s brands and offerings by providing a better customer experience, including via the roll-out of new products and services such as ToMyCar, ToMyDoor and new ancillary services;

(iii) strengthen the Group’s Customer Relationship Management and Revenue and Capacity Management departments;

(iv) optimize the Group’s digital distribution channels;

(v) pursue innovation in mobility solutions through the Lab.

The Group considers that deployment of the Fast Lane program is in mid-course and that initiatives that have already been launched and will be launched will contribute to revenue growth and improved operating performance in 2016 and 2017. See “*Business—Fast Lane*” for more information.

Adjusted Corporate EBITDA Margin Mid-Term Objective

The Group aims to achieve an Adjusted Corporate EBITDA margin in excess of 13% by full year 2017, compared to an Adjusted Corporate EBITDA margin of 10.8% in 2014 (see “*Selected Financial Information and Other Data*”).

This objective is based on further deployment of the Fast Lane program. In addition to the initiatives aimed at revenue growth described above, the program includes initiatives aimed at reducing the Group’s costs, in particular through improvements to its cost structure and the flexibility of its operational model. Initiatives focused on the latter aspect include the establishment of the Shared Services Center, the improvement of the Group’s information technology

architecture and network and procurement optimization. These initiatives also include the reorganization of administrative support functions within the Shared Services Center, the development of new fleet financing models designed to continue to reduce fleet costs, the diversification of financing sources as well as increased organizational effectiveness through projects focused on people and talent management.

Corporate Leverage Mid-Term Objective

The Group has an objective to reduce its corporate leverage (defined as Corporate Net Debt to Adjusted Corporate EBITDA, see "*Selected Financial Information and Other Data*"), which stood at 2.73x as of December 31, 2014, to below 1x by the end of 2017. This objective is based on the Group's expectations as to improved organic profitability (see "—Adjusted Corporate EBITDA Margin Mid-Term Objective" above and *"—Assumptions and Objectives Regarding Improved Profitability and Cash Flow Generation*" below for a discussion of the underlying assumptions) and cash flow generation (see "*—Assumptions and Objectives Regarding Improved Profitability and Cash Flow Generation*" for a discussion of the underlying assumptions below), as well as (and related to) the Refinancing envisaged in connection with the Company's initial public offering. The Group believes this reduction in its leverage (at constant scope of consolidation) may also enable it to take advantage of accretive external growth opportunities.

Dividend Distribution Policy

The Company also has an objective to distribute, subject to shareholder approval, annual dividends starting in 2017 in an amount equal to at least 30% of its net profit of the prior fiscal year.

The Company's dividend distribution policy (see "*Dividend Distribution Policy*") will take into account, in particular, its results of operations, financial condition and the attainment of its objectives as set out above, as well as the restrictions on dividend distributions applicable under its debt instruments.

Assumptions Regarding Improved Profitability and Cash Flow Generation

The Group's objectives to improve profitability and cash flow generation are primarily based, in particular regarding expenses, on the following assumptions:

- non-fleet depreciation and amortization remaining in line with previous years (i.e., € 34 million in 2013 and €32 million in 2014), and relating primarily to information technology;
- completion of the Refinancing (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*" *and "—Profit Forecasts and Estimates*" below for more information) and in particular the prepayment of the Outstanding Subordinated Notes Due 2017 and the potential refinancing (which is contingent on market conditions) of the Outstanding Subordinated Notes Due 2018, resulting in particular in reduced non-fleet interest expense;
- cash outflows and other non-fleet financing expenses (including interest on the non-fleet portion of the New Senior Revolving Credit Facility, commitment fees under the New Senior Revolving Credit Facility, pension costs and other miscellaneous costs) of around €20 million per year;
- a tax rate of between 20% and 25% of "profit before tax and non-recurring items" (which item amounted to € 85 million in 2014 and is calculated as Adjusted Corporate EBITDA after non-fleet depreciation and amortization and after non-fleet financial expenses, including the cash interest paid on corporate high yield bonds and other financial expenses, see "*Selected Financial Information and Other Data*" for the calculation of "*profit before tax and non-recurring items*");
- non-recurring operating expenses and associated cash outflows related to the continued deployment of the Fast Lane program of approximately €50 million in total over the 2015-2017 period;
- in terms of other non-recurring financial expenses:
    - no new swap amortization costs going forward; and
    - amortization of capitalized transaction costs (in relation to the New Senior Revolving Credit Facility, the amended SARF and the New Notes expected to be issued) of less than €5 million in each of 2016 and 2017;
- potential payment in 2016, at the earliest, of the amount provisioned in the March 31, 2015 financial statements with respect to the proceedings brought by the French Competition Authority (see Note 15 to the interim condensed consolidated financial statements as of and for the three months ended March 31, 2015 in and "*Business—Regulatory, Legal and Arbitration Proceedings*");
- non-fleet capital expenditure (other than acquisitions of subsidiaries) of approximately €40 million annually by 2017, relating mainly to information technology;

- stability over the 2016-2017 period in non-fleet working capital, excluding non-recurring items, as compared to levels in 2014, as the initiatives of the Fast Lane program to reduce working capital consumption continue to offset the impact of revenue growth;
- on-balance sheet fleet assets are expected to evolve, driven by the growth in the Number of Rental Days. The Group will continue to arbitrage between on and off balance sheet funding depending on available financing options and changes in the loan to value ratio of on-balance sheet vehicles financing. In addition, timing differences with respect to assets on the balance sheet may result from vehicle delivery dates, including payment dates and debt drawdowns; and
- up to €80 million of financial investments (acquisitions and partnerships), over the 2015-2017 period for strategic initiatives, including up to €25 million for Lab-related activities.

Profit Forecasts

Assumptions

The Group's forecasts are based on its consolidated financial statements as of and for the year ended December 31, 2014.

These forecasts are based on the following main assumptions:

- no material changes in the accounting principles or scope of consolidation as compared to the Group's consolidated financial statements as of and for the year ended December 31, 2014;
- estimated annual average GBP/Euro exchange rate of 1.30 and Australian dollar / Euro exchange rate of 0.71;
- non-fleet depreciation and amortization remaining in line with previous years (i.e., €34 million in 2013 and €32 million in 2014);
- completion of the Refinancing, which should result in lower interest expenses and cash outflows (see "*Description of Certain Europcar Financing Arrangements*" for more information), including in particular:

    (i) gross proceeds of approximately €475 million from a capital increase as part of the Company's proposed initial public offering and costs relating to such initial public offering of less than €30 million (deducted from shareholders equity);

    (ii) prepayment, with the proceeds of the capital increase related to the Company's proposed initial public offering, of the Outstanding Subordinated Notes Due 2017, with a redemption premium of approximately 1.0 times the annual interest costs and the write-off of previously capitalized transaction costs relating to the Outstanding Subordinated Notes Due 2017;

    (iii) potential refinancing, subject to market conditions, of the Outstanding Subordinated Notes Due 2018 through the issuance of the New Notes at a lower interest rate (subject to market rates at the time of issuance), with a redemption premium of approximately 0.5 times the annual interest costs, the write-off of previously capitalized transaction costs relating to the Outstanding Subordinated Notes Due 2018 (in a total amount, together with such costs relating to the Outstanding Subordinated Notes Due 2017 noted above, of €32 million) and approximately €10 million of issuance costs relating to the New Notes that will be capitalized and amortized over their term; and

    (iv) signature of the New Senior Revolving Credit Facility and the amendment of the SARF, with total capitalized issuance costs of approximately €8 million to be paid in 2015;

- cash outflow related to other financial expenses, including total costs related to the planned initial public offering and Refinancing, of approximately €100 million in 2015 (including the € 30 million related to the planned initial public offering mentioned above);
- other non-fleet financing expenses (including interest on the non-fleet portion of the New Senior Revolving Credit Facility, commitment fees under the New Senior Revolving Credit Facility, pension costs and other miscellaneous costs) remaining stable at around €20 million in 2015;
- a tax rate in 2015 of between 20% and 25% of "profit before tax and non-recurring items" (which item amounted to €85 million in 2014 and is calculated as Adjusted Corporate EBITDA after non-fleet depreciation and amortization and after non-fleet financial expenses, including the cash interest paid on corporate high yield bonds and other financial expenses, see "*Selected Financial Information and Other Data*" for the calculation of "*profit before tax and non-recurring items*");
- non-recurring operating expenses and associated cash outflows related to the continued deployment of the Fast Lane program of approximately €50 million in total over the 2015-2017 period;
- in terms of other non-recurring financial expenses:

- no new swap amortization costs; and
- amortization of capitalized transaction costs and the write-off of previously capitalized transaction costs (in relation to the New Senior Revolving Credit Facility, the amended SARF and the New Notes expected to be issued) of less than €15 million in 2015;

- payment in 2015 of €24 million of exceptional compensation benefits (see Note 9 to the consolidated financial statements included in "*Financial Information*");
- payment in the second quarter of 2015 of €12.5 million to Enterprise pursuant to the Settlement Agreement (see Note 15 to the interim condensed consolidated financial statements as of and for the three months ended March 31, 2015 in "*Business—Regulatory, Legal and Arbitration Proceedings*");
- non-fleet capital expenditure (other than acquisitions of subsidiaries) of approximately € 30 million in 2015, relating mainly to information technology;
- stability in 2015 in non-fleet working capital, excluding non-recurring items, as compared to the level in 2014, as the initiatives of the Fast Lane program to reduce working capital consumption continue to offset the impact of revenue growth;
- on-balance sheet fleet assets are expected to evolve, driven by the growth in the Number of Rental Days. The Group will continue to arbitrage between on and off balance sheet funding depending on available financing options and changes in the loan to value ratio of on-balance sheet vehicles financing. In addition, timing differences with respect to assets on the balance sheet may result from vehicle delivery dates, payment dates and debt drawdowns; and
- up to €80 million of financial investments (acquisitions, partnerships) over the 2015-2017 period for strategic initiatives, including up to €25 million for Lab-related activities.

These forecasts are based on information, assumptions and estimates that Group management considers to be reasonable as at the date of this Offering Memorandum. These may evolve or change as a result of uncertainties related in particular to the economic, financial, competitive, tax or regulatory environment or as a result of other factors that are unforeseeable as of the date of this Offering Memorandum. The occurrence of one or more of the risks described in "*Risk Factors*" could also affect the business, financial condition, results of operations and prospects of the Group and thus affect its ability to achieve these forecasts. No assurance can be given that the Group's actual results will be in line with the forecasts below. *The statutory auditor's audit and review reports, a free English translation of which is included in this Offering Memorandum, refer exclusively to the Group's historical financial information. The statutory auditor's reports do not cover any other information in the Offering Memorandum and should not be read to do so.*

Group Forecasts For The 2015 Financial Year

On the basis of the assumptions set forth above, the Group expects, for the year ended December 31, 2015 to continue to generate profitable growth through its Fast Lane transformation program and, in particular:

- Consolidated revenues to increase between 3% and 5% at constant scope and exchange rates, compared to consolidated revenues of €1,978.9 million in 2014. This increase does not take into account the full year effect of its November 2014 acquisition of Europ Hall (which, on a stand-alone basis, generated revenue of approximately €23 million in 2014 and was consolidated by the Group for only two months) or the impact of favorable exchange rate movements in relation to the British pound and the Australian dollar (which, based on an estimated annual average pound sterling/euro exchange rate of 1.30 and an Australian dollar/euro exchange rate of 0.71 should generate 100 basis points of additional growth in consolidated revenues as compared to full year 2014);
- Adjusted Corporate EBITDA of approximately €245 million, compared to € 212.8 million in 2014, driven by growth in revenues and cost-control initiatives under the ongoing Fast Lane program;
- Net income excluding non-recurring items and the share of profit/(loss) of entities accounted for under the equity method (defined as Adjusted Corporate EBITDA after non-fleet depreciation and amortization, non-fleet financial expenses and after net tax expenses, see "*Selected Financial Information and Other Data*"), as adjusted to give retroactive effect to the Refinancing as of January 1, 2015, of approximately €120 million; and
- A corporate leverage ratio (defined as Corporate Net Debt to Adjusted Corporate EBITDA) of less than 1.5x by the end of 2015. This objective is based on the Group's expectations as to improved profitability (see the Adjusted Corporate EBITDA forecast above) and cash flow generation (see the discussion of the underlying assumptions above), as well as (and related to) the Refinancing envisaged in connection with the Company's initial public offering

Business

Introduction to the Group

With over 60 years of experience and a diversified customer base of close to six million drivers in 2014, Europcar is a global operator and the European leader in the vehicle rental industry. Present in over 140 countries worldwide in 2014, Europcar provides vehicles for short- and medium-term business and leisure rentals through its network of approximately 3,650 stations (including stations operated by agents and franchisees). With an average fleet in units of 189,269 and rental car daily volume of 52.8 million in its "Corporate Countries" (Australia, Belgium, France, Germany, Italy, New Zealand, Portugal, Spain and the United Kingdom) in 2014, the Group leverages its extensive knowledge of the vehicle rental business to provide a diverse range of mobility solutions.

In 2014, the Group generated consolidated revenues of €1,978.9 million and Adjusted Corporate EBITDA of €212.8 million. The Group's revenues are composed of rental revenue generated by its subsidiaries through directly-operated or agent-operated rental stations (€ 1,822.8 million of revenues in 2014, of which 93% was generated in Europe and 7% in the Rest of the World, its two operating segments), additional services revenue generated by its subsidiaries through directly-operated or agent-operated rental stations (€102.8 million of revenues in 2014), as well as royalties and fees received from its franchises (€53.3 million in 2014, of which 64% was generated in Europe and 36% in the Rest of the World). For further information on the breakdown of the Group's revenues and the definition of Adjusted Corporate EBITDA, see "*Selected Financial Information and Other Data*" and "*Management's Discussion and Analysis of Results of Operations and Financial Condition*".

Europcar's Brands

Europcar operates through two brands:

- Europcar®, the Group's core brand, which is used worldwide directly and through its franchisee network in order to service a wide range of market segments, from the high-end to the cost-conscious, as well as a large portfolio of diversified customers, from large corporate customers to individual leisure customers; and
- InterRent®, which the Group has been deploying since 2013, to target the "low-cost leisure" segment in order to extend the customer segments serviced.

This strategy seeks to present a clear brand portfolio in order to improve customer perception and readability by the different targeted customer segments and continue to strengthen Europcar's position in its key markets.

Europcar Service Offerings

Since 2012, the Group has implemented a "Fast Lane" transformation program seeking to strengthen the Group's market presence and prepare its transition from a vehicle rental company to a mobility services provider. The Group leverages its knowledge of the rental vehicle market to develop new products and innovative services under its Europcar® and InterRent® brands and seize opportunities in new mobility trends.

Europcar Customers

The Group offers its products and services to a wide range of customers in the business and leisure markets. Business customers include, in particular, large corporations and small and medium-sized businesses that rent vehicles and companies renting vehicles to provide vehicle replacement services to their customers. Leisure customers primarily include individuals who rent vehicles for vacation travel and individuals who rent vehicles for other personal transportation needs, directly or indirectly, via travel agencies, tour-operators and brokers.

Europcar's Network

The Group's network consists of directly-operated, agent-operated and franchise stations. In order to extend and deepen its global reach, the Group also uses partnerships and general sales agency arrangements. The Group's directly-operated and agent-operated stations are located in the following countries which the Group refers to as "Corporate Countries" and in which the Group has a long-standing local presence and expertise: Australia, Belgium, France, Germany, Italy, New Zealand, Portugal, Spain and the United Kingdom. Franchise stations strengthen the network both in certain Corporate Countries (particularly in France) and especially around the world, providing increased brand awareness and revenues, and allowing the Group to offer its customers services worldwide. This broad network gives the Group a large and diversified business and leisure customer base, with revenue generated by individual Corporate Countries either weighted to one segment or the other or balanced between them, depending on its geographic location.

As of December 31, 2014, the Group had 2,461 stations in Europe, of which 928 were directly-operated, 597 were agent-operated and 936 were franchises. At the same date the Group had 1,192 stations in the Rest of the World, of which 79 were directly-operated, 15 were agent-operated and 1,098 were franchises.

Europcar Fleet

During the year ended December 31, 2014, the Group took delivery of approximately 262,000 vehicles and operated an average rental fleet of 189,269 leisure and utility vehicles in Corporate Countries. For the year ended December 31, 2014, Europcar's approximate average vehicle holding period was 8.3 months (7.4 months for vehicles (cars and trucks) covered by buyback commitments). The Group purchases its vehicles from a range of manufacturers with whom it has longstanding relationships, including primarily Volkswagen, Fiat, General Motors, Renault, Peugeot, Hyundai, Daimler and Ford.

The Group views fleet management as a key component of its expertise. The Group has significantly increased its fleet financial utilization rate in recent years through focused actions and it reached 76.4% in 2014 (compared to 74.4% in 2012). Fleet management and the improvement of the fleet financial utilization rate are based on internal Group procedures, on the Revenue and Capacity Management teams that were established during 2012 at a centralized level and throughout all operating subsidiaries and on the centralized "Greenway" system and its various specialized modules.

Group Information and History

History and Development of the Group

The Group's origins date back to 1949, with the creation in Paris of the car rental company L'Abonnement Automobile by Raoul-Louis Mattei and the pooling in 1961 of the networks of L'Abonnement Automobile and of Système Europcars, another car rental company based in Paris. In 1965, the two groups officially merged to form the Compagnie Internationale Europcars. After its acquisition by the French car manufacturer Renault in 1970, the Compagnie Internationale Europcars developed throughout Europe, in particular through new subsidiaries and the acquisition of existing business segments. The Compagnie Internationale Europcars' corporate name (the holding company acting as franchisor) was changed to Europcar International in 1981.

In 1988, Wagons-Lits acquired Europcar International from Renault and then sold 50% of the share capital of Europcar International to Volkswagen AG. At the same time, Europcar International merged with the German car rental network InterRent, whose sole shareholder was Volkswagen AG. Accor acquired Wagons-Lits in 1991 and became a shareholder with a 50% stake in Europcar International, while Volkswagen held the remaining 50%. In December 1999, Volkswagen AG acquired Accor's stake, thus becoming the sole shareholder of Europcar International. Starting in 1999, the Group has actively expanded beyond Europe, in particular through the development of franchises.

On May 31, 2006, Eurazeo acquired, through the Company (created for such purpose) the entirety of the share capital of Europcar International from Volkswagen AG.

In 2006, the Group continued its expansion through external growth and acquired Keddy N.V. (Belgium) and Ultramar Car S.L. (Spain).

In 2007, the Group acquired the activities of National Car Rental and Alamo Rent A Car, based in the United Kingdom and operating in Europe, the Middle East and Africa (EMEA zone), from Vanguard Car Rental Holdings LLC ("**Vanguard**"), the latter then being acquired by Enterprise Holdings, Inc. ("**Enterprise**"). From 2008 to 2013, the Group entered into a commercial alliance with Enterprise, for the National and Alamo trademarks, operated by Europcar. This alliance ended in August 2013, although the Group continued to operate the National and Alamo brands in the EMEA region until December 2014 pursuant to a brand license agreement with Enterprise. This license agreement and the commercial alliance agreement were the subject of an arbitration which, after a transitional period agreed by the parties, effectively terminated these agreements as of March 2015. On April 29, 2015, the Group and Enterprise Holdings Inc. signed a settlement agreement which put an end to this arbitration. For a description of this arbitration and the settlement agreement, see "*—Regulatory, Legal and Arbitration Proceedings*" below.

In addition, in 2007, the Group acquired one of its Spanish franchisees, Betacar.

In 2008, the Group expanded its direct present in Asia-Pacific through the acquisition of ECA Car Rental, its main franchisee in Asia-Pacific, operating in Australia and New Zealand.

In 2011, the Group started its development of new mobility solutions by establishing a strategic joint-venture with Daimler AG to create Car2go Europe GmbH. At the date of this Offering Memorandum, the Group holds 25% of the share capital of Car2go Europe GmbH.

In 2013, the Group deployed its low-cost rental brand in Europe, InterRent, aimed at the general public. InterRent offers a competitive car rental service without compromising the quality of service. As of December 31, 2014, InterRent was deployed in six Corporate Countries in Europe (France, Germany, Italy, Portugal, Spain and the United Kingdom).

At the end of 2014, the Group acquired, through its French subsidiary Europcar France, 100% of the shares of Europ Hall, an important franchisee of Europcar France for the "East" region.

As of the date of this Offering Memorandum, the Group has also acquired a majority stake of 70.64% in Ubeeqo, a French start-up created in 2008 that offers car-sharing solutions for companies. Ubeeqo is present in France and Belgium and is currently expanding into Germany.

Presentation of the Group's Market And Competitive Position

*The information about the Group's market contained in this section was obtained from various sources, including a KPMG report dated February 27, 2015 prepared at the request of the Company (hereinafter, the "**KPMG Study**"). The work performed by KPMG in order to prepare its report was limited to obtaining and analyzing information and data about the Group's key markets from certain public sources (such as Eurostat, INSEE, the IMF, the World Bank and the OECD) and non-public sources. KPMG did not conduct an audit or valuation and did not make any recommendations relating to potential market opportunities for the Company or relating to the Company's planned initial public offering. Moreover, certain information contained in this section consists of publicly available information that the Company considers reliable but that has not been verified by an independent expert. The Group cannot guarantee that a third party using other methods to collate, analyze or compile the market data would obtain the same results. In addition, the Group's competitors may define their economic and geographic markets differently. Except as otherwise indicated, the data in this section is taken from the KPMG Study.*

*There may be differences between Europcar's estimated market share per country as presented in the KPMG Study and the calculation of market share based on the proportion of revenues per country to the estimated size of the market in each country, as presented in this Offering Memorandum. The numbers presented in this Offering Memorandum with respect to market share and the size of the markets are the mid-point of the ranges estimated by KPMG. In addition, an essential source of information used by KPMG to establish the revenues by company were the published financial statements (or those submitted by Europcar and its competitors to regulatory authorities, such as the registry (*greffe*) in France or Companies House in the United Kingdom). There may be differences in the revenues presented in this Offering Memorandum and in the published financial statements due to the consideration of other components of revenues. In order to ensure the highest level of comparability between Europcar and its competitors, KPMG did not make any adjustments to the published numbers. Any adjustment made by Europcar could have resulted in an under- or over-estimation of the Group's market share in the absence of equivalent adjustments being made with respect to its competitors. As the level of adjustments made by competitors is unknown, KPMG therefore chose not to make any adjustments for Europcar.*

General Presentation of the Vehicle Rental Market

Present in over 140 countries worldwide in 2014, Europcar is a global operator and the European leader in vehicle rentals. The Group's strategic positioning is based on (i) nine "Corporate Countries" in which it has long been present and has extensive experience (Germany, Australia, Belgium, Spain, France, Italy, New Zealand, Portugal and the United Kingdom); and (ii) a network of franchises, agents, partnerships and general sales agency agreements that enable the Group to reinforce its network in certain Corporate Countries (notably in France) and to extend its presence to over 140 countries throughout the world. This network allows the Group to cover a vehicle rental market estimated at €21 billion in value, or close to half of the total market (estimated at €45.4 billion in 2013) (source: Euromonitor).

The European Vehicle Rental Market

The vehicle rental market in Europe represented approximately €12.4 billion in value in 2013 (source: Euromonitor, on the basis of a scope of 47 countries, including Russia and excluding Cyprus, Malta and Luxembourg). The European Corporate Countries represented a total estimated market of €9.2 billion in value in 2013.

In Europe, the main vehicle rental companies generally operate through a combination of directly operated stations and stations operated by agents or franchisees. The European market is distributed fairly evenly between the business and leisure market segments, with some differences from one Corporate Country to the next. Each of the two market segments represented approximately 50% of the total number of rentals in 2013 in the principal European Corporate Countries (Germany, France, United Kingdom, Italy and Spain). The European market is also characterized by the need for an extended network of stations in order to cover the entire targeted customer base. For example, non-airport rentals represented approximately 59% of total rentals in 2013 in the principal Corporate Countries in Europe (Germany, France, United Kingdom, Italy and Spain). Moreover, operating on the European market means that all competitors, even those with regional, continental or worldwide strategies, must (i) ensure that they comply with the laws and regulations of each country, which may change at any time and (ii) adapt to the multiple regional differences in consumer habits. The many operational complexities mentioned above present a challenge for operators wishing to enter or expand their presence in Europe.

The European market is relatively fragmented compared with the U.S. market. The five largest operators on the European market represented approximately 65% of market share in the Corporate Countries in 2013, whereas the three largest operators on the U.S. market represented approximately 95% of market share in the United States in 2013 (source: Euromonitor). This difference is due to the presence in several European countries of strong local players that have relatively significant market shares. The Group has two main competitors, Avis Budget Group and

Hertz, in each of the European countries in which it operates. In addition, other companies and brands have significant market share and footprints in certain countries and regions, including Sixt in Germany, Enterprise in the United Kingdom and Goldcar mainly in Spain. The market shares of the leading participants of the vehicle rental market in the Group's European Corporate Countries in Europe were approximately 19% for Europcar, 13% for Avis, 12% for Hertz, 11% for Sixt and 10% for Enterprise in 2013, as compared to 20% for Europcar, 13% for Avis, 12% for Hertz, 11% for Sixt and 9% for Enterprise in 2012 (source: KPMG Study, based on the mid-point of the estimated company market shares and based on company revenues (excluding those of franchisees)).

The Market in the Rest of the World

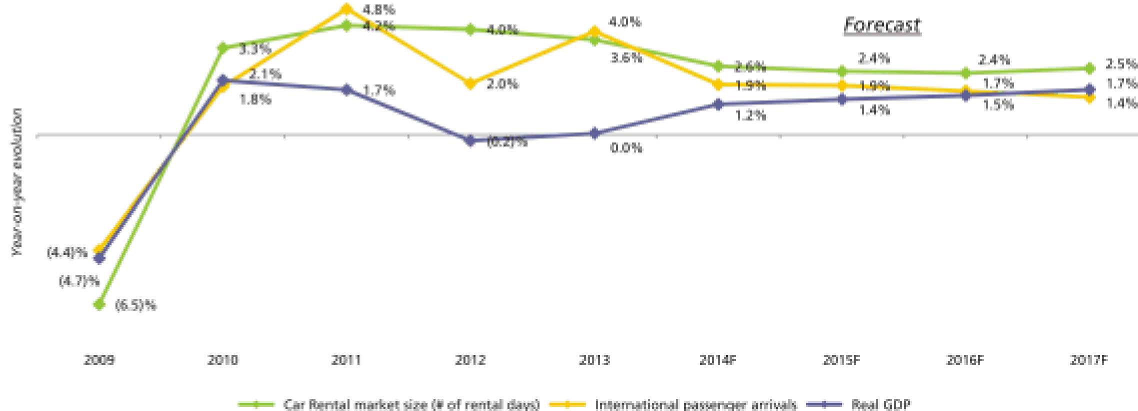
In 2013, North America represented an estimated market of €19.2 billion and Asia-Pacific was estimated at €7.4 billion, followed by Africa and South America, estimated at €2.6 billion and €2.5 billion, respectively (source: Euromonitor).

On the North American market, the Group entered into commercial alliances with various partners in order to promote the cross-referral of customers and offer cross-border services. The Group is also present in Asia-Pacific (in particular in two Corporate Countries, Australia and New Zealand, which together represented a market with an estimated value of €1.4 billion in 2013, and through a commercial cooperation agreement in Japan) and in South America. Moreover, the Group operates in the Middle East and Africa through a well-developed franchise network as well as partnerships and general sales agency arrangements.

Growth Drivers and General Market Trends

Macro-Economic Conditions and Demand for Vehicle Rentals

Demand for vehicle rentals is tied to macro-economic conditions in the countries where the Group does business. In particular, demand is correlated with changes in gross domestic product (GDP) and with inflows of international travelers, which in turn is tied to levels of air and rail traffic. The following graph shows historical and forecast growth in the vehicle rental market expressed as a number of rental days, inflows of international travelers and real GDP of the principal European Corporate Countries (Germany, France, United Kingdom, Italy and Spain) for the 2009-2017 period:



Source: IMF for real GDP, Euromonitor for international traveler inflows and the KPMG Study for the size of the vehicle rental market. GDP is calculated on the basis of each country's currency, adjusted for inflation.

Customer segments' diversity helps reduce the sensitivity of the vehicle rental business to the economic environment:

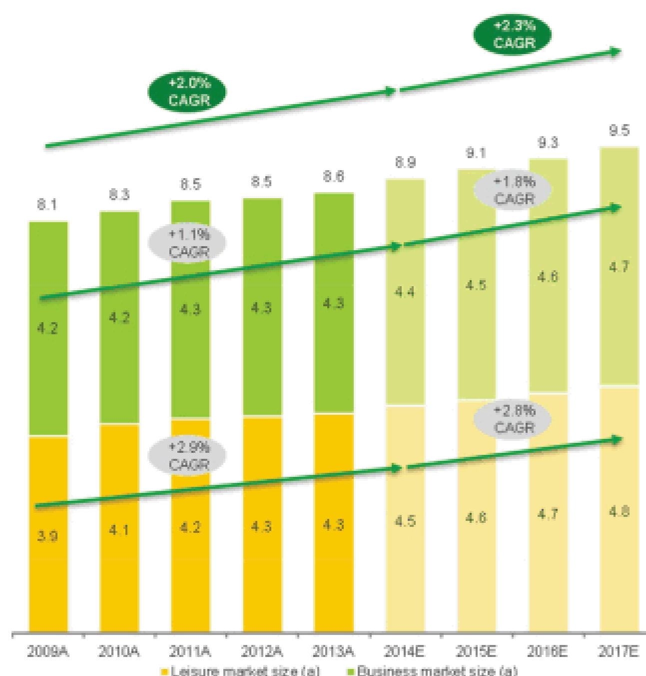
- Demand in the business segment is generally tied to the macro-economic environment, with significant differences between countries. It is particularly driven by GDP in key markets, through the general business climate and expenditures on business travel.
- In the leisure segment, including vehicle rentals in airports, demand is mainly driven by changes in inflows of international travelers, and therefore is significantly correlated with airline activity.

The following table shows the origination of international travelers arriving in Europe by region of the world in 2013:

	International travelers arriving in Europe in 2013 (in millions of travelers)
Americas	Approx. 35
East Asia and Pacific	Approx. 26
Middle East	Approx. 7
Africa	Approx. 5
South Asia	Approx. 3
Other	Approx. 16
Total	Approx. 92

Source: The United Nations World Tourism Organization (UNWTO)—on the basis of international travelers entering all European countries (the same perimeter as Euromonitor except for Gibraltar, Kosovo and Moldova)

The following graph shows historical and forecast size (in billions of euros) and the average annual growth rate of the business and leisure markets in the principal European Corporate Countries (Germany, France, United Kingdom, Italy and Spain) for the 2009-2017 period:



Source: KPMG Study

The Development of E-Commerce and the Evolution of Services Offered

Customers' booking habits have changed in recent years due to the Internet and e-commerce. E-commerce enables vehicle rental companies to serve in a more targeted manner the needs of a larger and more diversified customer base through their commercial distribution strategies. The use of online reservation platforms is a structural change that vehicle rental companies have had to integrate into their business models. E-commerce saw sustained growth between 2008 and 2013, as its average share of the revenues generated in the principal Corporate Countries increased from 22% to 39%. This increase is expected to continue, with a projected share of 48% in 2017. The use of the Internet has pushed market participants to increase their cross-industry partnerships in order to integrate vehicle rental services into the complete packages of offerings increasingly sought by end users. For example, the Group has entered into this type of partnership with tourism-sector intermediaries such as tour operators, travel agents and brokers, as well as with Internet travel portals, in order to offer vehicle rental services within bundled vacation offers sold online to leisure customers. The growth in online reservations is accompanied by increased ease in price comparisons and transparency. Sales through these channels have lower distribution costs than sales through traditional channels as well as a simplified customer experience.

Moreover, the development of e-commerce has driven vehicle rental companies to develop business models that include information and telecommunications systems that are both effective and complementary with those of their partners, both enabling customers to make reservations through multiple distribution channels and reinforcing rental companies' ability to offer innovative and less costly services.

New Mobility Solutions

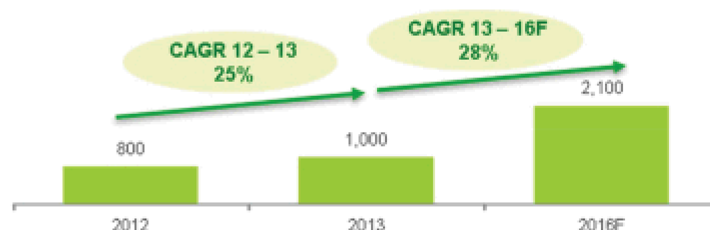
The vehicle rental sector has undergone structural changes due to technological improvements and the resulting changes in consumer preferences and behavior. Technological improvements have enabled providers of mobility solutions to develop innovative new products and services to respond to the constantly evolving needs of their customers. Consumer demand has migrated towards more flexible and economic mobility solutions with a smaller impact on the environment, in particular to solve the problem of increased traffic and to adapt to government policies limiting the use of vehicles in urban areas. As a result, the percentage of people who state that they are willing to give up their cars in favor of car-sharing rose considerably in the principal Corporate Countries in Europe (Germany, France, United Kingdom and Spain), increasing from 9% in 2010 to 34% in 2012; in France and Germany, this percentage has increased respectively, from 10% and 13% in 2010 to 32% and 56% in 2012 (Source: Observatoire Cetelem—2010 and 2012 reports—based on surveys of 3,600 and 6,000 individuals, respectively).

The growth in the mobility solutions market results in particular from a change in the way vehicles are used, as it becomes less and less necessary to acquire and own a vehicle in order to use one. This change has accompanied the supply and expansion of various services that were traditionally offered by pure play companies (companies that concentrate all of their activities on the mobility market, such as vehicle rental companies and companies offering car-sharing and ride-sharing services). More generally, this market also includes operators whose activities or services are connected and complementary (such as insurance companies (Axa, Allianz, etc.), vehicle leasing companies (Arval, LeasePlan, ALD Automotive, etc.), parking operators (Vinci Park, Apcoa Parking, etc.), car manufacturers (Volkswagen, Renault, Daimler, Peugeot Citroen), tour operators, travel agencies (Opodo, Expedia, eDreams, etc.), companies offering micro-mobility (Bicing, Velib', etc.), telematics solutions (Convadis, Invers, etc.) or data storage that develop new mobile applications (Waze, Coyote, Google Maps, etc.)).

The Group believes that vehicle rental companies are well positioned to seize growth opportunities in the new mobility solutions market. In particular, such companies can capitalize on key competitive advantages such as brand recognition, customer diversity, fleet size and fleet-management expertise, network density and experience in the industry. These growth opportunities are particularly strong in national capitals and other large European cities where innovative mobility solutions have begun to be offered by a variety of companies, such as Park On My Drive, Funryde or Hail in London; Drive Now, Citeecar, Drivy, Flinkster or Qixxit in Berlin; Zenpark, TripnDrive, Parkadom, Autolib', Drivy or Velib' in Paris; Bluemove, Amovens, Cabify, MovoMovo, Twist, 4040 Taxiblu or GuidaMi in Madrid; and more generally Uber, BlaBlacar and the Group, with Car2go and Ubeeqo in Europe.

New mobility solutions are being developed in particular in the following areas:

- Car-sharing, which was initially based on business-to-consumer, or "B2C," models, as well as peer-to-peer, or "P2P," models, but now also includes business-to-business, or "B2B," models, and may be based on either a one-way or round-trip itinerary. In Europe, the Group already does business in the "B2B" segment, through its late 2014 acquisition of Ubeeqo, a French start-up and pioneer car sharing within companies or between companies, as well as in the "B2C" segment, through Car2go Europe, a joint venture with Daimler in which the Group holds a 25% stake, and which offers a subscription self-serve car-share service in large European cities. A number of historical players in the vehicle rental industry have succeeded in expanding into the car-sharing market, including Hertz, Enterprise and Avis (through Zipcar) in the B2B and B2C market segments. A variety of other companies are also active in this market, including Autolib mainly on the B2C segment and Drivy in the P2P segment. The following graph shows historical and forecast size (in millions of euros) and average annual growth rate of the car-sharing market in Europe during the 2012-2016 period[1]:



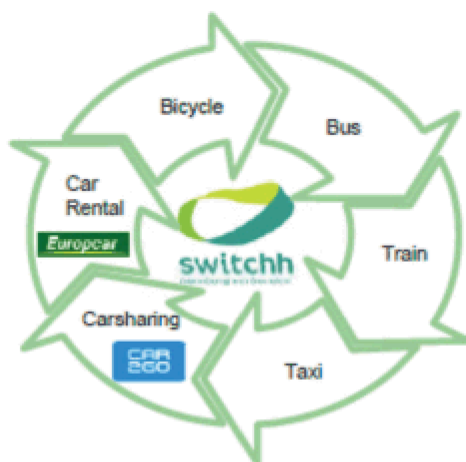
Source: KPMG Study

- intermodal solutions providing a digital platform that brings together different means of transportation (public transit, rental vehicles, taxis, and other mobility solutions) in order to suggest the best possible itinerary to customers for a given trip. A number of companies are already active in this market segment, including Qixxit (Berlin), fromAtoB (London, Paris, and Berlin), the Group through Ubeeqo (Paris), Switchh (Hamburg) and Waymate at the pan-European level;

- transportation services offering the ability to travel in a vehicle driven by a professional or private driver, as well as ride-sharing solutions, offer subscribers the ability to share rides in a vehicle driven by a private individual. The Group, one of the leading players on the European market, offers driver services under its Europcar® brand; the other principal providers currently on the market are Uber (a transportation service with a driver) and BlaBlaCar (ride-sharing);
- services that enable individuals, businesses or operators to turn their temporarily unused parking spaces into sources of revenue by making them available to other users. The principal players active in this market in Europe are currently Parkadom (Paris), ParkOnMyDrive (London) and ZenPark (Paris).

[1] For the purposes of this graph, Europe includes the following countries: Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Kosovo, Latvia, Lichtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Montenegro, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, Vatican City State and Russia.

The new players on the mobility solutions market and vehicle rental companies have a common goal of decreasing the number of vehicle owners in capitals and large European cities while addressing different segments of this market. Vehicle rental companies are more present on the long-term rental market (3.6 days of rental on average for vehicle rental companies in 2013 (source: KPMG Study)). In a complementary manner, other players proposing alternative mobility solutions such as car-sharing are mainly present on the short- and mid-term rental market (40 minutes per rental on average for Autolib or 5 hours per rental on average for Mobizen (source: ADEME and Research Body 6T, based on an online survey of 644 Autolib users and 525 Mobizen users, carried out from November 2013 to January 2014). For example, the Group and Car2go are part of the development of the "switchh" concept in Hamburg, which is a mobility platform that provides users with a complete view of public transportation options and other mobility services adapted to their trip.



The Group continues to pursue its development on the mobility solutions market through, in particular, the launch of new innovative services (such as AutoLiberté, ToMyCar, Keddy by Europcar®) and external growth opportunities (such as the acquisition of Ubeeqo). The Group is also strengthening its network of downtown rental stations in order to capture growth related to the changing mode of car use by users based less on their purchase and possession of vehicles. For example, the Group has 18 rental stations in Paris at December 31, 2014. It has opened two rental stations in Paris in the first quarter of 2015 and plans to open to a third by the end of 2015.

The Development of the Low-Cost Market Segment

As it has been the case in other industries, the European vehicle rental market has seen the development of low-cost offers in recent years, as vehicle rental companies have experienced increased demand for more affordable services. They have begun to take this new demand into account by adapting their fleet composition and developing new offers specifically targeting cost-conscious customers. The low-cost market segment may be defined as all low-price rental offers including a reduced number of services and providing less recent and lower-category vehicles. This market segment represented approximately 10% of the vehicle rental market (or about €0.9 billion in value) in the European Corporate Countries in 2013 (on the basis of revenue generated in 2013 by low-cost brands of the principal market participants and local independent companies that disclose their positioning and low-cost revenue). This evolution in demand creates new growth opportunities for the leading players in the sector who wish to reinforce their presence in Europe.

In Europe, the low-cost segment is mainly covered by a certain number of independent players with a business model and brand strategy specific to this market segment (less modern vehicles, more limited service offering, lower costs). However, the low-cost segment is characterized by the increased presence of the main players in the vehicle rental sector through strategies based on the development of differentiated offerings under another brand that is clearly identified as low cost. The Group believes that the "low-cost" brands of the principal players of the vehicle rental sector

are well positioned to take advantage of growth due in particular to the size of their vehicle fleets and their know-how with respect to fleet management.

The Group is present in the low-cost segment through its InterRent® brand, which initially covered this segment in Spain and Portugal (since the end of 2011). Beginning in 2013, the brand was also deployed in four other Corporate Countries in Europe (France, Germany, Italy and the United Kingdom), with 76 stations located primarily in airports and train stations as of December 21, 2014 (with 33 stations in the process of opening). The Group also developed its network of InterRent® franchises, which covered 19 countries as of December 31, 2014. The Group's objective is to have franchises in 40 countries by the end of 2015. InterRent® competes with some of the leading players in the vehicle rental sector as well as with independent players with varying market shares in different countries. In the United Kingdom, the principal players include the low-cost brands of established companies in the industry, such as Greenmotion and Easirent. In Germany and France, the low-cost segment represents between 8% and 9% of the total vehicle rental market. In Germany, the principal players include the low-cost brands of established companies in the sector, such as Firefly, as well as independent players such as Buchbinder and Star Car. In France, the Group principally competes with independent companies such as Ada, Ucar, France Cars and Rent a Car. In Spain, Italy and Portugal, the low-cost market developed rapidly in order to provide targeted offers at low cost to a significant number of leisure customers. In Spain, the low-cost segment represents 27% of the total vehicle rental market. The principal market players in these countries are independent companies such as Goldcar, RecordGo and Centauro in Spain, and Sicily by Car in Italy and Goldcar and Drive on Holidays in Portugal.

Specific Trends and Competitive Position in the Corporate Countries

The vehicle rental market in the Corporate Countries generated total revenue of approximately €10.5 billion in 2013. The market in the Corporate Countries has grown at an average annual rate of approximately 1.3% over the 2012-2014 period and is expected to grow in value at a rate of approximately 2.5% per year on average over the 2014-2017 period.

The vehicle rental market differs from country to country. For that reason, the analysis below presents the Group's Corporate Countries in Europe and in the Rest of the World. Market share in each Corporate Country is calculated on the basis of revenue (excluding royalties received from franchisees).

Europe

Germany

Market Trends

The German vehicle rental market generated total revenue of approximately € 2.1 billion in 2013 (or about 23% of the value of the market covered by the Corporate Countries in Europe in 2013).

The German market grew at an average annual rate of 1.5% during the 2012-2014 period. During this same period, the Group's consolidated revenues in Germany increased by 1.1%, from € 507 million in 2012 to €518 million in 2014. KPMG forecasts that the German market will grow at a rate of approximately 1.9% per year on average over the 2014-2017 period. This growth is expected to result from an increase in inflows of international travelers and expenditures on business travel.

Competitive Environment

The Group is the second largest player on this market, with market share of approximately 24% in 2012 and 24% in 2013. The Group's main competitors are Sixt, Avis Budget, Hertz and Enterprise, with respective market shares of approximately 29%, 11%, 10% and 5% in 2013, stable compared to 2012.

Belgium

Market Trends

The Belgian vehicle rental market generated total revenue of approximately € 0.2 billion in 2013 (or about 2% of the value of the market covered by the Corporate Countries in Europe in 2013).

The Belgian market shrank at an average annual rate of about 3.8% during the 2012-2014 period. During this same period, the Group's consolidated revenues in Belgium decreased by 2.6%, from € 64 million in 2012 to €60 million in 2014. KPMG forecasts that the Belgian market will grow at a rate of approximately 0.8% per year on average over the 2014-2017 period. Growth in the Belgian market is expected to be limited over the next few years by slow growth in the vehicle leasing industry, on which the short-term vehicle rental industry depends.

Competitive Environment

The Group is the leader on this market, with market share of approximately 34% in 2012 and 34% in 2013. The Group's main competitors are Avis Budget, Hertz and Sixt, with respective market shares of approximately 19%, 14% and 8% in 2013, compared to 15%, 14% and 7% in 2012.

Spain

Market Trends

The Spanish vehicle rental market generated total revenue of approximately € 1.3 billion in 2013 (or about 14% of the value of the market covered by the Corporate Countries in Europe in 2013).

The Spanish market grew at an average annual rate of about 2.1% during the 2012-2014 period. During this same period, the Group's consolidated revenues in Spain increased by 0.8%, from € 197 million in 2012 to €200 million in 2014. KPMG forecasts that the Spanish market will grow at a rate of approximately 2.5% per year on average over the 2014-2017 period. This growth is expected to result from resumed economic growth as well as a progressive increase in inflows of international travelers and expenditures on business travel.

Competitive Environment

The Group is the leader on this market, with market share of approximately 16% in 2012 and 15% in 2013. The Group's main competitors are Goldcar, Avis Budget, Hertz, Enterprise and Sixt, with respective market shares of approximately 13%, 12%, 10%, 10% et 6% in 2013, compared to approximately 12%, 12%, 9%, 11% and 5% in 2012.

France

Market Trends

The French vehicle rental market generated total revenue of approximately € 2.5 billion in 2013 (or about 28% of the value of the market covered by the Corporate Countries in Europe in 2013).

The French market grew at an average annual rate of about 1.2% during the 2012-2014 period. During this same period, the Group's consolidated revenues in the scope of its vehicle rental activities in France decreased by 2.1%, from €339 million in 2012 to €325 million in 2014. KPMG forecasts that the French market will grow at a rate of approximately 2.1% per year on average over the 2014-2017 period. This growth is expected to result from an increase in inflows of international travelers and expenditures on business travel.

Competitive Environment

The Group is the leader on this market, with market share of approximately 16% in 2012 and 15% in 2013. The Group's main competitors are Avis Budget, Hertz, Sixt and Enterprise, with respective market shares of approximately 12%, 11%, 5% and 5% in 2013, compared to approximately 12%, 10%, 5% and 4% in 2012.

Italy

Market Trends

The Italian vehicle rental market generated total revenue of approximately € 1.1 billion in 2013 (or about 12% of the value of the market covered by the Corporate Countries in Europe in 2013).

The Italian market shrank slightly, at an average annual rate of about 0.3%, during the 2012-2014 period. During this same period, the Group's consolidated revenues in Italy decreased by 3.5%, from € 221 million in 2012 to €206 million in 2014. KPMG forecasts that the Italian market will grow at a rate of approximately 1.7% per year on average over the 2014-2017 period. This growth is expected to result from an increase in inflows of international air and rail travelers and by a slight increase in GDP and expenditures on business travel.

Competitive Environment

The Group is the third largest player on this market, with market share of approximately 20% in 2012 and 18% in 2013. The Group's main competitors are Avis Budget, Maggiore, Sixt and Enterprise, with respective market shares of approximately 20%, 19%, 13%, 5% and 3% in 2013, compared to approximately 20%, 19%, 12%, 5% and 2% in 2012.

Portugal

Market Trends

The Portuguese vehicle rental market generated total revenue of approximately € 0.3 billion in 2013 (or about 4% of the value of the market covered by the Corporate Countries in Europe in 2013).

The Portuguese market grew at an average annual rate of about 2.3% during the 2012-2014 period. During this same period, the Group's consolidated revenues in Portugal increased by 9.3%, from € 79 million in 2012 to €94 million in 2014. KPMG forecasts that the Portuguese market will grow at a rate of approximately 1.4% per year on average over the 2014-2017 period. This growth is expected to result from resumed economic growth as well as an increase in inflows of international travelers.

Competitive Environment

The Group is the leader on this market, with market share of approximately 24% in 2012 and 25% in 2013. The Group's main competitors are Avis Budget, Enterprise, Hertz and Sixt, with respective market shares of approximately 15%, 12%, 11% and 1% in 2013, compared to approximately 15%, 11%, 11% and 3% in 2012.

United Kingdom

Market Trends

The UK vehicle rental market generated total revenue of approximately € 1.6 billion in 2013 (or about 17% of the value of the market covered by the Corporate Countries in Europe in 2013).

The UK market grew at an average annual rate of about 6.2% (in local currency) during the 2012-2014 period. During this same period, the Group's consolidated revenues in the United Kingdom increased by 5.4% in local currency, from €369 million in 2012 to €410 million in 2014. KPMG forecasts that the UK market will grow at a rate of approximately 3.4% per year on average (in local currency) over the 2014-2017 period. This growth is expected to result from favorable macro-economic conditions.

Competitive Environment

The Group is the second largest player on this market, with market share of approximately 23% in 2012 and 23% in 2013. The Group's main competitors are Enterprise, Hertz, Avis Budget and Sixt, with respective market shares of approximately 30%, 12%, 12% and 8% in 2013, compared to approximately 28%, 12%, 12% and 7% in 2012.

Rest of World

Australia

Market Trends

The Australian vehicle rental market generated total revenue of approximately € 1.1 billion in 2013.

The Australian market grew at an average annual rate of 3.0% (in local currency) during the 2012-2014 period. During this same period, the Group's consolidated revenues in Australia increased by 11.3% in local currency. KPMG forecasts that the Australian market will grow at a rate of approximately 4.0% per year on average (in local currency) over the 2014-2017 period. This growth is expected to result from a favorable economic environment, with an improvement in GDP and increased inflows of international travelers.

Competitive Environment

The Group is the third largest player on this market, with market share of approximately 9% in 2012 and 10% in 2013. The Group's main competitors are Avis Budget and Hertz, with respective market shares of approximately 34% and 19% in 2013, compared to approximately 33% and 19% in 2012.

New Zealand

Market Trends

The vehicle rental market in New Zealand generated total revenue of approximately € 0.3 billion in 2013.

The New Zealand market grew at an average annual rate of about 4.2% (in local currency) during the 2012-2014 period. During this same period, the Group's consolidated revenues in New Zealand increased by 18.2% in local currency. KPMG forecasts that the New Zealand market will grow at a rate of approximately 3.8% per year on average (in local currency) over the 2014-2017 period. This growth is expected to result from a favorable economic environment, with an improvement in GDP, as well as inflows of international travelers.

Competitive Environment

The Group is the third largest player on this market, with market share of approximately 5% in 2012 and 5% in 2013. The Group's main competitors are Avis Budget and Hertz, with respective market shares of approximately 35% and 17% in 2013, compared to approximately 36% and 17% in 2012.

Competitive Strengths

Market Growth Supported by Structural Trends in Vehicle Rental and Mobility Solutions

The vehicle rental market in the Group's Corporate Countries is expected to continue to grow in the near to mid-term due to several positive key structural factors: increasing GDP, increasing leisure and air travel, and new mobility usages. The value of the vehicle rental industry in the Group's Corporate Countries in Europe will increase by approximately 2.0%, 2.2% and 2.3% in 2015, 2016 and 2017, respectively (source: KPMG Study).

Furthermore, the Group believes that changing perceptions of car ownership should foster increasing growth in the vehicle rental market. These changing perceptions stem in particular from the increase in costs related to vehicle ownership and public policies towards car usage in urban centers: the percentage of people in the Group's Corporate Countries indicating that they are ready to stop owning a car and use "car-sharing" instead has increased significantly between 2010 and 2012, from 9% to 33% (source: Observatoire Cetelem—2010 and 2012 reports—based on surveys of 3,600 and 6,000 individuals, respectively, in Germany, France, Italy, Spain and the United Kingdom). In parallel, private car purchases have decreased significantly in Europe (especially since 2011, with a decrease of 10% between 2011 and 2013) (source: KPMG Study). These market dynamics contribute to a growing population of latent users of vehicle rental services and to the market trend towards mobility services and other innovative service offerings that should provide the Group with new revenue opportunities, in particular given the high levels of urban density in Europe.

Established Leadership and Innovation Conferring Competitive Advantages

With over 60 years of experience, a strong and well recognized brand and a customer base of close to six million drivers in 2014, Europcar is a global operator and the European leader in the vehicle rental industry. The Group has a wide and international network serving a broad range of customer mobility needs based on sophisticated revenue and fleet capacity management. The Group leverages these strengths to deploy innovative solutions and services to better serve changing customer mobility usages.

In 2013, the Group was the leading European vehicle rental organization. In particular, it was number one in each of Belgium, France, Spain and Portugal, number two in Germany and the United Kingdom and among the top three in Italy (source: KPMG Study, on the basis of the mid-point of estimated market shares, based on company revenues excluding franchisees).

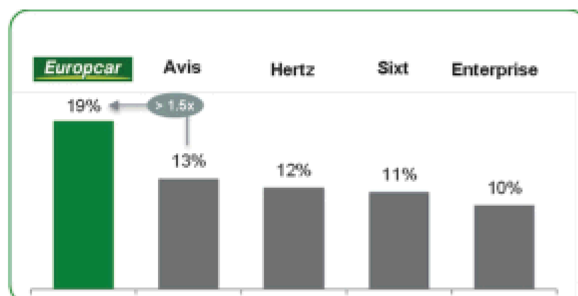
The chart below sets out the Group's competitive position in Corporate Countries and franchisee countries in Europe in 2013:

Europcar's presence in Corporate Countries and franchisee countries in Europe in 2013

Source: KPMG Study for Corporate Countries and Euromonitor and the Company for franchised countries.

The chart below sets out the Group's market share in Corporate Countries in Europe (Belgium, France, Germany, Italy, Portugal, Spain and the United Kingdom) and the market share of its principal competitors in those markets in 2013:

2013 Market Share in Corporate Countries in Europe



Source: KPMG Study, on the basis of the mid-point of estimated market shares, based on company revenues excluding franchisees

The Group believes that this leading position in Europe is sustainable due to, among other things, the scale of its operations and the quality of its network, its recently re-affirmed dual-brand strategy and its ability to manage complex operational systems and financing structures in a flexible and efficient manner. Over the 2009 to 2013 period, the Group's market share in Corporate Countries in Europe remained stable, at between 19% and 20% (source: KPMG Study, on the basis of the mid-point of estimated market shares, based on company revenues excluding franchisees). The Group also benefits from the well-recognized Europcar® brand and the newly deployed InterRent® brand, a powerful IT system and an average fleet of 189,269 units in its Corporate Countries in 2014. The European vehicle rental market is one of the most difficult to penetrate due to the multiplicity and diversity of jurisdictions with different rules and regulations and with regional differences in consumer habits. The Group believes that its extensive local

presence and professional expertise would be difficult for a competitor to replicate fully and rapidly and allows it to respond effectively to the complex and highly diverse nature of its markets.

Moreover, the Group's solid positioning across various countries in Europe allows it to track and anticipate changing levels of demand and market trends and therefore to better manage the size of its fleet.

The Group has a global footprint, with approximately 3,650 stations (including franchises) in over 140 countries in 2014 and numerous general sales agency (GSA) arrangements and partnerships. Franchises enable the Group to extend its network and are a source of high-value growth with lower risk, while its partnerships and alliances provide additional market penetration in growing markets.

The Group's GSA strategy, with 18 GSA arrangements in 2014 and 11 to come in 2015 (of which 7 were signed during the first four months of 2015) and partnerships with major airlines and travel intermediaries allow the Group to be present at points of entry for inbound and outbound traffic. In North America, the Group concluded a partnership with Franchises Services of North America ("**FNSA**") through which the Group can service its customers in the United States under its Europcar brand and via the FNSA network, and FNSA can serve its customers under its own Advantage-Rent-A-Car brand via the Europcar network in regions in which the Group operates. This alliance allows the Group to extend its proprietary network and improve its services for its customers in the United States. In February 2015, the Group also entered into a new agreement with a general sales agent in the United States ("Discover the World"), which should improve outbound customer flows from the United States to Corporate Countries. Moreover, in order to develop its activities in China, the Group recently entered into a two-year general sales agency agreement (which came into force on April 21, 2014) with an online Chinese travel agency pursuant to which such agency has been appointed to act as a non-exclusive representative authorized to promote and offer Europcar's rental services. This agreement should allow the Group to promote outbound flows of its customers from China toward its Corporate Countries.

The Group's network, particularly in its Corporate Countries, is supported by its proprietary GreenWay® system, a powerful and effective reservation platform and revenue capacity and fleet management tool. The Group's network is also commercially supported by the use of forecasting models that help to determine pricing while also optimizing the distribution, planning, allocation and yield of the fleet according to demand.

The Group has a diversified customer base of close to six million drivers in 2014 and reaches them through a wide variety of distribution channels. The Group's efficient fleet management benefits from central coordination and local initiatives, leveraging strong and longstanding partnerships with vehicle manufacturers and a pragmatic approach to the fleet, optimizing the mix between pan-regional and local contracts, maintaining flexibility in volume commitments to secure short and long-term flexibility of sourcing while also accommodating a changing economic environment and optimizing holding periods as part of the management of demand seasonality.

The Group leverages this extensive experience and know-how in the vehicle rental industry to focus on innovation, enhance the customer experience and seize opportunities arising from new mobility trends. The Group's innovations include new products serving its Europcar® branded vehicle rental offer (such as FitRent, AutoLiberté, ToMyDoor, ToMyCar, chauffeur services and Keddy by Europcar) as well as the development of its low cost brand InterRent®. In response to targeted customer mobility needs, the Group has established a "Lab" that is designed to draw from these technological innovations from in-house and external innovators to design new products and services in the area of mobility solutions to stay at the forefront of this rapidly evolving and expanding market. The Group also recently took a majority stake in Ubeeqo, a French start-up specializing in car-sharing and a pioneer in the B2B mobility solutions area, and is also a part of the Car2go Europe joint venture with Daimler, in order to establish a position in the consumer car-sharing market.

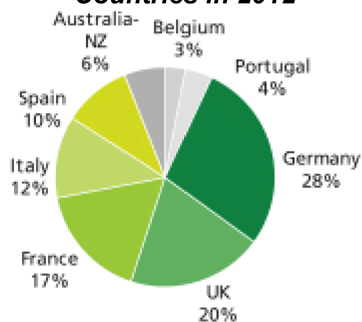
Diversified Business Model

The Group's business model is based on a well-balanced and complementary revenue base, which optimizes fleet utilization as well as its network and its related costs and limits dependency on specific sectors or industries.

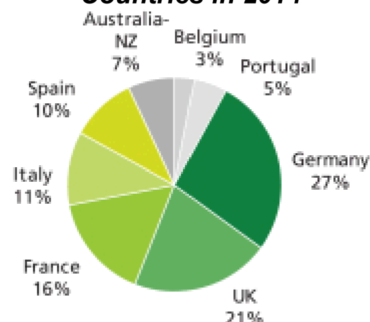
The Group has a broad customer base, well-balanced between business and leisure customers (which generated 45% and 55%, respectively, of total Group rental revenue in 2014). This mix helps the Group manage seasonality over the year (with leisure peaks during the summer and business demand more stable throughout the year) and during the week (weekend for leisure and weekdays for business). The Group's contractual relationships with numerous large corporate customers, as well as with small and medium-sized businesses across multiple industries and insurance companies for vehicle replacement services, contribute to the stability of the Group's business rental revenue, in particular during periods outside of tourist seasons and during business days. The Group's leisure activity involves rentals that are longer in duration and generate more revenue per day than business rentals. The Group also addresses the leisure segment through its portfolio of partnerships with recognized leaders in the travel industry, including major European airlines, tour operators and hotel groups, such as easyJet, TUI, Accor and Aeroflot. Within the leisure segment, the Group benefits from its core brand Europcar® on the medium and upscale markets and is deploying its InterRent® brand on the low cost market.

The Group's revenue base is also geographically diverse. The Group's rental revenue (excluding royalties received from its franchisees) in Corporate Countries for the years ended December 31, 2012 and 2014 was as follows:

Breakdown of Group rental revenue in Corporate Countries in 2012



Breakdown of Group rental revenue in Corporate Countries in 2014



Source: Company

The Group's revenue base is optimized between airports, where customer traffic is relatively higher, and non-airport locations. In 2014, the Group's network included directly operated and agent-operated stations in 254 airports; these stations represented 16% of corporate and agent-operated stations in 2014 yet generated 42% of the Group's rental revenue in 2014.

This diversification, along with the Group's operational expertise and effective management and information systems, contributes to a high fleet financial utilization rate (76.4% in 2014 as compared to 75.6% in 2013 and 74.4% in 2012).

The Group's diversified customer base and network are supported by a flexible fleet that has one of the highest proportions of buy-back commitments in the industry, a diverse fleet supply and flexible fleet financing. Approximately 92% of Europcar's 2014 fleet vehicles delivered were covered by such buy-back commitments. This high level of buy-back commitments not only limits risk by providing greater fleet cost visibility, it also increases the flexibility of the Group's fleet, with the commitments generally allowing for a five to eight month buy-back period deliberately chosen by the Group in order to manage inherent business seasonality. The sourcing of the Group's fleet is diversified in terms of automobile manufacturers and brands: in 2014, approximately 33% of its fleet was acquired from Volkswagen, 15% from Fiat, 11% from General Motors, 10% from Renault, 9% from Peugeot Citroen, 6% from Hyundai, 6% from Daimler, 3% from Ford and the remaining 7% from other manufacturers. The Group currently has, and periodically and opportunistically may enter into, multiyear framework contracts (generally for a two-year term) with certain manufacturers to ensure fleet availability. The Group uses diversified fleet asset-backed financing, including securitization, capital market financing (bond financing), revolving credit facilities and operating leases, to ensure that it benefits from competitive financing conditions.

This wide diversification of sources of revenue, fleet and financing provide the Group with a business model tailored towards the limitation of risks and optimization of revenue and costs.

"Fast Lane" Transformation Program that has Set the Foundation for Sustainable Profitable Growth

Since 2012, the Group has been implementing a transformation program called "Fast Lane" that aims to strengthen the Group's presence and prepare its transition from a pure vehicle rental company to a major player shaping the future of mobility, while benefiting from improved growth levers and cost efficiency. The Fast Lane program has helped foster a business culture based on improvement, due to defining key priorities that are monitored precisely and continuously. Fast Lane has helped transform the organization, rendering it more efficient and more focused on the customer and on cash generation.

The Fast Lane program is built around three prongs:

(i) setting the basis for change with a series of cost and cash management optimization initiatives;

(ii) getting traction by optimizing customer portfolios through the renegotiation and if necessary termination of certain contracts that were not sufficiently profitable and by improving the network's structure via an operating and strategic review of the rental station network and the alignment of territorial coverage; and

(iii) enabling future growth by enhancing differentiation as a competitive advantage of the Group through new products, active brand management and adaptive strategic positioning as well as instilling a strong customer service culture in the Group.

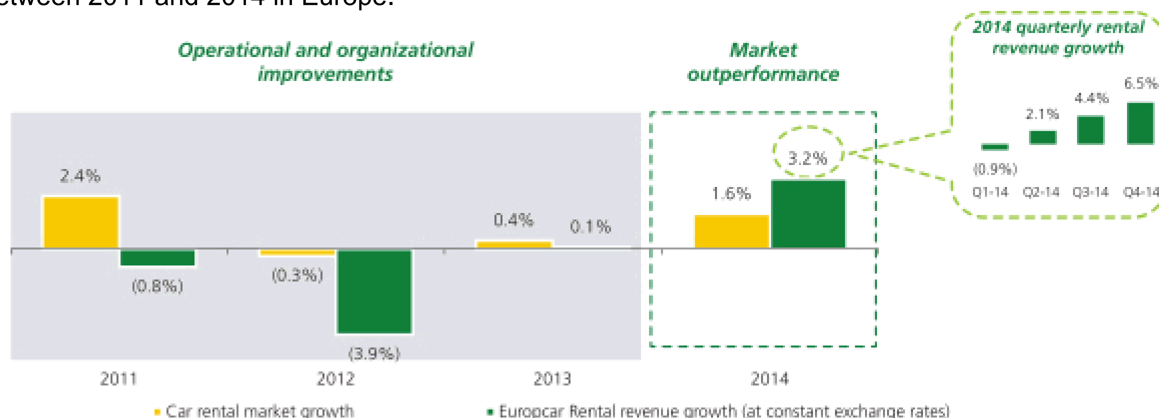
Implementation of the Fast Lane program has proven to be successful to date. The initial targets set at its inception have been noticeably exceeded. Over the 2012-2014 period, the Group estimates that the Fast Lane program has had a positive impact of more than €90 million on its Adjusted Corporate EBIDTA (as compared to an initial objective of €50 million). Similarly, the actions taken with respect to cash management have led to estimated improvements in non-fleet working capital requirements of € 90 million (as compared to an initial objective of €60 million).

The main projects for the first transformation prong concerned the creation of a pan-European shared services center (the "**Shared Services Center**", or "**SCC**") and the optimized management of fleet expenses. The Group has also invested in the transformation and optimization of its Internet websites as well as the transformation of its sales and marketing organization and IT systems.

The pan-European Shared Services Center opened in Portugal in early 2014 to handle transaction, accounting and cash collection activities. A centralized purchasing department, focusing on process improvement while accelerating purchasing centralization, was also created in early 2014.

The optimization of fleet management and efforts to reduce fleet sourcing and maintenance costs generated a significant share of Fast Lane's improvements. Initiatives implemented with respect to the fleet mainly included an improvement of the fleet mix by vehicle category, cleansing of the product portfolio and an optimization of the buyback program to lower fleet acquisition and disposal costs and improve the match of the of the fleet mix to customer demand and associated prices. As part of this goal, the Group created the "Revenue and Capacity Management" department at the Group level and in all its operating subsidiaries to manage customer demand and the related pricing terms, and to ensure the alignment of the fleet (category/price and optimized distribution within the network) to demand.

At this stage, the impact of the plan is only partially reflected in the Group's results, and the Group believes that certain savings have yet to be realized. Furthermore, the implementation of the next two next prongs is ongoing and new efforts must be made with respect to costs and revenue. As part of the second prong, the Group began optimizing its network of stations and at the same time began reviewing its customer contracts in order to renegotiate or terminate those that were not sufficiently profitable. The following graph shows the impact of the implementation of the Fast Lane program on rental revenue at constant exchange rates compared to the growth of the vehicle rental market between 2011 and 2014 in Europe.



Source: Euromonitor for the growth of the vehicle rental market based on a scope of 47 countries, including Russia and excluding Cyprus, Luxembourg and Malta and estimated growth for 2014.

The Group believes that both the operational and organizational improvements will allow it to continue to quickly adapt to, and seize opportunities generated by, the evolving market environment and, more generally, to pursue sustainable growth.

Strong Improvement in Financial Performance in Recent Years

The Group's financial performance has substantially improved since 2012 and the inception of Fast Lane. The Group has managed to significantly lower its fleet costs (including fleet depreciation), which declined from €639 million in 2012 to € 567 million in 2014 and its fleet operating and holding costs per unit, which decreased from €284 per month in 2012 to € 248 per month in 2014. The improvement of the fleet financial utilization rate, from 74.4% in 2012 to 76.4% in 2014, was a key part of this cost optimization.

In a context of modest growth in volumes, and relatively stable RPD, this optimization, combined with contained network and headquarters costs, and optimized fleet financing costs, drove a 4.6 point increase in the Group's Adjusted Corporate EBITDA margin between 2012 and 2014. 2014 was marked by a strong acceleration in the deployment of the Fast Lane program, which enabled the Group to return to growth in its revenues, which increased 2.4%, 4.3% and 7.1% at constant exchange rates in the second, third and fourth quarters of 2014, respectively, compared to the corresponding quarters of 2013. In the first quarter of 2015, the Group's consolidated revenues

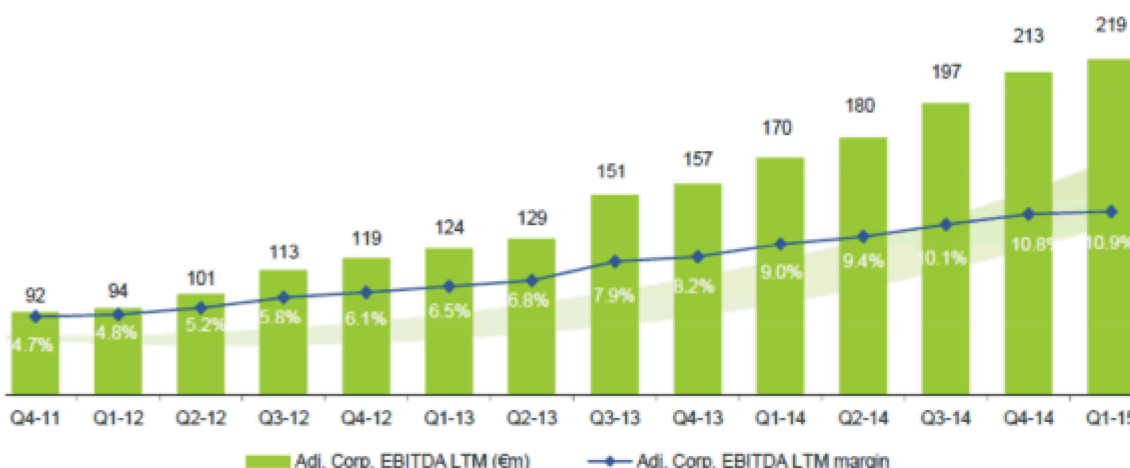
increased 7.4% at constant exchange rates, including the positive impact of the integration of Europ Hall, which accounted for an increase of 1.2% of the Group's consolidated revenue growth rate compared to the first quarter of 2014.

The following chart presents the changes in the Group's consolidated revenue and Adjusted Corporate EBITDA margin over the 2008 to 2014 period:

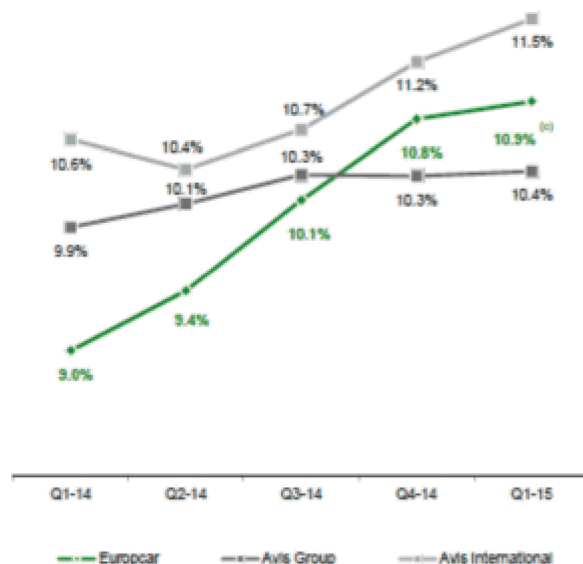
Changes in the Group's revenue and Adjusted Corporate EBITDA margin over the 2008 to 2014 period

The following charts present (i) the changes in the Group's Adjusted Corporate EBITDA and Adjusted Corporate EBITDA margin per quarter between the fourth quarter of 2011 and the first quarter of 2015 (based on the last twelve months for each quarter) and (ii) a comparison of the Group's Adjusted Corporate EBITDA margin to the EBITDA margin of the Avis Group and Avis International per quarter for the last twelve months for 2014 and the first quarter of 2015. The Group uses the indicator "Adjusted Corporate EBITDA," which it defines as recurring operating income before depreciation and amortization, and after deduction of the interest expense on certain liabilities related to rental fleet financing. Adjusted Corporate EBITDA includes all vehicle fleet related costs (including impairment charges and fleet-related interest). Adjusted Corporate EBITDA is a not a measure recognized under IFRS as adopted by the European Union and does not have a generally accepted definition. Avis Group and Avis International may calculate Adjusted Corporate EBITDA differently from the Group, in particular given the use of different accounting standards (US GAAP for Avis Group and Avis International and IFRS for the Group). In addition, the application of different adjustments to EBITDA made by competitors may be different from those made by the Group. For more information with respect to the Group's Adjusted Corporate EBITDA, see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Presentation of Accounting and Financial Information*".

Changes in the Group's Adjusted Corporate EBITDA and Adjusted Corporate EBITDA margin by quarter between the fourth quarter of 2011 and the first quarter of 2015 (calculated based on the last twelve months)



Comparison of the margin levels of the Group's Adjusted Corporate EBITDA with the EBITDA margin of the Avis Group Avis International per quarter (calculated based on the last twelve months of 2014 and the first quarter of 2015)



Source: Company, 2014 annual report and 2014 and 2015 quarterly reports of Avis

The Group's experience with respect to the management of its fleet and operating costs, together with its diversified fleet financing (including operating leases) and its ability to control non-fleet working capital requirements (in particular by harmonizing payment terms across the Group) have contributed to stronger cash generation. This has also allowed the Group to manage its total net debt recorded on the balance sheet (consisting both of its fleet financing debt, which is asset-backed, and its corporate debt), giving the Group a sound financing foundation as well as financial flexibility. In particular, the ratio of the Group's Corporate Net Debt to Adjusted Corporate EBITDA decreased from 4.8x as of December 31, 2012 to 2.7x as of December 31, 2014, due to the improvement in operating performance.

The Group's believes that this track record positions it well to benefit from future market growth.

Energized, Dynamic and Experienced Renewed Management Team

The success of the Group's strategy and growth depends on the experience and strength of its management team. The Group's senior management team has been renewed over the last four years and is now composed of complementary backgrounds at top-tier companies in various industries. Mr. Philippe Germond, CEO since October 2014 and Chairman of the Management Board following the transformation of the Company's governance, leads the team of managers who possess extensive business and operating expertise, a deep understanding of the vehicle rental services industry garnered from many years of experience, and a strong track record of execution in respect of the Fast Lane program. The Group's top management includes country managers in an organizational structure based on highly complementary international and local teams who have the knowledge, passion and vision to lead the Group in the execution of its strategy.

The Group's Strategy

Pursue its "Fast Lane" transformation program and its systematic implementation in order to:

• ***Reinforce its position as a leader to allow sustainable growth***

- *The Group intends to pursue its targeted brand strategy, based on the development of its offer of services under its Europcar® and InterRent® brands, in order to support growth in the volume of activity and to improve its visibility with existing and potential customers.* The Group adopted a dual-brand strategy intended to target a wide range of customer segments for vehicle rentals, based on an active management of its main Europcar® brand and its InterRent® brand for the "low cost" segment. This strategic positioning is intended to present a clearly differentiated portfolio of brands, to reinforce Europcar's position on its key markets and to capture the volume increase in the "low cost" segment.

- *The Group plans to strengthen its commercial efforts in the business segment, with the deployment of new commercial tools and the implementation of targeted actions.* The Group plans to develop its existing business customer base, relying on the recent reorganization and revitalization of its sales teams and the implementation of new commercial processes, supported by the recent deployment of commercial productivity tools as well as the deployment of training programs adapted to its commercial strategy. The Group plans to adopt a targeted approach specific to each customer category:
    - With respect to "large corporates", by focusing on gaining significant new contracts as well as on increasing customer loyalty in order to support sustainable growth;
    - With respect to "SMEs", by seizing new opportunities through the development of new products specifically intended for this category of customers and, to that end, by capitalizing on its reenergized sales teams; and
    - With respect to the "vehicle replacement" segment, by broadening its current customer base through the conclusion of new agreements.
- *The Group intends to strengthen its attractiveness in the leisure segment, by optimizing its digital and mobile strategy, its distribution channels and its revenue and capacity management system.* To support this strategy, the Group continuously adapts its digital distribution channels in order to ensure that they are responsive to changing customer behavior which is trending towards an ever-increasing simplification of the process of reserving and accessing a vehicle. In recent years, the Group reorganized and harmonized its websites in order to facilitate their use by customers and make them more intuitive, in particular by facilitating the purchase of additional services. It also launched new tools and online reservation solutions while continuing to develop its distribution channels through intermediaries such as brokers or tour-operators to optimize the global scope of its offer. The Group intends to continue to strengthen its focus on leisure customers while continuously optimizing its distribution network, including via new distribution channels such as new mobile applications, smartphones and tablet computers in order to respond to new customer consumption patterns (for more information on the Group's distribution channels, see "*Business—Distribution Channels*"). This development of distribution channels will be accompanied by the optimization of the Group's "Revenue and Capacity Management" department, which involves optimizing processes for the management and generation of demand as well as the management of the availability and distribution of the fleet, which allows the Group to adapt its offers (in terms of price, availability and other factors) to fluctuations in demand and to the composition of the Group's fleet.
- *The Group intends to continue to improve its service offerings to best meet customers' new expectations in terms of mobility*. The Group is planning to continue to develop targeted products and services, based on its thorough knowledge of the vehicle rental sector and of uses in its local markets. The Group will continue to develop and deploy its innovative products and services to meet these new expectations, such as the recent innovations ToMyDoor, ToMyCar, FitRent and Keddy by Europcar®. These developments will be supported by the progressive implementation of new management and customer portfolio analysis tools.
- *The Group intends to implement new customer relationship management tools and to improve its customer loyalty programs*. New customer relationship management tools based on performance and on a strict monitoring of key activity indicators will be implemented, with a view to refining its understanding of customer profiles to improve the targeting of marketing campaigns and real time transmission of customer data to agents to enable them to better handle each customer's needs, and, if applicable, offer additional services (up-selling). Customer prospecting will be reinforced by segmentation and data mining tools that will allow for customer acquisition actions, with a priority on digital actions, based on targeted profiles similar to valued customers in the database (i.e., searching for "peers"). Within the framework of its customer relationship management efforts, the Group also intends to continue to improve its customer loyalty programs, including its "Privilege" program, which was expanded in 2014, and which is designed to improve customer loyalty of individuals and businesses. The "Privilege" program has four levels of loyalty depending on the number of rentals and rental days (Privilege Club, Privilege Executive, Privilege Elite and Privilege Elite VIP). There are specific benefits for each loyalty level. These customer relationship management tools should enable the Group to improve commercial synergies among Europcar users in the business and leisure segments.

• ***Pursue operational excellence***

- The Group intends to continue improving its organizational efficiency. The Group continues to optimize the management of its customer relationships and network. The next step of the Fast Lane program will emphasize strengthening the management teams and sales teams, in order to ensure that they benefit from a full range of tools that allow them to effectively contribute to the Group's profitable growth. The Group recently created international teams responsible for sales and marketing, which coordinate and ensure that the Group's marketing efforts are consistent at the local level. The Group is also implementing projects targeting the management of people and talent, in order to foster a corporate culture based on accountability and the sharing of ideas.
- *The Group intends to continue improving the architecture of its IT system in order to better support the development of new service offerings.* In recent years, the Group has invested in the development of its IT system to guide and facilitate the implementation of new products and services. The Group has already implemented a 2020 plan to renovate the architecture of its IT system in order to make it more open and flexible and facilitate the integration of third-party applications. A number of modules and innovations are being analyzed to capitalize on the Group's operational excellence, promote data-based decisions, adapt products and prices in real time and, more generally, accelerate digital development and strengthen customer relationship management.
- *The Group intends to rationalize its semi-fixed cost base, in particular by expanding the scope of the Shared Services Center and optimizing its non-fleet purchases.* The Group has a detailed roadmap to further rationalize its semi-fixed costs base, in particular via the transfer of additional functions to its Shared Services Center in Portugal and the optimization of the activities of its operating subsidiaries' headquarters. This optimization is based on the nature of its business and the use of its exclusive Greenway® system, which offers a single solution covering all the functional areas of vehicle rentals. Furthermore, the Group will continue to optimize its non-fleet purchases. The Group will continue to optimize its network, which it has already begun in certain countries, in order to better serve the needs of its existing and potential customers (for example, by opening downtown rental stations). The optimization of its network will also aim to strengthen and improve customers' experiences, via innovative tools and processes, in connection with the Group's marketing and sales strategy.
- *The Group intends to continue rationalizing its fleet costs, in particular by harmonizing management processes throughout its rental stations.* The Group plans to harmonize its management processes in its rental stations, such as the inspection of returned vehicles (the E-Check-in procedure launched in 2012), in order to improve the customer experience. Moreover, the scope of the Shared Services Center in Portugal will include certain activities related to fleet vehicles, such as processing insurance claims. These measures, in connection with the continuous optimization efforts beyond the fleet, should allow the Group to realize additional savings.

Develop drivers for the Group's growth

• ***Develop and strengthen its network of agents, franchises and sales agents***

- *Capitalize on its network of agents, franchises and sales representatives to continue to strengthen and expand it internationally.* The Group will continue to optimize its network of existing franchises via initiatives such as the sharing of better practices, inter-country conferences among franchisees and an improvement of administrative management via the Shared Services Center. Furthermore, the Group aims to extend its presence in international markets, by developing its network of international franchises in selected regions and countries where opportunities exist. For example, the Group is currently looking to expand its presence in Latin America and the Asia-Pacific region, particularly in China, through various types of partnerships. Moreover, the Group will continue to explore expansion opportunities beyond its international network of franchises and continue its joint marketing efforts with international partners and client companies, including, for example, joint advertising campaigns and online promotional offers. The Group may also acquire companies in regions where it considers that such acquisitions will be profitable, considering, in particular, that the European market is relatively more fragmented than the U.S. market (the five largest market participants in Europe represented approximately 65% of the market in Corporate Countries in 2013, whereas the three largest market participants represented approximately 95% of the U.S. market in 2013 (source: Euromonitor)).

• ***Develop new mobility solutions***

- *Use the "Lab" to accelerate the implementation of innovative mobility solutions.* The Group recently created a "Lab", designed as an incubator of ideas for research into new products and services in mobility solutions. The Lab seeks to support internal projects as well as the acquisition of minority or majority stakes in innovative structures. The Lab is structured around a dedicated team of four individuals including a director responsible for supervising the Group's team and employees. The Lab's activities are designed to respond to the mobility concerns of the Group's customers via:

    - a multimodal offer that provides customers with fully integrated mobility solutions that link the customer and the offering in real time; and

    - a local mobility solution targeting a well-defined ecosystem; this solution already exists within the Group via the "Excel London" partnership under which Europcar offers specific rental vehicles in London's business district.

  The Group intends to continue investing in the Lab in order to seize opportunities for new mobility solutions in the market. The first evidence of this commitment was the acquisition of a majority stake, alongside the founders, in Ubeeqo, a French start-up specialized in B2B car-sharing and a pioneer in this market.

- *Expand the Group's mobility solution offerings and capitalize on its existing offers to better respond to consumer's new mobility needs.*

  As part of its "Fast Lane" transformation program, the Group is preparing its transition from a rental vehicle company to a mobility services provider. It seeks to extend its offerings of innovative solutions in order to respond to changes in the mobility market and consumer expectations. The Group aims to create an ecosystem of mobility services that complements Europcar's principal activity of vehicle rentals. The Group plans to leverage key competitive advantages such as its brand recognition, customer diversity, fleet size, fleet management expertise and density of its network to seize opportunities resulting from new mobility trends. The Group will focus in particular on intermodal solutions using a digital platform aggregating different means of transportation (such as public transportation, rental vehicles, taxis and other mobility solutions) in order to offer its customers the best possible itinerary for a given route and alternative solutions to vehicle ownership, ensuring access to a nearby vehicle as well as solutions that aim to generate value on unused third-party vehicles and unused parking spaces. The Group will rely upon the experience it has already acquired in this field to propose innovative internal solutions or make targeted acquisitions of companies whose services complement those of the Group's.

Description Of The Group's Business

In 2014, the Group generated € 1,978.9 million of revenues and €212.8 million of Adjusted Corporate EBITDA. In Europe, the Group generated €1,836.2 million of revenues (representing 92% of Group revenues before intra-Group eliminations and holdings) and €151.4 million of Adjusted Corporate EBITDA in 2014. In the Rest of the World, the Group generated €150.0 million of revenues (representing 8% of Group revenues before intra-Group eliminations and holdings) and €28 million of Adjusted Corporate EBITDA in 2014. For more information on the Group's operating segments, see "*Management's Discussion and Analysis of Results of Operations and Financial Condition*".

Europcar's network consists of directly-operated, agent-operated and franchise stations. In order to extend and deepen its global reach, the Group also uses partnerships and commercial representation agreements or arrangements (also called general sales agency agreements or arrangements or GSAs). The Group's directly-operated and agent-operated stations are located in the countries which the Group refers to as "Corporate Countries" and where the Group has a long-standing local presence and expertise: Australia, Belgium, France, Germany, Italy, New Zealand, Portugal, Spain and the United Kingdom. Franchise stations strengthen the network both in Corporate Countries (notably in France) and around the world, providing increased brand awareness and revenues and allowing the Group to offer its customer services worldwide. This broad network gives the Group a large and diversified network of both business and leisure customers, with revenue generated by individual Corporate Countries either weighted to one customer category or the other or balanced between them, depending on the geographic location.

Europcar Brands

Brand Positioning

The Group has decided to focus its strategy on two brands, Europcar® and InterRent®, targeting a wide range of customer segments for vehicle rentals:

• Europcar®, the Group's core brand, which is used worldwide directly and through its franchisee network in order to service a wide range of market segments, from the cost-conscious to the high-end, as well as a large portfolio of diversified customers, from large business customers to individual leisure customers. The Group aims to maintain customers' brand trust by offering high quality innovative services and simple and transparent offers and services. To promote the brand, the Group uses highly visible sponsorships, particularly in sports (such as its sponsorship of the

Arsenal English soccer team, the Benfica Portuguese soccer team and the Europcar cycling team), as well as co-marketing campaigns with car manufacturers. The Group also has international partnerships with airlines, major hotel groups, railway companies and credit card companies that both promote the brand and generate demand.

- InterRent®, which the Group has been deploying since 2013 to target the low-cost leisure segment, in order to extend its leisure customer segment. The low-cost leisure segment is estimated to account for approximately 10% of the total vehicle rental market (approximately € 0.9 billion in value) in Corporate Countries in Europe in 2013 (source: KPMG Study, on the basis of revenue generated in 2013 by "low cost" brands of principal market participants in the rental vehicle market and independent local participants that brand themselves and generate revenue from "low cost" activities). As of December 31, 2014, the brand had been launched in six Corporate Countries in Europe, with 76 stations located primarily in airports and train stations, and an average fleet of 4,730 vehicles during the year ended December 31, 2014. The brand, whose motto is "drive, save, enjoy", targets cost-conscious leisure travelers with a customized offer. The InterRent® brand uses a separate website and reservation system that are managed independently from the Europcar® brand platform. Some InterRent® stations are separate from Europcar® stations while others are a separate counter at a Europcar® station. The purchase and maintenance of vehicles as well as administrative functions are managed at the Group level in order to benefit from economies of scale and a better cost-efficiency ratio.

This dual-brand strategy is intended to clarify the Group's brand portfolio, improve customer perception and continue to strengthen the Group's position in its key markets.

From 2008 to 2013, the Group also serviced the National and Alamo brands in the Europe, Middle East and Africa (EMEA) region in the context of an alliance with Enterprise, pursuant to which the Group used the National brand mainly to address the business segment and the Alamo brand to address the leisure segment. This alliance ended in August 2013, although the Group continued to operate the National and Alamo brands in the EMEA region until December 2014 pursuant to a brand license agreement with Enterprise. This license agreement and the commercial alliance agreement were the subject of an arbitration which, after a transitional period agreed by the parties, effectively terminated these agreements as of March 2015. On April 29, 2015, the Group and Enterprise Holdings Inc. signed a settlement agreement which put an end to this arbitration. For a description of this arbitration and the settlement agreement, see "*Business—Regulatory, Legal and Arbitration Proceedings*".

Europcar® Brand

Under the Europcar® brand, the Group offers a wide variety of recent models of passenger cars, vans and trucks for rental on an hourly, daily, weekly or monthly basis, with rental charges computed on a limited or unlimited mileage rate. While vehicles are usually returned to the location from which they are rented, the Europcar network also allows one-way rentals from and to selected locations.

Europcar® Offerings

Targeted, Differentiated Offerings

The Group uses its knowledge of the market to develop and progressively roll out new products and services. Examples of innovative Europcar® branded products and services include:

- Customized packages:
    - FitRent: a mid-term (minimum of 30 days) rental product targeting small and medium-sized enterprises (SMEs). This product was launched at the beginning of 2014 and is available in France, Portugal, Belgium, Spain, Italy and Germany. It offers car and truck rentals, flexible terms, a simple, all-inclusive offer (in particular mileage, insurance, additional driver) and convenient monthly reporting and billing.
    - AutoLiberté: a recently renewed subscription-based car rental product targeting urban customers in France that offers, on a monthly fixed-price basis, two levels of subscription according to car rental frequency and vehicle category. This product guarantees fixed rates on rentals. With this product, the Group aims to increase customer loyalty and benefit from customers' growing demand for mobility solutions other than individual car ownership.
- Timesaving services:
    - ToMyDoor: a service for both business and leisure customers that enables the customer to be delivered the rental vehicle and/or return it at a chosen location, eliminating the need for the customer to come to the rental station. It is available in France, Spain, Portugal and the United Kingdom.
    - ToMyCar: a service that allows direct access to the rental vehicle via smartphone (virtual key), eliminating the need to go to the counter. This product targets leisure and business customers. It was launched in the United Kingdom in March 2015 and is currently being tested in France in anticipation of a broad deployment.

- Eready: a service that allows the customer to fill out an online customer profile (including, in particular, his driving license number). The station can then prepare the rental contract prior to the customer's arrival and thus limit time at the counter. The "E-ready" customer has access to a dedicated sales counter.

• Premium services:

- The "Prestige" offer: a premium car rental offer, with a specific fleet of recent model, premium brand cars (including luxury, sports, sport utility and convertible vehicles) and accompanied by a high level of service (speed and home delivery). This offer is available in Australia, France, Germany, the United Kingdom and Portugal.
- Chauffeur services: a service targeting business and leisure customers, providing a chauffeur and potentially additional services along with a vehicle rental. This service was launched in the United Kingdom in 2014 and is also available in France and Germany as well as in various franchises in Switzerland, Russia, Austria, Denmark and Dubai.

• Targeted broker products:

- Keddy by Europcar®: this product, launched in March 2015, is available in Germany, France, Spain, Portugal, Belgium and the United Kingdom. It is tailored for tour operators, travel agencies and online brokers that market to leisure customers who are price-sensitive but looking for more services than typically available in the "low-cost" segment.

Other Ancillary Products and Services

The Group offers its customers a range of additional services and equipment on a fee basis, including those described below:

- Protection: The Group offer its customers a range of optional insurance products and coverage such as physical damage insurance, theft protection, headlight and tire protection, supplemental liability insurance and personal accident insurance, which provides accidental death, permanent disability and medical expense protection (which can include personal effects coverage).
- Equipment: The Group also offers navigation systems, child seats, winter equipment and roof racks as well as other equipment depending on the agency and availability.
- Other services: The Group also generates revenues from premium location (such as airports) charges as well as from fueling charges. Fees for certain categories of drivers such as, for example, young drivers may also be charged.

Loyalty Program

The Europcar® brand has a free loyalty program, called "Privilege", that provides customers with a range of rewards and services. This program, which was revamped in 2014, is designed to improve customer retention in an industry characterized by a low retention rate of leisure customers. The program provides specific benefits such as free upgrades and weekends with free rentals depending on the loyalty level (Privilege Club, Privilege Executive, Privilege Elite and Privilege Elite VIP) that is established based on number of rentals or rental days. There are specific benefits for each loyalty level. In addition to fostering loyalty, information generated by the program enables Europcar to develop new offers targeted to customer demand. At December 31, 2014, more than one million Europcar drivers (or approximately 18% of the Group's driver base in 2014) were members of the Privilege loyalty program.

Customer Satisfaction

The Group tracks customer satisfaction levels based on its "promoter score" program in place since 2011 that gathers feedback from customers as to whether they would recommend Europcar to friends and family. The Group's continued efforts to improve the customer experience was reflected by a net increase in the Group's "promoter score" (determined by collecting customer opinions after each rental and based on the percentage of customers who indicated that they were "very likely" or "extremely likely" to recommend Europcar), from 58% in 2011 to 66% in 2012, 72% in 2013 and 79% in 2014.

Part of station employees' variable compensation (as well as that of all Group employees) is tied to the "promoter score". Station scores are reviewed weekly and action plans implemented based on such reviews.

The Group has also launched online reviews and ratings on its websites to foster transparency, interaction and customer confidence.

Europcar Lab / Mobility Solutions

Europcar Lab

The Group is focused on expanding its offerings of innovative mobility solutions that are responsive to the transportation market and to consumer expectations. The Group intends to focus in particular on developing offers for new mobility usages via intermodal solutions, digital access to local mobility solutions from a defined local area, guaranteed proximity of a vehicle and ability to extract value from unused cars and parking spaces.

The Group has created a “Lab” to study mobility market usages and search for new mobility solutions opportunities worldwide, whether such opportunities be with customers, partners or technology or transportation consultants. The Lab is intended to be an incubator for new products and services in mobility solutions for the Group. The Lab aims to support internal projects and the securing of minority and majority stakes in innovative structures. The Lab is structured around a dedicated team of four individuals including a director responsible for supervising the Group’s team and employees.

The Lab’s activities are intended to meet the transportation challenges of the Group’s customers through:

- a multi-modal proposition to provide the customer with fully integrated transportation solutions that fully connect the customer and the offer in real time; and

- a local transportation solution focused on a well-defined ecosystem; this solution already exists for the Group with its “Excel London” partnership, under which Europcar offers specific vehicle rentals within this business center in London.

The Lab is a legal entity of the Group (“**Europcar Lab**”) located in its own facility. It is currently supervised by Fabrizio Ruggiero, General Manager of Europcar Italy and a member of the Group’s Management Board.

The Lab relies on experience already acquired in the mobility solutions industry in order to propose innovative solutions, in particular via Ubeeqo, a French start-up specialized in company car-sharing and a pioneer in this market, in which the Group acquired a majority stake alongside its founders.

Existing Mobility Solutions

The Group’s specific mobility solutions currently include:

- *Ubeeqo*

In November 2014, the Group acquired a 70.64% interest in Ubeeqo, a French start-up company and one of the pioneers of car-sharing in the business market. The acquisition is part of Europcar’s strategy to expand its mobility solution offering to respond to customer needs by providing simple, turnkey solutions. This acquisition allows the Group to support Ubeeqo’s development as a European leader in new mobility technologies. Ubeeqo’s founders, who hold the remaining 29.36% interest, continue to manage Ubeeqo’s development, with Europcar’s support. These shares are subject to reciprocal put and call options between the founders and the Company. The founders may exercise these call options until November 26, 2024, except during the periods during which the Company may exercise the put options granted by the founders on these same shares. The Company may exercise these put options during a six month period starting July 1, 2020 and during a six month period starting July 1, 2021.

Ubeeqo proposes innovative and complementary solutions to companies, in particular:

- “Bettercar Sharing”: a car-sharing solution that promotes private fleet sharing within a business and among businesses;

- “Bettercar Connected”: a fleet management solution based on onboard telematics enabling the analysis of vehicle fleet usage and costs, aimed at generating cost savings for businesses; and

- “Mobilities Benefits”: a multimodal alternative to the company car, providing employees with access to a fleet of shared cars and a mobility stipend to fund personal travel needs (including train, taxi and car hire, among others), along with a one-stop application.

Ubeeqo recorded revenues of €2.5 million in 2013. Its current customer base includes several blue chip French companies, such as Danone, L'Oréal, LVMH and Vivendi. Its solutions aim to provide customers with significant savings, enhanced employee satisfaction and a reduced impact on the environment. Ubeeqo is currently deployed in France and in Belgium and deployment is underway in Germany, with upcoming development expected in the UK and Southern Europe and further expansion potential in Australia, New Zealand and other countries in Europe where Europcar benefits from a network of franchises to build a global footprint.

• *Car2go Europe*

Through Car2go Europe, a joint venture with Daimler in which the Group holds a 25% stake, the Group has developed its car-sharing services for individuals. Car2go Europe is a car-sharing service aimed at making rental vehicles available to subscriber customers in European cities. Initially launched in Hamburg and Vienna in 2011 the service was available in 14 European cities, including in Austria, Germany, Italy, Sweden and Denmark, as of December 31, 2014.

This car-sharing service does not require a reservation, although a car may be reserved up to 30 minutes prior to the rental through a smartphone application. Cars are easy to find through the smartphone application, with rental use charged by the minute (and a lower per-minute price charged for a stopover during a rental). The service offers one-way driving and easy parking (including pre-paid on-street parking in certain locations).

The Group records its stake in Car2go Europe under the equity method. It invested a total of €16.4 million in Car2go Europe in the years ended December 31, 2012, 2013 and 2014. The Group also voted in favor of a capital increase of Car2go Europe to take place in 2015.

InterRent® Brand

The InterRent® brand, which targets the low cost segment, is based on a simplified and straightforward customer service.

Under the InterRent® brand, the Group offers a variety of relatively recent models of passenger cars, with a more limited selection of brands and models than its offering under the Europcar® brand, in line with the InterRent® low cost model and targeting the most-requested range of car segments (mini, economy, compact and station wagon). InterRent® offers customers the lowest prices, although the service offering is more limited than under the Europcar® brand. For example, one-way rentals are not available. Rentals must also be prepaid. All InterRent® reservations must be made through the brand's separate website and reservation system; there is no call center. Front-office InterRent® operations are managed separately from the Europcar® brand, while fleet sourcing, maintenance and back-office functions are managed by the Group together with the operations of the Europcar® brand to benefit from economies of scale and ensure cost-effectiveness.

The InterRent® brand initially addressed the "low cost" segment in Spain and Portugal since the end of 2011. The brand has been operated in six Corporate Countries in Europe since 2013, with 76 stations located primarily in airports and train stations at December 31, 2014 and an average fleet of 4,730 vehicles in 2014.

The table below sets out the breakdown of the number of stations and vehicles for the InterRent® brand in 2014:

	Year ended December 31, 2014	
Corporate Country	**Number of stations**	**Number of vehicles**
Germany	9	300
United Kingdom	21	600
France	21	800
Italy	3	130
Spain	15	1,800
Portugal	7	1,100
Total	76	4,730

The Group is also developing its network of InterRent® franchises, with franchises in 19 countries at December 31, 2014, including Malta, Cyprus, Turkey, Morocco, Oman, Abu Dhabi and Norway (33 InterRent® stations in the process of opening) and a goal of franchises in 40 countries by the end of 2015. The Group's deployment of the InterRent® brand is ongoing, with Southern Europe being the core focus for development and, as a second step, Northern Europe.

InterRent® is managed from Madrid by Europcar Spain's General Manager José María González and a dedicated InterRent® team is in charge of defining InterRent's strategy worldwide to further improve the brand's competitiveness. The Group is currently investing in marketing projects and campaigns as well as developing a new website to contribute to the growth of this brand.

Customers (Business/Leisure)

The Group's products and services are offered to a large range of business and leisure customers. Business customers primarily include large corporates, small and medium-sized businesses, as well as entities renting vehicles to provide temporary vehicle replacement services. Leisure customers primarily include individuals who rent vehicles for personal use, particularly for weekend vacation travel, as well as tour-operators, brokers and travel agencies.

The business and leisure segments have different and complementary characteristics, in particular in terms of seasonality of demand, which allows for better management of the Group's network (both in terms of stations and the fleet utilization rate). The Group believes that maintaining an appropriate balance between business and leisure rentals is important to maintain and enhance its overall profitability and the consistency of its operations through its network. Consolidated revenue generated by the business and leisure customer type remained relatively stable during the previous three years ended December 31, 2012, 2013 and 2014. For the year ended December 31, 2014, leisure rentals accounted for 55% of the Group's rental revenue (excluding fees received from franchises), with business rentals accounting for the remaining 45%.

Certain of the Corporate Countries in Europe (Germany and Belgium) are more geared towards business customers, while others (Spain, Italy and Portugal) are more geared towards leisure customers and others (France and the United Kingdom) have a balance between business and leisure customers. The Corporate Countries in the Rest of the World (Australia and New Zealand) are more geared towards leisure customers. The table below shows the breakdown of the Group's revenues from rental activities (excluding fees received from franchisees) by customer segment in Corporate Countries for the year ended December 31, 2014:

Breakdown of the Group's rental revenue by customer segment in Corporate Countries in 2014

As a percentage of rental revenues	FY 2014 Business	Leisure
Germany	62%	38%
United-Kingdom	48%	52%
France	41%	59%
Italy	35%	65%
Spain	30%	70%
Australia/New Zealand	19%	81%
Belgium	60%	40%
Portugal	25%	75%
Total	**45%**	**55%**

With close to six million drivers recorded in Europcar's reservation system in 2014, the Group believes that its customer portfolio is one of the strongest and most diverse in the European vehicle rental industry.

Business Customers

Business customers who rent a vehicle from the Europcar network include large corporations, small and medium-sized companies as well as vehicle-rental companies offering replacement services. Most business customers rent cars from the Europcar network on terms that the Group has negotiated (either directly or, in the case of small and medium-sized enterprises, through travel agencies). The Group also categorizes rentals to customers of companies offering vehicle replacement as business rentals.

Revenue from business customers tends to be primarily concentrated during the period from Tuesday through Thursday each week. Revenue from business customers is less subject to seasonal change.

Large Corporates

Europcar has several contracts with many major corporations (such as Renault, Airbus, Total, Siemens and Accor), organizations and associations to serve as the exclusive or preferred provider of rental vehicles to their employees or members at pre-negotiated rates and subject to agreed service-level guarantees. Many of the Group's business customers have direct access to Europcar's IT system via dedicated micro-sites, providing such customers with reservation and invoicing interfaces specifically tailored to their needs. When the volume of rental transactions with a particular customer is significant, Europcar may locate an "implant" rental station directly on the customer's premises.

Vehicle rental contracts are typically signed by large corporates based on competitive tenders at the end of which one or more suppliers are selected. As part of its Fast Lane program, the Group reviewed and rationalized its portfolio of contracts with large corporates with a view to improve its overall profitability, particularly in 2012 and 2013.

The Group organizes the structure of its sales teams for large corporates based on the general requirements of different industry sectors to ensure that it uses its knowledge of these sectors to propose appropriately tailored offers. The Group focuses on satisfying the needs of its large corporate customers and considers that it has a strong track record of retaining its large corporate accounts. The Group plans to take advantage of its sales force system and signed five new contracts with large corporates during the first four months of 2015.

Small and Medium-Sized Businesses

Europcar is the exclusive or preferred provider of rental vehicles to employees of numerous small and medium-sized businesses at pre-negotiated rates and subject to agreed service-level guarantees. This customer segment is characterized by a large number of accounts, which limits exposure to any single customer. The Group is focused on further penetrating this customer segment, in which it sees opportunities for profitable growth. An example of a Group initiative in this respect is its December 2014 launch of its FitRent product specifically tailored for small and medium-sized enterprises (SMEs) (see "*Business—Europcar® Offerings*"). The Group also plans to lead targeted actions at the local level and to capitalize on the experience gained by its marketing directors through the "Europcar Master Sales Certification Program" to generate additional revenues and contracts.

Vehicle Replacement

The vehicle replacement rental business principally involves the rental of vehicles to insurance companies, vehicle dealers and other entities offering vehicle replacement services to their own customers. Via insurance companies, the Group offers its services to individuals, whose vehicles were damaged in accidents, are being repaired or are temporarily unavailable. In order to strengthen this business, Europcar has entered into several agreements with insurers, dealerships, repair shops and vehicle-leasing companies. The Group seeks to further develop its activities in this customer segment by expanding its existing customer base (including in franchised countries) and through the implementation of incentives and special offers through the Group's seven principal partners.

Leisure Customers

Leisure customers primarily include individuals renting vehicles for their personal needs, in particular for travel during holidays and weekends, as well as tour operators, brokers and travel agencies. The Group also serves a portion of its leisure customers through partnerships to expand its customer base.

Leisure rentals are typically longer in duration and generate more revenue than business rentals (other than vehicle replacements). Leisure rental activity is more seasonal than business rental activity, with heightened activity during the spring and summer (particularly in France, Southern Europe, Australia and New Zealand). Leisure rental activity also tends to be higher on weekends than mid-week. For further discussion of seasonal trends in business activity see "*Business—Seasonality*".

Individuals

This segment includes all individual customers contracting directly with Europcar, *i.e.* without intermediaries such as travel agents, tour operators, brokers or partners. Individuals book directly under the Europcar® brand through the Internet, call centers and car rental stations and under the InterRent® brand mainly through the Internet on the brand's separate website (see "*Business—Europcar Direct Distribution Channels*"). The Group plans to further develop its activities in this customer segment following the reorganization of its e-commerce department in order to build on the trend in reservations on Internet sites and mobile applications and the signing of new agreements with general sales agents in order to galvanize international demand, in particular in China, India, Russia and Brazil.

Partnerships to Reach Leisure Customers

Europcar serves part of its leisure customers through its partnerships that expand Europcar's customer base by providing access, in some cases exclusive or preferential, to the customers of Europcar's partners. Business is generated through Europcar's distribution on partners' channels or through participation in partners' loyalty programs.

Europcar currently has international partnerships in different sectors that represent a significant portion of its rental revenue, including:

• in the airline sector, partnerships with airline companies such as easyJet (exclusive partnership in place since 2003 and renewed in April 2014 for a three-year term), Aeroflot, (exclusive partnership signed in December 2013 for a five-year term), Emirates (partnership signed in March 2014, under which Europcar customers receive miles in Emirates' frequent flier programs for every car rental) and Qatar Airways (in the context of the Qatar Miles program);

• in the hotel sector, partnerships with large groups such as Accor for business, marketing and communication purposes (partnership established January 1, 2000 and renewed most recently in 2011 for three years with tacit renewal for successive two year periods) and Hilton (in the context of the Hilton Honors program); and

• in the railway sector, partnerships with Thalys.

The Group also has marketing partnerships, for example with credit card companies, credit institutions or organizations offering loyalty programs such as HSBC and Citibank.

Europcar's contractual relationships with its principal commercial partners typically have terms of between two and four years.

The Group plans to increase its development on this customer segment through the signature of partnerships in new sectors (cruise ships, banks, insurance, etc.).

Tour Operators, Travel Agents and Brokers

Europcar works with various intermediaries in the tourism sector to get leverage from their marketing spending in order to increase the Group's global recognition and to penetrate additional marketing channels.

Europcar has global and local agreements with several travel agents (including online travel agencies) that work directly with Europcar or via tour operators or brokers to offer car rentals to end customers, either on a stand-alone basis or as part of a package.

In addition, Europcar contracts on a multi-year basis with certain major tour operators such as TUI for their customer needs in leisure destinations. Tour-operators are traditional partners, combining cars with hotels and flights to offer packages to end customers.

Brokers are leisure intermediaries selling standalone car rental services to end consumers. The Group seeks to maintain long-term and well-balanced relationships with brokers, based on a multi-brand and multi-product strategy. In particular, the Group benefits from support during low seasons and certain prepayments and offers brokers in this respect guaranteed availability during high seasons.

Europcar's extensive network, fleet availability and quality of service are key drivers of growth in this customer segment. The Group plans to increase its presence in this customer segment through the roll-out of its Keddy by Europcar® offer and the signature of new partnerships with tour operators, travel agencies and brokers (including in franchise countries).

Distribution Channels

Customers may reserve the Group's vehicles through a variety of booking channels.

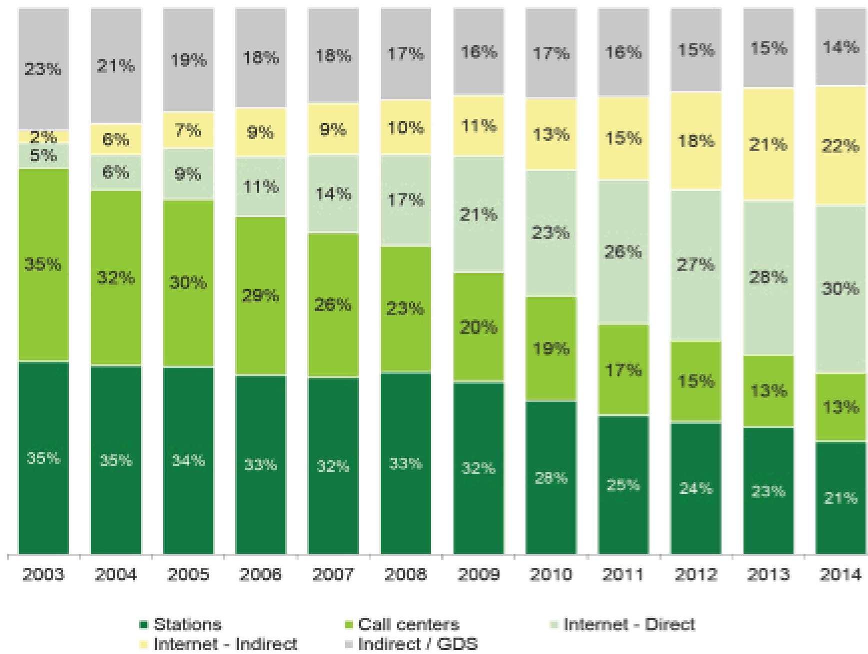
Customers may book rental vehicles under the Europcar® brand in the worldwide network through local, national or toll-free telephone calls handled by call centers; directly through stations; or, in the case of replacement rentals, through a proprietary dedicated system serving the insurance industry. Additionally, customers may make reservations for rentals worldwide through the Group's Internet websites. These channels are known as "direct" booking channels as they are controlled by the Group.

Customers may also book vehicles through indirect distribution channels, such as travel agents, brokers, or other third-party travel websites. Such third-party actors often utilize a third-party operated computerized reservation system, known as a global distribution system or "GDS", to contact Europcar and make the reservation on behalf of the customer.

With respect to the InterRent® brand, reservations are all prepaid through the brand's separate website; there are no InterRent call centers. The Group also uses indirect distribution channels for the InterRent brand® through brokers, travel agents and tour operators and is targeting a progressive shift to direct distribution channels in order to optimize profitability.

The following chart sets forth the breakdown in reservations by distribution channel (including direct channels "controlled" by the Group (stations, call centers, Europcar-controlled Internet sites) and indirect distribution channels (intermediaries' Internet sites and GDS) over the period from 2003 to 2014 in the Corporate Countries.

Breakdown of Reservations by Distribution Channel from 2003 to 2014



Source: Company

As shown, the Group uses varied distribution channels to better service its customers. Online reservations (direct and indirect Internet as well as GDS reservations) represented 66% of the Group's total number of reservations in 2014.

Europcar Direct Distribution Channels

Internet

Given the increasing importance of e-commerce, the Group has invested in its websites and applications. In 2014, it has migrated 15 websites to a new harmonized platform and revamped its iPhone, iPad and Android applications. The Group continues to develop mobile applications; initiatives include one-click booking and mobile check-in and check-out. The Group has also launched online reviews and ratings on all sites, and rolled out online chat to accelerate the trend towards reservations through websites and mobile applications. The Group's revenues generated from mobile applications increased by 73% in the first quarter of 2015 compared to the first quarter of 2014.

Over the past several years, customers' booking habits have evolved by means of Internet/e-commerce. Europcar uses its websites to both inform and serve its customers, providing online reservation systems and information about its services. Europcar accepts reservations from customers via its country-specific websites, including Europcar.com and Europcar.biz, mobile applications, as well as through Internet micro-sites accessible (i) by customers of the partners with whom it has an exclusive relationship and (ii) by employees of Europcar's corporate accounts. Such micro-sites dedicated to business accounts enable Europcar to address the needs of customers without intermediaries. Europcar also offers direct reservations through the websites of its partners, such as EasyJet. Reservations for the InterRent® brand are all made and prepaid over the brand's specific website.

While online reservations facilitate price comparisons, thereby increasing competitive pressure in the industry, sales via this channel nonetheless carry lower distribution costs than traditional distribution channels and result in a simplified customer experience (the overhead costs of e-commerce sales are low and the reservations process requires less administration than traditional reservation methods).

Traditional Direct Distribution Channels

Although vehicle reservations are increasingly moving towards e-commerce, Europcar continues to maintain its traditional direct distribution channels. Traditional direct distribution channels include Europcar® call centers and car rental stations. These channels remain important and are complementary to Internet channels since, among other things, they are more conducive to the provision of ancillary services.

The Europcar® call center network consists of Group call centers located in Germany, Portugal, Belgium (partially outsourced), Australia/New Zealand and the United Kingdom. The call centers in Berlin and Cologne, Germany (covering Germany), in Madrid, Spain (covering France, Italy, Spain and the United Kingdom) and in Sofia, Bulgaria (covering Australia, Belgium, France, Italy, Spain and the United Kingdom) are outsourced and handle approximately 80% of calls from Europcar customers who wish to make a reservation or request.

As part of the Fast Lane program, the Group has rationalized its call centers in order to adapt them to consumer habits and to improve the profitability and efficiency of such centers.

Indirect Distribution Channels (Internet, GDS)

Traditional indirect distribution channels consist of vehicle rental brokers and intermediaries such as travel agents, tour operators, which utilize computerized reservation systems, also known as GDS, to make reservations with the Europcar network. Europcar pays a fee to the third party for each booking.

Standard GDS reservations have decreased in recent years as a percentage of the Group's overall reservations, representing 14% in 2014 as compared to 17% in 2010. Indirect Internet reservations have increased, representing 22% of the Group's total reservations in 2014 (or 42% of its total Internet reservations) compared to 13% of the Group's total reservations in 2010.

While these indirect distribution channels provide Europcar with access to a larger customer base that can be reached through Europcar's direct distribution channels, the market for indirect customers can be subject to more competition, as intermediaries and partners typically source rental cars from more than one rental car company. Europcar therefore seeks to enter into exclusive or preferred "strategic" partnerships, in which it is the sole or first choice provider of rental car services.

Europcar has local agreements with some of the major travel agencies and travel management companies (travel agencies dedicated to business customers or TMCs). Europcar holds a shared supplier position with these networks, meaning that the TMCs will locally choose among its preferred list of suppliers, including Europcar, to place reservations for "discretionary" business (i.e., for business customers which do not have a contract with a particular vehicle rental company). With respect to persons who are customers of both the TMC and Europcar, the TMC acts as a distribution channel and processes reservations according to the terms negotiated with the end customer.

Tour operators generally offer car rentals either as a stand-alone service or as part of a package with other services such as plane tickets or hotel accommodations, and are typically compensated based on the difference between the resale price to customers and the Europcar sale price for tour-operators. Travel agents and most brokers rent vehicles at a price determined by Europcar and receive a commission on this price.

Third-party travel websites have also grown in importance to Europcar as a reservation channel. Europcar has partnerships with several of the leading Internet travel portals, which provide three distinct marketing advantages. First, the global reach of travel portals complements the geographic diversity of the Europcar network and broadens the Europcar network's potential customer base, particularly from non-European source markets. Second, the travel portals' marketing approach of bundling car rental services with other services such as airline or train travel and hotel accommodations offers Europcar the opportunity to implement dynamic pricing strategies responsive to short-term trends in vehicle supply and demand at specific locations. Lastly, Europcar is able to benefit indirectly from the travel portals' associations with airlines that are not yet Europcar network partners.

Indirect digital growth has benefitted particularly from increased market penetration of rental car brokers. Europcar has agreements with most major rental vehicle brokers at the European level. Customers have access to a wide range of car rental companies offers and reserve directly through the rental car broker websites.

Customers may also reserve Group vehicles through brokers' booking websites, such as CarTrawler and SunnyCars; tour-operators, such as Thomas Cook; and travel agencies, such as Carlson Wagonlit.

Europcar Network

The Group operates directly mainly in Europe through its directly-operated and agent-operated stations and internationally through its franchises as well as via partnerships and general sales agency arrangements. The Group's directly-operated and agent-operated stations are located in the countries which the Group refers to as "Corporate Countries" and in which the Group has a long-standing local presence and expertise: Australia, Belgium, France, Germany, Italy, New Zealand, Portugal, Spain and the United Kingdom. Franchise stations expand the network both in Corporate Countries (particularly in France) and around the world, providing increased brand awareness and revenues. This broad network gives the Group extensive geographic coverage of both business and leisure customers, with individual Corporate Countries either weighted to one customer category or the other or balanced between them, depending on the geographic location.

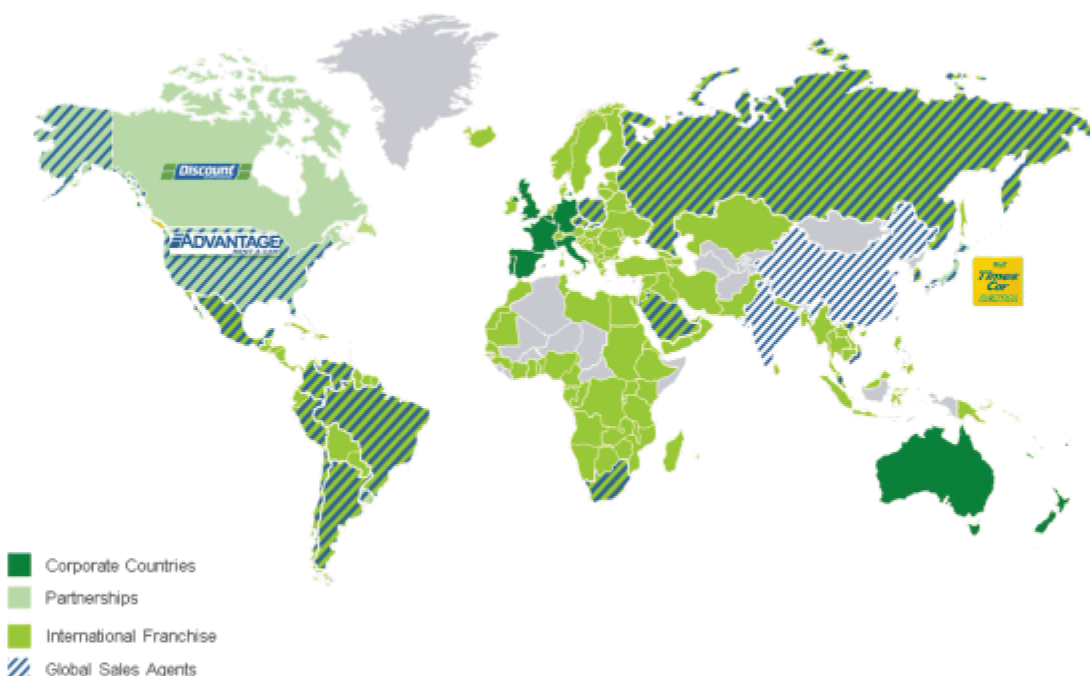
The density of the Europcar network in the Corporate Countries enables it to address customer demand for proximity and convenience in such countries, while the international scope of the Europcar network provided by franchisees, partnerships and other commercial and sales agency agreements significantly enhances the Group's ability to capture business from customers traveling outside of their home countries and provides a basis for the Group's continued growth and expansion.

The organizational structure of the Group's operations in each country is tailored to local market dynamics, in particular the nature of the customer base, which may be more business or leisure based and more local or tourist based, and also reflects the historical development of the Group (including the corporate versus agent/franchise mix of the stations in each country). In addition to airport stations, the Europcar network includes agencies at other major travel points such as railway stations, city and suburban centers, hotels, resorts and office buildings. The Group is continuing to optimize its network, which has already begun in certain countries, in order to better serve the needs of its customers and potential customers. For example, the Group has opened two additional stations in Paris in the first quarter of 2015 and plans to open a third station by the end of 2015.

Certain of the Corporate Countries in Europe (Germany and Belgium) are more geared towards business customers, while others (Spain, Italy and Portugal) are more geared towards leisure customers and others (France and the United Kingdom) have a balance between business and leisure customers. The Corporate Countries in the Rest of the World (Australia and New Zealand) are more geared towards leisure customers.

The Group believes that maintaining a balance between business and leisure customers is an important part of preserving and enhancing the profitability of its business and the consistency of its operations. The locations of stations (airports or other locations) also reflect the specificities of each country's customer base.

The following map presents the Group's network (defined broadly to include, in addition to directly-operated, agent-operated and franchise stations, strategic partnerships and general (or global) sales agency arrangements) throughout the world:



Through this network of franchises, strategic partnerships and general sales agents, the Group was the fourth actor worldwide on the vehicle rental market in 2013 (source: Euromonitor, on the basis of the companies' revenues).

The table below sets out the number of rental stations (broken down by type) for the year ended December 31, 2014:

	2014				
	Stations				
	Group	Agents	Franchises	Total	of which InterRent
Europe					
Germany	215	229	–	444	9
United Kingdom	247	6	9	262	21
France	274	66	208	548	21
Italy	19	197	–	216	3
Spain	130	35	–	165	15
Belgium	16	16	–	32	–
Portugal	27	48	–	75	7
Franchises outside of Corporate Countries	–	–	719	719	–
Total Europe	**928**	**597**	**936**	**2,461**	**76**
of which stations in airports	*190*	*23*	*n/a*	*n/a*	*n/a*
Rest of the World					
Australia	62	5	61	128	–
New Zealand	17	10	–	27	–
Franchises outside of Corporate Countries	–	–	1,037	1,037	–
Total Rest of the World	**79**	**15**	**1,098**	**1,192**	**–**
of which stations in airports	*32*	*9*	*n/a*	*n/a*	–
Total Group	**1,007**	**612**	**2,034**	**3,653**	**–**

The Group has strengthened its network in France through the acquisition on October 31, 2014, through its subsidiary Europcar France SAS, of 100% of the shares of Europ Hall SAS. With revenues of €23 million, 2,400 vehicles and 134 employees (full-time equivalent) in 2014; Europ Hall has been an important franchisee of Europcar France for the "East" region since 1978. For the year ended December 31, 2014, Europ Hall contributed €3.4 million to the Group's consolidated revenues. The integration of Europ Hall had a positive impact of 1.2% on the Group's consolidated revenue growth rate in the first quarter of 2015. The Group believes that the complementary nature of the networks should generate synergies, in particular in terms of logistics and fleet optimization (for example, better adaptation of Europ Hall fleet's composition with customer demand and optimization of the distribution of Europ Hall's fleet in the network). The following map and graph present the territorial coverage of Europcar in France by type of operation following the acquisition of Europ Hall:

Source: Company

Ownership Models

As indicated above, the Group's network is based on different ownership models: directly-operated, agent-operated or franchise, as may be further extended through partnerships, commercial cooperation agreements and general sales agency arrangements. In general, directly-operated stations are located in larger airports and cities, while franchise and agent-operated stations are located in smaller airports and cities to provide full coverage for the Group's customers throughout the Corporate Countries.

The Group's revenues are composed of vehicle rental revenues generated by its subsidiaries from its directly-operated or agent-operated rental stations (€1,822.8 million of revenues in 2014) of which 93% was generated in Europe and 7% in the Rest of the World, the Group's two operating segments, additional services revenue generated by its directly-operated and agent-operated rental stations (€102.8 million of revenues in 2014), as well as royalties and fees received from its franchisees (€53.3 million in 2014, of which 64% was generated in Europe and 36% in the Rest of the World). No single directly or agent-operated station accounted for more than 2% of Group revenues in 2014.

The following table sets out the five ownership models of the Europcar network which are described below.

	Main Aspects	Group Revenue Share
Stations operated directly by the Group	At December 31, 2014, the Group directly operated 1,007 rental stations, all located in Corporate Countries. These stations are managed by one of nine local operating subsidiaries, which own (or rent) the rental fleet as well as the sites of the stations and employ the stations' employees. They are primarily located in large airports and cities.	The revenue generated by stations directly operated by the Group is included in the Group's consolidated revenue. The revenue generated by stations operated directly by the Group remained stable between 2012 and 2014 and represented 83% of rental revenue in 2014.
Agent-operated Stations	At December 31, 2014, agents operated 612 rental stations, all located in Corporate Countries. The agent-operated stations use a rental fleet owned or rented by the Group. The sites and employees of agent-operated stations are the agents' responsibility. They are mainly located in medium-sized cities so as to provide a full range of services to customers.	The revenue generated by agent-operated stations is included in the consolidated revenue of the Group and agents are paid a commission (which is accounted for as an expense in the consolidated financial statements of the Group) based on the revenue of the relevant stations. The revenue generated by agent-operated stations remained stable between 2012 and 2014 and represented 17% of rental revenue in 2014.
Franchises	As of December 31, 2014, franchisees operated 2,034 rental stations through Group franchise rights. Franchisee stations are located both in Corporate Countries (278 stations at December 31, 2014) and other countries (1,756 agencies as of December 31, 2014) and are used by the Group to improve brand recognition and extend its network to a global level. These stations use their own fleet and have their own employees. With a few exceptions, the franchisees are exclusive to the Europcar network. The Group is also developing its InterRent® franchise network with franchises in 19 countries as of December 31, 2014, including in Malta, Cyprus, Turkey, Oman, Abu Dhabi and Norway (33 InterRent® rental stations are in the process of opening) and with the objective of having franchises in 40 countries by the end of 2015. The Group's franchise network has historically been stable. The Group has kept franchises in 97% of its franchise countries in the last seven years.	The franchisees initially pay an entrance fee, and, at the renewal of their contract, a territorial duty for the exclusive right to use franchises in the zone covered by the franchise contract. The franchisees pay royalties representing a percentage of the revenue generated by the vehicle rental operations, a reservation fee based on the number of reservations made through the Group's reservation system and, if applicable, a fee to use the Group's IT systems. The franchisee royalties received by the Group were €53.3 million for the year ended December 31, 2014, including 64% in Europe and 36% in the Rest of the World. For reference, the Group estimates that the revenue generated by Europcar franchisees was €0.8 billion for the year ended December 31, 2014.

	Main Aspects	Group Revenue Share
Strategic Partnerships	The Group has concluded commercial cooperation agreements with a number of entities in order to promote the cross-referral of customers and to offer cross-border services. These agreements allow customers to benefit from the Group's services in certain zones and to favor the inflow of business. In particular, the Group has concluded commercial cooperation agreements allowing its customers to benefit from its services in the United States, Canada and Japan.	Revenue generated by strategic partnerships represented less than 1% of the revenue generated by the Group's rental activities in 2014.
Commercial and General Sales Agency Arrangements	The Group has concluded commercial and general sales agency arrangements in countries where it does not have enough directly-operated stations or franchisees to ensure a strong commercial presence in those countries and to enjoy inbound traffic in Corporate Countries serviced by the Group's network of directly-operated and agent-operated stations.	Sales representatives offer the Group's services in exchange for a fee. The costs related to the sales representatives' activities include, among other things, insurance, rentals, general expenses and travel expenses for countries and regions where it is necessary to promote and distribute products.
		At December 31, 2014, the Group had concluded 18 general sales agency arrangements and 11 additional agreements are expected in 2015 (7 of which were signed during the first quarter of 2015) covering regions such as South America, the Middle East and Asia.

Directly-operated Stations

As of December 31, 2014, the Group directly operated 1,007 stations, all located in the Corporate Countries. Each of these stations is managed through one of nine local operating subsidiaries, which owns (or leases) the rental fleet and station sites and employ the stations' staff. The general manager of each operating subsidiary is responsible for managing the fleet in the relevant Corporate Country and for overseeing the local sales and marketing, human resources and legal functions.

Directly-operated stations are primarily located in larger airports and cities.

Agent-operated Stations

As of December 31, 2014, agents operated 612 stations, all located in the Corporate Countries. Agent-operated stations use a rental fleet owned (or leased) by the Group. The sites and employees of agent-operated stations are the responsibility of the agents. The revenues generated by the agent operated locations, however, are included in the Group's consolidated revenues and the agents are paid a commission (which is recorded as a cost in the Group's consolidated financial statements) based on their respective station's revenues. Relationships with agents are managed by the general manager of the relevant operating subsidiary.

Agent-operated stations are primarily located in smaller airports and cities to provide widespread coverage.

Franchises

As of December 31, 2014, franchisees operated 2,034 stations using Group franchise rights. Franchisee stations are located in both the Corporate Countries (278 stations as of December 31, 2014) as well as in other countries (1,756 stations as of December 31, 2014), and are used by the Group to increase worldwide brand awareness and to extend the reach of its global network. Such stations use their own fleet and employees. For more information about franchisees, see "*Business—Franchises*".

Partnerships, Commercial and General Sales Agency Arrangements

See "*Business—Leisure Customers*", "*Business—Commercial Cooperation Agreements*" and "*Business—Promoting Inbound Traffic*" for more information on this category.

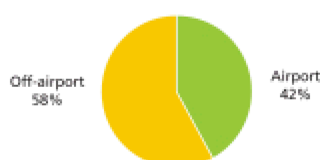
Locations

The Europcar network rents vehicles to its customers from stations located at airports, railway terminals, hotels, resorts, office buildings, and other urban and suburban locations. The locations vary depending on local market dynamics as well as on the density of the Group's network in the country.

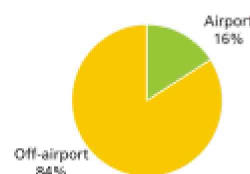
Airport locations are necessary, as they enable the Group to capture business related to growth in air travel, which is a main source of revenues. Airport stations generally generate more business than non-airport stations.

The following charts provide a breakdown in percentage of the number of directly-operated and agent-operated stations and of the Group's rental revenues in Corporate Countries (excluding fees received from franchises) between stations located at airports and other locations in 2014:

By revenue in 2014



By number of stations in 2014



Source: Company

The following table presents a breakdown of the Group's rental revenue in Corporate Countries (excluding fees received from franchises) between stations located at airports and other locations in 2014:

Breakdown of the Group's rental revenue in Corporate Countries between stations located at airports and other locations in 2014:

As a % of rental revenue	**Year ended December 31, 2014**	
Airports	**Airports**	**Off-Airport**
Germany	21%	79%
United Kingdom	40%	60%
France	43%	57%
Italy	61%	39%
Spain	61%	39%
Australia/New Zealand	75%	25%
Belgium	29%	71%
Portugal	54%	46%
Total	**42%**	**58%**

Source: Company

Airport Concessions

Through its extensive network of airport stations, Europcar seeks to maximize its exposure to the potential business represented by airports' high passenger volumes. The number of rental stations in airports as a percentage of the Group's total number of stations remained stable at between 14% and 16% over the period from 2011 and 2014. Airport business is highly related to levels of air travel at the relevant airport, and customers often make car rental reservations at the same time as their flight reservations. Partnerships with airlines also support this business. See "*Business—Partnerships to Reach Leisure Customers*".

In order to operate airport stations, Europcar (or the relevant agent or franchisee) has entered into concession or similar leasing, licensing or other such agreements or arrangements granting it the right to conduct a car rental business at the relevant airports. Europcar's concessions are granted by the airports' operators, which are typically governmental bodies or authorities, following either negotiation or bidding for the right to operate a vehicle rental business in such airports.

Access to airports is relatively costly, and the airports' operators control the number of locations made available to car rental companies. The terms of an airport concession agreement typically require payment to the airport's operator of concession fees based upon a specified percentage of revenue generated by Europcar at the airport, subject to a minimum annual fee. Under most concession arrangements, Europcar must also pay fixed rent for terminal counters

or other leased properties and facilities. Some concession arrangements are for a fixed length of time (generally three to five years), while others create operating rights and payment obligations that, as a formal matter, may be terminated at any time**.** Concession arrangements generally impose on Europcar specific covenants which include certain price restrictions and quality of service requirements. Under most concession agreements, if the revenue generated by the concessionaire increases or decreases, the airports' operators may modify the concession, in particular with respect to the number of parking lots granted to the concessionaire and the rate of concession fees. Airport operators may also conduct audits of the business operated by airport stations and of the type of services provided to airport customers.

The terms of concession arrangements typically permit Europcar to seek complete or partial reimbursement of concession fees from customers to the extent permitted under local regulations.

Other Stations

In addition to airport stations, the Europcar network includes agencies at other major travel points such as railway terminals, city and suburban centers, hotels, resorts and office buildings. This market is considerably more fragmented than the airport market, with numerous smaller vehicle rental businesses, each with limited market share and geographical distribution, competing with larger organizations such as Europcar. When compared to airport stations, other stations typically deal with a greater range of customers, use smaller rental facilities with fewer employees and, on average, generate fewer transactions per period than airport locations. Rental stations located at or near railway terminals are operated pursuant to concession agreements similar to those described above for airport stations. Railway stations, particularly those serving high-speed trains, generally generate higher traffic volume than other non-airport stations. A dense suburban network is also key, as it provides better regional coverage and of categories of vehicles (in particular utility vehicles) outside of the airport, allowing for more efficient service of customers and for the stations to be more responsive to the requests of SMEs.

Group Organization

The Group's commercial and development strategy is set by senior management to ensure effective implementation, while operations in each Corporate Country are managed by a local operating subsidiary, in line with the strategy and objectives set by the Group. The Group's organization has been significantly transformed by the Group's Fast Lane program.

Group Management and Corporate Countries

The Group's commercial and development strategy is determined and overseen by senior management. Functional boards at the Group level (Human Resources, Fleet, Finance, Operations, Commercial, IT) help oversee execution of the Group's strategy. Operations at the local level are managed by an operating subsidiary, in line with the strategy and objectives set by the Group. Operations outside of the Corporate Countries include the management of franchisees, partnerships, commercial and general sales agency arrangements with a view to ensuring the Group's growth and global coverage and brand awareness.

The managers of the Corporate Countries also hold roles at the Group level, in order to ensure that the Group benefits from the concrete experience and knowledge of these managers in making Group-wide decisions about sales, marketing and international development. Local front-line teams interact with customers at the Group's stations and in the Group's markets, developing loyalty and relationships with business customers and a robust understanding of leisure customers.

This organization is designed to ensure a strong local presence and offer customers differentiated services targeted to local needs, combined with centralized back-office functions to ensure cost-effectiveness. The Group relies on three key departments. The international marketing team ensures consistent and effective marketing efforts to attract customers worldwide. The sales team is focused on prospecting and securing key corporate accounts as well as developing partnerships and market share in all countries. The revenue and capacity management team works closely with both the international marketing and sales teams to ensure a better match of the Group's fleet mix to customer demand and maximize revenue.

Fast Lane

Since 2012, the Group has been implementing a transformation program called "Fast Lane" designed to strengthen its market footprint and prepare its transition from a pure car rental company to an efficient mobility services provider benefiting from sustainable growth and improved profitability.

The Fast Lane program is built around three prongs:

(i) setting the basis for change with a series of cost and cash management optimization initiatives;

(ii) getting traction by optimizing customer portfolios through the renegotiation and if necessary termination of certain contracts that were not sufficiently profitable and by improving the network's structure via an operating and strategic review of the rental station network and the alignment of territorial coverage; and

(iii) enabling future growth by enhancing differentiation as a competitive advantage of the Group through new products, active brand management and adaptive strategic positioning as well as instilling a strong customer service culture in the Group.

The five strategic pillars supporting the Fast Lane program prongs are as follows:

- **Grow the Group's top line by driving more profitable volume through:**
    - the renegotiation of certain contracts and the termination of other non-profitable contracts;
    - improving sales of additional offerings (equipment such as GPS navigation systems or the sale of insurance coverage) at station counters;
    - better alignment of the Group's fleet mix and capacity to customer demand; and
    - the development of strategic and commercial partnerships to promote the flow of international customers to the Group (inbound flows) and the flow of Group customers to other regions of the world (outbound flows);
- **Differentiate the brands and offerings by providing a better customer experience with**, in particular
    - a redesign of the rental process, organization of customer relationships, improvement of the Group's customer loyalty program called "Privilege", the development of the InterRent® brand and the launch of the Keddy by Europcar® offering;
    - the deployment of InterRent® offerings and the development of new services to Europcar® customers (such as carpooling management and ToMyDoor, a delivery and collection service which reduces the distance between Europcar and its customers helping them save time);
- **Improve the Group's cost position and operating model flexibility** by, in particular, creating the Shared Services Center in Portugal and then expanding its scope beyond finance and back office functions to cover all functions and encompass transactional activities (fleet, complaints, invoices and suppliers);
- **Optimize the allocation of capital** through the development of new fleet financing models, with the objective of continuing the reduction of fleet costs and diversifying sources of financing; and
- **Increasing organizational effectiveness** through projects focused on people and talent management, the centralization of certain key missions with a view to becoming a center of excellence (in particular, in eCommerce, brokerage and InterRent) and the reorganization of administrative support functions within the Shared Services Center.

The objectives of the first prong of the Fast Lane program have been achieved in large part and implementation of the next two prongs is ongoing.

The pan-European Shared Services Center was opened in Portugal in early 2014 to handle transaction, accounting and cash collection activities. The transition of services and personnel towards the Shared Services Center continued throughout 2014. Approximately 230 people were employed at the Shared Services Center as of December 31, 2014, with employees transferring from Portugal, Spain, France, the United Kingdom, Belgium, Germany, and ongoing transfers from Italy. The Group decided to use a Shared Services Center given its single business and use of one integrated system, Greenway®, which facilitates implementation of shared services and also enables greater rationalization of its processes.

The processes that are or will be handled by the Shared Services Center include general and management accounting; cash management; billing; supplier payments; travel expenses; credit & risk management; key accounts collection; and insurance billing and collection. The roll-out of the Shared Services Center's handling of transaction, accounting and cash collection activities for Portugal and Spain was completed in the first half of 2014 while this roll-out continued in the UK, Belgium and France in the second half of 2014 and was completed in the first quarter of 2015; roll-out is also ongoing for Germany and Italy since the fourth quarter of 2014.

The Group intends to extend the scope of the Shared Services Center to data-entry and updating the price grid, so as to further optimize its cost position and business model flexibility. These services were transferred for the United Kingdom in the last quarter of 2014 and roll-out will continue in the first half of 2015 for France, Spain and Italy, while transfer is expected to wait until the third quarter of 2015 for Belgium. Additional initiatives are being studied for implementation by 2017.

A centralized purchasing department, focusing on process improvement while accelerating purchasing centralization at a Group level, was created in early 2014, and tools allowing for an optimization of costs at the Group level are currently being deployed.

A significant portion of the cost savings realized through Fast Lane to date has come from the optimization of fleet management (see "*Business—Competitive Strengths*". Fleet-related initiatives include streamlining the mix per category of vehicle, the optimization of the buy-back program and a better management of maintenance fees. Those fleet improvement measures were coupled with the creation of the "Revenue and Capacity Management" department allowing a better match of the Group's fleet mix to customer demand and an optimization of demand management and generation related to management of the fleet's capacity and distribution.

In addition, as part of the Fast Lane program, the Group is also optimizing its non-fleet procurement. The objective of this optimization is to enforce better control over all types of spending, by avoiding unnecessary purchases and increasing grouped orders, which allow for a reduction in delivery costs, invoice treatment costs and an increase in the Group's bargaining power.

As part of the second prong of the Fast Lane program, the Group began streamlining its network of stations while also reviewing its customer contracts in order to renegotiate or terminate contracts that were not profitable.

As part of the third prong of the Fast Lane program, the Group's portfolio of products and additional services was redefined in order to offer a better clarity of offers, while new offers have been developed to answer customers' changing mobility needs. This includes the launch of the flexible and customer-friendly mid-term offer Fit Rent, ToMyCar and ToMyDoor.

Several initiatives have been rolled out specifically to strengthen and enrich the Group's brand strategy, including the international launch of its low cost InterRent® brand, the development of partnerships with well-recognized airline companies such as Aeroflot and Emirates, and improvements to the Group's Privilege loyalty program. The Group's continuous efforts to enhance its customers' journey have been recognized by customers, with a sharp increase since the beginning of Fast Lane's implementation of the Group's "promoter score" (i.e., customers indicating that they would be "very likely" or "extremely likely" to recommend Europcar), and by the tourism industry, with Europcar winning several awards at the World Travel Awards in recent years. In addition, the Group has carried out an in-depth optimization of its distribution channel strategy, with respect to both leisure and business customers. The Group launched a new website Europcar.com, featuring intuitive design and ergonomy for a more efficient booking process. Also, the Group's proprietary app on iOS and Android devices has been revamped, and a new app for tablets has been launched, including cross-channel functionalities and smart touch points.

The Group believes that it has a solid framework to support future growth and ensure the success of the third prong of the Fast Lane program. The Group's sales force has been made more efficient, with the implementation of a sales certification program for its teams and the entry into GSAs in fast-growing areas to boost inbound business.

The Group has also decided to nurture innovation by implementing the Europcar "Lab" as an incubator of mobility solutions. In particular, toward the end of 2014, the Group acquired a majority stake in Ubeeqo, a French start-up pioneer and leader of the B2B car-sharing services market. See "*Business—Europcar Lab / Mobility Solutions*".

Marketing and Sales

Overview of Marketing and Sales

Europcar's sales organization is intended to enable the Group to benefit from local expertise, knowledge and customer contact while also maintaining Group consistency and contributing to international development.

Europcar markets its vehicle rental offerings through a variety of channels: traditional media, such as radio and print advertising; Internet and email marketing and mobile device applications. Europcar develops co-marketing initiatives with car manufacturers, such as through its "be the first" advertising platform for every major international model launch and its mobility partnerships with Peugeot, Renault and Smart. Europcar's sponsorship of the English soccer team Arsenal, the Benfica Portuguese soccer team and the Europcar cycling team have contributed to the development of brand awareness and the brand image of Europcar® around the "Moving your way" tag line.

The international sales and marketing teams determine the service level to be provided to customers pursuant to their contracts with the Group as well as the internal performance benchmarks to be followed in order to maintain high standards of service quality throughout the network.

The Group has sales forces in each of its Corporate Countries as well as international sales and marketing teams, which coordinate and ensure consistency in Group sales and marketing efforts. The Group has a strong local presence in order to implement initiatives towards companies and other organizations whose employees and associates need to rent cars for business purposes, as well as membership associations, tour operators, travel companies and other groups whose members, participants and customers rent cars for either business or leisure purposes.

With respect to franchises, the Group ensures that franchisees contribute to the Group's marketing by requiring each franchisee to comply with a local marketing budget. Franchisee marketing must also be carried out in accordance with corporate guidelines.

A key focus of Europcar's sales and marketing efforts is ensuring positive brand recognition and the consistent use of the corporate image worldwide. Local marketing initiatives remain subject to corporate guidelines established by the international sales and marketing team, and the appearance of the Europcar network's stations worldwide is governed by corporate standards covering uniforms, brand positioning, website design and station layout.

The Group reinforces the efforts of its local teams and franchises with global commercial partnerships and general sales agreements.

The Group has been recognized with numerous awards since 2000, including at the World Travel Awards, which are awards for excellence in the global travel and tourism industry, where it has received awards for World's Leading Car Hire, World's Leading Green Transport Solution Company, World's Leading Leisure Car Rental Company, Europe's Leading Car Hire, Europe's Responsible Tourism Award, Australasia's Leading Car Hire, Africa's Leading Car Hire, Middle East's Leading Car Hire and Mexico & Central America's Leading Car Hire.

International Development of Marketing and Sales

The Group's international sales and marketing team is responsible for:

- studying market trends and identifying key customer insights;
- developing and implementing initiatives to maintain and develop strong brands and state-of-the-art products and services;
- strengthening the Europcar® and InterRent® brand images throughout the world;
- implementing on-going efforts to offer a unique digital experience by developing innovative e-commerce solutions;
- becoming a center of excellence for all sales-related matters;
- delivering insightful and actionable management information based on key performance indicators that enable better business;
- delivering data and feedback to management for the development of the corporate revenue management strategy;
- negotiating and managing agreements with major business customers and international partners;
- defining the Group's cross-border and sales strategy; and
- defining the Group's policies with respect to, among other things, service level guarantees, which are applied at the local level in each of the Corporate Countries.

The Group's international sales and marketing team also includes specialized sales forces dealing with vehicle replacement customers and business customers and the development of inbound and outbound international business.

Promoting cross-border activity and inbound traffic in Corporate Countries

The density of the Group's network in the Corporate Countries enables it to address customer demand for proximity, while the international scope of its network enhances its ability to capture business from customers traveling outside of their home countries.

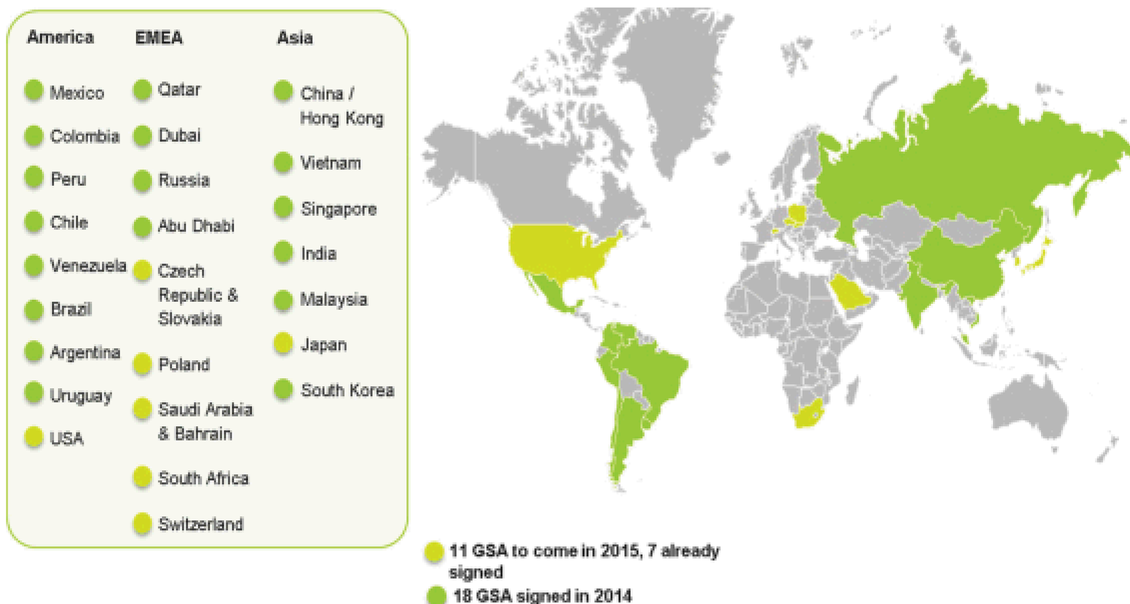
In addition to maintaining and growing its domestic rental business, in which vehicles are reserved, checked-out and returned in a single country, the Group has actively developed its international rental business in which vehicles are reserved through its direct and indirect distribution channels in one country and checked-out in another country. Internationally sourced rentals represent an additional source of reservations and revenue for the Group's domestic operations.

In an effort to further develop the Group's international business, management has defined key regional markets outside the Corporate Countries in which it is actively promoting the development of cross-border inbound business to the Corporate Countries. In addition to the promotion of international business through cross-country conferences between franchisees, the development of international business is supported through joint marketing efforts with

international partners and business customers, including, for example, coordinated advertising campaigns and special online promotional offers, as well as through campaigns with vehicle manufacturers in connection with the launch of new car models.

A key part of the Group's sales strategy is the development of its network of general sales agents. The Group enters into general sales agency arrangements in countries where the Group does not have rental stations, providing the Group with a sales presence in such countries and allowing it to benefit from flows of travelers from the United States and emerging countries towards Europe and Australia. General sales agents (GSAs) sell the Group's services, in exchange for a commission. All costs related to running the GSA's business are the responsibility of the GSA including but not limited to insurance, rent, general office expenses and any travel within the country or region needed to promote or sell the product.

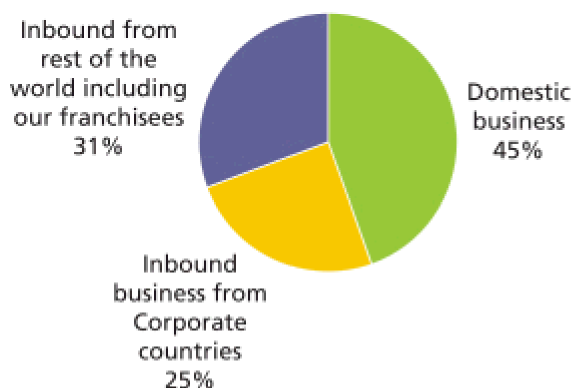
The following map shows the Group's network of general sales agents across the world, as of March 31, 2015:



For example, in order to develop its business activities in China, the Group recently entered into a two-year GSA with a Chinese online travel agency which, pursuant to the terms and conditions of this agreement, was appointed as non-exclusive-agent authorized to promote and sell Europcar vehicles. It receives a commission paid by the Group and based on the volume of vehicle rental services sold to its customers.

The chart set forth below shows the breakdown of 2014 revenue between domestically sourced and inbound business from Corporate Countries and from franchise countries. For the purposes of this table, domestically sourced rentals are reserved, checked-out and returned in the same country, while rentals from Corporate Countries and from the rest of the world (including franchises) are rentals in which vehicles are (i) reserved through the Group's direct and indirect distribution channels from customers resident in one country and (ii) checked-out in another.

2014 Rental revenue breakdown in the leisure segment by source



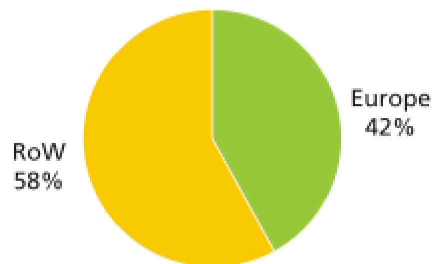
Source: Company

Franchises

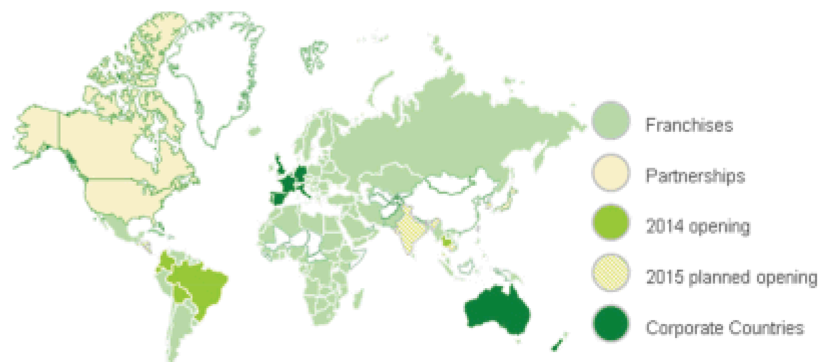
During the year ended December 31, 2014, franchisees operated approximately 2,034 stations, including 936 stations in Europe and 1,098 stations in the Rest of the World. Fees from franchises received by the Group stood at

€53.3 million for the year ended December 31, 2014, of which 64% was generated in Europe and 36% in the Rest of the World.

The following chart provides a percentage breakdown of the number of franchisee stations between stations located in Europe and stations located in the Rest of the World in 2014:



The following chart shows the Group's geographic coverage through its franchises, strategic partnerships and Corporate Countries at December 31, 2014:



Source: Company

Franchise arrangements have provided the Group with a cost-effective route to expand into small and medium-sized local or regional markets and internationally. The Group's franchise network has historically been stable. The Group has kept franchises in 97% of its franchise countries in the last seven years.

The Group continues to expand the Europcar network (i) by adding new franchisees in the few countries in which it does not have a presence and (ii) by developing its service offering under the Europcar® brand to allow Group franchisees to better address market needs. The current focus of the Group's international network expansion includes important markets in Latin America and the Asia Pacific region.

The Group is also actively developing its InterRent® franchise network, with franchises in place in 19 countries as of December 31, 2014, including Malta, Cyprus, Turkey, Morocco, Oman, Abu Dhabi and Norway (33 new InterRent® stations in the process of opening) and a target of having franchises in 40 countries by the end of 2015.

Management of Franchise Operations

The Group manages its franchise network based on a regional approach, with four regional directors and with annual global and regional franchise conferences.

Compliance with the terms of the Group's franchise agreements and the uniformity of service quality across the network are controlled through informal visits to franchisee locations and through regularly scheduled audits by the Group's internal audit department. Regional franchisee conferences are held on an annual or semi-annual basis to establish best practice guidelines and to promote inter- and intra-regional business within the Europcar network.

The Group supports the promotion of the corporate image by franchisees through:

• local communication and advertising assistance and resources;
• brand and signage components;
• product structuring;
• airline and hotel partnerships; and
• access to card programs to promote customer loyalty.

Franchisees bear the costs associated with brand initiatives.

The Group has implemented initiatives aimed at further integrating franchisees, including information via an intranet platform and monthly newsletters.

The Group also seeks to encourage cross-border sales between franchisees and directly-operated stations. It also aims to build on its franchise network to increase inbound and outbound flows as part of the development of general sales agency arrangements worldwide.

Characteristics of Franchise Operations

Franchisees operate using their own fleet (which in certain cases is leased from the Group) and employees and have the exclusive right to use the relevant brand of the Group pursuant to a license. Franchise agreements generally cover a specific portion of a country (*e.g.*, a region or a city) or the entire country, in which case each franchisee may operate directly or through sub-franchise or agency agreements between it and third parties.

Franchisees initially pay an entrance fee, and, upon renewal of their contracts, a territory fee, for the exclusive right to use the franchise rights in the area covered by the franchise agreement. Franchisees pay royalties representing a percentage of rental revenue generated by their vehicle rental operations, and a reservation fee based on the number of reservations booked through the Group's reservations systems and, when applicable, a fee to use its IT system. Franchisees are required to send monthly financial reports to the Group which form the basis of the calculation of royalties. In return for the payment of fees and royalties, franchisees benefit from access to the Group's reservation system, worldwide network, international brand, customer base and information technology systems. Royalties and fees paid by Europcar network franchisees totaled €53.3 million for the year ended December 31, 2014. The underlying rental revenue generated by the franchisees is recorded as revenue only by the franchisees themselves. For informational purposes, the Group estimates that revenue generated by Europcar franchisees amounted to €0.8 billion for the year ended December 31, 2014.

Franchising arrangements throughout the Europcar network follow a standard format under which the Group grants licenses for use of the brand name, corporate identity and international operating systems and procedures within a defined geographical region for a period of time (usually five and up to ten years). The Group has kept franchises in 97%[2] of its franchise countries in the last seven years. Approximately 15%, 14%, 13%, 19% and 39% of Europcar branded franchise contracts are due for renewal in 2015, 2016, 2017, 2018 and 2019 and beyond, respectively.

Other than in a very limited number of cases, franchisees are exclusive to the Europcar network, meaning that they agree not to work with any other vehicle rental group or to operate a vehicle rental business under their own name for the duration of the franchise agreement. Most of the franchise agreements concluded by the Group provide that any Europcar network customer who makes a reservation intended for the territory of a franchisee must be referred to such franchisee.

Franchisees hold (or rent from third parties) and finance their fleet independently from the Group. Franchisees may benefit from agreements with buy-back commitments signed at the Group level, but are free to conclude their own fleet supply agreements with automobile manufacturers. Franchise contracts provide that franchisees are required to respect the Group's fleet standards (mileage, maintenance, security, etc.). In order to ensure that franchisees respect the Group's standards, an exhaustive review of their fleet is realized based on operational data (mileage, holding period) and, through sampling, a physical verification of the fleet is carried out during visits of rental stations operated by franchisees.

In general, the Group's franchise contracts do not permit the franchisee to terminate the agreement prior to the expiration of the agreed term. In most cases, local franchisees are entitled to be indemnified by the Group (either pursuant to applicable law or under the terms of the franchise agreement) should the franchise agreement be terminated by the Group before the expiration of its term. The Group retains the right in most cases to terminate a franchise agreement in the event the franchisee fails to meet its contractual obligations, notably payment of royalties and fees, or takes actions that risk damaging the Group's brand and reputation. Franchisees may generally also terminate the agreements concluded with the Group in the event of a material breach by the Group.

[2] Only 4 non-core countries (Syria, Laos, Benin and Yemen) out of 140 not renewed over the last 7 years

Commercial Cooperation Agreements

Former Alliance with Enterprise

In 2007, the Group acquired the UK-headquartered operations of National Car Rental and Alamo Rent A Car covering Europe, the Middle East and Africa from Vanguard Car Rental Holdings LLC ("**Vanguard**"). Vanguard was subsequently acquired by Enterprise Holdings, Inc. ("**Enterprise**"). From 2008 to August 2013, the Group had a commercial alliance with Enterprise relating to the National and Alamo brands operated by Europcar. This alliance ended in August 2013, although the Group continued to operate the National and Alamo brands in the EMEA region until December 2014 pursuant to a license agreement with Enterprise. The license agreement and the commercial alliance agreement were the subject of an arbitration proceeding which, after a transitional period agreed by the parties, effectively terminated these agreements as of March 2015. On April 29, 2015, the Group and Enterprise Holdings Inc. signed a settlement agreement which put an end to this arbitration. For a description of this arbitration and the settlement agreement, see "*Business—Regulatory, Legal and Arbitration Proceedings*".

Commercial Cooperation Agreements

The Group has entered into commercial cooperation agreements with certain entities to provide cross-referrals and cross-services in various countries. These agreements allow the Group's customers to be served in certain locations while also increasing in-bound flows.

In parallel with the termination of the alliance with Enterprise in August 2013, the Group entered into two commercial cooperation agreements to allow its customers to be served in the United States, through an agreement entered into with Franchise Services North America in June 2013 relating to the Advantage-Rent-A-Car brand (which was subsequently transferred to The Catalyst Capital Group, Inc.), and in Canada through an agreement entered into with Discount Car and Truck Rentals Ltd in October 2013.

Under the agreement regarding the Advantage-Rent-A-Car brand, Europcar brand customers are served by the Advantage-Rent-A-Car brand in the United States, and Advantage-Rent-A-Car customers are served by Europcar in the rest of the world.

Pursuant to the agreement with Discount Car and Rental Trucks Ltd., the partners seek to expand the leisure business in Canada.

The Group has had an exclusive long-term partnership with Times Car Rental (previously Mazda Car Rental) since 2006, through which it seeks to encourage cross-referrals and increase inbound flows. Times Car Rental is a leading Japanese car rental company and operated a fleet of approximately 26,250 vehicles and over 466 rental stations throughout Japan in 2014. This partnership is visible through co-branding at certain of the partner's Europcar-partnered locations (of which there are 170 as of December 31, 2014). The partner provides in-bound and out-bound support and also works closely with the Group's GSA partner in Japan.

Specific Approach by Corporate Country

United Kingdom

The Group plans to balance its revenues between the business and leisure segments through its dual Europcar® and InterRent® brand strategy, based on the development of a full service offering, including in the new mobility solutions area (for example, the "Excel London" partnership in 2014, through which the Group offers specific rental vehicles and mobility solutions to the business sector of London).

In the leisure segment, the Group plans to reinforce its position on the low-cost segment thanks to its InterRent® brand, to increase the visibility of the Europcar® brand through new partnerships and to strengthen its network of directly-operated agencies in commercial areas (such as shopping malls).

In the business segment, the Group plans to continue to improve its appeal through marketing campaigns and projects, new partnerships and the development of its high-end services and business car-sharing solutions.

Germany

The Group plans to maintain its leadership position on the business and leisure segments, in particular through its complete service offering on the high-end segment. The Group also plans to increase its ancillary products and services offer with special, customized mobility services.

On the leisure segment, the Group plans to increase the number of reservations made through direct distribution channels, with targeted advertising campaigns and the roll-out of the InterRent® brand. In addition, the Group plans to improve the visibility of its Europcar® brand and build on its high-end fleet of vehicles, while rationalizing and simplifying its pricing.

The Group plans to develop and strengthen the loyalty of its business customers. It expects to invest in new projects and marketing campaigns and to develop its high-end service offering and car-sharing solutions.

France

The Group plans to leverage off its leadership position to increase RPD. The Group plans to increase the number of reservations made through its direct distribution channels by accelerating the opening of directly-operated stations and franchises.

In order to increase its revenues in the leisure segment, the Group plans to leverage off of its well-known Europcar® brand to improve RPD and optimize its pricing and fleet management.

In the business segment, the Group plans to develop specific projects targeting small- and medium-sized businesses, in particular by increasing the involvement of local rental stations in the sales process.

Belgium

The Group plans to maintain its leadership on the business and leisure segments and improve its profitability following the reorganisation of its new sales team in late 2014 and the acquisition of a special market agency in June 2014. For example, a Performance Manager is specifically in charge of collections and tracking of sales of products and related services. The Group also intends to develop its presence in the travel agent market and strengthen its relationships with public authorities. It also intends to strengthen its offering of rental utility vehicles in both the B2B and B2C segments.

In the leisure segment, the Group has strengthened its position following the successful launch of Keddy by Europcar® and the conclusion of partnerships with EasyJet and Carrefour.

In the business segment, the Group has also concluded new partnership agreements with Coca-Cola and DEME.

Australia / New Zealand

The Group plans to encourage profitable growth through cost-reducing initiatives, in particular though the centralization of management costs for the fleet and the outsourcing of call centers. In addition, it plans to reinforce its presence in airports, to further develop its network, to continue its policy of targeted recruitment, to increase its RPD through better coverage of damage to vehicles, as well as to increase the sale of products and related services.

In the leisure segment, the Group plans to position itself as travelers' first choice by generating new partnerships to increase the visibility of its brand and developing new e-commerce platforms.

In the business segment, the Group plans to reinforce its large accounts offer. In particular, it has concluded partnerships with the Government of New Zealand, MMS and Fleet Plus.

Italy

The Italian market is weighted towards the leisure segment. The Group intends to generate demand in order to maintain a high level for the fleet financial utilization rate throughout the year and to respond to seasonality.

In the leisure segment, the Group plans to improve customer experience by offering a comprehensive range of vehicles, with more than 100 different models as well as additional services and equipment (for example, installing Wi-Fi connections in vehicles).

In the business segment, the Group intends to improve the customer relationship management through its dedicated sales team. The Group recently launched a self-reporting platform for its large accounts, and an outsourced telemarketing team will reinforce the actions carried out by the Group with SMEs.

The Group has implemented a new business model for which the objectives are:

- To increase brand visibility, in particular through joint marketing operations with automobile manufacturers and new partnerships.
- To strengthen its position on the low cost segment, through the deployment of its InterRent® brand with, for instance, the opening of eight stations in the main Italian airports; and
- To strengthen its position on the business segment through the launch of the "Hunting & Farming" concept, in order to reinforce its sales strategy (recent successes include Enel Endesa, Air Liquide, Robert Bosch and Thales).

These actions have allowed the Group to resume with revenue growth, with changes in revenues of (13.0)%, 0.0%, 8.8% and 17.0% for the first, second, third and fourth quarters of 2014, respectively, as compared to such quarters of 2013.

The Group also intends to continuously promote more profitable growth, in particular through:

- The renegotiation of contracts which are not sufficiently profitable, as well as the rationalization of the network; and
- The improved control of all cost lines with a strong focus on civil liability insurance cost, with the implementation of new fraud detection tools.

Spain

The Group has reinforced its leadership position in the business and leisure segments through its strategy centered on differentiated offer of services, key partnerships with local and international players, a reliable multichannel strategy and the deployment of its InterRent® brand.

The Group is already applying measures to improve its profitability through the establishment of the Revenue and Capacity Management department, the transfer of functions to the Shared Services Centre (SSC) and maintaining strong fleet management policies that ensure significant reductions of fixed and variable costs.

The Group has strengthened its presence in the leisure segment with the InterRent® brand. It plans to capitalise on its investments in e-commerce, the experience of its management team and its direct and indirect distribution tools and expertise.

Targeted actions will also be implemented at the local level in order to generate new partnerships.

In the business segment, the Group relies on its dedicated sales team to reinforce its mobility offer and expand its customer base.

In addition, the Group intends to pursue the rapid development of the SME and utility vehicle business based on the network capillarity and product management approach.

Portugal

The Group plans to strengthen its leadership position through a strategy centered on flexibility and customer proximity. It plans to maintain a high RPD by capitalizing on favorable market conditions and to continue to develop new products and related services and to implement incentives for call-center personnel. In addition, the Group maintains privileged relationships with its vehicle suppliers, allowing it to have a substantial and diversified fleet.

On the leisure segment, the Group capitalizes on the deployment of its InterRent® brand and its partnerships with airline companies and travel agencies (in particular TUI and EasyJet). The Group plans to increase the number of medium-term rentals and launch new special offers (early reservations, “Prestige” offer).

On the business segment, the Group plans to reinforce its relationships with SMEs, through partnerships (in particular Europe Assistance, VW Renting and Boxer) and the development of its FitRent offer (advertising campaign) and utility vehicles offering.

Fleet

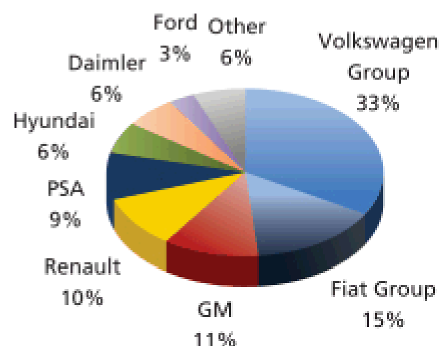
Unless otherwise indicated, the discussion in this section relates solely to the fleet operated directly by Europcar under the Europcar® and InterRent® brands, and not to the fleet operated by franchisees (independently owned or leased from third parties) (for more information about the fleet of franchisees, see section “*Business—Characteristics of Franchise Operations*”).

Europcar believes it is one of the largest purchasers of vehicles in Europe. Europcar’s fleet is sourced from various manufacturers, including Volkswagen (with the brands Volkswagen, Audi, Seat and Skoda), General Motors, Fiat, Renault, Peugeot, Daimler, Ford, BMW and Toyota. Volkswagen AG is Europcar’s largest supplier of vehicles in 2014. During the year ended December 31, 2014, approximately 33% of Europcar’s fleet was acquired from Volkswagen, 15% from Fiat, 11% from General Motors, 10% from Renault, 9% from Peugeot Citroen, 6% from Hyundai, 6% from Daimler, 3% from Ford and the remaining 7% from other manufacturers. The Group currently uses 39 different models provided by 18 car manufacturers.

Europcar’s fleet consists of 11 main vehicle categories, based on general industry standards— mini, economy, compact, intermediate, standard, full-size, premium, luxury, mini-vans, trucks and convertibles. The fleet varies by brand, with the fleet offered under the Europcar® brand covering the full range of vehicles and the fleet offered under the InterRent® brand corresponding to the most frequently requested types of vehicles in the “low cost” segment. The diversity of Europcar’s fleet allows the Company to meet the rental demands of a broad range of customers. InterRent’s offer is limited to four categories: mini, economy, compact and intermediate. Some cars are fully dedicated to the InterRent® brand, and such cars are not as equipped as Europcar’s vehicles and usually have a longer holding period and higher mileage. See “*Business—Presentation of the Group’s Market and Competitive Position*”.

The chart below illustrates the diversity of the Group's fleet in terms of deliveries by manufacturer (expressed as a percentage of total acquisitions by the Group) for the year ended December 31, 2014.

Diversity of Europcar's Total Fleet Deliveries in 2014



Source: Company

The Group believes that Europcar is one of the largest purchasers of European vehicles and the largest in the European vehicle rental industry. During the year ended December 31, 2014, the Group took delivery of approximately 262,000 vehicles and operated an average rental fleet of 189,269 leisure and utility vehicles. For the year ended December 31, 2014, Europcar's approximate average vehicle holding period was 8.3 months (7.4 months for vehicles (cars and trucks) covered by buyback commitments). Some of Europcar's sourcing agreements with manufacturers allow Europcar's franchisees to benefit from the terms and conditions of these agreements, including the buyback provisions (for a discussion of buyback programs, see "*Business—Fleet Sourcing and Planning*" below).

The following table provides a breakdown of the Group's fleet by Corporate Country between "cars" and "vans and other" vehicles for 2014:

	For the year ended December 31, 2014	
Corporate Country	**Cars**	**Vans and Other Vehicles**
Germany	89%	11%
United Kingdom	88%	12%
France	80%	20%
Italy	95%	5%
Spain	98%	2%
Australia/ New Zealand	96%	4%
Belgium	93%	7%
Portugal	90%	10%

Source: Company

Fleet Management

Europcar's central fleet department, supported by the local fleet departments in each of the Corporate Countries, manages the overall fleet planning process. In addition to negotiating the acquisition of fleet vehicles from manufacturers, the fleet department is involved in the process of organization and disposal of vehicles, vehicle in-fleeting and de-fleeting, auditing and the monitoring of fleet utilization.

Europcar's fleet is managed to optimize costs, including economic depreciation, acquisition and disposal costs, taxes and financing costs, against a set of pre-defined needs and constraints, including marketing needs, maximum fleet movements (i.e., the maximum quantity of vehicles that can be in-fleeted or de-fleeted during a given period) and maximum exposure to a single manufacturer. This process relies extensively on data collected and processed by the GreenWay IT system. See "*Business—The GreenWay® System*".

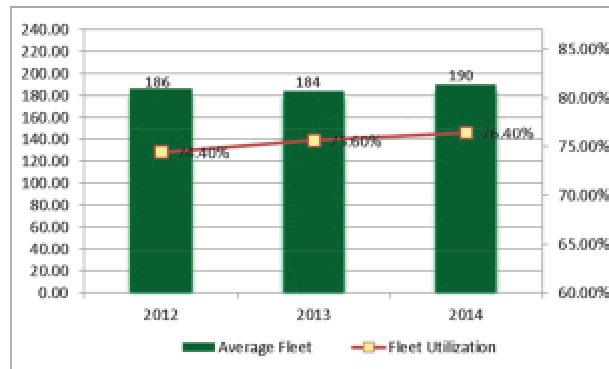
Europcar is able to respond to seasonal fluctuations in demand through continuous optimization of fleet management. See "*Business—Seasonality*". Through its daily management, Europcar is able to adjust its fleet size by modifying acquisition plans or holding periods to meet both expected and unforeseen variations in demand. Through its flexible contracts with vehicle manufacturers, Europcar can increase its orders for vehicles in advance of the peak season, and use the flexibility of the holding periods, ranging generally from five to eight months to de-fleet the vehicles once the demand is less pronounced. Europcar is also able to react to peaks in demand at short notice by re-directing the delivery of new vehicles and is thus able to further optimize its fleet financial utilization rates.

The Group believes that it has a strong track record in terms of fleet financial utilization. For example, it managed to maintain a relatively high fleet financial utilization rate while managing a large fleet during the 2008/2009 economic crisis. The Group has significantly increased its fleet financial utilization rate in recent years through focused actions and it stood at 76.4% in 2014. Fleet financial utilization rates reflect the number of rental days per available days for

the period from the first date of service of a vehicle to its sale date. Although the Group believes that its fleet financial utilization rate is close to the maximum obtainable rate for the industry, the Group is nevertheless constantly exploring ways to improve it, as shown by the improvements to its fleet financial utilization rate in recent years. Current initiatives to this end include focusing on reducing the time between receipt of the new vehicle and first rental use of the vehicle, the time between each rental and the time between last rental and disposal of the vehicle, as well as on improving the processes for accident and repair management.

The chart below sets out the Group's average fleet size and fleet financial utilization rate for 2012, 2013 and 2014:

Europcar Average Fleet and Fleet Financial Utilization Rate (in thousands of vehicles)



Source: Management Accounts.

The Group calculates its fleet financial utilization rate as the percentage of the total actual rental days of the fleet out of the theoretical total potential number of rental days of its fleet of vehicles. For this purpose, the theoretical total potential number of days is calculated as the number of vehicles held over the period multiplied by the total number of days in the period. Another methodology used in the industry is based on the number of rental days per actual available days of fleet, which excludes the days when the fleet is held but not available for rental (vehicle preparation at in-fleeting, maintenance periods and vehicle preparation at de-fleeting). This would lead to a better fleet financial utilization rate than the aforementioned rate reported by the Group.

Europcar operates central logistics centers for in-fleeting and de-fleeting of vehicles, including car parks at various locations, typically airports, in the Corporate Countries. From these locations, vehicles are either transported by logistics companies or driven to the rental station where they are needed.

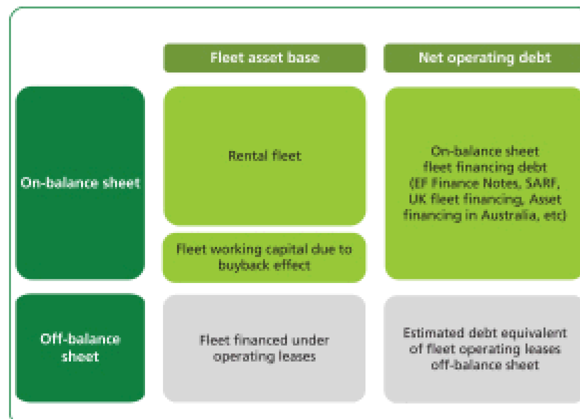
Fleet Sourcing and Planning

Fleet sourcing and overall fleet planning processes are overseen by Europcar's central fleet department, which negotiates Europcar's international fleet purchase contracts. The agreements define the acquisition and disposal terms (buy-back, leasing, or "at risk") and the volumes of vehicles and model mix to be acquired over the contract period. More than half of the Group's fleet acquisition contracts are pan-European contracts. The Group also relies on local teams to source local contracts and maintains sufficient flexibility to benefit from spot deals.

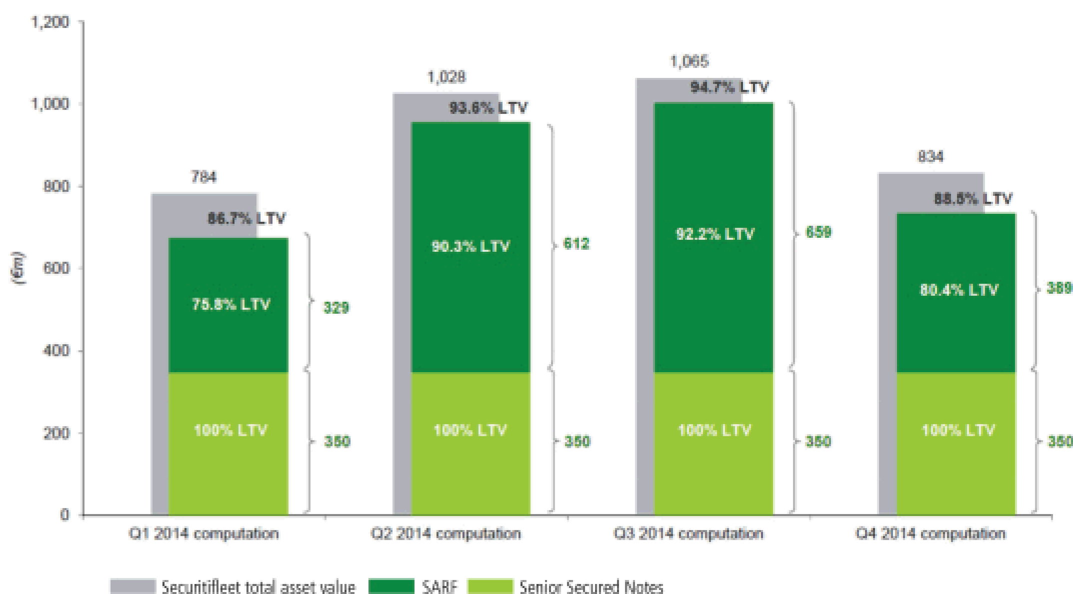
The Group considers at-risk purchases when appropriate, based on its systematic analysis of at-risk purchases versus buy-back mechanisms. It considers the mix of models needed for its fleet as well as remarketing capabilities and second hand market dynamics.

Fleet purchases are generally agreed approximately one year in advance to anticipate market trends and readjusted throughout the year on a monthly basis to ensure maximum reactivity to market demand. The Group is therefore able to adapt its capacity to market demand.

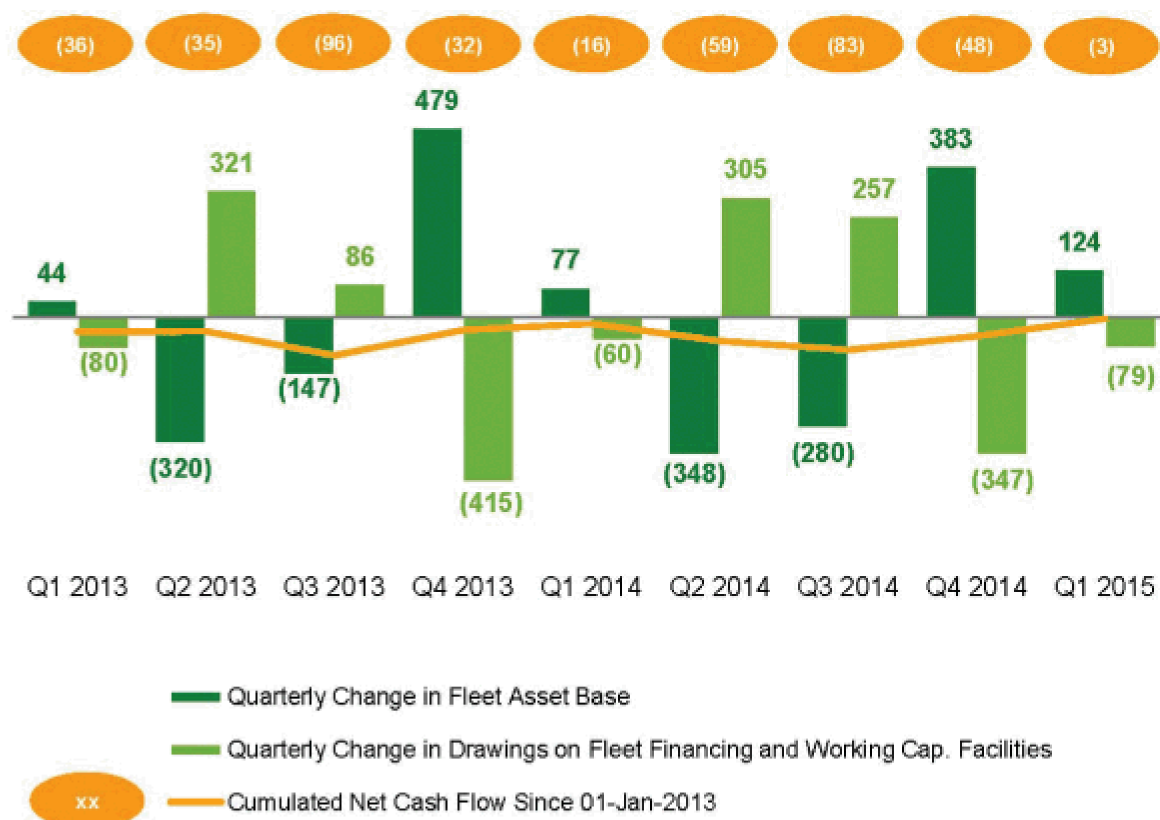
The Group records all of its vehicle fleet either on the balance sheet or, with respect to vehicles acquired through leases that meet the definition of an operating lease, off balance sheet. The following table summarizes the Group's fleet asset and financing structure:



The Group finances its fleet acquisition through various means, in particular via financings secured by its fleet. See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*" and Note II "*Significant Accounting Policies— Rental fleet and related receivables*"—"Vehicles purchased with manufacturer or dealer buy-back commitment" to the Consolidated Financial Statements. The Group benefits from a flexible asset-backed financing structure with a ratio of loans to value (i.e., the indebtedness of Securitifleet Holding, the Securitifleet Companies and EC Finance Plc divided by the total value of the net assets on the balance sheets of these companies) of between 87% and 95% in 2014:



The diversity of financing available to acquire the fleet vehicles allows the Group to limit the impact of such acquisitions on the Group's cash flows. The following table shows the balance of these flows by quarter for the 2012 to 2014 period:



Source: Company

Buy-back Vehicles

Europcar acquires, subject to availability, a majority of its vehicles pursuant to various fleet purchase programs established with the manufacturers. Under these contractual programs, Europcar purchases vehicles from the vehicle manufacturers or dealers. Manufacturers or dealers undertake, subject to certain terms and conditions, to grant Europcar the right to sell those vehicles back to them at a pre-determined price during a specified time window (after which the repurchase transaction is automatically triggered if it has not already occurred). If the vehicle is bought from a vehicle dealer, the obligations of the vehicle dealer under the buy-back commitment must be guaranteed by a vehicle manufacturer. Vehicles purchased by vehicle rental companies under a buy-back commitment are referred to as "buy-back" vehicles. The minimum buy-back period under these buy-back commitments generally varies from five to eight months.

Repurchase prices for buy-back vehicles are contractually based on either (i) a predetermined percentage of original vehicle price and the month in which the vehicle is repurchased or (ii) the original capitalized price less a set economic depreciation amount, in either case subject to adjustments depending upon the condition of the car, mileage and holding period requirements.

The proportion of the fleet covered by buy-back commitments can differ by Corporate Country. In addition, the proportion of the total fleet covered by buy-back commitments at any given time may be less than the proportion of vehicles purchased with buy-back commitments during the year given that "at risk" vehicles have a significantly longer holding period. Repurchase programs limit Europcar's potential residual risk with respect to vehicles purchased under the programs, allow Europcar to arrange financing on the basis of the agreed repurchase price and provide Europcar's fleet managers with flexibility to respond to changes in demand. In addition, the high percentage of buy-back and leased vehicles in Europcar's fleet allows the Group to be less dependent on the used car market. These programs operate to the benefit of the car manufacturers as well, since the return of the vehicles to them within a short time period enables them to resell the vehicles more quickly through their dealership networks as newer models.

Approximately 94%, 92% and 92% of Europcar's fleet delivered in units in 2012, 2013 and 2014, respectively, was covered by Buy-Back Commitments. Avis in its 2014 Annual Report announced that, on average, 42% of its global fleet either was acquired under buy-back agreements or was subject to operating leases. In its 2013 Annual Report, Hertz announced that 30% of its global car rental fleet acquired over 2013 were "program cars," i.e. cars purchased under repurchase or guaranteed depreciation programs with car manufacturers (more specifically, program cars represented 18% of the fleet acquired for its U.S. fleet and 57% for its international fleet). Sixt disclosed in its 2014 Annual Report that 94% of the rental vehicles acquired by the company in 2013 were covered by buy-back agreements.

The visibility and flexibility conferred by the Group's buy-back strategy are important. The Group has long been committed to maintaining a high rate of fleet purchases in units acquired under buy-back commitments. On average, the Group estimates that 94% of its fleet, in units purchased over the past ten years, was purchased through buy-back commitments. The following graph illustrates the respective percentages of vehicles acquired by Europcar, over 2012, 2013 and 2014, that were buy-back, or "at risk" vehicles.

Source: Company

"At risk" Vehicles

A number of vehicles are acquired by Europcar from vehicle manufacturers or dealers without the benefit of any buy-back commitment. These vehicles fall under the category of "at risk" vehicles. See "*Management Analysis of Results of Operations and Financial Condition—The Group faces risks related to the vehicles not covered by repurchase programs, including exposure to the vehicle resale markets and reduced flexibility with respect to management of the Group's fleet*".

The Group considers at-risk purchases when appropriate, based on its systematic analysis of at-risk purchases versus buy-back mechanisms. It considers the mix of models needed for its fleet as well as remarketing capabilities and second hand market dynamics. Europcar disposes of "at risk" vehicles through a variety of channels, including sales to wholesalers, brokered retail sales and auctions.

Maintenance

Europcar arranges for each vehicle to be inspected and cleaned at the end of every rental and to be maintained according to the manufacturer's recommendations. As a condition to the repurchase programs, Europcar must follow the maintenance specifications of the respective manufacturers in order to maintain the warranty and repurchase covenant on the vehicle. Europcar operates vehicle maintenance centers at certain rental stations in the Corporate Countries, providing maintenance and light repair facilities for Europcar's rental fleet. Collision damage and major repairs are generally performed by independent contractors.

It System

IT systems and telecommunications are vital parts of Europcar's management of its network of points of sale and customer reservations via multiple distribution channels. IT solutions are designed, developed, implemented, operated and maintained by the Group's central IT department, which is ISO 9001 Quality certified.

Europcar continuously invests in improving its IT system in order to further enhance its ability to offer innovative and cost-effective services. All IT projects are centrally and regularly evaluated against business needs. Technical

projects, which are aimed at establishing and ensuring the continuity of services, are given special attention. Application projects, which are aimed at maintaining and enhancing system operating capabilities, are assessed against the expected added value to the business, including, in particular, growth of revenues, reduction of costs and mitigation of legal risks.

As of December 31, 2014, the Group's central IT department employed 156 full-time employees to cover all of the Group's central services. An additional 54 full-time employees work in the IT departments of the operating subsidiaries to provide local services. The Group's teams working on IT systems and telecommunications represented 2.4% of the Group's employees. The Group's central IT department also relies on approximately 50 external individuals who provide continuous support and specific skills to the internal teams.

To support its efforts to develop and implement innovative mobility solutions, the Group has implemented a plan to revamp its IT system's architecture by 2020, making it more open and flexible and thereby facilitating the integration of third-party applications. Several modules and innovations are being analyzed in order to build on the Group's operating excellence (new mobile applications or applications that are being improved or developed on other platforms), promote data-based decisions (Big Data), adapt products and prices in real time (Dynamic Pricing) and, more generally, accelerate digital development and strengthen the customer relationship management strategy (Cloud CRM).

The GreenWay® System

Europcar's IT systems are built around the centralized GreenWay application, which offers a common and single solution covering all functional areas of vehicle rental: customer management (individuals and companies), management of pricing packages, fleet management, management of reservations and distribution systems, management of rental station operations as well as billing and invoicing. The proprietary system was designed specifically for Europcar's vehicle rental business and was first implemented in 1994.

Greenway, which has been operated since 2014 on a highly scalable architecture (Java/Linux), allows for over 10,000 concurrent user connections. Today, the system manages more than 12 million reservations and 10 million rentals on a yearly basis. More than 10,000 people are GreenWay users and most of them are located in 1,600 stations of the Europcar network. 200,000 vehicles are continuously monitored by the system in order to optimize fleet utilization. The full functionalities of the GreenWay system are available 24/7 at rental stations of the nine Corporate Countries as well as in franchises in Switzerland and Austria. GreenWay will soon be available in franchises in Finland and Norway. The majority of the Europcar network's franchise sites are linked to GreenWay for reservations.

During the past five years, the Group's Internet websites, fully integrated with GreenWay, have become the most strategic distribution channel for the Group with more than 62 million visits processed by the system in 2014. Website traffic generated from partners and companies represented 30% of the Group's reservations made via e-commerce channels in 2014.

InterRent® operates an IT platform that is distinct from GreenWay. It is externalized and based on a system operated as "Software as a Service".

Other IT Applications and Systems

Other major applications and systems used by the Group are "Oracle Financials" for financial management and accounting, "Datawarehouse" for in-depth analyses of company data and "Ataraxia" for the management of accidents, damages and maintenance of vehicles.

The Group also uses collaborative cloud-computing solutions such as "Google Apps" for office needs and the "Salesforce" software to optimize business relationships among sales teams. Cloud solutions are also being implemented, as part of the digital transformation of the business (such as connected cars, keyless access to cars, mobile applications and social media leveraging).

The Group's main suppliers of IT include Cap Gemini (hosting production centers), Steria (production info-management), Unisys (installation and maintenance of workstations), Dell & Lenovo (servers and workstations), IBM (servers), Hitachi (storage), CISCO (network equipment), Colt and Telstra (telecom networks for data transfer).

Continuity of IT System Services

Significant safety measures are in place to ensure the security of Europcar's systems, applications and data (and that of its customers).

Careful attention is paid to security systems and the protection of proprietary data against destruction, theft, fraud or abuse. Operating systems ensure 24/7 protection against IT viruses, spamming, phishing and denial of service attacks.

The majority of the Group's IT systems, including GreenWay, Internet websites, Oracle Financials and Datawarehouse, are all operated on proprietary infrastructure, centralized in two production centers operating in parallel 24/7. Each center operates infrastructure necessary to the delivery of the entirety of application services. Each center ensures in real-time a complete physical duplication of production data. These production centers are located near Paris, France.

The Group periodically tests its recovery plan and implements any identified improvements following major incident simulations.

Seasonality

The Group's revenue fluctuates throughout the year in line with customer demand. The busiest months of the year for vehicle rentals are June through September. The leisure business is characterized by higher demand for vehicle rentals during the summer period and school holidays, in connection with more significant activity in the transportation sector. As a result, the Group's revenue for these periods is higher compared to the average for the rest of the year. The leisure activity is also characterized by increased rentals on the weekend compared to mid-week. In a complementary manner, the business activity is fairly stable throughout the year, with a slight decrease in demand during the summer vacation months, although it is more concentrated in mid-week (Tuesday through Thursday).

The following graph shows the monthly change in the number of rental days (in millions) in the « leisure » and « business » segments in the Corporate Countries in 2014:

Source: Company

As a result of the strong seasonal effect on the leisure business, the period of June through September is the most profitable period for the Group. In 2014, the size of the Group's fleet during high season was approximately 21% above the average fleet size for a given year, while during the other seasons the fleet size drops to approximately 20% below average, as measured by number of vehicles. These fluctuations in demand are met by the Group through flexible contracts with vehicle suppliers. Under these contracts, the Group can increase its orders for vehicles in anticipation of the peak months, and can also use these contracts' short-term buy-back provisions (which generally vary from five to eight months.) to release the vehicles once the high demand subsides. See "*Business—Fleet*".

Management of seasonality is a key part of Europcar's business model. The Group aims to capture business during high season while also taking into account fleet holding costs in the periods before and after the high season (known as the "shoulder"), with the goal of keeping its fleet financial utilization rate under control.

Suppliers

This section discusses the cost of purchases, excluding expenses related to the acquisition, registration and insurance of the fleet ("cost of purchases excluding fleet"). For more information on the fleet and the Group's insurance, see "*Business—Fleet*" and "Business—Insurance".

The Group's cost of purchases excluding fleet and taxes[3] is, on average, approximately one quarter of the total consolidated annual revenues of the Group. They are broken down as follows: 40% related to indirect purchases or structure costs (IT and telecommunications, call centers, real estate and maintenance of the station network and its installations at an operational capacity, sales and marketing, communications and advertisement, office supplies, uniforms, consulting and services) and 60% related to direct purchases in respect relative to customer service and the maintenance of the Group's fleet in operational conditions, as well as making the fleet available (maintenance and repair, intense repair services following accidents, preparation and cleaning services, transportation services for the geographic redistribution of the fleet according to the needs of the Group's customers). See "*Business—IT System*" for a description of the Group's IT needs and "*Business—Europcar Direct Distribution Channels*" for a description of call centers.

The operational needs of the Group so far have been processed on a country-by-country basis with an annual average volume of expenses generally proportional to its share in the Group's annual consolidated revenue. As a result, the Group currently has relationships with a multitude of suppliers (currently around 20,000) for a very broad range of categories of products and types of services.

Since 2014, the Group has attempted to rationalize the necessary volume for its activities and to optimize its cost of purchases. In the context of the Group's new purchase strategy and the implementation of the Shared Services Center in 2014 (see "*Business—Fast Lane—Transformation Program that has Set the Foundation for Sustainable Profitable Growth*"), the Group first created a coordination function at the end of 2014 for the Group's purchases in order to allow it to control purchases and increase cooperation among countries. In addition, following amendments to the Group's purchase policy, currently being implemented in all countries in which the Group operates, the second step of the strategic purchase plan is the Group's implementation of a P2P ("Purchase-to-Pay") solution for the complete processing of orders and supplier invoices. This project, launched in 2014, seeks to bring, for both direct and indirect purchases, transparency to the nature and volume of expenses, in order to facilitate the engagement process while ensuring the control and flexibility of Supplier Accounting within the Shared Services Center.

[3] Expenses for goods and services incurred by the Group's corporate-operated rental stations only, excluding stations operated by agents or franchisees.

The Group also intends to define a common purchase strategy per purchase category, supplemented by a program to manage the supplier base, which may take place through the consolidation, development and conclusion of multi-jurisdiction contracts.

Competition

The vehicle rental industry is generally characterized by intense competition with global, local and regional actors. Competition between vehicle rental operations is based primarily upon price and customer service quality, including in particular availability and return of vehicles, ease of vehicle reservation, reliability, the location of rental stations and product innovation. In addition, competitive positioning is also influenced by advertising, marketing and brand reputation.

The use of technology has increased pricing transparency among vehicle rental companies by enabling customers to more easily compare on the Internet the rental rates available from various vehicle rental companies for any given vehicle.

The Group competes primarily with Avis and Hertz. In certain European countries, there are also other companies and brands with substantial market shares or presence, including Sixt in Germany and Enterprise in the UK. The major car rental brands are generally present in European vehicle rental markets through a combination of agencies directly operated or managed by agents or franchises. In each European country, there are also national, regional or other, smaller companies operating in the airport and non-airport vehicle rental markets.

The market shares of the leading participants of the vehicle rental market in the Group's Corporate Countries in Europe were approximately 19% for Europcar, 13% for Avis, 12% for Hertz, 11% for Sixt and 10% for Enterprise in 2013, compared to 20% for Europcar, 13% for Avis, 12% for Hertz, 11% for Sixt and 9% for Enterprise in 2012 (source: KPMG Study, based on the mid-point of the estimated company market shares and based on company revenues (excluding those of franchisees)).

Regulation

The Group's business is subject to numerous regulatory regimes throughout the world, in particular with respect to the environment, personal data, consumer protection and franchise operation. Compliance with these rules, which may differ considerably from one country to the next, is generally managed at the local level by each of the Group's Corporate Countries, subject to the review of certain areas by the Group's legal department.

Consumer Protection Regulations

The Group offers services to individual consumers and is therefore subject to consumer protection regulations.

Consumer Protection Regulations in the EEA

Non-discrimination on prices

Directive 2006/123/EC of the European Parliament and of the Council of December 12, 2006 on services in the internal market prohibits unjustified discrimination in the provision of a service on the basis of a consumer's nationality or place of residence in all of the European Union Member States.

The European Commission is particularly vigilant with respect to compliance with the principle of non-discrimination in the single market. In a press release dated August 11, 2014, the European Commission announced that the car rental industry was not sufficiently compliant with the non-discrimination principle and sent a letter to industry companies, including the Group, instructing them to end certain practices that were considered "discriminatory" as unwarranted by objective criteria and preventing consumers in the European Union from obtaining the best price offered online and therefore from fully benefiting from the opportunities of the single market. As of September 2014, the Group

implemented, in accordance with its commercial strategy, a single pricing policy by sales location, regardless of the residence of the customer and the country from which the reservation was made.

Moreover, the European Commission invited Member States' relevant authorities to take the measures necessary to ensure compliance with European Union and national legislation related to consumer protection. To date, no legal proceedings have been initiated against the Group by the European Commission or any national authorities with respect to this issue.

In parallel, in the context of the global cooperation process between the national authorities of Member States of the European Union that are responsible for enforcing legislation to ensure consumers protection pursuant to Regulation EC No. 2006/2004, a dialogue was opened with the European Commission seeking to improve consumer experiences within the European Union. The Group submitted proposals of commitments, including the publication of new general rental conditions in the second quarter of 2015 and the clarification of the insurance and contractual guarantee policy in the event of damage caused to the vehicle.

Unfair competitive practices

Directive 2005/29/EC of the European Parliament and of the Council dated May 11, 2005 concerning unfair business-to-consumer commercial practices in the internal market includes a general prohibition of unfair competitive practices — in particular misleading practices — against consumers.

Misleading practices primarily include the various forms of dishonest and misleading advertising, defined as advertising that induces or is liable to induce the average consumer to make a mistake, or that leads or is liable to lead such a consumer to make a decision that he would not otherwise have made. The directive provides an exhaustive list of factual practices that are always considered misleading. The directive also prohibits misleading omissions, defined as the absence or dissimulation of significant information, or the presentation of significant information that is necessary for a consumer's free and informed consent in terms that are unclear, unintelligible or incomprehensible.

In order to ensure free and informed consent, the Group is committed to providing consumers with easily accessible and fully transparent documentation about its services. To offer still more transparency to consumers, the Group is currently revising its general rental terms in order to simplify them, modernize them and harmonize them in the various countries where it does business. The new general rental terms are expected to be ready for use during the second quarter of 2015. The Group is also working to clarify and simplify the form, content and scope of its franchise-purchasing offers to consumers. The Group's objective is to launch these new offers at the end of the first half of 2015. The Group is in regular contact with the European Commission about the implementation of this policy. The main vehicle rental companies, including the Group, are participating in ongoing discussions with the European Commission. These discussions relate to the practices of vehicle rental companies and the various commitments that vehicle rental companies, including Europcar, have taken to clarify their documentation and their contractual conditions in order to improve their customers' experience. The timetable for discussions with the European Commission has yet to be determined. It is likely that the outcome of these discussions will not be known as of the date of this Offering Memorandum. The outcome of these discussions, if applicable, will be included in the transaction note (*note d'opération*) which, along with the Company's transaction note for the IPO, will constitute the Company's IPO prospectus.

Unfair terms

Directive 93/13/EEC of the Council dated April 5, 1993 on unfair terms in consumer contracts (as modified by Directive 2011/83/EU dated December 12, 2011 on consumer rights) is intended to protect European consumers from unfair terms in their contracts with professionals. A clause is unfair if it creates a significant imbalance in the parties' rights and obligations under the contract, to the detriment of the consumer. Consumers are not bound by unfair terms contained in contracts concluded with professionals. Regulations on unfair terms apply to the Group's vehicle rental agreements with customers who are individuals.

In France, the Unfair Terms Commission, which is placed under the authority of the minister in charge of consumer policy, examines proposed contracts in a given industry and makes recommendations on the removal of unfair terms in that industry's contracts. In its Recommendation No. 96-02 dated June 14, 1996 on vehicle rentals, the Unfair Terms Commission recommended the elimination of 44 terms relating to contract formation, performance and termination, pricing and payment, and insurance.

The Group's general rental terms are reviewed regularly to ensure compliance with unfair terms regulations.

Consumer Protection Regulations in Australia and New Zealand

Europcar Australia is required to comply with the Competition and Consumer Act of 2010 (the "**CCA**"), which applies to most of its activities in the Australian market, in particular its commercial dealings with its partners and customers. The primary purpose of the CCA is to ensure consumer protection and improve competition between economic players. It includes rules on product safety and labeling, on unfair commercial practices and on unfair terms in

standard-form contracts that consumers do not have the ability to negotiate. Europcar New Zealand is subject to similar rules in New Zealand.

Protection of Personal Data

In the course of its business, the Group gathers and processes information that is subject to laws and regulations on the protection of personal data, both in Europe and in other regions where the Group does business. The Group generally limits the use of the data that it collects from customers, including the circumstances under which it communicates with them. Personal data concerning the Group's customers is principally processed using Europcar's information system, "Greenway," and in the Group's databases used for statistical purposes, for marketing and for customer relations management.

The collection of personal data from the Group's customers is carried out both on behalf of the Group's companies and on behalf of its business customers and commercial partners. In the case of business customers, the Group collects data, first, for necessary purposes relating to the performance of its commercial obligations (to perform a rental agreement, for example) and, second, for reporting purposes, to respond to the needs of its business customers. In the case of commercial partners (such as airlines), the Group's companies collect data on existing customers of their commercial partners, again for reporting reasons, such as keeping track of the rights acquired by customers who are members of loyalty programs.

Processing performed within the European Economic Area

Directive 95/46/EC of the European Parliament and of the Council dated October 24, 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the "**personal data directive**"), supplemented by Directive 97-66 of the European Parliament and of the Council dated December 15, 1997 concerning the processing of personal data and the protection of privacy in the telecommunications sector, provides the framework for data protection in all of the countries of the European Economic Area (the "**EEA**"). In France, the personal data directive was transposed through several amendments to Law No. 78-17 dated January 6, 1978 on computers, files and freedom, the principal one of which was adopted by Law No. 2004-801 dated August 6, 2004.

The personal data directive applies to both automated and non-automated processing of personal data where such data is intended to be contained in a file. The directive defines "personal data" broadly to include any information regarding an identified or identifiable natural person, whether identifiable directly or indirectly, whatever the country or residence or nationality of that person. It requires controllers of personal data established in a Member State of the EEA or using means of processing located on the territory of a Member State to take certain measures upstream of the data collection, during its preservation and until its deletion. Pursuant to the personal data directive, a "controller" (as opposed to a mere data processor working for a third party) means the person or entity that, alone or jointly with others, determines the purposes and the means of processing the personal data.

Where a Group entity acts as a controller of personal data (for example, with respect to its customers' personal data, such as driver's license information or identification documents), it is subject to obligations including the following:

- processing is permitted only in accordance with one of the following criteria set out in the personal data directive: (i) the data subject must have consented to the processing; or (ii) the processing must be necessary (a) to perform a contract with the data subject; (b) to comply with a legal obligation; (c) to protect vital interests; (d) to perform a mission in the public interest; or (e) to achieve a legitimate interest;
- to ensure that the personal data is processed in an honest and legal manner, is collected for specific, explicit and legitimate purposes and in a manner proportionate to those purposes, is true and, if necessary, is updated and kept in a form that enables identification of the individuals concerned for a period of time that does not exceed the time necessary to achieve the purpose of its collection and processing;
- to take specific precautions before processing sensitive data (such as data on health, racial or ethnic origin, or political, philosophical or religious opinions), which is generally prohibited by the Member States. Such precautions include ensuring that the data subjects have explicitly expressed their consent or that the processing falls within the scope of an exception under the national laws transposing the personal data directive (for example, where the processing is necessary for the protection of the vital interests of the data subject or of another person or relates to data that manifestly has been made public by the data subject or is necessary for the establishment, exercise or defense of a legal claim);
- to implement appropriate technical and organizational measures to protect the personal data from accidental or illegal destruction, loss, alteration, disclosure or unauthorized access;
- except in certain cases listed in the personal data directive, to inform data subjects of (i) the identity of the data controller; (ii) the purposes of the processing; (iii) the data recipients; and (iv) whether it is mandatory or optional to respond to the questions asked when the data is collected;
- to guarantee the data subjects their rights to access, rectify and object to data concerning them;

- to retain personal data for a period not exceeding the period of time necessary to achieve the purpose of the processing;
- not to transfer personal data outside of the EEA unless the recipient country has been deemed by the European Commission able to provide an adequate level of protection or if the transfer is covered by standard contractual clauses established by the European Commission; and
- to carry out the required formalities with the national authorities in charge of the protection of personal data in their respective countries (such as the National Commission on Computers and Freedom in France) prior to processing the data. These formalities vary from country to country, from a simple filing with a governmental authority or the requirement to keep internal records to a requirement to obtain authorization or approval prior to conducting certain types of processing, in particular processing that may present particular risks to the rights and liberties of the data subjects.

Violation of these obligations by a data controller may result in administrative, civil or criminal penalties, including fines of up to €1.5 million for legal entities in France.

The Group may also act as a "data processor" within the meaning of the personal data directive, when it processes personal data provided to it by its partners and for which those partners are the only data controllers. In that situation, the data controller's obligations described above apply solely to the partners, but the Group nevertheless warrants that it will (i) implement technical and organizational measures intended to protect the personal data communicated to it against accidental loss, alteration or unauthorized disclosure or any malicious or illegal access; and (ii) process the data solely in accordance with the data controller's instructions and in accordance with the defined purpose.

Although personal data law has for the most part been harmonized in the EEA, the transposition of the personal data directive into the national laws of the Member States has led to regimes that can vary and may be more restrictive than the regime imposed by the personal data directive.

When data processing is local, it is carried out by the Corporate Country in question in accordance with local law. Each year, the executive officers of the Corporate Countries sign compliance letters in which they (i) expressly attest that, to their knowledge, their Corporate Countries are in compliance with local personal data legislation and (ii) list inquiries or requests from competent authorities with respect to personal data of which they have become aware during the year and that are being monitored by the Group's legal department (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Risk Management*" and "*Corporate Governance and Management—Internal Control*").

Where data processing affects the Group, the matter is handled by the Group's legal department in order to ensure consistency in the Group's approach.

Regular training on personal data protection law is provided within the Corporate Countries as well as at the Group level.

Processing Performed Outside of the European Economic Area

The Group is present in numerous countries outside of the EEA, where it has occasion to process personal data both on its own behalf and on behalf of its business customers and commercial partners.

Although there is no international law harmonizing all of the principles applicable to the protection of personal data, the regulatory framework applicable within the EEA serves as a reference, first, because it is stringent and was a pioneer in this area of regulation, and, second, because it has influenced legislation in numerous countries that have used it as a model, in particular in North Africa, Latin America and Asia.

Transfer of Personal Data Outside of the European Economic Area

The Group transfers personal data to its franchisees outside of the EEA solely in connection with the strict execution of rental agreements concluded between its franchisees and customers. The franchise agreements to which the Group's companies are parties contain a personal data protection provision pursuant to which the franchisees undertake to comply with the same obligations as those incumbent upon ECI and Europcar France.

In connection with its collaboration with Franchise Service North America ("**FSNA**") in the United States, ECI agreed to the standard contractual clauses prepared by the European Commission in order to be able to transfer personal data. In order to be authorized to receive data originating from the European Union, FSNA agreed to a set of safe-harbor principles for the protection of personal data negotiated between the U.S. authorities and the European Commission in 2001 ("safe harbor").

The Group may also transfer data to other countries that do not ensure a level of protection of personal data equivalent to that provided by the EEA, in particular in connection with collaboration agreements involving airline loyalty programs (such as Aeroflot Bonus, Emirates Skywards, and Qatar Privilege Club) and in connection with

agreements with general sales agents. In that regard, the Group enters into international data transfer agreements that include the standard contractual clauses prepared by the European Commission.

Environmental Regulation

As of December 31, 2014, the Group used approximately 107 gasoline storage installations, including 94 that are underground.

Each Corporate Country is responsible for ensuring that its storage facilities comply with local regulations in that country in order to ensure that they (i) are properly reported to the competent authorities of the countries in which they are located; and (ii) have been replaced or upgraded to comply with applicable requirements on the detection of leaks and protection against spills, overflows and corrosion. The Group has the necessary authorizations and registrations for its activities. In France, for example, stations with tanks do not require prior authorization but must be reported to the competent authorities. Depending on the volumes pumped and the nature and amount of product storage used, some are considered “classified installations” for the protection of the environment.

Similarly, each Corporate Country is responsible for any remediation obligations that it may incur under local regulations.

See “—Environment and Sustainable Development—General Environmental and Sustainable Development Policy” for a description of the policy implemented by the Group in this area.

Environmental Regulation Inside the EEA

The use of tanks to store petroleum products, including gasoline, diesel and used oil; the use, storage and handling of various dangerous substances (including fuels and lubricants); and the production, storage, transport and disposal of waste (including used oils, mud from washing vehicles and used water) are regulated by Directives No. 96/82/EC dated December 9, 1996 (the “Seveso II” directive), which was repealed by Directive 2012/18/EU, and Directive 2008/98/EC of the European Parliament and of the Council dated November 19, 2008 on waste.

Pursuant to Seveso II, any industrial or agricultural operation liable to create risks or result in pollution or nuisance, in particular for the health and safety of local residents, is a classified installation. Activities that are governed by the legislation on classified installations are listed following a nomenclature that classifies them as requiring either authorization, registration or reporting, depending on the significance of the risks or problems that may be caused. The legislation on classified installations gives the State the authority (i) to authorize or refuse to authorize the operation of an installation; (ii) to regulate (in other words, to require compliance with certain technical provisions); (iii) to monitor; and (iv) to impose penalties.

Regulation of classified installations is expected to change under Directive 2012/18/EU of the European Parliament and of the Council dated July 4, 2012 on the control of major-accident hazards involving dangerous substances, called the “Seveso III” directive, which entered into effect on August 13, 2012 (with the Member States required to transpose it by May 31, 2015). The purpose of the Seveso III directive is to align the list of dangerous substances covered by the directive with the new classification system for dangerous substances contained in Regulation (EC) No. 1272/2008 of the European Parliament and of the Council dated December 16, 2008 on classification, labeling and packaging of substances and mixtures, known as the “CLP Regulation”, which will progressively replace the current system by June 1, 2015. The CLP Regulation establishes new methods for the classification of substances and creates new categories of hazards that have been incorporated into the Seveso III directive. Seveso III was transposed into French law by Law No. 2013-619 dated July 16, 2013, the transposition articles of which will enter into force on June 1, 2015, by Decree No. 2014-284 dated March 3, 2014 and by Decree No. 2014-285 of March 3, 2014 modifying the nomenclature of classified installations for the protection of the environment.

Directive 2008/98/EC dated November 19, 2008 on waste defines the hierarchy for waste prevention and management as follows: prevention, reuse, recycling, other recovery (in particular energy recovery) and disposal. This provision was transposed into French law by Article L. 541-1 of the French Environmental Code. It also specifies the obligations of waste producers and waste holders with regard to the waste hierarchy, requires producers and holders to classify their waste and to package and label their hazardous waste, and prohibits mixing of hazardous waste with other waste or materials outside of a classified installation for the protection of the environment. In managing its waste, the Group takes all necessary measures to ensure that its activities comply with applicable regulations.

Europcar has obtained the ISO 14001 certification (the environmental management standard of the International Organization for Standardization) for its environmental management systems in Germany, the United Kingdom, Italy, Spain, Portugal, Belgium and France. The certification also covers rental stations operated directly by the Group.

The Corporate Countries monitor and, if necessary, perform remediation relating to the disposal of waste and/or substances originating from installations that they currently rent or hold or that they have in the past rented or held. The cost of such remediation as well as costs relating to environmental harm caused by the activities of a Corporate Country could be significant. The Group’s estimated probable losses in that regard are the subject of provisions in its consolidated financial statements. As of December 31, 2014, the total amount provisioned to cover the Group’s environmental liabilities was €310,000, representing the estimated cost to study any on-site environmental problems

that may require monitoring and/or remediation, as well as the estimated costs of carrying out that remediation. Cost estimates are prepared site by site on the basis of precedents, and are refined as the environmental study at the site in question progresses.

In France, the Group maintains an updated table listing the oil installations and classified installations that it operates in order to ensure that they are monitored. In that regard, periodic regulatory inspections of classified installations are performed every five years by an approved organization (Dekra until 2015 and Bureau Veritas thereafter). In the event of non-compliance, the Group carries out remediation.

In connection with its activities, the Group is also subject to European energy efficiency regulations (Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency dated October 25, 2012). The directive establishes a common framework for the promotion of energy efficiency in the European Union. Pursuant to Article 8 of the directive, transposed by Article L. 233-1 of the French Energy Code, all large businesses such as the Group must perform energy audits covering the entire business every four years (and for the first time by December 5, 2015 at the latest). Article 13 of the directive, transposed in Article L. 233-4 of the French Energy Code, provides for penalties in the event that these audits are not performed in a timely manner. For the Group, these penalties could consist of fines of up to 2% of the Group's revenues (excluding taxes) in France for the most recently closed fiscal year. These audits must be performed by external consultants or by qualified internal auditors. The energy efficiency directive is in the process of being transposed into French law.

Environmental Regulations in Australia and New Zealand

In Australia, the operation of oil tanks, in particular underground tanks, is regulated at both the state and the federal level. The regulations consist of a combination of specific rules and general principles contained in environmental laws. Environmental regulation is relatively uniform and is tied to the Australian Standard AS 1940-1993.

The operation of underground oil tanks is a particular focus of regulation due to the risk of contaminating groundwater and generating leaks that may be difficult to detect. Generally, the regulatory framework is intended (i) to implement preventive measures to reduce the risk presented to human health and to the environment resulting from the operation of underground tanks; (ii) to conserve resources and detect leaks quickly in order to avoid the need for extensive remediation work; (iii) to remediate sites when the regulated activity has ceased; and (vi) to ensure that businesses governed by the regulations use best practices. In order to meet these objectives, obligations are imposed such as the installation of leak-detection systems, the performance of groundwater testing and the preparation of a written, auditable plan for the protection of the environment by each regulated installation. The reporting and information system for leaks must also be the subject of a written plan. The removal of underground oil tanks must be reported to local authorities and is governed by the Australian Standard AS 4976-2008.

Europcar New Zealand is subject to environmental rules in New Zealand that are similar to those applicable in Australia.

Each of the operational subsidiaries in the Corporate Countries has implemented a storage-tank compliance program intended to ensure that tanks are properly registered with the competent authorities of the countries in which such tanks are located and are either replaced or brought into compliance with applicable requirements for the detection of leaks, spills and overflows and protection against corrosion. However, there can be no assurances that these tank systems will remain at all times free of undetected leaks or that the use of these tanks will not result in significant spills. The Corporate Countries regularly work with third party organizations to verify or certify, where necessary, the compliance of their classified installations.

Employee training in environmental risk management is implemented and managed at the level of the Corporate Countries.

Regulation of Franchises

The Group has a large network of franchisees and is therefore required to comply with franchise regulations.

The European Union has not implemented any specific regulation of businesses operated as franchises.

Franchising is governed by the laws of the various countries where the Group operates through franchisees. Certain laws require franchisers to provide a significant amount of information to potential franchisees but do not require registration. Other laws require registration or the provision of information in connection with the establishment of franchises. In order to ensure harmonized management of its franchise network, the large majority of franchise agreements that the Group enters into internationally are governed by French law. Article L. 330-3 of the French Commercial Code provides that any person who provides another person with a trade name, trademark or brand while requiring from that other person a commitment of exclusivity or quasi-exclusivity in order to carry on business must provide that other person with information prior to signing any contract concluded in the common interest of both parties. This provision applies to franchise agreements, which include an obligation of exclusivity on the part of the franchisee. The Group's franchise agreements that are governed by French law comply with this obligation.

Research And Development

The Group does not conduct any research and development activities. However, it is constantly searching for innovative solutions. In 2014, it created the "Europcar Lab," an idea incubator to support the Group's strategic projects.

See "*Business—Europcar Lab / Mobility Solutions*" for a description of the Europcar Lab.

Intellectual Property, Licenses, Usage Rights, and Other Intangible Assets

The Group holds most of the material intellectual property rights used in connection with its business, which enables it in the vast majority of cases to provide services to its customers without dependence on third parties.

Most of these rights are held by ECI, with the remainder (for distinctive marks used in a particular country) held by local Group entities.

The Group's intellectual property rights primarily comprise:

(i) rights to distinctive marks, such as trademarks or domain names, in particular those including the names "Europcar" and "InterRent". These intellectual property rights are registered or in the process of being registered in most of the countries where the Group does business, in order to protect them appropriately for the related activities; and

(ii) rights relating to the "GreenWay" technology, the Group's complete commercial software solution, principally in the areas of fleet management, e-commerce, reservations and global distribution, as well as rental activities.

In connection with several partnerships and franchise agreements outside of France (in particular with (i) Discount Car & Truck Rentals Ltd in Canada, (ii) AMAG Services AG in Switzerland and Lichtenstein, (iii) ARAC GmbH in Austria and (iv) Ostergaard Biller A/S in Denmark, the Faroe Islands and Greenland) and where the services provided so require, ECI grants its partners and franchisees a license to certain of its intellectual property rights (in particular to its trademarks and Greenway technology) in a given territory. ECI is also party to a cross-licensing agreement with Franchise Services of North America ("**FSNA"**) pursuant to which (i) FSNA grants ECI an exclusive license to certain "Advantage" marks in the countries where the Group is present or has a franchise, with the exception of the United States (although the license does cover Puerto Rico) and (ii) ECI grants FSNA an exclusive license to certain "Europcar," "Privilege" and "Moving your way" marks in the United States (but not covering Puerto Rico). The licenses are non-exclusive and non-transferable for a duration equal to the term of the joint venture or franchise agreements in connection with which they are granted. These licenses are not the subject of specific fees, but instead are taken into account in the overall negotiation of the partnership or franchise agreements to which they apply.

The Group's material intellectual property litigation is described in "*Business—Regulatory, Legal and Arbitration Proceedings"*.

The Group uses certain of its intellectual property rights as security in connection with its financing. See (i) Note 31 "Off Balance Sheet Commitments," to the Group's Consolidated Financial Statements" and (ii) "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*".

Property, Plant and Equipment

Significant existing or planned property, plant and equipment

As of December 31, 2014, the Group held property, plant and equipment with a gross value of € 274.1 million. The Group leases some of its property, plant and equipment, in particular certain buildings and technical equipment. For 2014, rental charges totaled €64.7 million.

Tangible fixed assets held or leased by the Group consist mainly of:

- administrative buildings and offices, for the Group's administrative and commercial needs, in all of the countries where the Group does business. The Company's registered office is in Voisins le Bretonneux, Saint-Quentin-en-Yvelines, France, and occupies Bâtiment OP of the "Parc d'Affaires le Val Saint-Quentin," which includes 5,900 square meters of rental office space, as well as parking spaces. The Company rents this building pursuant to a commercial lease for office space entered into on May 4, 2011, for a fixed term of nine years and three months, beginning on October 1, 2012. The initial nine year three month duration is fixed and irrevocable; the Company waived its right to terminate the lease for the first three three-year term thereunder. Europcar also rents headquarters, sales offices and service facilities in each Corporate Country. In addition, the Group owns buildings in some Corporate Countries, in particular in Germany, Spain and the United Kingdom, in which the headquarters for those Corporate Countries are located;
- rental stations, primarily located in or near airports and train stations, as well as in business and residential neighborhoods. Europcar rents or operates the majority of the 1,007 stations that the Group directly manages,

pursuant to concessions awarded by governmental authorities and leases with private entities. The leases and concession agreements generally require the payment of rent or minimum concession fees, and in certain countries also require the relevant Europcar entity to pay or reimburse operating fees, additional rent, or concession fees that are greater than the guaranteed minimum, calculated based on a percentage of revenues or sales at the locations in question;

- technical infrastructure for servers and data centers; and
- fueling equipment and car-washing facilities at all of the Group's stations.

This tangible fixed property is used as security for the Group's corporate financing, as explained in more detail in Note 14 to the 2014 Financial Statements included in this Offering Memorandum.

Environment and Sustainable Development

In 2007, convinced that sustainable development is a key source of value creation, the Group launched measures to increase environmental awareness at all of its entities. Relying on the ISO 26000 recommendations, the Group rethought its sustainable development program and prepared its first social and environmental report in 2012. For the year ended December 31, 2014, the Company also prepared a report containing social and environmental information.

The Company also participates in its shareholder's social and environmental responsibility procedures in connection with the preparation of Eurazeo's registration document.

General Environmental and Sustainable Development Policy

For years, the environment and sustainable development have been integrated into all of the Group's activities. Initiatives to monitor and reduce the Group's environmental impact are constantly evolving and improving.

The Group has adhered to the principles of the United Nations Global Compact since 2005. From 2005 through 2012, the Group participated in the Learner Platform, before achieving the GC Active Level in 2013. This means that the Group is required to comply with the United Nations Global Compact's disclosure and monitoring requirements, including a statement by the Company's CEO expressing the renewal of its support for the United Nations Global Compact, a description of the practical steps taken by the business and a measurement of the results achieved.

The Group also endeavors to make choices that are favorable to the environment in connection with its operational activities, and in particular with respect to its automobile fleet. Europcar works to maintain an automobile fleet that respects the environment by taking pollution and greenhouse gas emissions into consideration. The Group is able to offer its customers vehicles that have the smallest possible impact on the environment by maintaining a fleet of new cars: in 2014, the vehicles in the Group's fleet had been held for an average of 8.3 months (7.4 months for vehicles (cars and trucks) covered by buyback commitments). The Group has implemented high-performance maintenance programs and increased its offerings of vehicles that use alternative energy sources, such as hybrid cars and electric or low carbon-emissions vehicles. In 2014, the fleet's carbon emissions were approximately 11% lower than at the beginning of 2012.

In 2014, the Group pursued several initiatives with its automaker partners. In particular, under an agreement entered into with several automakers, future purchasers of electric vehicles manufactured by these automakers will benefit from favorable terms from the Group, in the form of reduced prices in the Europcar network throughout the world. In addition, hybrid models such as the Toyota Auris, the Nissan Leaf and the Renault Zoe were offered for rental to the Group's customers, in order to accustom them to environmentally conscious conduct.

The Group is also working to reduce its energy consumption to the greatest extent possible (see "*Energy Consumption, Energy Efficiency, and Use of Renewable Energy*" below).

The Group's green initiatives resulted in its winning the World Travel Awards trophy for World's Leading Green Transport Solution Company 2014, its sixth consecutive win.

Environmental Management

Beginning in 2007, the Group launched a new environmental approach by preparing an environmental charter. The charter was certified in June 2008 by Bureau Veritas, an independent certification organization. Since then, the charter has been audited by Bureau Veritas each year and renewed every three years. It was updated in 2014, with the next three-year certification to take place in 2015. The environmental charter sets forth the Group's objectives in eight areas: water, energy, air pollution, biodiversity, waste management, environmental consciousness and responsibility, risk prevention and management, and the principles and rules applicable to environmental matters.

Since 2009, each of the Group's European operating subsidiaries has obtained ISO 14001 (environmental management) certification. The certification is audited by Bureau Veritas each year and renewed every three years.

This certification defines a series of specific requirements for implementing an environmental management system in order to ensure that the Group has control over the environmental impacts of its activity. In particular, in connection with ISO 14001 certification, compliance by the Group's sites with pollution requirements was verified and certified. Lastly, all of the Group's European subsidiaries have implemented training and awareness campaigns.

Each of the Group's operating subsidiaries has appointed one person to manage and monitor environmental questions and environmental evaluation and certification procedures. There is also one person in charge of these matters at the ECI level.

Pollution and Waste Management

The Group has launched a large investment program to modernize its facilities and reduce the impact of its business on the environment, in particular with respect to water management. The European operating subsidiaries have replaced their old car-washing facilities with new generation car-washing facilities equipped with water-recycling systems or with hydrocarbon separators. Other operational subsidiaries, such as in Germany, have begun using waterless car washing techniques. Finally, in Portugal, absorbent products for use in the event of an emergency (such as a fuel leak) have been replaced with sand to minimize environmental impact.

The Group also establishes waste recovery and recycling ratios for each of its operating subsidiaries and works constantly to improve those ratios.

From the moment it acquires its vehicles, the Group anticipates the next stage in the fleet's life cycle by guaranteeing that their manufacturers will take them back. In 2014, more than 92% of the Group's fleet purchases, all countries combined, were acquired pursuant to agreements providing for manufacturer buybacks.

Sustainable Use of Resources

• *Water Consumption and Water Supply*

The Group is conscious of its water consumption and, as a result, has taken several steps at the local level, including:

- rainwater recovery; and
- water recycling at the majority of car-washing facilities.

• *Energy Consumption, Energy Efficiency, and Use of Renewable Energy*

The Group seeks to cover a portion of its energy needs using renewable energy sources. For example, in 2014 approximately 40% of the energy used by Europcar Portugal came from wind, and 100% of Europcar Italy's energy came from renewable sources (in connection with a partnership with the green energy supplier Energiapura), as did 100% of Europcar Germany's energy.

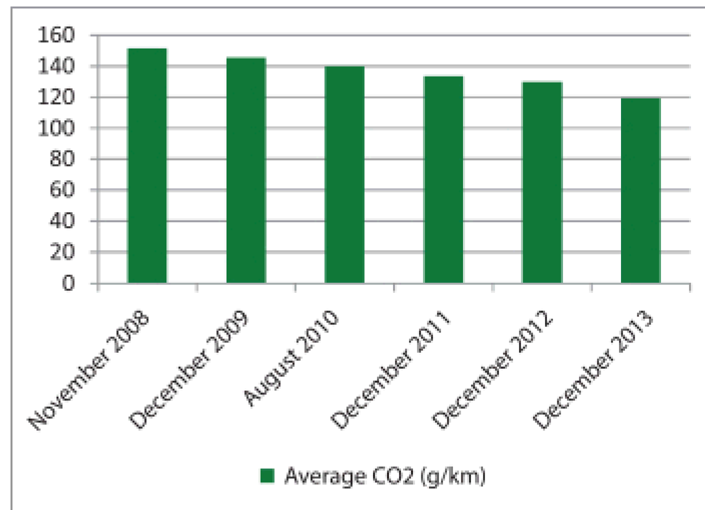
In addition, the European subsidiaries have implemented measures to improve their energy efficiency, such as the migration towards LED technology and the systematic effort to reduce electricity consumption (such as through the use of movement-detecting light switches).

Climate Change and Greenhouse Gas Emissions

The Group pursues its commitments in the areas of the environment and sustainable development through initiatives with its car manufacturer partners to increase the percentage of its vehicle fleet consisting of low emission vehicles.

Through a program to offset carbon emissions, as well as a fleet with an average age of less than seven months since 2008, the Group has been able to continuously decrease the average carbon emissions of its entire fleet in the Corporate Countries (excluding Australia and New Zealand) since that date, as illustrated by the following graph.

Carbon dioxide emissions of the Group's fleet in its Corporate Countries (excluding Australia and New Zealand)



Source: Company

In addition, the Group guides its customers in their vehicle selection by indicating eco-friendly car choices on its website, based on the vehicles' emissions rates. The carbon dioxide emission rate is also indicated on all invoices to Group customers.

Protection of Biodiversity

The Group has also taken measures to protect and increase biodiversity, in particular through its collaboration with WeForest, signed in 2013, with which it is participating in a reforestation project.

Through this program, the Group offers its customers the ability to offset their CO2 emissions when they rent Europcar vehicles. The funds collected are used to finance sustainable energy projects. WeForest is an international non-profit organization working against climate change. It implements sustainable reforestation projects throughout the world based on permaculture. The inclusion of a carbon-offset program at the time of rental promotes the active involvement of Europcar's customers in the Group's environmental approach.

Insurance

In the ordinary course of business, the Group is exposed to three principal categories of risks that may be subject to insurance policies: (i) motor vehicle liability, (ii) damage to property (vehicles owned by the Group) and (iii) risks related to its business (excluding its fleet).

A dedicated insurance and risk management department oversees in a centralized manner the insurance strategy of the Group's fleet as well as the other business related risks management processes. This centralized management is carried out in connection with dedicated personnel located in each Corporate Country. The Group does not manage insurance covering its franchises, which remains their own responsibility in accordance with the terms of the standard franchise contracts implemented by the Group.

In countries in which the Group operates, it is generally required by liability laws to purchase insurance covering its risks related to motor liability against bodily injury and accidental death or property damage caused by its customers to third parties and resulting from the use of its vehicles, whether they are owned, rented or loaned. If these vehicles are not insured by the Group, they can not be put into circulation. As a result, coverage of the Group's motor vehicle liability is critical for the running of its business.

Motor vehicle liability

• *Europrogramme (Belgium, France, Germany, Italy, Portugal and the United Kingdom)*

To address the risk of its motor liability, the Group has implemented an insurance program in Belgium, France, Germany, Italy, Portugal and the United Kingdom, the "**Europrogramme**". The Europrogramme is a corporate insurance program allowing each subsidiary operating in each country participating in the program to benefit from motor vehicle liability insurance from its local AIG Europe Ltd. ("**AIG**") branch, established in the country in which the subsidiary operates.

Under the Europrogramme, third-party claims or the share of third-party claims related to motor liability less than or equal to €500,000 per accident are "self-financed". In this case, AIG covers third parties, under local insurance policies purchased by the Group's subsidiaries, and is then reimbursed up to this amount, according to the relevant subsidiary, by:

(i) Euroguard Cell 0, acting as deductible fund manager on behalf of Europcar Belgium, France, Italy and Portugal, up to a maximum of €500,000 per accident and within an annual aggregate limit actuarially set each year by country, in accordance with the Deductible Funding Agreement (DFA);

(ii) Europcar Germany, up to a maximum of € 100,000 per claim, and Europcar UK up to a maximum of €500,000 per claim, according to Loss Reimbursement Agreements (LRA);

(iii) Euroguard Cell 9, the Group's reinsurance captive within the Euroguard Protected Cell Company (PCC), a company separate from the Group, intervenes in order to cover:

a. a layer of €400,000 in excess of €100,000 for Europcar Germany claims; and

b. part of claims exceeding the annual aggregate limit for the DFA of Belgium, France, Italy and Portugal.

The share of claims triggering the Group's motor vehicle liability that exceed the threshold of € 500,000 per claim is transferred to AIG. The maximum coverage limit provided for by the insurance policy, including the amount of €500,000 per claim that is the Group's responsibility as described above, stands at a total of at least €100 million per member country of the Europrogram, £85 million in the United Kingdom and, may, in certain countries, exceed this amount when required by local legislation.

For the year ended December 31, 2014, the total cost of the Europrogramme was €97.6 million. The insurance policies that are part of the Europrogramme were renewed as of January 1, 2015 under comparable terms and conditions to those in 2014, in accordance with the long-term agreement with AIG that will remain in effect until December 31, 2016. The long-term agreement, which entered into force on January 1, 2014, defines the general framework of the Europrogramme and its annual renewal conditions, in particular the factors that determine the amount of premiums and fees payable by the Group for each year of the program.

• Spain

Europcar Spain's motor vehicle liability is not covered within the Europrogramme. Since January 1, 2009, it has been insured through a standard risk transfer policy purchased from Allianz Spain. This insurance policy expires on December 31, 2017 and stipulates, in particular, the amount of premiums and fees payable by Europcar Spain in order to benefit from this coverage. The limits of this policy stand at €70 million for bodily injury and €15 million for property damage, which may be increased under certain conditions with additional coverage of €50 million ("voluntary" coverage) for bodily injury, accidental death and property damage. The total cost of the insurance premium for the year ended December 31, 2014 stood at € 7.7 million.

• Australia and New Zealand

The motor liability risk to which the Group is exposed to as a result of its operations in Australia and New Zealand is covered by the "Third Party Bodily Injury" mandatory regime administered by the State and automatically purchased during a vehicle's registration, combined with an "Own Damages" policy covering the vehicle's market price and a "Third Party Property Damages" policy with a limit of approximately AUD 30 million (or approximately €20.5), executed on May 1, 2014 with Allianz for a period of one year and placed with QBE on May 1 2015 for a period of one year.

For the year ended December 31, 2014, the total cost (including the share of "self-financed" risks and premiums) of the Group to cover its risks and mainly its motor liability risk (Europrogramme, Spain, Australia and New Zealand combined) was €105.5 million, of which €97.6 million for the countries being part of the Europrogramme that corresponds to the coverage of accidents "self-financed" by the Group, the insurance premium of the AIG excess layer, claims management fees, administrative and brokerage fees as well as related taxes). In 2014, for Spain the insurance cost to cover in particular motor vehicle liability risk was €7.7 million and for Australia and New Zealand the cost was €0.2 million. The average claims maturing time during which the costs of claims are borne by the Group is approximately three years. Liability insurance is by nature long-tail insurance and the most severe claims may remain active for several years, or even tens of years or more in extreme cases. Motor liability insurance cost, stated on a

comparable basis (per rental day) have historically trended both upward and downward, reflecting (i) the cost of the market capacity in terms of motor liability insurance and (ii) the Group's own motor liability claims records, these two factors being significantly influenced by the availability of insurance capacity on the market and increases in property damage claims and especially severe bodily injury claims (cases of death and disability). The Group estimates that these two factors will continue to influence insurance costs in the future.

Since 2011, the Group has undertaken a voluntarily plan to reduce claims frequency and improve claims management processes efficiency in coordination with its partners. Such an improvement focused on aspects such as repudiating fraud, reducing claims notifications delays, accelerating the closing of claims files or reducing the number of dormant files. Reducing the claims frequency involves actions focused on business customers or young drivers, customer categories with high claims frequency records. These actions by country are presented to actuaries who partly factor them in their recommendations. These actions, combined with legal changes or road accident prevention campaigns in certain countries in which the Group operates, have resulted in a decrease in its insurance costs. The development of this cost line nevertheless depends on changes in the economic, social and legal environment as well as the motor liability risk that insurers are prepared to provide cover against.

Property damage—vehicles owned by the Group

In most countries in which the Group operates, the Group does not insure the property damage to its vehicles and is taking the charge related to the risk of damage to its fleet. Over the long run, the Group considers that insuring property damage to its fleet and theft of vehicles would be greater than or equal to actual costs of damages and theft. The Group's rental agreements generally stipulate that the customer is, subject to certain exceptions, responsible for any deterioration or damage (including damage as a result of theft) to the rented vehicles.

The cost of damages related to collisions for which third parties are not involved and the cost of stolen or missing vehicles, as well as damages caused to the Group's property, are expensed as they are incurred. For the year ended December 31, 2014, expenses related to damages caused to the fleet (including repair work) and to the loss or theft of vehicles, net of recoveries, was €95 million.

The cost of damages to property or of theft not insured by the Group is partly offset by (i) proceeds from the sale of damage or theft waivers and (ii) the recovery of deductibles that remain applicable (see "*—Optional coverage proposed to customers*" below).

Risks related to the Group's business (excluding its fleet)

In order to manage other risks related to the Group's business, or to comply with applicable laws, the Group has purchased and implemented to other insurance programs, including a general liability insurance program, an environmental liability insurance program, an employers practice liability insurance program related to employment practices, an insurance program covering fraud and a directors and officers liability insurance program.

These insurance programs have been purchased from non-affiliated insurance companies for amounts deemed by the Group as reasonable given its risk profile, and secured terms and conditions considered by the Group as reasonable.

Furthermore, as part of the admission to trading of the Company's shares on Euronext Paris, the Company has purchased a specific IPO-related directors and officers insurance program for the Company's executives and major shareholder in order to cover certain risks related to this admission. It covers, in particular, defense and investigation fees, damages and insurable fines and penalties related to claims filed by the Company's new shareholders and proceedings initiated by the relevant stock market authorities following noncompliance with applicable regulations. This insurance policy will take effect as of the date of the admission to trading of the Company's shares on Euronext Paris for a six-year term.

Optional coverage offered to customers

• Waivers in the event of damage or theft

The Group generally proposes ancillary products to its customers, such as damage and theft protection, according to which the Group waives or limits its right to hold its customers financially liable for damage to or theft of the vehicle. The purchasing of this type of product transfers, for an additional fee or premium, the customer's total or partial cost liability to the Group.

• Protection against costs related to flat tires, broken windshields and headlights

The Group proposes a product that covers the customer's financial liability in the event of a flat tire, broken windshield and headlight during the ordinary use of the rented vehicle.

• Personal Accident Insurance ("**PAI**") and Super Personal Accident Insurance ("**SPAI**")

The Group proposes insurance products that allow occupants of its vehicles or their beneficiaries to receive lump-sum indemnities in the event of accidental death or permanent disability following an accident occurring during the rental period. These products also contain a “medical expenses” component.

Such indemnities will be granted in addition to the compensation received by passengers considered third parties by the mandatory motor liability insurance regime and by a not-at-fault driver of the vehicle rented from the Group.

In the event where the driver of the vehicle rented from the Group is at fault, and as a result not covered under the mandatory motor liability insurance regime, insurance offered by the Group represents the driver’s sole source of compensation (excluding a social security regime or insurance purchased elsewhere by the individual for personal use).

These three broad categories of products are available in sales agencies and from Europcar’s website. The Group has purchased PAI/SPAI from a leading market insurer. Since March 2015, this program has been purchased from ACE for all of the Group’s European Corporate Countries according to a homogeneous plan.

Employees

Human Resource Management

The headcount referred to in this subsection relates exclusively to Group entities. It does not include the headcount of companies that use the Europcar brand or other Group brands but that are not part of the Group, such as in connection with a franchise or agency agreement.

With an average annual headcount of 6,284 employees in nine countries throughout the world, the Group is subject to multiple and complex labor laws.

Evolution of Headcount

For the year ended December 31, 2014, the Group’s average annual headcount in full-time equivalent was 6,284 worldwide, as compared with 6,210 employees as of December 31, 2013.

Average annual headcount—2012 to 2014

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Total	**6,284**	**6,210**	**6,373**
Change	*1.2%*	*(2.6)%*	*(1.7)%*

Headcount for the year ended December 31, 2014 does not include employees of Europ’Hall, which was acquired on October 31, 2014 and which had 134 employees (full-time equivalent) as of December 31, 2014.

Headcount decreased between 2012 and 2013 and was nearly unchanged between 2013 and 2014, due to the implementation of restructuring plans at most of the Group’s subsidiaries. For example, in connection with the Fast Lane transformation plan, the Group reviewed the functions performed at the Group’s head office, as well as at the various local head offices. This review resulted, in particular, in the creation of the Shared Services Center, located in Portugal. In that regard, certain functions located in the Group’s various countries in Europe were transferred to the Shared Services Center, centralizing general accounting and fleet accounting, cash flow management and collections. The possibility of transferring other functions is currently being studied.

Following the creation of the Shared Services Center in 2014, reductions in the number of positions at the subsidiaries’ head offices lagged behind the creation of positions at the Shared Services Center, in order to provide for a smooth transition and continuity in administrative activity. Without that overlap effect, the Group believes that its headcount would have been the same in 2014 as in 2013.

The Group’s operating reorganization is expected to continue in 2015, in particular through targeted plans for headcount reduction. In that regard, in February 2015 Europcar France completed a consultation with its employee representatives concerning a redundancy plan involving the elimination of 44 positions of which certain were impacted by the transfer of certain functions to the Shared Services Center, all at the Europcar France head office, in order to adapt to the new mobility market and to contribute to preserving the Group’s economic competitiveness. The majority collective bargaining agreement formalizing the redundancy plan was approved by the Regional Directorate for Companies, Competition, Consumption, Labor and Employment for the Ile-de-France region on February 18, 2015. In addition, a transfer plan of two activities of the Group’s information technology department (Help Desk and APS Greenway) towards international actors, specialized in information technology, is underway within Europcar International. The objective of these transfers is to benefit from a technological advance with respect to digital matters and to gain flexibility.

Where permitted by local law, the Group also uses various means to create workforce flexibility, such as the limited use of temporary workers in France, entry into “zero-hour employment agreements” in Germany and the United Kingdom, and the use of outside service providers, primarily to transfer rental vehicles between stations and to clean

vehicles during the high season. The costs of these various types of agreements are recorded in "*rental related costs*" (see Note 4 to the Consolidated Financial Statements included in this Offering Memorandum).

Workforce Distribution

Except where otherwise indicated, the following information on workforce distribution is based on average annual headcount in full time equivalent for 2014, as discussed in above under "*Evolution of Headcount*".

Workforce Distribution by Country

The Group's employees are employed by various subsidiaries, the majority of which are located in Europe.

For the year ended December 31, 2014, the distribution of the Group's 6,284 employees was as follows:

Average annual headcount by country

	Year ended December 31, 2014
Germany	1,450
United Kingdom	1,138
France	1,243
Group Head Office in France	366
Spain	698
Shared Services Center in Portugal	127
Portugal	295
Australia and New Zealand	477
Italy	373
Belgium	116
Total	**6,284**

For the year ended December 31, 2014, the Group's employees in Europe represented 92% of the Group's total workforce.

Workforce Distribution by Activity

Operational employees (employees working at rental stations or in charge of the organization of the network of rental stations) represent approximately 63% of the Group's total number of employees. Sales employees, including large account managers, call-center and reservations employees, Revenue and Capacity Management teams, and Marketing and E-Commerce teams represent approximately 15% of the total number of Group employees.

Workforce Distribution by Type of Employment Agreement

Workforce distribution by type of employment agreement for the year ended December 31, 2014, calculated on the basis of year-end headcount, was as follows:

Workforce Distribution *By type of employment agreement*	**Year ended December 31, 2014**
Long-term employment agreements	88.0%
Short-term employment agreements	12.0%

Workforce Distribution by Age Category

Workforce distribution by age category for the year ended December 31, 2014, calculated on the basis of year-end headcount, was as follows:

Workforce Distribution *By age*	**Year ended December 31, 2014**
25 and younger	14%
26 to 44	50%
45 and above	36%

Workforce Distribution by Gender

Workforce distribution by gender for the year ended December 31, 2014, calculated on the basis of year-end headcount, was as follows:

Workforce Distribution *By gender*	**Year ended December 31, 2014**
Men	50.1%
Women	49.9%

Human Resources Policy

Compensation Policy

The Group's payroll for the years ended December 31, 2014, 2013 and 2012 was as follows (in thousands of euros):

Payroll

	Year ended December 31, 2014	**Year ended December 31, 2013**	**Year ended December 31, 2012**
Wages and salaries[(1)]	242,757	235,065	234,037
Social security contributions	59,875	61,197	60,105
Post-retirement benefits	6,833	6,156	6,085
Other items	8,688	8,338	8,990
Total	**318,153**	**310,756**	**309,217**

(1) Includes charges relating to bonuses and profit-sharing

The compensation of almost all of the Group's employees is composed of a fixed portion and a variable portion.

The variable portion consists of a given percentage of fixed compensation, scaled from 5% to 100%, depending on the employee's level in the hierarchy (not including the multi-year compensation program described below). For example, the members of the subsidiaries' executive committees generally receive variable compensation of a maximum of 80% of their fixed compensation (or up to 100%, for the chairman of the executive committee).

The amount of variable compensation is determined based on the degree of achievement of annual objectives, and may exceed the percentage of fixed compensation referred to above in the event that the objectives are exceeded.

The annual objectives generally include:

- Group objectives, which generally account for one-half of variable compensation and consist of economic indicators such as the Group's Adjusted Corporate EBITDA or non-fleet working capital requirements; and
- individual objectives, which account for the remainder of variable compensation and are determined during annual reviews.

Employees whose variable compensation is equal to 5% of fixed compensation have no Group objectives.

Moreover, officers and senior executives of the Group benefit from a multi-year compensation program implemented in 2013 in connection with the Fast Lane transformation program.

This plan was voted on by the Company's Board of Directors, as well as by the Nominations and Compensation Committee of the Europcar Group, in accordance with Group procedures. The participants were selected by the executive committee.

The plan's terms provided for an exceptional bonus in 2015 following approval of the financial statements if the Group succeeded in achieving its Adjusted Corporate EBITDA objectives for 2014.

The corresponding amounts were recorded as a provision in the 2014 financial statements in the amount of €23.9 million (including social security contributions). As these objectives were achieved, the corresponding amounts were paid in the second quarter of 2015.

Information on Absenteeism

The rate of absenteeism among Group employees for the years ended December 31, 2014, 2013 and 2012 was as follows:

Absenteeism

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Total	4.9%	5.8%	4.3%

Absenteeism is calculated based on the total number of paid hours of absence (including illness, work-related injury, accidents while commuting, and parental leave) as well as other absences (unexcused absences, layoffs, paid dismissal notice periods not worked, and leave for job transfers).

Employee Relations

The Group's subsidiaries are subject to different legal and regulatory requirements with respect to employee representation depending on the country in which they are located. The Group complies with local requirements with respect to employee and union representation.

At the European level, by agreement entered into on June 3, 2014, the Group formed a European works council that meets at least once a year. Each country (Germany, Belgium, Spain, France, Italy, Portugal and the United Kingdom) has two representatives on the European works council.

In France, there is a Group committee covering Europcar Groupe, Europcar International and Europcar France.

Within Europcar International, the last elections took place in June 2014, for four-year terms. The works council is composed of five members (three representing management, one representing supervisors and one representing employees), and five alternates, distributed in the same proportions. The health, safety and working conditions committee (CHSCT) has four members. There are also employee delegates. Three unions are recognized as representative unions.

Within Europcar France, the last elections took place in June 2014, for four-year terms. The works council is composed of nine members (two representing management, two representing supervisors and five representing employees) and nine alternates, distributed in the same proportions. The health, safety and working conditions committee (CHSCT) has six members. There are also employee delegates. Three unions are recognized as representative unions.

Employee representatives are also elected in Germany, Belgium and Spain. In Italy, the unions designate representatives.

Regular meetings are held with employee representatives, as frequently as required by local regulations except in unusual situations, as well as when employee representatives so request.

The Group maintains regular and satisfactory relations with the unions in each country where it does business.

It has no history of major labor unrest or strikes.

Training

Training provided by the Group during the years ended December 31, 2014, 2013 and 2012 was as follows:

Training

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Total number of training hours	96,310	88,665	98,757
Percentage of annual payroll spent on training	1%	1%	1%

Customer service is one of the main areas of employee training and skills development, as it is one of the principal criteria for customer satisfaction. The Group's efforts in this area have been recognized by the industry: Europcar has received various international distinctions over the last several years, including "Investors in People (IIP)" in 2011.

For the last several years, the Group has run the "Europcar University" program, which provides different training to different types of employees.

For example, a module entitled "You Make the Difference" will be deployed to all of the Group's employees. Its objective is to present and share the Group's values and strategy with all of the Group's employees.

Another module entitled "Role of the Line Manager" was presented to all Group managers in order to help them optimize their role in strategy and the involvement of the teams. It is organized around four subjects: operational management, situational management, motivational management and directional management.

There is also a "Europcar Master Sales Certification Program" intended for sales directors, sales leaders and large account representatives, with a duration of nine months, that aims to develop negotiation skills and mastery of the Group's procedures and tools and to generate additional revenue and contracts. In 2014, 40 participants from nine countries benefited from this program, which provides a certification.

Shareholdings and Stock Subscription or Purchase Options held by Members of Management and Certain Group Employees

For more information on shareholdings and stock subscription or purchase options held by the members of the Company's Management Board and Supervisory Board, as well as by certain Group employees, see "*Management Compensation*" and "*Corporate Governance and Management*".

As of the date of this Offering Memorandum, employees of the Company and of its related companies held a total of 111,525 Class B Preferred Shares, representing 0.11% of the share capital.

Profit-Sharing Agreements and Incentive Schemes

Profit-Sharing Agreements

Pursuant to Article L. 3322-2 of the French Labor Code, profit-sharing agreements are required in businesses with more than 50 employees and having a taxable profit of greater than a 5% return on equity.

Europcar International and Europcar France, which each have more than 50 employees, have entered into profit-sharing agreements. Each agreement covers all company employees with seniority of more than three months.

The formula set forth in the French Labor Code is used to calculate the special profit-sharing reserve under each agreement.

Company Savings Plans and Similar Plans

Pursuant to Article L. 3323-2 and 3323-3 of the French Labor Code, companies with profit-sharing plans are also required to maintain company savings plans. A group or company savings plan is a collective savings system offering employees of the companies belonging to the plan the ability, with the help of their employers, to build investment portfolios. In particular, it can receive amounts under a profit-sharing or incentive agreement, as well as voluntary contributions. Amounts invested in a company savings plan cannot be withdrawn for five years, except in the early-withdrawal cases provided for by law.

The Company is party to a Group savings plan with Europcar International, while Europcar France has its own company savings plan.

In accordance with Article L. 3332-25 of the French Labor Code, investors have the right to liquidate their available assets in the plan in order to exercise options granted pursuant to the conditions set forth in Articles L. 225-177 or L. 225-179 of the French Commercial Code. Shares thus subscribed or purchased by the investor are then paid into the savings plan and become available five years after such payment.

Incentive Schemes

> An incentive scheme is an optional mechanism whose purpose is to enable a company to give employees, collectively, an interest in the company's results of operations or performance through the payment of immediately payable bonuses pursuant to Article L. 3312-1 of the French Labor Code, defined using a formula contingent on the company's results or performance.

Incentive schemes have been entered into in the majority of the Group's French entities.

Regulatory, Legal and Arbitration Proceedings

The Group may be involved in regulatory, legal, and arbitration proceedings in the ordinary course of business or otherwise. Under applicable accounting standards, the Group recognizes a provision in its income statement when it has an obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

As of the date of this Offering Memorandum, the Group is not aware of any regulatory, legal or arbitration proceedings, other than those mentioned below, that are likely to have or have had over the course of the last twelve months a material adverse effect on the Group's or the Company's results of operation or financial condition.

French Competition Authority Investigation

The French Competition Authority is conducting an investigation in the vehicle rental sector. It carried out dawn raids in this respect at Europcar France's headquarters in January 2008. Various challenges to certain aspects of these dawn raids have been ongoing since 2008 and, on May 6, 2015, the First President of the Paris Court of Appeals ruled for the annulment of the dawn raids, ordered that all seized documents should be returned and that no such documents may be used by any person or authority, while specifying that the investigation and any resulting proceeding were not themselves annulled as a result of his decision itself. On February 17, 2015, the French Competition Authority sent a statement of objections to Europcar France, as well as to certain of its current and past parent companies. The Authority claims that, for a period of several years (starting in 2003 for the first count and in 2005 for the second count), such companies (i) regularly received information from airport authorities about the business and results of their competitors in these airports and (ii) applied a surcharge at train stations, which, according to the Authority, was implemented in collusion with competitors. Europcar filed its defense brief on May 20, 2015. Following this filing, the Authority's case-handler is expected to submit a report to its College during the second half of 2015. Europcar France will then have two months to reply to this report. The Authority's decision would then be expected to be issued several months later, following a closed hearing before its College. A decision imposing a fine would be subject to appeal; any such appeal, however, would not suspend the obligation to pay the fine, absent an exceptional procedure. An unfavorable decision could give rise to third party claims for damages.

In its financial statements as of and for the three months ended March 31, 2015, the Group recorded a provision reflecting its best estimate of the financial risks at this stage of the proceedings in the event the French Competition Authority were to impose a fine, notwithstanding the Group's arguments in defense. See Note 15 to the Group's financial statements as of and for the three months ended March 31, 2015. No assurance can be given, however, that the amount of a possible fine would not be substantially in excess of the amount of the provision or that third party claims for damages would not arise thereafter.

Disputes with Enterprise Holdings Inc.

Various entities of the ECI Group have been parties to a series of litigations and an arbitration proceeding with Enterprise Holdings Inc. ("**Enterprise**"), as summarized below. On April 29, 2015, the Group and Enterprise signed a settlement agreement (the "**Settlement Agreement**"), which put an end to all of these proceedings. The financial impact of the Settlement Agreement is set out in Note 6 to the Group's financial statements as of and for the three months ended March 31, 2015.

This Settlement Agreement ends the following disputes:

- Legal actions related to trademark opposition, cancellation and/or infringement proceedings: a certain number of trademark opposition or cancellation proceedings were brought by ECI and/or Enterprise with respect to their respective trademarks at the national and European community levels as well as outside of the European Union. The trademark opposition proceedings brought against ECI were primarily linked to the graphic trademark representing a stylized "e" against a green background (the "**e-moving logo**"), an accessory part of the Group's global logo adopted

at the end of 2012. Among the proceedings related to the e-moving logo, trademark infringement legal action was brought by Enterprise in the United Kingdom against Europcar Group UK Limited and ECI, under which the High Court of Justice had ruled in favor of Enterprise and considered that there was a risk of confusion between the graphical trademark of the "e-moving" logo and the trademarks previously registered by Enterprise. However, it rejected Enterprise's request to extend the ban of the graphic trademark to other member states of the European Union; and

- Arbitration between the Company and Enterprise relating to the performance of a Master Licence Agreement ("**MLA**"): the MLA in question had been signed on February 28, 2007 by the Company and Vanguard Car Rental Holdings LLC (which held the "Alamo" and "National" trademarks, which were operated by its subsidiaries in the United States, Canada, certain European countries, the Middle-East, Asia, Africa and Australia) as part of the sale of its activities in Europe, the Middle-East and Africa ("**EMEA**") to the Company. Following Enterprise's acquisition of Vanguard Car Rental Holding LLC in August 2007, a certain number of disputes relating to the performance and interpretation of the MLA arose between the Company and Enterprise, culminating in the filing on June 19, 2013 of an arbitration at the International Chamber of Commerce in accordance with the provisions of the MLA. On December 9, 2014 the arbitral tribunal ruled in favor of Enterprise's reading of the contract is that the Group had breached certain clauses of the MLA. Enterprise terminated the MLA after the arbitration decision, thereby ending the right of the Group and its sub-licensees to use the "National" and "Alamo" trademarks as well as the Odyssey reservation system in the EMEA zone. The damages phase of the arbitration was beginning when the Settlement Agreement (which put an end to it) was signed.

Dispute with Philippe Guillemot

Following his dismissal as Chief Executive Officer on February 13, 2012, Philippe Guillemot filed a claim against the Company for the payment of the severance benefit included in his employment agreement, amounting to approximately €2.5 million. The Company argued that Mr. Philippe Guillemot was dismissed for serious misconduct and therefore that no severance payment was due. In first instance, the Versailles Commercial Court ruled in favor of Philippe Guillemot. In a ruling of July 1, 2014, the Versailles Court of Appeals overturned that decision and all of its provisions, ruling in favor of the Company. Philippe Guillemot's appeal of this decision to the Supreme Court (*Cour de cassation*) is pending.

Proceedings before the Federal Court of Australia

The Australian Competition and Consumer Commission ("**ACCC**") has brought an action before the Federal Court of Australia against CLA Trading Pty Ltd ("**Europcar Australia"**). The ACCC asserts that certain terms of Europcar Australia's car rental contracts related to contractual performance guarantees and customers' liability in the event of damages caused to rented vehicles are abusive. Furthermore, the ACCC alleges that certain statements on Europcar Australia's website constitute false advertising because the information provided as to the scope of the customers' liability in case of damage is not sufficiently precise. A decision is expected in the second half of 2015. The following sanctions might be imposed: (i) the contractual terms in question being declared void; (ii) a monetary penalty (the amount of which is, at this stage of the procedure, uncertain and will depend on the outcome of negotiations foreseen by the procedure), (iii) the implementation of a compliance program and (iv) the publication of a corrective notice on Europcar Australia's website.

Dispute with a previous franchisee and its sub-franchisees in Brazil

Two of the Group's sub-franchisees in Brazil, Rentax Locação e Comércio de Veículos Ltda. ("**Rentax**") and Horizon Distribuidora Veículos Ltda. ("**Horizon**"), have filed suit against ECI and its previous franchisee in Brazil, Cia Ec Br de Franquias e Locação de Veículos Ltda. ("**EC-BR**"), claiming wrongful termination of the franchise contract concluded between ECI and EC-BR. Rentax and Horizon's claim amounts to approximately 19,525,151 Brazilian real (approximately €6 million). ECI disputes these claims both on the basis that they are time-barred and on the merits, due to (i) the absence of a contractual link with these two sub-franchisees and (ii) the absence of wrongful behavior in ECI's termination of its contract with EC-BR.

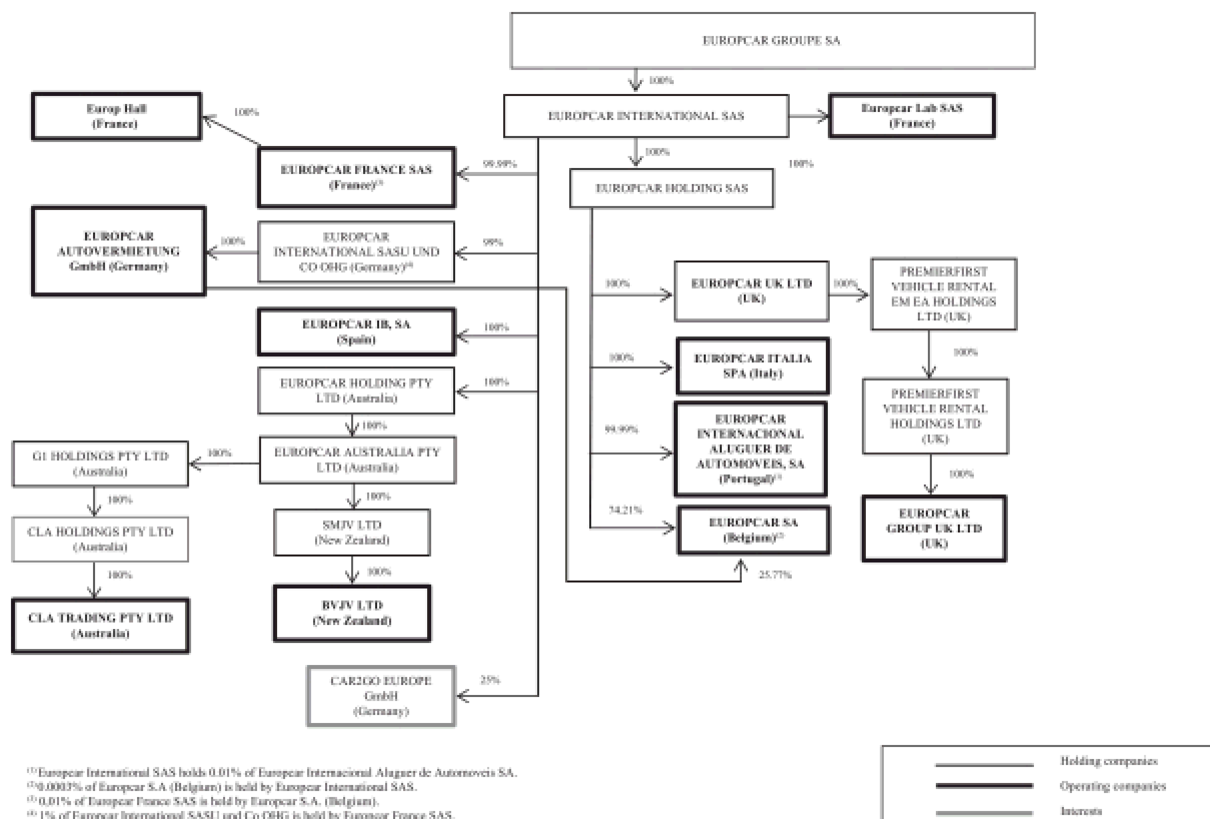
In procedural terms, the lower court ruled that the lawsuit initiated by Rentax and Horizon was not barred by the statute of limitations and that if ECI were found liable, it would not be able to seek recourse against EC-BR. On appeal, the decision was partially overturned by the Court of Appeals, which found that ECI could seek recourse against EC-BR, allowing it to obtain repayment from EC-BR of any payment that ECI might make pursuant to an unfavorable legal decision. ECI, considering that the Court of Appeals had not analyzed all of its arguments related to the statute of limitations, filed an appeal with the Court of Justice of Sao Paulo on September 8, 2014. The ruling on March 17, 2015 confirmed the first decision.

Labor disputes

The Group faces individual disputes related to dismissals on personal grounds as well as individual disputes in the ordinary course of business. The Group also faces individual disputes for dismissals on economic grounds in the context of internal restructurings carried out in prior years as well as individual or collective disputes relating to ongoing restructurings.

Simplified Group Organizational Chart

The following chart presents the legal organization of the Group as of the date of this Offering Memorandum.



Subsidiaries And Equity Investments

Significant Subsidiaries

The Company's principal direct and indirect subsidiaries are described below.

- **Europcar International SAS** ("**ECI**") is a French single-shareholder simplified stock company (*société par actions simplifiée*) with share capital of €110,000,000 as of December 31, 2014, the registered office of which is located at 2, rue René Caudron, Bâtiment OP, 78960 Voisins-le-Bretonneux, France, and registered with the Versailles Trade and Companies Register under number 542 065 305. The Company directly holds 100% of the share capital and voting rights of ECI. ECI's main role is as an operational holding company for the Group. It directly or indirectly holds some of the Group's subsidiaries and equity investments. At the date of this Offering Memorandum, ECI is the holder of the Group's principal trademarks (Europcar, Moving your way, ToMyDoor, ToMyCar and InterRent). It negotiates and manages the Group's international agreements and partnerships and manages and operates the principal information systems.

- **Europcar Holding SAS** is a French single-shareholder simplified stock company (*société par actions simplifiée*) with share capital of €10,200,080 as of December 31, 2014, the registered office of which is located at 2, rue René Caudron, Bâtiment OP, 78960 Voisins-le-Bretonneux, France, and registered with the Versailles Trade and Companies Register under number 428 713 937. The Company indirectly holds 100% of the share capital and voting rights of Europcar Holding SAS. Europcar Holding SAS directly or indirectly holds some of the Group's subsidiaries and centralizes the Group's finances.

- **Europcar France SAS** is a French single-shareholder simplified stock company (*société par actions simplifiée*) with share capital of €10,880,000 as of December 31, 2014, the registered office of which is located at 2, rue René Caudron, Parc d'Affaires "Le Val Saint Quentin", Bâtiment L, 78960 Voisins-le-Bretonneux, France, and registered with the Versailles Trade and Companies Register under number 303 656 847. The Company indirectly holds 100% of the share capital and voting rights of Europcar France SAS. Europcar France SAS's principal business is short-term automobile rental in France.
- **Europcar International SASU und Co OHG** is a German partnership with share capital of €56,210,000 as of December 31, 2014, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRA83202. The Company indirectly holds 100% of the share capital and voting rights of Europcar International SASU und Co OHG. Europcar International SASU und Co OHG is the Group's holding company in Germany.
- **Europcar Autovermietung GmbH** is a German limited liability company with share capital of € 23,010,000 as of December 31, 2014, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRB42081. The Company indirectly holds 100% of the share capital and voting rights of Europcar Autovermietung GmbH. Europcar Autovermietung GmbH's principal business is short-term automobile rental in Germany.
- **Europcar SA** is a Belgian limited liability corporation (*société anonyme*) with share capital of €4,185,000 as of December 31, 2014, the registered office of which is located at 281 rue Saint-Denis, 1190 Forest, Belgium, and registered with the Belgian Trade Register under number 0 413 087 168. The Company indirectly holds 100% of the share capital and voting rights of Europcar SA. Europcar SA's principal business is short-term, medium-term and long-term automobile rental in Belgium.
- **Europcar UK Ltd** is an English limited liability company with share capital of £137,148,000 as of December 31, 2014, the registered office of which is located at James House, 55 Welford Road, Leicester LE2 7AR, United Kingdom, and registered with the Registrar of Companies of England and Wales under number 875561. The Company indirectly holds 100% of the share capital and voting rights of Europcar UK Ltd. Europcar UK Ltd is the Group's holding company in the United Kingdom.
- **Europcar Group UK Ltd** is an English limited liability company with share capital of £30,001,000 as of December 31, 2014, the registered office of which is located at James House, 55 Welford Road, Leicester LE2 7AR, United Kingdom, and registered with the Registrar of Companies of England and Wales under number 1089053. The Company indirectly holds 100% of the share capital and voting rights of Europcar Group UK Ltd. Europcar Group UK Ltd's principal business is short-term automobile rental in the United Kingdom.
- **Europcar Italia S.p.A** is an Italian single-shareholder stock company with share capital of € 4,160,000 as of December 31, 2014, the registered office of which is located at 32 Corso Italia, 39100 Bolzane, Italy, and registered with the Bolzane Trade Register under number 207101. The Company indirectly holds 100% of the share capital and voting rights of Europcar Italia S.p.A. Europcar Italia S.p.A's principal business is short-term automobile rental in Italy.
- **Europcar Internacional Aluguer de Automoveis SA** is a Portuguese limited liability corporation with share capital of €2,244,600 as of December 31, 2014, the registered office of which is located at 17 Rua Carlos Alberto Mota Pinto, Lisbon, 10996095, Portugal and registered with the Lisbon Trade Register under number 500074135. The Company indirectly holds 100% of the share capital and voting rights of Europcar International Aluguer de Automoveis SA. Europcar Internacional Aluguer de Automoveis SA's principal business is short-term automobile rental in Portugal.
- **Europcar IB SA** is a Spanish company with share capital of €4,850,918.10 as of December 31, 2014, the registered office of which is located at 16-18 Avenida del Partenon, 2a planta, Campos de las Naciones, Madrid, 28042, Spain, and registered with the Madrid Trade Register under number 5999. The Company indirectly holds 100% of the share capital and voting rights of Europcar IB, SA. Europcar IB SA's principal business is short-term automobile rental in Spain.
- **CLA Trading Pty Ltd** is an Australian limited liability company with share capital of AUD 12.00 as of December 31, 2014, the registered office of which is located at 158 Mickleham Road—Tullamarine, Victoria, VIC 3044, Australia, and registered with the Victoria Trade Register under number ACN 282 220 399. The Company indirectly holds 100% of the share capital and voting rights of CLA Trading Pty Ltd. CLA Trading Pty Ltd's principal business is short-term automobile rental in Australia.

For a description of the Group's consolidated subsidiaries, see Note 33 "*Group Entities*" to the financial statements for the year ended December 31, 2014 in this Offering Memorandum.

Recent Acquisitions and Disposals of Subsidiaries

In the last quarter of 2014, through its French subsidiary Europcar France SAS, the Group acquired 100% of the shares of Europ Hall SAS for a price of €13,500,000.

Since 1978, Europ Hall had been a significant Europcar France franchisee in the Eastern region. It has approximately 40 stations and a fleet of 2,400 vehicles.

The Group also acquired a majority stake in Ubeeqo, a French startup formed in 2008 that provides car-sharing solutions for companies. As of the date of this Offering Memorandum, the Group holds 70.64% of Ubeeqo's share capital, with the remainder held by the company's founders. Ubeeqo does business in France and Belgium and is currently expanding into Germany. Ubeeqo also plans to expand into the United Kingdom and Southern Europe, and potentially into Australia, New Zealand and countries in Europe where Europcar benefits from a network of franchises to build a global footprint.

Equity Investments

As of the date of this Offering Memorandum, the Group holds 25% of the share capital and voting rights of Car2go Europe (GmbH). The Group also voted in favor of a capital increase of Car2go Europe to take place in 2015.

This equity investment, the only one considered significant for the Group, is recorded in "*equity-accounted investments*" in the Group's consolidated financial statements included in this Offering Memorandum.

EC Finance Plc

EC Finance Plc ("**ECF**") is a special purpose, autonomous financing vehicle formed in connection with the issuance of the EC Finance Notes (as defined in this Offering Memorandum). EC Finance Plc is the issuer of the EC Finance Notes. All of EC Finance Plc's ordinary shares are held by TMF Trustee Ltd, an English entity, in its capacity as trustee for the charitable trust established under English law. EC Finance Plc has no material operations. The Company is deemed to indirectly control EC Finance Plc, which is included in the Group's scope of consolidation. For more information on the EC Finance Notes, see "*Description of Certain Europcar Financing Arrangements—Financial Liabilities*".

Securitifleet Entities

Securitifleet S.A.S.U. and Securitifleet S.p.A are, respectively, 100% and 94% held by Securitifleet Holding SA, which in turn is controlled by State Street Administration Services Limited, a special purpose, autonomous vehicle governed by Irish law.

- **Securitifleet SASU** is a single-shareholder simplified stock company (*société par actions simplifiée*) with share capital of € 37,000 as of December 31, 2014, the registered office of which is located at 57, avenue de Bretagne, 76100 Rouen, France, and registered with the Rouen Trade and Companies Register under number 443 071 816. Securitifleet SASU is a special purpose, autonomous company set up in connection with the Group's securitization structure and has as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar France S.A.S.; and
- **Securitifleet S.p.A** is an Italian stock company with share capital of €120,000 as of December 31, 2014, the registered office of which is located at 32 Corso Italia, 39100 Bolzane, Italy, and registered with the Bolzane Trade Register under number 205586. Securitifleet S.p.A is a special purpose, autonomous company set up in connection with the Group's securitization structure and has as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar Italia S.p.A.

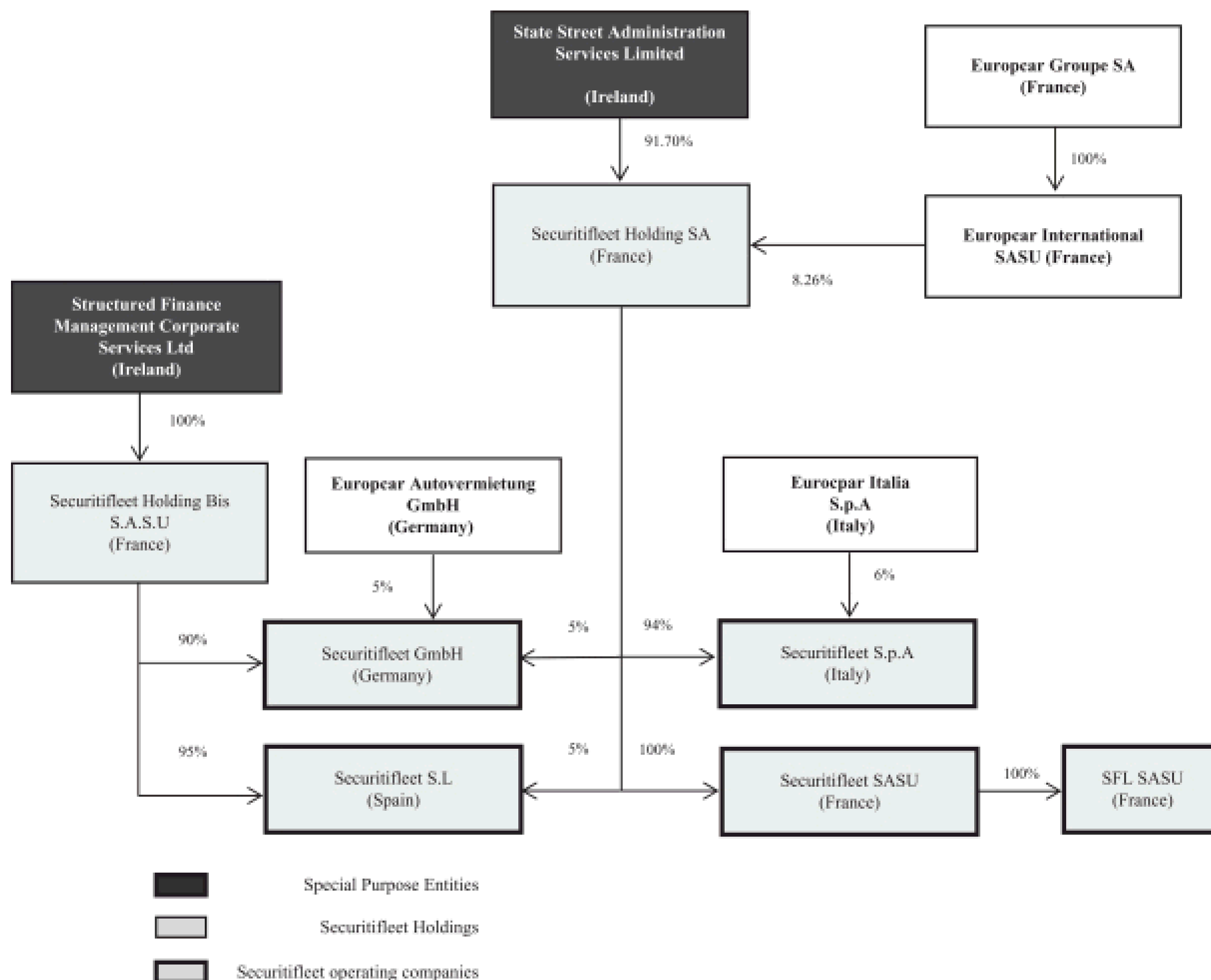
Securitifleet GmbH and Securitifleet S.L are, respectively, 90% and 95% held by Securitifleet Holding Bis SASU, itself controlled by Structured Finance Management Corporate Services Ltd, a special purpose, autonomous vehicle governed by Irish law.

- **Securitifleet GmbH** is a German limited liability company with share capital of €25,000 as of December 31, 2014, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRB 91341. Securitifleet GmbH is a special purpose, autonomous company set up in connection with the Group's securitization structure and has as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar Autovermietung GmbH;

• **Securitifleet S.L** is a Spanish limited liability company, the registered office of which is located at C/Trespaderne, 19 Madrid, Spain, registered with the Madrid Trade Register, Sheet M-310,150, Book 17,955, page 92, and holding Tax Identification Code B-83382549. Securitifleet S.L is a special purpose, autonomous company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar IB SA.

The above-mentioned Securitifleet entities are included in the Group's scope of consolidation.

The following organizational chart sets forth the legal organization of the Securitifleet Companies at the date of this Offering Memorandum.



Corporate Governance and Management

Composition of Management and Supervisory Bodies

The Company is a limited liability corporation (*société anonyme*) with a Supervisory Board and a Management Board, as of March 9, 2015. Before this date, the Company was a limited liability corporate (*société anonyme*) with a Board of Directors. A description of the main provisions of the bylaws that plans to adopt, subject to the listing of its shares on Euronext Paris relating to its functioning and powers, as well as a summary of the main provisions of the internal regulations of the Supervisory Board and the special committees of the Supervisory Board that the Company plans to adopt effective as of the listing date of the Company's shares on Euronext Paris, are included in "—*Functioning of Administrative and Management Bodies*".

Management Board

Composition of the Management Board

The table below shows the composition of the Management Board as of the date of this Offering Memorandum and the principal positions and offices held by the members of the Management Board outside the Company (whether inside or outside the Group) during the last five years.

Name; business address; number of Company shares held	Age	Nationality	Date of first Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
Philippe Germond 2 rue René Caudron, 78960 Voisins-le-Bretonneux Number of Company shares held: 1,292 Category C shares	58	French	March 9, 2015	March 8, 2019	Chairman of the Management Board	Positions and offices held as of the date of this Offering Memorandum: • Chairman of the supervisory board of Qosmos • Member of the board of directors of l'Ecole Centrale de Paris • Manager of Philippe Germond Conseil Positions and offices held during the last five years that are no longer held: • Chairman and CEO of PMU
Caroline Parot 2 rue René Caudron, 78960 Voisins-le-Bretonneux Number of Company shares held: 528 Category C shares	43	French	March 9, 2015	March 8, 2019	Member of the Management Board Deputy CEO, Finance (*Directeur Général Finance*) Chief Financial Officer and Officer in charge of Support Functions	Positions and offices held as of the date of this Offering Memorandum: • None Positions and offices held during the last five years that are no longer held: • Member of the executive committee of Technicolor[1]

Name; business address; number of Company shares held	Age	Nationality	Date of first Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
Kenneth McCall 77-85 Aldenhal Road Bushey Hertfordshire WD23 2QQ United Kingdom Number of Company shares held: 1,679 Category B Shares and 118 Category C Shares	57	British	March 9, 2015	March 8, 2019	Member of the Management Board Chief Operating Officer Head of the UK region, operations and information systems	Positions and offices held as of the date of this Offering Memorandum: • Non-executive member of the board of directors of SuperGroup plc Positions and offices held during the last five years that are no longer held: • None
Fabrizio Ruggiero Via Cesare Giulio Viola 48 00148 Rome Italy Number of Company shares held: 234 Category C Shares	45	Italian	March 9, 2015	March 8, 2019	Member of the Management Board Head of the Italy region and of mobility	Positions and offices held as of the date of this Offering Memorandum: • President of the Italian Association of Car Renters (ANIASA) • Member of the board of directors of Car2Go Europe GmbH Positions and offices held during the last five years that are no longer held: • General Manager of Leasys • Member of the executive committee of Fiat Group Automobiles

Biographical information about the members of the Management Board:

Philippe Germond, Chairman of the Management Board since March 9, 2015, joined the Group in October 2014 as CEO of the Company, a position he occupied until the Company was converted into a limited liability corporation (*société anonyme*) with a Supervisory Board and a Management Board. Before joining the Group, he had served since 2009 as Chairman and CEO of PMU, and before that as Chairman of Atos Origin (2007-2008), member of the management board of Atos Worldline (2006-2008), Chairman of Alcatel (2003-2005), Chairman and CEO of SFR—Cegetel (1995-2002) and member of the management board of Hewlett-Packard, where he began his career.

Mr. Germond is a graduate of the Ecole Centrale Paris—ECP Paris (1979) and holds an MS in management from Stanford University (1980).

Caroline Parot, a member of the Management Board since March 9, 2015 and Deputy CEO, Finance (*Directeur Général Finance*), joined the Group in 2011 and has served as its Chief Financial Officer since March 2012. Previously, she had occupied the positions of group management controller (2009-2011) and member of the executive committee (2010-2011) with the Technicolor group, and in particular was in charge of restructuring Thomson-Technicolor's debt. She also served as Technicolor's chief financial officer for the Technology sector (2008-2009) and as controller in the Department of Intellectual Property and License Management (2005-2008). Until 2005, she was an auditor with Ernst & Young, where she began her career in 1995.

Ms. Parot holds a DEA in Mathematical Economics from the Pantheon-Sorbonne University and a Masters in Finance from the Ecole Supérieure de Commerce de Paris. Ms. Parot also holds a DESCF (an accounting and financial diploma).

Kenneth McCall, a member of the Management Board since March 9, 2015 and Chief Operating Officer, joined the Group in November 2010 as Managing Director of Europcar Group UK. Mr. McCall is also a non-executive member of the board of directors of SuperGroup, a fashion brands distribution company operating a multichannel network of Internet sites, franchisees and licensees in 54 countries throughout the world.

Previously, he had served as Chief Executive of DHL Express UK & Ireland from 2008 to 2010, after having served as Managing Director in charge of network and operations at the European level for DHL Express from 2007 to 2008. Among his earlier positions, he served as Managing Director of The International Consulting Company (March-October 2007) and as Chief Executive Officer of TNT China (2004-2006), after having held the same positions at TNT Asia/Middle East/Africa/Indian Subcontinent from 1996-2004. He had been with TNT since 1979.

Mr. McCall completed all of his higher education in Scotland.

Fabrizio Ruggiero, a member of the Management Board since March 9, 2015, joined the Group in May 2011 and has served as Managing Director of Europcar Italy and as Head of Mobility Solutions for Europcar Groupe. From 2004 to 2011 he was General Manager of the Italian company Leasys, a company controlled by Fiat Group Automobiles and Crédit Agricole and a leader in "long-term commercial" rentals in Italy. Also at Leasys, he served as Director of Sales and Marketing from 2005 to 2007 and as Director of Operations from 2004 to 2005. Mr. Ruggiero had previously been a manager of Bain & Company Italy (Rome office) from 2000 to 2004 and a consultant with Accenture (Rome office) from 1997 to 2000.

He holds a Masters in business management from the MIP Politecnico di Milano (1999) and a management diploma from the Università degli Studi di Roma (1995).

Supervisory Board

Composition of the Supervisory Board

The table below shows the composition of the Supervisory Board as of the date of this Offering Memorandum and the main positions and offices held by the members of the Supervisory Board outside the Company (both inside and outside the Group) during the last five years.

Name; business address; number of Company shares held	Age	Nationality	Date of First Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
Patrick Sayer 32 rue de Monceau 75008 Paris Number of Company shares held: 0	57	French	February 24, 2015	Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2018	Chairman of the Supervisory Board	Positions and offices held as of the date of this Offering Memorandum: • Chairman of the Management Board of Eurazeo(1) • Member of the supervisory board of ANF Immobilier(1) • Managing Director of Legendre Holding 19 • Chairman of Legendre Holding 25, Legendre Holding 26, CarryCo Capital 1 and CarryCo Croissance • Manager of Investco 3d Bingen • Member of the board of directors of Accor(1) • Member of the board of directors of Tech Data Corporation(1) • Member of the board of directors of I-Pulse Positions and offices held during the last five years that

Name; business address; number of Company shares held	Age	Nationality	Date of First Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
						are no longer held: • Vice-Chairman of the supervisory board and then member of the board of directors of Rexel[1] (such position ending upon the general meeting of shareholders on May 27, 2015) • President and Vice-Chairman of the supervisory board of ANF Immobilier • Manager of Eurazeo Srl • Chairman and member of the board of directors of Europcar Groupe • Chairman and member of the board of directors of Holdélis • Member of the board of directors of Moncler Srl • Member of the board of directors of Sportswear Industries Srl • Member of the board of directors of Edenred • Member of the board of directors of Gruppo Banca Leonardo • Managing Director of Immobilière Bingen • Managing Director of Legendre Holding 8 • President of Eurazeo Capital Investissement • Member of the supervisory board of SASP Paris-Saint-Germain Football • Member of the advisory board of APCOA Parking Holdings GmbH

Name; business address; number of Company shares held	Age	Nationality	Date of First Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
Philippe Audouin 32 rue de Monceau 75008 Paris Number of Company shares held: 0	58	French	February 24, 2015	Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2016	Member of the Supervisory Board	Positions and offices held as of the date of this Offering Memorandum: • Member of the management board and chief administrative and financial Officer of Eurazeo[(1)] • Member of the supervisory board of ANF Immobilier[(1)] • Member of the supervisory board of Elis[(1)] • Member of the supervisory board of Eurazeo PME • Managing Director of Perpetuum MEP Verwaltung GmbH • Chairman of Ray France Investment • Chairman of LH APCOA • Chairman of Legendre Holding 19, Legendre Holding 21, Legendre Holding 27, Legendre Holding 29, Legendre Holding 30, Legendre Holding 35, Legendre Holding 36 Eurazeo Patrimoine, Eurazeo Patrimoine Aubervilliers and Legendre Holding 34 • Managing Director of Legendre Holding 25 • Managing Director of La Mothe • Managing Director of Eurazeo Capital Investissement • Managing Director of Eureka Participation • Managing Director of CarryCo Capital 1 • Managing Director of CarryCo Croissance • Chief Executive of Eurazeo Services Lux • Permanent representative of Eurazeo on the board of directors of SFGI Positions and offices held

Name; business address; number of Company shares held	Age	Nationality	Date of First Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
						during the last five years that are no longer held: • Vice-Chairman of the supervisory board of the B&B Hotels Group • Managing Director of Legendre Holding 33, Eurazeo Capital Investissement and Eureka Participations • Chairman of Legendre Holding 8, Legendre Holding 22, Legendre Holding 28, Legendre Holding 25, Legendre Holding 23, Legendre Holding 26, Legendre Holding 31 and Legendre Holding 32 • Chairman of Immobilière Bingen • Chairman of Rue Impériale Immobilier • Manager of Eurazeo Italia • Vice-Chairman of the supervisory board of APCOA Parking AG • Member of the advisory board of Apcoa Parking Holdings GmbH • Member of the board of directors of Holdélis • Member of the board of directors of Europcar Groupe
Armance Bordes 32 rue de Monceau 75008 Paris Number of Company shares held: 0	36	French	February 24, 2015	Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2015	Member of the Supervisory Board	Positions and offices held as of the date of this Offering Memorandum: • Member of the board of directors of Broletto 1 Srl • Manager of Euraleo Positions and offices held during the last five years that are no longer held: • Member of the board of directors of Lauro 2007 Srl • Member of the board of directors of Broletto 2 Srl
Jean-Charles Pauze	68	French	February 24, 2015	Annual Shareholders'	Member of the Supervisory	Positions and offices held as of the date of Offering

Name; business address; number of Company shares held	Age	Nationality	Date of First Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
2 rue René Caudron, 78960 Voisins-le-Bretonneux Number of Company shares held: 0				Meeting called to approve the financial statements for the fiscal year ending December 31, 2015	Board Independent member	Memorandum: • Chairman of the supervisory board of CFAO(1) • Independent member of the board of Bunzl Plc • Chairman of the supervisory board of IMCD NV Positions and offices held during the last five years that are no longer held: • Board member of Redcats • Chairman of the Management Board of Rexel(1) • Board member of Rexel France • President of Rexel North America, Inc. • Director (Geschäftsführer) of Rexel GmbH • Board member and Chairman of Rexel Holdings USA Corp. • Board member of Rexel Senate Limited • Chairman of the Supervisory Board of Hagemeyer • Manager of Rexel Deutschland Elektrofach grosshandel GmbH • Manager of Galatea Einhund-ertvierzigste Vermögensverwaltungs GmbH • Manager of Rexel Central Europe Holding GmbH • Board member of Rexel, Inc. • Board member of General Supply & Services, Inc. • Board member of Rexel Belgium. • President of Rexdir • Chairman and CEO of Rexel Distribution • Board member of Discodis

Name; business address; number of Company shares held	Age	Nationality	Date of First Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
						and CFP
Eric Schaefer 32 rue de Monceau 75008 Paris Number of Company shares held: 0	33	French	February 24, 2015	Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2017	Member of the Supervisory Board	Positions and offices held as of the date of this Offering Memorandum: • Member of the supervisory board of Legendre Holding 33 • Member of the supervisory board of Elis[(1)] • Member of the board of directors of the AX Positions and offices held during the last five years that are no longer held: • Member of the board of directors of Holdélis

(1) French listed companies.

Subject to the condition precedent of the listing of the Company's shares on Euronext Paris and as of the date thereof, the Company has appointed Ms. Virginie Fauvel and Ms. Angélique Gérard to the Supervisory Board.

Following an analysis of the independence criteria used by the Company and upon the recommendation of the Nominations and Compensation Committee, the Board determined that Ms. Fauvel and Ms. Gérard, as well as Jean-Charles Pauze, are (or will be, as the case may be) independent members of the Supervisory Board.

The table below shows the principal positions and offices held by these two new members of the Supervisory Board outside the Group in the past five years.

Name; business address; number of Company shares held	Age	Nationality	Date of First Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
Virginie Fauvel c/o Allianz 87, rue Richelieu 75113 Paris Cedex 02 Number of Company shares held: 0	40	French	February 24, 2015	Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2016	Member of the Supervisory Board Independent member	Positions and offices held as of the date of this Offering Memorandum: • Member of the Executive Committee of Allianz France • Member of the Conseil National du Numérique (French Digital Council) • Member of the board of directors of Allianz Vie • Member of the board of directors of Allianz Iard Positions and offices held during the last five years that are no longer held: • Member of the board of directors of Cortal Consorts
Angélique Gérard c/o Iliad 16, rue de la Ville l'Evêque	39	French	February 24, 2015	Annual Shareholders' Meeting called to approve the	Member of the Supervisory Board Independent	Positions and offices held as of the date of this Offering Memorandum: • Independent director of the

Name; business address; number of Company shares held	Age	Nationality	Date of First Appointment	Expiration date of term of office	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
75008 Paris Number of Company shares held: 0				financial statements for the fiscal year ending December 31, 2017	member	Association Française de la Relation Client (French Customer Relations Association) • Director of Customer Relations for the French Iliad Group • Chairwoman of nine subsidiaries of the Iliad Group Positions and offices held during the last five years that are no longer held: • N/A

The nomination of three additional independent members of the Supervisory Board, Mr. Jean-Paul Bailly, Mrs. Sandy Miller and Mr. Pascal Bazin, is expected to occur at the shareholders' meeting that will be held prior to the listing of the Company's shares on Euronext Paris, which would bring the proportion of independent members to more than one-half of the members of the Supervisory Board as from the listing of the Company's shares on Euronext Paris. Mr. Jean-Paul Bailly is expected to be appointed Chairman of the Supervisory Board.

The table below shows the principal positions and offices held by these new members of the Supervisory Board outside the Group in the past five years.

Name; business address; number of Company shares held	Age	Nationality	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
Jean-Paul Bailly 38 rue Gay-Lussac 75005 Paris Number of Company shares held: 0	68	French	Member of the Supervisory Board Independent member	Positions and offices held as of the date of this Offering Memorandum: • Board Member of Accor(1) • Board Member of Edenred(1) • Member of the Economic, Social and Environmental Council (CESE) • President of the Enterprise and Business Association • President of IMS-Entreprendre pour la cité Positions and offices held during the last five years that are no longer held: • Chairman of the board of directors of the Group La Poste • Chairman of the Supervisory Board of the Banque Postale • Chairman of the board of directors of Post-Immo • Chairman of the board of directors of Geopost

Name; business address; number of Company shares held	Age	Nationality	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
Sandy Miller 444 Seabreeze Blvd Ste. 1002 Daytona Beach, FL 32118 Number of Company shares held: 0	62	American	Member of the Supervisory Board Independent member	Positions and offices held as of the date of this Offering Memorandum: • Vice chairman of the board and founding director of Gateway Financial Holdings of Florida Inc. • Managing Partner of Basin Street Partners LLC Positions and offices held during the last five years that are no longer held: • Co-Chairman and co-CEO of Franchise Services of North America, Inc. • Member of the board of directors of Stonewood Holdings LLC

(1) French listed companies

Name; business address; number of Company shares held	Age	Nationality	Main position within the Company	Main positions and offices held outside the Company and Group during the last 5 years
Pascal BAZIN **49 Bis route de Montesson 78110 Le Vesinet Number of Company shares held: 0**	58	French	Member of the Supervisory Board Independent member	Positions and offices held as of the date of this Offering Memorandum: • Director of Darty plc • Director of Belron • Director of Camaleu • Manager of PB Consulting Positions and offices held during the last five years that are no longer held: • Chairman and Chief Executif Officer of Avis plc • Director of Belvédère[1]

(1) French listed companies

Biographical information about the members of the Supervisory Board

The information below relates to the current members of the Supervisory Board as well as to the appointees who will become members of the Supervisory Board as of the listing date of the Company's shares on Euronext Paris.

Patrick Sayer has been a member of the Supervisory Board since March 9, 2015. From 2006 until the Company became a limited liability corporation (*société anonyme*) with a management board and a supervisory board, he was a director of the Company.

He was previously a managing partner of Lazard Frères et Cie in Paris and a managing director of Lazard Frères & Co. in New York. In May 2002 he was named Chairman of the Management Board of Eurazeo. He is a former Chairman of the Association Française des Investisseurs pour la Croissance (French Association of Investors for Growth) (AFIC), a director of the Musée des Arts Décoratifs de Paris and a member of the Club des Juristes. He is also a commercial court judge with the Commercial Court of Paris.

Mr. Sayer is a graduate of the Ecole Polytechnique and of the Ecole des Mines de Paris.

Philippe Audouin has been a member of the Supervisory Board since March 9, 2015. From 2006 until the Company became a limited liability corporation (*société anonyme*) with a management board and a supervisory board, he was a director of the Company.

He spent the first 10 years of his career creating and developing his own business. After selling that business, Mr. Audouin served as CFO and legal representative ("Prokurist") of the first joint venture between France Telecom and Deutsche Telekom in Germany from 1992 to 1996. From 1996 to 2000, Mr. Audouin served as Financial, Human Resources and Administrative Director of France Telecom's Multimedia division. He was also a member of the supervisory board of Pages Jaunes. From April 2000 to February 2002, Mr. Audouin worked for the Arnault Group as CFO of Europ@Web. He joined Eurazeo in 2002 as Administrative and Financial Director and was appointed to its management board in March 2006. Mr. Audouin is a member of the supervisory boards and audit committees of ANF Immobilier, Elis and Eurazeo PME and is Chairman of the audit committees of ANF Immobilier and Eurazeo PME. He is also a member of the Consultative Commission of the Autorité des Normes Comptables (French Accounting Standards Authority), a member of the AMF's Issuers Committee and Chairman of the Association Nationale des Dirigeants Finance-Gestion (National Association of Finance and Management Executives) (DFCG).

Mr. Audouin is a graduate of the Ecole des Hautes Etudes Commerciales.

Armance Bordes has been a member of the Supervisory Board since March 9, 2015.

She joined Eurazeo in 2007, where she is Legal Director in charge of corporate law and corporate governance and is secretary of the supervisory board of Eurazeo. She is in charge of monitoring listed equity investments and has participated in several acquisitions and sales of listed companies, as well as in initial public offerings. She began her career in the mergers and acquisitions department at the Paris office of Gibson Dunn & Crutcher LLP. She then practiced law at Linklaters LLP in Paris.

Ms. Bordes is an attorney with a degree from Oxford University and a DEA in English and North American Business Law from the Panthéon-Sorbonne University.

Virginie Fauvel was appointed to the Supervisory Board subject to the condition precedent of the listing of the Company's shares on Euronext Paris.

She began her career in 1997 at Cetelem as the head of risk scoring and then as Director of CRM, before becoming Director of world Internet strategy in 2004 and then Director of the e-business France unit in 2006. She next joined BNP Paribas's retail bank in 2009, where she directed and developed the online bank before becoming Director of European online banks in 2012. In that capacity, in mid-2013 she launched HelloBank!, the first 100% mobile European bank. She joined Allianz France in July 2013 as a member of the Executive Committee in charge of Digital and Market Management. In January 2013 she was named a member of the Conseil National du Numérique (French Digital Council).

Ms. Fauvel is a graduate of the Ecole des Mines de Nancy.

Angélique Gérard was appointed to the Supervisory Board subject to the condition precedent of the listing of the Company's shares on Euronext Paris.

She joined the Iliad Group in 1999, after four years with France Telecom. She is currently Director of Customer Relations for the Iliad Group (Free & Free Mobile) and a member of Iliad's Executive Committee. She was manager of Memdis from 2003 to 2006, and is Chairwoman of nine subsidiaries of the French telecommunications group Iliad.

Angélique Gérard is a graduate of INSEAD, of the Ecole des Hautes Etudes Commerciales and of the Multimedia Institute.

Eric Schaefer has been a member of the Supervisory Board since March 9, 2015. From October 2014 until the Company became a limited liability corporation (*société anonyme*) with a management board and a supervisory board, he represented Eurazeo on the Company's Board of Directors.

He served as Director of Eurazeo Capital, which he joined in 2004. He participated in the analysis of several investment opportunities and monitored equity investments in various industrial and service sectors. At Eurazeo, he participated actively in the carrying out and monitoring investments in Eutelsat, B&B Hotels, Europcar, Elis and Asmodée.

Mr. Schaefer is a graduate of the Ecole Polytechnique and of the Ecole des Hautes Etudes Commerciales.

Jean-Charles Pauze has been a member of the Supervisory Board since March 9, 2015. From February 2012 until the Company became a limited liability corporation (*société anonyme*) with a management board and a supervisory board, he was Chairman of the Company's Board of Directors.

He had previously been CEO of Alfa Laval Industrie (1981-1984), Chairman and CEO of Bran & Luebbe, a German subsidiary of Alfa Laval (1984-1986), Chairman and CEO of Clestra-Hausermann (1986-1991), Chairman and CEO of Steelcase Strafor (1991-1998), Chairman of the management board of Guilbert (1998-2002), and Chairman of the management board of Rexel (2002-2012).

Jean-Charles Pauze holds an engineering degree from the IDN-EC of Lille and an MBA from the INSEAD.

Jean-Paul Bailly has devoted all of his career to Public Service, by participating in the management and running of two major public companies, the RATP and then La Poste. He started his career in 1970 at the Régie Autonome des Transports Parisiens (RATP). In 1978, he ran the Direction de la Coopération Française in Mexico. He joined RATP again in 1982, where he was notably Director of Bus Rolling Equipment, Director of the Metro and RER and Director of Human Resources. In 1990, he was named Deputy CEO and then CEO from 1994 to 2002. He has been CEO of La Poste from 2002 to 2013 and has served as its Honorary President since October 2013. He is also President of Entreprise et Personnel as well as of IMS-Entreprendre pour la Cité, Vice-President of Confrontations Europe and a member of the Board of Directors of Accor, Edenred, the Envol, the ANVIE, the Fondation Jean-Jacques Laffont-TSE, the Fondation de la 2ème chance and of Sciences-Po Aix. He is also a member of the Conseil Economique, Social et Environnemental since 1995.

Jean-Paul Bailly is a graduate of Ecole Polytechnique and MIT. He is an Officer of the French Legion of Honor and a Commander of the French National Order of Merit.

Sandy Miller has experience in the transportation and tourism industries and strong knowledge of the vehicle rental market. He started his career in 1979 at the vehicle rental company Budget Group, Inc. that he joined as North East Field Operation Manager, before becoming a franchisee of Budget Rent-a-Car from 1980 to 1987. Appointed as Chief Executive Officer of Team Rental Group in 1987, he notably supervised the acquisitions of Cruise America, VPSI, Premier Car Rental and Budget Rent-a-Car; he then served as President, Chief executive Officer and Chairman of Budget Group from 1997 to 2003, where he supervised the acquisition of Ryder TRS as well as the acquisition of Budget Group by Cendant Corporation. From 2003 to 2012, he served as Co-Chairman and Co-Chief Executive Officer of Franchise Services of North America, Inc., where he managed the acquisition of Advantage-Rent-a-Car, the merger with Rent a Wreck Capital and U-Save. He also served as member of the Board of Directors of the restaurant chain Stoonewood Holdings and of the State University of New York at Oswego Foundation and as President of the American Car Rental Association.

Sandy Miller is currently Managing Partner of the private investment firm Basin Street Partners that he founded in 2001 and since 2006 has been Vice Chairman of the Board & Founding Director of the bank Gateway Financial Holdings of Florida, Inc. He is also a management consultant at Gerson Lehrman Group since 2003.

Sandy Miller holds a *Bachelor of Science, Business* from the State University of New York, Oswego, NY.

Pascal Bazin was, from June 2014 until the transformation of the Company’s corporate structure to a structure with a management board and a supervisory board, a representative of the company PB Consulting on the board of directors of the Company. He started his career in 1980 in the management consulting firm Peat Marwick Mitchell. Pascal Bazin was founder and Chairman of PB Consulting, a consulting firm specialized in professional and strategic coaching and director (*administrateur*) of Darty Plc, Belron SA and Camaïeu. Pascal Bazin was Managing Director (*Directeur Général*) of Avis Europe Plc from January 2008 to December 2011, where he successfully managed the company’s recovery and led the development of the group towards new markets such as China and towards new mobility solutions such as car-sharing. He left his position at the end of 2011, following the transfer of his activity to Avis Budget Group, Inc. He had joined Avis Europe in 2005 after leaving Redcats, the third largest direct selling group in the world, where he was Managing Director (*Directeur Général*) of the specialized brands division (*division des marques spécialisées*) and Vice-President of Development/Strategy. Among his previous positions, he was Managing Director (*Directeur Général*) of many divisions of the cosmetic group Yves Rocher in Southern Europe and North America.

Pascal Bazin graduated from France’s *Ecole Polytechnique*.

Balance in the Composition of the Supervisory Board

As of the date of this Offering Memorandum, the Supervisory Board includes one independent member, Mr. Jean-Charles Pauze. The Nominations and Compensation Committee and the Supervisory Board have evaluated his independence pursuant to the criteria adopted by the Company. In particular, the Supervisory Board noted that, although he was Chairman of the board of directors between 2012 and 2015, Mr. Jean-Charles Pauze has never been Managing Director (*Directeur Général*) or held an executive position. He did not hold the position of interim Managing Director (*Directeur Général*) which was held by Mrs. Caroline Parot for a few months in 2014. Therefore, the Supervisory Board considered that his past mandate as Chairman of the board of the directors of the Company did not impact his independence, which was also considered in light of other independence-related criteria which were all satisfied.

As indicated above, the Company has appointed two other independent members to the Supervisory Board, subject to the condition precedent of the listing of the Company’s shares on Euronext Paris.

Also as a result of these nominations, as of the listing of the Company’s shares on Euronext Paris there will be three women on the Supervisory Board, representing 37.5% of members.

The nomination of three additional independent members of the Supervisory Board is expected subject to the listing of the Company's shares on the regulated market of Euronext Paris, after which the Supervisory Board will be composed of six independent members.

Other Members of Management

The Group has named one Chief Operating Officer.

In addition, the Group has established an Executive Committee and two other committees (a "Fast Lane" Committee and an Investment Committee) that assist the Management Board and the Executive Committee at the operational level with respect to the preparation and implementation of decisions and strategies decided by the Management Board.

a) Chief Operating Officer

Ken McCall is the Chief Operating Officer.

b) Executive Committee

The Group has established an Executive Committee, the principal mission of which is to coordinate the operational management of the Group and which meets monthly to review the Group's operational and financial performance, discuss strategic projects and business operations and to propose action plans to achieve the Group's short- and mid-term objectives.

The Executive Committee, presided by Philippe Germond, is composed of the heads of each country as well as operational managers, and the members of the Management Board:

Philippe Germond, Chairman of the Management Board
Caroline Parot, Deputy CEO, Finance (*Directeur Général Finances*), Chief Financial Officer and Officer in charge of support functions
Ken McCall, Chief Operating Officer, General Manager of Europcar UK
Fabrizio Ruggiero, Director of Innovation and Mobility and General Manager of Europcar Italy
Marcus Bernhardt, Group Commercial Director
Jacques Brun, Transformation Director and Director of Group Human Resources
Didier Fenix, General Manager of Europcar France, in charge of Group Fleet
Benoît Garel, Group Controller
Cyrille Giraudat, Group Marketing and Customers Director
José Maria Gonzalez, General Manager of Europcar Spain, in charge of InterRent
Paulo Moura, General Manager of Europcar Portugal
Reinhard Quante, General Manager of Europcar Germany
Ron Santiago, General Manager of Europcar Australia / New Zealand

Information about the four members of the Executive Committee who are also members of the Management Board is provided above. Information about the other members of the Executive Committee is set out below.

Marcus Bernhardt has been responsible for the Group's conformity since February 2013. He was previously the head of operations and responsible for conformity at international hotel groups and chief of security at Gulf Air Bahrain.

Jacques Brun has been Transformation Director of the Group since December 2012. He previously held various functions in the finance, logistics and human resource departments of several companies, in particular within Avis EMENA.

Didier Fenix is responsible for fleet and innovation at the Group since 2013. Didier Fenix rejoined the Group in 1992 and has held various functions with the management of Europcar Belgium.

Benoît Garel has been Group Controller since 2012. Benoît Garel joined the Group in 2008.

Cyrille Giraudat has been director of marketing and customers of the Group since December 2014. Previously, he was marketing and digital director at PMU, in charge of the PMU 2020 strategic plan and held different marketing functions within Thomson and Danone.

José-Maria Gonzalez has been General Manager of Spain at the Group since February 2010. He previously was director of operations for Spain since June 1995.

Paulo Moura has been General Manager of Portugal at the Group since 2005. He was previously Manager of Europcar Fleet Services.

Reinhardt Quante has been General Manager of Germany at the Group since January 2013. He previously was financial director of Central Europe and Eastern Europe within Ferrero.

Ron Santiago has been General Manager of Australia and New Zealand since 2008. He has 22 years of experience in the automobile industry.

c) Fast Lane Committee

A Fast Lane Committee has also been established. This Committee, presided by Jacques Brun, is mainly in charge of monitoring and the geographic and Group unit roll-out of the Fast Lane transformation program.

This committee relies on the project management function as well as the operational functions of the Group.

Meetings are held based on the advancement of roll-out projects within each relevant country or unit.

d) Investment Committee

The Group has also established an Investment Committee, the principal mission of which is to analyze, structure and validate the economic and financial balance of contracts with principal partners and investment projects other than those followed by the Fast Lane Committee.

The Group meets as often as necessary.

This Committee, presided by Caroline Parot, relies on the project management function, the group controlling the operational functions of the Group.

Statement relating to the members of the Supervisory Board and the Management Board

As of the date of this Offering Memorandum, to the Company's knowledge, there are no family relationships among the members of the Company's Supervisory Board and Management Board.

To the Company's knowledge, within the last five years: (i) none of the above persons has been convicted of fraud; (ii) none of the above persons has been associated with any bankruptcy, receivership or liquidation; (iii) no accusation or official public sanctions have been pronounced against any of the above persons by statutory or regulatory authorities (including designated professional bodies); and (iv) none of the above persons has been disqualified by a court from acting as a member of the administrative, management or supervisory body of any company, or from being involved in the management or performance of business of any company.

Conflicts of Interest

To the Company's knowledge, and subject to the relationships described in "*Certain Related Party Transactions"*, as of the date of this Offering Memorandum there are no potential conflicts of interest between the duties of the members of the Supervisory Board and the Management Board to the Company and their private interests.

To the Company's knowledge, as of the date of this Offering Memorandum there are no agreements or undertakings of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Company's Supervisory Board or Management Board has been appointed to such position.

As of the date of this Offering Memorandum and subject to (i) customary lock-up agreements to be entered into with the underwriters in connection with the listing of the Company's shares on Euronext Paris (a description of which will be included in the initial public offering prospectus); (ii) the shareholders' agreements described in "*Principal Shareholders—Shareholders' Agreement*" (which will be fully cancelled as from the listing of the Company's shares on Euronext Paris); and (iii) the AFEP-MEDEF Code's rules on the prevention of insider trading and its recommendations requiring retention of shares, the members of the Supervisory Board and of the Management Board have not agreed to any restrictions on the sale of their shares of the Company.

Terms of office of members of the Administrative and Management Bodies

The expiration dates of the terms of office of the members of the Company's Management Board and Supervisory Board are included in "*Business—Administrative, Management and Supervisory and Senior Management*".

The terms in office of the members of the Supervisory Board expire on a staggered basis in order to allow for the rolling renewal of the Supervisory Board's membership, in accordance with the recommendations of the AFEP-MEDEF Code.

Information on service contracts linking members of the administrative and management bodies to the Company or any one of its subsidiaries

To the Company's knowledge, there are no service contracts linking members of the Company's Supervisory Board with the Company or any of its subsidiaries and providing for the granting of benefits. Information with respect to the employment contracts of the Group's Management Board other than the Chairman are provided in "*Compensation of Each Member of the Management Board for Fiscal Years 2013 and 2014*".

Internal regulations of the supervisory board

Participation in Supervisory Board Meetings by Video Conference or Other Means of Telecommunications

Pursuant to applicable laws and regulations, the use of video conference or other means of telecommunication is authorized for any Supervisory Board meeting. The means used must enable real-time and continuous transmission of speech and, if applicable, video images of the members, who must be visible to everyone. These means must also permit each member to be identified and ensure their active participation in meetings.

Directors participating in a meeting by means of video conference or other means of telecommunication as described above are deemed present for purposes of calculating quorum and majority. The attendance sheet includes the names of members participating in the Supervisory Board meeting in such manner. The meeting's minutes must indicate the names of those Supervisory Board members deemed present in this manner. The minutes must also mention the occurrence of any technical difficulties that may have interfered with the meeting.

In accordance with Article L. 225-82 of the French Commercial Code and Article 19-III of the Company's bylaws, participation in Supervisory Board meetings by means of video conference or telecommunication is prohibited for votes on the following decisions:

- appointment or replacement of the Chairman or Vice-Chairman;
- appointment or removal of members of the Management Board; and
- closing the annual Company and consolidated financial statements and reviewing the Company and Group management reports.

Matters Reserved for the Supervisory Board

Article 20.IV of the bylaws adopted by the Company subject to the condition precedent of the listing of the Company's shares on Euronext Paris provides for limits to the powers of the Management Board. First, in accordance with applicable laws and regulations, the following acts are subject to the prior authorization of the Supervisory Board:

- the sale of real property;
- the total or partial sale of equity investments; and
- the granting of sureties, bonds, endorsements or guarantees.

The bylaws also provide that the following transactions relating to the Company require prior authorization:

- a proposal to the general shareholders' meeting to modify the bylaws;
- any draft resolution to the general shareholders' meeting relating to the issuance of share or other securities giving access, immediately or in the future, to the Company's share capital, and any use of such delegations granted by the general shareholders' meeting;
- any transaction in the Company's shares that could lead, immediately or in the future, to a capital decrease (not occasioned by losses) through a decrease in the par value or a cancellation of shares;
- any proposal to the general shareholders' meeting to implement a share buyback program;
- any proposal to the general shareholders' meeting to allocate the Company's results and to distribute dividends, as well as any distribution of an interim dividend;
- decisions to change the Company's business or to diversify the Group's activities in a manner involving investments of more than €15 million; and
- adopting the Company's annual budget and strategic plan.

The amounts referred to above may be revised upward by the Supervisory Board's internal regulations.

The bylaws also provide that the following transactions relating to the Company or to the subsidiaries it controls, within the meaning of Article L. 233-3 of the French Commercial Code, require prior authorization:

- implementing an option plan or allocating stock subscription or purchase options;

- implementing a free share grant plan or granting shares;
- any new debt or financing agreement where the transaction or agreement amount exceeds (i) €100 million in the case of asset-backed debt without any guarantee, with the exception of leasing agreements, and (ii) €25 million in all other cases;
- dispute settlement agreements in an amount exceeding €10 million;
- decisions to expand into new countries, whether directly, through the formation of a direct or indirect subsidiary, through equity investments or entry into joint-venture agreements or significant collaborations (that is to say, collaborations in which the assets contributed by any Group entity (including in cash) exceed a threshold of €15 million), as well as decisions to withdraw from any presence in a given country, except in the event of an emergency;
- the acquisition, expansion or sale of equity investments by the Company or by one of its subsidiaries in any companies created or to be created in an amount greater than €15 million;
- the entry into or substantial modification of agreements relating to the exclusive use by a third party of any mark owned by the Company or one of its subsidiaries (other than in connection with a franchise agreement or in the ordinary course of business);
- any other planned transaction (except for fleet purchase investments) not referred to in the list above, the investment amount of which is greater than € 10 million, to the extent that such investments are not included in the budget; and
- any decision to carry out a merger, spin-off, partial asset contribution or similar transaction involving the Company, and any vote within the Company's subsidiaries relating to a merger, spin-off, partial asset contribution or similar transaction, with the exception of intra-Group reorganizations.

The amounts referred to above may be revised upward by the Supervisory Board's internal regulations.

Any related-party agreement subject to Article L. 225-86 of the French Commercial Code also requires prior authorization.

Committees of the Supervisory Board

Pursuant to Article 20.VI of the Company's bylaws as adopted by the Extraordinary Shareholders' Meeting on February 24, 2015 subject to the condition precedent of the listing of the Company's shares on Euronext Paris, and pursuant to Article 10 of the Supervisory Board Internal Regulations, the Supervisory Board may form committees charged with examining questions submitted to them by the Supervisory Board or its Chairman. Prior to the transformation of the Company's governance, the Supervisory Board had two committees: an audit committee and a nominating and compensation committee.

On March 9, 2015, the Supervisory Board created an Audit Committee and a Nominations and Compensation committee, of which the composition, duties and rules of functioning are described below. The composition of these committees will comply with the recommendations of the AFEP-MEDEF Code.

Audit Committee

Duties (Article 1 of the Audit Committee's Internal Regulations)

The role of the Audit Committee is to monitor questions related to the preparation and the control of accounting and financial information and to monitor the efficiency of risk monitoring and operational internal control, in order to facilitate the Supervisory Board's work in controlling and verifying such matters. Within that framework, the Audit Committee carries out the following tasks:

(i) *Monitoring the preparation of financial information.*

The Audit Committee must examine the yearly and interim statutory and consolidated financial statements prior to their presentation to the Supervisory Board, to ensure the relevance and consistency of the accounting methods used in their preparation. The Audit Committee will also examine major transactions where a conflict of interest could be present, if needed. The Committee must provide its opinion as to any significant change in the accounting principles used by the Company in the preparation of its annual or interim consolidated financial statements, other than by reason of a change in IAS/IFRS standards.

The Committee must examine the scope of consolidation and, if applicable, the reasons for excluding particular entities.

The Audit Committee must examine provisions and their adjustments and all situations that could pose a serious risk to the Group, as well as all financial information and quarterly, half-year and annual reports on the

Company's business and all financial information released as a result of a specific transaction, such as an acquisition, merger or market transaction.

To the extent possible, this examination should take place at least two days before examination by the Supervisory Board.

The examination of the financial statements must be accompanied by a presentation by the statutory auditors highlighting the key points in the financial statements and accounting options used, as well as a presentation by the Chief Financial Officer describing the Company's risk exposure and significant off balance sheet commitments.

The Statutory Auditors must be consulted at Committee meetings reviewing the process for preparing financial information and reviewing the financial statements, in order to take into account their role and the conclusions that they reach.

This keeps the Committee informed of the principal areas of risk or uncertainty identified by the Statutory Auditors with respect to the financial statements, of their approach to auditing and of any difficulties they may encounter in performing their work.

(ii) *Monitoring the efficiency of internal control systems, internal audits and risk management related to financial and accounting information*.

The Audit Committee must ensure the relevance, reliability and implementation of procedures for internal control, identification, coverage and management of the Company's risks related to its business and to its accounting and financial information.

The Committee must also examine the risks and material off balance sheet commitments of the Company and its subsidiaries. The Committee should consult with the internal audit managers and regularly refer to the risk mapping. The committee must also give its opinion on the organization of the internal audit department and be familiar with its work agenda. The Audit Committee must receive internal audit reports or a periodic summary of such reports.

(iii) *Monitoring of statutory and consolidated financial statement audits by the Company's Statutory Auditors.*

The Audit Committee must remain informed of and monitor the Company's statutory auditors (including outside of the presence of the members of the Management Board), particularly their general work agenda, potential problems they may encounter in their work, improvements that they believe should be made to the Company's accounts or to other accounting documents, accounting irregularities, anomalies or inaccuracies that they may have discovered, uncertainties and significant risks relative to the preparation and treatment of accounting and financial information, conclusions drawn from observations and corrections about the period's results compared with those of the previous period, and significant weaknesses in internal control that they may have discovered.

(iv) *Monitoring of the Statutory Auditors' independence*

The Audit Committee must supervise the selection and renewal of the Statutory Auditors and submit the result of such selection to the Supervisory Board. It also issues a recommendation on the Statutory Auditors proposed for appointment by the general shareholders' meeting. Upon expiration of the term of a Statutory Auditor, the selection or the renewal of a Statutory Auditor may be preceded, upon proposal by the Audit Committee and decision by the Supervisory Board, by a call for tenders supervised by the Audit Committee.

In order for the Audit Committee to monitor the rules of independence and the objectivity of the Statutory Auditors throughout the duration of their term, the Audit Committee must receive each year:

- the Statutory Auditors' statement of independence;
- the amount of fees paid to the Statutory Auditors' network by companies controlled by the Company and its controlling entity for services that are not directly linked to the Statutory Auditors' assignment; and
- information about the services carried out for diligence purposes directly linked to the Statutory Auditors' assignment.

Furthermore, the Committee must examine, with the Statutory Auditors, the risks related to their independence and the preventative measures taken to mitigate these risks. In particular, it must ensure that the amount of the fees paid by the Company and the Group, or the share that such fees represent of the revenue of the firms and networks, are not likely to impair the Statutory Auditors' independence.

The statutory audit mission must be exclusive of any other work not related to that mission, pursuant to the statutory auditor code of ethics and professional standards. The selected Statutory Auditors must cease performing, on their behalf and on behalf of the network to which they belong, any legal, tax or information technology consulting that it has provided directly or indirectly to the company by which it has been selected, or companies controlled by that company. However, subject to prior approval from the Audit Committee, services that are accessory or directly complementary to auditing may be performed, such as acquisition or post-acquisition audits, but not any valuation or advisory services.

Composition (Article 10 of the Supervisory Board Internal Regulations)

In accordance with Article 10 of the Supervisory Board's Internal Regulations, the Audit Committee will comprise between three and five members chosen from among the members of the Supervisory Board. In order to comply with the AFEP-MEDEF Code's regulations, at least two-thirds of the Audit Committee's members must be independent. As of the date of this Offering Memorandum, it is expected that the Audit Committee will have three members, two of whom will be appointed from among the independent members of the Supervisory Board.

In accordance with applicable legal rules, the members of the committee must have specialized knowledge in finance and/or accounting. Upon their appointment, all members of the Audit Committee must receive information pertaining to the Company's accounting, financial and operational specificities.

The Audit Committee members' terms expire at the same time as their terms on the Supervisory Board, except that the Supervisory Board may at any time change the composition of the Committee and thus end the term of a Committee member.

The Chairman of the Audit Committee is appointed by the Supervisory Board from among the Committee's members, for his entire term as a member of the Committee.

Operation (Article 2 of the Rules of Procedure of the Audit Committee)

The Audit Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Audit Committee's recommendations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Audit Committee meets as often as necessary and, in any event, at least twice a year in connection with the Group's preparation of the annual and interim financial statements.

The Audit Committee's meetings are held prior to the meeting of the Supervisory Board and, to the extent possible, at least two days prior when the Audit Committee's agenda includes examination of interim or annual financial statements prior to their review by the Supervisory Board.

Minutes are prepared for each meeting, in the absence of other provisions, by the meeting's secretary appointed by the Committee's Chairman, under the authority of the Committee's Chairman. The minutes are sent to all members of the Committee. The Chairman of the Committee decides conditions pursuant to which it reports on its work to the Supervisory Board.

The Committee presents its work at the following Supervisory Board meeting.

Nominations and Compensation Committee

Duties (Article 1 of the Internal Regulations of the Nominating and Compensation Committee)

The Nominations and Compensation Committee is a specialized committee of the Supervisory Board, the principal role of which is to assist the Supervisory Board in composing the Company's management bodies and to determine and regularly evaluate the compensation and benefits received by the members of the Management Board, including deferred benefits and/or severance pay for voluntary or forced departure from the Group.

In that context, the Nominations and Compensation Committee carries out the following duties:

- *Proposing candidates for appointment to the Supervisory Board, to the Management Board and to Board committees and evaluating the candidacies of non-independent members of the Supervisory Board.*

The Nominations and Compensation Committee makes proposals for the appointment of members of the Supervisory Board (either by the general shareholders' meeting or by co-option) and of the Management Board and for the appointment of members and chairmen of each of the Supervisory Board's committees.

With respect to nominating independent members of the Supervisory Board, the Committee takes the following criteria into account: (i) the desired balance in the composition of the Supervisory Board in regard to the composition and the evolution of the Company's ownership, (ii) the proportion of men and women required by the regulations in effect, (iii) the advisability of renewing terms and (iv) the integrity, knowledge, experience, and independence of each candidate. The Nominations and Compensation Committee must also establish a procedure to select future independent members and make its own evaluations of potential candidates before any candidates are approached.

- *Annual evaluation of all positions held by members of the Supervisory Board*

Each year prior to the publication of the Company's annual report, the Nominating and Compensation Committee examines the status of each member of the Supervisory Board with regard to the rules on the holding of multiple offices and submits its findings to the Board so that the Board may examine the status of members as appropriate under these standards.

- *Examination and proposal to the Supervisory Board of all components and terms of compensation of the members of the Management Board*

The Nominations and Compensation Committee makes proposals that include fixed and variable compensation, as well as, if applicable, share subscription or purchase options, performance share allocations, retirement and pension plans, severance packages, benefits in kind and individual benefits and all other possible direct or indirect compensation (including long-term) that may be included in the compensation of members of the Management Board.

The Committee is informed of the compensation policy for the principal executives who are not corporate officers, as well as of the hiring and compensation of the members of the executive committee.

- *Evaluation and proposal to the Supervisory Board concerning allocation of attendance fees*

The Committee submits a proposal to the Supervisory Board with respect to the allocation of attendance fees and individual amounts of payments to the members of the Supervisory Board, taking into account their actual participation on the Board and on the committees of which they are members, the responsibilities undertaken and the time which they must dedicate to their duties.

The Committee also submits a proposal on the compensation allocated to the Chairman and Vice-Chairman of the Company's Supervisory Board.

- *Exceptional duties*

The Committee is consulted by the Supervisory Board to make recommendations on all exceptional compensation related to exceptional duties which may be given by the Supervisory Board to certain of its members.

Composition (Article 10 of the Supervisory Board Internal Regulations)

In accordance with Article 10 of the Supervisory Board's Internal Regulations, the Nominations and Compensation Committee of Europcar Groupe will comprise between three and five members chosen from among the members of the Supervisory Board. In order to comply with the AFEP-MEDEF Code's regulations, at least a majority of the Nominations and Compensation Committee's members must be independent. As of the date of this Offering Memorandum, it is expected that the Nominations and Compensation Committee will have three members, two of whom will be appointed from among the independent members of the Supervisory Board.

Committee members will be appointed by the Supervisory Board from among its own members, taking into consideration independence as well as experience in the selection and compensation of listed company executive officers. The Nominations and Compensation Committee may not include any senior executive or corporate officer of the Company.

The Nominations and Compensation Committee members' terms expire at the same time as their terms on the Supervisory Board, except that the Supervisory Board may at any time change the composition of the Committee and thus end the term of a Committee member.

The composition of the Committee may be modified by the Supervisory Board, acting at the request of its Chairman, and, in any event, must be modified in the event of a change in the general composition of the Supervisory Board.

The Chairman of the Nominations and Compensation Committee is appointed from among the independent members by the Supervisory Board, upon the proposal of the Chairman of the Supervisory Board.

The Committee's secretary is any person designated by the Chairman of the committee or with the Chairman's agreement.

Operation (Article 2 of the internal regulations of the Nominations and Compensation Committee)

The Nominations and Compensation Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Committee's recommendations with respect to compensation and nominations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Nomination and Compensation Committee meets as often as necessary and, in any event, prior to any meeting at which the Supervisory Board votes on the compensation of members of the Management Board or the allocation of attendance fees.

The Committee presents its work at the following Supervisory Board meeting.

Statement relating to Corporate Governance

As from the listing of its shares on Euronext Paris, the Company intends to comply with all of the recommendations of the Corporate Governance Code for Listed Companies of the AFEP and the MEDEF (the "**AFEP-MEDEF Code**"[1]).

Given that as of the filing date of this Offering Memorandum, no Company securities are listed on a regulated market, the Chairman of the Supervisory Board is not required to prepare the report provided for in Article 225-68 of the French Commercial Code on the composition of the Supervisory Board and the application of the principle of gender balance in the Board's composition, the terms for preparation and organization of the Board's work, and the internal control and risk management procedures implemented by the Group. This report will be prepared for the first time in respect of the first fiscal year during which the Company's shares shall be listed on Euronext Paris.

Internal Control

The Group's internal control system is intended to ensure:

• compliance with laws and regulations;

• application of the instructions and guidelines set by the Group's senior management;

• the proper functioning of the Company's internal processes, in particular those involved in protecting its assets; and

• the reliability of financial information.

It relies on the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COCO) as well as on international standards, as defined by the Institute of Internal Auditors (IIA), in particular.

The internal control system encompasses the following:

• *Organization/control environment*, including:

- An internal audit department

  The Group's internal audit department is composed of a Director of Group Internal Audit, a manager and three internal auditors. Previously, the Director of Internal Audit has reported to the CEO and to the Chairman of the Company's Board of Directors, as well as to the Audit Committee, which was appointed by the Board of Directors. When the Company's new corporate governance structure is instituted, the Director of Internal Audit will report to the Chairman of the Supervisory Board and to the Audit Committee appointed by the Supervisory Board. This link between internal audit and the Company's management will be supplemented by continuous access to and cooperation with the other members of the Company's Executive Committee.

In addition, there will be an operational link between the Group's Internal Audit Department and the local audit units of the operational subsidiaries, primarily dedicated to point of sale audits and operational site audits, including of local stations and franchisees.

[1] http://www.medef.com/fileadmin/www.medef.fr/documents/AFEP-MEDEF/Code_de_gouvernement_d_entreprise_des_societes_cotees_juin_2013_FR.pdf

This organization arises out a shared audit charter that has been in place between the Company and the Corporate Countries since 2010, the update of which is expected to be completed before the listing of the Company's shares on Euronext Paris.

The Group' Internal Audit Department provides the Group's management teams with reasonable assurances as to transactional oversight, gives it advice on improvements, and contributes to creating added value. It assists the Group's Executive Committee and the Corporate Countries in achieving their objectives by using a systematic and methodical approach to evaluating management risks, control risks and corporate governance, and making proposals to strengthen their effectiveness. It also promotes a strong internal control environment in order to increase oversight of risks and operations.

The Group's Internal Audit Department carries out risk mapping and updating at the Group level and at the subsidiary level on a rotating basis. The risk mapping is presented once a year to the Group's Executive Committee, which reviews it and examines actions and specific monitoring of certain risks. The main identified risks are then addressed or monitored specifically.

The Group's Internal Audit Department defines and executes, either on its own initiative or on the initiative of Group management, an annual audit plan that includes the international franchise network, internal control audits and any other advice or assurance assignment. It defines the framework for the Group's internal control and leads recurring compliance self-evaluation processes. In addition, the Group's Internal Audit Department consolidates the audits performed in the various Corporate Countries, and in particular those relating to transactions carried out by the different stations making up the Group's network. It works in close collaboration with the local audit teams for that purpose.

For the last two years, the Group's Internal Audit Department has asked Ernst & Young to conduct an annual audit of stations held by franchisees in order to ensure their compliance with the Group's rules.

The Group's Internal Audit Department is also in charge of running the fraud identification and prevention process throughout the Group. In 2015, this process will be reinforced through a fraud prevention plan that is currently being drafted.

Finally, in close collaboration with the external auditors, the Group's Internal Audit Department oversees the implementation of the audit recommendations and of high-priority action plans.

Following implementation of the Group's new corporate governance structure and when the Company's shares are listed on Euronext Paris, the Chairman of the Supervisory Board will be required to prepare (beginning with the fiscal year ending December 31, 2015) the report provided for in Article L. 225-68 of the French Commercial Code on the composition of the Supervisory Board and the application of the principle of gender balance in the Board's composition, the terms for preparation and organization of the Board's work, and the internal control and risk management procedures implemented by the Group.

- An internal control questionnaire

The Group has used an Internal Control Questionnaire (ICQ) for the past three years. It covers financial reporting procedures, operational oversight (such as contract management, franchises, agents and affiliates), functional oversight (such as legal, purchase, human resources, IT) and oversight of Group governance. The ICQ is currently being revised to take into account the new organization of oversight procedures in connection with the implementation of the Shared Services Center in Portugal.

- An annual statement signed by the management of the Group's companies

Each year, the executive officers of the Group's companies sign a compliance letter that lists and analyzes situations of non-compliance or risk of non-compliance, and then explains the corrective measures implemented during the fiscal year. The compliance letter also certifies that to the knowledge of the signing officer, all staff employed by that company during the fiscal year received training about the Group's ethics charter, conflicts of interest, the protection of personal data and competition law (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Risk Management*").

- *An intranet site*

The Group also maintains an intranet site that includes all internal procedures applicable to the Group's entities and is accessible to all such entities.

• *A risk management system*

Supervision of the internal control procedures includes an analysis of the results of controls carried out (identification and processing of incidents) and the evaluation of controls to ensure their relevance and adequacy for ensuring the control objectives. This supervision combines self-evaluations and audits (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Risk Management*").

Management Compensation

Compensation and benefits of Executives and Corporate Officers

In connection with the listing of its shares on Euronext Paris, the Company intends to comply with the Corporate Governance Code for Listed Companies of the AFEP and the MEDEF (the "AFEP-MEDEF Code") (see "*Corporate Governance and Management—Statement Relating to Corporate Governance*").

The tables below summarize the compensation and benefits of any kind paid to members of the Management Board and the Supervisory Board by (i) the Company; (ii) companies controlled by the Company; (iii) companies controlled by companies that control the Company; and (iv) companies that control the Company, all within the meaning of Article L. 233-16 of the French Commercial Code.

Summary of Compensation of Members of the Management Board[2] for Fiscal Years 2013 and 2014

The table below summarizes the compensation paid and options and shares granted to Mr. Philippe Germond and to Ms. Caroline Parot during the fiscal years ended December 31, 2013 and 2014, as the other members of the Management Board were not yet corporate officers in 2013 and 2014.

Table 1—Summary Table of Compensation and Options and Shares Granted to Each Member of the Management Board

(in euros)	2013	2014
Philippe Germond, Chairman of the Management Board *(see "Corporate Governance and Management")*		
Compensation due for the year	–	305,083
Valuation of stock options granted during the year	–	–
Valuation of performance shares granted during the year	–	–
Total	**–**	**305,083**
Caroline Parot, member of the Management Board		
Compensation due for the year *(see "Corporate Governance and Management")*	637,115	776,728
Valuation of stock options granted during the year	–	–
Valuation of performance shares granted during the year	–	–
Total	**637,115**	**776,728**

[2] In 2013 and 2014, the Company did not have a Management Board. Therefore, the members of the Management Board did not receive the compensation referred to below in such capacity.

Compensation of Each Member of the Management Board for Fiscal Years 2013 and 2014

The following table sets forth a breakdown of the fixed, variable and other compensation paid to Mr. Philippe Germond and Ms. Caroline Parot during the fiscal years ended December 31, 2013 and 2014.

Table 2—Summary Table of Compensation of Each Member of the Management Board

(in euros)	2014 Amounts due[4]	2014 Amounts paid[5]	2013 Amounts due[4]	2013 Amounts paid[5]
Philippe Germond, Chairman of the Management Board				
Fixed compensation[1]	150,000[2]	150,000	–	–
Variable compensation[1]	150,000[3]	–	–	–
Exceptional compensation[1]	–	–	–	–
Benefits in Kind	5,083[8]	5,083	–	–
Total	305,083	155,083	–	–
Caroline Parot, member of the Management Board[6]				
Fixed compensation[1]	321,252	321,252	291,258	291,258
Variable compensation[1]	317,236	302,617	302,617	–
Exceptional compensation[1]	135,000[9][10]	40,000	40,000	146,838
Benefits in Kind	3,240	3,240	3,240	3,240
Total	**776,728**	**667,109**	**637,115**	**441,336**

(1) Gross compensation before tax.

(2) Because Mr. Germond assumed his position at the beginning of the fourth quarter of 2014, this amount corresponds to his fixed compensation calculated on a pro rata basis.

(3) Because Mr. Germond assumed his position at the beginning of the fourth quarter of 2014, his variable compensation was fixed as a lump sum of €150,000.

(4) Compensation due in respect of relevant fiscal year, regardless of payment date.

(5) Compensation paid during fiscal year.

(6) This compensation was received under Mrs. Caroline Parot's employment contract with the Company.

(7) The compensation of the principal members of the Company's management has increased over the last three years primarily due to the payment of most of the variable compensation of the managers with respect to 2013, while no variable compensation was paid with respect to 2011 and only part of the variable compensation was paid with respect to 2012.

(8) These amounts do not include amounts corresponding to a driver's compensation.

(9) This amount corresponds to the additional compensation paid for the functions of interim chief executive officer of the Company for the months of July to September 2014.

(10) These amounts do not include the amounts paid with respect to the multiyear compensation plan established in 2013, described in "Business—Employees—Human Resources Policy", and which correspond to two times the fixed and variable annual compensation due with respect to 2013.

Compensation of Philippe Germond, Chairman of the Management Board

In consideration of his services to the Company, Mr. Germond receives annual fixed gross compensation of €600,000, payable in 12 monthly installments. In addition to this fixed compensation, he receives annual variable gross compensation that can represent between 100% and 150% of his fixed compensation (before applying the promotor score multiplying factor and for a maximum of 172.5% after applying such multiplying factor).

If the quantitative and qualitative objectives are not met, no variable compensation will be paid.

Mr. Germond's variable compensation is determined based on the achievement of quantitative and qualitative objectives.

For a given year, variable compensation based on the achievement of quantitative objectives equals between 75% and 125% of the fixed compensation of Mr. Philippe Germond. For 2015, the quantitative criteria were (i) the Group's EBITDA (this criterion represents 40% of fixed compensation if the base objective is achieved and can go up to 67%), (ii) cash (this criterion represents 15% of fixed compensation if the base objective is achieved and can go up to 25%) and (iii) the transformation (this criterion represents 20% of fixed compensation if the base objective is achieved and can go up to 33%).

The share of variable compensation based on the achievement of qualitative objectives may be up to 25% of his fixed compensation, depending on achievement of those objectives.

In addition, in the event the Group surpasses its promoter score objective by more than 10 points, a multiplying coefficient of 1.15x would be applied to the amount of the variable compensation and could amount to a maximum of 172.5% of the base fixed compensation. This multiplying coefficient varies based on the promoter score obtained up to 0.85x (at the lowest) in the event of performance that is 10 points lower than the Group's objective.

Mr. Germond does not have an employment agreement with the Company.

As from the listing of the Company's shares on Euronext Paris, if Mr. Germond's position is terminated he will receive severance pay in an amount to be determined based on the achievement of performance criteria and equal to a maximum of 18 months of total compensation.

Mr. Germond will receive no severance pay if he is terminated for cause. He will also receive no severance pay if he leaves his position with the Company in order to take a new position within the Group or if he will shortly become eligible for his retirement benefits.

Moreover, in the event that a Mr. Germond is bound by a non-compete obligation at the time his position with the Company is terminated, he will have the right to an annual payment in that regard in an amount equal to three (3) months of gross compensation (based on his average compensation over the course of the 12 months preceding the termination).

If he also receives severance pay (as described above), the combined non-compete payment and severance pay may not exceed the amount of fixed and variable compensation paid to him during the two years preceding his departure.

Mr. Philippe Germond also has the benefit of a company car with a driver and corporate office unemployment insurance.

Compensation of Caroline Parot, member of the Management Board

Mrs. Caroline Parot holds an employment contract with the Company for her role as Chief Financial Officer of the Group and does not receive any separate compensation for her role as member of the Company's Management Board.

Mrs. Caroline Parot receives, as part of her employment contract, an annual fixed gross compensation of €340,000, payable in 12 monthly installments. In addition to this fixed compensation, she receives annual variable gross compensation that can represent between 100% and 138% of her fixed compensation.

Mrs. Caroline Parot's variable compensation is determined based on the achievement of quantitative and qualitative objectives.

For a given year, variable compensation based on the achievement of quantitative objectives equals between a maximum of 80% and 100% of the fixed compensation for Mrs. Parot, depending on the level of achievement of these objectives. For 2015, the quantitative criteria were (i) the Group's EBITDA (this criterion represents 40% of fixed compensation if the base objective is achieved and can go up to 60%), (ii) cash (this criterion represents 20% of fixed compensation if the base objective is achieved) and (iii) the transformation (this criterion represents 20% of fixed compensation if the base objective is achieved.)

The share of variable compensation based on the achievement of qualitative objectives may be up to 20% of her fixed compensation, depending on achievement of those objectives.

If the quantitative and qualitative objectives are not met, no variable compensation will be paid.

The entirety of these criteria could represent a total of 120% of base variable compensation.

In addition, in the event the Group surpasses its promoter score objective by more than 10 points, a multiplying coefficient of 1.15x would be applied to the amount of the variable compensation and could amount to a maximum of 138% of the base fixed compensation. This multiplying coefficient varies based on the promoter score obtained up to 0.85x (at the lowest) in the event of performance that is 10 points lower than the Group's objective.

Mrs. Caroline Parot does not receive any fee or advantage that could be owed to her as part of the termination of her corporate mandate at the Company. However, a non-compete obligation for a duration of one year could be implemented by the Company in the event of the termination of Mrs. Caroline Parot's duties at the Company. For this non-compete obligation, Mrs. Caroline Parot would benefit from a fee equal to 50% of her fixed compensation.

Mrs. Caroline Parot also has the benefit of a company car.

Compensation of Mr. Kenneth McCall, member of the Management Board

Mr. Kenneth McCall holds an employment contract with Europcar UK for his role as Managing Director and does not receive any separate compensation for his role as member of the Company's Management Board.

Mr. Kenneth McCall receives, as part of his employment contract, an annual fixed gross compensation of £294,000, payable in 12 monthly installments. In addition to this fixed compensation, he receives annual variable gross compensation that can represent between 100% and 138% of his fixed compensation.

Mr. Kenneth McCall's variable compensation is determined based on the achievement of quantitative and qualitative objectives.

For a given year, variable compensation based on the achievement of quantitative objectives equals between a maximum of 80% and 100% of the fixed compensation for Mr. McCall, depending on the level of achievement of these objectives. For 2015, the quantitative criteria were (i) the Group's EBITDA (this criterion represents 20% of fixed compensation if the base objective is achieved and can go up to 30%), (ii) the Country EBITDA (this criterion represents 20% of fixed compensation if the base objective is achieved and can go up to 30%) and (iii) cash (this criterion represents 20% of fixed compensation if the base objective is achieved).

The share of variable compensation based on the achievement of qualitative objectives may be up to 20% of his fixed compensation, depending on achievement of those objectives.

If the quantitative and qualitative objectives are not met, no variable compensation will be paid.

The entirety of these criteria could represent a total of 120% of base variable compensation.

In addition, in the event the Group surpasses its promoter score objective by more than 10 points, a multiplying coefficient of 1.15x would be applied to the amount of the variable compensation and could amount to a maximum of 138% of the base fixed compensation. This multiplying coefficient varies based on the promoter score obtained up to 0.85x (at the lowest) in the event of performance that is 10 points lower than the Group's objective.

Mr. Kenneth McCall does not receive any fee or advantage that could be owed to him as part of the termination of his corporate mandate at the Company. However, a non-compete obligation for a duration of one year could be implemented by the Company in the event of the termination of Mr. Kenneth McCall's duties at the Group. For this non-compete obligation, Mr. Kenneth McCall would benefit from a fee equal to 50% of his fixed compensation.

Mr. Kenneth McCall also has the benefit of a company car.

Compensation of Mr. Fabrizio Ruggiero, member of the Management Board

Mr. Fabrizio Ruggiero holds an employment contract with Europcar Italia Spa for his role as *Direttore Generale* and does not receive any separate compensation for his role as member of the Company's Management Board.

Mr. Fabrizio Ruggiero receives, as part of his employment contract, an annual fixed gross compensation of €220,000, payable in 12 monthly installments. In addition to this fixed compensation, he receives annual variable gross compensation that can represent between 100% and 138% of his fixed compensation.

Mr. Fabrizio Ruggiero's variable compensation is determined based on the achievement of quantitative and qualitative objectives.

For a given year, variable compensation based on the achievement of quantitative objectives equals between a maximum of 80% and 100% of the fixed compensation for Mr. Ruggiero, depending on the level of achievement of these objectives. For 2015, the quantitative criteria were (i) the Group's EBITDA (this criterion represents 20% of fixed compensation if the base objective is achieved and can go up to 30%), (ii) the Country's EBITDA (this criterion represents 20% of fixed compensation if the base objective is achieved and can go up to 30%), (iii) cash (this criterion represents 20% of fixed compensation if the base objective is achieved) and (iv) the transformation (this criterion represents 20% of fixed compensation if the base objective is achieved.)

The share of variable compensation based on the achievement of qualitative objectives may be up to 20% of his fixed compensation, depending on achievement of those objectives.

If the quantitative and qualitative objectives are not met, no variable compensation will be paid.

The entirety of these criteria could represent a total of 120% of base variable compensation.

In addition, in the event the Group surpasses its promoter score objective by more than 10 points, a multiplying coefficient of 1.15x would be applied to the amount of the variable compensation and could amount to a maximum of 138% of the base fixed compensation. This multiplying coefficient varies based on the promoter score obtained up to 0.85x (at the lowest) in the event of performance that is 10 points lower than the Group's objective.

Mr. Fabrizio Ruggiero does not receive any fee or advantage that could be owed to him as part of the termination of his corporate mandate at the Company. However, a non-compete obligation for a duration of one year could be implemented by the Company in the event of the termination of Mr. Fabrizio Ruggiero's duties at the Group. For this non-compete obligation, Mr. Fabrizio Ruggiero would benefit from a fee equal to 50% of his fixed compensation.

Mr. Fabrizio Ruggiero also has the benefit of a company car.

An exceptional bonus will be paid to certain employees and corporate officers for the listing the Company's shares on Euronext Paris, including, for a maximum total amount of €3.8 million, to members of the Management Board, in accordance with the following conditions: 50% of these amounts will vest upon the listing of the Company's shares on Euronext Paris and will then be paid; the remaining 50% will be paid upon the first anniversary of the listing, subject to the person remaining within the Group at such date.

All or part of this exceptional bonus could be reinvested in Category D shares, the members of the Management Board having agreed to purchase Category D shares from Eurazeo, and which Category D shares Eurazeo has agreed to sell, upon signature of an underwriting agreement in connection with the listing of the Company on Euronext Paris.

In the context of the admission to trading of its shares on Euronext Paris, the Company plans to implement a Company share allocation plan for the benefit of the members of the Group's Executive Committee. The allocation of these free shares, with a two to three year vesting period, would be subject to the realization of the performance conditions linked to the Adjusted Corporate EBITDA and the Company's market performance, with respect to 2015, 2016 and 2017. More information will be given in the securities note.

The Company plans to implementat a free share plan, for the benefit of 100 principal managers of the Group, subject to performance and attendance conditions.

Attendance Fees and other Compensation Received by Members of the Supervisory Board during Fiscal Years 2013 and 2014

The following table sets forth the attendance fees and other compensation received by members of the Supervisory Board.

Table 3—Summary Table of Compensation of Each Member of the Supervisory Board

Members of the Supervisory Board	Gross Amounts Paid During Fiscal Year 2013 *(in euros)*	Gross Amounts Paid During Fiscal Year 2014 *(in euros)*
Patrick Sayer		
Attendance Fees	–	–
Other Compensations	–	–
Philippe Audouin		
Attendance Fees	–	–
Other Compensation	–	–
Armance Bordes		
Attendance Fees	–	–
Other Compensation	–	–
Jean-Charles Pauze		
Attendance Fees	–	–
Other Compensation	246,492	246,380
Eric Schaefer		
Attendance Fees	–	–
Other Compensation	–	–

Stock Subscription or Purchase Options Granted During 2014 to Each Member of the Management Board by the Company or Any Group Entity

No stock subscription or purchase options were granted to members of the Management Board during the fiscal year ended December 31, 2014.

Stock Subscription or Purchase Options Exercised During 2014 by Each Member of the Management Board

No members of the Management Board hold any subscription or purchase options. As a result, no such options were exercised by any member of the Management Board during the fiscal year ended December 31, 2014.

Performance Shares Allocated to Corporate Officers During Fiscal Year 2014

No performance shares were granted to any members of the Management Board during the fiscal year ended December 31, 2014.

Performance Shares Becoming Available During Fiscal Year 2014 for Each Corporate Officer

No performance shares became available to any members of the Management Board during the fiscal year ended December 31, 2014.

History of Allocation of Stock Subscription or Purchase Options and of Share Subscription Warrants (Bons de souscription d'actions, or "BSA")

No stock subscription or purchase options were granted during the fiscal years ended December 31, 2012 or 2013 and 2014.

No stock grant, subscription or purchase option plans are in effect as of the date of this Offering Memorandum.

Stock Subscription or Purchase Options Granted to the Top Ten Employees

	Total number of options granted/shares subscribed or purchased	Average weighted price	Plan
Options granted during the fiscal year by the issuer and any company of the Group whose employees were eligible for option grants to the ten employees of the issuer and any such company who received the highest number of such options (global information)	–	–	–
Options on the issuer and the companies previously mentioned exercised during the year by the ten employees of the issuer and such companies who purchased or subscribed for the greatest number of options (overall figure)	–	–	–

Employment Agreements, Retirement Payments, and Departure Compensation of Members of the Management Board

Table 10—Employment Agreements, Retirement Payments, and Departure Compensation of Members of the Management Board

Members of the Management Board	**Employment agreement**		**Supplemental pension plan**		**Severance or other benefits due or likely to become due as a result of termination or change of office**		**Compensation under a non-compete clause**	
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Philippe Germond Chairman of the Management Board Beginning of term: March 9, 2015 End of term: March 8, 2019		✓		✓	✓		✓	
Caroline Parot Member of the Management Board Beginning of term: March 9, 2015 End of term: March 8, 2019	✓			✓		✓	✓	
Kenneth McCall Member of the Management Board Beginning of term: March 9, 2015 End of term: March 8, 2019	✓		✓			✓	✓	
Fabrizio Ruggiero Member of the Management Board Beginning of term: March 9, 2015 End of term: March 8, 2019	✓			✓		✓	✓	

Supplemental Pension Plan

No members of the Management Board benefit from supplemental pension plans, except Kenneth McCall. Mr. McCall has subscribed to a pension plan and benefits from an annual cash payment by the Company in an amount equal to 16% of his fixed compensation pursuant to this plan.

Severance or other benefits due or likely to become due as a result of termination or change of office

As from the listing of the Company's shares on Euronext Paris, if Mr. Germond's position is terminated he will receive severance pay in an amount to be determined based on the achievement of performance criteria and equal to a maximum of 18 months of salary.

He will receive no severance pay if he is terminated for cause. Mr. Germond will also receive no severance pay if he leaves his position with the Company in order to take a new position within the Group or if he will be soon eligible for his retirement benefits.

No other member of the Management Board will be eligible for severance or other benefits a result of termination or change of officer.

Compensation under a non-compete clause

In the event that Mr. Germond is bound by a non-compete obligation at the time his position with the Company is terminated, he will have the right to an annual payment in that regard in an amount equal to three months of gross compensation (based on his average compensation over the course of the 12 months preceding the termination).

If he also receives severance pay (as described above), the combined non-compete payment and severance pay may not exceed the fixed and variable compensation paid to him during the two years preceding his departure.

Each of the other members of the Management Board may be bound by non-compete clauses in the event that their employment agreements with the Group are terminated. In that event, such member would receive an annual payment of 50% of his or her last year's fixed compensation.

Corporate officer Unemployment Insurance

The Company holds corporate officer unemployment insurance for Mr. Germond.

Principal Shareholders

The following is a presentation of our shareholding structure as of the date of this Offering Memorandum. Shortly after completion of the Offering, we intend to carry out an initial public offering of shares of EGSA, which will result in a significant dilution to the shareholding of our principal shareholders, who will remain our reference shareholders.

Shareholders

Principal Direct and Indirect Shareholders

As of the date of this Offering Memorandum, the Company is controlled by Eurazeo, which holds 87.5% of its share capital, both directly and indirectly through ECIP Europcar Sarl. The remainder of the share capital is held by ECIP Europcar Sarl, which holds 12.3% of the share capital, and by current and former employees and officers of the Group, who collectively hold 0.2% of the share capital.

Shareholding by Eurazeo and ECIP

As of the date of this Offering Memorandum, Eurazeo directly holds 89,947,696 ordinary shares, 150,810 Class B preferred shares, and 4,041 Class D preferred shares for a total of approximately 86.79% of the Company's share capital.

ECIP Europcar Sarl, a Luxembourg company formed for purposes of syndicating Eurazeo's investment in the Company, holds 13,480,307 ordinary shares, representing 12.98% of the Company's share capital.

Eurazeo was created by the 2001 merger of Gaz et Eaux, founded in 1881, and Eurafrance, founded in 1969. With close to €5 billion in diversified assets, Eurazeo is one of the largest listed European investment companies. Eurazeo is present in several sectors of the private equity market through its four business segments: Eurazeo Capital, Eurazeo Croissance, Eurazeo PME and Eurazeo Patrimoine.

Eurazeo is the majority or reference shareholder of Accor, ANF Immobilier, Asmodée, Elis, Foncia, and Moncler, as well as of smaller companies such as IES Synergy, Fonroche, Energie and of Eurazeo PME's equity investments.

Shareholding by officers and employees

Certain current and former members of the Group's senior management also hold Class B preferred shares (the "**Class B Shares**"). The Class B Shares will not be admitted to trading on Euronext Paris; only ordinary shares resulting from conversion, where applicable, of Class B Shares will be admitted to trading on Euronext Paris (see "*Principal Shareholders—Shareholders' Agreements*"). Certain senior executives and employees of the Group also hold "Class C" preferred shares (the "Class C Shares"), which shall not be admitted to trading on Euronext Paris.

Distribution of Share Capital and Voting Rights

Shareholders	Number of ordinary shares and voting rights	Number of Class B preferred shares[4]	Number of Class C preferred shares[4]	Number of Class D preferred shares[4]	Total number of shares	Percent
Eurazeo	89,947,696[1]	150,810[2]	–	4,041	90,102,547	86.79%
ECIP Europcar Sarl	13,480,307	–	–	–	13,480,307	12.98%
Executives and employees	–	231,232[3]	4,045	–	235,277	0.23%
Total	103,428,003	382,042	4,045	4,041	103,818,131	100%

(1) Including 346,607 shares issued by the Company on October 16, 2007 and later transferred to Eurazeo by Eureka Participations SAS in connection with a complete transfer of assets and liabilities.

(2) Of these shares, 41,025 Class B preferred shares acquired from Mr. Philippe Guillemot were placed in escrow pursuant to an order dated June 14, 2012 in a litigation relating to the sale price for the shares.

(3) Including 119,707 Class B preferred shares still held by former employees.

(4) The Class B, Class C and Class D preferred shares do not have voting rights.

The following changes to the Company's shareholding structure occurred during the last three fiscal years:

• Eurazeo subscribed for 4,041 Class D shares on May 15, 2015.

• Between February 27 and March 17, 2014, Eurazeo sold 18,398 Class B Shares to managers;

• On November 18, 2013, Eurazeo bought back 2,051 Class B Shares from a former manager;

- On February 1, 2013, Eurazeo subscribed for 23,824,156 shares in connection with the Company's capital increase of a nominal amount of €110,000,002.80 carried out through the issuance of 25,581,396 new ordinary shares issued at a price per share of €4.30;
- ECIP Europcar Sarl subscribed for 1,757,240 shares in the same capital increase; and
- On January 12, 2012, Eurazeo bought back 5,128 Class B Shares from a former manager.

Shareholders' Voting Rights

Each ordinary share of the Company has the right to one vote.

Class B, C and D Shares do not have voting rights.

The Company's bylaws, as modified effective as from the listing date of the Company's shares on Euronext Paris, will not exercise the right to derogate from the granting of double voting rights as provided for in Article L. 225-123 paragraph 3 of the French Commercial Code. Thus, the bylaws provide that double voting rights (as compared with the voting rights attached to other ordinary shares) will be granted to all shares that are fully paid up and have been held in registered form by the same holder for a continuous period of at least two years. The length of time that shares were held prior to the listing date of the Company's shares on Euronext Paris will not be counted towards the two-year holding period.

In accordance with Article L. 225-123 paragraph 2 of the French Commercial Code, in the event of a capital increase by incorporation of reserves, profits or share premium, double voting rights will be granted upon issuance to new ordinary shares allocated free of charge to a shareholder in respect of existing shares already carrying such rights.

Double voting rights may be exercised at any shareholders' meeting.

Any ordinary share that is transferred or converted into bearer form loses its double voting right. However, a transfer of ownership through inheritance, liquidation of marital property or inter vivos donation to a spouse or relative entitled to inherit does not result in the loss of an acquired double voting right and does not interrupt the two-year holding period.

Control of the Company

As of the date of this Offering Memorandum, the Company is controlled by Eurazeo, which holds 87.5% of its share capital both directly and indirectly through ECIP Europcar Sarl. The remainder of the share capital is held by ECIP Europcar Sarl, which holds 12.3% and by current and former employees and officers of the Group, who collectively hold 0.2% of the share capital.

Following the listing of the Company's shares on Euronext Paris, it is expected that Eurazeo will remain the Company's reference shareholder. As a result, the Company believes that there is no risk that control will be exercised in an abusive manner. In that regard, it is noted that at least half of the Supervisory Board will be composed of independent members, that each of the two specialized committees (the Audit Committee and the Nominations and Compensation Committee) will comprise at least two-thirds independent members, and that the Nominations and Compensation Committee will be chaired by an independent member of the Supervisory Board.

Shareholders' Agreements

Shareholders' agreements between Eurazeo and ECIP Europcar Sarl

A shareholders' agreement between Eurazeo and ECIP Europcar Sarl dated September 19, 2006 gives Eurazeo preemptive rights in the event of a tender offer by a third party for all or some of the Company's shares held by one or more investors. Pursuant to this agreement, the investors have full tag-along rights in the event that Eurazeo sells shares resulting in a change of control of the Company and *pari passu* rights to sell in the event of an initial public offering. This shareholders' agreement will be terminated automatically as from the listing of the Company's shares on Euronext Paris.

Management Agreement

On July 29, 2011, Eurazeo entered into a shareholders' agreement with certain of the Company's current and former executives and employees holding Class B Shares (the "**Management Agreement**"). This agreement, entered into for a term of 15 years, will be terminated automatically as from the listing of the Company's shares on Euronext Paris.

In addition to requiring Supervisory Board approval prior to certain management decisions, this agreement provides that shares of the Company held by senior executives are not transferable until the date on which Eurazeo publishes its results for the fiscal year ending December 31, 2015, except (i) in the event that an executive leaves the Group and Eurazeo is required to honor a previous agreement to purchase the executive's shares; (ii) in the event of the exercise

of tag-along rights in a sale of Eurazeo's shares (this right being full or proportional depending on whether or not the sale leads to a change of control of the Company); and (iii) if Eurazeo requires the executives to sell their shares in the event of an offer by a third party to acquire all of the shares held by Eurazeo.

Following the period of non-transferability, and for so long as the agreement is still in force, Eurazeo will have preemptive rights with respect to any planned sale of shares initiated by an executive.

The terms pursuant to which the holders of the Class B Shares will be able to sell their shares in connection with initial public offering will be described in the prospectus for the listing of the Company's shares on Euronext Paris.

Agreements likely to Lead to a change in control

As of the date of this Offering Memorandum, to the Company's knowledge, there are no agreements the performance of which could lead to a change of control at a later date.

Certain Related Party Transactions

Principal Related Party Transactions

The following significant transactions between the Company and related parties have been entered into or continued since January 1, 2012.

Subordinated loan agreement

On May 11, 2012, the Company and Eurazeo entered into a € 110 million subordinated loan agreement. The loan entered into pursuant to the agreement was capitalized at the time of the Company's capital increase, the completion of which was recognized by the Board of Directors on February 1, 2013.

Guarantee

The Company gave a joint and several guarantee for the benefit of a group of lenders (including Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG and Société Générale) to guarantee payment of the amounts due by the Group's borrowing entities (the Company, ECI, Europcar Holding SAS, Europcar Autovermietung GmbH, Europcar International SA und Co oHG, Europcar France SAS, Europcar SA and Europcar IB SA) pursuant to Section 26.1 of the Senior Revolving Facility Agreement entered into on May 31, 2006, as amended on February 28, 2007, March 26, 2010 and April 19, 2012 among the group of lenders, the Group borrowing entities and the guarantors (the borrowing entities and also Europcar UK Ltd., Europcar Italia SPA, and Europcar Internacional Aluguer de Automoveis SA) for an amount of €350 million, of which €201 million was outstanding as of December 31, 2014.

See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources*" for information on the pledges and securities granted by the Group entities in connection with the Group's financing.

Cash pooling agreement

On April 27, 2011, the Company (as a centralized entity) entered into a cash pooling agreement with Europcar Holding (as the centralizing entity) and certain Group entities, as centralized entities (ECI, Europcar Holding, the Company, Europcar France, Europcar Autovermietung GmbH, Europcar Italia, Europcar Internacional Aluguer de Automoveis SA, Eurocar IB SA and Europcar UK LLC) in order to optimize the cash requirements and surpluses of the Group's companies and to be able to negotiate optimal banking terms.

Loan agreement

The Company and ECI are parties to a loan of €144,122,000. This loan was initially granted by the Company to Europcar Holding, a subsidiary of ECI, for the acquisition of operating companies in the United Kingdom. In connection with the recapitalization of Europcar Holding in 2014, the Company transferred the loan to ECI. Since the loan transfer, ECI owes this amount to the Company. There is no plan to terminate this loan in connection with the admission to trading of the Company's shares on Euronext Paris.

Tax agreements

Since July 1, 2006, the Company and its direct and indirect French subsidiaries of which it holds more than 95% have formed a tax consolidation group. The Company created the group by entering into tax consolidation agreements with each of the member companies to govern the subsidiaries' contribution to the tax consolidation group's taxes, of which the Company is the sole taxpayer in its capacity as the parent company.

Since 2010, the Group has also maintained a second tax consolidation group in France, of which the parent company is Securitifleet Holding. This tax consolidation group includes two French companies (Securitifleet France and Securitifleet Location).

General services agreement signed by the Company

On September 28, 2006, the Company and ECI entered into a services agreement pursuant to which the Company provides ECI with its know-how regarding fleet organization, sales, marketing, communications, human resources management, accounting, finance, operations and legal services. In consideration of these services, ECI pays monthly compensation to the Company calculated using the cost-plus method. Under this agreement, the management fees for 2012 generated cash flows of €5,160,385 in 2013. Management fees for 2013 generated cash flows of €2,546,934 in 2013 and of €1,175,866 in 2014. It is expected that the management fees for 2014 will be billed at €2,960,000 in the first semester of 2015. This agreement is automatically renewable each year, with a three months' prior notice period before each renewal date.

General service agreements with Eurazeo

The Company and Eurazeo have entered into agreements for the provision of certain services. These services include support functions relating to finance and cash management, financial disclosure, investor relations, budget and forecast modeling, monitoring and application of rules, human resources and other mutually agreed-upon services. Eurazeo did not invoice any services to the Company during the years ended December 31, 2012, 2013 or 2014, as no services were rendered during those years under this agreement (see Note 32 "Related Parties" to the Group's Consolidated Financial Statements included in this Offering Memorandum). The Company will cease to be a party to these agreements as from the listing date of the Company's shares on Euronext Paris.

Agreements signed by ECI

ECI entered into license agreements for the Europcar trademarks with the Group's operational companies in 2001 and with the Australian and New Zealand subsidiaries in 2009. In 2013, ECI entered into license agreements for the InterRent trademark with the operational entities using that trademark (in the United Kingdom, Spain, Portugal, France and Germany). Under these agreements, ECI receives royalties based on a percentage of the operational entities' revenues (2.75% for the Europcar trademark and 1% for the InterRent trademark). The operational entities have the right to sub-license the trademarks with ECI's approval. The agreement relating to the Europcar trademark has a term of five years, with automatic renewal each year. The agreement relating to the InterRent trademark has a term of two years, renewable automatically for one-year periods.

ECI has also entered into international franchise agreements in more than 150 countries, for which payment consists of trademark royalties in varying amounts depending on the franchisee and the services rendered.

ECI entered into general service agreements with each of the operational entities in 2011. The services rendered relate in particular to senior management, finance, human resources, legal, sales and marketing, fleet management, procurement and customer service. In consideration of these services, the operational entities pay monthly compensation to ECI calculated using the cost-plus method (as defined in the OECD transfer pricing guidelines). Amendments have been entered into to account for changes since 2011 in the departments and services that make up ECI.

ECI entered into an information services agreement with the operational entities effective as from November 1, 2014. In consideration of these services, the operational entities pay monthly compensation to ECI calculated using the cost-plus method (as defined in the OECD guidelines). Prior to November 1, 2014, information services were provided by the Europcar Information Services European Economic Interest Grouping ("**EEIG**"). The operational entities contributed a percentage of their revenues and in return had access to various services rendered by the EEIG. The EEIG was converted into a general partnership (*société en nom collectif*) in November 2014 and then merged into ECI through a complete transfer of assets and liabilities as of January 1, 2015.

For a description of transactions with companies over which the Company has significant influence, see Note 32(b) "Related Parties" to the Group's Consolidated Financial Statements included in this Offering Memorandum.

Description of Certain Europcar Financing Arrangements

Principal elements of the Group's financial debt

The following table presents a summary of the Group's financial debt (on balance sheet and the estimated debt equivalent of fleet operating leases off-balance sheet) as of December 31, 2014. Each financing is described below under "*Corporate Financing Arrangements*" or "*Fleet Financing Arrangements*".

In millions of € Financing arrangement	On or off-balance sheet	Collateral or Asset-backed	Corporate or Fleet Financing	Amount at December 31, 2014		Interest Rate Before the Refinancing	Maturity	Expected impact of the Refinancing
				Current	Long-term			
Outstanding Subordinated Notes Due 2017	On balance sheet	Yes (in particular, pledge of ECI shares held by Europcar Groupe SA) (Guaranteed by certain subsidiaries)	Corporate	–	324.0	11.5%	2017	Repayment from the net proceeds of the initial public offering of EGSA
Outstanding Subordinated Notes Due 2018	On balance sheet	No	Corporate		400.0	9.375%	2018	Repayment from the net proceeds of the Notes offered hereby
Existing Senior Revolving Credit Facility	On balance sheet	Yes (pledge of certain assets, including trademarks)	Corporate and Fleet	201.0		Euribor plus a margin that varies based on a leverage ratio (3.25% at the date of this Offering Memorandum)	2017[(1)]	Replacement (extension of the maturity, change in principal amount and margin, elimination of the pledges of the trademarks following the listing of the Company's shares)
Of which the financing of the FCT Junior Notes	On balance sheet	–	Fleet	65.5	–		2017[(2)]	Amendment
Capitalized financing agreement transaction costs	–	–	Corporate and Fleet	(17.0)	(31.2)	–	–	–
Accrued interest			Corporate and Fleet	21.3	–	–	–	–

In millions of € Financing arrangement	On or off-balance sheet	Collateral or Asset-backed	Corporate or Fleet Financing	Amount at December 31, 2014		Interest Rate Before the Refinancing	Maturity	Expected impact of the Refinancing
				Current	Long-term			
SARF/FCT Senior Notes	On balance sheet	Yes (Securitifleet Collateral)	Fleet	417.6	–	Euribor plus a margin that varies based on financing by FCT Junior or FCT Senior Notes and certain events (between 2.20% to 2.75% ; 3.25% in case of certain breaches)	2017	Amendment (extension of maturity, change in principal amount and margin)
EC Finance Notes	On balance sheet	Yes (Securitifleet Collateral)	Fleet	–	350, 0	5.125%	2021	–
UK fleet financing	On balance sheet	Yes	Fleet	351.0	–	Mainly LIBOR + 2%	Various dates[(4)]	–
Asset financing in Australia and New Zealand	On balance sheet	Yes	Fleet	102.7	–	Various conditions depending on the lenders	Renewed annually	–
Asset financing in Portugal	On balance sheet		Fleet	21.6	–	Various conditions depending on the lenders	Renewed annually	–
Other debt	On balance sheet		Fleet	9.8	0.3	–	–	–
Bank overdrafts	On balance sheet		Corporate and Fleet	19.5	–	Eonia+ 0.75%	–	–
Total gross on-balance sheet debt				1,127.5	1,043.1		**–**	**–**
Estimated debt equivalent of fleet operating leases off-balance sheet[(3)]	Off-balance sheet	–	Fleet	1,284.1	–	–	Essentially renewed annual, including the CM-CIC is under negotiation	–

(1) The Existing Senior Revolving Credit Facility's maturity was April 19, 2015, subject to two one-year extension options, which the lenders may individually accept or reject, and a final maturity date of April 19, 2017. The two extension options have been exercised and therefore the current maturity of the Existing Senior Revolving Credit Facility with respect to the lenders which have approved the extension is April 19, 2017. One lender, representing a commitment of € 22.5 million, did not approve the extension and exited the SRCF on April 19, 2015. On May 12, 2015, the Company signed a New Senior Revolving Credit Facility amounting to €350 million, which will enter into effect after the satisfaction of certain conditions precedent. The proceeds from the New Senior Revolving Credit Facility will be used to repay the entire outstanding amount of the Existing Senior Revolving Credit Facility.

(2) The FCT Junior Notes are issued by the FCT and subscribed by ECI which finances them through cash on hand at the Company and drawdowns under the Existing Senior Revolving Credit Facility. These notes finance the amount that is not financed by the SARF and the EC Finance Notes.

(3) The estimated debt equivalent of fleet operating leases off-balance sheet represents the carrying amount of the vehicles concerned and is calculated based on the purchase prices and depreciation rates of corresponding vehicles (based on contracts with manufacturers).

(4) See "Fleet Financing Arrangements—Europcar UK Group Fleet Financing" below for more information.

The Group uses various financing arrangements to fund the acquisition of its fleet and other non-fleet financing needs. The Group's non-fleet (or "corporate") financing is currently composed primarily of senior subordinated notes and the Existing Senior Revolving Credit Facility (the "**SRCF**"). The Group's fleet financing consists primarily of the Senior Asset Revolving Facility (the "**SARF**") and the related securitization, senior secured notes, operating lease arrangements and specific UK and Australian/New Zealand fleet financing facilities. The Group's main financing arrangements are described below, with the corporate financing arrangements described first followed by a description of the fleet financing arrangements.

Crédit Agricole Corporate and Investment Bank (formerly known as CALYON), Deutsche Bank AG, London Branch, BNP Paribas, RBS, Lloyds, HSBC, Crédit Industriel et Commercial and Société Générale, and certain of their affiliates, among other lenders, are the main lenders of the Group.

The Refinancing

We are currently engaged in a significant reorganization of our balance sheet, which includes the following financing and refinancing transactions:

- the issuance of the Notes offered hereby;
- the use of proceeds from the issuance of the Notes to redeem in full the Outstanding Subordinated Notes Due 2018;
- the execution, on May 12, 2015, of the New Senior Revolving Credit Facility, which is expected to enter into effect after satisfaction of certain conditions precedent and the use of proceeds thereof to repay and retire the Existing Senior Revolving Credit Facility;
- the completion of the initial public offering of EGSA;
- the use of a portion of the proceeds from the issuance of ordinary shares in our initial public offering to redeem in full the Outstanding Subordinated Notes Due 2017;
- the amendment of our Senior Asset Revolving Facility primarily to extend the maturity thereof and to lower the overall interest cost thereof; and
- the amendment of certain of our interest rate swap agreements.

Corporate Financing Arrangements

Outstanding Subordinated Notes

Europcar Groupe SA has two outstanding series of senior subordinated notes (together the "**Outstanding Subordinated Notes**") as follows:

- €400,000,000 9.375% Senior Subordinated Unsecured Notes Due 2018 (the "**Outstanding Subordinated Notes Due 2018**"); and
- €324,000,000 11.5% Senior Subordinated Secured Notes Due 2017 (the "**Outstanding Subordinated Notes Due 2017**").

The Outstanding Subordinated Notes Due 2018 will be redeemed in full with the proceeds from this offering. The Outstanding Subordinated Notes Due 2017 will be redeemed in full with a portion of the proceeds from the initial public offering of the shares of Europcar Groupe SA.

New Senior Revolving Credit Facility

The New Senior Revolving Credit Facility was entered into on May 12, 2015 with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit du Nord, Crédit Industriel et Commercial, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC France, Société Générale, among other lenders (the "**NSRCF Lenders**") and will enter into effect upon the satisfaction of certain conditions precedent. Upon closing of the New Senior Revolving Credit Facility, which is expected to occur by the end of June 2015 the Existing Senior Revolving Credit Facility will be refinanced in full. The New Senior Revolving Credit Facility consists of a € 350 million senior secured revolving credit facility providing for loan advances ("**NSRCF Advances**") or issuance of letters of credit (the "**NSRCF Letters of Credit**"), denominated, in both cases, in euro, UK pounds sterling or US dollars, or such other currencies as may be agreed upon with the lenders, in a total aggregate principal amount of €350 million outstanding at any one time and available from time to time under certain conditions to Europcar Groupe and ECI and certain operating companies of the Group. The New Senior Revolving Credit Facility is divided into two sub-facilities: a €250 million sub-facility which may be utilized solely by way of NSRCF Advances (the "**Revolving Sub-Facility**") and a € 100 million sub-facility which may be utilized by way of NSRCF Advances or issuance of NSRCF Letters of Credit (the "**L/C Sub-Facility**"). The maximum aggregate amount of the NSRCF Letters of Credit shall not exceed €100 million. The available amount of the New Senior Revolving Credit Facility is equal to the total commitments under the New Senior Revolving Credit Facility, less any Excess Securitization Amount. Unless stated otherwise, capitalized terms set forth and used in the remainder of this section entitled "New Senior Revolving Credit Facility" have the same meaning as set forth in the New Senior Revolving Credit Facility.

Europcar Groupe will be entitled to request from time to time additional revolving commitments ("**Incremental Commitments**") in an aggregate principal amount of not more than €100,000,000 provided that certain conditions are satisfied, and in particular, without limitation: (i) no event of default has occurred and is continuing under the New Senior Revolving Credit Facility; (ii) prior to a Qualifying Listing (as defined below), the Leverage Ratio (as defined below) as of the most recent Quarter Date is less than 3.5 to 1.0; (iii) the Incremental Commitment is permitted, *inter alia*, by the indenture governing the New Notes, the indentures governing the Outstanding Subordinated Notes Due 2018, the Outstanding Subordinated Notes Due 2017 and the EC Finance Notes and the SARF; and (iv) if the Incremental Commitments are to be incurred by way of a separate tranche, (x) the commitment fee and the margin (and any applicable ratchet) on such tranche does not exceed the margin on the facility by more than 1.0 percent, and (y) the maturity date of such tranche is not earlier than of the maturity date of the facility (as such date may be extended, as the case may be).

The Incremental Commitment may be provided (i) either by way of increase of the Revolving Sub-Facility commitments or the L/C Sub-Facility commitments or (ii) by way of a separate tranche ("**Incremental Facility Tranche**"). It may be only by way of NSRCF Advances.

A "**Qualifying Listing**" refers to any Listing of all or part of the share capital of Europcar Groupe on any public exchange or public market provided that:

(i) following such listing, the Leverage Ratio (x) as at the immediately preceding Quarter Date (pro-forma for the repayment of financial indebtedness occurring on or about the date of such Listing) or (y) within six (6) months following such Listing, is less than 2.00:1; and

(ii) the proceeds of such listing are used to, *inter alia*, redeem in full the Outstanding Subordinated Notes Due 2017.

A "**Quarter Date**" means any of March 31, June 30, September 30 and December 31 of each year.

The "**Leverage Ratio**" on any Quarter Date means the ratio of Total Net Debt (as defined in the New Senior Revolving Credit Facility) on such Quarter Date to Corporate EBITDA (as defined in the New Senior Revolving Credit Facility) for the period of twelve months ending on such Quarter Date.

"**Total Net Debt**" is equal to, without double counting, the aggregate outstanding amount of the Notes offered hereby, less the financing arrangement costs capitalized linked to the such notes, (ii) amounts outstanding under the NSRCF Advances less the FCT Junior Notes, (iii) the bank overdrafts drawn by Europcar Holding (iv) for the UK, Australia and New Zealand, the gross fleet debt minus fleet net book value and (v) any other financing not dedicated to vehicles fleet financing and minus (vi) certain cash (excluding the cash of the Securitifleet Companies) and cash equivalents.

"**Excess Securitization Amount**" means the portion of any Securitization proceeds received by any member of the Group which exceeds in aggregate € 50,000,000.

"**Securitization**" means any factoring programs, receivables securitizations or other receivables financings of the Group on a recourse basis not to exceed an aggregate amount of €150,000,000.

The purpose of the New Senior Revolving Credit Facility will in particular be to provide funding for (i) working capital and general corporate purposes of the Group, (ii) interest payments due by Europcar Groupe or any other obligor, (iii) repayment of inter-company loans, and (iv) permitted acquisitions, it being specified that the New Senior Revolving Credit Facility may not be used to finance the prepayment, repayment, purchase, defeasance or redemption of Outstanding Subordinated Notes Due 2018, the Outstanding Subordinated Notes Due 2017 or the New Notes. See "*Use of Proceeds*".

NSRCF Advances

NSRCF Advances under the New Senior Revolving Credit Facility will be available to Europcar Groupe, ECI, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar International S.A.S.U. und Co. OHG, Europcar France S.A.S., and Europcar IB S.A.U., as original borrowers, and under certain conditions, other subsidiaries of Europcar Groupe (each a "**NSRCF Borrower**"); *provided, however*, that borrowings by Europcar Groupe under the facility will be limited to €50 million prior to a Qualifying Listing.

NSRCF Advances will be available in euro, UK pounds sterling or US dollars or such other currencies requested by the Borrowers and as are agreed by the Agent provided that such currency is available and freely convertible into euro in the wholesale market for the relevant currency on the relevant dates of quotation and utilization.

NSRCF Letters of Credit

NSRCF Letters of Credit may be issued under the New Senior Revolving Credit Facility at the request of an NSRCF Borrower.

NSRCF Letters of Credit may be issued in euro, UK pounds sterling or US dollars or such other currencies requested by the Borrowers and as are agreed by the Agent provided that such currency is available and freely convertible into euro in wholesale market on the relevant dates of quotation and utilization.

The aggregate amount of the NSRCF Letters of Credit issued shall not exceed € 100 million.

The expiry date of the NSRCF Letters of Credit falls on or before thirty (30) calendar days before the maturity date of the facility (as extended, as the case may be).

The term of the NSRCF Letters of Credit is 12 months or less or, in respect of NSRCF Letters of Credit, the aggregate amount of which do not exceed €30,000,000, 18 months or less.

Guarantors

Guarantees have been granted by Europcar Groupe, ECI, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar France S.A.S., Europcar International S.A.S.U. und Co. OHG, Europcar IB S.A.U., Europcar Italia SpA and Europcar UK Limited.

In addition, other subsidiaries of Europcar Groupe may accede, under certain conditions, to the New Senior Revolving Credit Facility as guarantors in the future.

Interest

The interest rates per annum applicable to NSRCF Advances under the New Senior Revolving Credit Facility will be based on EURIBOR (or LIBOR for drawings in currencies other than euro), plus a borrowing margin, it being specified that EURIBOR or LIBOR will be deemed equal to zero in the event of a negative interest rate.

The margin will be 2.75% with respect to an NSRCF Advance to any NSRCF Borrower if the Leverage Ratio is equal to or greater than 2.0 to 1.0, or 2.50% if no event of default has occurred and is continuing under the New Senior Revolving Credit Facility and the Leverage Ratio in respect of the most recent twelve-month period ending on a Quarter Date is less than 2.0 to 1.0.

Maturity; repayments

The New Senior Revolving Credit Facility will mature three years from the effective date of the New Senior Revolving Credit Facility (the "**NSRCF Maturity**"). In the event, however, that a Qualifying Listing or a refinancing of the Outstanding Subordinated Notes Due 2018 occurs prior to February 15, 2018, with notes having a maturity expiring five years after the effective date of the New Senior Revolving Credit Facility, the NSRCF Maturity will be five years from the effective date of the New Senior Revolving Credit Facility.

Each NSRCF Advance must be repaid on the last day of the interest period relating thereto but may be repaid by way of a new Advance. Each NSCRF Advance repaid (except pursuant to a mandatory prepayment), will thereafter be available for redrawing until one month prior to NSCRF Maturity. All NSCRF Advances must be repaid at the NSCRF Maturity.

Mandatory prepayment

Subject to certain exceptions, the New Senior Revolving Credit Facility will be subject to mandatory prepayment and cancellation in full:

• on a change of control; or

• following the Listing (other than a listing of Europcar Groupe or a Qualifying Listing); or

• on a disposal of all or substantially all of the assets of the Group.

Furthermore, if, at any time, as a result of any Securitization, the outstanding amount of the NSRCF Advances and NSRCF Letters of Credit exceed the available amount of the Facility, the Borrowers must repay (without cancellation) within 3 Business Days the outstanding NSRCF Advances up to such excess amount or reduce the amount of the Securitisation proceeds. The Borrowers shall be entitled to redraw any NSRCF Advances which has been so repaid.

A "**change of control**" for this purpose means (i) prior to the listing of the shares of Europcar Groupe, Eurazeo or any member of the Eurazeo Group ceasing to control (within the meaning of Article L 233-3 of the French Commercial Code) directly or indirectly Europcar Groupe and (ii) after the listing of the shares of Europcar Groupe, any person or group of persons acting in concert (within the meaning of Article L. 233-10 of the French Commercial Code) (other than Eurazeo or a member of the Eurazeo Group) obtaining the direct or indirect control within the meaning of Article L 233-3 of the French Commercial Code of the share capital or voting rights of Europcar Groupe.

Cancellation

Undrawn amounts under the New Senior Revolving Credit Facility may be canceled by Europcar Groupe at any time in whole or in part on five business day prior notice. Cancellation in part must be for a specified minimum amount of €10 million.

Security

The New Senior Revolving Credit Facility will be secured, subject to certain security consideration principles, by (a) a first ranking pledge of (i) the shares of ECI and the shares of certain direct or indirect subsidiaries of ECI (Europcar Holding SAS, Europcar France, Europcar IB S.A.U. and Europcar International S.A.S.U. und CO OHG) (ii) bank accounts of Europcar Groupe, ECI, Europcar Holding SAS, Europcar France, Europcar International S.A.S.U. & Co. OHG, Europcar IB S.A.U., Europcar Autovermietung GmbH, Europcar Italia SpA as well as by (b) assignments by way of security or first ranking pledges over intra-group receivables under certain cash-pooling arrangements entered into between Europcar Holding SAS as cash pool manager and other subsidiaries of Europcar Groupe.

In the event of a Qualifying Listing, all the security interest mentioned above (other than those granted over the shares in material companies or the receivables under the cashpooling arrangements) may be released at the request of Europcar Groupe.

Fees and Commissions

Europcar Groupe will pay (i) fees on the unused revolving loan commitments of the Lenders, (ii) letter of credit participation fees on the outstanding amount of each Letter of Credit, (iii) a fronting fee to the issuing bank of each Letter of Credit, and (iv) other customary fees in respect of the New Senior Revolving Credit Facility (including arrangement fees, coordination fees and agency fees).

Ranking

The New Senior Revolving Credit Facility ranks senior to the Outstanding Subordinated Notes and any other subordinated indebtedness of each NSRCF Borrower. On the Completion Date, the New Senior Revolving Credit Facility will rank *pari passu* with the Notes offered hereby.

The New Senior Revolving Credit Facility will rank *pari passu* with the hedging transactions in right of payment and in relation to security securing the New Senior Revolving Credit Facility (except the senior ranking pledge of the shares of ECI mentioned above which does not secure the hedging transactions).

The New Senior Revolving Credit Facility ranks at least *pari passu* with all amounts owed to unsecured creditors, subject to payables that benefit from a higher rank under applicable law or an intercreditor agreement.

Financial covenant

The ratio of cash flow to total debt service shall at no time be less than 1.10:1.

Total debt service will be defined as the aggregate of the interest and associated fees during any given 12 month period plus repayment of financial liabilities, the latter being subject to certain limitations.

Covenants

Subject to agreed exceptions, materiality tests, grace periods and carve-outs, covenants include in particular (but are not limited to) (i) a negative pledge undertaking in respect of assets of Europcar, (ii) (prior to a Qualifying Listing only) restrictions on the granting of loans by Europcar Groupe members, (iii) a limitation on financial indebtedness, (iv) (prior to a Qualifying Listing only) a limitation on the granting of guarantees, (v) a restriction on the payment of dividends, share issues, payments to shareholders and investor debt, (vi) restrictions on disposals of assets, (vii) restrictions on mergers and (prior to a Qualifying Listing only) joint ventures, and (viii) limitations on permitted acquisitions and investments.

Events of Default

The New Senior Revolving Credit Facility contains, subject to agreed exceptions, materiality tests, grace periods and carve-outs, customary events of default including (i) non-payment of principal, interest or fees, (ii) violation of covenants, (iii) material inaccuracy of representations or warranties, (iv) cross default and cross acceleration to certain other material indebtedness, (v) certain bankruptcy events, (vi) material invalidity of subordination under the intercreditor agreement or security interest, (vii) a material audit qualification and (viii) the occurrence of a material adverse event.

Governing Law

The New Senior Revolving Credit Facility is governed by French law.

The Intercreditor Agreement

The Intercreditor Agreement governing certain matters relating to the pledge over the financial securities account to which are credited shares of ECI owned by EGSA, as it relates to the creditors under the New Senior Revolving Credit Facility and the holders of the Notes, will be in effect on the Completion Date. The Intercreditor Agreement will provide that the Notes will rank *pari passu* with the New Senior Revolving Credit Facility Indebtedness and any additional First Lien Debt and that the Common Transaction Security will rank and secure first the New Senior Revolving Credit Facility Indebtedness and second the liabilities owed by EGSA to the Noteholders and any Additional Second Lien Debtholders.

Certain provisions of the Intercreditor Agreement are summarized below. Capitalized terms used in this section and not defined herein have the meanings given to them in the Intercreditor Agreement.

References in this section to the"**Common Transaction Security**" are to the financial securities account of EGSA to which are credited the shares of ECI owned by EGSA, which security is pledged on a second-ranking basis in favor of the Trustee and the Noteholders (potentially the Additional Second Lien Debtholders) and on a first-ranking basis in favor of the lenders under the New Senior Revolving Credit Facility and the Senior Agent (and potentially the Additional First Lien Debtholders). References in this section to the "**Priority Creditor Only Transaction Security**" are to any security under the New Revolving Credit Facility and any Hedging Agreement (which security does not include the Common Transaction Security). References in this section to "**Transaction Security**" are collectively to both the Common Transaction Security and the Priority Creditor Only Transaction Security. The Hedging Counterparties do not benefit from any pledge over the Common Transaction Security, and neither the Trustee nor the Noteholders (nor any Additional Second Lien Debtholders) benefit from any pledge over the Priority Creditor Only Transaction Security.

Ranking and Priority

Liabilities Owed to Creditors

The liabilities owed by EGSA and/or its subsidiaries (the "**Debtors**") to the Senior Creditors, the Trustee, the Noteholders, any Additional First Lien Debtholders, any Additional Second Lien Debtholders and the Intra-Group Lenders (as defined below) will rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

(a) first, the liabilities under the New Senior Revolving Credit Facility, any Additional First Lien Debt, the Hedging Agreements, the Notes and any Additional Second Lien Debt, *pari passu* and without any preference between them; and

(b) second, the Intra-Group Liabilities (as defined below).

Transaction Security

(a) The Priority Creditor Only Transaction Security will rank and secure the liabilities owed by EGSA and its subsidiaries to the Senior Creditors, the Hedge Counterparties and any Additional First Lien Debtholders pari passu and without any preference between them (but only to the extent that such Priority Creditor Only Transaction Security is expressed to secure those Liabilities) but with the order of application described under "*Application of Proceeds*" below; and

(b) The Common Transaction Security will rank and secure:

(i) first, the liabilities owed by EGSA and the other Debtors to the Senior Creditors pari passu and without any preference between them but with the order of application described under "*Application of Proceeds*" below; and

(ii) second, the liabilities owed by EGSA to the Noteholders and any Additional Second Lien Debtholders *pari passu* and without any preference between them but with the order of application described in "*Application of Proceeds*" below.

Intra-Group Liabilities

Certain intra-group liabilities (the "**Intra-Group Liabilities**") owed to EGSA or any Borrower or Subsidiary RCF Guarantor to any member of the Group (the "**Intra-Group Lenders**") are postponed and subordinated to the Liabilities owed by the Debtors to the Senior Creditors, the Hedge Counterparties, the Additional First Lien Debtholders, the Noteholders and the Additional Second Lien Debtholders.

Security

(a) As between the Senior Creditors and/or any Additional First Lien Debtholders (the "First Lien Debt Creditor"), the First Lien Debt Creditors may take, accept or receive the benefit of:

(i) any additional security if, and to the extent legally possible, at the same time it is also offered either:

(A) to the Security Agent as agent (*mandataire*) and/or trustee for the other First Lien Debt Creditors and/or the Hedge Counterparties (the "**Priority Creditors**") in respect of their liabilities; or

(B) in the case of any jurisdiction in which effective security cannot be granted in favor of the Security Agent as agent (*mandataire*) and/or trustee for the Priority Creditors:

(x) to the other Priority Creditors in respect of their liabilities; or

(y) to the Security Agent under a parallel debt structure for the benefit of the other Priority Creditors,

and ranks in the same order of priority as that contemplated under "*Transaction Security*" above; and

(ii) any guarantee, indemnity or other assurance against loss in addition to those in the New Senior Revolving Credit Agreement, the Intercreditor Agreement or any other guarantee, indemnity or assurance given to the Senior Creditors if and to the extent legally possible, at the same time it is also offered to the other Senior Creditors in respect of their liabilities and ranks in the same order of priority as described under "*Ranking and Priority*" above.

(b) The Noteholders and any Additional Second Lien Debtholders may not take, accept or receive the benefit of:

(i) any additional security in addition to the Common Transaction Security; or

(ii) any guarantee, indemnity or other assurance against loss unless, at the same time, it is also offered to the Priority Creditors in respect of their liabilities and ranks in the same order of priority as described under "*Ranking and Priority*" above.

Proposed Enforcement Action

Consultation period

Pursuant to the Intercreditor Agreement, no agent (including the Trustee and the agent for the Senior Creditors under the New Revolving Credit Facility (the "**Senior Agent**"), the Security Agent or other Secured Creditor) may take any Enforcement Action (as defined below) pursuant to paragraph (c) of the definition thereof unless either:

(a) an insolvency event has occurred in respect of EGSA or a Guarantor, which under the terms of the Indenture, any Hedging Agreement (as defined below), the New Senior Revolving Credit Facility Agreement, any document governing any additional First Lien Debt (as defined below) or any document governing any Additional Second Lien Debt (as defined below), as the case may be, entitles it to take Enforcement Action; or

(b) following compliance with the following paragraph, the relevant 30-day standstill period has expired.

Where any of the Security Agent, Senior Agent, Trustee, Noteholders or Additional First Lien Debtholders (or their representatives) proposes to take any Enforcement Action pursuant to paragraph (c) of the definition thereof which, under the terms of the New Senior Revolving Credit Facility Agreement, Hedging Agreements, Indenture, any document governing Additional First Lien Debt or any document governing my Additional Second Lien Debt (as the case may be), it is otherwise entitled to take (save in the circumstances set out in clause (a) of the prior paragraph), it must, prior to taking any Enforcement Action, give 30 days' prior written notice of its intention to take such Enforcement Action to the Senior Agent, the Security Agent, the Trustee and the representative for each series of Additional First Lien Debt and the representative of each series of Additional Second Lien Debt (as applicable), and on expiry of such 30-day period (or such shorter period as the Senior Agent, the Trustee, the representative for each series of Additional First Lien Debt agree in writing), each of the Security Agent, Senior Agent, Trustee and the representative for each series of Additional First Lien Debt and the representative for each series of Additional Second Lien Debt will be permitted to take such Enforcement Action as it is otherwise entitled to take, regardless of whether it or another party gave the notice.

During any such 30-day period the Senior Agent, the Security Agent, the Trustee and the representative for each series of Additional First Lien Debt and the representative for each series of Additional Second Lien Debt agree in good faith (but without prejudice to their respective rights at the end of such 30-day period) to consult with each other as to any proposed Enforcement Action.

The Security Agent may refrain from enforcing the Transaction Security or taking any other Enforcement unless instructed otherwise by the Instructing Group (as defined below).

Subject to the Transaction Security having become enforceable in accordance with its terms, the Instructing Group may give or refrain from giving instructions to the Security Agent as to the Enforcement of the Transaction Security as they see fit; provided that the instructions as to Enforcement given by the Instructing Group are consistent with the Enforcement Principles described in the agreement and provided further that if Enforcement Action has been taken which appears likely to result in the occurrence of an insolvency event, the Instructing Group or the Note/Additional Second Lien Required Holders (to the extent permitted by the agreement) shall instruct the Security Agent to commence Enforcement sufficiently promptly so as not to frustrate the Security Enforcement Objective.

The Security Agent is entitled to rely on and comply with instructions given in accordance with the relevant provisions of the Intercreditor Agreement.

Manner of Enforcement

If the Transaction Security is being enforced or other action as to Enforcement is being taken pursuant to the provisions described above, the Security Agent must enforce the Transaction Security or take other action as to Enforcement in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as the Instructing Group or the Note/Additional Second Lien Required Holders then entitled to instruct, as described below under “Second Lien Enforcement” may instruct, provided that any such instructions are consistent with the principles described in the Agreement.

After the Security Agent has commenced an Enforcement of the Transaction Security it shall not accept any subsequent instructions as to Enforcement from anyone other than the Instructing Group that instructed it in respect of such Enforcement regarding any other Enforcement over or relating to the Transaction Security directly or indirectly the subject of the Enforcement which has been commenced (in the context of an Enforcement relating to the shares in a company, for example, this paragraph would restrict the giving of any instructions as to Enforcement of the Transaction Security over those shares or to the assets of that company or the shares in or assets of any direct or indirect subsidiary of that company).

The immediately preceding paragraph does not restrict the right of any subsequent Instructing Group to instruct the Security Agent as to Enforcement of the Transaction Security that includes any shares or assets which are not directly or indirectly the subject of a prior instruction as to Enforcement.

If the Majority Priority Creditors (as defined below) consider that the Security Agent is enforcing the Transaction Security in a manner which is not consistent with the Enforcement Principles described below, the representative for the relevant Secured Creditors may give notice to the Senior Agent or Trustee (as appropriate) after which such representatives must consult with the Security Agent for a period of 10 days (or such lesser period as such representatives may agree) with a view to agreeing the manner of Enforcement provided that such representatives will not be obliged to consult under this paragraph more than once in relation to each Enforcement.

Second Lien Enforcement

Until the date on which the liabilities under the New Senior Revolving Credit Facility, and under any document governing any Additional First Lien Debt are repaid and discharged in full, except with the prior consent, or at the request, of the Instructing Group, neither the Trustee (for itself and on behalf of the Noteholders) nor any Additional Second Lien Debtholder (or its representative) shall direct the Security Agent to enforce, or otherwise (to the extent applicable) require Enforcement of, any Common Transaction Security except as permitted under the following paragraph.

The restriction in the immediately preceding paragraph will not apply if the Instructing Group is not enforcing the Common Transaction Security; and

(a) an event of default under the Indenture or any document governing Additional Second Lien Debt has occurred for failure to pay principal at the original scheduled maturity of the Notes or the relevant Additional Second Lien Debt;

(b) any insolvency event has occurred in respect of any member of the Group, other than where such insolvency event occurred as a result of any action by the Noteholders and/or the Additional Second Lien Debtholders; or

(c) the Trustee or any representative under any Additional Second Lien Debt has given notice in writing (an “**Enforcement Notice**”) to EGSA, the Senior Agent and the representatives for the other Secured Creditors

specifying that an event of default under the Indenture or any document governing the Additional Second Lien Debt (the "**Relevant Second Lien Default**") is continuing and a period (a "**Second Lien Standstill Period**") of not less than 179 days has elapsed since the date the Senior Agent and each representative for each class of Secured Creditor received such Enforcement Notice relating to such Relevant Second Lien Default and provided that the Relevant Second Lien Default is continuing at the end of such period.

Enforcement Principles

As set forth in the Intercreditor Agreement, the primary and over-riding aim of any enforcement of the Transaction Security is to achieve the Enforcement Objective, as set out in the Intercreditor Agreement. The "**Enforcement Objective**" is defined as the maximizing, so far as is consistent with prompt and expeditious realization of value from enforcement of the Transaction Security, the recovery by the secured creditors.

The principles set forth may be amended, varied or waived only with the prior written consent of the Majority Priority Creditors and the requisite majority of Noteholders required under the Indenture and the requisite majority of any Additional Second Lien Debtholders under the documentation governing such Additional Second Lien Debt.

The Transaction Security will be enforced and other action as to Enforcement will be taken such that either:

(a) all proceeds of Enforcement are received by the Security Agent in cash for distribution in accordance with the Intercreditor Agreement; or

(b) sufficient proceeds from Enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the provisions of the Intercreditor Agreement (i) with respect to the Priority Creditor Only Transaction Security, the liabilities under the New Senior Revolving Credit Facility, any Hedging Agreement and under any Additional First Lien Debt are repaid and discharged in full (unless the Majority Priority Creditors agree otherwise) and (ii) with respect to the Common Transaction Security, the liabilities under the New Senior Revolving Credit Facility and under any Additional First Lien Debt are repaid and discharged in full (unless the Majority First Lien Creditors agree otherwise).

The Enforcement must be prompt and expeditious, it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the time frame for the realization of value from the Enforcement of the Transaction Security or Distressed Disposal pursuant to Enforcement will be determined by the Instructing Group provided that it is consistent with the Enforcement Objective.

On:

(a) a proposed Enforcement of any of the Transaction Security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds €5,000,000 (or its equivalent); or

(c) a proposed Enforcement of any of the Transaction Security over some or all of the shares in a member of the Group over which Transaction Security exists (including the Common Transaction Security),

the Security Agent shall (unless it is incompatible with enforcement proceedings in a relevant jurisdiction) appoint a "big four" accounting firm, any reputable and independent international investment bank or other reputable and independent professional services firm with experience in restructuring and enforcement to opine as expert:

(a) on the optimal method of enforcing the Transaction Security so as to achieve the principles set forth in the Intercreditor Agreement and maximize the recovery of any such Enforcement;

(b) that the amount of proceeds received from any such Enforcement is fair from a financial point of view after taking into account all relevant circumstances; and

(c) that such sale is otherwise in accordance with the Enforcement Objective.

The Security Agent is not under any obligation to appoint a financial advisor or to seek the advice of a financial advisor, unless expressly required to do so by the foregoing paragraph or any other provision of the Intercreditor Agreement.

The financial advisor's opinion (or any equivalent opinion obtained by the Security Agent in relation to any other Enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Enforcement Objective has been met.

In the event that an Enforcement of the Transaction Security is over assets other than shares of a member of the Group and such Enforcement is conducted by way of public auction, any equity investors of the Group will be entitled to participate in such auction. Nothing in this paragraph will require Enforcement of Transaction Security to take place by way of public auction.

In the absence of written notice from a creditor or group of creditors that are not part of the relevant Instructing Group that such creditor(s) object to any Enforcement of the Transaction Security on the grounds that such Enforcement

does not aim to achieve the Enforcement Objective, the Security Agent is entitled to assume that such Enforcement of the Transaction Security is in accordance with the Enforcement Objective.

If the Security Agent receives an objection (and without prejudice to the ability of the Security Agent to rely on other advisers and/or exercise its own judgment in accordance with the Intercreditor Agreement), a financial advisor's opinion to the effect that the particular action could reasonably be said to be aimed at achieving the Enforcement Objective will be conclusive evidence that the requirement of the first paragraph of this section has been met.

If no financial advisor is willing to give an opinion (for reasons other than that the proposed Enforcement does not satisfy the requirements set forth in the Intercreditor Agreement), the Security Agent may nonetheless effect an Enforcement as directed by an Instructing Group provided such Enforcement is by way of public auction.

Waiver of Rights

To the extent permitted under applicable law and subject to the provisions of the Intercreditor Agreement dealing with Enforcement, Distressed Disposals and Application of Proceeds, each of the Secured Creditors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations is so applied.

Option to Purchase the RCF and the Additional First Lien Debt by the Noteholders and the Additional Second Lien Debtholders

Subject to the terms and conditions of the Intercreditor Agreement, at any time during the 30-day standstill period described above, all or a portion of the Noteholders (having given all of the Noteholders the opportunity) or any Additional Second Lien Debtholders (having given all of such Additional Second Lien Debtholders the opportunity) may, by giving not less than ten days' notice to the Security Agent, require the transfer to them of all, but not part, of:

(a) the then outstanding liabilities owed to all of the RCF Lenders by paying the RCF Lenders the aggregate principal amount of the liabilities owed to the RCF Lenders through the date of payment and all costs and expenses incurred by the Senior Agent and RCF Lenders as a consequence of giving effect to that transfer; and

(b) the then outstanding liabilities owed to all of the Additional First Lien Debtholders by paying the Additional First Lien Debtholders the aggregate principal amount of the liabilities owed to the Additional First Lien Debtholders through the date of payment and all costs and expenses incurred by the agent for the Additional First Lien Debtholders and Additional First Lien Debtholders as a consequence of giving effect to that transfer.

Upon exercising such option, the Noteholders will also be required to purchase amounts owing to the Hedge Counterparties in respect of the Hedging Liabilities.

Filing of Claims

After the occurrence of an insolvency event in relation to an obligor, each Creditor irrevocably authorizes the Security Agent (acting in accordance with the provision of the next succeeding paragraph), on its behalf, to:

(a) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against such obligor;

(b) demand, sue, prove and give receipt for any or all of that obligor's liabilities;

(c) collect and receive all distributions on, or on account of, any or all of that member of the Group's liabilities; and

(d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that obligor's liabilities, in each case only as the Security Agent considers necessary or advisable in relation to an Enforcement, and the Security Agent must distribute monies received by it as a result in accordance with the provisions described.

For the purposes of the preceding paragraph, the Security Agent shall act in accordance with the provisions described under "Application of Proceeds" below or in the absence of any such instructions, as the Security Agent sees fit.

Turnover of Receipts

If any Secured Creditor receives or recovers the proceeds from any Enforcement of any Transaction Security (whether before or after an insolvency event), except in accordance with the provisions described under "Application of Proceeds" below, that Secured Creditor will:

(a) hold an amount of that receipt or recovery equal to the relevant Liabilities (or if less, the amount received or recovered) for the account of the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of Intercreditor Agreement; and

(b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant Liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

The Intra-Group Lenders are also subject to customary turnover obligations.

Exercise of voting rights

(a) Each Intra-Group Lender will cast its vote in any proposal put to a vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent.

(b) The Security Agent will give instructions for the purposes of paragraph (a) above in accordance with any instructions given to it by the Instructing Group.

Distressed Disposals

If a Distressed Disposal (as defined below) is being effected, the Security Agent is irrevocably authorized to release the relevant Transaction Security and, if the asset disposed consists of the shares in the capital of a Debtor, to release that Debtor from all or any part of its liabilities, and if the asset disposed consists of the shares in the capital of any Holding Company of a Debtor to release that Holding Company and any of its subsidiaries from all or any part of their liabilities on behalf of all Secured Creditors, the Intra-Group Lenders, EGSA and other Debtors. The net proceeds of each such Distressed Disposal must be paid to the Security Agent for application in accordance with application of proceeds provisions of the Intercreditor Agreement as if those proceeds were the proceeds of an Enforcement of the Transaction Security. In connection with such Enforcement, the Security Agent will:

(a) act on the instructions (the "**Instructing Group**") of:

(i) in respect of the Common Transaction Security, prior to the discharge of all Liabilities under the New Revolving Credit Facility and any Additional First Lien Debt in full, Secured Creditors representing 66 2/3% of the liabilities under the New Senior Revolving Credit Facility and any Additional First Lien Debt (the "**Majority First Lien Creditors**")

(ii) in respect of the Common Transaction Security, after the discharge of all Liabilities under the New Revolving Credit Facility and any Additional First Lien Debt in full, the Note/Additional Second Lien Required Holders; and

(iii) in respect of the Priority Creditor Only Transaction Security prior to the discharge of all Liabilities under the New Revolving Credit Facility, any Hedging Liabilities and any document governing any Additional First Lien Debt in full, Secured Creditors representing 66 2/3% of the liabilities under the New Senior Revolving Credit Facility, the Hedging Liabilities and any Additional First Lien Debt (the "**Majority Priority Creditors**"); and

(b) in the absence of any such instructions, act as the Security Agent sees fit.

Notwithstanding the above no release of EGSA's liabilities under the Notes or any Additional Second Lien Debt may take place without the Trustee's (or the representative's under any such Additional Second Lien Debt), as the case may be, prior written consent.

As defined in the Intercreditor Agreement, "**Distressed Disposal**" means a disposal of any asset that secures the liabilities under the New Senior Revolving Credit Facility, any Additional First Lien Debt, the Notes, any Additional Second Lien Debt and/or the Hedging Agreements that is:

(a) being effected at the request of the Instructing Group in circumstances where the Transaction Security under the New Senior Revolving Credit Facility, the Additional First Lien Debt, the Notes and/or any Additional Second Lien Debt has become enforceable;

(b) being effected by enforcement of the Transaction Security; or

(c) being effected, after the occurrence of an acceleration event under the New Senior Revolving Credit Facility, any document governing any Additional First Lien Debt, the Indenture or any document governing any Additional Second Lien Debt or the enforcement of any Transaction Security by a Debtor to a person or persons which is, or are, not a member of the Group.

Each creditor, EGSA and each Debtor will:

(a) do all things that the Security Agent requests in order to give effect to the provision described in the prior paragraph (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to the releases or disposals contemplated thereby); and

(b) if the Security Agent is not entitled to take any of the actions contemplated by the Intercreditor Agreement or if the Security Agent requests that any creditor, EGSA or any Guarantor take any such action, take that action itself in accordance with the instructions of the Security Agent, provided that the proceeds of those disposals are applied in accordance with the provisions described under "**Application of Proceeds**" below.

Application of Proceeds

Subject to certain exceptions, all amounts from time to time received or recovered by the Security Agent in connection with the Enforcement of all or any part of the Transaction Security or being derived from assets over which the Transaction Security created security and being expressly provided in the Intercreditor Agreement as being payable to the Security Agent for application in accordance with this paragraph (the "Recoveries") must be held by the Security Agent for the account of the relevant Secured Parties to apply them at any time as the Security Agent (acting reasonably) sees fit, to the extent permitted by applicable law (and subject to the provisions described in this paragraph), in the following order of priority:

(a) in discharging any sums owing to the Security Agent, the Trustee, any trustee or other any agent for any series of Additional First Lien Debt, any trustee or other agent for any Additional Second Lien Debt, any receiver or any delegate, each on a pari passu basis;

(b) in payment of all costs and expenses incurred by the Senior Agent, the Trustee, any agent for any series of Additional First Lien Debt, any agent for any series of Additional Second Lien Debt, any lender under the New Senior Revolving Credit Facility, any Hedge Counterparty, any Additional First Lien Debtholder, any Noteholder or any Additional Second Lien Debtholder in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement (including any "soulte" paid in connection with the enforcement of any Security) or any action taken at the request of the Security Agent;

(c) in the case of the Priority Creditor Only Transaction Security only, in payment to:

(i) the Senior Agent on behalf of the arrangers and lenders under the New Senior Revolving Credit Facility towards the discharge of liabilities owed to them under the New Senior Revolving Credit Facility;

(ii) certain Hedge Counterparties towards the discharge of Hedging Liabilities owed to them under secured hedging agreements relating to interest rate and currency hedging arrangements (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty), and

(iii) any agent for any Additional First Lien Debt on behalf of the Additional First Lien Debtholders under the document governing such Additional First Lien Debt towards the discharge of liabilities owed to them under the document governing such Additional First Lien Debt,

on a pro rata basis between paragraph (i) above, paragraph (ii) above and paragraph (iii) above;

(d) in the case of the Common Transaction Security only, in payment to:

(i) the Senior Agent on behalf of the arrangers and lenders under the New Senior Revolving Credit Facility towards the discharge of liabilities owed to them under the New Senior Revolving Credit Facility; and

(ii) any agent for any Additional First Lien Debt on behalf of the Additional First Lien Debtholders under the document governing such Additional First Lien Debt towards the discharge of liabilities owed to them under the document governing such Additional First Lien Debt,

on a pro rata basis between paragraph (i) above and paragraph (ii) above.

(e) in the case of the Common Transaction Security only, in payment to:

(i) the Trustee on its own behalf and on behalf of the Noteholders for application (in accordance with the terms of the Indenture) towards the discharge of the liabilities owed to the Trustee and the Noteholders under the Indenture and the Notes; and

(ii) the representative of any Additional Second Lien Debt on its own behalf and on behalf of the Additional Second Lien Debtholders for application (in accordance with the terms of the documents governing such

Additional Second Lien Debt) towards the discharge of the liabilities owed to the Additional Second Lien Debtholders;

on a pro rata basis between paragraph (i) and paragraph (ii) above;

(f) once all amounts under (a) to (e) above have been paid in full, in payment to the relevant Debtor to which a "soulte", if any, is payable/or has been paid and returned to the Security Agent by the relevant Debtor as describe under "**Payment of the solute**" below;

(g) following repayment and discharge of the obligations owing to all of the Secured Creditors, in payment to any Intra-Group Lender as entitled thereto; and

(h) the balance, if any, in payment a distribution to the relevant Debtor and EGSA.

The Secured Creditors agree that any amounts other than recoveries of the Transaction Security applied in accordance with the immediately preceding paragraph which they may recover from a member of the Group following an insolvency event in respect of such member of the Group shall be shared by them pro rata pari passu.

Following an acceleration event or the enforcement of any Transaction Security, the Security Agent may, in its discretion, hold any amount of the recoveries or such security in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent may think fit (the interest being credited to the relevant account) for later application under the provisions described herein in the section entitled "**Application of Proceeds**" in respect of any sum owed to (a) the Security Agent, any receiver or any delegate and (b) any part of the Liabilities owed by EGSA and the Subsidiary RCF Guarantors to the Secured Creditors, in each case, that the Security Agent reasonably considers might become due or owing at any time in the future.

Payment of the soulte

Appropriate provisions to deal with any soulte arising on any enforcement of security are included in the Intercreditor Agreement. Such provisions include a requirement that any obligation to pay any soulte to any security provider will be deferred by twelve months.

Consents, Amendments and Override

Required Consents

Subject to certain exceptions, the Intercreditor Agreement may be amended or waived only with the consent of the Majority First Lien Creditors, the Note/Additional Second Lien Required Holders and the Security Agent. An amendment or waiver that has the effect of changing or which relates to, among other things, the provisions described under "*Application of Proceeds*" or under the Intercreditor Agreement shall not be made without the consent of the Senior Agent, the Majority RCF Lenders, the Trustee, each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty), the representative for the Additional First Lien Debtholders, the representative for the Additional Second Lien Debtholders and the Security Agent.

Amendments and Waivers: Transaction Security Documents

Subject to the immediately following paragraph and the provisions described under "*Exceptions*" and unless the provisions of the New Senior Revolving Credit Agreement, the Indenture, any document governing the Additional First Lien Debt or any document governing the Additional Second Lien Debt expressly provides otherwise, (1) the Security Agent may, if authorized by the Majority First Lien Creditors and the Trustee, and if EGSA consents, amend the terms of, waive any of the requirements of, or grant consents under, the Common Transaction Security Documents which shall be binding on each party, and (2) the Security Agent may, if authorized by the Majority Priority Creditors, and if EGSA consents, amend the terms of, waive any of the requirements of, or grant consents under, any of the Priority Creditor Only Transaction Security Documents which shall be binding on each party.

Subject to the provisions described under "*Exceptions*" below, the prior consent of the RCF Lenders, the Additional First Lien Debtholders, the Additional Second Lien Lenders and the Trustee is required to authorize any amendment or waiver of, or consent under, the Common Transaction Security Documents which would affect the manner in which the proceeds of enforcement of the Transaction Security are distributed.

Exceptions

Subject to the immediately following paragraph, if the amendment, waiver or consent may impose new or additional obligations on or withdraw or reduce the rights of any party other than:

(a) in the case of a Creditor in a way which affects or would affect Creditors of that party's class generally; or

(b) in the case of a Debtor, to the extent consented to by EGSA under the provisions described under "*Amendments and Waivers: Transaction Security Documents*" above,

the consent of that party is required.

Neither the immediately preceding paragraph nor the provisions described in the second paragraph under "*Amendments and Waivers: Transaction Security Documents"* shall apply:

(a) to any release of Transaction Security, claim or liabilities in accordance with the debt documents; or

(b) to any consent which, in each case, the Security Agent gives in accordance with the provisions described under "*Distressed Disposals*".

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

Notwithstanding anything to the contrary in the Intercreditor Agreement or the New Senior Revolving Credit Agreement, the immediately preceding paragraph as between any creditor and any obligor or any member of the Group will not cure, postpone, waive or negate in any manner any default or event of default under any debt document as provided in the relevant debt document.

Certain definitions contained in the Intercreditor Agreement

The following is a summary of certain defined terms used above and defined in the Intercreditor Agreement. Capitalized terms within the below definitions have the meaning given to them in the Intercreditor Agreement.

"**Additional First Lien Debt**" means any future indebtedness permitted (under all of the finance documents for each of the Secured Liabilities) to be incurred by EGSA and to benefit from security ranking *pari passu* with the lien securing the Revolving Credit Facility.

"**Additional First Lien Debtholders**" means the holders of any Additional First Lien Debt.

"**Additional Second Lien Debt**" means any future indebtedness permitted (under all of the finance documents for each of the Secured Liabilities) to be issued or incurred by the Company and to benefit from security ranking *pari passu* with the lien securing the Notes.

"**Additional Second Lien Debtholders**" means the holders of any Additional Second Lien Debt.

"**Additional Second Lien Required Holders**" means the holders of the principal amount of Additional Second Lien Debt required to vote in favour of the relevant direction, approval, consent or waiver under the terms of any document governing the Additional Second Lien Debt or, if the required amount is not specified, the holders holding at least the majority of the principal amount of the then outstanding Additional Second Lien Debt.

"**Enforcement Action**" means:

(a) in relation to any liabilities under the Intercreditor Agreement, any Hedging Agreement, the New Senior Revolving Credit Agreement and any other senior finance document, the Notes, the Indenture, any Additional First Lien Debt and any Additional Second Lien Debt, the security documents and any intra-group liabilities (the "**Liabilities**"):

(i) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of illegality);

(ii) the making of any declaration that any Liabilities are payable on demand;

(iii) the making of a demand in relation to a Liability that is payable on demand;

(iv) the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;

(v) the exercise of any right to require any member of the Group to acquire any Liability (including exercising any put or call option against that member of the Group for the redemption or purchase of any Liability but excluding any such right that arises under certain debt purchase transactions permitted under the New Senior Revolving Credit Agreement, the Indenture, any document governing Additional First Lien Debt and any document governing Additional Second Lien Debt and excluding any mandatory offer to purchase the Notes arising as a result of a change of control or asset sale under the Indenture);

(vi) subject to certain exceptions, the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any Liabilities other than the exercise of any such right; or

(vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Liabilities;

(b) the premature termination or close-out of any hedging transaction under any hedging agreement (subject to certain exceptions);

(c) the taking of any steps to enforce or require the enforcement of any Transaction Security (including the crystalization of any floating charge forming part of the security thereunder);

(d) the entering into of any composition, compromise, assignment or arrangement with any member of the Group that owes any Liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the Liabilities (other than (i) any action permitted upon assignment of Liabilities or (ii) any debt buy-backs pursuant to open market debt repurchases, tender offers or exchange offers not undertaken as part of an announced restructuring or turnaround plan or while an event of default was outstanding under the relevant debt documents); or

(e) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration or reorganization of any member of the Group that owes any Liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any member of the Group, or any analogous procedure or step in any jurisdiction,

except that the following shall not constitute Enforcement Action:

(a) the taking of any action falling within paragraphs (a)(ii), (a)(iii), (a)(iv), (a)(vii) or (e) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods;

(b) a Hedge Counterparty, a lender under the New Senior Revolving Credit Facility (or their respective representatives), the Trustee, any Noteholder, Additional First Lien Debtholder or Additional Second Lien Debtholder (or their respective representatives) bringing legal proceedings against any person solely for the purpose of:

(i) obtaining injunctive relief (or any analogous remedy) to restrain any actual or putative breach of the applicable debt document;

(ii) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or

(iii) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages;

(c) allegations of material misstatements or omissions made in connection with this Offering Memorandum or in reports furnished to the Trustee or the Noteholders or any exchange on which the Notes are listed by any member of the Group pursuant to information and reporting requirements under the Indenture;

(d) allegations of material misstatements or omissions made in connection with the offering materials related to any Additional First Lien Debt or Additional Second Lien Debt or in reports furnished to the Additional First Lien Debtholders or the Additional Second Lien Debtholders (or their respective representatives) or on any exchange on which the Additional First Lien Debt or the Additional Second Lien Debt is listed by any member of the Group pursuant to information and reporting requirements under any documents governing the Additional First Lien Debt or the Additional Second Lien Debt;

(e) bringing legal proceedings against any person in connection with any fraud, securities violation or securities or listing regulations;

(f) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation; or

(g) any discussion or consultation between, or proposals made by, any of the Creditors during the 30-day standstill period prior to enforcement or as contemplated in the other consultation periods in the Intercreditor Agreement.

"**Hedging Agreements**" means the hedging agreements entered into in connection with the Senior Asset Revolving Facility Agreement.

"**Hedge Counterparties**" means the hedge counterparties party to the Hedging Agreements.

"**Hedging Liabilities**" are liabilities incurred in relation to interest rate Hedging Agreements.

"**Note/Additional Second Lien Required Holders**" means, in respect of any direction, approval, consent or waiver, the holders of the principal amount of the then outstanding liabilities under the Notes and any Additional Second Lien Debt ("**Second Lien Debt**") required and permitted under the terms of the Second Lien Debt documents to vote in favor of such direction, approval, consent or waiver, or, if the required amount is not specified, the holders holding at least a majority of the principal amount of the then outstanding Second Lien Debt liabilities, in accordance with the terms of the Second Lien Debt documents.

"**Note Required Holders**" means holders of the principal amount of Notes required to vote in favour of the relevant direction, approval, consent or waiver under the terms of the Indenture or, if the required amount is not specified, the holders holding at least the majority of the principal amount of the then outstanding Notes.

"**Secured Creditors**" means (i) the Priority Creditors and (ii) with respect to the Common Transaction Security only, the First Lien Creditors, the Noteholders and the Additional Second Lien Debtholders.

Fleet Financing Arrangements

Senior Asset Revolving Facility or SARF

The SARF was entered into between Crédit Agricole Corporate and Investment Bank acting as "**Senior Facility Lending Bank**" and as lender and Securitifleet Holding as borrower.

The SARF was initially entered into on July 30, 2010 and amended on August 26, 2010, November 4, 2010, January 11, 2011 and April 5, 2012. The SARF was further amended on March 4, 2014, in certain respects, principally to (i) add two additional banks to the facility, (ii) to reduce the margin of senior notes issued by the FCT Issuer from 2.70% to 2.20% (before the amortization period) and from 3.75% to 2.75% (after the amortization period), (iii) to reduce the maximum amount of senior notes that may be issued by the FCT Issuer under the facility from €1.1 billion to €1.0 billion, (iv) to provide the borrower with flexibility to request weekly advance and repayment dates rather than monthly settlement dates only and (v) to extend the maturity of the SARF from July 2014 to January 2017. The Senior Asset Revolving Facility provides a committed facility of €1.0 billion to Securitifleet Holding, Drawings are made available to Securitifleet Holding (the "**SARF Borrower**") for the sole purpose of financing fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet Companies.

Certain additional amendments to the SARF were signed on May 12, 2015 and will enter into effect after the satisfaction of certain conditions precedent (expected for June 2015) (the "**2015 Amendments**"). The 2015 Amendments will (i) further reduce the margin and the margin payable on the FCT Senior Notes from 2.20% to 1.70% (before the amortization period) and from 2.75% to 2.25% (after the amortization period), (ii) reduce the non-utilization rate from 1.0% to 0.75% in case the utilization rate is less than or equal to 50% and from 0.75% to 0.5% in case the utilization rate percentage exceeds 50%, (iii) extend the maturity of the facility to the settlement date following in January 2019, (iv) increase the amount of FCT Senior Notes that may be issued by the FCT Issuer under the SARF from €1.0 billion to €1.1 billion and (v) permit the participation of two new banks, Lloyds Bank and HSBC France (or, if applicable, Regency Assets Limited, its sponsored asset-backed commercial paper conduit), the latter in replacement of Barclays Bank plc. ECI and the banks have agreed (i) to permit the sub-leasing of vehicles by a local subsidiary (Europcar France SAS, Europcar-Autovermietung GmbH, Europcar Italia SpA or Europcar IB SA) to another subsidiary, except Europcar Italia SpA, pursuant to master intra-group sub-lease agreements and (ii) to treat such sub-leased vehicles as vehicles eligible for the amended SARF.

The Senior Facility Lending Bank assigned its claims arising under the Senior Asset Revolving Facility Agreement, together with all security and ancillary rights related thereto, to the "**FCT Issuer**", which in return issues (i) FCT senior notes (the "**FCT Senior Notes**") to be subscribed for from time to time by Crédit Agricole Corporate and Investment Bank (or, as the case may be, LMA, its sponsored, multi-seller asset-backed commercial paper conduit), The Royal Bank of Scotland plc, Société Générale, Deutsche Bank AG, London Branch, Natixis, (or, as the case may be, Magenta, its sponsored, multi-seller asset-backed commercial paper conduit), BNP Paribas (or, as the case may be, Matchpoint, its sponsored, multi-seller asset-backed commercial paper conduit), HSBC France (or, if applicable,

Regency Assets Limited, its sponsored asset-backed commercial paper conduit), and any other entity which may subscribe for or acquire the FCT Senior Notes as senior subscriber(s), in an aggregate amount of € 1.1 billion (after the 2015 Amendments), and (ii) FCT junior notes the "**FCT Junior Notes**") to be subscribed from time to time by ECI.

Final Maturity Date

The Senior Asset Revolving Facility will terminate on the date that is the earlier of: (i) the settlement date falling in January 2017 (2019 after the 2015 Amendments), (ii) the commencement of a Non-Enforcement Amortization Period (as defined below), (i.e., the date on which any Level 1 Event of Default (as defined below) is declared); (iii) the commencement of an Enforcement Amortization Period (as defined below) (i.e., the date on which any Level 2 Event of Default (as defined below) is declared); and (iv) the date on which the New Senior Revolving Credit Facility is repaid, unless such facility is partly or fully refinanced for amounts equal to or greater than the existing amount of such facility (the earliest of such dates, the "**Senior Asset Revolving Facility Termination Date**"). The final maturity date of the Senior Asset Revolving Facility will be the date occurring six months after the Senior Asset Revolving Facility Termination Date (the "**SARF Final Maturity Date**").

SARF Advances, Revolving Period and the Amortization Period

During the period beginning on March 4, 2014 and ending on the Senior Asset Revolving Facility Termination Date (the "**SARF Revolving Period**"), advances (the "**SARF Advances**") are made to Securitifleet Holding, subject to the terms and conditions of the Senior Asset Revolving Facility as amended on March 4, 2014. Following the occurrence of the Senior Asset Revolving Facility Termination Date and until the SARF Final Maturity Date (the "**SARF Amortization Period**"), Securitifleet Holding is required to apply all available amounts towards the amortization of the outstanding Advances in accordance with the priority of payments set out in the SF Intercreditor Agreement (as defined below), as described below. All SARF Advances will be fully due and payable on the SARF Final Maturity Date.

SARF Advance Rate

The advance rate under the Senior Asset Revolving Facility (the "**SARF Advance Rate**") is determined in light of the aggregate "**Borrower Asset Value**" (defined below) of all Securitifleet Companies, the credit enhancement mechanics confirmed with Standard & Poor's and the concentration limits applicable to car manufacturers and vehicles as defined in the Senior Asset Revolving Facility, the master operating lease agreements and the terms and conditions of the FCT Junior Notes.

In particular, the SARF Advance Rate is calculated by reference to the "**Senior Asset Funding Limit**" which is sized principally on the basis of (A) the aggregate Borrower Asset Value of all Securitifleet Companies (subject to certain limitations) as the same is reduced by (B) the applicable "**Credit Enhancement Amount**".

The Credit Enhancement Amount is determined by aggregating: (i) the amount determined by the application of the rate determined using Standard and Poor's "**Credit Enhancement Matrix**" applicable to the corresponding "**Credit Enhancement Asset**" and (ii) the amount exceeding the concentration limits applicable to car manufacturers and vehicles defined in the SARF.

Borrower Asset Value

Drawing under the Senior Asset Revolving Facility by Securitifleet Holding will depend on the aggregate of all Borrower Asset Values of the Securitifleet Companies.

In relation to any Securitifleet Company acting as borrower under the Securitifleet On-Loan Agreements (as herein defined), the Borrower Asset Value is calculated monthly as the aggregate of the following items:

- the vehicle fleet residual value—which comprises the aggregate residual value of the vehicle fleet plus capitalized costs for any purchased vehicles for which registration is pending, less any aggregate provisions for badly damaged, stolen or converted vehicles—of the vehicle fleet owned by the relevant Securitifleet Company;

- the amount of the vehicle provider receivables—which comprise the receivables owed to such Securitifleet Company by any car dealer or manufacturer pursuant to the relevant Securitifleet Company's disposal of any vehicle under any buy-back agreement—payable to the relevant Securitifleet Company;

- the amount of VAT receivables, which comprise of any VAT repayment receivables owed or to be owed by a taxation authority to the relevant Securitifleet Company that are payable to such Securitifleet Company;

minus

- the aggregate amount of any debt outstanding and due by the relevant Securitifleet Company to vehicle providers (excluding any amount in respect of VAT related thereto) to the extent the maturity date of such payables falls after the second succeeding SARF settlement date (as defined below); and
- the aggregate amount of the capitalized costs related to each vehicle fleet (excluding the vehicle fleet of Securitifleet GmbH) delivered and accounted for by a Securitifleet Company (excluding Securitfleet GmbH) but for which the corresponding invoice has not yet been received or booked; and
- the aggregate amount of all VAT payments owed by the relevant Securitifleet Company to a taxation authority in its relevant jurisdiction at such time (excluding for the avoidance of doubt such VAT payments due by Europcar Autovermeitung GmbH in relation to the resale by Securitifleet GmbH of its vehicles).

Margin

The interest rate applicable to the FCT Senior Notes is equal to the sum of the EURIBOR rate applicable to the relevant interest period plus 2.20% (1.70% after the 2015 Amendments) (in each case, before the SARF Amortization Period) or 2.75%(2.25% after the 2015 Amendments) (in each case, during the SARF Amortization Period). In the event of non-compliance (subject to materiality provisions, grace periods and other exceptions) with certain obligations under a vehicle fleet disposal services agreement and a German legal services agreement (a "**DSP Material Breach**"), then the margin applicable to the Senior Notes (in relation to interest periods ending before the SARF Amortization Period) will automatically and immediately increase to 3.25% (2.25% after the 2015 Amendments) as from the date on which such DSP Material Breach occurred until such DSP Material Breach has been remedied or waived.

The interest rate applicable to the FCT Junior Notes is equal to the sum of the EURIBOR rate applicable to the relevant interest period plus 2.25%.

Fleet Servicing

Each Europcar operating company in France, Germany, Spain and Italy (each an "**Operating Company**"), pursuant to the terms of a servicing agreement (each, a "**Servicing Agreement**"), acts as the servicer (each, in such capacity, a "**Servicer**") in respect of the vehicle fleet (and other assets) owned by the related Securitifleet Company.

Upon implementation pursuant to the terms of a vehicle fleet disposal services agreement, and of an engagement letter and fee agreement regarding the provision of legal services in Germany, a disposition services provider provides certain disposition services in relation to the recovery of the fleet under certain conditions.

ECI Performance Guarantee

ECI granted in favor of each Securitifleet Company certain performance guarantees (together, the "**ECI Performance Guarantee**") pursuant to which it guarantees as *caution solidaire* the full payment when due of all amounts (including without limitation rental payments under the master operating leases, expenses, fees, costs, indemnity and other amounts due as a result of the non-performance or incomplete performance by the relevant Operating Company of any of its obligations) due to each Securitifleet Company by the relevant Operating Company with respect to certain of their respective payment obligations under, in particular, the master operating lease agreements and the management services agreements, up to an amount equal to the available cash. The benefit of the ECI Performance Guarantee was assigned in favor of the Senior Facility Lending Bank acting as the fronting bank under the SARF but not in favor of the trustee for the Outstanding Subordinated Notes or the holders of the EC Finance Notes, directly or indirectly.

In case of the occurrence of any event of default under the Senior Asset Revolving Facility, the SARF Borrower can be directed by the facility instructing party to call the ECI Performance Guarantee and exercise any right it is entitled to exercise in accordance with the terms of the ECI Performance Guarantee.

Security

Obligations of Securitifleet Holding under the Senior Asset Revolving Facility are secured by the securitifleet collateral described below under "**Securitifleet Collateral**"*,* which also indirectly benefit the holders of the EC Finance Notes. In addition, however, the obligations of Securitifleet Holding under the Senior Asset Revolving Facility are also secured by the vehicle fleet and receivables held against vehicle providers under manufacturer buy-back agreements in Italy and Catalonia, as well as the bank accounts of Securitifleet Italy and the shares held by Europcar Italy in Securitifleet Italy. The holders of the Outstanding Subordinated Notes do not, and the Notes offered hereby will not, benefit, either directly or indirectly, from this additional Securitifleet Company collateral.

Fees

The SARF Borrower pays fees on the unused underwriting commitments of the holders of the FCT Senior Notes, documentary credit fees, and other customary fees in respect of the Senior Asset Revolving Facility (including arrangement fees ticking fees and agency fees).

Ranking

The Senior Asset Revolving Facility ranks senior to the Securitifleet Proceeds Loan both in interest and principal and any other subordinated indebtedness of each SARF Borrower. See *"—SF Intercreditor Agreement"*.

Covenants

The covenants applied to Securitifleet Holding are divided into "Level 1 Undertakings" and "Level 2 Undertakings". Any breach of a Level 1 Undertaking, which is not cured within its applicable grace period (if relevant), shall result in a Level 1 Event of Default, and correspondingly any breach of a Level 2 Undertaking, which is not cured within its applicable grace period (if relevant), shall result in a Level 2 Event of Default.

The Level 1 Undertakings relate to delivery of financial statements, compliance with accounting policies, notification of Level 1 defaults and maintaining bank accounts with suitably rated banks. The Level 2 Undertakings include in particular (but are not limited to) (i) information undertakings (including notification of Level 2 defaults); (ii) maintenance of necessary authorizations, licenses and consents; (iii) compliance with laws and specific compliance with tax laws; (iv) a negative pledge undertaking in respect of assets or business of Securitifleet Holding; (v) restrictions on the granting of loans by Securitifleet Holding, (vi) a limitation on financial indebtedness of Securitifleet Holding; (vii) a limitation on the granting of guarantees by Securitifleet Holding; (viii) restrictions on the action by Securitifleet Holding as shareholder of certain Securitifleet Companies; and (ix) maintenance of bankruptcy remoteness criteria which should, among other things, include restrictions on mergers.

The agreement also provides for two levels of representations and warranties. The Borrower Level 1 Representations and Warranties relate to the accuracy of historical financial statements, ranking, no conflicts, no events of default and no withholding. The Borrower Level 2 Representations and Warranties relate to other representations and warranties.

Events of Default

There are two levels of event of default under the Senior Asset Revolving Facility Agreement:

(i) ***"Level 1 Events of Default***" which, subject to any agreed exceptions, materiality tests, grace periods and carve-outs, consist of: (i) misrepresentation in respect of any Borrower Level 1 Representations and Warranties; (ii) breach of any Borrower Level 1 Undertaking; and (iii) replacement of the Lending Bank with no replacement assignee bank appointed; and

(ii) ***"Level 2 Events of Default"*** which, subject to any agreed exceptions, materiality tests, grace periods and carve-outs, consists of: (i) non-payment of amounts due under the Senior Asset Revolving Facility Agreement; (ii) misrepresentation in respect of any Borrower Level 2 Representations and Warranties; (iii) breach of any Borrower Level 2 Undertakings; (iv) occurrence of a Securitifleet Holding insolvency event; (v) enforcement of security or security ceasing to be valid, binding, and enforceable or to benefit from a priority ranking; (vi) a material adverse effect on Securitifleet Holding; (vii) any audit qualification of Securitifleet Holding's financial statements to the extent it materially and adversely affects the present or future value of Securitifleet Holding's assets; (viii) breaches relating, on the one hand, to Securitifleet Holding's obligations under the Securitifleet Company shareholder arrangements and, on the other, to compliance with the recommendations made by the Senior Facility Lending Bank or the FCT Issuer as part of the consultation procedure; (ix) misrepresentation and/or breach by Securitifleet Holding in relation to any security or encumbrance; (x) acceleration under the Existing Senior Revolving Credit Facility (and, upon closing, the New Senior Revolving Credit Facility) or the EC Finance Notes or Outstanding Subordinated Notes (or the Notes as refinancing indebtedness thereof); and (xi) termination or breach of any material operating license.

The occurrence of a Level 1 Event of Default will commence a "**Non-Enforcement Amortization Period**" during which, in particular:

(i) any outstanding advance will become a term advance repayable on a monthly basis during the amortization period via all cash collections received;

(ii) each Securitifleet Company will be prohibited from:

- ordering new vehicles from vehicle providers; and
- granting new advances under the SARF

(iii) each Operating Company, acting as lessee under the relevant master operating lease agreement and an intragroup sub-lease agreement, will be prohibited from due to the prohibition that applies to Securitifleet Companies:

- extending the duration of any base operating lease or sub-lease in force on the amortization commencement date; and
- entering into any new base operating lease or sub-lease with the relevant Securitifleet Company or Operating Company.

The occurrence of a Level 2 Event of Default will commence an "**Enforcement Amortization Period**" during which, in particular: (i) the relevant instructing party will be entitled to accelerate all advances granted to Securitifleet Holding in accordance with the provisions of the SF Intercreditor Agreement; and (ii) the security package granted to the FCT Issuer will be able to be enforced in accordance with the provisions of the SF Intercreditor Agreement.

Governing Law

The Senior Asset Revolving Facility Agreement is governed by French law.

The Securitifleet Collateral

The obligations of Securitifleet Holding under the Senior Asset Revolving Facility together with its obligations to repay the proceeds of the EC Finance Notes to EC Finance Plc (as defined below) (the issuer thereof) under a proceeds loan agreement (the "**Securitifleet Proceeds Loan**") are secured directly or indirectly by:

- a first priority share pledge over the shares of Securitifleet Holding held by ECI;
- a first priority security interest over the shares in each of the Securitifleet Companies (other than shares held by Europcar Italy in Securitifleet Italy);
- a first priority security interest over receivables held by Securitifleet Holding in respect of each of the Securitifleet Companies under the Securitifleet Advances (other than in respect of Securitifleet Italy);
- a first priority pledge over the balances in Securitifleet Holding's bank accounts;
- a first priority security interest over certain receivables (including under buy-back agreements from vehicle manufacturers) of each of the Securitifleet Companies (other than Securitifleet Italy), subject to certain exceptions in Spain; and
- first ranking security over certain assets (including bank account balances and the vehicle fleet) of each Securitifleet Company from time to time (other than Securitifleet Italy), subject to certain exceptions in Spain.

All assets subject to the liens in the foregoing paragraph are collectively referred to herein as the "**Securitifleet Collateral**". The Securitifleet Collateral secure the Senior Asset Revolving Facility and the Securitifleet Proceeds Loan on a shared *pari passu* basis and enforcement proceeds from such collateral will be paid first to the senior lenders under the Senior Asset Revolving Facility pursuant to the amortization priority of payments in the SF Intercreditor Agreement. Such senior lenders, in addition, benefit from direct security over the assets of Securitifleet Italy. The holders of the EC Finance Notes indirectly benefit only from a negative pledge in respect of the assets of Securitifleet Italy.

The security agent for the EC Finance Notes acts as agent for the trustee for the EC Finance Notes and the holders of such EC Finance Notes in respect of the EC Finance Notes Collateral (as defined below). A common security agent acts as the agent for the creditors under the Senior Asset Revolving Facility and the trustee of the EC Finance Notes , the security agent for the EC Finance Notes and the holders of EC Finance Notes in respect of the shared Securitifleet Collateral in accordance with, and subject to the provisions of, the SF Intercreditor Agreement.

The Securitifleet On-Loan Agreements

Securitifleet Holding acts as the financing entity for the vehicle fleet purchasing and leasing activities of the Securitifleet Companies. Securitifleet Holding has used the proceeds from funding under the Securitifleet Proceeds Loan related to the EC Finance Notes, together with drawings under the Senior Asset Revolving Facility to on-lend, directly or indirectly, as required by certain jurisdictional limitations, such amounts to the Securitifleet Companies (each such transaction a "**Securitifleet Advance**") pursuant to the "**Securitifleet On-Loan Agreements**".

Securitifleet Holding has entered into revolving facilities with Securitifleet Spain, Securitifleet Italy, Securitifleet France and Securitifleet Germany pursuant to which Securitifleet Holding has advanced funds to Securitifleet Spain, Securitifleet Italy, and Securitifleet France and Securitifleet Germany from time to time.

Except as otherwise required by law, all payments under the Securitifleet Advances are made without deductions or withholding for, or on account of, any applicable tax. In the event that any Securitifleet Company is required to make

any such deduction or withholding, it is further required to gross-up each payment to Securitifleet Holding to ensure that Securitifleet Holding receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

Each Securitifleet On-Loan Agreement provides that the Securitifleet Companies will make all payments pursuant thereto on a timely basis in order to ensure that Securitifleet Holding can satisfy its payment obligations under the Senior Asset Revolving Facility and the Securitifleet Proceeds Loan, taking into account administrative and timing concerns and limitations, including under the SF Intercreditor Agreement. As the SF Intercreditor Agreement only permits payments to be made on a settlement date falling on the 17th of each month, semi-annual interest payments on the EC Finance Notes are funded by Securitifleet Holding to ECF on the settlement date preceding the relevant semi-annual interest payment date on the EC Finance Notes (which is on the first of the following month). ECF is permitted to invest such funds in highly-rated liquid securities held in an account pledged for the benefit of the EC Finance Noteholders. Any surplus funds in such account following an EC Finance Notes interest payment date may be remitted to Securitifleet Holdings for investment in the Securitifleet Companies. Pursuant to the ECI Subordinated Loan, ECI has the option to extend to ECF amounts sufficient to enable ECF to satisfy its payment obligations under the EC Finance Notes that are not funded through payments on the Securitifleet Proceeds Loan.

Each Securitifleet Company has been created with a limited corporate purpose and is required by the terms of the Securitifleet On-Loan Agreements to which it is a party, which incorporate limitations substantially similar to those provided in the EC Finance Notes Indenture (as defined below), to use the proceeds of the relevant Securitifleet Advances made available under its Securitifleet On-Loan Agreement to acquire and lease vehicles to the Europcar operating company in its jurisdiction.

FCT Junior Notes

The subscription proceeds of the FCT Junior Notes subscribed by ECI set forth the overall credit enhancement and, as applicable, the cash support of the FCT accounts (in the event of a negative interest rate being applicable to these accounts) as an additional liquidity requirement, which is an amount determined by application of a fixed percentage of the vehicle fleet residual value (which, for each Securitifleet Company, is comprised of the aggregate residual value of a given Securitifleet Company's vehicle fleet plus capitalized costs for any purchased vehicles for which registration is pending, less any aggregate provisions for badly damaged, or stolen vehicles or vehicles the value of which has decreased significantly, with the amount equal to the product of the percentage of the loss adjustments and the residual value of the fleet being deducted), to the amount of the securitization financing (as defined below) at the level of the FCT Issuer, on a cross-collateralized basis among all the Securitifleet Companies (including any residual risk, such as interest rate risk). The amount and rate of the credit enhancement and liquidity required amount is calculated monthly (such amount being adjusted on the date on which each advance is made under the Senior Asset Revolving Facility) and is applied towards the determination of the amount of the FCT Junior Notes to be issued in connection with each advance drawdown from time to time under the Senior Asset Revolving Facility on the basis of the advance rate as specified below and the liquidity required amount.

The FCT Junior Notes are issued for a nominal amount of €1,000. They accrue interest on the principal amount outstanding during each interest period, which ends on each settlement date, and the amount of interest due on each such date in relation to each FCT Junior Note is calculated on a deemed calculation date, being a date immediately preceding such settlement date, and calculated as:

(A) an amount equal to (i) the sum of all interest amounts due to be received under the Senior Asset Revolving Facility Agreement on such settlement date; *plus* (ii) the swap floating amount due to the FCT Issuer by the swap counterparties on such settlement date; (iii) the aggregate interest amount accrued on a liquidity enhancement cash reserve account and an Italian withholding tax reserve account up to such calculation date; *plus* (iv) the FCT "Additional Amount" due to be paid by Securitifleet Holding to the FCT on such settlement date (being an amount payable by Securitifleet Holding to the transaction administrator for the account of the FCT Issuer, which amount is deemed to be €140,000 per month, subject to certain modifications); *less* (v) the swap fixed amount due to be paid by Securitifleet Holding to any swap counterparties on that settlement date; *less* (vi) the aggregate of all Senior Note coupons due to be paid in relation to all Senior Notes on such settlement date *divided by*

(B) the aggregate outstanding amount of all Junior Notes, multiplied by

(C) the principal outstanding amount of such Junior Notes.

EC Finance Notes

On July 31, 2014, EC Finance plc ("**ECF**") issued €350,000,000 5.125% Senior Secured Notes due 2021 (the "**EC Finance Notes**"). The EC Finance Notes are admitted to trading on the EURO MTF market of the Luxembourg Stock Exchange.

The EC Finance Notes were issued pursuant to an indenture, dated as of July 31, 2014 (the "**EC Finance Notes Indenture**") among ECF as issuer, The Bank of New York Mellon as trustee, transfer and principal paying agent, and The Bank of New York Mellon (Luxembourg) S.A. as registrar and as Luxembourg paying and transfer agent. The EC Finance Notes are obligations of ECF, and are guaranteed by ECI on a senior unsecured basis.

Under the Securitifleet Proceeds Loan Agreement between ECF and Securitifleet Holding the Securitifleet Proceeds Loan funding was made available to Securitifleet Holding in an amount equal to the aggregate principal amount of the EC Finance Notes. Securitifleet Holding then makes Securitifleet Advances to Securitifleet Companies. ECF and ECI entered into the "**ECI Subordinated Loan**" pursuant to which ECI has the option to extend to ECF amounts sufficient to enable ECF to satisfy its payment obligations under the EC Finance Notes that are not funded through payments on the Securitifleet Proceeds Loan.

Guarantee of the EC Finance Notes

The EC Finance Notes are the obligations of ECF and are guaranteed on a senior unsecured basis by ECI (the "**ECI Guarantee**"). The ECI Guarantee is a general senior obligation of ECI, which ranks equally in right of payment with all existing and future indebtedness of ECI that is not subordinated in right of payment to the ECI Guarantee and in the event of an enforcement of the ECI Guarantee, the ECI Performance Guarantee. Such ECI Guarantee ranks senior in right of payment to all existing and future indebtedness of ECI that is subordinated or otherwise junior in right of payment to the ECI Guarantee.

The ECI Guarantee is effectively subordinated to any existing and future Indebtedness and other liabilities of ECI that is secured by property and assets of ECI and its subsidiaries, to the extent of the value of the property and assets securing such indebtedness and other liabilities, including indebtedness under the Existing Senior Revolving Credit Facility (or, upon closing, the New Senior Revolving Credit Facility) and certain fleet financings. In the event of a bankruptcy or insolvency, ECI's secured lenders have a prior secured claim to any collateral of ECI securing the debt owed to them.

The obligations of Securitifleet Holding under the Securitifleet Proceeds Loan are secured directly or indirectly by the Securitifleet Collateral. See "*—Senior Asset Revolving Facility—The Securitifleet Collateral*":

Ranking of the EC Finance Notes

The EC Finance Notes:

- are general senior obligations of ECF;
- are guaranteed on a senior unsecured basis by ECI;
- rank equally in right of payment with all existing and future Indebtedness of ECF that is not subordinated in right of payment to the EC Finance Notes; and
- rank senior in right of payment to all existing and future Indebtedness of ECF that is subordinated or otherwise junior in right of payment to the EC Finance Notes.

EC Finance Notes Collateral

The EC Finance Notes benefit directly from the following security interests granted to the notes security agent on behalf of the EC Finance Notes trustee and the holders of the EC Finance Notes (the "**EC Finance Notes Collateral**") in the following rights, property and assets:

- the balance in English bank accounts of ECF and ECF's rights under the ECI Subordinated Loan; and
- ECI's rights under the Securitifleet Proceeds Loan.

As lender under the Securitifleet Proceeds Loan, ECF (and indirectly the EC Finance Noteholders) also benefits, indirectly, from the Securitifleet Collateral. See "*—Senior Asset Revolving Facility—The Securitifleet Collateral*".

Optional Redemption

Except as described below, the EC Finance Notes are not redeemable before January 15, 2017. Thereafter, ECF or ECI may redeem all or, from time to time, a part of the EC Finance Notes upon not less than 10 nor more than 60 days' notice prior to the redemption date, at the following redemption prices (expressed as percentages of the principal amount thereof), plus accrued and unpaid interest to the redemption date (subject to the right of EC Finance Notes' holders of record on the relevant record date to receive interest due on the relevant interest payment date), and which vary according to the periods set out below, commencing on January 15, 2017:

Year	Notes
January 15, 2017 to July 15, 2017	103.844%
July 15, 2017 to July 15, 2018	102.563%
July 15, 2018 to July 15, 2019	101.281%
July 15, 2019 and thereafter	100.00%

At any time prior to January 15, 2017, the EC Finance Notes may also be redeemed or purchased (by ECF or any other person) in whole or, from time to time, in part, at ECF's or ECI's option at a price equal to 100% of the principal amount thereof plus the applicable premium as of, and accrued but unpaid interest, if any, to the date of redemption or purchase (subject to the right of EC Finance Notes' holders of record on the relevant record date to receive interest due on the relevant interest payment date). Such redemption or purchase may be made upon notice mailed by first-class mail to each ECF Notes' holder's registered address, not less than 10 nor more than 60 days prior to the date of redemption.

On or prior to January 15, 2017, ECF or ECI may, at their option, redeem during each 12-month period commencing with the issue date of the EC Finance Notes (or six-month period, in the case of the period remaining from July 15, 2016 through January 15, 2017) up to 10% of the aggregate principal amount of the EC Finance Notes outstanding at its option, from time to time, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 103% of the principal amount of the EC Finance Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, subject to the rights of holders of the EC Finance Notes on the relevant record date to receive interest due on the relevant payment date.

In addition, any time, or from time to time, on or prior to January 15, 2017, ECF or ECI may, at their option, use the net cash proceeds of one or more equity offerings to redeem up to 35% of the principal amount of the EC Finance Notes issued under the EC Finance Notes Indenture at a redemption price of 105.125% of the principal amount and additional amounts plus accrued and unpaid interest and additional amounts, if any, to the date of redemption (subject to the right of the EC Finance Notes' holder of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(1) at least 65% of the principal amount of EC Finance Notes originally issued under the EC Finance Notes Indenture (excluding EC Finance Notes held by ECF, ECI and their respective affiliates) remains outstanding immediately after any such redemption; and

(2) ECI makes such redemption not more than 90 days after the consummation of any such equity offering.

In addition, in the event that ECI becomes obligated to pay additional amounts (as defined in the EC Finance Notes Indenture) to EC Finance Notes' holders as a result of changes affecting withholding taxes applicable to payments on the EC Finance Notes, ECI may redeem the EC Finance Notes in whole but not in part at any time at 100% of the principal amount of the EC Finance Notes plus accrued and unpaid interest to the redemption date.

Any optional redemption made under this section shall be irrevocable.

Change of Control and Asset Sales

Upon the occurrence of certain change of control events, each holder of the EC Finance Notes may require ECF or ECI to repurchase all or a portion of its EC Finance Notes at a purchase price equal to 101% of the principal amount of the EC Finance Notes, plus accrued and unpaid interest to, but not including, the date of purchase.

If ECI sells assets under certain circumstances, ECI is required to make an offer to purchase the EC Finance Notes at 100% of the principal amount of the EC Finance Notes, plus accrued interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets. ECF or ECI must inform holders of the change of control and the terms of this optional repurchase within 30 days of the occurrence of a change of control event.

Covenants

The EC Finance Notes Indenture contains covenants that, among other things, limit the ability of ECF, ECI, Securitifleet Holding, Securitifleet Companies and their Restricted Subsidiaries to:

- respect a maximum loan-to-value ratio of all Securitifleet Companies' indebtedness over the total value of certain of the Securitifleet Companies' assets of 95%, compliance to be tested on a quarterly basis;
- respect covenants limiting the activities of ECF and the Securitifleet Companies
- incur additional indebtedness;
- make restricted payments, including dividends or other distributions;
- create certain liens;
- sell assets;
- in the case of restricted subsidiaries, enter into arrangements that restrict dividends or other payments to the Company;
- in the case of restricted subsidiaries, guarantee or secure debt;
- engage in transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the Company's assets and the assets of its subsidiaries on a consolidated basis; and
- take any action that would materially impair the security interest.

These covenants are subject to important exceptions and qualifications. Currently, all of the subsidiaries of ECF, ECI, Securitifleet Holding and Securitifleet Companies are Restricted Subsidiaries (as defined in the EC Finance Notes Indenture).

Events of Default

The EC Finance Notes Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the EC Finance Notes, certain failures to perform or observe any other obligation under the EC Finance Notes Indenture or security documents, the failure to pay certain indebtedness or comply with judgments and the bankruptcy or insolvency of ECF, ECI, a Securitifleet Company or a significant subsidiary. The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the EC Finance Notes Indenture.

SF Intercreditor Agreement

In connection with entering into the Senior Asset Revolving Facility and the issuance of the EC Finance Notes, an intercreditor agreement was entered into with, *inter alios*, the Senior Facility Lending Bank under the Senior Asset Revolving Facility and the trustee for the EC Finance Notes on July 30, 2010, which agreement was amended on March 4, 2014, on July 31, 2014 and again on May 12, 2015. (the "**SF Intercreditor Agreement**").

The SF Intercreditor Agreement sets out, among other things:

- the relative ranking of certain debts of Securitifleet Holding;
- when payments can be made in respect of debts of Securitifleet Holding;
- when and by whom enforcement action can be taken in respect of these debts;
- the terms pursuant to which any part of these debts will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions;
- security amendment principles setting out when security and guarantees may be modified by the common security agent without prior consent required from the trustee or the holders of the EC Finance Notes; and
- limitation to any petition action during certain time periods and to the recourse which may be taken against Securitifleet Holding and any of the Securitifleet Companies.

Substantial operating leases

The Group finances a portion of its fleet in all of its Corporate Countries through operating leases. The Group has entered into large framework operating lease agreements, respectively, with financial institutions and the financing arms of the Group's main car suppliers, which are negotiated at a Group level.

The Group's main operating lease agreements with financial institutions are described below.

CM-CIC Agreement in Germany, Belgium and France

The operating lease agreements with CM-CIC are the Group's main operating lease agreement with financial institutions. The Group's German Operating Company and CM-CIC Leasing GmbH, Frankfurt/Main entered into a vehicle sale and leaseback master agreement dated January 30, 2009 (as amended from time to time), for a term of three years, for the sale and leaseback of vehicles to be purchased from the manufacturers Volkswagen AG, Audi AG, Seat Deutschland GmbH, SkodaAuto Deutschland GmbH, Volkswagen AG Marke Volkswagen Nutzfahrzeuge and Volkswagen Gebrauchtfahrzeughandels- und Service GmbH under certain purchase agreements. Over the course of 2011, the line was extended to Belgium and France with a volume of up to €500 million. Local operating lease agreements were entered into by local CM-CIC and Europcar companies in France and Belgium. The parties then agreed to extend the term of the line for Germany and Belgium until the end of 2014 and to reduce the line to €410 million; the maturity of the line was further extended to mid-2015. The parties currently wish to enter into a global framework agreement providing for the general terms and conditions of the leases until mid-2016 which will be supplemented by local lease contracts. The financial conditions for Germany and Belgium are already effective and the documentation is currently under review by the two groups.

Operating Leases with Car Manufacturers' Financial Entities

Europcar International S.A.S.U. and some of the Group's main car suppliers, such as, Daimler, Volkswagen, Fiat and Renault have put in place, at the local level, operating lease agreements between the Group's local operating companies and the car suppliers' financial entities. Such agreements are based on a detailed fleet plan per country shared and agreed upon for the sale and leaseback of vehicles to be purchased from such car suppliers. These agreements roll on a yearly basis.

In addition, the Group has entered into several base operating lease agreements for the purpose of purchasing and leasing activities of the vehicle fleet.

Interest Rate Swap Agreements

As of the date of this Offering Memorandum, the Group has entered into two interest rate swap agreements.

The first interest rate swap agreement was originally entered into by the Group in December 2010. Pursuant to this agreement, as amended from time to time over the years to the date hereof, the Group pays a fixed interest rate ranging from 0.823% to 0.893% on the outstanding notional amount of € 0.9 billion and receives interest income equal to the EURIBOR one-month rate. The maturity date of this swap agreement is July 17, 2017.

It is anticipated that, on or prior to the Completion Date, Europcar will enter into amendments to this agreement pursuant to which the nominal amount will be increased to €1.0 billion, the maturity date will be extended from July 17, 2017 to July 17, 2019 (the "**Extended Period**") and the fixed interest rate payable will be determined based on market conditions.

In July 2011, the Group entered into the second interest rate swap agreement, with a start date of December 19, 2011. Pursuant to this agreement, as amended from time to time to the date hereof, the Group pays interest at a fixed rate of 1.489% on the outstanding notional amount of €0.5 billion and received interest income equal to the EURIBOR six-month rate. The maturity date of this agreement is July 19, 2018

Europcar UK Group Fleet Financing

The Group currently finances its UK fleet on a stand-alone basis through its UK subsidiaries including ECGUK, ECUK and certain subsidiaries of ECUK (the "**Europcar UK Group**") under an overdraft facility (for an amount of £5 million), a revolving credit facility (for an amount of £15 million) and seven leasing facilities (in the total aggregate amount of £540 million).

The following table presents the Group's fleet financing arrangements in the United Kingdom, which are described below:

Financing	On or off balance sheet	Collateral or Asset-backed	Term/Maturity	Amount drawn at December 31, 2014 (in £ millions)	Amount available at December 31, 2014 (in £ millions)	Interest Rate
Club Facility	On balance sheet	Yes (financed fleet and other assets)	2017, 2 options to extend by one year	104.3 (approx. €134 million)	45.7 (approx. €58.8 million)	Libor + 2.00%
Santander Facility	On balance sheet	Yes (title of financed fleet)	2017, 2 options to extend by one year	10.4 (approx. €13.4 million)	19.6 (approx. €25.2 million)	Libor + 2.10%
Lex Autolease Facility	Off balance sheet	Yes (title of financed fleet)	2019	35.2 (approx. €45.3)	19.8 (approx. €25.5 million)	Libor + 2.00%
Lloyds Facility						
Of which Overdraft Facility	*On balance sheet*	*Yes (financed fleet and other assets)*	*Reviewed annually*	*0*	*15 (approx. € 19.3 million)*	*Libor + 1.75%*
Of which the revolving credit facility	*On balance sheet*	*Yes (financed fleet and other assets)*	*September 2015*	*0.3 (approx. € 0.39 million)*	*4.7 (approx. € 6 million)*	*Libor + 1.75%*
VW Facility	On balance sheet	Yes (title of financed fleet)	December 2015	10.1 (approx. €13 million)	19.9 (approx. €25.6 million)	FHBR + 1.50%

The "Club" Facility

On October 1, 2014, Europcar Group UK Limited entered into a committed vehicle funding agreement the "**Club Vehicle Funding Agreement**") with Lombard, United Dominion Trust, HSBC and GE Capital (hereafter the "**Club Vehicle Funders**") pursuant to which the Club Vehicle Funders granted to Europcar Group UK Limited, as hirer (the "**Club Hirer**"), a £425 million aggregate facility, to finance the purchase of the Group's UK fleet vehicles, consisting of four bilateral agreements with the following facility sizes:

• £150 million for the facility with Lombard North Central PLC;
• £100 million for the facility with HSBC Equipment Finance Limited;
• £100 million for the facility with United Dominion Trust Limited; and
• £75 million for the facility with GE Capital Equipment Finances Limited.

The Club Vehicle Funding Agreement has a term of 3 years with the option to extend for two further 12 month periods at each of the first and second anniversaries of the start date. The obligations of the Club Hirer under the "Club" Facility are guaranteed by Europcar UK Limited, PremierFirst Vehicle Rental EMEA Holdings Limited, PremierFirst Vehicle Rental Holdings Ltd., PremierFirst Vehicle Rental Franchising Ltd. and Provincial Assessors Ltd. (collectively, the "**Club Guarantors**").

Security

The Club Hirer's obligations under the facility are secured by way of (i) title in the assets funded, (ii) fixed charges on the bank account into which such proceeds are paid, (iii) guarantees from the Club Guarantors, (iv) debentures from each of the Club Hirer, PremierFirstVehicle Rental Franchising Limited and Provincial Assessors Limited, and (v) a security assignment of the manufacturer's buyback commitments relating to assets funded by the Club Vehicle Funders.

Covenants

The facility contains affirmative and negative covenants customary for this type of facility, including restrictions on creation of security interests over the assets of certain members of the Europcar UK Group, the periodic delivery of financial and other information, and certain financial covenants and fleet tests. Subject to certain permitted exceptions, the facility also includes restrictions on making distributions (including by way of dividend).

In particular, Europcar UK must ensure that:

• the net assets of Europcar UK Group are not less than GBP 60 million,

• the ratio of earnings before interest, tax, depreciation and amortization to fixed charges must not be less than 1.00, and

• the ratio of coverage of the fleet must be no more than 1.00.

Europcar UK was in compliance with these covenants at December 31, 2014.

Events of Default

The facility contains events of default customary for these types of agreements, including, (i) breach of the terms of the Club Vehicle Funding Agreement, (ii) breach of certain other funding or rental agreements, and (iii) insolvency and cross default provisions (iv) repayment default and (v) non-compliance with covenants.

The Santander Facility

On October 10, 2014, Europcar Group UK Limited entered into a committed vehicle funding agreement with Santander Asset Finance PLC (the "**Santander Vehicle Funding Agreement**") pursuant to which the Santander Asset Finance PLC granted to Europcar Group UK Limited, as hirer (the "**Santander Hirer**"), a £30 million facility, to finance the purchase of the Group's UK fleet vehicles. The Santander Vehicle Funding Agreement has a term of three years with two successive options to extend for a further 12 months at each of the first and second anniversaries of the start date.

This facility is on the same commercial terms as the "Club" facility but does not benefit from the same security package.

Security

The Santander Hirer's obligations under the facility are secured by way of title in the assets funded.

Covenants

The facility contains affirmative and negative covenants customary for this type of facility, including restrictions on creation of security interests over the assets of certain members of the Europcar Group UK Limited, the periodic delivery of financial and other information, and certain financial covenants and fleet tests. Subject to certain permitted exceptions, the facility also includes restrictions on making distributions (including by way of dividend). The facility includes a change of control clause with respect to ECGUK, providing that in the event of a change of control without the prior express consent of Santander Asset Finance PLC, Santander Asset Finance PLC may withdraw its commitments under the agreement. As an exception, the initial public offering is a permitted change of control under the agreement.

Events of Default

The facility contains events of default customary for these types of agreements, including, (i) breach of any of the Santander Vehicle Funding Agreement, (ii) breach of the terms of the financing, subject to cure periods, (iii) breach of certain other funding or rental agreements, and (iv) insolvency and cross default provisions.

The Lex Autolease Facility

On October 1, 2014 Europcar Group UK Limited entered into a master contract hire agreement with Lex Autolease Limited to finance the purchase of the Group's UK fleet vehicles via an operating lease facility of £55 million. The master contract hire agreement ends on December 31, 2019.

The borrowers' obligations under the new Lex Autolease facility is secured by way of title in the assets funded. The facility contains affirmative and negative covenants customary for this type of facility. The facility also contains customary events of default for this type of facility.

The Lloyds Facilities

On October 1, 2014, Europcar Group UK Limited entered into two working capital facilities with Lloyds, an overdraft with a limit of £5 million and a revolving credit facility with a £15 million limit.

The Overdraft Facility

On October 1, 2014, Europcar UK and PremierFirst Vehicle Rental Holdings Limited as borrowers and Lloyds as lender entered into an overdraft facility agreement pursuant to which Lloyds provided a £5 million net/£10 million gross overdraft facility to ECGUK and certain of its subsidiaries for general overdraft purposes (the "**Overdraft Facility**"). Lloyds will review the facility periodically, at least on an annual basis.

Interest is payable on all advances under the Overdraft Facility at the annual rate which is the sum of the then applicable margin, LIBOR and the mandatory costs (if any). In addition to the interest charges, commitment fees are payable. Interest is payable on all amounts owing under the Overdraft Facility at the annual rate which is the sum of the applicable margin and the then applicable base rate.

The Overdraft Facility may be cancelled by Lloyds at any time and all outstanding advances, together with accrued interest, may become immediately due and payable.

On the occurrence of certain events, including a change of control, the Overdraft Facility may be cancelled and all outstanding advances, together with accrued interest, may become immediately due and payable. Obligations under the Overdraft Facility are secured by English law debentures granted by certain members of the Europcar UK Group in favor of Lloyds.

The Overdraft Facility contains affirmative and negative covenants customary to this type of agreement, including periodic delivery of financial information and maintenance of certain financial performance targets.

The Overdraft Facility letter contains events of default customary for these types of facilities, including, subject to certain cure periods, events of default for non-payment, breaches of representations and warranties and undertakings, and insolvency related events.

The Revolving Credit Facility

On October 1, 2014, ECGUK as borrowers and Lloyds as lender entered into an revolving credit facility agreement pursuant to which Lloyds provided a £15 million revolving credit facility to ECGUK and certain of its subsidiaries for general corporate purposes. The revolving credit facility has a termination date of September 29, 2015.

Interest is payable on all advances under this revolving credit facility at the annual rate which is the sum of the then applicable margin, LIBOR and the mandatory costs (if any). In addition to the interest charges, commitment fees are payable. Interest is payable on all amounts owing under this revolving credit facility at the annual rate which is the sum of the applicable margin and the then applicable base rate.

Obligations under this revolving credit facility are secured by English law debentures granted by certain members of the Europcar Group UK Limited in favor of Lloyds.

This revolving credit facility contains affirmative and negative covenants customary to this type of agreement, including periodic delivery of financial information and maintenance of certain financial performance targets.

It also contains events of default customary for these types of facilities, including, events of default for non-payment, breaches of representations and warranties and undertakings, and insolvency related events.

The VW Facility

On December 21, 2012, Europcar Group UK Limited entered into a committed vehicle funding facility with Volkswagen Bank GmbH ("**VW**") pursuant to which VW granted to Europcar Group UK Limited, as agent, a £133 million facility with a term of three years to finance the purchase of the Group's UK fleet vehicles. The obligations of the agent under the facility are guaranteed by Europcar International S.A.S.U., in case of default with respect to the facility. The initial margin of this facility was 3.5 points and was renegotiated to 1.5 points.

The VW facility is governed by the terms of a master conditional sale agreement, a purchase agency agreement and a funding manager and netting account agreement.

The agent's obligations under the VW facility documents are secured by way of (i) title in the assets funded and (ii) the guarantee Europcar International S.A.S.U. The VW facility contains affirmative and negative covenants and events of default customary for this type of facility.

On May 1, 2014 Europcar Group UK Limited reduced the size of the VW facility to £80 million and on February 10, 2015 was further reduced to £30 million.

Asset Financing in Australia and New Zealand

On March 31, 2014 National Australia Bank (the NAB), Toyota Financial Services (TFS), Volkswagen Financial Services, Alphabet Financial Services, St George Bank, Mercedes Benz Finance, Nissan Finance and other Australian and New Zealand financial institutions have provided Europcar Australia and Europcar New Zealand with senior credit facilities (the "**Australian and New Zealand Asset Financing Facilities**"), including revolving and non-revolving fleet operating and finance leases up to AUD 300 million. These facilities are renewed annually and finance the fleet in Australia and New Zealand.

The facilities are secured by fixed and floating charges over Europcar Australia and Europcar New Zealand assets including goodwill and uncalled capital and called but unpaid capital together with relative insurance policy assigned. There are also performance guarantees for the facilities.

These facilities include covenants. In particular, Europcar Australia must ensure that:

- its minimum net worth, i.e., total shareholders' equity, is always greater than AUD 50 million;
- its fleet utilization rate is above 70% on average over the year; and
- its minimum cumulative net profit before tax is within 85% of the company's budget.

Europcar Australia was in compliance with these covenants at December 31, 2014.

Description of the Notes

Europcar Notes Limited (the "**SPV Issuer**") will issue €475.0 million aggregate principal amount of 5.750% senior notes (the "**Notes**") under an indenture (the "**Indenture**") to be dated as of the date the Notes are issued upon completion of the Offering between the SPV Issuer and The Bank of New York Mellon as trustee (the "**Trustee**"). The Notes will be issued in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). See "*Transfer Restrictions*". On the Completion Date, Europcar Groupe S.A. (a corporation organized under the laws of France) ("**EGSA**"), as a successor issuer of the Notes will accede to the Indenture through a supplemental indenture or accession agreement ("**Accession Agreement**") and Crédit Agricole Corporate and Investment Bank will accede to the Indenture as security agent (the "**Security Agent**").

The SPV Issuer is an unaffiliated special purpose financing company that has no material assets other than its interest in the Escrow Account. All of the SPV Issuer's Capital Stock is held by SPV Issuer Share Trustee (the "**Parent**") on trust for charitable purposes. The obligations of the SPV Issuer under the Indenture and the Notes, will be limited as set forth in the Indenture. Upon completion of the Offering and release of the proceeds of the Offering from escrow, the SPV Issuer will cease to have any rights and will be released from all of its obligations under the Indenture and the Notes, and EGSA will assume all such rights and obligations thereafter.

This "*Description of the Notes*" is a summary of the material provisions of the Notes and the Indenture and refers to the Intercreditor Agreement and the Security Documents (each as defined below). The Description of the Notes does not restate those agreements in their entirety. These agreements, not this summary, define your rights as Holders, and therefore you should refer to such agreements for complete descriptions of the obligations of the SPV Issuer and EGSA and your rights. Copies of the forms of the Indenture, the Notes, the Intercreditor Agreement and the Security Documents will be available as set forth under "*Where You Can Find Additional Information*". By acquiring a Note, each Holder agrees to take the position that the Notes will be characterized as debt for United States federal income tax purposes.

You will find definitions of certain capitalized terms used in this Description of the Notes under the heading "*—Certain Definitions*". The Indenture will not be qualified under the U.S. Trust Indenture of 1939, as amended, and will not incorporate or include or be subject to any of its provisions.

The term "*Assumption of the Notes*" means, collectively, the following transactions among others:

- the assumption by EGSA of all of the SPV Issuer's obligations under the Notes and the Indenture pursuant to the Accession Agreement, on and after the Completion Date;
- the release of the SPV Issuer from all of its obligations under the Notes and Indenture (including in respect of any interest accrued prior to the Completion Date); and
- the granting of the security in respect of the Notes, as of and on the Completion Date, described below under the caption "*—Security*".

For the avoidance of doubt, any references to "*EGSA*" in the covenants and related definitions shall be references to EGSA, as the context may require, and not to any of its Subsidiaries.

Prior to the consummation of the Assumption of the Notes on the Completion Date, the SPV Issuer will be prohibited from engaging in any business activity or any other activity, other than certain activities related to the Indenture and the Notes. See "*—Limitation on Activities of the SPV Issuer Prior to the Completion Date*". The release of the proceeds of the Offering of the Notes from the escrow account will be subject to certain conditions. See "*—Escrow Arrangement*".

On the Completion Date, all of EGSA's Subsidiaries will be "*Restricted Subsidiaries*". However, under the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary*", EGSA will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

The Notes will initially not be held in definitive form and the registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Except as the context otherwise requires, the provisions described elsewhere in this "*Description of the Notes*" refer to the provisions of the Indenture as will be in effect beginning on the Completion Date.

Principal, Maturity and Interest

The Notes initially will be issued in the aggregate principal amount of € 475.0 million. EGSA may issue additional Notes (the "**Additional Notes**") under the Indenture from time to time after the Completion Date *provided* that, in order for such Additional Notes to have the same identification number as the Notes offered hereby, any such Additional Notes shall be fungible with the Notes for U.S. federal income tax purposes. Any issuance of Additional Notes is

subject to all of the conditions and covenants in the Indenture. The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase.

The Notes will be in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Notes will only be issued in minimum denominations of €100,000 principal amount. The Notes will mature on June 15 , 2022 and be payable at 100% of their face amount upon redemption at maturity.

Interest on the Notes will accrue at the rate of 5.750% *per annum* from (and including) the Issue Date or, if interest has already been paid, from the date it was most recently paid. Interest will be payable in cash semi-annually in arrears on June 15 and December 15 in each year, commencing on December 15, 2015 to the holder of record of the Notes on the June 1 and December 1 immediately preceding the related interest payment date. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest on overdue principal and, to the extent permitted by law, on overdue installments of interest and Additional Amounts (as defined herein) will accrue at a rate that is 1.0% higher than the then applicable interest rate on the Notes.

If the due date for any payment in respect of any Note is not a Business Day at the place in which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Ranking of the Notes Prior to the Completion Date

The Notes will be limited recourse obligations of the SPV Issuer. Prior to the Completion Date, the SPV Issuer will not be permitted to incur any Indebtedness or any other liabilities, except as permitted under the first paragraph of "—*Certain Covenants—Limitation on Activities of SPV Issuer Prior to the Completion Date*".

Ranking of the Notes on and after the Completion Date

The Notes will be:

- general senior obligations of EGSA;
- secured by a second-ranking security interest over the shares of Europcar International S.A.S.U. owned by EGSA as described in "—*Security*";
- senior in right of payment to all existing and future Indebtedness of EGSA that is expressly subordinated in right of payments to the Notes;
- *pari passu* in right of payment with any existing and future indebtedness of EGSA that is not subordinated in right of payment to the Notes;
- effectively subordinated to any existing or future Indebtedness or obligation of EGSA that is secured by property and assets that do not secured the Notes, to the extent of the value of the property and assets securing such Indebtedness; and
- structurally subordinated to any existing or future Indebtedness of the Subsidiaries of EGSA (other than Subsidiaries that become Subsidiary Guarantors).

Under certain circumstances in the future, certain Restricted Subsidiaries of EGSA may guarantee the Notes. See "—*Certain Covenants—Future Subsidiary Guarantors*". Claims of creditors of the Subsidiaries of EGSA that are not Subsidiary Guarantors, including trade creditors, and claims of preferred shareholders (if any) of Subsidiaries of EGSA that are not Subsidiary Guarantors will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of EGSA, including holders of the Notes. The Notes, therefore, are effectively subordinated to creditors (including trade creditors) and preferred shareholders (if any) of Subsidiaries of EGSA that are not Subsidiary Guarantors.

As of March 31, 2015, after giving effect to the Refinancing, including the offering of the Notes, the Assumption of the Notes and the application of the proceeds therefrom:

- EGSA (including Subsidiaries and consolidated Special Purpose Entities) would have had total consolidated third-party debt of €1,914 million (excluding estimated debt equivalent of fleet operating leases off-balance sheet) and would have also had €1,495 million in estimated debt equivalent of fleet operating leases off-balance sheet; and
- Subsidiaries of EGSA and consolidated Special Purpose Entities would have had total outstanding borrowings of €1,449 million (excluding estimated debt equivalent of fleet operating leases off-balance sheet) and would have also had €1,495 million in estimated debt equivalent of fleet operating leases off-balance sheet).

Although the Indenture will contain limitations on the amount of additional Indebtedness that EGSA and its Restricted Subsidiaries may incur, under certain circumstances, the amount of such Indebtedness could be substantial and may

rank senior to the Notes and/or constitute secured Indebtedness. See "*—Certain Covenants—Limitation on Indebtedness*" below.

Security

Prior to the Completion Date, the Notes will be secured on a first-ranking basis by a pledge of the Escrow Account in favor of the Security Agent for the benefit of the Trustee and the Holders. On and after the Completion Date, EGSA, the Trustee and the Security Agent will enter into a share pledge agreement (the "**Share Pledge**" and, together with all other pledge agreements providing for the pledges described below pursuant to the terms of the Indenture, the "**Security Documents**") providing for a second-ranking pledge of the financial securities account to which the shares of ECI owned by EGSA are credited (the "**Collateral**") granted to the Security Agent for the benefit of the Trustee and the Holders pursuant to a pledge of a financial securities account ("*nantissement de compte de titres financiers*") (under article L.211-20 of the French Monetary and Financial Code) to which the shares of ECI owned by EGSA are credited, ranking after a first-ranking pledge of the same financial securities account granted to secure certain existing and future Indebtedness of EGSA under the Senior Revolving Credit Facility. The Share Pledge secures parallel debt obligations owed to the Security Agent (the "**Parallel Debt**") which will be in the same amount and payable at the same time as obligations of EGSA under the Indenture in respect of the Notes (the "**Principal Obligations**"). Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. The Security Agent shall not be permitted to assign, transfer or dispose of the Parallel Debt other than to a successor, as more particularly described in the Indenture.

The Share Pledge will provide that, so long as no Event of Default has occurred which is continuing, unremedied or unwaived and which will have been previously notified to EGSA, EGSA will be entitled to receive all cash dividends and other payments made upon or with respect to the pledged shares pursuant to the Share Pledge and to exercise any rights pertaining to such shares. Subject to the Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, however:

- all rights of EGSA to receive dividends and other payments made upon or with respect to the pledged shares will cease and such dividends and other payments will be paid to an account for the benefit of the Trustee for the Holders (or as otherwise required by the Intercreditor Agreement); and
- solely with respect to an Event of Default of the type specified under the first paragraph under "*—Events of Default*", the Trustee and the Security Agent will also be entitled to exercise all rights, actions and privileges granted by law to a secured creditor.

Subject to the Intercreditor Agreement, upon the occurrence and during the continuance of any Event of Default of the type specified under clause (1) or (2) under "*—Events of Default*" or a declaration of acceleration of additional Indebtedness in accordance with the Indenture, the Trustee and the Security Agent, for the benefit of the Holders of the Notes may foreclose on, sell or otherwise dispose of the Collateral or any part thereof in accordance with the terms of the Share Pledge.

Subject to certain conditions, including compliance with the covenant described under "*—Certain Covenants—Impairment of Security Interest*", EGSA is permitted to pledge the Collateral in limited circumstances in connection with future issuances of the Notes and certain other Indebtedness, in each case permitted under the Indenture. In addition to the release provisions described below, the Security Interest (as defined below) will cease to exist by operation of law or will be released upon the defeasance or discharge of the Notes as provided in "*—Defeasance*" or "*—Satisfaction and Discharge*", in each case in accordance with the terms and conditions of the Indenture.

Priority

The relative priority between (a) the lenders under the Senior Revolving Credit Facility and (b) the Trustee with respect to the security interest in the Collateral that is created by the Share Pledge and that secures the Parallel Debt (the "**Security Interest**") is established by the terms of the Intercreditor Agreement, the Indenture and the Share Pledge, and may be set forth in any Additional Intercreditor Agreements and any other security documents from time to time with respect to any other Indebtedness permitted under the Indenture to be secured by the Collateral and the security documents relating to the Senior Revolving Credit Facility, which provide that:

- the obligations under the Senior Revolving Credit Facility secured by the Collateral are secured by a first-priority security interest in the Collateral; and
- the obligations in respect of the Parallel Debt and in respect of any other Indebtedness of EGSA from time to time secured by the Collateral are secured by a second-priority security interest in the Collateral.

Please see the section entitled "*Description of Certain Europcar Financing Arrangements—Intercreditor Agreement*". In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue

Date, the Collateral may be pledged to secure other Indebtedness. See "*—Certain Covenants—Impairment of Security Interest*".

Release of Security

The Share Pledge will be released:

- in accordance with the Intercreditor Agreement. See "*Description of Certain Europcar Financing Arrangements—Intercreditor Agreement*"; and
- upon legal or covenant defeasance as described below under "*—Defeasance*" or upon satisfaction and discharge of EGSA's obligations under the Indenture as described below under "*—Satisfaction and Discharge*".

The Trustee will agree to any release of the Share Pledge that is in accordance with the Indenture and/or the Intercreditor Agreement without requiring any Holder's consent.

In addition, the Intercreditor Agreement provides that the Security Agent will be authorized to release (and the Security Agent will, at the request of EGSA, release) the security interest in the Collateral securing the Notes in connection with the granting of a security interest in the Collateral to secure new Indebtedness (where such Indebtedness and security interest are permitted by the Indenture, as certified to the Trustee in an Officers' Certificate by EGSA). EGSA will, immediately after such security interest in the Collateral is granted in respect of the new Indebtedness, grant to the Trustee a security interest in the Collateral securing the Notes; *provided* that (A) the release and grant of any security interest in the Collateral securing the Notes in accordance with the terms of this paragraph shall only be undertaken to the extent necessary, as determined in good faith by EGSA and (B) EGSA shall provide the Trustee with an opinion of counsel regarding the validity and enforceability of any security interest securing the Notes that is granted in accordance with the terms of this paragraph, which opinion may be subject to exceptions, limitations and exclusions determined by such counsel to be necessary or appropriate, including in light of applicable law.

Escrow Arrangement

Upon initial issuance, the Notes will be obligations of the SPV Issuer and not obligations of EGSA. The SPV Issuer is an unaffiliated special purpose financing company with no operations and no ability to generate revenue.

Concurrently with the closing of the Offering of the Notes on the Issue Date, the SPV Issuer and EGSA will enter into an Escrow Agreement with the Trustee and The Bank of New York Mellon, London Branch, as escrow agent (the "**Escrow Agent**"), pursuant to which the Initial Purchasers will deposit into an account (the "**Account**") with the Escrow Agent in the name of the SPV Issuer but controlled by the Trustee on behalf of the holders of the Notes, the gross proceeds of the offering and EGSA will deposit into the Account an amount in cash in the form of a subordinated loan such that, when taken together with the amount deposited by the Initial Purchasers, the Account will be funded with cash sufficient to pay the Special Mandatory Redemption Price (as defined below). Prior to the release of such funds from the Account, such funds will be kept in cash. The initial funds deposited in the Account, and all other funds, securities, interest, distributions and other property and payments credited to the Account (less any property and/or funds paid in accordance with the Escrow Agreement) are referred to as the "**Escrowed Property**".

Pursuant to the Escrow Agreement, subject to, and immediately prior to or concurrently with, the satisfaction of the following conditions:

(1) the execution of (a) the Intercreditor Agreement by EGSA, Europcar International SASU, Europcar Holding SAS, Europcar Autovermietung GmbH, Europcar International SA und CO OHG, Europcar France SAS, Europcar SA and Europcar IB, SA, Europcar UK Limited, Europcar Italia Spa, the Trustee, the Security Agent and the finance parties of the Senior Revolving Credit Facility, which Intercreditor Agreement is on substantially the same terms as described in the Offering Memorandum under the heading "*Description of Certain Europcar Financing Arrangements—The Intercreditor Agreement*"; (b) the Security Documents by EGSA and the Security Agent providing for the granting by EGSA of a second-ranking pledge of the Collateral in favor of the Security Agent for the benefit of the Trustee and the Holders; and (c) the accession by EGSA to the Indenture;

(2) (a) the completion of the Initial Public Offering by EGSA, (b) the satisfaction and discharge of all obligations of EGSA and the guarantor subsidiaries of EGSA in respect of the Outstanding Subordinated Notes Due 2017 pursuant to the irrevocable deposit by or at the direction of EGSA with the trustee under the indenture governing the Outstanding Subordinated Notes Due 2017 of all or a portion of the Net Cash Proceeds of such Initial Public Offering in euro in an amount sufficient to pay and discharge the entire Indebtedness represented by the Outstanding Subordinated Notes Due 2017 not theretofore delivered to such trustee for cancellation, together with irrevocable instructions from EGSA directing such trustee to apply such Net Cash Proceeds to the payment thereof at redemption, and (c) on or prior to the date of such deposit, the giving of notice of such redemption of not less than 10 days (which notice may be conditioned on the release of funds from the Escrow Account) under arrangements satisfactory to such trustee for redemption of the Outstanding Subordinated Notes Due 2017 by such trustee in the name and at the expense of EGSA;

(3) (a) satisfaction and discharge of all obligations of EGSA in respect of the Outstanding Subordinated Notes Due 2018 pursuant to the irrevocable deposit by or at the direction of EGSA with the trustee under the indenture governing the Outstanding Subordinated Notes Due 2018 of the Escrowed Property, upon simultaneous release as described below, in an amount sufficient to pay and discharge the entire Indebtedness represented by the Outstanding Subordinated Notes Due 2018 not theretofore delivered to such trustee for cancellation, together with irrevocable instructions from EGSA directing such trustee to apply such funds to the payment thereof at redemption, and (b) on or prior to the date of such deposit, the giving of notice of such redemption of not less than 10 days (which notice may be conditioned on the release of funds from the Escrow Account) under arrangements satisfactory to such trustee for redemption of the Outstanding Subordinated Notes Due 2018 by such trustee in the name and at the expense of EGSA;

(4) the consummation of the Assumption of the Notes;

(5) the absence of a Change of Control occurring at EGSA since the Issue Date;

(6) there being no Default or Event of Default under the Indenture;

(7) those documents, legal opinions and certificates attached as exhibits to the Escrow Agreement having been delivered in accordance with the terms of the Escrow Agreement;

(8) the delivery to the Trustee of an Officers' Certificate signed by a director of the SPV Issuer certifying that there has been no Event of Default under the Indenture as to the SPV Issuer since the Issue Date; and

(9) the delivery to the Trustee of an Officers' Certificate signed by two Officers of EGSA certifying that the foregoing conditions (1) through (8) have been, or immediately following release of the Escrow Property will be, satisfied,

the Escrowed Property shall be released to EGSA and the SPV Issuer shall be released from its obligations under the Indenture, the Notes and any related transaction documents. In the event that (i) satisfaction of such conditions (the date of such satisfaction, the "**Completion Date**") does not take place on or prior to October 8, 2015 (such date, the "**Date of Determination**") or (ii) an Event of Default arises from certain events of bankruptcy or insolvency, with respect to EGSA prior to the Date of Determination, the funds in the Account will be released on the Special Mandatory Redemption Date for the purpose of effecting the mandatory redemption (the "**Special Mandatory Redemption**") of the Notes in accordance with the requirements of the Indenture as described under "*—Special Mandatory Redemption*". Any excess Escrowed Property remaining in the Account after the Special Redemption Date will be released to EGSA after payment of fees, expenses, indemnities and other amounts.

No provisions of the Escrow Agreement (including, without limitation, those relating to the release of the Escrowed Property) and, to the extent such provisions relate to the SPV Issuer's obligation to redeem the Notes in a Special Mandatory Redemption, the Indenture, may be waived or modified in any manner materially adverse to the Holders without the written consent of Holders of at least 90% in aggregate principal amount of Notes outstanding.

On and following the Completion Date and in order to determine compliance with the condition described under clause (6) of the escrow release conditions described above, all restrictive covenants will be deemed to have been applicable beginning on the Issue Date (but assuming that all actions that take place on the Completion Date had occurred on the Issue Date) and, to the extent that EGSA and its Restricted Subsidiaries took any action or inaction after the Issue Date and on or prior to the Completion Date that is prohibited by the Indenture, the SPV Issuer will be in Default on such date and the funds in the Account will not be released to EGSA.

Special Mandatory Redemption

In the event that the Completion Date has not occurred on or prior to the Date of Determination, the SPV Issuer will be required to redeem the Notes, on the date that is no later than five Business Days after the Date of Determination, at a cash redemption price of 99.289% of the aggregate principal amount of the Notes, plus accrued interest and Additional Amounts (defined below), if any, to the date of redemption. In addition, in the event that an Event of Default arises from certain events of bankruptcy or insolvency with respect to EGSA prior to the Date of Determination, the SPV Issuer will be required to redeem the Notes, on the date that is no later than five Business Days after the date on which such Event of Default occurs, at a cash redemption price of 99.289% of the aggregate principal amount of the Notes, plus accrued interest and Additional Amounts, if any, to the date of redemption. The date on which the Special Mandatory Redemption shall take place is referred to as the "**Special Mandatory Redemption Date**". The redemption price at which the Notes are to be redeemed pursuant to a Special Mandatory Redemption is referred to as the "**Special Mandatory Redemption Price**". The Escrow Agreement will provide that the Trustee, after receiving from the Escrow Agent an amount of Escrowed Property equal to the Special Mandatory Redemption Price, will send a notice of such redemption on behalf of the SPV Issuer to the Holders on the Date of Determination if the Completion Date has not occurred on or prior to such Date of Determination or on (or as soon as reasonably practicable after) the date on which the Event of Default occurs (if a bankruptcy or insolvency-related Event of Default with respect to EGSA has occurred).

If the Special Mandatory Redemption Date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest and Additional Amounts, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to Holders whose Notes will be subject to redemption by the SPV Issuer.

On or after the Completion Date or the payment of the Special Mandatory Redemption Price by the SPV Issuer, as applicable, the SPV Issuer will have no further obligations under the Indenture or the Notes and will commence voluntary liquidation proceedings.

Optional Redemption

Except as described below and under "*—Redemption for Taxation Reasons*" and "*—Special Mandatory Redemption*", the Notes are not redeemable prior to maturity.

On or after the Completion Date but prior to June 15, 2018, the Notes may be redeemed or purchased (by EGSA or any other Person) in whole or, from time to time, in part, at EGSA's option, upon not less than 10 days nor more than 60 days' notice, at a price equal to 100% of the principal amount thereof plus the Applicable Premium (as defined below) as of, and accrued but unpaid interest, if any, to the date of redemption or purchase, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date.

In addition, on or after the Completion Date but prior to June 15, 2018, EGSA may, at its option, use the Net Cash Proceeds of one or more Equity Offerings (other than an Initial Public Offering) to redeem up to 40% of the principal amount of the Notes issued under the Indenture (including any Additional Notes), upon not less than 10 days' nor more than 60 days' notice, at a redemption price of 105.750% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of redemption (subject to the right of the Holder of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(1) at least 60% of the principal amount of Notes originally issued under the Indenture (excluding Notes held by EGSA and its Affiliates) remains outstanding immediately after any such redemption; and

(2) EGSA makes such redemption not more than 90 days after the consummation of any such Equity Offering.

At any time and from time to time on or after June 15, 2018, EGSA may redeem the Notes in whole or in part, upon not less than 10 days nor more than 60 days' notice, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date:

Twelve-month period commencing on:	Percentage
June 15, 2018	102.875%
June 15, 2019	101.438%
June 15, 2020 and thereafter	100.000%

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption on a *pro rata* basis (or, in the case of Notes issued in global form as discussed under "*Book-Entry, Delivery and Form*", based on a method that most nearly approximates a *pro rata* selection as the Trustee deems fair and appropriate), unless otherwise required by law or applicable stock exchange or depository requirements; *provided, however*, that no Notes of a principal amount of €100,000 or less shall be redeemed in part. The Trustee will not be liable for selections made by it in accordance with this paragraph.

Notice of redemption will be mailed by first-class mail at least 10 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address as it appears on the registration books of the Registrar, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, then the notice of redemption that relates to such Note must state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the date of redemption, interest will cease to accrue on Notes or portions thereof called for redemption as long as EGSA has deposited with the Paying Agent funds in satisfaction of the applicable redemption price. Any redemption may, at EGSA's discretion, be subject to one or more conditions precedent, with such conditions precedent being stated in the notice to the Holders of Notes.

At least 10 days but not more than 60 days before a redemption date, any such notice to the holders of the relevant Notes shall be published through the newswire service of Bloomberg (or if Bloomberg does not then operate, any similar agency).

For Notes which are represented by global certificates held on behalf of Euroclear, notices may be given by delivery of the relevant notices to Euroclear for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, any such notice to the Holders of the relevant Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, EGSA will notify the Luxembourg Stock Exchange of any change in the principal amount of Notes outstanding.

Withholding Taxes

All payments made by the SPV Issuer, EGSA, any Subsidiary Guarantor or a successor of any of the foregoing (each, a "**Payor**") under, or with respect to, the Notes or any Subsidiary Guarantee, if any, will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, levies, fees, assessments or governmental charges of whatever nature (including penalties, interest and other liabilities related thereto) (collectively, "**Taxes**") imposed, levied, collected or assessed by or on behalf of (1) Ireland, France or any political subdivision or governmental authority of Ireland or France having power to tax; (2) any jurisdiction from or through which payment on the Notes or any Subsidiary Guarantee, if any, is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or (3) any other jurisdiction in which the Payor is organized, resident or engaged in business, including, in the case of each of (1), (2) and (3), any political subdivision or governmental authority thereof or therein having the power to tax (each of (1), (2) and (3), a "**Relevant Taxing Jurisdiction**") unless the withholding or deduction of such Taxes is then required by law.

If any deduction or withholding for, or on account of, any Taxes of any Relevant Taxing Jurisdiction will at any time be required by law from any payments made with respect to the Notes or any Subsidiary Guarantee, if any, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments by each Holder and beneficial owner of the Notes or the Trustee or the Security Agent, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable with respect to:

(a) any Taxes that would not have been so imposed but for the existence of any present or former connection between the Holder (or beneficial owner of, or person ultimately entitled to obtain an interest in such Notes) and the Relevant Taxing Jurisdiction imposing such Taxes (other than the mere acquisition, ownership or holding of such Notes or the related Subsidiary Guarantee, if any, or the receipt of payments in respect thereof or exercising any rights or remedies thereunder);

(b) any Taxes that would not have been imposed, payable or due if the Notes are held in definitive registered form ("**Definitive Notes**") and the presentation of Definitive Notes for payment had occurred within 30 days after the date such payment was due and payable or was provided for, whichever is later, except for Additional Amounts with respect to Taxes that would have been imposed had the Holder presented the Note for payment within such 30-day period;

(c) any Taxes that are imposed or withheld by reason of the failure of the Holder or beneficial owner of a Note to comply, at the Payor's reasonable written request provided reasonably in advance, with certification, information or other reporting requirements concerning the nationality, residence or identity of the Holder or such beneficial owner if (i) such compliance is required or imposed by a statute, treaty or regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax and (ii) such Holder or beneficial owner is legally able to comply with such request;

(d) any Note presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union;

(e) any Taxes that are payable otherwise than by deduction or withholding from payments on or in respect of any Note;

(f) any estate, inheritance, gift, sale, excise, transfer, personal property or similar tax, assessment or governmental charge; or

(g) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to the European Union Savings Tax Directive (the "**E.U. Savings Tax Directive**") on the taxation of savings income

which was adopted by the ECOFIN Council (the Council of E.U. Finance and Economic Ministers) on June 3, 2003, or any law implementing or complying with, or introduced to conform to, such E.U. Savings Tax Directive.

Also, such Additional Amounts will not be payable with respect to any payment of principal of (or premium, if any, on) or interest on such Note to any Holder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Holder of such Note.

The Payor will (a) make any required withholding or deduction and (b) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to each Holder. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per €1,000 principal amount of the Notes. Copies of such documentation will be supplied by the Payor and made available for inspection during ordinary business hours at the offices of the Trustee by the Holders upon request and will be made available during ordinary business hours at the offices of the Luxembourg Paying Agent if the Notes are then listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (unless such obligation to pay Additional Amounts arises shortly before or after the 30th day prior to such date, in which case it shall be promptly thereafter), if the Payor will be obligated to pay Additional Amounts with respect to such payment, the Payor will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to holders on the payment date. Each such Officers' Certificate shall be relied upon until receipt of a further Officers' Certificate addressing such matters.

The Payor will pay any stamp, issue, registration, documentary, value added or other similar taxes and other duties (including interest and penalties) payable in the Republic of France, any other Relevant Taxing Jurisdiction (or any political subdivision or taxing authority of any such jurisdiction) or any other jurisdiction in which the Payor or Paying Agent is located in respect of the creation, issue, offering, execution or enforcement of the Notes, or any documentation with respect thereto.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any (1) successor Person to a Payor is organized or (2) Subsidiary of EGSA which becomes a Subsidiary Guarantor after the date of the Indenture is organized, or any political subdivision or taxing authority or agency thereof or therein.

Whenever in the Indenture or in this description there is mentioned, in any context, (1) the payment of principal, premium, if any, or interest, (2) redemption prices or purchase prices in connection with the redemption or purchase of the Notes, or (3) any other amount payable under or with respect to any Note or Subsidiary Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the SPV Issuer or EGSA, as applicable, in whole but not in part, upon giving not less than 30 nor more than 60 days' notice to each Holder of the Notes with a copy to the Trustee (which notice will be irrevocable), at a price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date, together with all Additional Amounts, if any, which otherwise would be payable if, as a result of any amendment to, or change in, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation, or any amendment to or change in an official interpretation or application regarding such laws, treaties, regulations or rulings, including a holding, judgment or order by a court of competent jurisdiction which has not been publicly announced before, and becomes effective on or after, the date hereof (or, in the case the Relevant Taxing Jurisdiction changes after the date hereof, the date on which then current Taxing Jurisdiction becomes the applicable Taxing Jurisdiction under the Indenture) (a "**Change in Tax Law**") the SPV Issuer or EGSA, as applicable, with respect to the Notes, or a Subsidiary Guarantor, with respect to any Subsidiary Guarantee, is, or on the next interest payment date in respect of the Notes, would be, required to pay Additional Amounts in respect of any Note pursuant to the terms and conditions thereof which obligation cannot be avoided by the taking of reasonable measures available to it; *provided, however*, that (a) no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the SPV Issuer or EGSA, as applicable, or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts were a payment in respect of the Notes or a Subsidiary Guarantee then due and payable and (b) at the time such notice is given, such obligation to pay such Additional Amounts remains in effect.

Prior to the giving of any notice of redemption pursuant to this provision, the SPV Issuer or EGSA, as applicable, will deliver to the Trustee (a) an Officers' Certificate stating that the SPV Issuer or EGSA, as applicable, is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the SPV Issuer or EGSA, as applicable, so to redeem have occurred and (b) an Opinion of Counsel qualified under the laws of the Relevant Taxing Jurisdiction to the effect that the SPV Issuer or EGSA, as applicable, is required to pay Additional Amounts as a result of a Change in Tax Law. Such notice, once delivered to the Trustee, will be irrevocable.

Change of Control

Upon the occurrence of a Change of Control at any time after the Completion Date, each Holder will have the right to require EGSA to repurchase all or a portion (in a minimum amount of €100,000 and in integral multiples of €1,000 in excess thereof) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes plus accrued and unpaid interest and all Additional Amounts (if any) to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) pursuant to the offer described below and in accordance with the other procedures set out in the Indenture.

No later than the date that is 30 days after any Change of Control which occurred after the Completion Date, EGSA will mail a notice (the "**Change of Control Offer**") to each Holder, with a copy to the Trustee:

(1) stating that a Change of Control has occurred and that such Holder has the right to require that EGSA purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and all Additional Amounts (if any) to the date of purchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the "**Change of Control Payment**");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "**Change of Control Payment Date**");

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control (including, but not limited to, applicable information with respect to *pro forma* historical income, cash flow and capitalization after giving effect to the Change of Control);

(4) describing the procedures determined by EGSA, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased;

(5) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or part thereof not tendered will continue to accrue interest; and

(6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, EGSA will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered and not withdrawn pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officers' Certificate stating the Notes or portions of Notes being purchased by EGSA in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by EGSA; and

(5) in the case of Definitive Notes, deliver, or cause to be delivered, to the relevant Register for cancellation all Definitive Notes accepted for purchase by EGSA.

The Paying Agent will promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount that is at least €100,000 and an integral multiple of €1,000 thereof.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange shall so require, EGSA will (i) notify the Luxembourg Stock Exchange that a Change of Control has occurred, (ii) provide a copy of any Change of Control Offer notice and the results of any such Change of Control Offer to the Luxembourg Stock Exchange and (iii) notify the Luxembourg Stock Exchange. In addition, EGSA shall publicly announce the results of the Change of Control Offer as soon as practicable after the Change of Control Payment Date in a leading newspaper having general circulation in Luxembourg (if required by the rules of the Luxembourg Stock Exchange) and through the newswire service of Bloomberg (or if Bloomberg does not then operate, any similar agency). Such announcement may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that EGSA repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require EGSA to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire EGSA or its Subsidiaries in a transaction that would constitute a Change of Control or make such an acquisition more difficult.

EGSA will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times or otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by EGSA, and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

EGSA's ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control may require a mandatory prepayment event under the Senior Revolving Credit Facility and would trigger a requirement to make an offer to holders of the EC Finance Notes to repurchase such notes. In addition, certain events that may constitute a change of control under the Senior Revolving Credit Facility and potentially require a mandatory prepayment of Indebtedness thereunder may not constitute a Change of Control under the Indenture. Other Indebtedness of EGSA and its Subsidiaries, whether outstanding on the Issue Date or Incurred at any time thereafter, may contain similar provisions or may even contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased or repaid upon a Change of Control. Moreover, the exercise by the Holders of their right to require EGSA to repurchase the Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on EGSA.

The ability of EGSA to pay cash to the holders of the Notes following the occurrence of a Change of Control may be limited by then existing financial resources, and sufficient funds may not be available when necessary to make any required repurchases. We expect that we would seek third party financing to make an offer to purchase outstanding Notes pursuant to a Change of Control Offer. However, there can be no assurance that we would be able to obtain such financing. Any failure by EGSA to offer to purchase Notes would constitute a Default under the Indenture, which, in turn, could constitute a default under the Senior Revolving Credit Facility Agreement and any Fleet Financing.

The definition of "*Change of Control*" includes a disposition of all or substantially all of the property and assets of EGSA and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require EGSA to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of EGSA and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions of the Indenture relating to the obligation to make an offer to repurchase the Notes as a result of a Change of Control will be subject to waiver or modification with the written consent of Holders of a majority in outstanding principal amount of the Notes governed thereby.

EGSA will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent Rule 14e-1 and those laws and regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" provisions of the Indenture, EGSA shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the "Change of Control" provisions of the Indenture by virtue of such compliance.

Certain Covenants

Limitation on Activities of the SPV Issuer Prior to the Completion Date

Notwithstanding any other provision of the Indenture, prior to the Completion Date:

(1) the SPV Issuer will not engage in any business activity or undertake any other activity, except any activity: (a) relating to the offering, sale, or issuance of the Notes and any other activities in connection with the foregoing, (b) undertaken with the purpose of, and directly related to, fulfilling any other obligations under the Indenture (including for the avoidance of doubt, any repurchase or purchase, repayment, redemption, prepayment of such Debt, in each case, as permitted by the Indenture) and any other document relating to the Notes, or (c) directly related or reasonably incidental to the establishment and/or maintenance of the SPV Issuer's corporate existence;

(2) the SPV Issuer shall not Incur any liabilities other than liabilities related to the Notes, the related Escrow Agreement, the Indenture and the subordinated loan from EGSA used in part to fund the Escrow Account;

(3) the SPV Issuer shall not, directly or indirectly, declare or pay any dividend or make any distribution on or in respect of its Capital Stock, purchase, redeem or otherwise acquire or retire for value any Capital Stock of the SPV Issuer or of any direct or indirect parent of the SPV Issuer, make any principal payment on, prepay or decrease any Indebtedness, or make any Restricted Investment in any Person;

(4) the SPV Issuer shall not merge, consolidate, amalgamate or otherwise combine with or into another Person;

(5) the SPV Issuer shall have no Subsidiary;

(6) the SPV Issuer shall not transfer or assign any of its assets except pursuant to the Escrow Agreement;

(7) the SPV Issuer shall not create, Incur or suffer to exist any Lien on any of its assets except pursuant to the Escrow Agreement;

(8) the SPV Issuer shall not take or omit to take any action that would have the result of impairing the Liens created by the Escrow Agreement;

(9) prior to the Completion Date, the SPV Issuer shall not commence or take any action or facilitate a bankruptcy, winding-up, liquidation or other analogous proceeding in respect of the SPV Issuer.

Limitation on Indebtedness

EGSA will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided*, *however*, that EGSA or a Subsidiary Guarantor may incur Indebtedness (including Acquired Indebtedness) if on the date of the Incurrence of such Indebtedness, after giving effect thereto on a *pro forma* basis, the Corporate Consolidated Fixed Charge Coverage Ratio of EGSA would have been greater than 2.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness (collectively, "**Permitted Debt**"):

(1) Indebtedness of EGSA or any Restricted Subsidiary Incurred pursuant to any Credit Facilities (including but not limited to Indebtedness in respect of letters of credit or bankers' acceptances issued or created thereunder) in an aggregate principal amount at any time outstanding not to exceed € 500.0 million;

(2) Indebtedness constituting the Fleet Financing of (a) a Restricted Subsidiary of EGSA or (b) any Special Purpose Entity that is fully consolidated in the financial statements of EGSA (for purposes of this covenant and the related defined terms, (a) and (b) together are referred to as the "**Group**"), in a principal amount at any one time outstanding under this clause (2) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Group thereunder) not to exceed (x) in the case of any Fleet Financing in the form of operating leases or finance leases, the Lease Financing Borrowing Base and (y) in the case of any General Fleet Financing, the General Fleet Financing Borrowing Base, in each case as of the date of such incurrence (it being understood that upon any Incurrence of Indebtedness by any member of the Group, such Indebtedness will be tested under this covenant and EGSA and its Restricted Subsidiaries will be in violation of this covenant if, *inter alia*, either the Lease Financing Borrowing Base or the Fleet Financing Borrowing Base is exceeded even if such Indebtedness was incurred by a Person described in clause (b) of the definition of Group);

(3) Indebtedness of EGSA owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by EGSA or any Restricted Subsidiary; *provided*, *however*, that:

(a) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than EGSA or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person other than EGSA or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the obligor thereon; and

(b) if EGSA or a Subsidiary Guarantor is the obligor on such Indebtedness and a Restricted Subsidiary that is not a Subsidiary Guarantor is the beneficiary of such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full of all obligations of EGSA or such Subsidiary Guarantor, as the case may be, with respect to the Notes or the Subsidiary Guarantee, as the case may be;

(4) Indebtedness represented by: (a) the Notes (other than any Additional Notes) and the Security Documents; (b) for a period not to exceed 45 days following the Completion Date, the Outstanding Subordinated Notes Due 2017 (and the guarantees thereof existing on the Issue Date by Restricted Subsidiaries) and the Outstanding Subordinated Notes Due 2018; and (c) Indebtedness of ECI represented by the guarantee of the EC Finance Notes;

(5) any Indebtedness of EGSA or any Restricted Subsidiary (other than the Indebtedness described in clauses (1), (2), (3), (4), (7), (8), (9), (10) and (11)) outstanding on the Issue Date after giving effect to the use of proceeds of the Notes;

(6) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in clauses (4)(a), 4(c), (5) or this clause (6) or Incurred pursuant to the first paragraph of this covenant; *provided* that if the Indebtedness being refinanced is a Guarantee, such Refinancing Indebtedness shall take the form of a Guarantee and shall not be a primary obligation;

(7) Hedging Obligations entered into in the ordinary course of business for *bona fide* hedging purposes of EGSA or its Restricted Subsidiaries, Securitifleet Holding, a Securitifleet Company or the FCT and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of EGSA);

(8) Purchase Money Indebtedness and Indebtedness represented by Capitalized Lease Obligations in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (8) and then outstanding, will not exceed at any time outstanding € 50.0 million;

(9) Indebtedness of EGSA or any Restricted Subsidiary Incurred in respect of (a) workers' compensation claims, self-insurance obligations, performance, surety and similar bonds and completion guarantees and warranties provided by EGSA or a Restricted Subsidiary Incurred in the ordinary course of business and (b) letters of credit, bankers' acceptances or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business;

(10) Indebtedness arising from agreements of EGSA or a Restricted Subsidiary providing for customary indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Restricted Subsidiary; *provided* that the maximum liability of EGSA and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by EGSA and its Restricted Subsidiaries in connection with such disposition;

(11) Indebtedness of EGSA or any Restricted Subsidiary arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided*, however, that such Indebtedness is extinguished within five Business Days of Incurrence;

(12) (A) Guarantees by any Restricted Subsidiary of Indebtedness or any other obligation or liability of EGSA or any Restricted Subsidiary or of Fleet Financings by a Special Purpose Entity (other than any Indebtedness Incurred by EGSA, such Restricted Subsidiary or Special Purpose Entity, as the case may be, in violation of this covenant), or (B) without limiting the covenant described under "*—Limitation on Liens*", Indebtedness of EGSA or any Restricted Subsidiary arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of EGSA or any Restricted Subsidiary (other than any Indebtedness Incurred by EGSA or such Restricted Subsidiary, as the case may be, in violation of this covenant);

(13) (a) Acquired Indebtedness (which may include Public Indebtedness) of a Restricted Subsidiary incurred and outstanding on or prior to the date on which such Subsidiary was acquired by and became a Restricted Subsidiary of EGSA or (b) Indebtedness Incurred by EGSA to provide all or any portion of the funds used to consummate the transactions or series of related transactions pursuant to which such Subsidiary became a Restricted Subsidiary or was otherwise acquired by EGSA or a Restricted Subsidiary; *provided*, however, that, with respect to each of clauses (a) and (b) of this clause (13), at the time of such acquisition and after giving *pro*

forma effect thereto and to the Incurrence of such Indebtedness (x) EGSA would have been able to incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant or (y) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving *pro forma* effect to such acquisition and Incurrence of Indebtedness;

(14) Indebtedness Incurred under any Qualified Receivables Financing; and

(15) additional Indebtedness of EGSA or any Restricted Subsidiary in an aggregate principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (15) and then outstanding, will not exceed the greater of (x) € 100.0 million and (y) 2.5% of Consolidated Total Assets.

Notwithstanding the foregoing, EGSA will not permit any of its Restricted Subsidiaries to Incur Capital Markets Debt other than (a) guarantees of the Outstanding Subordinated Notes Due 2017 outstanding on the Issue Date, (b) Incurrence of Capital Markets Debt constituting Fleet Financing permitted under clause (2) of the second paragraph of this covenant, (c) Guarantees of Capital Markets Debt of EGSA to the extent permitted under clause (12) of the second paragraph of this covenant or (d) Acquired Indebtedness permitted under clause (13)(a) of the second paragraph of this covenant.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, EGSA, in its sole discretion, will classify such item of Indebtedness on the date of Incurrence and will only be required to include the amount and type of such Indebtedness in one of such clauses and, other than with respect to Indebtedness incurred under clauses (1) or (2) of the definition of Permitted Debt in the second paragraph of this covenant, to reclassify from time to time all or any portion of such item of Indebtedness in any manner that then complies with this covenant. Indebtedness under the Senior Revolving Credit Facility outstanding on the Issue Date or Incurred at any time thereafter will be deemed to have been Incurred pursuant to clause (1) of the second paragraph of this covenant and may not be reclassified. Indebtedness under any Fleet Financing (including any fleet operating leases) outstanding on the Issue Date or Incurred at any time thereafter will be deemed to have been incurred pursuant to clause (2) of the second paragraph of this covenant and may not be reclassified;

(2) Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(3) if obligations in respect of letters of credit are Incurred pursuant to the Senior Revolving Credit Facility and are being treated as Incurred pursuant to clause (1) of the second paragraph above and the letters of credit relate to other Indebtedness, then such other Indebtedness shall not be included;

(4) the principal amount of any Disqualified Capital Stock, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(5) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with IFRS;

(6) the amount of Indebtedness attributable to fleet operating leases shall be estimated at 100% of the estimated Aggregate Leased Fleet Net Book Value; and

(7) Indebtedness permitted under this covenant may be permitted in part by one provision and in part by one or more other provisions of this covenant permitting such Indebtedness.

Neither EGSA nor any Subsidiary Guarantor will incur any Indebtedness (including Permitted Indebtedness) that is contractually subordinated in right of payment to any other Indebtedness of EGSA or any Subsidiary Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the relevant Subsidiary Guarantee, as applicable, on substantially identical terms; *provided, however,* that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of EGSA or any Subsidiary Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Capital Stock will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

In addition, if at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this "*Limitation on Indebtedness*" covenant, EGSA shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the euro-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable euro-dominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-dominated restriction shall be deemed not to have been exceeded so long as the principal amount in such foreign currency of such refinancing Indebtedness does not exceed the principal amount in such foreign currency of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that EGSA or its Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

EGSA will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving EGSA or any of its Restricted Subsidiaries) except:

(a) dividends or distributions payable in Qualified Capital Stock of EGSA; and

(b) dividends or distributions payable to EGSA or a Restricted Subsidiary of EGSA (and in the case of any such dividends payable by a Restricted Subsidiary that is not a Wholly Owned Subsidiary, to the other holders of common Capital Stock (or owners of an equivalent interest in the case of a Restricted Subsidiary that is an entity other than a corporation) on a no more than *pro rata* basis);

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of EGSA or any Restricted Subsidiary or of any direct or indirect parent of EGSA held by Persons other than EGSA or a Restricted Subsidiary of EGSA (other than in exchange for Qualified Capital Stock of EGSA);

(3) make any principal payment on, or purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness of EGSA or any Subsidiary Guarantor (other than the purchase, repurchase, defeasance, redemption, prepayment or other acquisition or retirement for value of such Indebtedness purchased in anticipation or in lieu of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of such purchase, repurchase, defeasance or other acquisition); or

(4) make any Restricted Investment in any Person,

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition or retirement or Restricted Investment referred to the clauses (1) through (4) are referred to herein as a "**Restricted Payment**"), if at the time EGSA or such Restricted Subsidiary makes such Restricted Payment:

(I) a Default or an Event of Default shall have occurred and be continuing or would occur as a result of such Restricted Payment; or

(II) EGSA is not able to incur at least €1.00 of additional Indebtedness in compliance with the first paragraph under the "—*Limitation on Indebtedness*" covenant after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(III) the aggregate amount of such Restricted Payments (including the proposed Restricted Payment) made subsequent to the Issue Date (the amount expended for such purposes, if other than in cash, being the Fair Market Value of such property) shall exceed the sum, without duplication, of:

(a) 50% of Consolidated Net Income for the period (treated as one accounting period) from April 1, 2015 to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which financial statements are available (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(b) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property or assets received by EGSA from the issue or sale of its Qualified Capital Stock or other capital contributions after the Completion Date (other than Net Cash Proceeds received from an issuance or sale of such Capital Stock to a Subsidiary of EGSA or an employee stock ownership plan, option plan or similar trust to the extent in each case such sale is funded or guaranteed by EGSA or any Restricted Subsidiary of EGSA);

(c) the amount by which Indebtedness of EGSA or a Restricted Subsidiary of EGSA is reduced on EGSA's balance sheet upon the conversion or exchange (other than by a Subsidiary of EGSA) subsequent to the Issue Date of any Indebtedness of EGSA or a Restricted Subsidiary of EGSA convertible or exchangeable for Qualified Capital Stock of EGSA (less the amount of any cash, or the Fair Market Value of any other property, distributed by EGSA upon such conversion or exchange); and

(d) the amount equal to the net reduction in Restricted Investments made by EGSA or any of its Restricted Subsidiaries in any Person resulting from:

(i) repurchases or redemptions of such Restricted Investments by such Person, proceeds realized upon the sale of such Restricted Investment to an unaffiliated purchaser, repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to EGSA or any Restricted Subsidiary of EGSA; or

(ii) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment" below) not to exceed in the case of any Unrestricted Subsidiary, the amount of Investments previously made by EGSA or any Restricted Subsidiary in such Unrestricted Subsidiary,

which amount in each case under this clause (d) was included in the calculation of the amount of Restricted Payments; *provided*, however, that no amount will be included under this clause (d) to the extent it is already included in Consolidated Net Income.

The provisions of the preceding paragraph will not prohibit:

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock (including Disqualified Capital Stock) or Subordinated Indebtedness of EGSA made by exchange for, or out of the proceeds of the substantially concurrent sale of, Qualified Capital Stock of EGSA (other than Qualified Capital Stock issued or sold to a Subsidiary or an employee stock ownership plan or similar trust to the extent in each case such sale is funded or guaranteed by EGSA or any Restricted Subsidiary of EGSA); *provided*, *however*, that (a) such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded in subsequent calculations of the amount of Restricted Payments and (b) the Net Cash Proceeds from such sale of Qualified Capital Stock will be excluded from clause (III)(b) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness of EGSA made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness that is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" and that in each case constitutes Refinancing Indebtedness; *provided*, *however*, that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded in subsequent calculations of the amount of Restricted Payments;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Capital Stock of EGSA or a Restricted Subsidiary of EGSA made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Capital Stock of EGSA or such Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" and that in each case constitutes Refinancing Indebtedness; *provided*, *however*, that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded in subsequent calculations of the amount of Restricted Payments;

(4) dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant; *provided, however*, that such dividends will be included in subsequent calculations of the amount of Restricted Payments;

(5) so long as no Default or Event of Default has occurred and is continuing, the purchase, repurchase, redemption or other acquisition, cancellation or retirement for value of Capital Stock of EGSA held by any existing or former employees or management of EGSA or any Subsidiary of EGSA or their assigns, estates or heirs, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate management employees; *provided* that such purchases, repurchases, redemptions or other acquisitions pursuant to this clause will not exceed (x)(1) €10.0 million, *plus* (2) €5.0 million multiplied by the number of calendar years that have commenced since the Issue Date *plus* (y) the Net Cash Proceeds received by EGSA after the Completion Date from, or as a capital contribution from, the issuance or sale to Management Investors of Capital Stock of EGSA or Capital Stock or other debt or equity securities of any entity formed for the purpose of investing in Capital Stock of EGSA (including any options, warrants or other rights in respect thereof); *provided*, *further*, that (a) the amount of any such purchase, repurchase, redemption or other acquisition will be included in subsequent calculations of the amount of Restricted Payments and (b) the Net Cash Proceeds received under sub clause (y) above will be excluded from clause (iii)(b) of the preceding paragraph;

(6) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, following a Public Offering of the Capital Stock of EGSA, the payment of dividends on the Capital Stock of EGSA in an amount per annum not to exceed the greater of:

(x) 6% of the aggregate gross cash proceeds received by EGSA in or from such Public Offering that are contributed in cash to EGSA's equity (other than through the issuance of Disqualified Stock), and

(y) (a) 5% of the Market Capitalization, *provided* that after giving *pro forma* effect to the payments of such dividend, EGSA's Corporate Consolidated Leverage Ratio would have been less than 3.0 to 1.0; or (b) 3% of the Market Capitalization, *provided* that after giving *pro forma* effect to the payments of such dividend, EGSA's Corporate Consolidated Leverage Ratio would have been greater than or equal to 3.0 to 1.0 but less than 3.5 to 1.0.

provided that the amount of any such payments will be included in subsequent calculations of the amount of Restricted Payments;

(7) [Reserved];

(8) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible securities if such Capital Stock represents a portion of the exercise price thereof; *provided*, however, that such repurchases will be excluded from subsequent calculations of the amount of Restricted Payments;

(9) (A) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Indebtedness (i) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness in the event of a Change of Control in accordance with provisions no more favorable to the holders thereof than those provided in the "*—Change of Control*" covenant or (ii) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions no more favorable to the holders thereof than those provided in the "*—Limitation on Sales of Assets and Subsidiary Stock*" covenant; *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, EGSA has made the Change of Control Offer or Asset Disposition Offer, as applicable, as provided in such covenant with respect to the Notes and has completed the repurchase or redemption of all Notes validly tendered for payment in connection with such Change of Control Offer or Asset Disposition Offer; and *provided*, *further*, that such purchase, redemption or other acquisition will be excluded from subsequent calculations of the amount of Restricted Payments; or (B) constituting Acquired Indebtedness;

(10) Restricted Payments in an aggregate amount which, taken together with all other Restricted Payments made pursuant to this clause (10) and then outstanding, will not exceed the greater of (x) €45.0 million and (y) 1.0% of Consolidated Total Assets; provided that the amount of such Restricted Payments will be included in subsequent calculations of the amount of Restricted Payments; and

(11) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by EGSA or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount and any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of EGSA acting in good faith whose resolution with respect thereto shall be delivered to the Trustee. Not later than the date of making any Restricted Payment, EGSA shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "*—Limitation on Restricted Payments*" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Limitation on Liens

EGSA will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur, assume, permit or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of EGSA), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness or other obligations (including Trade Payables) (such Lien, the "**Initial Lien**"), except (a) in the case of any property or asset that does not constitute Collateral, (i) Permitted Liens or (ii) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness so secured by such Initial Lien for so long as such Indebtedness is secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

EGSA will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of EGSA to:

(1) pay dividends or make any other distributions on or in respect of its Capital Stock or pay any Indebtedness or other obligations owed to EGSA or any other Restricted Subsidiary of EGSA;

(2) make loans or advances to EGSA or any other Restricted Subsidiary of EGSA; or

(3) transfer any of its property or assets to EGSA or any other Restricted Subsidiary of EGSA.

The preceding provisions will not prohibit:

(1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date or the Completion Date or, to the extent not included in the foregoing, the Senior Revolving Credit Facility, the Indenture, the Notes, the Intercreditor Agreement and the Securitifleet Intercreditor Agreement as in effect on such date and any agreements entered into in connection with a Fleet Financing under clause (2) of the second paragraph of the covenant described under "—*Limitation on Indebtedness*" that is not expected to adversely effect, in any material respect, EGSA's ability, directly or indirectly, to repay the Notes, as determined in good faith by EGSA's Board of Directors;

(2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to Indebtedness Incurred by a Restricted Subsidiary on or before the date on which such Restricted Subsidiary was acquired by EGSA (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by EGSA in connection with or in anticipation or contemplation of the transaction) and outstanding on such date, provided that any such encumbrance or restriction shall not extend to any assets or property of EGSA or any other Restricted Subsidiary other than the assets and property so acquired;

(3) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement effecting a renewal, refunding, replacement or refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3) or contained in any amendment, restatement or modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided*, *however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such amendments, restatements, modifications, renewals, refundings, replacements or refinancings are not, in the good faith judgment of EGSA's Board of Directors, materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in such agreements referred to in clauses (1) or (2) of this paragraph;

(4) in the case of clause (3) of the first paragraph of this covenant, any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any such lease, license or other contract;

(b) contained in mortgages, pledges or other security agreements permitted under the Indenture securing Indebtedness of EGSA or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of EGSA or any Restricted Subsidiary;

(5) Purchase Money Obligations for property acquired in the ordinary course of business and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions of the nature described in clause (3) of the first paragraph of this covenant on the property so acquired;

(6) any restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) net worth provisions in leases and other agreements entered into by EGSA or any Restricted Subsidiary in the ordinary course of business;

(8) restrictions on the transfer of assets subject to any Lien permitted under the Indenture imposed by the holder of such Lien;

(9) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order as required by any regulatory authority;

(10) pursuant to an agreement or instrument relating to Indebtedness of or a Financing Disposition by or to or in favor of any Special Purpose Entity; and

(11) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of an Officer or the Board of Directors of EGSA, are necessary or advisable to effect such Qualified Receivables Financing.

Limitation on Sales of Assets and Subsidiary Stock

EGSA will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) EGSA or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the Fair Market Value (such Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by EGSA (and will be determined, to the extent such Asset Disposition or any series of related Asset Dispositions involves aggregate consideration in excess of €20.0 million, in good faith by the Board of Directors of EGSA, whose determination will be conclusive) (including as to the value of all non-cash consideration), of the shares and assets subject to such Asset Disposition;

(2) in the case of any Asset Disposition or any series of related Asset Dispositions having a fair market value of €20.0 million or more, at least 75% of the consideration from such Asset Disposition received by EGSA or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by EGSA or such Restricted Subsidiary either:

(a) within 365 days from the later of the date of such Asset Disposition and the date of receipt of such Net Available Cash to prepay, repay or purchase Indebtedness (other than any Disqualified Capital Stock or Subordinated Indebtedness) (in each case other than Indebtedness owed to EGSA or an Affiliate of EGSA); *provided* that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this sub clause (a), EGSA or the relevant Restricted Subsidiary will permanently retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased;

(b) to the extent EGSA or such Restricted Subsidiary elects, to invest in Replacement Assets (including by means of an investment in Replacement Assets by a Restricted Subsidiary with an amount equal to the Net Available Cash received by EGSA or another Restricted Subsidiary) within 365 days from the later of the date of such Asset Disposition and the date of receipt of such Net Available Cash, or, if such investment in Replacement Assets is a project authorized by the Board of Directors of EGSA that will take longer than such 365 days to complete, the period of time necessary to complete such project; or

(c) any combination of (a) and (b);

provided that pending the final application of any such Net Available Cash in accordance with clause (3)(a), (b) or (c) above, EGSA and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in the preceding paragraph will be deemed to constitute "*Excess Proceeds*". On the Business Day immediately following the latest day on which EGSA or such Restricted Subsidiary may apply the Net Available Cash from an Asset Disposition, if the aggregate amount of Excess Proceeds exceeds €40.0 million, EGSA will be required to make an offer ("**Asset Disposition Offer**") to (a) all Holders and (b) to the extent required by the terms of other senior or *pari passu* Indebtedness of EGSA or any Restricted Subsidiary ("**Other Asset Disposition Indebtedness**") that require EGSA to make an offer to

purchase Other Asset Disposition Indebtedness with the proceeds from any Asset Disposition, to all holders of Other Asset Disposition Indebtedness to purchase the maximum principal amount of Notes and any Other Asset Disposition Indebtedness to which the Asset Disposition Offer applies that may be purchased in an amount equal to the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount of the Notes and Other Asset Disposition Indebtedness plus accrued and unpaid interest to the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing Other Asset Disposition Indebtedness, as applicable, which in the case of the Notes will be in a minimum principal amount of €100,000 or an integral multiple of € 1,000 thereof.

To the extent that the aggregate amount of Notes and Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, EGSA may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of Notes surrendered by Holders thereof and Other Asset Disposition Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and Other Asset Disposition Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Other Asset Disposition Indebtedness. In connection with any such prepayment, repayment, redemption or purchase of Other Asset Disposition Indebtedness, EGSA or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Upon completion of such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

The Asset Disposition Offer will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the "**Asset Disposition Offer Period**"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "**Asset Disposition Purchase Date**"), EGSA will purchase the principal amount of Notes and Other Asset Disposition Indebtedness required to be purchased pursuant to this covenant (the "**Asset Disposition Offer Amount**") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Other Asset Disposition Indebtedness validly tendered in response to the Asset Disposition Offer.

If the Asset Disposition Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, EGSA will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Other Asset Disposition Indebtedness or portions of Notes and Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn, in each case in minimum amounts of €100,000 and integral multiples of € 1,000 thereof. EGSA will deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by EGSA in accordance with the terms of this covenant. EGSA or the Paying Agent, or the paying agent under any Other Asset Disposition Indebtedness, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes or Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by EGSA for purchase, and, in the case of the Notes, EGSA will promptly issue a new Note, and the Trustee, upon delivery of an Officers' Certificate from EGSA will authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount of €100,000 or an integral multiple of €1,000. Any Note not so accepted will be promptly mailed or delivered by EGSA to the Holder thereof. EGSA will publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

For the purposes of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness (other than Subordinated Indebtedness) of EGSA or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of a Subsidiary Guarantor) and the release of EGSA or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition, in which case EGSA is deemed to have applied such deemed cash to indebtedness in accordance with paragraph 3(a) above;

(2) securities, notes or other obligations received by EGSA or any Restricted Subsidiary of EGSA from the transferee that are promptly converted by EGSA or such Restricted Subsidiary into cash; and

(3) any Designated Non-cash Consideration received by EGSA or any Restricted Subsidiary, having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of 1.2% of Consolidated Total Assets and €50.0 million (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

EGSA will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Disposition Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Disposition provisions of the Indenture, EGSA will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Disposition provisions of the Indenture by virtue of such compliance.

EGSA will not be required to make an Asset Disposition Offer if a third party makes the Asset Disposition Offer in the manner, at the times and otherwise in compliance with the requirements described in the Indenture applicable to the Asset Disposition Offer and purchases the Asset Disposition Offer Amount of all Notes and Other Asset Disposition Indebtedness validly tendered and not withdrawn in response to the Asset Disposition Offer.

The ability of EGSA to repurchase Notes in an Asset Disposition Offer may be limited by a number of factors, including that the Senior Revolving Credit Facility may not at such time allow prepayment of Notes in amounts sufficient to permit EGSA to meet its obligations in connection with the Asset Disposition Offer, and the ability of EGSA to pay cash to the Holders of the Notes upon an Asset Disposition Offer may be limited by its then existing financial resources. There can be no assurance that sufficient funds will be available to EGSA when necessary to make any necessary repurchases.

Limitations on Transactions with Affiliates

EGSA will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or a series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate of EGSA (an "**Affiliate Transaction**") unless:

(1) the terms of such Affiliate Transaction are no less favorable to EGSA or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction in arm's-length dealings with a Person who is not such an Affiliate;

(2) in the event such Affiliate Transaction involves an aggregate consideration in excess of €50.0 million, a majority of the Disinterested Directors (or, if there is only one, the Disinterested Director) have determined in good faith that the criteria set forth in clause (1) are satisfied and have otherwise approved the relevant Affiliate Transaction.

For the purposes of this paragraph, any Affiliate Transaction will be deemed to have satisfied the requirements set forth in this paragraph if (x) such Affiliate Transaction is approved by a majority of the Disinterested Directors (or, if there is only one, the Disinterested Director) or (y) in the event there are no Disinterested Directors, a fairness opinion is provided by an internationally recognized accounting, appraisal or investment banking firm with respect to such Affiliate Transaction.

The preceding paragraph will not apply to:

(1) any Restricted Payment (other than a Permitted Investment) permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*";

(2) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements and other compensation arrangements, options to purchase Capital Stock of EGSA, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers and employees approved by the Board of Directors of EGSA;

(3) loans or advances to employees, officers or directors in the ordinary course of business of EGSA or any Restricted Subsidiary but in any event not to exceed €1.0 million in the aggregate outstanding at any one time with respect to all loans or advances made since the Issue Date;

(4) any transaction between EGSA, any Restricted Subsidiary or any Special Purpose Entity (including, for the avoidance of doubt, Securitifleet Holding or any Securitifleet Company);

(5) the performance of obligations of EGSA or any Restricted Subsidiary under the terms of any agreement to which EGSA or any Restricted Subsidiary is a party on the Issue Date, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided*, however, that any future amendment, modification, supplement, extension or renewal entered into after the Issue Date will (a) comply with clauses

(1) and (2) of the first paragraph of this covenant and (b) be permitted to the extent that its terms are not more disadvantageous to the Holders than the terms of the agreements in effect on the Issue Date; and

(6) any transaction effected as part of a Qualified Receivables Financing.

Future Subsidiary Guarantors

If any Subsidiary of EGSA that is not a Subsidiary Guarantor Guarantees any Indebtedness of EGSA (other than the Guarantee by any Restricted Subsidiary of the obligations of EGSA under the Senior Revolving Credit Facility), EGSA will cause such Subsidiary:

(1) to become a Subsidiary Guarantor by Guaranteeing the Notes on a senior subordinated basis, as and to the extent provided in the Indenture;

(2) to execute a supplemental indenture; and

(3) to deliver an Officers' Certificate and an Opinion of Counsel satisfactory to the Trustee, that such supplemental indenture has been duly authorized, executed and delivered by such Subsidiary and constitutes a valid, binding and enforceable obligation of such Subsidiary.

In addition, EGSA may at any time at its option designate a Restricted Subsidiary that is not a Subsidiary Guarantor as a Subsidiary Guarantor through the execution of a supplemental indenture and the delivery of an Opinion of Counsel in accordance with clause (3) above.

EGSA will not be obligated to cause any Restricted Subsidiary to become a Subsidiary Guarantor if such Restricted Subsidiary is not a Significant Subsidiary. In addition EGSA will not be obliged to cause any Restricted Subsidiary to become a Subsidiary Guarantor if EGSA determines that the provision by such Restricted Subsidiary of a Subsidiary Guarantee could reasonably be expected to give rise to or result in:

(1) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to EGSA (including any reasonably available "whitewash" procedures or similar procedures that would be required in order to enable such Subsidiary Guarantee to be provided in accordance with applicable law);

(2) any liability (criminal, civil, administrative or other) for any of the officers, directors or shareholders of EGSA, any Subsidiary thereof (including such Subsidiary Guarantor);

(3) any violation of the provisions of the Senior Revolving Credit Facility, the Senior Asset Revolving Facility or the Intercreditor Agreement (each as in effect on the Issue Date or as amended in accordance with the provisions thereof in effect on the Issue Date);

(4) any material risk of any such violation or liability; or

(5) any cost, expense, liability or obligation (including, without limitation, any Tax or any obligation to pay any Additional Amount) in excess of the cost to secure the Guarantee giving rise to the obligation to Guarantee the Notes, other than routine and immaterial out-of-pocket expenses incurred in connection with (x) any governmental or regulatory filings required as a result of such Subsidiary Guarantee or (y) any "whitewash" procedures (or similar procedures that would be required in order to enable such Subsidiary Guarantees to be provided in accordance with applicable law) undertaken in connection with such Subsidiary Guarantee.

Subject to the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture, each Subsidiary Guarantor, as primary obligor and not merely as surety, will jointly and severally Guarantee on an unsecured senior subordinated basis, the punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all monetary obligations of EGSA under the Indenture and the Notes, whether for principal of or interest on the Notes, expenses, indemnification or otherwise (all such obligations Guaranteed by such Subsidiary Guarantors being herein called the "**Guaranteed Obligations**").

The obligations of each Subsidiary Guarantor will be limited to the maximum amount that can, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor, be Guaranteed by such Subsidiary Guarantor without rendering its Subsidiary Guarantee void, voidable or unenforceable under applicable law relating to fraudulent conveyance or fraudulent transfer or any other law affecting the rights of creditors generally or otherwise relating to the insolvency of debtors. Notwithstanding any other provisions of the Indenture, each Subsidiary Guarantee shall be in such form and substance, and subject to such terms, conditions, limitations, qualifications and restrictions as may be necessary or appropriate (in the good faith determination of EGSA, which determination shall be conclusive) by reason of or to comply with any applicable law, rule or regulation, including the law of any jurisdiction where the relevant Subsidiary Guarantor is organized or conducts business.

Each Subsidiary Guarantee shall be a continuing Guarantee and shall (i) subject to the paragraphs below, remain in full force and effect until payment in full of the principal amount of all outstanding Notes (whether by payment at maturity, purchase, redemption, defeasance, retirement or other acquisition) and all other Guaranteed Obligations of the Subsidiary Guarantor then due and owing, (ii) be binding upon such Subsidiary Guarantor and (iii) inure to the benefit of and be enforceable by the Trustee, the Holders and their permitted successors, transferees and assigns.

The Guaranteed Obligations of each Subsidiary Guarantor hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced or terminated the obligations of any Subsidiary Guarantor hereunder and under its Subsidiary Guarantee (whether such payment shall have been made by or on behalf of EGSA or by or on behalf of a Subsidiary Guarantor) is rescinded or reclaimed from any of the Holders upon the insolvency, bankruptcy, liquidation or reorganization of EGSA, any Subsidiary Guarantor or otherwise, all as though such payment had not been made.

Notwithstanding the paragraphs above, Subsidiary Guarantees will be subject to termination and discharge under the circumstances described below.

A Subsidiary Guarantor will automatically and unconditionally be released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and be of no further force or effect, (a) concurrently with any direct or indirect sale or disposition (by merger or otherwise) of such Subsidiary Guarantor or any interest therein in accordance with the terms of the Indenture (including the covenant described under "*—Limitation on Sales of Assets and Subsidiary Stock*") by EGSA or a Restricted Subsidiary (other than such a sale or disposition subject to any Intercreditor Agreement) following which such Subsidiary Guarantor is no longer a Restricted Subsidiary of EGSA, (b) upon the merger or consolidation of such Subsidiary Guarantor with or into EGSA or another Subsidiary Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation of such Subsidiary Guarantor following the transfer of all or substantially all of its assets to EGSA or another Subsidiary Guarantor, or upon such Subsidiary Guarantor becoming EGSA, (c) concurrently with such Subsidiary Guarantor becoming an Unrestricted Subsidiary, (d) upon legal or covenant defeasance of EGSA's obligations, or satisfaction and discharge of the Indenture, (e) at any time that such Subsidiary Guarantor is released from all its monetary obligations under all Triggering Indebtedness (it being understood that a release subject to contingent reinstatement is still a release) or (f) subject to customary contingent reinstatement provisions, upon payment in full of the aggregate principal amount of all Notes then outstanding and all other applicable Guaranteed Obligations of such Subsidiary Guarantor then due and owing.

Upon any such occurrence specified above, the Trustee and the Security Agent, if applicable, shall at the expense of such Subsidiary execute any documents reasonably required in order to evidence such release, discharge and termination in respect of the applicable Subsidiary Guarantee.

Neither EGSA nor any such Subsidiary Guarantor will be required to make a notation on the Notes to reflect any such Subsidiary Guarantee or any such release, termination or discharge.

If a Restricted Subsidiary enters into a Guarantee at a time when the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of such stock exchange shall so require, EGSA will notify the Luxembourg Stock Exchange and deposit a copy of the relevant supplemental indenture with the Luxembourg Stock Exchange and the Paying Agent.

Impairment of Security Interest

EGSA will not take or knowingly or negligently omit to take any action which action or omission might or would have the result of materially impairing the security interest with respect to the Collateral (it being understood that for the purposes of this paragraph the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens or any release and granting described under "*—Security—Release of Security*" shall under no circumstances be deemed to materially impair the liens with respect to the Collateral) for the benefit of the Trustee and the holders of the Notes, and EGSA will not grant to any Person other than the Trustee, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Collateral, except as permitted by the Indenture or in the Security Documents, but subject to the second paragraph of this covenant, EGSA and its Restricted Subsidiaries may incur Permitted Collateral Liens.

The Indenture will provide that, at the direction of EGSA and without the consent of the holders of the Notes, the Trustee and the Security Agent may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) provide for Permitted Collateral Liens to the extent permitted under the Indenture, (iii) comply with the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement, (iv) add to the Collateral, (v) evidence the succession of another Person to EGSA and the assumption by such successor of the obligations under the Indenture, the Notes and the Security Documents, in each case, in accordance with "*—Certain Covenants—Merger and Consolidation*", (vi) provide for the release of property and assets constituting Collateral from the Lien of the Security Documents and/or the release of the Guarantee of a Guarantor, in each case, in accordance with (and if permitted by) the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement, (vii) conform the Security Documents to this Description of the

Notes, (viii) evidence and provide for the acceptance of the appointment of a successor Trustee or Security Agent or (ix) make any other change thereto that does not adversely affect the holders of the Notes in any material respect; *provided*, *however*, that no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced (otherwise than for reasons specified in clauses (i), (ii) (in connection with the creation of Permitted Collateral Liens of the types described in clauses (b) and (c) of the definition thereof), (iii) (in connection with any enforcement action) and (iv) through (ix)), unless contemporaneously with such amendment, extension, renewal, restatement, supplement, modification or renewal, EGSA delivers to the Trustee, either:

(1) a solvency opinion, in form and substance satisfactory to the Trustee, from an investment banking firm, appraisal firm or accounting firm of international standing confirming the solvency of EGSA and its Restricted Subsidiaries, taken as a whole on a consolidated basis, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement;

(2) a certificate from the board of directors or chief financial officer of EGSA (acting in good faith) substantially in the form attached to the Indenture that confirms the solvency of EGSA and its Restricted Subsidiaries, taken as a whole on a consolidated basis, after giving effect to any transaction related to such amendment, extension, renewal, restatement, supplement, modification or replacement; or

(3) an opinion of counsel acceptable to the Trustee, in form and substance satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement, which opinion of counsel shall be substantially in the form attached to the Indenture.

In the event that EGSA complies with this covenant, the Trustee and the Security Agent will (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification or replacement with no need for instructions from holders of the Notes.

Reports

EGSA will provide to the Trustee and the Holders and make available to potential investors:

(1) within 120 days after the end of EGSA's fiscal year, annual reports containing: (a) information with a level of detail that is substantially comparable to the sections in this Offering Memorandum entitled "*Selected Consolidated Financial Information*", "*Europcar's Business*", "*Management*" and "*Certain Relationships and Related Party Transactions*;" (b) EGSA's audited consolidated (i) balance sheets as of the end of the three most recent fiscal years and (ii) income statements and statements of cash flow for the three most recent fiscal years, in each case prepared in accordance with IFRS and including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (c) an operating and financial review of the three most recent fiscal years, including a discussion of (i) the financial condition and results of operations of EGSA on a consolidated basis and any material changes between such two fiscal years, (ii) any material developments in the business of EGSA and its Restricted Subsidiaries and (iii) any financial developments and trends in the business in which EGSA and its Restricted Subsidiaries are engaged; (d) material risk factors relating to the business of EGSA and its Restricted Subsidiaries not previously disclosed; (e) supplemental data showing "rental fleet" as classified on EGSA's balance sheet on the last day of each month during the fourth fiscal quarter of such fiscal year; *provided* that, for so long as EGSA's shares remain listed on the Euronext Paris Stock Exchange, any item of disclosure that complies in all material respects with the requirements applicable to such item in connection with an annual report (*rapport financier annuel* or *document de référence*) filed with the French *Autorité des Marchés Financiers* (AMF) will be deemed to satisfy EGSA's obligations under this clause (1) with respect to such item;

(2) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of EGSA, quarterly reports containing: (a) EGSA's unaudited condensed consolidated (i) balance sheet as of the end of such quarter and (ii) statements of income and cash flow for the quarterly and year to date periods ending on the most recent balance sheet date, and the comparable prior year periods, in each case prepared in accordance with IFRS, together with condensed footnote disclosure; (b) an operating and financial review of such periods including a discussion of (i) the financial condition and results of operations of EGSA on a consolidated basis and material changes between the current period and the period of the prior year, (ii) any material developments in the business of EGSA and its Restricted Subsidiaries, (iii) any financial developments and trends in the business in which EGSA and its Restricted Subsidiaries are engaged; (c) any material changes to the risk factors disclosed in the most recent annual report; and (d) supplemental data showing "rental fleet" as classified on EGSA's balance sheet on the last day of each month during such fiscal quarter; *provided* that, for so long as EGSA's shares remain listed on the Euronext Paris Stock Exchange, items (b) and (c) under this clause (2) will

be deemed satisfied if EGSA complies in all respects with the requirements of the French *Autorité des marchés financiers* (AMF) for semi-annual reports with respect to such items; and

(3) promptly from time to time after the occurrence of any of the events listed in (a) to (f) of this clause (3) information with respect to (a) any change in the independent accountants of EGSA or any of its Restricted Subsidiaries, (b) resignation of any member of the Board of Directors, (c) any material acquisition or disposal, (d) any material development in the business of EGSA and its Restricted Subsidiaries, (e) any change in the fiscal year of EGSA or its Restricted Subsidiaries, and (f) any information that EGSA is required to make publicly available under the requirements of the Luxembourg Stock Exchange.

If EGSA has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries constitute Significant Subsidiaries of EGSA, then the annual and quarterly information required by clauses (1) and (2) above shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of EGSA and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries of EGSA.

In addition, so long as the Notes remain outstanding and during any period during which the SPV Issuer or EGSA, as applicable, is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the SPV Issuer or EGSA, as applicable, shall furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

All financial statement information required under this covenant shall be prepared on a consistent basis in accordance with IFRS. In addition, all financial statement information and all reports required under this covenant shall be presented in the English language.

Contemporaneously with the provision of each report discussed above, EGSA will also (a) file a press release through the newswire service of Bloomberg, or, if Bloomberg does not then operate, any similar agency, (b) post such report on EGSA's website and (c) for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, make the above information available through the offices of the Luxembourg Paying Agent.

Merger and Consolidation

EGSA will not, in a single transaction or through a series of related transactions, consolidate, amalgamate, merge or otherwise combine with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "**Successor Issuer**") will be a Person organized and existing under the laws of the Republic of France or any other member state of the European Union on January 1, 2004 or any State of the United States or the District of Columbia and the Successor Issuer (if not EGSA) will expressly assume all the obligations of EGSA under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is party, pursuant to supplemental indenture and other agreements executed and delivered to the Trustee, in form satisfactory to the Trustee;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Issuer or any Subsidiary of the Successor Issuer as a result of such transaction as having been Incurred by the Successor Issuer or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Successor Issuer would be able to Incur at least a €1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—*Limitation on Indebtedness*", or (b) the Corporate Consolidated Fixed Charge Coverage Ratio of EGSA (or, if applicable, the Successor Issuer with respect thereto) would equal or exceed the Corporate Consolidated Fixed Charge Coverage Ratio of EGSA immediately prior to giving effect to such transaction;

(4) each Subsidiary Guarantor (unless it is the other party to the transaction above, in which case clause (1) shall apply) shall have confirmed by supplemental indenture that its Subsidiary Guarantee shall apply to such Person's obligations in respect of the Indenture and the Notes; and

(5) EGSA shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of EGSA, which properties and assets, if held by EGSA instead of the such Subsidiaries, would constitute all or substantially all of the properties and assets of

EGSA on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of EGSA.

The Successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, EGSA under the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is party but, in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under the Notes.

Notwithstanding the preceding clause (3) (which does not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary of EGSA may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to EGSA or any Wholly Owned Subsidiary of EGSA and (b) EGSA may consolidate or otherwise combine with or merge into an Affiliate solely for the purpose of incorporating or organizing EGSA in another jurisdiction to realize tax benefits.

Limitation on Lines of Business

EGSA will not, and will not permit its Restricted Subsidiaries to, engage in any business which is not a Permitted Business.

The Intercreditor Agreement and Additional Intercreditor Agreements

The Notes will be subject to the restrictions contained in the Intercreditor Agreement. The Indenture will provide that, at the request of EGSA, in connection with the Incurrence by EGSA or any Subsidiary Guarantor of any Indebtedness permitted to be secured by the Collateral pursuant to the definition of Permitted Collateral Liens, EGSA, the Trustee and, if applicable, the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement or a restatement, amendment or other modification of the Intercreditor Agreement (collectively an "**Additional Intercreditor Agreement**") containing substantially the same terms as the Intercreditor Agreement (or terms more favorable to the Holders) including with respect to ranking as to the Collateral, limitation on enforcement and priority and release of the Collateral (or such other terms or with such changes as EGSA may in good faith determine to be necessary or appropriate relating to the Collateral, in connection with the Incurrence of such Indebtedness, *provided* that such other terms are not materially more adverse to the Holders taken as a whole than the terms contained in the Intercreditor Agreement); *provided further* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the Intercreditor Agreements without the consent of the Trustee.

The Indenture also will provide that, at the direction of EGSA and without the consent of Holders, the Trustee shall at the expense of EGSA from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure any ambiguity, manifest error, omission, defect or inconsistency of the Intercreditor Agreement or any Additional Intercreditor Agreement, (2) increase the amount of Indebtedness of the types covered by the Intercreditor Agreement or any Additional Intercreditor Agreement that may be Incurred by EGSA or any of its Subsidiaries that is subject to the Intercreditor Agreement or any Additional Intercreditor Agreement (including the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes or any Subsidiary Guarantee, as applicable) to the extent such increase is permitted under the Indenture with respect to such Indebtedness, (3) add Subsidiary Guarantors to the Intercreditor Agreement or any Additional Intercreditor Agreement, (4) add security to or for the benefit of the Notes, or confirm and evidence the release, termination or discharge of any Subsidiary Guarantee or Lien (including the Collateral and the Security Documents) when such release, termination or discharge is provided for or permitted under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, (5) make provision for pledges of the Collateral securing Additional Notes to rank *pari passu* with the Security Documents or to implement any Permitted Collateral Lien, (6) provide for the assumption by a successor of the obligations of EGSA under the Intercreditor Agreement or any Additional Intercreditor Agreement, (7) conform the text of the Intercreditor Agreement or any Additional Intercreditor Agreement to any provision of this "*Description of the Notes*" or (8) make any other change to the Intercreditor Agreement or any Additional Intercreditor Agreement that does not materially adversely affect the Holders. EGSA shall not otherwise direct the Trustee to enter into any amendment to the Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments, Supplements and Waivers*", and EGSA may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to the Intercreditor Agreement or any Additional Intercreditor Agreement, the Trustee shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; provided, however, that such transaction would comply with the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*". The Indenture also will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor

Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein). A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at the offices of the Trustee and, for so long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Euro MTF Market so require, at the offices of the Luxembourg Paying Agent.

Payments for Consent

Neither the SPV Issuer nor EGSA, as applicable, will, and EGSA will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders that consent, waive or agree to amend in the time frame set out in the solicitation documents relating to such consent, waiver or agreement.

Listing

The SPV Issuer or EGSA, as applicable, will use commercially reasonable efforts to initially list and maintain the listing of the Notes on the Euro MTF Market or other international securities exchange for as long as the Notes are outstanding. However, if it should prove commercially impracticable to list the Notes on the Euro MTF Market due to listing requirements or other factors, the SPV Issuer or EGSA, as applicable, will list the Notes on another internationally recognized exchange.

Events of Default

The following events are defined in the Indenture as "*Events of Default*":

(1) the failure to pay interest on the applicable Notes when the same becomes due and payable and the default continues for a period of 30 days;

(2) the failure to pay the principal on the applicable Notes at their Stated Maturity, upon optional redemption, upon required purchase or otherwise;

(3) a default in the observance or performance of any covenant or agreement contained in the Notes, the Indenture (other than those described in clauses (1) or (2) above), the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents, which default continues for a period of 60 days after EGSA receives written notice specifying the default from the Trustee or the Holders of at least 25% of the outstanding principal amount of the Notes (except in the case of a default (x) with respect to the "*—Merger and Consolidation*" covenant, which will constitute an Event of Default with such notice requirement but without such passage of time requirement or (y) with respect to the "*—Change of Control*" covenant, which will constitute an Event of Default with such notice requirement if such default continues for a period of 30 days);

(4) the failure to pay at final maturity (giving effect to any applicable grace periods and any extensions thereof) the stated principal amount of any Indebtedness of EGSA or any of its Restricted Subsidiaries ("**payment default**") or the acceleration of the final stated maturity of any such Indebtedness (which acceleration is not rescinded, annulled or otherwise cured within 20 days of receipt by EGSA or such Restricted Subsidiary of notice of any such acceleration) (the "**cross acceleration provision**") if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at final stated maturity or which has been accelerated (in each case with respect to which the 20 day period described above has elapsed) aggregates €35.0 million or more at any time;

(5) one or more judgments in an aggregate amount in excess of € 35.0 million shall have been rendered against EGSA or any of its Restricted Subsidiaries and such judgments remain undischarged, unpaid or unstayed for a period of 30 days after such judgment or judgments become final and non-appealable (the "**judgment default**" provision);

(6) certain events of bankruptcy affecting the SPV Issuer (prior to the Completion Date), EGSA or any Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the date of the SPV Issuer or EGSA's, as applicable, most recently available financial statements) would constitute a Significant Subsidiary) (the "**bankruptcy provision**");

(7) failure by the SPV Issuer to comply with any term of the Escrow Agreement that is not cured within 10 days to the extent such non-compliance would reasonably be expected to materially and adversely impact the Holders of the Notes;

(8) failure to consummate a Special Mandatory Redemption as provided for in the Indenture;

(9) at any time prior to the Completion Date, failure of the Parent to own and hold on trust for charitable purposes 100% of the issued outstanding Capital Stock of the SPV Issuer;

(10) any Subsidiary Guarantee ceases to be in full force and effect or any Subsidiary Guarantee is declared to be null and void and unenforceable or any Subsidiary Guarantee is found to be invalid or any Subsidiary Guarantor denies its liability under its Subsidiary Guarantee (other than by reason of release of a Subsidiary Guarantor in accordance with the terms of the Indenture) (the "**guarantee default provision**"); or

(11) any default by EGSA in the performance of any of its obligations under the Security Documents (after the lapse of any applicable grace periods) or the Indenture which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect, the repudiation or disaffirmation by EGSA of any of its obligations under the Security Documents or the determination in judicial proceedings that the Security Documents are unenforceable or invalid against EGSA for any reason (the "**security default provision**").

If an Event of Default (other than an Event of Default specified in clause (6) above with respect to the SPV Issuer or EGSA) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of outstanding Notes may (subject to the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement) declare the principal of and accrued interest on all the Notes to be due and payable by notice in writing to the SPV Issuer or EGSA, as applicable, and the Trustee specifying the respective Event of Default and that it is a "notice of acceleration" (the "**Acceleration Notice**"), and the same shall become immediately due and payable.

If an Event of Default specified in clause (6) above with respect to the SPV Issuer or EGSA, as applicable, occurs and is continuing, then all unpaid principal of, and premium, if any, and accrued and unpaid interest on, all of the outstanding Notes shall *ipso facto* become and be immediately due and payable without any declaration or other act by the Trustee or any Holder.

The Indenture will provide that, at any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, the Holders of a majority in principal amount of such Notes may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid;

(4) if the SPV Issuer or EGSA, as applicable, has paid the Trustee its compensation and reimbursed the Trustee for its expenses, disbursements and advances; and

(5) in the event of the cure or waiver of an Event of Default of the type described in clause (6) of the description above of Events of Default, the Trustee shall have received an Officers' Certificate and an Opinion of Counsel that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or impair any right consequent thereto. The Holders of a majority in principal amount of the Notes may waive any existing Default or Event of Default under the Indenture, and its consequences, except a default in the payment of the principal of or interest on any Notes (other than pursuant to a rescission of acceleration of the Notes by Holders of a majority in principal amount of Notes and a waiver of the payment default that resulted from such acceleration).

EGSA will deliver to the Trustee, on or before 120 days after the end of the its fiscal year, a certificate indicating whether the signing officers know of any Default or Event of Default that occurred during the previous year, and whether EGSA has complied with its obligations under the Indenture. In addition, EGSA will be required to notify the Trustee of the occurrence and continuation of any Default or Event of Default within five business days after it becomes aware of the same.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee indemnity and/or security satisfactory to it. Subject to the provisions of the Indenture and applicable law, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on such Trustee.

Under the Indenture, the SPV Issuer or EGSA, as applicable, will be required to provide an Officers' Certificate to the Trustee promptly upon any such officer obtaining knowledge of any Default or Event of Default (*provided* that such officers shall provide such certification at least annually whether or not they know of any Default or Event of Default) that has occurred and, if applicable, describe such Default or Event of Default and the status thereof.

Limited Recourse

Each of the Trustee, the Security Agent, any Paying Agent, the Registrar and each Holder will agree that its rights against the SPV Issuer under the Indenture and the Notes will be limited to the extent that it will not take any action or proceedings against the SPV Issuer to recover any amounts due and payable by the SPV Issuer to it under the Indenture or the Notes except as expressly permitted by the provisions of the Indenture and the Notes. Each of the Trustee, the Security Agent, any Paying Agent and the Registrar and each Holder will further agree that it will not, and in the case of a Holder will not request that the Trustee on its behalf, petition a court for, or take any other action or commence any proceedings for, the liquidation or winding-up of the SPV Issuer or any other bankruptcy or insolvency proceedings or appoint any liquidator, receiver, administrator or other insolvency practitioner with respect to the SPV Issuer or any of its assets whether under Irish law or other applicable bankruptcy laws; *provided* that the foregoing is solely for the benefit of the SPV Issuer and will not apply to EGSA or any Subsidiary Guarantors and *provided further* each of the Trustee, the Security Agent, any Paying Agent, the Registrar and each Holder will have the full and unconditional right to claim against the SPV Issuer for all amounts due and payable under the Notes and the Indenture, but only to the extent of the amount in the Account.

To the extent that the amount in the Account is not sufficient to meet all amounts payable by the SPV Issuer under the Notes and the Indenture (such negative amount being referred to herein as a "**shortfall**"), the obligations of the SPV Issuer in respect of the Notes and the Indenture to the Trustee, the Security Agent, the Principal Paying Agent, the Registrar and to the Holders of the Notes will be limited to such amount which shall be applied in accordance with the Indenture and the Escrow Agreement. In such circumstances the SPV Issuer will not be obligated to pay, and the other assets (if any) of the SPV Issuer will not be available for payment of, such shortfall, the rights of the Trustee, the Security Agent, the Principal Paying Agent, the Registrar and the Holders of the Notes to receive any further amounts in respect of such obligations shall be extinguished and shall not thereafter revive and none of the Trustee, the Security Agent, the Principal Paying Agent, the Registrar and the Holders of the Notes may take any further action to recover such amounts against the SPV Issuer.

Defeasance

EGSA, at any time may terminate all its obligations under the Notes, the Indenture and the Security Documents and all of the obligations of any Subsidiary Guarantor with respect to its Guarantee ("**legal defeasance**"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes.

EGSA at any time may terminate its, and the Guarantors' obligations under covenants described under "*—Certain Covenants*" (other than "*—Merger and Consolidation*"), the operation of the cross-default upon a payment default, cross acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries, the judgment default provision, the guarantee default provision and the security default provision described under "Events of Default" above and the limitations contained in clause (3) under "*—Certain Covenants—Merger and Consolidation*" above ("**covenant defeasance**").

EGSA may exercise their legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If EGSA exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If EGSA exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5) or (6) (with respect only to Significant Subsidiaries), (7) or (8) under "Events of Default" above or because of the failure of the SPV Issuer to comply with clause (3) under the first paragraph of "*—Certain Covenants—Merger and Consolidation*" above.

In order to exercise either defeasance option, EGSA must irrevocably deposit in trust (the "**defeasance trust**") with the Trustee cash in euro or Government Obligations or a combination thereof for the payment of principal, premium, if any, and interest on the applicable Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders of the relevant Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);

(2) an Opinion of Counsel in the jurisdiction of organization of EGSA to the effect that the Holders of the outstanding Notes will not recognize income, gain or loss for income tax purposes in such jurisdiction as a result of such defeasance and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(3) an Opinion of Counsel to the effect that, as of the date of such opinion and subject to customary assumptions and exclusions, following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, liquidation, reorganization, administration, moratorium, receivership or similar laws affecting creditors' rights generally under any applicable U.S. federal or state law or the laws of the jurisdiction of organization of EGSA, and that the Trustee has a perfected security interest in such trust funds for the rateable benefit of the Holders;

(4) an Officers' Certificate stating that the deposit was not made by EGSA with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of EGSA or any Subsidiary Guarantor;

(5) an Officers' Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(6) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(7) EGSA delivers to the Trustee all other documents or other information that the Trustee may require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either:

(a) all the applicable Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the SPV Issuer or EGSA, as applicable, and thereafter repaid to the SPV Issuer or EGSA, as applicable, or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all applicable Notes not theretofore delivered to the Trustee for cancellation (1) have become due and payable or (2) will become due and payable within one year, or are to be called for redemption within one year, under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the SPV Issuer or EGSA, as applicable, and the SPV Issuer or EGSA has irrevocably deposited or caused to be deposited with the Trustee funds in euro or European Government Obligations or a combination thereof in an amount sufficient to pay and discharge the entire Indebtedness on the applicable Notes not theretofore delivered to the Trustee for cancellation, for principal of, and premium, if any, and interest on, the applicable Notes to the date of maturity or redemption, as the case may be, together with irrevocable instructions from the SPV Issuer or EGSA, as applicable, directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the SPV Issuer or EGSA, as applicable, or any Subsidiary Guarantor has paid all other sums payable under the Indenture; and

(3) the SPV Issuer or EGSA, as applicable, has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of such Indenture have been complied with

Without limiting the above, following the release of the Escrowed Property on the Completion Date, the SPV Issuer will have no further obligations under the Indenture and the Notes, and will commence voluntary liquidation proceedings.

Amendments, Supplements and Waivers

Subject to certain exceptions provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement, the Indenture, the Notes, any Security Documents and any Subsidiary Guarantees may be amended or supplemented with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). However, unless consented to by the Holders of at least 90% in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), without the consent of each Holder of Notes affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption or repurchase of any Note or change the time at which any Note may be redeemed or repurchased as described above under "*—Optional Redemption*", "*—Redemption for Taxation Reasons*", "*—Change of Control*", "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" or any similar provision, whether through an amendment, supplement or waiver of provisions in the covenants, definitions or otherwise;

(5) make any Notes payable in a currency other than that stated in the Notes;

(6) impair the right of any Holder to receive payment of, premium, if any, principal of or interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;

(7) make any change in the provisions of the Indenture described under "*—Withholding Taxes*" that adversely affects the rights of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release any Subsidiary Guarantor from any of its obligations (or modify such obligations in any manner adverse to the Holders) under any Subsidiary Guarantee or the Indenture, as applicable, except in accordance with the terms of the Indenture and the Intercreditor Agreement (or any Additional Intercreditor Agreement);

(9) release the Lien on the Collateral granted for the benefit of the Holders other than pursuant to the terms of the Security Documents, the Intercreditor Agreement (or any Additional Intercreditor Agreements), or as otherwise permitted by the Indenture; or

(10) make any change in the preceding amendment and waiver provisions.

Notwithstanding the foregoing and to the extent not already permitted, without the consent of any Holder, the SPV Issuer, EGSA, the Subsidiary Guarantors and the Trustee may amend the Indenture, the Notes, any Subsidiary Guarantee, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement to:

(1) cure any ambiguity, defect or inconsistency;

(2) provide for the assumption by a successor corporation of the obligations of the SPV Issuer, EGSA or any Subsidiary Guarantor under any of the documents referenced above;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes;

(4) add Guarantees with respect to the Notes;

(5) secure the Notes or any Subsidiary Guarantee;

(6) add to the covenants of the SPV Issuer, EGSA or any Subsidiary Guarantor for the benefit of the Holders or surrender any right or power conferred upon the SPV Issuer, EGSA or any Subsidiary Guarantor;

(7) conform the text of the Indenture to any provision of this "Description of the Notes";

(8) make any change that does not adversely affect the rights of any Holder; or

(9) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirement thereof.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed amendment, supplement or waiver. A consent to any amendment, supplement or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

In determining whether the Holders of the requisite principal amount of Notes have given any request, demand, authorization, consent, vote or waiver in connection with the Indenture and the Notes, Notes owned by the SPV Issuer, EGSA or any Affiliate of the SPV Issuer or EGSA, as applicable, shall be disregarded and shall be deemed not to be outstanding for these purposes, except that in determining whether the Trustee shall be protected in relying upon such request, demand, authorization, consent, vote or waiver, only Notes which the Trustee actually knows to be so owned shall be so disregarded.

The SPV Issuer or EGSA, as applicable, will publish a notice of any material amendment, supplement or waiver in accordance with the provisions of the Indenture described under "—*Notices*", and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, the SPV Issuer or EGSA, as applicable, will notify the Luxembourg Stock Exchange of any such amendment, supplement and waiver.

Governing Law; Waiver of Jury Trial

The Indenture and the Notes are governed by, and construed in accordance with, the laws of the State of New York. The SPV Issuer and EGSA will submit to the non-exclusive jurisdiction of and venue in any federal or state court in the Borough of Manhattan in the City of New York, County and State of New York, United States of America, in any suit or proceeding based on or arising out of or under or in connection with the Notes and any Subsidiary Guarantee. The SPV Issuer, EGSA, the Trustee and each Holder of a Note, by its acceptance thereof, will waive, to the fullest extent permitted by applicable law, any and all right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to the Indenture or the Notes.

The Security Documents are governed by the laws of the Republic of France. The Commercial Court (*Tribunal de Commerce*) of Paris will have exclusive jurisdiction to settle any dispute arising out of or in connection with the Intercreditor Agreement and the Security Documents.

The Intercreditor Agreement is governed by the laws of France.

Concerning the Trustee

The Bank of New York Mellon is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care in their exercise that a prudent person would use in conducting his or her own affairs.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the SPV Issuer or EGSA, as applicable, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *provided*, *however*, that if it acquires any conflicting interest it must either eliminate such conflict or resign.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will provide for certain rights, benefits, privileges and immunities of the Trustee and the indemnification of the Trustee in connection with its actions under the Indenture and each other agreement to which it is a party.

Concerning the Paying Agent and Registrar

The Trustee will initially act as Paying Agent for the Notes. The Bank of New York Mellon (Luxembourg) S.A. will initially act as Registrar and Luxembourg Paying Agent with regard to the Notes (the "**Luxembourg Paying Agent**"). For so long as the Notes are Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, the SPV Issuer or EGSA, as applicable, will maintain the Paying Agent. The SPV Issuer or EGSA, as applicable, may change the Paying Agent or Registrar for the Notes, and the SPV Issuer or EGSA, as applicable, may act as Paying Agent or Registrar for the Notes. In the event that a Paying Agent is replaced, the SPV Issuer or EGSA, as applicable, will provide notice thereof in accordance with the procedures described under "*Notices*". In addition, the

SPV Issuer or EGSA, as applicable undertakes that it will ensure that the SPV Issuer or EGSA, as applicable, maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income, or any law implementing, or complying with or introduced in order to conform to, such directive.

Concerning the Security Agent

Crédit Agricole Corporate and Investment Bank will initially act as Security Agent under the Share Pledge on behalf of the Trustee and the Holders. The Security Agent, acting in its capacity as such, shall have such duties with respect to the shares of ECI pledged pursuant to the Security Documents as are set forth in the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents. Under certain circumstances, the Security Agent may have obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents that are in conflict with the interests of the Holders. The Security Agent will be under no obligation to exercise any rights or powers conferred under the Indenture or any of the Security Documents for the benefit of the Holders unless such Holders have offered to the Security Agent indemnity or security satisfactory to the Security Agent against any loss, liability or expense.

Payments on the Notes

The Notes are in registered form and will be issued in minimum denominations of € 100,000 or in multiples of €1,000 in excess thereof.

Principal of, and premium, if any, and interest on, the Notes held in global form will be payable, and the Global Notes may be exchanged or transferred, at the corporate trust office or agency of the Trustee in London, England except that, at the option of the SPV Issuer or EGSA, as applicable, payment of interest may be made by check mailed to the address of the Holders as such address appears in the applicable Note register. Payment of principal of, or premium, if any, or interest on, Notes in global form registered in the name of or held by the Common Depositary or its nominee will be made in immediately available funds to the Common Depositary or its nominee, as the case may be, as the registered holder of such Global Note.

Upon the issuance of Definitive Notes, and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, holders of the Notes will be able to receive principal and interest on the Notes at the office of the Luxembourg Paying Agent, subject to the right of the SPV Issuer or EGSA, as applicable, to mail payments in accordance with the terms of the Indenture. The SPV Issuer or EGSA, as applicable, will pay interest on the Notes to Persons who are registered Holders at the close of business on the record date immediately preceding the interest payment date for such interest. Holders of Definitive Notes must surrender the Notes to a Paying Agent to collect principal payments. Initial settlement for the Notes will be made in euro.

Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream Holders on the Business Day following the settlement date against payment for value on the settlement date.

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds.

Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar and the Trustee may require a holder of a Note, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by the SPV Issuer or EGSA, as applicable, the Trustee or the Registrar for any registration of transfer or exchange of Notes, but the SPV Issuer or EGSA, as applicable, may require a Holder to pay a sum sufficient to cover any transfer tax or other governmental taxes and fees required by law or permitted by the Indenture. The SPV Issuer or EGSA, as applicable, are not required to register the transfer or exchange of any Note selected for redemption. Also, the SPV Issuer or EGSA, as applicable, are not required to transfer or exchange any Notes:

(1) for a period of 10 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 10 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 10 days prior to the record date with respect to any Interest Payment Date; or

(4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

Ownership of interests in the Notes in global form and interests therein will be subject to restrictions on transfer and certification requirements summarized under "*Transfer Restrictions*".

The registered Holder of a Note will be treated as the owner of it for all purposes. See "*Book-Entry, Delivery and Form*".

Currency Indemnity and Calculation of Euro-Denominated Restrictions

The euro is the sole currency of account and payment for all sums payable by the SPV Issuer or EGSA, as applicable, under or in connection with the Notes, any Subsidiary Guarantees and the Indenture, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the SPV Issuer or EGSA, as applicable, or otherwise, by any Holder or by the Trustee or the Security Agent in respect of any sum expressed to be due to it from the SPV Issuer or EGSA, as applicable, will only constitute a discharge of the SPV Issuer or EGSA, as applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the Holder or the Trustee, the SPV Issuer or EGSA, as applicable, will indemnify them against any loss sustained by such recipient as a result. In any event, the SPV Issuer or EGSA, as applicable, will indemnify the recipient against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be sufficient for the Holder or the Trustee to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the SPV Issuer or EGSA, as applicable, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any Holder or the Trustee and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

Except as otherwise specifically set out herein, for purposes of determining compliance with any euro-denominated restriction herein, the euro-equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is incurred or made, as the case may be.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the SPV Issuer or EGSA, as applicable, or any Subsidiary Guarantor shall have any liability for any obligations of the SPV Issuer, EGSA or such Subsidiary Guarantor under the Notes, any Subsidiary Guarantee, the Security Documents, the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture, the Notes and the Subsidiary Guarantees, the SPV Issuer, EGSA and any Subsidiary Guarantor will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States of America.

Enforceability of Judgments

Because substantially all of the assets of the SPV Issuer, EGSA and any Subsidiary Guarantor are outside the United States, any judgment obtained in the United States against the SPV Issuer, EGSA or any Subsidiary Guarantor, including judgments with respect to the payment of principal, interest, or premium and any redemption price and any purchase price with respect to the Notes or any Subsidiary Guarantee, may not be collectable within the United States.

Prescription

Claims against the SPV Issuer or EGSA, as applicable, for payment of principal, interest and Additional Amounts, if any, on the Notes will become void unless presentment for payment is made (where so required herein) within, in the case of principal and Additional Amounts, if any, a period of ten years or, in the case of interest, a period of five years, in each case from the applicable original payment date therefor.

Notices

Notices regarding the Notes will be sent to a leading newspaper having general circulation in London (which is expected to be *The Financial Times*). Additionally, in the event the Notes are in the form of Definitive Notes, notices will be sent, by first-class mail, with a copy to the Trustee, to each Holder at such Holder's address as it appears on the registration books of the registrar. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange, any notices to holders will either be published in a leading newspaper in Luxembourg or on the website of the Luxembourg Stock Exchange (www.bourse.lu). If and so long as such Notes are listed on any securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange. If and so long as any Notes are represented by one or more Global Notes and ownership of Book-Entry Interests therein are shown on the records of Euroclear, Clearstream or any successor clearing agency appointed by the Common Depositary at the request of the SPV Issuer or EGSA, as applicable, notices will be delivered to such clearing agency for communication to the owners of such Book-Entry Interests. Notices given by publication will be deemed given on the first date on which publication is made and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing.

Notice will be given to the Luxembourg Stock Exchange on the Completion Date of the change of the issuer.

Certain definitions

"**Acquired Indebtedness**" means Indebtedness:

(1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary;

(2) assumed in connection with the acquisition of assets from such Person; or

(3) of a Person at the time such Person merges with or into or consolidates with EGSA or any Restricted Subsidiary,

in each case not Incurred by such Person in connection with or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of EGSA or such acquisition. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger or consolidation.

"**Additional Securitifleet Company**" means any Special Purpose Entity incorporated as a limited liability company in France, Germany, Spain or Italy for the purpose of acquiring, selling, leasing, financing or refinancing Vehicles, and/or related rights (including under leases, manufacturer warranties and buy-back programs, and insurance policies) and/or assets (including managing, exercising and disposing of any such rights and/or assets) and any other activity in which a Securitifleet Company is engaged in on the date of determination and that is fully consolidated in the financial statements of EGSA which has entered a Securitifleet On-Loan Agreement and whose assets are pledged directly or indirectly for the benefit of the holders to the same extent as the assets of the Securitifleet Companies pledged for the benefit of the Holders and to the same extent as such assets are pledged for the benefit of the Senior Asset Revolving Facility or any other Fleet Financing.

"**Additional Securitifleet Proceeds Loan**" means any loans from a financial intermediary to Securitifleet Holding and assigned to EGSA as such assignment is funded with the proceeds from the issuance of additional notes permitted by the EC Finance Notes Indenture pursuant to an indenture with such terms and conditions substantially similar to those contained in the Securitifleet Proceeds Loan Agreement (with such adjustments as are necessary to reflect changes in principal amount, accreted value, original issue discount, issue date, currency, maturity and other differences so that the payment terms of such Additional Securitifleet Proceeds Loan are substantially equivalent to those of the additional notes) and, all funding directly or indirectly replacing or refinancing such loan or any portion thereof.

"**Affiliate**" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative of the foregoing.

"**Aggregate Leased Fleet Net Book Value**" means the aggregate net book value of the leased fleet, which amount shall be (a) estimated in good faith by the principal financial officer of ECI, (b) determined on a consistent basis with the information presented in the footnotes to EGSA's most recent financial statements prior to the Issue Date and (c) subject to agreed upon procedures by the auditors of EGSA.

"**Applicable Premium**" means, with respect to any Note on any redemption date, the greater of:

(1) 1.00% of the principal amount of such Note; and

(2) the excess of:

(a) the present value at such redemption date of (1) the redemption price of such Note on June 15, 2018 (such redemption price being set forth in the table appearing above under the caption "*Optional Redemption*") plus (2) all required remaining scheduled interest payments due on such Note through June 15, 2018 (excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate plus 50 basis points; over

(b) the principal amount of such Note on such redemption date, as calculated by EGSA or on behalf of EGSA by such Person as EGSA shall designate.

For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee or the Paying Agent.

"**Asset Acquisition**" means:

(1) an Investment by EGSA or any Restricted Subsidiary of EGSA in any other Person pursuant to which such Person shall become a Restricted Subsidiary of EGSA or of any Restricted Subsidiary of EGSA, or shall be merged with or into EGSA or any Restricted Subsidiary of EGSA; or

(2) the acquisition by EGSA or any Restricted Subsidiary of EGSA of the assets of any Person (other than a Restricted Subsidiary of EGSA) which constitute all or substantially all of the assets of such Person or constitutes any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

"**Asset Disposition**" means any direct or indirect sale, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer for value, or series of related sales, issuances, conveyances, transfers, leases, assignments or any other transfers, by EGSA or any of its Restricted Subsidiaries, including any Sale and Leaseback Transaction and any disposition by means of a merger, consolidation or similar transaction (each referred to for purposes of this definition as a "**disposition**") of:

(1) any Capital Stock of any Restricted Subsidiary of EGSA (other than directors' qualifying shares or shares required by law to be held by a Person other than EGSA or a Restricted Subsidiary); or

(2) any other property or assets of EGSA or any Restricted Subsidiary of EGSA other than in the ordinary course of business.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to EGSA or by EGSA or a Restricted Subsidiary to a Restricted Subsidiary, *provided* that in the case of a disposition by EGSA or a Restricted Subsidiary to a Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, EGSA directly or indirectly owns an equal or greater percentage of the Capital Stock of the transferee than of the transferor;

(2) the disposition of cash or Cash Equivalents in the ordinary course of business;

(3) a disposition of inventory (including Vehicles) in the ordinary course of business;

(4) a disposition of obsolete or worn out equipment or equipment that is no longer useful in the conduct of the business of EGSA and its Restricted Subsidiaries and that is disposed of by EGSA and its Restricted Subsidiaries in the ordinary course of business;

(5) transactions by EGSA and its Restricted Subsidiaries permitted under "*—Certain Covenants—Merger and Consolidation*" or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary of EGSA to EGSA or to a Wholly Owned Restricted Subsidiary of EGSA;

(7) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—*Certain Covenants—Limitation on Restricted Payments*" or that constitutes a Permitted Investment;

(8) dispositions by EGSA and its Restricted Subsidiaries of assets in a single transaction or series of related transactions with an aggregate Fair Market Value of less than €50.0 million;

(9) dispositions constituting an Incurrence of any Lien permitted under the "—*Limitation on Liens*" covenant (but not the sale or other disposition of the property subject to such Lien);

(10) dispositions by EGSA and its Restricted Subsidiaries of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property;

(12) foreclosure, condemnation or similar action with respect to any property or other assets;

(13) any Financing Disposition or other disposition in connection with a Fleet Financing; and

(14) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or in the ordinary course of business.

"**Attributable Indebtedness**" in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in the sale and leaseback transaction including any period for which the lease has been extended or may, at the option of the lessor, be extended. The present value shall be calculated using a discount rate equal to the rate of interest implicit in the transaction, determined in accordance with IFRS; *provided, however*, that if such Sale and Leaseback Transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capitalized Lease Obligation".

"**Average Life**" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or scheduled redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

"**Board of Directors**" means, (a) with respect to EGSA or any other corporation, the board of directors, supervisory board or management board of EGSA or such other corporation, as applicable, or any committee thereof duly authorized to act on behalf of such board or (b) with respect to any other Person, the board of directors, supervisory board or other governing body of such Person or, if such Person is owned or managed by a single entity, the board of directors, supervisory board or other governing body of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such board, supervisory board or other governing body.

"**Board Resolution**" means, with respect to any Person, a copy of a resolution certified by the company secretary or an assistant company secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"**Bund Rate**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(1) "**Comparable German Bund Issue**" means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to June 15, 2018 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to the period from the redemption date to June 15, 2018; *provided, however*, that, if the period from such redemption date to June 15, 2018 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such redemption date to June 15, 2018 is less than one year, a fixed maturity of one year shall be used;

(2) "**Comparable German Bund Price**" means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such

quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the SPV Issuer or EGSA, as applicable, obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "**Reference German Bund Dealer**" means any dealer of German Bundesanleihe securities appointed by the SPV Issuer or EGSA, as applicable, in good faith; and

(4) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the SPV Issuer or EGSA, as applicable, in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the SPV Issuer or EGSA, as applicable, by such Reference German Bund Dealer at 3.30 p.m. Frankfurt, Germany, time on the third business day in Germany preceding the redemption date.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in London, Paris, New York City or Luxembourg, and (in relation to any date for payment or purchase of euro) other than any other day on which Trans-European Automated Real-Time Gross settlement Express Transfer payment system is closed for settlement of payments in euro.

"**Capital Markets Debt**" means any Indebtedness that is not Non-Public Debt.

"**Capital Markets Proceeds Loan**" means any funding (including the Securitifleet Proceeds Loan and any Additional Securitifleet Proceeds Loan) made (directly or through a financial intermediary) by EC Finance to Securitifleet Holding with the proceeds from the issuance of Capital Markets Debt permitted by the EC Finance Notes Indenture pursuant to an indenture with such terms and conditions substantially similar to those contained in the Securitifleet Proceeds Loan Agreement (with such adjustments as are necessary to reflect changes in principal amount, accreted value, original issue discount, issue date, currency, maturity and other differences so that the payment terms of such Capital Markets Proceeds Loan are substantially equivalent to those of the Capital Markets Debt), and all notes directly or indirectly replacing or refinancing such loan or any portion thereof.

"**Capital Stock**" of any Person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Capitalized Cost**" means, with respect to any Vehicle that has been accounted for in the books of any Restricted Subsidiary or Special Purpose Entity, the price paid or to be paid by such Restricted Subsidiary or Special Purpose Entity for the purchase of such Vehicle after deduction of any delivery charges and rebates together with any other element in relation thereto and accounted for as a fixed asset.

"**Capitalized Lease Obligation**" means, with respect to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as finance lease obligations under IFRS and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with IFRS.

"**Cash Equivalents**" means:

(1) debt securities denominated in euro, pounds sterling, U.S. dollars, Australian dollars or New Zealand dollars, as applicable, to be issued or directly and fully guaranteed or insured by the government (including, in each case, any agency or instrumentality thereof) of a Participating Member State as of January 1, 2004, the U.K., the U.S., Australia or New Zealand, as applicable, where the debt securities have not more than twelve months to final maturity and are not convertible into any other form of security, *provided* that such country (or agency or instrumentality) has a long-term government debt rating of "A1" or higher by Moody's or A+ or higher by Standard & Poor's or the equivalent rating category of another internationally recognized rating agency as of the date of investment;

(2) debt securities denominated in euro, pounds sterling, U.S. dollars, Australian dollars or New Zealand dollars which have not more than twelve months to final maturity, are not convertible into any other form of security, are rated at least P-1 by Moody's or A-1 by Standard & Poor's and are not issued or guaranteed by EGSA or any of its Subsidiaries;

(3) commercial paper denominated in euro, pounds sterling, U.S. dollars, Australian dollars or New Zealand dollars maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least P-1 from Moody's and A-1 from Standard & Poor's;

(4) any cash deposit or certificates of deposit denominated in euro, pounds sterling, U.S. dollars, Australian dollars or New Zealand dollars having (with respect to certificates of deposit) not more than twelve months to maturity issued by or held with a bank or financial institution incorporated or having a branch in a Participating Member State (on the Issue Date), in the United Kingdom or the United States, provided that the bank is rated at least P-1 by Moody's or A-1 by Standard & Poor's;

(5) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) above entered into with any bank or financial institution meeting the qualifications specified in clause (4) above; and

(6) investments in money market funds which invest substantially all their assets in securities of the types described in clauses (1) through (5) above.

"**Change of Control**" means the occurrence of one or more of the following events:

(1) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50.0% of the total voting power of the Voting Stock of EGSA (or its successor by merger, consolidation or purchase of all or substantially all of its assets);

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the property or assets of EGSA and its Restricted Subsidiaries taken as a whole to any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than to one or more Permitted Holders; or

(3) the adoption of a plan or proposal for the liquidation or dissolution of EGSA.

"**CICE**" means the competitive and employment tax credit pursuant to the French 3rd Amended Finance Law for 2012 (*3ème loi de finances rectificative pour 2012*) no 2012-1510 dated December 29, 2012.

"**Commodity Hedging Agreements**" means in respect of a Person any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"**Common Stock**" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock.

"**Consolidated Fleet Operating Lease Interest Expense**" means, with respect to any specified Person for any period, the aggregate interest expense included in Consolidated Fleet Lease Expense (in the case of operating leases for which the interest expense component is not specified by the counterparty, as estimated in good faith by the principal financial officer of EGSA and determined on a consistent basis with the information presented in the footnotes to EGSA's most recent financial statements prior to the Issue Date) of the specified Person and its consolidated Restricted Subsidiaries determined on a consolidated basis payable in respect of such period under leases of rental fleet.

"**Consolidated Income Taxes**" means, with respect to any Person for any period, taxes imposed upon such Person or other payments required to be made by such Person by any governmental authority which taxes or other payments are calculated by reference to the income or profits of such Person or such Person and its Restricted Subsidiaries and, for the avoidance of doubt, Special Purpose Entities on a consolidated basis determined in accordance with IFRS (to the extent such income or profits were included in computing Consolidated Net Income for such period), regardless of whether such taxes or payments are required to be remitted to any governmental authority.

"**Consolidated Net Income**" means, for any period, the net income (loss) of EGSA and its Restricted Subsidiaries and, for the avoidance of doubt, Special Purpose Entities, on a consolidated basis determined in accordance with IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) any net income (loss) of any Person (other than EGSA) if such Person is not a Restricted Subsidiary or a Special Purpose Entity, except that:

(a) subject to the limitations contained in clauses (4), (5) and (6) below, EGSA's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to EGSA or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (2) below); and

(b) EGSA's equity in a net loss of any such Person (other than an Unrestricted Subsidiary) for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from EGSA or a Restricted Subsidiary;

(2) any net income (loss) of any Person acquired by EGSA or a Subsidiary of EGSA in a pooling of interests transaction for any period prior to the date of such acquisition;

(3) solely for the purpose of determining the amount available for Restricted Payments under clause (III)(a) of the first paragraph under the caption "*—Certain Covenants—Restricted Payments*", any net income or loss of any Restricted Subsidiary of EGSA that is not a Subsidiary Guarantor will be excluded if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to EGSA (or Subsidiary Guarantor that holds the Capital Stock of such Restricted Subsidiary, as applicable) by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture and (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary and any future restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders of the Notes than such restrictions in effect on the Issue Date, except that EGSA's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to EGSA or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than a Subsidiary Guarantor), to the limitation contained in this clause));

(4) any gain (loss) realized upon the sale or other disposition of any property, plant or equipment of EGSA or its consolidated Restricted Subsidiaries (including pursuant to any Sale and Leaseback Transaction) which is not sold or otherwise disposed of in the ordinary course of business and treated as such under IFRS and any gain (loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(5) any extraordinary gain or loss; and

(6) the cumulative effect of a change in accounting principles (from those IFRS principles in effect on the Issue Date).

"**Consolidated Total Assets**" means, as of any date of determination, total assets shown on the consolidated balance sheet of EGSA and its Restricted Subsidiaries as of the most recent date for which such a balance sheet is available. For the avoidance of doubt, references to 'Restricted Subsidiaries' in this definition include, where applicable, Special Purpose Entities on a consolidated basis determined in accordance with IFRS.

"**Consolidated Vehicle Interest Expense**" means, for any period, the sum of, without duplication, (a) the aggregate interest expense for such period on any Indebtedness of any Special Purpose Entity directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Rental Vehicles and/or related rights and/or assets plus (b) the aggregate interest expense for such period on other Indebtedness of EGSA and its Restricted Subsidiaries that is attributable to the financing or refinancing of Rental Vehicles and/or any related rights and/or assets, as determined in good faith by the Chief Financial Officer or an authorized Officer EGSA (which determination shall be conclusive) plus (c) the interest portion of any lease or rental expense payable to Special Purpose Entities plus (d) Consolidated Fleet Operating Lease Interest Expense.

"**Corporate Consolidated EBITDA**" for any period means, without duplication, the Consolidated Net Income for such period, *plus* (x) the following, to the extent deducted in calculating such Consolidated Net Income:

(1) Corporate Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated non-fleet depreciation and amortization expense;

(4) asset impairment expense recorded in accordance with IFRS;

(5) any foreign currency translation losses of EGSA and its Restricted Subsidiaries (including gains or losses related to currency re-measurements of Indebtedness);

(6) other non-cash charges reducing Consolidated Net Income (including non-cash charges related to amortization financing arrangement expenses and excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was paid in a prior period not included in the calculation);

(7) acquisition-related, reorganization and other non-recurring costs and expenses recorded in accordance with IFRS and presented in EGSA's most recent financial statements; and

(8) share of loss in associates;

less (y) (1) any foreign currency translation gains of EGSA and its Restricted Subsidiaries (including gains or losses related to currency re-measurements of Indebtedness), (2) share of profit in associates and (3) any other non-cash items increasing Consolidated Net Income for such period (other than (a) the accrual of revenue in the ordinary course of business and (b) the reversal of a reserve for cash charges in a future period in the ordinary course of business).

"**Corporate Consolidated Fixed Charge Coverage Ratio**" means, with respect to any Person, the ratio of Corporate Consolidated EBITDA of such Person during the period of the four full fiscal quarters (the "**Four Quarter Period**") ending prior to the date of the transaction giving rise to the need to calculate the Corporate Consolidated Fixed Charge Coverage Ratio for which financial statements are available (the "**Transaction Date**") to Corporate Consolidated Fixed Charges of such Person for the Four Quarter Period. In addition to and without limitation of the foregoing, for purposes of this definition, "Corporate Consolidated EBITDA" and "Corporate Consolidated Fixed Charges" shall be calculated after giving effect on a *pro forma* basis for the period of such calculation to:

(1) the Incurrence or repayment of any Indebtedness of such Person or any of its Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any Incurrence or repayment of other Indebtedness (and the application of the proceeds thereof), other than the Incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date, as if such Incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four Quarter Period; and

(2) any asset sales or other dispositions or Asset Acquisitions (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation) as a result of such Person or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness and also including any Corporate Consolidated EBITDA attributable to the assets which are the subject of the Asset Acquisition or asset sale or other disposition during the Four Quarter Period) occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date, as if such asset sale or other disposition or Asset Acquisition (including the Incurrence, assumption or liability for any such Acquired Indebtedness) occurred on the first day of the Four Quarter Period. If such Person or any of its Restricted Subsidiaries directly or indirectly Guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the Incurrence of such Guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly Incurred or otherwise assumed such Guaranteed Indebtedness.

Furthermore, in calculating "Corporate Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Corporate Consolidated Fixed Charge Coverage Ratio":

(1) interest on outstanding Indebtedness determined on a fluctuating or floating basis as of the Transaction Date and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate *per annum* equal to the rate of interest on such Indebtedness in effect on the Transaction Date; and

(2) notwithstanding clause (1) above, interest on Indebtedness determined on a fluctuating or floating basis, to the extent such interest is covered by Interest Rate Agreements, shall be deemed to accrue at the rate *per annum* resulting after giving effect to the operation of such agreements.

For the purposes of this definition, whenever *pro forma* effect is to be given to any Asset Acquisition, the amount of income or earnings relating thereto and the amount of Corporate Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of EGSA. In addition, any such *pro forma* calculation may include adjustments to reflect operating expense reductions from any acquisition or merger, which are considered in the good faith judgment of EGSA as probable to be realized, as set out in an Officer's Certificate.

If any Indebtedness is Incurred pursuant to a revolving credit facility, the amount outstanding on the date of such calculations will be computed based on (i) the average daily balance of such Indebtedness during such Four Quarter Period or (ii) if such facility was created after the end of such Four Quarter Period, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of calculation.

"**Corporate Consolidated Fixed Charges**" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Corporate Consolidated Interest Expense; *plus*

(2) the product of:

(a) the amount of all dividend payments on any series of Preferred Stock of such Person and, to the extent permitted under the Indenture, its Restricted Subsidiaries (other than dividends paid in Qualified Capital Stock and other than dividends paid by a Restricted Subsidiary of such Person to such Person or to a Restricted Subsidiary of such Person) paid, accrued or scheduled to be paid or accrued during such period; and

(b) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective consolidated income tax rate of such Person, expressed as a decimal (as estimated in good faith by the principal financial officer of EGSA).

"**Corporate Consolidated Interest Expense**" means, for any period, the total consolidated interest expense (excluding any amortization of debt issuance costs, any amortization of discount in relation to pension liabilities and any non-utilization fees in respect of undrawn credit lines) of EGSA and its Restricted Subsidiaries and the Special Purpose Entities that are consolidated in EGSA's financial statements prepared in accordance with IFRS, whether paid or accrued, plus, without duplication, to the extent not included in such interest expense:

(1) interest expense attributable to Capitalized Lease Obligations and the interest portion of rent expense associated with Attributable Indebtedness in respect of the relevant lease giving rise thereto, determined as if such lease were a capitalized lease in accordance with IFRS and the interest component of any deferred payment obligations;

(2) non-cash interest expense (but excluding any non-cash interest expense attributable to the movement in the mark-to-market valuation of Hedging Obligations);

(3) commissions, discounts and other fees and charges owed with respect to letters of credit;

(4) interest actually paid by EGSA or any such Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person;

(5) net costs associated with Hedging Obligations (including amortization of fees);

(6) the consolidated interest expense of EGSA and its Restricted Subsidiaries that was capitalized during such period;

(7) all dividends paid or payable, in cash, Cash Equivalents or Indebtedness or accrued during such period on any series of Disqualified Stock of EGSA or on Preferred Stock of its Restricted Subsidiaries payable to a party other than EGSA or a Wholly Owned Subsidiary; and

(8) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any other Person in connection with Indebtedness Incurred by such plan or trust,

but excluding Consolidated Vehicle Interest Expense.

"**Corporate Consolidated Leverage**" means, with respect to any Person as of any date of determination, (a) the total amount of Indebtedness of such Person and its Restricted Subsidiaries, as determined on a consolidated basis, *minus* (b) the sum of (i) all Indebtedness of Special Purpose Entities directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Rental Vehicles and/or related rights and/or assets, (ii) any other Indebtedness of EGSA and its Restricted Subsidiaries that is attributable to the financing or refinancing of Rental Vehicles and/or any related rights and/or assets and (iii) the estimated debt equivalent of fleet operating leases off-balance sheet entered into by EGSA, its Restricted Subsidiaries or Special Purpose Entities (estimated at 100% of the Aggregate Leased Fleet Net Book Value) (but not giving effect to any additional Indebtedness to be incurred on such date of determination as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Limitation on Indebtedness*"). For the avoidance of doubt, references to "Restricted Subsidiaries" in this definition include, where applicable, Special Purpose Entities on a consolidated basis determined in accordance with IFRS.

"**Corporate Consolidated Leverage Ratio**" means with respect to any specified Person as of any date of determination, the ratio of (a) the Corporate Consolidated Leverage of such Person on such date to (b) the Corporate Consolidated EBITDA of such Person for such Person's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems

Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Corporate Consolidated Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Leverage Ratio is made (the "**Calculation Date**"), then the Corporate Consolidated Leverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

For purposes of calculating the Corporate Consolidated EBITDA for such period:

(1) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Corporate Consolidated Leverage Ratio) will be given *pro forma* effect as if they had occurred on the first day of the four-quarter reference period;

(2) the Corporate Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Corporate Consolidated Leverage Ratio) will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

For the avoidance of doubt, references to "Restricted Subsidiaries" in this definition include, where applicable, Special Purpose Entities on a consolidated basis determined in accordance with IFRS. For purposes of this definition, whenever *pro forma* effect is to be given to an Asset Disposition, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Corporate Consolidated EBITDA associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of EGSA. In determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Indebtedness on such date.

"**Credit Facility**" means, with respect to EGSA or any of its Subsidiaries, one or more debt facilities, arrangements, instruments or indentures (including the Senior Revolving Credit Facility or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, receivables financings (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Senior Revolving Credit Facility Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument which otherwise qualifies as a "Credit Facility" (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of EGSA as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect EGSA or any Restricted Subsidiary of EGSA against fluctuations in currency values.

"**Default**" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“**Depreciation Charge**” means such amount as calculated with respect to each Vehicle by applying to such Vehicle’s Capitalized Cost a depreciation percentage corresponding to:

(1) if such Vehicle has been purchased pursuant to a Vehicle Manufacturer Buy-Back Agreement, the monthly depreciation percentage set forth in the applicable Vehicle Manufacturer Buy-Back Agreement or, in the absence of depreciation percentage in such agreement, the depreciation percentage calculated on the basis of straight–line amortization of such Vehicle (with the applicable rate of amortization calculated on the basis of (i) an amortization of the Capitalized Cost of such Vehicle from the date of registration of such Vehicle until the reasonably anticipated date of resale of such Vehicle and (ii) the specified repurchase price thereof under such Vehicle Manufacturer Buy-Back Agreement); or

(2) if such Vehicle has not been purchased pursuant to a Vehicle Manufacturer Buy-Back Agreement, a monthly percentage calculated on the basis of straight line amortization of such Vehicle (with the applicable rate of amortization calculated on the basis of (i) an amortization of the Capitalized Cost of such Vehicle from the date of registration of such Vehicle until the reasonably anticipated date of resale of such Vehicle and (ii) the reasonably anticipated residual value thereof as of such date (such residual value to be consistent with the residual value of Vehicles of the same type and age (and in particular with the residual value of Vehicles of the same type and age purchased pursuant to a Vehicle Manufacturer Buy-Back Agreement)).

“**Designated Non-cash Consideration**” means the Fair Market Value of non-cash consideration received by EGSA or any Restricted Subsidiary in connection with an Asset Disposition that is so designated as “Designated Non-cash Consideration” pursuant to an Officer’s Certificate, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

“**Disinterested Directors**” means, with respect to any Affiliate Transaction, one or more members of the Board of Directors of EGSA having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of any such Board of Directors shall not be deemed to have such a financial interest by reason of such member’s holding Capital Stock of EGSA, any Capital Stock or other debt or equity debt or equity securities of any entity formed for the purpose of investing in Capital Stock of EGSA or any options, warrants or other rights in respect of any of the foregoing.

“**Disqualified Capital Stock**” means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(1) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Capital Stock) pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Capital Stock; or

(3) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part,

in each case on or prior to the first anniversary of the Stated Maturity of the Notes; *provided, however*, that any Capital Stock that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an “asset sale” or a “change of control” occurring prior to the first anniversary of the Stated Maturity of the Notes shall not constitute Disqualified Capital Stock if:

(x) the “asset sale” or “change of control” provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the terms applicable to the Notes; and

(y) any such requirement only becomes operative after compliance with such comparable provisions applicable to the Notes, including the purchase of any Note tendered pursuant thereto.

The amount of any Disqualified Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Capital Stock as if the Disqualified Capital Stock were redeemed, repaid or repurchased on the relevant date on which the amount of such Disqualified Capital is to be determined pursuant to the Indenture; *provided, however*, that if such Disqualified Capital Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Capital Stock as reflected in the most recent financial statements of such Person.

“**EC Finance**” means EC Finance plc, a public limited company organized under the laws of England and Wales.

“**EC Finance Notes**” means the €350,000,000 5.125% senior secured notes due 2020 of EC Finance and guaranteed on a senior basis by ECI issued pursuant to the EC Finance Notes Indenture.

“**EC Finance Notes Indenture**” means the indenture dated as of July 31, 2014 between, among others, EC Finance as issuer, ECI as guarantor and the Bank of New York Mellon, as trustee, as supplemented from time to time.

"**ECI**" means Europcar International S.A.S.U., a corporation organized under the laws of France and not to any of its subsidiaries.

"**ECI Subordinated Loan**" means the subordinated funding agreement dated July 2, 2010 between EC Finance as borrower and ECI as lender.

"**Equity Offering**" means any offering of ordinary shares (or the equivalent thereof) or Preferred Stock (other than Disqualified Stock) of EGSA.

"**Escrow Agreement**" means the Escrow Agreement to be entered into on the Issue Date among the SPV Issuer, EGSA, the Escrow Agent and the Trustee, in respect of the deposit of the proceeds of the Notes in the Account.

"**Eurazeo**" or "**Eurazeo Group**" means collectively (1) Eurazeo, a *société anonyme à directoire et conseil de surveillance* incorporated under the laws of France; (2) any subsidiary of Eurazeo, (3) any investment fund or vehicle managed, sponsored or advised by Eurazeo or any of its subsidiaries or any successor thereto, or any successor to any such fund or vehicle; (4) any Person controlled by the managers or employees of Eurazeo or any of its subsidiaries; and (5) any of their respective successors in interest.

"**European Government Obligations**" means any security that is (1) a direct obligation of Ireland, Belgium, the Netherlands, France, Germany or any other country that is a member of the European Monetary Union on the date of the Indenture, for the payment of which the fall faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agent or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in each case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer, as applicable, thereof; *provided* that such country (or agency or instrumentality) has a long-term government debt rating of "A1" or higher by Moody's or A+ or higher by Standard & Poor's or the equivalent rating category of another internationally recognized rating agency as of the date of investment.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Fair Market Value**" means, with respect to any asset or property, the price which could be negotiated in an arm's-length, free, market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined by the Board of Directors of EGSA acting reasonably and in good faith and shall be evidenced by a Board Resolution of the Board of Directors of EGSA delivered to the Trustee; *provided* that such determination shall be either (x) approved by a majority of Disinterested Directors or (y) based on an opinion or appraisal issued by an internationally recognized accounting, appraisal or investment banking firm if such Fair Market Value is estimated in good faith by the Board of Directors of EGSA to exceed € 10.0 million.

"**FCT**" means *fonds commun de titrisation* created in connection with the Senior Asset Revolving Facility for the purpose of issuing senior notes subscribed by banks and/or their conduits and junior notes subscribed by ECI.

"**FCT Junior Notes**" means the junior notes issued by the FCT (*fonds commun de titrisation*) and subscribed by ECI or any of its successors.

"**Financing Disposition**" means any sale, transfer, conveyance, lease or other disposition of, or creation or incurrence of any Lien on, property or assets by EGSA or any Subsidiary thereof to or in favor of any Special Purpose Entity, or by any Special Purpose Subsidiary, in each case, in connection with the Incurrence by a Special Purpose Entity of Indebtedness, or obligations to make payments to the obligor on Indebtedness, which may be secured by a Lien in respect of such property or assets.

"**Fleet Financing**" means any asset-backed financing for the purpose of financing, acquiring, leasing or refinancing Vehicles and/or related rights (including under leases, manufacturer warranties and buy-back programs and insurance policies) and/or related assets, together with any related working capital financing (including for the avoidance of doubt the Senior Asset Revolving Facility together with any other fleet financing incurred by the Securitifleet Companies).

"**General Fleet Financing**" means any Fleet Financing other than a lease financing.

"**General Fleet Financing Borrowing Base**" means, on the date of incurrence of any General Fleet Financing, the aggregate amount of all General Fleet Financings in an amount not exceeding 95.0% of the General Fleet Financing Total Asset Value taking into account the General Fleet Financing to be incurred.

"**General Fleet Financing Total Asset Value**" means without double counting, the aggregate of:

(1) the Vehicle Residual Value of all the Vehicles of the Group (as defined in the covenant "*Limitation on Indebtedness*") that are financed under General Fleet Financings minus, for such Vehicles, the aggregate of the provisions (if any) for badly damaged Vehicles and the provision for stolen Vehicles and Vehicles non-returned by customers, together with any provision reflecting an expected loss or decrease in value of a Vehicle; and

(2) the Receivables Amount to the extent financed under such General Fleet Financings.

"**Government Obligations**" means European Government Obligations and U.S. Government Obligations.

"**Guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"**Holder**" means the registered holder of any Note.

"**IFRS**" means the International Financial Reporting Standards adopted by the International Accounting Standards Board and its predecessors, consistently applied, in effect as of the Issue Date.

"**Incur**" means to issue, create, assume, enter into any guarantee of, incur or otherwise become liable for, directly or indirectly; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms "Incurred" and "Incurrence" shall have correlative meanings.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;

(2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) the principal component of all obligations of such Person in respect of letters of credit, performance and surety bonds, bankers' acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such reimbursement obligation relates to a trade payable and such obligation is satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property, all conditional sales obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 120 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted);

(5) Capitalized Lease Obligations, all Attributable Indebtedness of such Person and the estimated debt equivalent of fleet operating leases off-balance sheet (estimated at 100% of the Aggregate Leased Fleet Net Book Value);

(6) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Capital Stock or, with respect to any Subsidiary, any Preferred Stock;

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, however, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;

(8) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include (i) any "parallel debt" or any "parallel debt" obligations created in connection with a Lien created to secure other indebtedness permitted to be incurred under the Indenture or (ii) obligations under a Qualified CICE Securitization Financing.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date. The amount of Indebtedness issued or sold at a discount will be the accreted value at such date.

"**Initial Public Offering**" means the first Public Offering of the Capital Stock of EGSA.

"**Intercreditor Agreement**" means the Intercreditor Agreement, entered into on the Completion Date, among the Issuer, the lenders and the agent under the Senior Revolving Facility Agreement, the Security Agent, the Trustee and the other parties thereto, as amended and restated from time to time in compliance with the Indenture and, to the extent applicable, any Additional Intercreditor Agreement entered into that is permitted under the caption "*—The Intercreditor Agreement and Additional Intercreditor Agreements*".

"**Interest Rate Agreement**" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"**Investment**" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect loan or other extension of credit (including, without limitation, a guarantee or similar arrangement), advances or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. "Investment" shall exclude extensions of trade credit by EGSA and its Restricted Subsidiaries on commercially reasonable terms in accordance with normal trade practices of EGSA or such Restricted Subsidiary, as the case may be. If EGSA or any Restricted Subsidiary of EGSA sells or otherwise disposes of any Common Stock of any direct or indirect Restricted Subsidiary of EGSA such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, EGSA shall be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Common Stock of such Restricted Subsidiary not sold or disposed of. The acquisition by EGSA or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by EGSA or such Restricted Subsidiary in such third Person at such time. Except as otherwise *provided* for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

"**Issue Date**" means June 10, 2015, the date of initial issuance of the Notes.

"**Lease Financing Borrowing Base**" means, as of any date, an amount equal to 100.0% of the net book value of Vehicles that are financed under such operating or finance lease which amount shall be (a) estimated in good faith by the principal financial officer of EGSA and (b) determined on a consistent basis with the information presented in the footnotes to EGSA's most recent financial statements prior to the Issue Date.

"**Lien**" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to grant any security interest).

"**Management Investors**" means the officers, directors, employees and other members of EGSA or any of its Subsidiaries, or family members or relatives thereof, or trusts, partnerships or limited liability companies for the benefit of the foregoing, or any of their heirs, executors, successors or legal representatives who, at any date, beneficially own or have the right to acquire, directly or indirectly, Capital Stock of EGSA or Capital Stock or other debt or equity securities of any entity formed for the purpose of investing in Capital Stock of EGSA.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of EGSA on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration or notification of such dividend.

"**Moody's**" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.

"**Net Available Cash**" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting and investment banking fees and expenses, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions, as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by EGSA or any Restricted Subsidiary after such Asset Disposition.

"**Net Cash Proceeds**" with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of legal fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions).

"**Non-Public Debt**" means:

(1) Indebtedness represented by promissory notes or similar evidence of Indebtedness under bank loans or similar financing agreements, including private placements to insurance companies and mezzanine lenders; and

(2) any other Indebtedness; *provided* that it (a) is not listed, quoted or tradeable on any exchange or market, including any market for securities eligible for resale pursuant to Rule 144A under the Securities Act, (b) does not clear or settle through the facilities of the Euroclear, Clearstream, DTC or any similar facilities, (c) is not issued or sold by means of any prospectus, offering circular (but not an information memorandum of the type used in a bank syndication) or similar document typically used in connection with road show presentations, (d) is not marketed in an underwritten securities offering and (e) if placed with or through an agent, the agent does not place it with its high yield bond accounts.

"**Officer**" means, (a) with respect to the SPV Issuer, any director or duly authorized attorney, (b) with respect to EGSA or any other obligor upon the Notes, the Chairman of the Board, the President, the *Gérant*, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Controller, the Treasurer, the Chief Operating Officer, the General Counsel or the Secretary (i) of such Person or (ii) if such Person is owned or managed by a single entity, of such entity, or (c) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors.

"**Officers' Certificate**" means a certificate signed by two Officers.

"**Opinion of Counsel**" means a written opinion, in form and substance satisfactory to the Trustee, from legal counsel who may be counsel to the SPV Issuer or EGSA, as applicable, or an Affiliate and who is acceptable to the Trustee, and delivered to the Trustee.

"**Outstanding Subordinated Notes Due 2017**" means the €325 million aggregate principal amount of 11.5% Senior Subordinated Secured Notes due 2017 issued by EGSA.

"**Outstanding Subordinated Notes Due 2018**" means the €400 million aggregate principal amount of 9.375% Senior Subordinated Unsecured Notes due 2018 issued by EGSA.

"**Parent**" means Cafico Trust Company Limited.

"**Participating Member State**" means each state so described in any European Monetary Union legislation.

"**Permitted Business**" means any business in which EGSA and its Restricted Subsidiaries are engaged in on the Issue Date or any business activity that is a reasonable extension, development or expansion thereof or ancillary or complementary to such business.

“**Permitted Collateral Liens**” means the following types of Liens:

(a) junior Liens on the Collateral securing the Notes (other than any Additional Notes) and any Refinancing Indebtedness in respect thereof (and Refinancing Indebtedness in respect of such Refinancing Indebtedness); *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided further* that the Collateral securing such Refinancing Indebtedness secures the Notes on a senior or *pari passu* basis;

(b) Liens on the Collateral to secure Indebtedness permitted by clause (1) of the second paragraph of the covenant described under the caption “*—Certain Covenants—Limitation on Indebtedness*”; *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided further* that the Collateral securing such Debt secures the Notes on a junior basis;

(c) Liens on the Collateral to secure Indebtedness of EGSA (including any Additional Notes) permitted by the first paragraph of the covenant described under the caption “*—Certain Covenants—Limitation on Indebtedness*” and Refinancing Indebtedness in respect thereof (and Refinancing Indebtedness in respect of such Refinancing Indebtedness); *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided further* that the Collateral securing such Indebtedness secures the Notes on a senior or *pari passu* basis; and

(d) Liens that are statutory Liens arising by operation of law.

“**Permitted Holder**” means any of the following: (1) the Eurazeo Group, (2) any entity formed for the purpose of investing in Capital Stock of EGSA that is owned and controlled by any of the Permitted Holders, or (3) any Person acting in the capacity of an underwriter in connection with a public or private offering of Capital Stock of EGSA. In addition, any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) whose status as a “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture, together with its Affiliates, shall thereafter constitute Permitted Holders.

“**Permitted Investment**” means, with respect to EGSA or any of its Restricted Subsidiaries, an Investment by EGSA or any Restricted Subsidiary:

(1) in a Restricted Subsidiary or a Person which will, upon the making of such Investment, become a Restricted Subsidiary; *provided, however*, that the primary business of such Restricted Subsidiary is a Permitted Business;

(2) in EGSA; *provided, however*, that any Indebtedness evidencing an Investment in EGSA and held by a Restricted Subsidiary of EGSA is unsecured and subordinated, pursuant to a written agreement, to EGSA’s obligations under the Notes;

(3) in another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, EGSA or a Restricted Subsidiary; *provided, however*, that such Person’s primary business is a Permitted Business;

(4) in cash and Cash Equivalents;

(5) in receivables owing to EGSA or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however*, that such trade terms may include such concessionary trade terms as EGSA or any such Restricted Subsidiary deems reasonable under the circumstances;

(6) in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(7) in loans or advances to employees made in the ordinary course of business consistent with past practices of EGSA or such Restricted Subsidiary not in excess of €1.0 million at any one time outstanding and made in compliance with applicable laws;

(8) in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to EGSA or any Restricted Subsidiary or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;

(9) made as a result of the receipt of non-cash consideration from an Asset Disposition that was made pursuant to and in compliance with “*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*”;

(10) under the ECI Subordinated Loan;

(11) in existence on the Issue Date;

(12) in connection with Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(13) in Guarantees permitted to be Incurred in accordance with "*—Certain Covenants—Limitation on Indebtedness*";

(14) acquired by EGSA or any Restricted Subsidiary in exchange for the issuance of Qualified Capital Stock of EGSA;

(15) Investments made in a Special Purpose Entity in connection with a Fleet Financing permitted under clause (2) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(16) Investments in the EC Finance Notes or other Capital Markets Debt of a Special Purpose Finance Company or other Special Purpose Entity for which ECI is a guarantor on a *pari passu* or senior basis with the EC Finance Notes and (to the extent not issued by a Securitifleet Company) the proceeds of which were on-lent to a Securitifleet Company pursuant to a Capital Markets Proceeds Loan;

(17) Investments in FCT Junior Notes purchased under the Senior Asset Revolving Facility and permitted under the Securitifleet Intercreditor Agreement;

(18) Investments in joint ventures or other Persons relating to Car2Go or any other Permitted Business which, when taken together with all other Investments pursuant to this clause (18) and then outstanding, will not exceed €50.0 million (with the Fair Market Value of such Investment being measured at the time made and without giving effect to subsequent changes in value);

(19) other Investments (including Investments in joint ventures) which, when taken together with all other Investments pursuant to this clause (19) and then outstanding, will not exceed 2.0% of Consolidated Total Assets (with the Fair Market Value of such Investment being measured at the time made and without giving effect to subsequent changes in value); and

(20) loans or other Investments required to be entered into in connection with a Qualified Receivables Financing.

"**Permitted Liens**" means, with respect to EGSA and the its Restricted Subsidiaries:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not delinquent or (b) contested in good faith by appropriate proceedings and as to which EGSA or its Restricted Subsidiaries shall have set aside on its books such reserves as may be required pursuant to IFRS;

(2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by IFRS shall have been made in respect thereof;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(4) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(5) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary conduct of the business of EGSA or any of its Restricted Subsidiaries;

(6) any interest or title of a lessor under any Capitalized Lease Obligation; *provided* that such Liens do not extend to any property or assets which is not leased property subject to such Capitalized Lease Obligation;

(7) Liens securing Purchase Money Indebtedness incurred in the ordinary course of business; *provided, however*, that (a) such Purchase Money Indebtedness shall not exceed the purchase price or other cost of such property or equipment and shall not be secured by any property or equipment of EGSA or any Restricted Subsidiary of EGSA other than the property and equipment so acquired and (b) the Lien securing such Purchase Money Indebtedness shall be created within 90 days of such acquisition;

(8) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(9) Liens securing reimbursement obligations with respect to letters of credit;

(10) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of EGSA or any of its Restricted Subsidiaries, including rights of offset and set-off;

(11) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be, under the Indenture, secured by a Lien on the same property securing such Hedging Obligation;

(12) Liens securing Acquired Indebtedness incurred in accordance with the "*—Limitation on Indebtedness*" covenant; *provided* that:

(i) such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by EGSA or a Restricted Subsidiary of EGSA and were not granted in connection with, or in anticipation of, the incurrence of such Acquired Indebtedness by EGSA or a Restricted Subsidiary of EGSA; and

(ii) such Liens are limited to all or a part of the same property or assets of EGSA or its Restricted Subsidiaries that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of EGSA or a Restricted Subsidiary of EGSA, and are no more favorable to the lienholders than those securing the Acquired Indebtedness prior to the incurrence of such Acquired Indebtedness by EGSA or a Restricted Subsidiary of EGSA;

(13) Liens securing Indebtedness incurred in compliance with clauses (1), (2) or (15) of the second paragraph of "*—Certain Covenants—Limitation on Indebtedness*";

(14) Liens securing the Notes;

(15) leases, subleases, licenses and sublicenses granted to others that do not materially interfere with the ordinary course of business of EGSA and its Restricted Subsidiaries;

(16) banker's Liens, rights of setoff and similar Liens with respect to cash and Cash Equivalents on deposit in one or more bank accounts in the ordinary course of business;

(17) Liens arising from U.S. Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by EGSA and its Restricted Subsidiaries in the ordinary course of business;

(18) Liens existing on the Issue Date which are in existence on the Completion Date;

(19) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of custom duties in connection with the importation of goods;

(20) Liens on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent that such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(21) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, *provided* that any such Lien is limited to all or part of the same property or assets that secured the Indebtedness being refinanced;

(22) Liens granted to the Trustee or the Security Agent for their compensation and indemnities pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement;

(23) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing; and

(24) other Liens securing obligations which do not exceed €25.0 million in the aggregate at any time outstanding.

"**Person**" means an individual, partnership, corporation, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

“**Preferred Stock**” of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemption or upon liquidation.

“**Public Offering**” means a public offering of the Capital Stock of EGSA (the “**IPO Entity**”) such that at least 20% of the total issued and outstanding ordinary shares or common equity of the IPO Entity has been distributed to investors other than the Eurazeo Group or any of its Affiliates or any other direct or indirect shareholders of EGSA as of the Issue Date.

“**Purchase Money Indebtedness**” means Indebtedness of EGSA and its Restricted Subsidiaries incurred in the normal course of business for the purpose of financing all or any part of the purchase price, or the cost of installation, construction or improvement, of property or equipment.

“**Qualified Capital Stock**” means any Capital Stock that is not Disqualified Capital Stock.

“**Qualified CICE Securitization Financing**” means any financing arrangement through which EGSA or its Subsidiaries sell, convey or otherwise transfer to any other Person any accounts receivable (whether now existing or arising in the future) of EGSA and its Subsidiaries arising from the CICE.

“**Qualified Receivables Financing**” means any Receivables Financing that meets the following conditions: (1) an Officer or the Board of Directors of EGSA shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to EGSA or the relevant Subsidiary of EGSA, (2) all sales of accounts receivable and related assets of EGSA or the relevant Subsidiary of EGSA are made at fair market value (as determined in good faith by an Officer or the Board of Directors of EGSA), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by an Officer or the Board of Directors of EGSA) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of EGSA or any of its Restricted Subsidiaries to secure Indebtedness under a Credit Facility (other than a Credit Facility entered into in connection with an asset securitization transaction) or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

“**Receivables Amount**” means at any time and in relation to any Restricted Subsidiary or Special Purpose Entity the receivables (excluding VAT) owed by any Vehicle Manufacturer or any company of its group to such Restricted Subsidiary or Special Purpose Entity at such time pursuant to the disposition by such Restricted Subsidiary or Special Purpose Entity of any Vehicle under any Vehicle Manufacturer Buy-Back Agreement.

“**Receivables Assets**” means any assets that are or will be the subject of a Qualified Receivables Financing.

“**Receivables Fees**” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

“**Receivables Financing**” means any transaction or series of transactions that may be entered into by EGSA or any of its Subsidiaries pursuant to which EGSA or any of its Subsidiaries may sell, convey or otherwise transfer to any other Person, or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of EGSA or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by EGSA or any such Subsidiary in connection with such accounts receivable.

“**Receivables Repurchase Obligation**” means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“**Refinance**” means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. “Refinanced” and “Refinancing” shall have correlative meanings.

"**Refinancing Indebtedness**" means Indebtedness that is Incurred to Refinance any Indebtedness existing on the Issue Date or Incurred in compliance with the Indenture, including Indebtedness that Refinances Refinancing Indebtedness, *provided, however*, that:

(1) (a) if the Stated Maturity of the Indebtedness being Refinanced is earlier than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced or (b) if the Stated Maturity of the Indebtedness being Refinanced is later than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity later than the Stated Maturity of the Notes;

(2) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced;

(3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and fees Incurred in connection therewith);

(4) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantor's Subsidiary Guarantee or otherwise defined as Subordinated Indebtedness, such Refinancing Indebtedness is subordinated in right of payment to the Notes or such Subsidiary Guarantee at least to the same extent as such Indebtedness being Refinanced; and

(5) the Refinancing Indebtedness does not receive a guarantee from any Person that does not guarantee the Indebtedness being refinanced,

provided, further, however, that Refinancing Indebtedness shall not include (A) Indebtedness of a Subsidiary that Refinances Indebtedness of EGSA, (B) Indebtedness of a non-Subsidiary Guarantor Restricted Subsidiary that Refinances Indebtedness of a Subsidiary Guarantor or (C) Indebtedness of EGSA or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary. Refinancing Indebtedness of a Restricted Subsidiary shall not be permitted to constitute Capital Markets Debt unless the Indebtedness being Refinanced is Capital Markets Debt of a Restricted Subsidiary.

"**Rental Vehicles**" means all Vehicles that are classified as "rental fleet" in the consolidated financial statements of EGSA.

"**Replacement Assets**" means properties and assets that will be used in the business of EGSA and its Restricted Subsidiaries as existing on the Issue Date or in a Permitted Business, which replace properties and assets that were the subject of an Asset Disposition.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Subsidiary**" of any Person means any Subsidiary of such Person (including Special Purpose Subsidiaries) which at the time of determination is not an Unrestricted Subsidiary.

"**Sale and Leaseback Transaction**" means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to EGSA or a Restricted Subsidiary of any property, whether owned by EGSA or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by EGSA or such Restricted Subsidiary to such Person or to any other Person from whom funds have been or are to be advanced by such Person on the security of such Property.

"**Securitifleet Company**" and "**Security Companies**" means respectively any and all of Securitifleet S.A.S., Securitifleet GmbH, Securitifleet SL and Securitifleet S.r.l. and any Additional Securitifleet Company; *provided* that each of the foregoing continue to be designated as a Securitifleet Company in compliance with the EC Finance Notes Indenture.

"**Securitifleet Intercreditor Agreement**" means the Securitifleet Intercreditor Agreement entered into on July 30, 2010, and as amended on March 4, 2014, July 31, 2014 and May 12, 2015 and from time to time, among EC Finance, ECI, the lenders under the Senior Asset Revolving Facility, The Bank of New York Mellon, as trustee and as notes security agent, and the other parties thereto, as amended and restated, waived or consented to from time to time.

"**Securitifleet On-Loan Agreements**" means one or more debt instruments entered into by or assigned to Securitifleet Holding for the purpose of advancing proceeds from the Securitifleet Proceeds Loan, the Senior Asset Revolving Facility, any Fleet Financing and certain other Indebtedness borrowed or incurred by Securitifleet Holding to the Securitifleet Companies.

"**Securitifleet Proceeds Loan**" means those certain advances made by EC Finance (directly or through a financial intermediary) to Securitifleet Holding pursuant to which EC Finance made available to Securitifleet Holding an amount

equal to the aggregate principal amount of the EC Finance Notes pursuant to the Securitifleet Proceeds Loan Agreement.

"**Securitifleet Proceeds Loan Agreement**" means that certain proceeds loan agreement, dated August 26, 2010, as amended and restated on July 31, 2014, by and between EC Finance (directly or through a financial intermediary) and Securitifleet Holding pursuant to which the Securitifleet Proceeds Loan will be made, as the same may be amended from time to time in accordance with the terms of the EC Finance Notes Indenture.

"**Senior Asset Revolving Facility**" means the senior asset revolving facility agreement entered into on July 30, 2010, and as amended on August 26, 2010, November 4, 2010, January 11, 2011, April 5, 2012, March 4, 2014 and May 12, 2015 and from time to time, between, among others, Securitifleet Holding, as borrower, Crédit Agricole Corporate and Investment Bank, as lender, and ECI, in order to refinance prior fleet financing indebtedness in Spain, Italy, France and Germany (the Prior Senior Asset Financing Loan) and to provide funding for the acquisition and maintenance of Europcar's fleet through the Securitifleet Companies.

"**Senior Revolving Credit Facility**" means the revolving credit facility made pursuant to the Revolving Credit Facility Agreement.

"**Senior Revolving Credit Facility Agreement**" means the Multicurrency Revolving Credit Facility Agreement, entered into on May, 12, 2015, among EGSA, certain Subsidiaries of EGSA, as borrowers and/or guarantors, certain financial institutions, as mandated lead arrangers, Crédit Agricole Corporate and Investment Bank, as security agent, and Crédit Agricole Corporate and Investment Bank, as agent, and as amended and restated (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or any successor or replacement agreement or agreements or increasing the amount loaned thereunder (subject to the compliance with the covenant described under the caption "*—Certain Covenants—Limitation on Indebtedness*") or altering the maturity thereof.

"**Significant Subsidiary**", with respect to any Person, means any Restricted Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set out in Rule 1.02(w) of Regulation S-X under the Exchange Act.

"**Special Purpose Entity**" means (x) any Special Purpose Subsidiary or (y) any other Person that is engaged for the sole benefit of EGSA and its Restricted Subsidiaries in the business of (i) acquiring, selling, collecting, financing or refinancing receivables, accounts (as defined in the Uniform Commercial Code as in effect in any jurisdiction from time to time), other accounts and/or other receivables, and/or related assets, and/or (ii) acquiring, selling, leasing, financing or refinancing Vehicles, and/or related rights (including under leases, manufacturer warranties and buy-back programs, and insurance policies) and/or assets (including managing, exercising and disposing of any such rights and/or assets).

"**Special Purpose Finance Company**" means any corporation, association or business entity which is not controlled by, nor is any Capital Stock of such entity owned by, EGSA or any of its Restricted Subsidiaries the purpose of which is for borrowing funds or issuing securities and lending the proceeds to Securitifleet Holding.

"**Special Purpose Financing**" means any financing or refinancing of assets consisting of or including Receivables and/or Vehicles of EGSA or any Restricted Subsidiary that have been purchased by a Special Purpose Entity or made subject to a Lien in a Financing Disposition.

"**Special Purpose Subsidiary**" means a Subsidiary of EGSA that (a) is engaged solely in (x) the business of (i) acquiring, selling, collecting, financing or refinancing Receivables, accounts (as defined in the Uniform Commercial Code as in effect in any jurisdiction from time to time) and other accounts and receivables (including any thereof constituting or evidenced by chattel paper, instruments or general intangibles), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and/or (ii) acquiring, selling, leasing, financing or refinancing Vehicles, and/or related rights (including under leases, manufacturer warranties and buy-back programs, and insurance policies) and/or assets (including managing, exercising and disposing of any such rights and/or assets), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and (y) any business or activities incidental or related to such business, and (b) is designated as a "Special Purpose Subsidiary" by the Board of Directors.

"**Standard & Poor's**" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Standard Securitization Undertakings**" means representations, warranties, covenants, indemnities and Guarantees of performance entered into by EGSA or any Subsidiary of EGSA which an Officer or the Board of Directors of EGSA has determined in good faith to be customary in a Receivables Financing, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"**Stated Maturity**" means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest, respectively, is due and payable, and, when used with respect to any other indebtedness, means the date specified in the instrument governing such indebtedness as the fixed date on which the principal of such indebtedness, or any installment of interest thereon, is due and payable.

"**Subordinated Indebtedness**" means Indebtedness of EGSA or any Subsidiary Guarantor that is subordinated or junior in right of payment to the Notes or the Subsidiary Guarantee of such Subsidiary Guarantor, as the case may be.

"**Subsidiary**", with respect to any Person, means:

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person; or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

"**Subsidiary Guarantee**" means a Guarantee by a Subsidiary Guarantor of EGSA's obligations with respect to the Notes and under the Indenture.

"**Subsidiary Guarantor**" means any Person that executes the Indenture or who in the future executes a supplemental indenture in which such person agrees to be bound by the terms of the Indenture as a Subsidiary Guarantor.

"**Trade Payables**" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"**Unrestricted Subsidiary**" of any Person means:

(1) any Subsidiary of such Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of any Person may designate any Subsidiary, including any newly acquired or newly formed Subsidiary, to be an Unrestricted Subsidiary unless that Subsidiary owns any Capital Stock of, or owns or holds any Lien on any of the property of, any other Subsidiary of EGSA that is not a Subsidiary of the Subsidiary to be so designated.

Notwithstanding the foregoing:

(1) EGSA must certify to the Trustee that this designation complies with the "*—Limitation on Restricted Payments*" covenant; and

(2) each Subsidiary to be so designated and each of its Subsidiaries has not at the time of designation, and does not thereafter, Incur any Indebtedness pursuant to which the lender has recourse to any assets of EGSA or any of its Restricted Subsidiaries.

The Board of Directors of any Person may designate any Unrestricted Subsidiary to be a Restricted Subsidiary only if:

(1) immediately after giving effect to this designation, EGSA can incur at least €1.00 of additional Indebtedness, other than Permitted Indebtedness, in compliance with the first paragraph of the "*—Limitation on Indebtedness*" covenant; and

(2) immediately before and immediately after giving effect to this designation, no Default or Event of Default shall have occurred and be continuing.

Any designation by the Board of Directors shall be evidenced by promptly filing with the Trustee a copy of the Board Resolution giving effect to the designation and an Officers' Certificate certifying that the designation complied with the foregoing provisions.

"**U.S. Government Obligation**" means (x) any security that is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case under the preceding clause (i) or (ii), is not callable or redeemable at the option of the issuer, thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any U.S. Government Obligation that is specified in clause (x) above and held by such bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any U.S. Government Obligation that is so specified and held, provided that (except as required by law)

such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

"**Vehicles**" means vehicles owned or operated by, or leased or rented to or by, any of EGSA's Restricted Subsidiaries and vehicles owned or leased by a Securitifleet Company or a Special Purpose Entity, including automobiles, trucks, tractors, trailers, vans, sport utility vehicles, buses, campers, motor homes, motorcycles and other motor vehicles.

"**Vehicles Manufacturer**" means the entity which has sold the Vehicles to the Restricted Subsidiary or Special Purpose Entity.

"**Vehicle Manufacturer Buy-Back Agreement**" means any agreement between a Restricted Subsidiary or Special Purpose Entity and a Vehicle Manufacturer or any company of its group with respect to the purchase by such Restricted Subsidiary or Special Purpose Entity, and providing for an undertaking from such Vehicle Manufacturer to buy back the Vehicles.

"**Vehicle Residual Value**" means in relation to any Vehicle and at any time:

(1) the Capitalized Cost relating to such Vehicle; *minus*

(2) the Depreciation Charges accounted for from time to time from the date of registration of such Vehicle in the name of the relevant company.

"**Voting Stock**" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"**Wholly Owned Restricted Subsidiary**" of any Person means any Wholly Owned Subsidiary of such Person which at the time of determination is a Restricted Subsidiary of such Person.

"**Wholly Owned Subsidiary**" of any Person means any Subsidiary of such Person of which all the outstanding Capital Stock (other than in the case of a foreign Subsidiary, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Subsidiary of such Person.

Book-Entry, Delivery and Form

General

The Notes sold to qualified institutional buyers in reliance on Rule 144A will initially be represented by global notes in registered form without interest coupons attached (the "**Rule 144A Global Note**"). Notes sold to non-U.S. persons outside the United States in reliance on Regulation S will initially be represented by a global note in registered form without interest coupons attached (the "**Regulation S Global Note**" and, together with the Rule 144A Global Note, the "**Global Notes**"). The Global Notes will be deposited, on the closing date, with a Common Depositary (the "**Common Depositary**"), and registered in the name of the nominee of the Common Depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Note (the "**Rule 144A Book-Entry Interests**") and ownership of interests in the Regulation S Global Note (the "**Regulation S Book-Entry Interests**" and, together with, the Rule 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants.

Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of the Common Depositary. Except under the limited circumstances described below, the Notes will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book entry form by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their name, will not have received physical delivery of the Notes in certificated form and will not be considered the registered owners or "holders" of Notes under the Indenture for any purpose.

So long as the Notes are held in global form, the Common Depositary or its respective nominees, will be considered the sole holder of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and/or Clearstream and indirect participants must rely on the procedures of the direct participants through which they own Book-Entry Interests to transfer their interests or to exercise any rights as holders of the Notes under the Indenture. None of us, the Paying Agent, the Transfer Agent, the Registrar or the Trustee (or any of our or their respective agents) will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by it in respect of the Global Notes so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and/or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream, as applicable, will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) by lot or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of €100,000 principal amount or less for the Notes may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) will be made by EGSA to the Paying Agent for onward payment to the Common Depositary or its nominee for Euroclear and Clearstream. The Common Depositary or its nominee will distribute such payments to Euroclear or Clearstream which, in turn, will distribute such payments to their participants in accordance with their respective procedures. Payments of all such amounts will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made by any applicable law or regulation or otherwise as described under "*Description of the Notes—Withholding Taxes*" then, to the extent described under "*Description of the Notes—Withholding Taxes*" such additional amounts will be paid as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that payments by participants to owners of Book-Entry Interests held through those participants will be governed by standing customer instructions and customary practices. Under the terms of the Indenture, we, the Trustee, the

Security Agent, the Transfer Agent, the Registrar and the Paying Agent will treat the registered holder of the Global Notes (*i.e.*, the Common Depositary or its nominee) as the absolute owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee, the Security Agent, the Transfer Agent, the Registrar, the Paying Agent or any of their respective agents has or will have any responsibility or liability for:

(1) any aspect of the records of Euroclear or Clearstream or of any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by Euroclear or Clearstream or any participant or indirect participant or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;

(2) Euroclear or Clearstream or any participant or indirect participant; or

(3) the records of the Common Depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in “street name”.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Indenture, Euroclear and Clearstream reserve the right to exchange the Global Notes for definitive registered Notes (“**Definitive Registered Notes**”) in certificated form, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear’s and Clearstream’s rules and will be settled in immediately available funds.

The Global Notes will bear a legend to the effect set forth in “*Transfer Restrictions*”. Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under “*Transfer Restrictions*”.

Transfer of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of any Regulations S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the Securities Act. Prior to 40 days after the date of initial issuance of the Notes, ownership of Regulation S Book-Entry Interests will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Rule 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Transfer Restrictions*” and in accordance with any applicable securities laws of any other jurisdiction.

Subject to the foregoing, and as set forth in “*Transfer Restrictions*”, Book-Entry Interests may be transferred and exchanged as described under “*Description of the Notes*”. Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Note of the same denomination will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and, accordingly, will thereafter be subject to all transfer restrictions, if

any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive Definitive Registered Notes only:

(1) if either Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act and a successor is not appointed by EGSA within 120 days;

(2) if Euroclear or Clearstream so requests following an Event of Default under the Indenture; or

(3) at any time if we, in our sole discretion, determine that all the Global Notes should be exchanged for Definitive Registered Notes.

Information Concerning Euroclear and Clearstream

We understand as follows with respect to Euroclear and Clearstream:

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The following summaries of those operations and procedures are provided solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of EGSA or the Trustee, or any of their agents, the Common Depositary or any Initial Purchaser is responsible for those operations or procedures.

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants including, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with Euroclear or Clearstream participants, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

Trustee's powers

In considering the interests of the holders of the Notes, while title to the Notes is registered in the name of a nominee for the Common Depositary, the Trustee may have regard to, and rely on, any information provided to it by any clearing system as to the identity (either individually or by category) of its accountholders with entitlements to the Notes and may consider such interests as if such accountholders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture by the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued or any clearing system shall be recognized as the beneficiaries of the Notes to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder or such clearing system, as if they were themselves the holders of the Notes in such principal amounts.

Global Clearance and Settlement under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market thereof. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be affected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear and Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the SPV Issuer, the Initial Purchasers, the Trustee, the Transfer Agent, the Registrar, the Paying Agent or any of their respective agents will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Tax Considerations

Certain U.S. Federal Income Tax Considerations

The following is a general discussion of the material United States federal income tax ("**USFIT**") considerations relating to the purchase, ownership and disposition of the Notes by U.S. Holders (as defined below) that purchase the Notes pursuant to this offering at the "issue price" (generally the first price at which a substantial amount of the Notes is sold to the public), and hold the Notes as capital assets. This discussion is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or to different interpretation. No rulings have been or will be sought from the Internal Revenue Service (the "**IRS**") with respect to the transaction described in this Offering Memorandum.

This discussion is for general information only and does not address all of the USFIT considerations that may be relevant to specific U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special treatment (such as financial institutions, insurance companies, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, persons holding the Notes through partnerships or other pass-through entities, traders or dealers in securities or currencies, U.S. expatriates, persons subject to the alternative minimum tax, persons who hold the Notes as part of a straddle, hedge, conversion or integrated transaction, or persons that have a "functional currency" other than the U.S. dollar. This discussion does not address any U.S. state, local, or non-U.S. tax considerations or any U.S. federal estate or gift tax considerations.

As used in this discussion, the term "**U.S. Holder**" means a beneficial owner of a Note that is, for USFIT purposes, (i) a citizen or individual resident of the United States, (ii) a corporation or other entity treated as a corporation for USFIT purposes that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to USFIT regardless of its source or (iv) a trust (A) with respect to which a court within the United States is able to exercise primary supervision over its administration and with respect to which one or more U.S. persons has the authority to control all of its substantial decisions or (B) that is an electing trust properly treated as a domestic trust.

If a partnership holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status and activities of the partnership and the partner. Prospective investors that are partnerships for USFIT purposes should consult their own tax advisors regarding the USFIT considerations to them and their partners of purchasing, owning and disposing of the Notes.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE USFIT CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS THE APPLICABILITY OF U.S. STATE AND LOCAL TAX LAWS OR NON-U.S. TAX LAWS.

Characterization of the Notes

We intend to take the position that the Notes are debt instruments for USFIT purposes, and by acquiring a Note, each U.S. Holder agrees to take the same position for all USFIT, state and local tax purposes. Prospective investors should note that there is no bright line test for characterizing an instrument as debt or equity for USFIT purposes. If the Notes are not treated as debt instruments for USFIT purposes, U.S. Holders would be subject to different USFIT consequences. This discussion assumes that the Notes are properly treated as debt for USFIT purposes. ***Prospective investors should consult their own tax advisors as to the characterization of the Notes.***

Optional Redemption—Contingent Payment Debt Instrument Rules

In certain circumstances (see "Description of the Notes—Optional Redemption" and "Description of the Notes—Withholding Taxes"), we may be obligated to pay a Noteholder a premium over the principal amount on the Notes. Under the applicable Treasury regulations addressing "contingent payment debt instruments" ("CPDIs"), the possibility that any payment of premium over the stated principal will be made will not cause the debt instrument to be treated as a CPDI for USFIT purposes if, as of the date the Notes were issued, the possibility of such additional payment was remote or the potential amount of such premium was incidental, in each case within the meaning of the CPDI rules. We believe that the possibility that we will pay a premium is remote or that the potential amount of such premium is incidental (in either case within the meaning of the CPDI rules) at the time we issue the Notes, and, therefore, the Notes should not be treated as CPDIs. Consequently, the possibility that we might pay a premium should not affect the amount or timing of income a U.S. Holder will recognize on the Notes for USFIT purposes. Our determination, however, is not binding on the IRS, and if the Notes were treated as CPDIs, a U.S. Holder might be required to accrue income on the Notes in an amount that may exceed the stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of a Note, and to recognize foreign currency exchange gain or loss with respect to such income. The discussion below assumes that our determination that the contingency is remote or incidental is correct. Our determination that a contingency is either remote or incidental is generally binding

on all U.S. Holders. However our determination is not binding on a U.S. Holder that explicitly discloses, on a statement attached to its USFIT return for the taxable year that includes the acquisition date of the Notes, that its determination is different from our determination. ***U.S. Holders should consult their own tax advisors regarding the potential application to the Notes of the CPDI rules and the consequences thereof.***

Stated Interest

Subject to the discussion of foreign currency considerations below, stated interest on the Notes will constitute "qualified stated interest" and the gross amount of stated interest paid (whether or not reduced by a withholding tax), and including any Additional Amounts, will be taxable to a U.S. Holder as ordinary income at the time it accrues or is received in accordance with such U.S. Holder's method of accounting for USFIT purposes.

A U.S. Holder using the cash method of accounting determines the amount of its interest income by translating the amount of euros received as an interest payment on the Note into U.S. dollars at the spot rate on the date of receipt.

A U.S. Holder using the accrual method of accounting generally is required to determine its interest income by using one of the following two methods. Under the first method, the interest accrued on the Notes is translated into U.S. dollars at the average exchange rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the relevant taxable year). The average exchange rate for an accrual period (or partial period) is the simple average of the spot rates for each business day of such period or other average exchange rate for that period reasonably derived and consistently applied by the U.S. Holder. Under the second method, the U.S. Holder can make an election (which must be applied consistently to all debt instruments held by such U.S. Holder from year to year and may not be revoked without the consent of the IRS) to accrue interest on the Note in U.S. dollars at the spot rate on the last day of an interest accrual period (or, in the case of an accrual period that spans two taxable years, the last day of the relevant taxable year), or, if the last day of an accrual period is within five business days of receipt of the interest payment, the spot rate on the date of receipt.

A U.S. Holder's tax basis in euros received as an interest payment generally will be equal to the U.S. dollar value of the euros determined at the spot rate on the date of receipt. Any gain or loss realized by the U.S. Holder on any subsequent sale or other disposition of such euros (including the use of euros to purchase Notes or upon the exchange of euros for U.S. dollars) generally will be treated for USFIT purposes as ordinary income or loss from sources within the United States.

Interest income on the Notes will constitute foreign source income and generally will constitute "passive category income" or, in the case of certain U.S. Holders, "general category income" for foreign tax credit purposes. The rules relating to foreign tax credits are complex, and ***U.S. Holders should consult their own tax advisors with regard to these rules in light of their own particular situations.***

Sale, Retirement or Other Disposition of the Notes

For USFIT purposes, a U.S. Holder generally will recognize gain or loss upon a sale, retirement or other disposition of a Note in an amount equal to the difference, if any, between the amount realized on such sale, retirement or other disposition (other than amounts representing accrued and unpaid interest) and such U.S. Holder's adjusted tax basis in the Note. The U.S. Holder's adjusted tax basis in a Note generally will equal the price paid for the Note reduced by any principal payments previously made on the Note. Generally, gain or loss upon the sale, retirement, or other disposition of a Note will be treated as U.S. source income and as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. Non-corporate taxpayers will enjoy reduced maximum rates on long-term capital gain and generally will be subject to USFIT at ordinary rates on short term capital gains. The deductibility of capital losses is subject to certain limitations. ***Prospective investors should consult their own tax advisors concerning such limitations.***

If a U.S. Holder receives euros on the sale, retirement or other disposition of a Note, the U.S. dollar amount realized by the U.S. Holder generally will be based on the U.S. dollar value of the euros received (other than amounts representing accrued and unpaid interest), determined at the spot rate in effect on the date of the sale, retirement or other disposition. However, if the Notes are considered for USFIT purposes to be traded on an established securities market, a cash basis U.S. Holder or an electing accrual basis U.S. Holder will determine the U.S. dollar amount realized by translating the euros received at the spot rate on the settlement date of the sale, retirement or other disposition.

The special election available to an accrual method taxpayer in respect of foreign currency Notes traded on an established security market, which is discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. If an accrual basis U.S. Holder does not make this election, such U.S. Holder will determine the U.S. dollar equivalent of the amount realized by translating that amount at the spot rate on the date of the sale, retirement or other disposition and generally will recognize exchange gain or loss (generally treated as ordinary income or loss) equal to the difference, if any, between the U.S. dollar equivalent of the amount realized based on the spot rates in effect on the date of disposition and the settlement date.

A U.S. Holder's initial tax basis in a Note generally will be the U.S. Holder's cost of the Note, which will be the U.S. dollar value of the euro purchase price of the Note, determined at the spot rate on the date of purchase. However, if the Note is considered for USFIT purposes to be traded on an established securities market, a cash basis U.S. Holder or an electing accrual basis U.S. Holder will determine the U.S. dollar value of the euro purchase price by translating the euros paid as described above.

Gain or loss recognized upon the sale, retirement or other disposition of a Note generally will be treated as U.S. source ordinary gain or loss to the extent that the gain or loss to the principal amount is attributable to changes in currency exchange rates between the dates of purchase and disposition of the Note. However, such exchange gain or loss (together with any foreign currency exchange gain or loss with respect to any amounts representing accrued and unpaid interest) will be taken into account only to the extent of the total gain or loss realized on the transaction.

The rules relating to taxation of foreign exchange gains are complex. Prospective investors should consult their own tax advisors concerning such rules.

Change in Obligor—Change in Security—Escrow Release—Debt Modification Rules

When EGSA assumes the Note obligations from the SPV Issuer there will be a change in obligor on the Notes and a change in the security for the Notes. In addition, the funds in the Escrow Account of the SPV Issuer will be released. The USFIT treatment of such changes will depend upon whether these changes constitute a significant modification of the Notes for USFIT purposes, individually or collectively.

We believe that these changes should not constitute a significant modification of the Notes for USFIT purposes and therefore would not result in a deemed exchange of such Notes. As a result, there should be no USFIT consequences to the U.S. Holders.

If, contrary to our belief, EGSA's assumption of the SPV Issuer's obligations on the Notes (alone, or together with the release of the Escrow and other changes) results in a significant modification of the Notes for USFIT purposes, a U.S. Holder generally would be treated as having exchanged its "old" Notes for "new" Notes for such purposes, and generally would recognize gain or loss at the time of such deemed exchange in an amount equal to the "issue price" of the "new" Notes and the U.S. Holder's adjusted tax basis of the "old" Notes as of the time of such deemed exchange. The issue price of the "new" Notes would depend on whether the Notes are treated as "publicly traded" for USFIT purposes. If the Notes are treated as publicly traded for USFIT purposes, the issue price of the "new" Notes would generally equal the fair market value of the Notes as of the date of the deemed exchange. If the Notes are not so treated, the issue price would generally equal the principal amount of the Notes.

Additionally, if there is a deemed exchange, the "new" Notes generally would be treated as issued with original issue discount ("**OID**") for USFIT purposes in an amount equal to the excess, if any (subject to a statutorily defined *de minimis* exception), of the stated principal amount of the "new" Notes over their issue price (discussed above). A U.S. Holder that is deemed to hold "new" Notes with OID generally would be required to include the OID, if any, in gross income under a constant yield method in advance of the receipt of cash attributable to that income, regardless of the holder's method of tax accounting.

The USFIT debt modification rules are complex and U.S. Holders should consult their own tax advisors regarding their potential application to the Notes, including whether the Notes qualify as securities and the likelihood of recognizing gain or loss on a deemed exchange.

Medicare Tax

Certain U.S. Holders who are individuals, estates, or trusts are required to pay an additional 3.8% tax on, among other things, interest and capital gains from the sale or other disposition of investments such as the Notes. ***U.S. Holders should consult their tax advisors regarding the application of this requirement to their ownership of the Notes.***

Reportable Transaction Reporting

Under applicable Treasury regulations, U.S. Holders that participate in "reportable transactions" (as defined in the regulations) must attach IRS Form 8886 (Reportable Transaction Disclosure Statement) to their U.S. tax return. Under the relevant rules, a United States person may be required to treat a foreign currency exchange loss from the notes as

a reportable transaction if this loss exceeds the relevant threshold in the regulations ($50,000 in a single taxable year, if the United States person is an individual or trust, or higher amounts for other non-individual United States persons), and to disclose its investment by filing Form 8886 with the IRS. ***U.S. Holders should consult their own tax advisors as to the possible obligation to file IRS Form 8886 with respect to the purchase, ownership or disposition of the Notes, or any related transaction, including without limitation, the disposition of euros received as interest or as proceeds from the sale, retirement or other disposition of the Notes***.

Information Reporting with Respect to Specified Foreign Financial Assets

Individual U.S. Holders (and certain U.S. entities specified in IRS guidance) who hold any interest in any "specified foreign financial assets" with an aggregate value in excess of $50,000 generally are required to file an information report with respect to such assets with their USFIT returns. "Specified foreign financial assets" include any financial accounts maintained with a foreign financial institution as well as any of the following assets, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons (including the Notes), (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. Substantial penalties may be imposed, and the period of limitation on assessment and collection of USFIT may be extended, in the event of a failure to comply. ***U.S. Holders should consult their tax advisors regarding the application of this requirement to their ownership of the Notes.***

Backup Withholding and Information Reporting

In certain circumstances, interest payments on the Notes to, and proceeds from the sale, retirement or other disposition of the Notes received by, a U.S. Holder may be subject to U.S. information reporting and/or backup withholding, unless the U.S. Holder is a corporation or otherwise establishes a basis for exemption. A credit can be claimed against the USFIT liability of the U.S. Holder for any amount withheld under the backup withholding rules and any excess amount is refundable, in each case, if the required information is provided to the IRS.

Certain French Tax Considerations

*The following is a summary of certain French tax considerations relating to the purchase, ownership and disposition of the Notes by a beneficial Holder of the Notes that is not a French resident for French tax purposes, that is not a shareholder of EGSA and that does not hold the Notes in connection with a permanent establishment or a fixed base in France (such holder, a "**Non-French Holder**"). This summary is based on the tax laws and regulations of France, as currently in effect and applied by the French tax authorities, and all of which are subject to change or to different interpretation. This summary is for general information only and does not address all of the French tax considerations that may be relevant to specific holders in light of their particular circumstances. Furthermore, this summary does not address any French estate or gift tax considerations.*

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO FRENCH TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

The Notes being offered pursuant to this Offering Memorandum are characterized as *obligations* (bonds) under French commercial law.

Withholding tax

Payments of interest made by EGSA with respect to the Notes will not be subject to the withholding tax set out under Article 125 A-III of the French tax code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French tax code (a "**Non-Cooperative State**"), irrespective of the Holder's residence for tax purposes or registered headquarters. The original list of Non-Cooperative States was established by a ministerial decision (*arrêté*) dated 12 February 2010 which is updated on a yearly basis. This list was last updated on January 17, 2014. If such payments under the Notes are made in a Non-Cooperative State, a 75% mandatory withholding tax will be due by virtue of Article 125 A-III of the applicable French tax code irrespective of the tax residence of the holder of the Notes (subject to certain exceptions and to the more favorable provisions of any applicable double tax treaty).

Furthermore, in application of Article 238 A of the French tax code, interest and other revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution located in a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 et seq. of the French tax code, in which case such nondeductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis 2 of the French tax code, at a rate of 30 per cent. or 75 per cent. (subject to more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, French law provides that neither the 75% withholding tax set out under Article 125 A III of the French tax code, nor, to the extent that the relevant interest or revenues relate to genuine transactions and is not an abnormal or exaggerated amount, the Deductibility Exclusion and the withholding tax set out under Article 119 bis 2 of the French tax code that may be levied as a result of such non-deductibility, will apply in respect of the Notes if EGSA can prove that the main purpose and effect of such issue of Notes was not to enable payments of interest or other similar revenues to be made in a Non-Cooperative State (the "**Exception**").

Pursuant to *Bulletin officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 dated 11 February 2014, BOI-RPPM-RCM-30-10-20-40-20140211 dated 11 February 2014, BOI-IR-DOMIC-10-20-20-60 dated 20 March 2015 and BOI-ANNX-000364-20120912, dated 12 September 2012, an issue of notes (*obligations*) will benefit from the Exception without EGSA having to provide any proof of the purpose and effect of such issue of notes, if such notes are:

(i) offered by means of an offer to the public within the meaning of Article L.411-1 of the French financial code (*code monétaire et financier*) or pursuant to an equivalent offer in a State which is not a Non-Cooperative State (for this purpose, an "*equivalent offer*" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority); or

(ii) admitted to trading on a regulated market or a multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French financial code, or of one or more similar foreign depositaries or operators, provided that such depositary or operator is not located in a Non-Cooperative State.

Pursuant to Article 125 A of the French tax code and subject to certain exceptions, interest received by French tax resident individuals is subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest paid to French tax resident individuals.

EU Savings Directive

Under the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), each Member State of the EU, subject to a number of conditions being met, is required to provide to the tax authorities of other EU Member State, *inter alia*, details of interest payments within the meaning of the Savings Directive (including interest, premiums and other similar income) made or secured by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in another Member State and to certain limited types of entities established in that other Member State.

However, for a transitional period, Austria instead applies a withholding system in relation to interest payments, unless during such period it elects otherwise. The beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for an exchange of information procedure. The rate of withholding is 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange information relating to interest and other similar income. Luxembourg operated such a withholding system until December 31, 2014, but the Luxembourg government has elected out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015.

A number of third countries and territories have adopted similar measures to the Savings Directive.

On 24 March 2014, the Council of the European Union adopted a Directive amending the Savings Directive which if implemented, will amend and broaden the scope of the requirements described above . In particular, additional steps may be required in certain circumstances to identify the beneficial owner of interest payments (through a look through approach). The EU Member States would have until 1 January 2016 to adopt the national legislation necessary to comply with this amending Directive, which legislation would apply from 1 January 2017.

The Savings Directive may, however, be repealed in due course in order to avoid overlap with the amended Council Directive 2011/16/EU on administrative cooperation in the field of taxation, pursuant to which Member States other than Austria will be required to apply other new measures on mandatory automatic exchange of information from 1 January 2016. Austria has an additional year before being required to implement the new measures but it has announced that it will nevertheless begin to exchange information automatically in accordance with the timetable applicable to the other Member States.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of tax were to be withheld from that payment, neither EGSA nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the application of such withholding tax.

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts* and Article 49 I *ter* to 49 I *sexies* of the Schedule III to the French *Code general des impôts*. Article 242 *ter* of the French *Code general des impôts* imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive, and the amending Directive, on their investment.

Financial transaction tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**").

The proposed FTT has very broad scope and, if introduced in its current form, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party to the transaction is established or deemed established in a Participating Member State and that there is a financial institution established or deemed established in a Participating Member State which is party to the transaction, acting either for its own account or for the account of another person, or acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

A joint statement issued on 27 January 2015 by ten (10) of the eleven (11) Participating Member States indicated the Participating Member States' intention to implement the FTT no later than 1 January 2016 with the widest possible base and low rates.

The Commission's Proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with purchasing and disposing of the Notes.

Certain Irish Tax Considerations

Ireland

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with the holders of Notes (the "Noteholders") who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Taxation of Noteholders

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which should include interest payable on the Notes. The SPV Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note falls within one of the following categories and meets the relevant conditions:

(a) **Interest paid on a quoted Eurobond:**

A quoted Eurobond is a security which is issued by a company (such as the SPV Issuer), is listed on a recognised stock exchange (such as the Luxembourg Stock Exchange) and carries a right to interest. Provided that the Notes issued under this Offering carry an amount in respect of interest and are listed on the Luxembourg Stock Exchange, interest paid on them can be paid free of withholding tax provided:

(i) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:

(A) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners; (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or

(B) the person who is the beneficial owner of the Notes and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and

(ii) one of the following conditions is satisfied:

(A) the Noteholder is resident for tax purposes in Ireland; or

(B) the interest is under the laws of a Relevant Territory subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or

(C) the Noteholder is not a company which, directly or indirectly, controls the SPV Issuer, is controlled by the SPV Issuer, or is controlled by a third company which also directly or indirectly controls the SPV Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:

(I) from whom the SPV Issuer has acquired assets;

(II) to whom the SPV Issuer has made loans or advances; or

(III) with whom the SPV Issuer has entered into a swap agreement,

where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the aggregate value of the assets of the SPV Issuer; or

(D) at the time of issue of the Notes, the SPV Issuer was not in possession, or aware, of any information which could reasonably be taken to indicate whether or not the beneficial owner of the Notes would be subject to tax on any interest payments,

where the term:

"relevant territory" means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty (**"Relevant Territory"**); and

"swap agreement" means any agreement, arrangement or understanding that—

(I) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and

(II) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

Thus, so long as the Notes are and continue to be quoted on the Luxembourg Stock Exchange, are held in a recognised clearing system and one of the conditions set out in paragraph (a)(ii) above is met, interest on the Notes can be paid by any paying agent acting on behalf of the SPV Issuer without any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and one of the conditions set out in paragraph (a)(ii) above is met.

(b) **Interest paid by a qualifying company or in the ordinary course of business to certain non-residents:**

If, for any reason, the quoted Eurobond exemption referred to above ceases to apply, interest payments may still be made free of withholding tax provided that:

(i) either:

(A) the SPV Issuer remains a "qualifying company" as defined in Section 110 of the Taxes Consolidation Act 1997 ("**TCA**") and the Noteholder is a person which is resident in a Relevant Territory, and where the recipient is a company, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency; or

(B) the interest is paid in the ordinary course of the SPV Issuer's business and the Noteholder is:

(I) a company which (1) by virtue of the law of a Relevant Territory, is resident in the Relevant Territory for the purposes of tax, and that Relevant Territory imposes a tax which corresponds to income tax or corporation tax in Ireland and which generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory, and (2) does not receive the interest payment in connection with a trade or business which is carried on in Ireland by it through a branch or agency; or

(II) a company where (1) the interest payable to it is exempted from the charge to income tax under a double taxation treaty in force between Ireland and another territory, or would be exempted from the charge to income tax if a double taxation treaty made between Ireland and another territory on or before the date of payment, but not yet in force, had the force of law when the interest was paid, and (2) it does not receive the interest payment in connection with a trade or business which is carried on in Ireland by it through a branch or agency; and

(ii) one of the following conditions is satisfied:

(A) the Noteholder is a pension fund, government body or other person (which satisfies paragraph (a)(ii)(C) above), who is resident in a Relevant Territory and who, under the laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory; or

(B) the Noteholder is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a Relevant Territory which corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

The SPV Issuer must be satisfied that the respective terms of the exemptions are satisfied. The test of residence in each case is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident.

For other holders of Notes, interest may be paid free of withholding tax if the Noteholder is resident in a double tax treaty country and under the provisions of the relevant treaty with Ireland such Noteholder is exempt from Irish tax on the interest and clearance in the prescribed form has been received by the SPV Issuer before the interest is paid.

Encashment Tax

In certain circumstances (e.g. quoted Eurobonds), Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Income Tax, PRSI and Universal Social Charge

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest.

Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions and the universal social charge in respect of interest they receive on the Notes.

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax, notwithstanding that the Noteholder is not resident in Ireland. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest paid by the SPV Issuer is exempt from income tax so long as the SPV Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and, the interest is paid out of the assets of the SPV Issuer. Secondly, interest payments made by the SPV Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory and which tax corresponds to income tax or corporation tax in Ireland, or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come into force once all ratification procedures have been completed. Thirdly, interest paid by the SPV Issuer free of withholding tax under the quoted Eurobond exemption is exempt from income tax where the recipient is a person not resident in Ireland and resident in a Relevant Territory or is a company not resident in Ireland which is under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory is resident for the purposes of tax in a Relevant Territory and are not under the control of person(s) who are not so resident, or is a company not resident in Ireland where the principal class of shares of the company is substantially and regularly traded on a recognised stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions is within the charge to income tax, and, in the case of Noteholders who are individuals, the charge to the universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

Capital Gains Tax

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is either resident or ordinarily resident in Ireland or carries on a trade or business in Ireland through a branch or agency in respect of which the Notes were used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, is currently levied at 33 per cent.) if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland).

Stamp Duty

No stamp duty or similar tax is imposed in Ireland (on the basis of an exemption provided for in Section 85(2)(c) of the Irish Stamp Duties Consolidation Act, 1999 so long as the SPV Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Notes are used in the course of the SPV Issuer's business) on the issue, transfer or redemption of the Notes.

EU Savings Directive

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the SPV Issuer to an individual or certain residual entities resident in another Member State of the European Union or certain associated and dependent territories of a Member State will have to provide details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

The SPV Issuer, or any person or agent acting on behalf of the SPV Issuer, shall be entitled to require Noteholders to provide any information regarding their tax status, identity or residency in order to satisfy the disclosure requirements in Directive 2003/48/EC and Noteholders will be deemed by their subscription for Notes to have authorised the automatic disclosure of such information by the SPV Issuer, or any person or agent acting on behalf of the SPV Issuer, to the relevant tax authorities.

Prospective holders of Notes should note that an amended version of the Savings Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Savings Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

Certain ERISA Considerations

The following is a summary of material considerations arising under the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and the Code, and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code that may be relevant to a prospective purchaser of the Notes that is an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of part 4 of subtitle B of Title I of ERISA, or other plans and arrangements, including individual retirement accounts and annuities, and Keogh plans subject to section 4975 of the Code, and certain collective investment funds and insurance company general or separate accounts in which such plans, accounts, or arrangements are invested, or an entity whose underlying assets include plan assets of any such plan by reason of a plan's investment in such entity (collectively, "Plans"). The discussion does not purport to address all aspects of ERISA or Code Section 4975 or other laws or regulations that may be relevant to particular Plans or other employee benefit plans in light of their particular circumstances. *Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt Prohibited Transactions (as defined below), prior to making an investment in the Notes, prospective investors that are Plans and other employee benefit plans subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to the provisions of Section 406 of ERISA or Section 4975 of the Code ("Similar Laws") should consult with their legal advisors concerning the impact of ERISA, the Code and Similar Laws on such an investment with respect to their specific circumstances.*

This discussion is based on the current provisions of ERISA and the Code, existing and currently proposed regulations under ERISA and the Code, the legislative history of ERISA and the Code, existing administrative rulings of the United States Department of Labor ("DOL") and reported judicial decisions. No assurance can be given that legislative, judicial, or administrative changes will not affect the accuracy of any statements herein with respect to transactions entered into or contemplated prior to the effective date of such changes.

General

Investments by Plans covered by ERISA are subject to general fiduciary requirements pursuant to ERISA, including the requirement of investment prudence and diversification, requirements respecting delegation of investment authority and the requirement that a Plan's investments be made in accordance with the Plan's governing documents. A fiduciary (as defined in Section 3(21)(A) of ERISA) of such a Plan who proposes to cause such a Plan to purchase Notes should determine whether, under the general fiduciary standards of ERISA or other applicable law, an investment in the Notes is appropriate for such Plan. In determining whether a particular investment is appropriate for such a Plan, fiduciaries of a Plan are required by DOL regulations to give appropriate consideration to (among other things) the role that the investment plays in the Plan's portfolio, taking into consideration (i) whether the investment is designed reasonably to further the Plan's purpose, (ii) an examination of the risk and return factors, (iii) the portfolio's composition with regard to diversification, (iv) the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan and (v) the projected return of the total portfolio relative to the Plan's funding objectives. Before investing the assets of such a Plan in the Notes, a fiduciary should determine whether such an investment is consistent with the foregoing regulations and its fiduciary responsibilities, including, without limitation, any specific restrictions to which such fiduciary may be subject.

Prohibited Transaction Rules

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions ("Prohibited Transactions") involving the assets of a Plan and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to such Plan, unless an exemption is available. For example, fiduciaries and service providers of Plans are "parties in interest" and "disqualified persons" of those Plans for purposes of the Prohibited Transaction rules.

A party in interest or a disqualified person who engages in a Prohibited Transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code, and, unless an exemption applies, the transaction may have to be rescinded. Section 4975 of the Code imposes excise taxes, and, in some cases, a civil penalty may be assessed pursuant to Section 502(i) of ERISA on parties in interest or disqualified persons that engage in non-exempt Prohibited Transactions. Furthermore, a fiduciary that permits a Plan to engage in a transaction that the fiduciary knows or should know is a Prohibited Transaction may be liable to the Plan for any losses realized by the Plan or any profits realized by the fiduciary in the transaction. Consequently, a fiduciary considering a purchase of Notes on behalf of, or with the assets of, a Plan should consider whether such an investment might constitute or give rise to a Prohibited Transaction under ERISA or the Code.

If the Notes are acquired by a Plan with respect to which EGSA or an Initial Purchaser or any of the respective affiliates of either is a party in interest or a disqualified person, such acquisition could give rise to a Prohibited Transaction unless a specific exemption applies (subject, however, to the discussion below, with respect to any acquisition by a sponsor of, or investment advisor with respect to, such Plan). Certain exemptions from the Prohibited Transaction rules may apply depending on the type of Plan fiduciary making the decision to acquire the Notes and the

circumstances under which the decision is made. Among these exemptions, each of which contains several conditions which must be satisfied before exemption applies, are the statutory exemption for certain transactions between Plans and non-fiduciary service providers as described in Section 408(b)(17) of ERISA and Code Section 4975(d)(20), and Prohibited Transaction Class Exemption ("PTCE") 96-23 (relating to transactions directed by an "in house" asset manager); PTCE 95-60 (relating to transactions involving insurance company general accounts); PTCE 91-38 (relating to investments by bank collective investment funds); PTCE 84-14 (amended effective August 23, 2005) (relating to transactions effected by qualified professional asset managers); and PTCE 90-1 (relating to investments involving insurance company pooled separate accounts). However, there is no assurance that any of these class or statutory exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Each of EGSA, the Initial Purchasers, the Trustee, or their respective affiliates, may be the sponsor of or investment adviser with respect to one or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the Prohibited Transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Notes may not be purchased using the assets of any Plan if any of EGSA, the Initial Purchasers, the Trustee, or their respective affiliates has investment authority with respect to such assets.

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while generally not subject to the requirements of ERISA or Section 4975 of the Code, may be subject to Similar Laws.

Review by Plan Fiduciaries

As a result of the foregoing, the Notes, and any interest therein, may not be purchased or held by any Plan, any employee benefit plan subject to Similar Laws, or any person investing assets of either unless the purchase, holding or disposition of the Notes would not constitute a non-exempt Prohibited Transaction under ERISA and/or the Code or a violation of any applicable Similar Law.

EACH PURCHASER, HOLDER AND TRANSFEREE OF THE NOTES OR ANY INTEREST THEREIN WILL BE DEEMED TO HAVE REPRESENTED AND AGREED BY ITS ACQUISITION AND HOLDING THEREOF, IN ITS CORPORATE AND FIDUCIARY CAPACITY, THAT (A) EITHER (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) A PLAN OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAWS, AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY PLAN OR SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (2) (I) ITS ACQUISITION, HOLDING AND DISPOSITION OF THE NOTES OR ANY INTEREST THEREIN DO NOT AND WILL NOT CONSTITUTE OR OTHERWISE RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAWS) AND (II) NONE OF THE ISSUER, THE INITIAL PURCHASERS, TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES, IS A SPONSOR OF, OR A FIDUCIARY (WITHIN THE MEANING OF SECTION 3(21) OF ERISA OR, WITH RESPECT TO A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY DEFINITION OF "FIDUCIARY" UNDER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH SECTION) WITH RESPECT TO, THE PURCHASER, TRANSFEREE OR HOLDER IN CONNECTION WITH ANY ACQUISITION OR HOLDING OF SUCH NOTES, OR AS A RESULT OF ANY EXERCISE BY THE ISSUER OR ANY OF ITS AFFILIATES OF ANY RIGHTS IN CONNECTION WITH SUCH NOTES, AND NO ADVICE PROVIDED BY THE ISSUER OR ANY OF THEIR AFFILIATES HAS FORMED A PRIMARY BASIS FOR ANY INVESTMENT OR OTHER DECISION BY OR ON BEHALF OF THE ACQUIRER OR HOLDER IN CONNECTION WITH SUCH NOTES AND THE TRANSACTIONS CONTEMPLATED WITH RESPECT TO SUCH NOTES; AND (B) IT WILL NOT SELL OR OTHERWISE TRANSFER SUCH NOTES OR ANY INTEREST THEREIN OTHERWISE THAN TO A PURCHASER OR TRANSFEREE THAT IS DEEMED TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES.

THE ISSUER, THE INITIAL PURCHASERS, AND THE TRUSTEE SHALL BE ENTITLED TO RELY CONCLUSIVELY UPON THE REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED HEREIN BY PURCHASERS, TRANSFEREES AND HOLDERS OF ANY NOTES WITHOUT FURTHER INQUIRY. ANY SUCH PURCHASER, TRANSFEREE OR HOLDER AND ANY FIDUCIARY CAUSING IT TO ACQUIRE AN INTEREST IN ANY NOTES AGREES TO INDEMNIFY AND HOLD HARMLESS THE ISSUER, THE INITIAL PURCHASERS, THE TRUSTEE, AND THEIR RESPECTIVE AFFILIATES, FROM AND AGAINST ANY COST, DAMAGE OR LOSS INCURRED BY ANY OF THEM AS A RESULT OF ANY OF THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS BEING OR BECOMING FALSE. ANY PURPORTED ACQUISITION OR TRANSFER OF ANY NOTE OR BENEFICIAL INTEREST THEREIN TO AN ACQUIRER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE REQUIREMENTS OF THE ABOVE PROVISIONS SHALL BE NULL AND VOID *AB INITIO*.

The sale of a Note, or any interest therein, to a Plan or a governmental, church or non-U.S. Plan that is subject to Similar Laws is in no respect a representation by EGSA or the Initial Purchaser, or any of their respective affiliates, that such an investment meets all relevant legal requirements with respect to investments by such plans generally or any particular such Plan; that the Prohibited Transaction Exemptions described above, or any other Prohibited Transaction Exemption, would apply to such an investment by such Plan in general or any particular such Plan; or that such an investment is appropriate for such Plan generally or any particular such Plan.

Plan of Distribution

The SPV Issuer, EGSA, and the Initial Purchasers entered into a purchase agreement (the "**Purchase Agreement**"), dated May 27, 2015 with respect to the Notes. The Initial Purchasers are Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, BNP Paribas, Goldman Sachs International, HSBC Bank plc, Lloyds Bank plc, The Royal Bank of Scotland plc and Société Générale. The Initial Purchasers have agreed, severally and not jointly, to purchase from the SPV Issuer, and the SPV Issuer has agreed to sell, all of the Notes pursuant to the terms of the Purchase Agreement.

The Purchase Agreement provides that the obligations of the Initial Purchasers to purchase and accept delivery of the Notes offered hereby are subject to certain conditions precedent, including, among other conditions, the delivery of certain legal opinions by counsel.

The purchase price for the Notes will be the initial offering price set forth on the cover page of this Offering Memorandum. The Initial Purchasers initially propose to offer the Notes at the initial offering price. After the initial Offering, the Initial Purchasers may change the offering price and any other selling terms of the Notes at any time without notice.

The SPV Issuer and EGSA have agreed to indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the Initial Purchasers may be required to make in respect thereof. We have agreed to provide the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses.

The Notes have not been and will not be registered under the Securities Act. The Initial Purchasers have agreed that they will only offer or sell the Notes (1) outside the United States to non-U.S. persons in "offshore transactions" in accordance with Regulation S and (2) in the United States to persons whom the Initial Purchasers reasonably believe to be "qualified institutional buyers" in accordance with Rule 144A. The terms used above have the meanings given to them by Regulation S and Rule 144A.

In addition, with respect to the Notes initially sold pursuant to Regulation S, until 40 days after the commencement of the Offering, an offer or sale of such Notes within the United States by a dealer that is not participating in the Offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act. Resales of the Notes are restricted as described under "*Transfer Restrictions*".

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified in the last paragraph of the cover page of this Offering Memorandum, which will be the tenth business day (as such term is used for purposes of Rule 15(c)6-1 of the "Exchange Act") following the date of pricing of the Notes (such settlement cycle is being referred to as "T+10"). Under Rule 15(c)6-1 of the Exchange Act, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the seven succeeding business days will be required, by virtue of the fact that the Notes initially settle in T+10, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

We have agreed that we will not, for a period of 120 days after the date of this Offering Memorandum, without the prior written consent of the Initial Purchasers, issue, offer for sale, sell, pledge, contract to sell, grant an option for the sale of, or otherwise dispose of, directly or indirectly, any other debt (including, without limitation, any debt securities, loans or other debt instruments) issued or guaranteed by the SPV Issuer, EGSA or any member of the Europcar Group that are substantially similar to the Notes (other than the Notes or any additional Notes issued in accordance with the Indenture) or securities of the SPV Issuer, EGSA or any member of the Europcar Group that are convertible into, or exchangeable with the Notes or such other debt securities.

In connection with the Offering, Deutsche Bank AG, London Branch (the "**Stabilization Manager**") or its affiliates may purchase and sell the Notes in the open market. These transactions may include short sales, over-allotments, stabilizing transactions and purchases to cover positions created by short sales or over-allotments. Short sales involve the sale by the Stabilization Manager or its affiliates of a greater number of Notes than they are required to purchase in the Offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the Offering is in progress.

These activities by the Stabilization Manager or its affiliates may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. There is no obligation on the Stabilization Manager or its affiliates to conduct these activities. If these activities are commenced, they may be discontinued by the Stabilization Manager or its affiliates at any time. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchasers expect to make offers and sales both inside and outside the United States through their respective selling agents. Any offers and sales in the United States will be conducted by broker-dealers registered with the U.S. Securities and Exchange Commission.

No action has been taken in any jurisdiction, including the United States, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the SPV Issuer, the Europcar Group or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resales of the Notes.

The Notes are a new issue of securities for which there currently is no market. The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable laws and regulations. The Initial Purchasers are not obliged, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk Factors—Risks Relating to the Notes—There may not be an active trading market for the Notes*".

EGSA has applied, through its listing agent, to have the Notes admitted to trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange. Neither the Initial Purchasers nor EGSA can assure that the Notes will be approved for admission to trading and listing or will remain admitted to trading on the Euro MTF Market and listed on the official list of the Luxembourg Stock Exchange.

French Selling Restrictions

This Offering Memorandum has not been prepared and is not being distributed in the context of a public offering of financial securities in France within the meaning of Article L.411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général* of the *Autorité des marchés financiers* (the "**AMF**"). Consequently, the Notes may not be, directly or indirectly, offered to the public in France (*offer au public de titres financiers*) and neither this Offering Memorandum nor any offering or marketing materials relating to the Notes may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France. The Notes may only be offered or sold in France to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*. The Notes may only be offered, directly or indirectly, to the public in France, in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*). Prospective investors are informed that: (i) this Offering Memorandum has not been and will not be submitted for clearance to the AMF; (ii) in compliance with Articles L. 411-2, D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier*, any qualified investors subscribing for the Notes should be acting for their own account; and (iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the *French Code Monétaire et Financier*.

Irish Selling Restrictions

Each Initial Purchaser has agreed that:

(a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;

(b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Acts (as amended and/or superseded by the Companies Act 2014 Ireland, which is expected to be

commenced by statutory instrument with effect from 1 June 2015), the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;

(c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Irish Prospectus Regulations and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank of Ireland; and

(d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 or Section 1370 of the Companies Act 2014 of Ireland, by the Central Bank of Ireland.

(e) to the extent it makes any offer of the Notes in Ireland, any such offer will be made pursuant to one or more of the exemptions in Regulation 9(i) of the Irish Prospectus Regulations from the requirement to publish a prospectus for offers of the Notes.

United Kingdom Selling Restrictions

Each Initial Purchaser has also agreed that (a)(i) it is a qualified investor (within the meaning of section 86(7) of the Financial Services and Markets Act 2000) (the "**FSMA**") and (ii) it has not offered or sold and will not offer to sell any Notes except to persons who are qualified investors or otherwise in circumstances which do not require a prospectus to be made available to the public in the United Kingdom within the meaning of section 85(1) of the FSMA; (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the SPV Issuer; and (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Certain Relationships

Certain of the Initial Purchasers and their respective affiliates have from time to time performed, and in the future may perform, certain banking, investment banking, advisory, consulting and/or other financial services for the SPV Issuer, EGSA or their respective affiliates or former affiliates for which they received or may receive customary fees and reimbursement of expenses. In particular, Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, BNP Paribas, Goldman Sachs International, HSBC France and Société Générale are currently mandated lead arrangers under the New Senior Revolving Credit Facility. In addition, Crédit Agricole Corporate and Investment Bank is currently the senior facility lending bank under the SARF and Deutsche Bank AG, London Branch, BNP Paribas, HSBC France, Lloyds Bank PLC and Société Générale are Senior Subscribers under the Senior Notes Subscription Agreement.

With respect to the financing of its UK fleet, the Group is currently party through its UK subsidiaries to several financing agreements. HSBC is mandated as Club Vehicle Funder under the Club Vehicle Funding Agreement. Lex Autolease Limited, which is a subsidiary of Lloyds, is currently mandated under the Lex Autolease Facility. Lloyds is currently mandated under the Overdraft Facility and the Revolving Credit Facility.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the SPV Issuer, EGSA or their respective affiliates (including the Notes).

Certain of the Initial Purchasers or their respective affiliates that have a lending relationship with the Group may hedge their credit exposure to the Group consistent with their customary risk management policies. Such Initial Purchasers and their respective affiliates may hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in securities (potentially including the Notes). Any such short positions could adversely affect future trading prices of the Notes. The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Transfer Restrictions

You are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of any of the Notes offered hereby.

Neither the SPV Issuer nor EGSA has registered or will register the Notes under the Securities Act or securities laws of any other jurisdiction and, therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold to the Initial Purchasers for re-offer and resale only:

- in the United States to "**qualified institutional buyers**", commonly referred to as "**QIBs**", as defined in and in compliance with Rule 144A under the Securities Act; and
- outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

We use the terms "**offshore transaction**", "**U.S. person**" and "**United States**" with the meanings given to them in Regulation S.

If you purchase the Notes, you will be deemed to have acknowledged, represented and warranted to and agreed with the SPV Issuer, EGSA and the Initial Purchasers as follows:

(1) You understand that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act or any other applicable securities laws and that (A) if in the future you decide to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (i) for so long as the Notes are eligible for resale under Rule 144A, in the United States to a person whom you reasonably believe is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; (ii) outside the United States in a transaction complying with the provisions of Regulation S under the Securities Act; (iii) to EGSA; or (iv) pursuant to another available exemption from registration under the Securities Act, in each case in accordance with any applicable securities laws, and that (B) you will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from you or it of the resale restrictions referred to in the legend below.

(2) You are not our "affiliate" (as defined in Rule 144A) or an affiliate of the SPV Issuer or EGSA, you are not acting on our behalf or on behalf of the SPV Issuer or EGSA and you are either:

(a) a QIB and are aware that any sale of these Notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another QIB; or

(b) not a "U.S. person" as defined in Regulation S or purchasing for the account or benefit of a U.S. person (other than a distributor) and you are purchasing the Notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that none of the SPV Issuer, EGSA or the Initial Purchasers or any person representing them has made any representation to you with respect to the SPV Issuer, Europcar Group or the offer or sale of any of the Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that none of the Initial Purchasers or any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning the Europcar Group and the Notes as you deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the SPV Issuer, EGSA and the Initial Purchasers and such information has been made available to you.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by the acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes only (i) to the SPV Issuer or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, an exemption from the registration requirements of the Securities Act or in any transaction not subject thereto, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own

account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (iv) pursuant to offers and sales to persons who are not U.S. persons that occur outside the United States in compliance with Regulation S or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to our and the Trustee's rights prior to any such offer, sale or transfer, to require that a certificate of transfer in the form appearing in the Indenture is completed and delivered by the transferor to the Trustee.

Each purchaser acknowledges that each Note will contain a legend substantially in the following form:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IT IS NOT A "U.S. PERSON" AND IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED NOTES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION DATE") WHICH IS, [IN THE CASE OF RULE 144A NOTES: ONE YEAR, AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE),] [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATIONS S] ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO PERSONS WHO ARE NOT U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS; PROVIDED, THAT THE SPV ISSUER, THE TRUSTEE AND THE TRANSFER AGENT SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE OR PURSUANT TO CLAUSE (D) PRIOR TO AND UPON THE END OF THE DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THE FAILURE TO PROVIDE THE SPV ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE OR AN APPLICABLE INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACKUP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS NOTE.

THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO AN EMPLOYEE BENEFIT PLAN SUBJECT TO THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), A PLAN WITHIN THE MEANING OF SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), ANY ENTITY THE UNDERLYING ASSETS OF WHICH INCLUDE "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY, OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAWS**") IF THE ACQUISITION, HOLDING OR DISPOSITION OF THE NOTE WILL CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION OR VIOLATION UNDER SUCH LAWS.

BY ACCEPTING THIS NOTE (OR AN INTEREST IN THE NOTES REPRESENTED HEREBY) EACH BENEFICIAL OWNER HEREOF IS DEEMED TO REPRESENT AND AGREE, IN ITS CORPORATE AND FIDUCIARY CAPACITY, THAT (I) EITHER (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE CODE, APPLIES, ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY, OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO SIMILAR LAWS, AND NO PART OF THE ASSETS USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR AN INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN OR SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B) (X) THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DO NOT CONSTITUTE AND WILL NOT CONSTITUTE OR OTHERWISE RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAWS) AND (Y) NONE OF THE SPV ISSUER, THE INITIAL PURCHASERS, TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES, IS A SPONSOR OF, OR A FIDUCIARY (WITHIN THE MEANING OF SECTION 3(21) OF ERISA OR, WITH RESPECT TO A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY DEFINITION OF "FIDUCIARY" UNDER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH SECTION) WITH RESPECT TO, THE PURCHASER, TRANSFEREE OR HOLDER IN CONNECTION WITH ANY ACQUISITION OR HOLDING OF SUCH NOTES, OR AS A RESULT OF ANY EXERCISE BY THE SPV ISSUER OR ANY OF ITS AFFILIATES OF ANY RIGHTS IN CONNECTION WITH SUCH NOTES, AND NO ADVICE PROVIDED BY THE SPV ISSUER OR ANY OF THEIR AFFILIATES HAS FORMED A PRIMARY BASIS FOR ANY INVESTMENT OR OTHER DECISION BY OR ON BEHALF OF THE ACQUIRER OR HOLDER IN CONNECTION WITH SUCH NOTES AND THE TRANSACTIONS CONTEMPLATED WITH RESPECT TO SUCH NOTES; AND (II) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE OR ANY INTEREST HEREIN OTHERWISE THAN TO A PURCHASER OR TRANSFEREE THAT IS DEEMED TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE".

If you purchase the Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(1) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth herein have been complied with.

(2) You acknowledge that:

(a) the SPV Issuer, EGSA, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgments, representations and agreements set forth herein and you agree that, if any of your acknowledgments, representations or agreements herein cease to be accurate and complete, you will notify the SPV Issuer, EGSA, us and the Initial Purchasers promptly in writing; and

(b) if you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(i) you have sole investment discretion; and

(ii) you have full power to make, and make, the foregoing acknowledgments, representations and agreements.

(3) You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.

(4) You understand that no action has been taken in any jurisdiction (including the United States) by the SPV Issuer, EGSA or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the SPV Issuer, EGSA or the Notes in any jurisdiction where action for the purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth hereunder and under "*Plan of Distribution*".

Independent Auditors

The consolidated financial statements of EGSA and its subsidiaries as of and for the fiscal year ended December 31, 2012 have been audited by PricewaterhouseCoopers Audit, and as of and for the fiscal years ended December 31, 2014 and 2013 have been audited by PricewaterhouseCoopers Audit and Mazars.

Legal Matters

Certain matters as to U.S. federal, New York State, French and English law in connection with this Offering will be passed upon for the SPV Issuer and EGSA by Cleary Gottlieb Steen & Hamilton LLP, Gide Loyrette Nouel A.A.R.P.I. and Gide Loyrette Nouel LLP and for the Initial Purchasers by White & Case LLP.

Where You Can Find Additional Information

Each purchaser of the Notes from an Initial Purchaser will be furnished a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from EGSA and the SPV Issuer, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to clause (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by either of EGSA, the SPV Issuer or the Initial Purchasers.

For so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, each of the SPV Issuer and EGSA, as successor issuer, will, during any period in which it is neither subject to Section 13 or 15(d) under the Exchange Act, nor exempt from reporting thereunder pursuant to Rule 12g3-2(b), make available to any holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act upon the written request of any such holder or beneficial owner. Any such request should be directed to Caroline Parot, the Chief Financial Officer of Europcar Group, at +331 30 44 96 52.

Neither the SPV Issuer nor EGSA are currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Indenture that will govern the Notes, EGSA will agree to furnish periodic information to the holders of the Notes. See “*Description of the Notes—Reports*”.

So long as the Notes are admitted to trading on the Euro MTF Market and to listing on the Official List of the Luxembourg Stock Exchange, and the rules and regulations of such stock exchange so require, copies of certain documents, including the Indenture, the Intercreditor Agreement, the Share Pledge, and the financial statements included in this Offering Memorandum will be available for review during the normal business hours on any business day at the specified office of the paying agent in Luxembourg.

Enforceability of Judgments

The SPV Issuer is a private company with limited liability incorporated under the laws of Ireland. EGSA is a *société anonyme* incorporated under the laws of the Republic of France. The executive officers of the foregoing entities are, and will continue to be, nonresidents of the United States and substantially all of their assets and such persons are located outside the United States. As a consequence, you may not be able to effect service of process on these non-U.S. resident directors and officers in the United States or to enforce judgments against them outside of the United States, including judgments of the U.S. courts predicated upon the civil liability provisions of the U.S. securities laws.

Ireland

As the United States is not a party to a convention with Ireland in respect of the enforcement of judgments, common law rules apply in order to determine whether a judgment of the courts of the State of New York is enforceable in Ireland. A judgment of the courts of the State of New York will be enforced by the courts of Ireland if the following general requirements are met:

(i) the courts of the State of New York must have had jurisdiction in relation to the particular defendant according to Irish conflict of law rules (the submission to jurisdiction by the defendant would satisfy this rule); and

(ii) the judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it. A judgment can be final and conclusive even if it is subject to appeal or even if an appeal is pending. Where however, the effect of lodging an appeal under the applicable law is to stay execution of the judgment, it is possible that, in the meantime, the judgment should not be actionable in Ireland. It remains to be determined whether final judgment given in default of appearance is final and conclusive.

However, the Irish courts may refuse to enforce a judgment of the courts of the State of New York which meets the above requirements for one of the following reasons:

(a) if the judgment is not for a definite sum of money;

(b) if the judgment was obtained by fraud;

(c) the enforcement of the judgment in Ireland would be contrary to natural or constitutional justice;

(d) the judgment is contrary to Irish public policy or involves certain United States laws which will not be enforced in Ireland; or

(e) jurisdiction cannot be obtained by the Irish courts over the judgment debtors in the enforcement proceedings by personal service in Ireland or outside Ireland under Order 11 of the Superior Courts Rules; or

(f) there is no practical benefit to the party in whose favour the foreign judgment is made in seeking to have that judgment enforced in Ireland.

France

The following is a summary of certain legal aspects of French law regarding the enforcement of civil law entitlements in connection with the Notes against EGSA, incorporated and existing under French law.

The United States and France are not parties to a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Grande Instance*), which has exclusive jurisdiction over the matter.

Enforcement in France of such U.S. judgment could be obtained following proper (*i.e.*, non-*ex parte*) proceedings if the competent French court is satisfied that the following cumulative conditions have been met (which conditions, under prevailing French case law as of the date of this Offering Memorandum, do not include a review by the French court of the merits of the foreign judgment):

• such U.S. judgment is enforceable in the United States;

• such U.S. judgment was rendered by a court having jurisdiction over the matter in accordance with French rules of international conflicts of jurisdiction (including, without limitation, whether the dispute is clearly connected to the jurisdiction of such court (i.e., there was no international forum-shopping) and the choice of the U.S. court was not fraudulent) and the French courts did not have exclusive jurisdiction over the matter;

- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case including defense rights;
- such U.S. judgment is not tainted with fraud under French law (for example, the parties did not submit the dispute to a foreign court in order to intentionally avoid the application of French law); and
- does not conflict with a French judgment or a foreign judgment which has become effective in France and there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (i.e. those having *res judicata* effect) can benefit from an *exequatur* under French law, and that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France, and there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France. However, the decision granting the *exequatur* can be appealed.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and French Ordinance No. 2000-916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a U.S. judicial or administrative action or in contemplation thereof. Pursuant to the regulations mentioned above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as most recently modified by French Ordinance No. 2011-1012 of August 24, 2011 and law No. 2014-344 of March 17, 2014) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case-by-case basis by French courts). Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French persons. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant. For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the litigation and the choice of jurisdiction is not fraudulent. In addition, a French national may waive his or her rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

The French Supreme Court (*Cour de cassation*) ruled in 2015 (confirming an earlier decision in 2012) that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any relevant court with jurisdiction was invalid. Accordingly, any provisions to the same effect in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action in the French courts.

Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Considerations

France

We are incorporated in France, as are many of our material subsidiaries. Consequently, we and they will be subject to French laws and proceedings affecting creditors, including Article 1244-1 of the French Civil Code (*Code civil*), mandat ad hoc proceedings (*mandat ad hoc*), conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), accelerated safeguard (*sauvegarde accélérée*), accelerated financial safeguard (*procédure de sauvegarde financière accélérée*) and judicial reorganization or liquidation proceedings (*redressement or liquidation judiciaire*). In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors. The following is a general discussion of insolvency proceedings governed by French law for information purpose only and does not address all the French law considerations that may be relevant to creditors.

Grace periods

In addition to pre-insolvency and insolvency laws discussed below, the holders of the Notes could, like any other creditors, be subject to Articles 1244-1 et seq. of the French Civil Code (*Code civil*).

Pursuant to Article 1244-1 of the French Civil Code, French courts may, in any civil or commercial proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's financial needs, defer or otherwise reschedule the payment dates or payment obligations over a maximum period of two years. In addition, pursuant to Article 1244-1, if a debtor specifically initiates proceedings thereunder, French courts may decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate which is lower than the contractual rate (but not lower than the legal rate, as published annually by the French government) or that payments made shall first be allocated to repayment of principal. If a court order under Article 1244-1 *et seq.*of the French Civil Code is made, it will suspend any pending enforcement measures, and any contractual default interest or penalty for late payment will not accrue or be due during the period ordered by the court. A creditor cannot contract out of such grace periods. When the debtor benefits from a conciliation proceeding, these statutory provisions shall be read in combination with Article L. 611-10-1 and Article L. 611-7 of the French Commercial Code (see "—*Conciliation proceedings*").

Insolvency test

Under French law, a company is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its debts as they fall due with its available assets taking into account available credit lines, existing debt rescheduling agreements and moratoria.

Mandat ad hoc proceedings

A French company facing difficulties without being insolvent (*see "—Insolvency test"*) may request the opening of *mandat ad hoc* proceedings, the aim of which is to reach an agreement with the debtor's main creditors and stakeholders.

French law does not provide for any specific rule in respect of *mandat ad hoc* proceedings, except that these proceedings (i) are confidential by law and (ii) may only be initiated by the debtor company itself, in its sole discretion. *Mandat ad hoc* proceedings are not limited in time and are informal proceedings carried out under the aegis of a court-appointed officer (*mandataire ad hoc*, whose name can be suggested by the debtor) itself under the supervision of the President of the relevant court (usually the Commercial Court), which do not automatically involve any stay of the claims and pending proceedings. The debtor's statutory auditors, if any, shall be notified of the order appointing the *mandataire ad hoc* for information purposes.

The *mandataire ad hoc*'s duties are determined by the order of the President of the court. Such *mandataire ad hoc* is usually appointed in order to facilitate negotiations with creditors but they cannot coerce the creditors into accepting any proposal. The agreement reached by the parties (if any) with the help of such *mandataire ad hoc* can be reported by the latter to the president of the court but is not approved by the court. The restructuring agreement between the company and its main creditors will be negotiated on a purely consensual and voluntary basis; those creditors not willing to take part cannot be bound by the arrangement. Creditors are not barred from taking legal action against the company to recover their claims but, in practice, they usually accept not to do so.

In any event, the debtor retains the right to petition the relevant judge for a grace period pursuant to Articles 1244-1 *et seq*. of the French Civil Code, as set forth above.

Any contractual provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the designation of a *mandataire ad hoc* or of a request

submitted to this end, and any contractual provision requiring the debtor to bear, by reason only of the appointment of a *mandataire ad hoc*, more than three-quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, are deemed null and void.

Conciliation proceedings

A French company facing difficulties without being insolvent, or being insolvent for less than 45 calendar days (see "—*Insolvency test*"), may request the opening of conciliation proceedings (*procédure de conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders.

Points that conciliation proceedings have in common with *mandat ad hoc* proceedings are (i) confidentiality by law and (ii) they may only be initiated by the debtor company itself, in its sole discretion. Main differences include (i) the conditions to open conciliation proceedings, (ii) the limitation in time of conciliation proceedings, (iii) the right to petition the president of the Court for a grace period and (iv) the ability to acknowledge or approve the restructuring agreement.

Such company may apply for the opening of conciliation proceedings (*procédure de conciliation*) with respect to itself if it experiences current or predictable legal, economic or financial difficulties. It petitions the president of the relevant Court (usually the Commercial Court) for the appointment of a conciliator (*conciliateur*) (whose name it can suggest) in charge of assisting the debtor in negotiating with some or all of its creditors and/or trade partners an agreement that provides for the restructuring of its indebtedness. Conciliation proceedings are confidential (subject to certain exceptions, such as the notification to the debtor's auditors of the order appointing the *conciliateur*) and may last up to four months, although an additional month extension can be requested by the conciliator. During the proceedings, creditors may continue to sue individually for payment of their claims but they usually accept not to do so. In addition, under Article L. 611-7 of the French Commercial Code, the debtor retains the right to petition the president of the Court which rendered the order for a grace period pursuant to Articles 1244-1 *et seq.* of the French Civil Code, in which case the decision would be taken having heard the conciliator.

This agreement may be either acknowledged (*constaté*) by the president of the court or approved (*homologué*) by the court. It will become binding upon them and the creditors party thereto may not take action against the company in respect of claims governed by the conciliation agreement.

The acknowledgement (*constatation*) of the agreement by the president of the court upon all parties' request, gives the agreement the legal force of a final judgment, which means that it constitutes a judicial title that can be enforced by the parties without further recourse to a judge (*titre exécutoire*), but the conciliation proceedings remain confidential (i.e., third parties and non-party creditors are not entitled to know about the content of this agreement). So long as the conciliation agreement is in effect, interests accruing on the affected claims can no longer be compounded.

In case of acknowledgement (*constatation*) or approval (*homologation*), the President of the court can, at the request of the debtor, appoint the conciliator to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution.

The conciliation agreement can also be approved by the court upon the debtor's request and under specific conditions. It will make the conciliation public and have the following specific consequences:

- creditors who provided new money, goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity) will have priority of payment over all pre-proceeding and post-proceeding claims (other than certain post-proceeding employment claims and procedural costs), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings (the "**New Money Lien**"); and;
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* and therefore the commencement date of the hardening period (*période suspecte*) (as defined below, see "*—The "hardening period" (période suspecte) in judicial reorganization and liquidation proceedings*") cannot except in cases of fraud (see "*—Fraudulent conveyance*") be set by the court as of a date earlier than the date of the approval (*homologation*) of the agreement (see definition of the date of the *cessation des paiements* in "*—Judicial reorganization or liquidation proceedings*").

The court decision approving the conciliation agreement does not make its terms public (save for the information of the works council or the employees representatives, if any, on the content of the agreement) but makes public the guarantees and the terms of the New Money Lien granted to the creditors under the conciliation agreement.

While the agreement (whether acknowledged or approved) is in force the debtor retains the right to petition the court that opened conciliation proceedings for a debt rescheduling, pursuant to Article 1244-1 *et seq.* of the French Civil Code mentioned above, in relation to claims of creditors (other than public creditors) party to the conciliation, in which case the decision would be taken after having heard the conciliator in the event that he has been appointed to monitor the implementation of the agreement.

Joint debtors, personal guarantors, or any third party having granted a guarantee (*sûreté personnelle*) or a security interest (*sûreté réelle*) to guarantee the debtor's liabilities can benefit from the provisions of the approved or acknowledged conciliation agreement.

In the event of a breach of the agreement, any party to the agreement that has been acknowledged or approved in the manner described above can petition the court for its termination. If such termination is granted, grace periods granted in relation to the conciliation proceedings may be revoked. Conversely, provided that the conciliation agreement is duly performed, any individual proceeding by creditors with respect to the claims included in the agreement are suspended. The commencement of subsequent insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims and security interests, except amounts already paid to them.

Conciliation proceedings, in the context of which a draft plan has been negotiated and is supported by a large majority of creditors (2/3 of each of the creditors' committee or bondholders if any), without reaching up unanimity, will be a mandatory preliminary step of the accelerated safeguard and the accelerated financial safeguard proceedings, as described below.

In the event of the commencement of subsequent safeguard or judicial reorganization proceedings, within the context of the adoption of a safeguard plan or a recovery plan, the court will not be able to impose a payment deferral to a date later than the date on which the plan is adopted, or debt reductions to creditors with respect to their claims benefiting from the New Money Lien.

At the request of the debtor and after the participating creditors have been consulted on the matter, the conciliator may be appointed with a mission to organize the partial or total sale of the debtor which would be implemented, as applicable, in the context of subsequent safeguard, judicial reorganization or liquidation proceedings; any offers received in this context by the conciliator may be directly submitted to the court in the context of reorganization or liquidation proceedings after consultation of the public prosecutor.

Any contractual provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the commencement of conciliation proceedings or of a request submitted to this end, and any contractual provision requiring the debtor to bear, by reason only of the commencement of conciliation proceedings, more than three-quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, are deemed null and void.

Safeguard proceedings

A company which experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, provided it is not insolvent (see "*—Insolvency test*"). Creditors of the company do not attend the hearing before the court at which the opening of safeguard proceedings is requested. Following the opening of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is usually appointed in accordance with Articles L. 621-4 and L. 622-1 of the French Commercial Code to investigate the business of the company during an observation period (the period from the date of the court decision commencing the proceedings to the date on which the Court takes a decision on the outcome of the proceedings), which may last up to 18 months, and helps the company to elaborate a draft safeguard plan (*projet de plan de sauvegarde*) that it will propose to its creditors. Creditors do not have effective control over the proceedings, which remain in the hands of the debtor assisted by the court-appointed administrator (*administrateur judiciaire*) who will, pursuant to the terms of the opening judgment, exercise a control *a posteriori* over decisions made by the debtor (*mission de surveillance*) or assist the debtor to make all or some of the management decisions (*mission d'assistance*), all under the supervision of the court.

During the safeguard proceedings, payment by the debtor of any debts incurred prior to the opening of the proceedings is prohibited, subject to very limited exceptions. For example, the court can authorize payments for prior debts in order to discharge a lien on property needed for the continued operation of the debtor's business or to recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*). In addition, creditors are required to declare to the court-appointed creditors' representative (*mandataire judiciaire*), appointed in accordance with Article L. 621-4 of the French Commercial Code, the debts that arose prior to the opening of the procedure (as well as the post-opening non-privileged debts) and are prohibited from engaging any court proceedings against the debtor for any payment default in relation to such debts and the accrual of interest on loans with a term of less than one year, or payments deferred for less than one year, is stopped. Debts arising after the commencement of the safeguard proceedings and which relate to expenses necessary for the debtor's business' activities during the observation period (see above) or are for the requirements of the proceedings, or are in consideration for services

rendered or goods delivered to the debtor during this period, must be paid as and when they fall due and, if such is not the case, they will be given priority over debts incurred prior to the commencement of the safeguard proceedings (with certain limited exceptions, such as the New Money Lien).

The manners in which the liabilities will be settled, as provided for in the plan (debt remissions and payment times) must be submitted to the creditors during a consultation, prior to the plan being approved by the court. The rules governing consultation vary according to the size of the business.

"Ordinary" consultation: where credit committees have not been established (see below "*—Committee-based consultation*"), the court-appointed administrator notifies the proposals for the settlement of debts to the court-appointed creditors' representative, who obtains the agreement of each creditor who filed a claim, regarding the debt remissions and payment times proposed. Creditors are consulted individually or collectively.

The French Commercial Code does not state whether the proposals for settlement can vary according to the creditor and whether the principle of equal treatment of creditors is applicable at the consultation stage. According to legal commentaries and established practice, in the absence of a specific legislative prohibition, varying treatment of creditors is possible, provided that it is justified by the specific position of the creditors and approved by the court-appointed creditors' representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of the claim over a shorter time period instead of a full payment of the claim over a maximum period of ten years.

Creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved are not consulted.

In the event of a consultation in writing, if a creditor does not respond within 30 days as from receipt of the letter from the creditors' representative (*mandataire judiciaire*), the creditor is deemed to have accepted the proposal, except when the proposal includes debt-for-equity swap. The creditors' representative keeps a list of the responses from creditors, which is notified to the debtor, the court-appointed administrator and the controllers.

Within the framework of an ordinary consultation, if the creditors refuse the proposals that were submitted to them, the court that approves the turnaround plan can impose on them a uniform rescheduling of their claims (subject to the specific regime of claims benefiting from the New Money Lien) over a maximum period of ten years (except for claims with maturity dates of more than the deferral period set by the court, in which case the maturity date shall remain the same), but no waiver of any claim or debt-for-equity swap may be imposed without its creditor's individual acceptance.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual installment must be at least 5% of the total amount of the debt claim) or the year following the initial maturity of the claim if it is later than the date of the first anniversary of the adoption of the plan, in which case the amount of the payment is determined in accordance with the specific rules in order to ensure that the full amount of the claim is repaid within the 10 year period.

Committee-based consultation: for debtors whose accounts are certified by a statutory auditor or prepared by a chartered accountant, and who have more than 150 employees or €20 million of revenue, or with the consent of the court at the court-appointed administrator or debtor's request in the case of debtors that do not exceed the aforementioned thresholds, the court-appointed administrator sets up two creditors' committees, on the basis of the debts that arose prior to the initial judgment: one for credit institutions (or assimilated institutions and entities having granted credit or advances in favor of the debtor) and their successive assignees having a claim against the debtor, and the other one for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers and other suppliers invited to participate in such committee by the court-appointed administrator. These committees will be consulted on the safeguard plan drafted by the debtor's management during the observation period. In addition, any member of a committee may submit proposals for drawing up a safeguard plan to the debtor and the court-appointed administrator.

If there are any outstanding debt securities in the form of obligations (such as bonds or notes), a general meeting of all holders of such debt securities will be established irrespective of whether or not there are different issuances and of the governing law of those obligations. The Notes constitute obligations for the purposes of safeguard proceedings. It is unclear whether the Security Agent as creditor of the Parallel Debt under the Indenture would vote in the creditor's committee.

The plan submitted to the committees and the noteholders, if any, must take into account subordination agreements entered into by the creditors before the commencement of the proceedings, may treat creditors differently if it is justified by their differences in situation and may, *inter alia*, include a rescheduling or cancellation of debts (subject to the specific regime of claims benefiting from the New Money Lien), and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

If the plan provides for a share capital increase, the shareholders may subscribe to such share capital increase by way of a set-off with their claims against the debtor, as reduced as the case may be according to the provisions of the plan.

Creditors which are members of the credit institutions' committee or the suppliers' committee may also prepare an alternative safeguard or reorganization plan that will also be put to the vote of the committees and of the general bondholders meeting, it being specified that approval of these alternative plans is subject to the same two-thirds majority vote in each committee and in the meeting of holders of notes and gives rise to a report by the court-appointed administrator. Holders of notes are not permitted to present their own alternative plan.

The committees must approve or reject the safeguard plan within a minimum of 15 days of its submission. The plan must be approved by a majority vote of each committee, provided that the majority is two-thirds of the outstanding claims of the creditors expressing a vote.

Each creditor member of a creditors committee and each holder of notes must, if applicable, inform the court-appointed administrator of the existence of any agreement relating to the exercise of its vote, to the full or total payment of its claim by a third party as well as of any subordination agreement. The court-appointed administrator shall then submit to the creditor/holder of notes a proposal for the computation of its voting rights in the creditors committee/ noteholders' general meeting. In the event of a disagreement, the creditor/holder of the notes or the court-appointed administrator may request that the matter be decided by the president of the Court in summary proceedings. The amounts of the claims secured by a trust (*fiducie*) constituted as a guarantee granted by the debtor are not taken into account. In addition, creditors for whom the plan does not provide any modification of their repayment schedule or provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted do not take part in the vote.

Following approval by the creditors' committees and the bondholders' general meeting and determination of a rescheduling or partial cancellation against cash payment of the claim of creditors that are not members of the committees or bondholders, as discussed hereafter, the plan has to be approved (*arrêté*) by the court. In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected and that relevant shareholder consent, if any is required, has been obtained. Once approved by the court, the safeguard plan will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan).

Creditors outside the creditors' committees or the noteholders' general meeting are consulted in accordance with the standard consultation process referred to above.

In the event that the debtor's proposed plan is not approved by both committees and the noteholders' general meeting within the first six months of the observation period, either because they do not vote on the plan or because they reject it, this six month period may be extended by the court at the request of the court-appointed administrator, to the extent it does not exceed the duration of the observation period, in order for the plan to be approved by the committee-based consultation process. Absent such extension, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such a case, the rules are the same as the ones applicable to creditors who are not part of the committees and who are not noteholders and, in particular, the court can only impose a uniform rescheduling of the repayment of the debts over a maximum period of ten years (as described above).

If the court empowers the court-appointed administrator to convene a shareholders' meeting in order to take corporate resolutions with respect to the modification of the debtor's share capital required by a safeguard plan, the court may order that, under certain conditions, the shareholders' decisions be adopted by a majority vote of the shareholders attending or represented, as long as such shareholders own at least half of the shares with voting rights.

If no plan is adopted by the committees, at the request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*) or the public prosecutor, the court may convert the safeguard proceedings into judicial reorganization proceedings if it appears that the adoption of a safeguard plan is impossible and if the end of the safeguard proceedings would certainly lead to the debtor shortly becoming insolvent.

Specific case—Creditors that are public institutions: public creditors (financial administrations, social security and unemployment insurance organisations) may agree to grant debt remissions under conditions that are similar to those that would be granted by a private economic operator placed in the same position, under normal market conditions. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors are consulted under specific conditions, within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax administrations may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

In the event that safeguard (or judicial reorganization) proceedings are opened against the issuer, the holders of the Notes will be treated as noteholders of the issuer and will take part in the general meeting of the noteholders. Therefore, the holders of the Notes would not be a member of the credit institutions' committee but would vote on any draft safeguard plan proposed by the issuer as members of the general meeting of noteholders.

Holders of the Notes could, as members of the general meeting of the noteholders, veto such plan if they reach a blocking minority (i.e., their claims represent more than one-third of the claims of those creditors casting a vote in the meeting).

Accelerated safeguard and accelerated financial safeguard

A debtor in conciliation proceedings may request commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) or accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*).

The accelerated safeguard proceedings and accelerated financial safeguard proceedings have been designed to ''fast-track'' difficulties of large companies:

- which publish consolidated accounts in accordance with article L. 233-16 of the French Commercial Code; or
- which publish accounts certified by a statutory auditor or established by a certified public accountant and have (i) more than 20 employees or (ii) a turnover greater than €3 million excluding VAT or (iii) whose total balance sheet exceeds €1.5 million.

The accelerated financial safeguard proceedings apply only to ''financial creditors'' (i.e., creditors that belong to the credit institutions committee and noteholders), the payment of whose debt is suspended until adoption of a plan through the accelerated financial safeguard proceedings. As to financial creditors, the debtor will be prohibited from paying any amounts (including interests) in connection with the finance documents that fall due during the observation period. Such amounts may be paid only after the judgment of the court approving the safeguard plan and in accordance with its terms. Creditors other than financial creditors (such as public creditors, the tax or social security administration and suppliers) are not impacted by accelerated financial safeguard proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms. In this respect, the court-appointed administrator shall not convene any suppliers' committee.

To be eligible for accelerated safeguard proceedings or accelerated financial safeguard proceedings, the debtor must fulfill three conditions:

- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of accelerated safeguard proceedings or accelerated financial safeguard proceedings;
- as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome; and
- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern supported by enough of its creditors subject to the proceedings', members of, as applicable, its credit institutions or major suppliers committee or its noteholders' general meeting, to render likely its adoption by a two-thirds majority of the relevant committee and noteholder's general meeting within a maximum of three months following the commencement of accelerated safeguard proceedings and of one month following the commencement of accelerated financial safeguard proceedings (that can be extended by an additional month).

The regime applicable to accelerated safeguard or accelerated financial safeguard proceedings is broadly the regime applicable to standard safeguard proceedings to the extent compatible with the accelerated timing in accelerated safeguard and/or accelerated financial safeguard proceedings, since the total duration of the accelerated safeguard proceedings is three months, while the duration of the accelerated financial safeguard proceedings is one month, unless the court decides to extend it by an additional month.

In particular, the creditors' committees and the noteholders' general meeting are required to vote on the proposed safeguard plan within a minimum period of fifteen days of its being sent to the creditors in the case of accelerated safeguard proceedings or within 8 days thereof in accelerated financial safeguard proceedings.

The plan, in the context of accelerated safeguard proceedings or accelerated financial safeguard proceedings, is adopted following the same majority rules as in standard safeguard proceedings and may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital in the debtor (debt-for-equity swaps requiring relevant shareholder consent).

If a plan is not adopted by the creditors and approved by the court within the deadlines applicable to each, the court must terminate the proceedings. The court cannot reschedule amounts owed to the creditors outside of the committee process.

The list of claims of creditors party to the conciliation proceedings shall be drawn up by the debtor and certified by the statutory auditor and shall be deemed to constitute the filing of such claims for the purpose of the accelerated safeguard proceedings or, as applicable, accelerated financial safeguard proceedings unless the creditors otherwise elect to make such a filing.

Judicial reorganization or liquidation proceedings

Judicial reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*) may be initiated against or by a company only if it is insolvent (see "—*Insolvency test*") and, with respect to liquidation proceedings only, if the company's recovery is manifestly impossible.

The company is required to file for insolvency proceedings (or for conciliation proceedings) within 45 days of becoming insolvent if it has not otherwise requested the commencement of conciliation proceedings (as discussed above). If it does not, de jure managers (including directors) and, as the case may be, de facto managers are exposed to incurring civil liability. Protective measures may also be taken in relation to assets owned by de jure or de facto managers of the insolvent company pursuant to Article L. 631-10-1 of the French Commercial Code, on the basis of an action grounded on mismanagement having caused the *cessation des paiements*.

Where the debtor requested the commencement of judicial reorganization proceedings and the court considers that judicial liquidation proceedings would be more appropriate, after having heard the debtor, the court may order the commencement of the proceedings which it finds most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considers that judicial reorganization proceedings would be more appropriate.

In addition, at any time during the safeguard proceedings observation period, the court may convert such proceedings into reorganization proceedings (i) upon its own motion, at the request of the creditors' representative, the court-appointed administrator or the public prosecutor if the debtor company becomes insolvent; or (ii) at the request of the debtor company, the creditors' representative, the court-appointed administrator or the public prosecutor, if the approval of a safeguard plan is manifestly impossible and if the company would become insolvent should safeguard or accelerated financial safeguard proceedings be closed. In all cases, the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the public prosecutor and the workers' representatives (if any).

Under the judicial reorganization, the administrator appointed by the court will assist the debtor to make all or some of the management decisions ("*mission d'assistance*") or may be empowered by the court to take over the management and control the company ("*mission d'administration*"). As a result of the commencement of liquidation proceedings, the managers of the company are no longer in charge of the management.

The court order commencing the proceedings may order either the liquidation or the reorganization of the company. In the event of reorganization, an administrator (*administrateur judiciaire*) is usually appointed by the court to investigate the business of the company during an observation period, which may last up to 18 months, and makes proposals either for the reorganization of the company (by helping the debtor to elaborate a reorganization plan, which is similar to a safeguard plan; see above), or the sale of the business or the liquidation of the company. Committees of creditors and meeting of the noteholders may be created under the same conditions as in safeguard proceedings. At any time during this observation period, the court can order the liquidation of the company. At the end of the observation period, the outcome of the proceedings is decided by the court.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, which is generally the former creditors' representative (*mandataire judiciaire*). No maximum time period is provided by law to limit the duration of the judicial liquidation process. The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order for payment).

Concerning the liquidation of the assets of the debtor, there are two possible outcomes of such liquidation scenario:

- an asset sale plan (in which case the court will usually appoint a judicial administrator to manage the debtor and organize such sale of the business); or
- a sale of the individual assets of the debtor, in which case the liquidator may decide to:
    - launch auction sales;
    - sell on an amicable basis each asset for which spontaneous purchase offers have been received, (the formal authorization of the bankruptcy judge being necessary to conclude the sale agreement with the bidder); or

- request, under the supervision of the bankruptcy judge, from all potential interested purchasers to bid on each asset, as the case may be, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*).

When either no overdue liabilities remain, the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*), the court terminates the proceedings.

In reorganization proceedings, in case a shareholders' meeting needs to vote to bring the shareholders' equity to a level equal to at least one half of the share capital as required by article L.626-3 of the French Commercial Code, the court-appointed administrator may appoint a trustee (*mandataire en justice*) to convene a shareholders' meeting and to vote on behalf of the shareholders which refuse to vote in favour of such a resolution if the draft restructuring plan provides for a modification of the equity to the benefit of a third party(ies) undertaking to comply with the recovery plan. If the proposed reorganization plans are manifestly not likely to ensure that the debtor will recover or if no reorganization plan is proposed, the court, upon the request of the court-appointed administrator, can order the total or partial transfer of the business. The court may terminate the proceedings when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets. The court may also appoint a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

The ''hardening period'' (période suspecte) in judicial reorganization and liquidation proceedings

The date of insolvency (*cessation des paiements*) is deemed to be the date of the court order commencing proceedings, unless the court sets an earlier date, which may be no earlier than 18 months before the date of such court order. Also, except in the case of fraud, the date of insolvency may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings (see above). The date of insolvency is important because it marks the beginning of the "*période suspecte*" (otherwise referred to as "hardening period"), being the period between the date of insolvency and the court decision commencing the proceedings. Certain transactions entered into during the hardening period are void as of right or voidable by the court. Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no or nominal consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner which is not commonly used in the ordinary course of business and security granted for debts (including a security granted to secure a guarantee obligation) previously incurred and provisional measures (unless the attachment or seizure predates the date of insolvency), operations relating to stock options, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as security for debt incurred simultaneously), any amendment to a trust arrangement (*fiducie*) that affects assets or rights already transferred in the trust as a guarantee of debt incurred prior to such amendment, and a declaration of non-seizability (*déclaration d'insaisissabilité*).

Transactions voidable by the court include payments made on accrued debts, transactions for consideration and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the hardening period, in each case if the court determines that the creditor knew of the insolvency of the debtor. Transactions relating to the transfer of assets for no consideration are also voidable when entered into during the six-month period prior to the beginning of the hardening period.

Contractual provisions pursuant to which the commencement of the safeguard or insolvency proceedings constitutes an event of default are not enforceable against the debtor. Neither, in accordance with a decision of the French Supreme Court dated January 14, 2014, n°12-22.909, are ''contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of reorganization proceedings'' (case law which is likely to be extended to safeguard, accelerated safeguard or accelerated financial safeguard proceedings). However, the court-appointed officer can unilaterally decide to terminate ongoing contracts (*contrats en cours*) which it believes the debtor will not be able to continue to perform.

Conversely, the court-appointed officer can require that other parties to a contract continue to perform their obligations even though the debtor may have been in default, but on the condition that the debtor fully performs its post-petition contractual obligations (and provided that, in the case of reorganization proceedings, absent consent to other terms of payment, the debtor pays cash on delivery). The commencement of liquidation proceedings, however, automatically accelerates the maturity of all of a debtor's obligations unless the court orders the continued operation of the business with a view to the adoption of a ''plan for the sale of the business'' (*plan de cession*) (which it may do for a period of three months, renewable once), in which case the acceleration of the obligations will only occur on the date of the court decision adopting the ''plan for the sale of the business'' or on the date on which the continued operation of the business ends.

As from the court decision commencing the proceedings:

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment which is deferred by at least one year, with respect to which, however, accrued interest can no longer be compounded;
- the debtor is prohibited from paying debts incurred prior to the commencement of the proceedings, subject to specified exceptions (which essentially cover the set-off of related (*connexes*) debts and payments authorized by the insolvency judge appointed by the court to recover assets for which recovery is justified by the continued operation of the business);
- the debtor is prohibited from paying debts having arisen after commencement of the proceedings unless they are incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/ goods provided to the debtor;
- creditors may not pursue any individual legal action against the debtor (or a guarantor of the debtor where such guarantor is a natural person) with respect to any claim arising prior to the court decision commencing the proceedings, if the objective of such legal action is:
    - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due in order to file a proof of claim, as described below);
    - to terminate a contract for non-payment of amounts owed by the creditor; or
    - to enforce the creditor's rights against any assets of the debtor except where such asset (whether tangible or intangible, movable or immovable) is located in another Member State within the European Union, in which case the rights in rem of creditors thereon would not be affected by the insolvency proceedings, in accordance with the terms of Article 5 Council Regulation (EC) No. 1346/2000;
- immediate cash payment for services rendered pursuant to an ongoing contract (*contrats en cours*), absent consent to other terms of payment, will be required only in the context of reorganization or liquidation proceedings.

In accelerated safeguard and accelerated financial safeguard proceedings, the above rules only apply to the creditors that are subject to the accelerated safeguard proceedings or the accelerated financial safeguard proceedings respectively (see above).

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of proceedings must file a claim with the court-appointed creditors' representative within two months of the publication of the court decision in an official gazette (*Bulletin Officiel des annonces civiles et commerciales*); this period is extended to four months for creditors domiciled outside France. Where the debtor has informed the creditors' representative of the existence of a claim and no proof of claim has been filed yet, the claim as reported by the debtor is deemed to be a filing on the claim with the creditors' representative on behalf of the debtor. Creditors are allowed to ratify a proof of claim made on their behalf until the insolvency judge rules on the admissibility of the claim. Creditors who have not submitted their claims during the relevant period, whose claims are not deemed filed with the creditors' representative are, except with respect to limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to such limitations and are preferential creditors under French law.

In accelerated financial safeguard proceedings, however, debts owed to creditors other than banks, financial institutions or bondholders should be paid in the ordinary course.

In accelerated safeguard and in accelerated financial safeguard, the debtor draws a list of the claims of its creditors having participated in the conciliation proceedings, which is certified by its statutory auditors (failing which, its accountant). Although such creditors may file proofs of claim as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Thus, in the accelerated financial safeguard, the financial creditors who did not take part in the conciliation proceedings (but who would belong to the financial institutions' committee or the noteholders' general meeting) would have to file their proofs of claim within the aforementioned deadlines.

If the court adopts a safeguard plan, accelerated safeguard plan, accelerated financial safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. The court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

If the court adopts a plan for the sale of the business (plan de cession) of the debtor in judicial reorganization or judicial liquidation proceedings, the proceeds of the sale will be allocated towards the repayment of its creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator (usually the former creditor's representative) in charge of managing the debtor, selling the assets of the debtor and settling the relevant debts in accordance with their ranking. However, in practice, where the sale of

the business is considered, the court will usually appoint a judicial administrator to manage the debtor during the temporary continuation of the business operations (see above) and organize the sale of the business process.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, post-petition legal costs (essentially, fees of the officials appointed by the court), creditors who, as part of the approved conciliation agreement, have provided new money or goods or services, post-petition creditors, certain pre-petition secured creditors in the event of liquidation proceedings and the French State (taxes and social charges).

As soon as insolvency proceedings are commenced, the immediate payment of any unpaid amount of share capital of the debtor will be required.

The *mandataire judiciaire* may demand that a shareholder pay-up its portion of the unpaid share capital.

Creditors' liability

Pursuant to Article L. 650-1 of the French Commercial Code as interpreted by case law, where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may be held liable for the losses suffered as a result of facilities granted to the debtor only if the granting of such facilities was wrongful and, in the case of fraud, interference with the management of the debtor or if the security interests or guarantees taken to support the facilities are disproportionate to such facilities. In addition, any security interests or guarantees taken to support facilities in respect of which a creditor is found liable in such circumstances can be cancelled or reduced by the court.

Limitation on enforcement of security interests

Under French law, generally speaking, pledges of assets may be enforced at the option of the secured creditors either (i) before a court (a) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (b) by way of judicial foreclosure (*attribution judiciaire*) of the pledged assets; or (ii) by way of contractual foreclosure (*attribution conventionnelle* or *pacte commissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets. Enforcement by way of contractual foreclosure may not be agreed at the time of the granting of the security or subsequently and, therefore, the holders of the Notes will not benefit from such enforcement method.

If the secured creditors choose enforcement by way of foreclosure (whether judicial foreclosure or contractual foreclosure), the secured liabilities will be deemed extinguished up to the value of the attributed assets. Such value is determined either by the judge in the context of a judicial foreclosure (*attribution judiciaire*) or by a precontractually agreed expert in the context of a contractual foreclosure (*pacte commissoire*). In any event, if the value of the pledged assets exceeds the amount of the secured liabilities, the secured creditors will be required to pay the pledgor a soulte equal to the difference between the value of the pledged assets and the amount of the secured liabilities. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent sale of the collateral. On the contrary, if the value of such assets is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such shares, and the remaining amount owed to such creditors will be unsecured by security over such assets.

Parallel debt

Under French law, certain "accessory" security interests such as pledges require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of the creditors by third parties who do not hold the secured claim, unless they act as trustees (*fiduciaires*) under Article 2011 of the French Civil Code or as security agents (*agents des sûretés*) under Article 2328-1 of the French Civil Code, which is not the case here for the security documents governed by French law. The holders of interests in the Notes from time to time will not be parties to the security documents. In order to permit the holders of the Notes to benefit indirectly from a secured claim, the Indenture will provide for the creation of a "Parallel Debt" (as defined in the Indenture). Pursuant to such Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Indenture. The pledges governed by French law will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes. Although the French Supreme Court (*Cour de cassation*) has held (in a decision dated September 13, 2011 rendered in the context of safeguard proceedings commenced in France) that, subject to certain conditions being met, the concept of "parallel debt" governed by the laws of the State of New York was not incompatible with the French law concept of international public policy (*ordre public international*), this decision cannot be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a parallel debt obligation and no assurance can be given that such a structure will be effective in all cases before French courts. There is no certainty that the Parallel Debt construction will eliminate or mitigate the risk of unenforceability under French law. To the extent that the security interests of the security interests over the shares of ECI created under the Parallel Debt structure are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the security interests over the shares of ECI.

Fraudulent conveyance in France

French law contains specific provisions dealing with fraudulent conveyance both in and outside insolvency proceedings, the "*action paulienne*" provisions, which offer creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which such person guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such person's or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant person by the creditors' representative (*mandataire judiciaire*), the commissioner of the safeguard or recovery plan (*commissaire à l'exécution du plan*) insolvency proceedings of the relevant person or by any of the creditors of the relevant person outside insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings, and may be declared unenforceable against third parties if: (i) the person performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the person's insolvency proceedings, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of such person's creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*à titre gratuit*), in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance. If a court found that the issuance of the Notes, the grant of the security interests over the shares of ECI involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes or the granting of the security interests over the shares of ECI could be declared unenforceable against third parties or declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the security interests over the shares of ECI and the value of any consideration that holders of the Notes received with respect to the Notes, the security interests over the shares of ECI could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by our prejudiced creditors as a result of the fraudulent conveyance.

Other jurisdictions

In addition, the Indenture and our other debt instruments allow us, in certain circumstances, to be succeeded by an issuer organized in another jurisdiction. The insolvency laws of other jurisdictions may not be as favorable to the interests of the Noteholders as the laws of France. In the event any one or more of us or any of our subsidiaries experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions, including jurisdictions not set forth below, insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Ireland

Centre of Main Interest

The SPV Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interest ("**COMI**") is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the SPV Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, EGSA does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the SPV Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, Irish Insolvency proceedings would not be applicable to the SPV Issuer.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended (the "**1990 Act**") to facilitate the survival of Irish companies in financial difficulties.

The SPV Issuer, the directors of the SPV Issuer, a contingent, prospective or actual creditor of the SPV Issuer, or shareholders of the SPV Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the SPV Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of

performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish court when a minimum of one class of creditors, whose interests are impaired under the proposals, has voted in favour of the proposals and the Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unfairly prejudicial to any interested party.

The fact that the SPV Issuer is a special purpose entity and that all its liabilities are of a limited recourse nature means that it is unlikely that an examiner would be appointed to the SPV Issuer.

If however, for any reason, an examiner were appointed while any amounts due by the SPV Issuer under the Notes were unpaid, the primary risks to the holders of Notes would be as follows:

(i) the Trustee, acting on behalf of Noteholders, would not be able to enforce rights against the SPV Issuer during the period of examinership; and

(ii) a scheme of arrangement may be approved involving the writing down of the debt due by the SPV Issuer to the Noteholders irrespective of the Noteholders' views.

Preferred Creditors

If the SPV Issuer becomes subject to an insolvency proceeding and EGSA has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular:

(i) under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax liabilities) and, in the case of fixed charges over book debts, may rank behind claims of the Irish Revenue Commissioners for PAYE and VAT;

(ii) under Irish law, for a charge to be characterised as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. There is a risk therefore that even a charge which purports to be taken as a fixed charge may take effect as a floating charge if a court deems that the requisite level of control was not exercised; and

(iii) in an insolvency of the SPV Issuer, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes), as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.

Europcar Notes Limited

Europcar Notes Limited (the "**SPV Issuer**") was incorporated in Ireland on March 2, 2015, with registered number 558326 as a private company with limited liability under the Companies Acts 1963 to 2013 (as amended) of Ireland (the "**Companies Acts**"). The registered office of the SPV Issuer is 2nd Floor, Palmerston House, Fenian Street, Dublin 2, Ireland and its phone number is +353 (0)1 905 8020.

The authorised share capital of the SPV Issuer is EUR 100 divided into 100 ordinary shares of par value EUR 1 each (the "**Shares**"). The SPV Issuer has issued 1 Share, which is fully paid and is held on trust by Cafico Trust Company Limited (the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated March 18, 2015, under which the Share Trustee holds the Share on trust for charity. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from its holding of the Share. The Share Trustee will apply any income derived from the SPV Issuer solely for the above purposes.

The SPV Issuer has no subsidiaries.

Cafico Corporate Services Limited (the "**Corporate Services Provider**"), an Irish company, acts as the corporate services provider for the SPV Issuer. The office of the Corporate Services Provider serves as the general business office of the SPV Issuer. Through the office and pursuant to the terms of the corporate services agreement entered into on May 20, 2015 between the SPV Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider performs various management functions on behalf of the SPV Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the SPV Issuer at rates agreed upon from time to time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 90 days written notice to the other party. The Corporate Services Agreement contains provisions for the appointment of a replacement corporate services provider if necessary.

The Corporate Services Provider's principal office is 2nd Floor, Palmerston House, Fenian Street, Dublin 2, Ireland

Principal Activities

The principal objects of the SPV Issuer are set forth in clause 2 of its Memorandum of Association (as currently in effect) and permit the SPV Issuer, *inter alia*, to lend money and give credit, secured or unsecured, to issue debentures and otherwise to borrow or raise money and to grant security over its property for the performance of its obligations or the payment of money.

Since its incorporation, the SPV Issuer has not engaged in any material activities other than those incidental to its registration as a private company under the Companies Acts and those related to the issue of the Notes. The SPV Issuer has no employees.

Directors and Company Secretary

The SPV Issuer's Articles of Association provide that the Board of Directors of the SPV Issuer will consist of at least two Directors.

The Directors of the SPV Issuer and their business addresses are as follows:

Rodney O'Rourke	2nd Floor, Palmerston House, Fenian Street, Dublin 2, Ireland
Yolanda Kelly	2nd Floor, Palmerston House, Fenian Street, Dublin 2, Ireland

The Company Secretary is Cafico Secretaries Limited.

The Directors do not hold any direct, indirect, beneficial or economic interest in any of the Shares. The directorship of the Directors is provided as part of the Corporate Services Provider's overall corporate administration services provided to the SPV Issuer pursuant to the Corporate Services Agreement.

The Directors of the SPV Issuer may engage in other activities and have other interests which may conflict with the interests of the SPV Issuer.

Save as disclosed herein, there has been no material adverse change in the financial position or prospects of the SPV Issuer since the date of its incorporation. Save for the issues of Notes described above and their related arrangements, the SPV Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Capitalization

The following table sets out the capitalization of the SPV Issuer as at the date of this Offering Memorandum:

	€
Shareholders Funds:	
Share Capital	1
Indebtedness:	
The indebtedness of the SPV Issuer as at the date of this Offering Memorandum[1]	0

(1) After giving effect to the Offering, the SPV Issuer will have €475 million in outstanding indebtedness represented by the Notes plus the additional indebtedness represented by the advance from EGSA used to fund the Escrow Account in part.

Financial Statements

Since its date of incorporation, the SPV Issuer has not commenced operations and no financial statements of the SPV Issuer have been prepared as at the date of this Offering Memorandum. The SPV Issuer will not prepare interim financial statements. The financial year of the SPV Issuer ends on December 31 in each year.

Each year, a copy of the audited profit and loss account and balance sheet of the SPV Issuer together with a report of the directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the SPV Issuer and is available for inspection. The profit and loss account and balance sheet can be obtained free of charge from the registered office of the SPV Issuer. The SPV Issuer must hold its first annual general meeting within 18 months of the date of its incorporation (and no more than 9 months after the financial year end) and thereafter the gap between its annual general meetings must not exceed 15 months. One annual general meeting must be held in each calendar year.

The auditors of the SPV Issuer are KPMG who are chartered accountants and are members of the Institute of Chartered Accountants and registered auditors qualified to practise in Ireland.

Listing and General Information

Listing

Application has been made to have the Notes listed to the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market.

Luxembourg Listing Information

Copies of the following documents will be available free of charge during usual business hours at the principal executive offices of EGSA, located at 2, rue René Caudron Bat. Op 78960 Voisins le Bretonneux, France, as well as at the registered offices of the Luxembourg Paying Agent for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange:

(i) the Certificate of Incorporation and the Memorandum and Articles of Association or Europcar Notes Limited;

(ii) the *statuts* (by-laws) of EGSA;

(iii) the financial statements included in this Offering Memorandum;

(iv) the following documents:

(a) the Indenture governing the Notes;

(b) Intercreditor Agreement;

(c) the Share Pledge; and

(d) the Purchase Agreement;

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange, EGSA will notify the Luxembourg Stock Exchange in the event of a change in the Luxembourg Paying Agent or Transfer Agent for the Notes. The SPV Issuer has appointed The Bank of New York Mellon (Luxembourg) S.A. as registrar and as Luxembourg Paying Agent and Listing Agent and The Bank of New York Mellon as Principal Paying Agent to make payments on, and effect transfers of, the Notes. EGSA reserves the right to vary such appointments in accordance with the terms of the Indenture.

Europcar accepts responsibility for the information contained in this Offering Memorandum. To the best of our knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum. This Offering Memorandum may only be used for the purposes for which it has been published.

Clearing Information

The Notes have been accepted for clearance through Euroclear France, Euroclear and Clearstream. The Notes have been accorded the following common codes and international securities identification numbers (ISINs):

- for the Notes sold pursuant to Regulation S the common code is 124105366 and the ISIN is XS1241053666;
- for the Notes sold pursuant to Rule 144A the common code is 124105439 and the ISIN is XS1241054391;

Legal Information

EGSA, Europcar Groupe S.A., was formed in connection with the ECI Acquisition and originally incorporated as a *société par actions simplifiée* on March 9, 2006. It was transformed on April 25, 2006 and is now a *société anonyme* incorporated under the laws of the Republic of France, with a share capital of €109,547,082.99 as of the date of this Offering Memorandum on EGSA's share capital consists of 103,818,131 registered shares with a par value of € approx. 1.055 each: divided into 103,428,003 ordinary shares, 382,042 Class B shares, 4,045 Class C shares and 4,041 Class D shares. We contemplate submitting to the next general assembly meeting of the Company the following transactions in order to absorb the loss relating to the year ended December 31, 2014: (i) a capital increase by incorporation of premiums through an increase of the par value of the ordinary shares of the Company, the share capital increasing from €109,547,082.99 to €208,456,660, then (ii) a capital decrease occasioned by losses through a decrease of the par value of the ordinary shares, the share capital decreasing from €208,456,660 to €103,818,131. EGSA's legal and commercial name is Europcar Groupe S.A. Its executive office is registered at 2 rue René Caudron, Bâtiment OP, 78960 Voisins-le-Bretonneux, France and it is registered with the *Registre du commerce et des sociétés* of Versailles under number 489 099 903. As of the date of this offering memorandum, it is a wholly-owned (other than a small number of qualifying shares) subsidiary of the Ordinary Equity Investors. EGSA owns 100% of ECI's share capital.

The SPV Issuer was incorporated in Ireland on March 2, 2015 with registered number 558326 as a private company with limited liability under the Companies Acts 1963 to 2013 (as amended) of Ireland. The registered office of the SPV Issuer is 2nd Floor, Palmerston House, Fenian Street, Dublin 2, Ireland

Auditors

The consolidated financial statements of EGSA as of and for the year ended December 31, 2012 have been audited by PricewaterhouseCoopers Audit and as of and for the years ended December 31, 2014 and December 31, 2013 by PricewaterhouseCoopers Audit and Mazars, statutory auditors.

Corporate Authorization

The assumption and issue of the Notes by EGSA was decided pursuant to resolutions of the Supervisory Board and the Management Board of EGSA dated May 11, 2015.

The issue of the Notes was decided pursuant to a resolution of the board of directors of the SPV Issuer dated May 27, 2015.

No Material Adverse Change

Except as disclosed in this Offering Memorandum, there has been no material adverse change in EGSA's financial position or prospects since December 31, 2014.

There has been no material adverse change in the financial position of the SPV Issuer since its incorporation on March 2, 2015.

Litigation

Except as disclosed in this Offering Memorandum, neither the SPV Issuer nor EGSA is involved in, and neither has any knowledge of any threatened litigation, administrative proceedings or arbitration which would have a material adverse impact on its results of operations or financial condition.

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EUROPCAR GROUPE

FREE ENGLISH TRANSLATION OF THE STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2012, 2013 and 2014

PricewaterhouseCoopers Audit
63 rue de Villiers,
92208 Neuilly-sur-Seine
France

MAZARS
61 rue Henri Regnault,
92075 Paris La Défense
France

FREE ENGLISH TRANSLATION OF THE STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2012, 2013 and 2014

(This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional accounting standards applicable in France Statutory Auditors' report on the consolidated financial statements prepared under IFRS as adopted by the European Union for the years ended December 31, 2012, 2013 and 2014)

To the President,
EUROPCAR GROUPE
2 rue René Caudron
78960 Voisins le Bretonneux
France

In our capacity as Statutory Auditors of Europcar Groupe SA and in accordance with Commission Regulation (EC) No 809/2004, in view of the planned public offering and listing of the Company's shares on the regulated market of Euronext Paris, we have conducted an audit of the accompanying consolidated financial statements of Europcar Groupe SA for the years ended December 31, 2012, 2013 and 2014, presented in accordance with IFRS as adopted by the European Union.

These consolidated financial statements are the responsibility of the Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements prepared in view of the planned public offering and the listing of the Company's shares on the regulated market of Euronext Paris and for the purposes of the "Document de base" submitted for approval to the French financial markets authority (Autorité des marchés financiers—AMF), give a true and fair view, in all material respects and in accordance with IFRS as adopted by the European Union, of the assets and liabilities and of the financial position of the Company at December 31, 2012, 2013 and 2014 and of the results of its operations for the years then ended.

Without qualifying our opinion, we draw your attention to the matters set out:

- In the note "I — Basis of preparation to the Consolidated financial statements" which describes the contexts of the preparation as well as the methods used to prepare these Financial Statements.
- In the section "General context and basis of preparation of the consolidated financial statements", as well as in the note 31 "Off-balance sheet commitments—(iii) Contingencies and guarantees" to the consolidated financial statements related to the potential consequences of (i) the ongoing litigation with the Enterprise group and (ii) the ongoing investigations by the competition authority in France.

Neuilly-sur-Seine and Courbevoie, 10 March 2015

The statutory auditors

PricewaterhouseCoopers Audit
François Jaumain

Mazars
Isabelle Massa

Europcar Groupe SA

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Consolidated income statement

In € thousands	Notes	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Revenue		**1,978,870**	**1,902,655**	**1,936,411**
Fleet holding costs	***3***	(496,264)	(495,024)	(536,831)
Fleet operating, rental and revenue related costs	***4***	(686,279)	(671,801)	(691,292)
Personnel costs	***5***	(318,153)	(310,756)	(309,217)
Network and head office overheads	***6***	(199,339)	(194,775)	(211,998)
Amortization, depreciation and impairment expense	***7***	(31,824)	(33,819)	(33,011)
Other income	***8***	6,879	13,749	18,976
Recurring operating income		**253,890**	**210,229**	**173,038**
Goodwill impairment expense				
Other operating income	***9***	–	630	3,694
Other operating expenses	***9***	(115,729)	(36,885)	(35,328)
Operating income		**138,161**	**173,974**	**141,404**
Gross financing costs		(151,424)	(164,050)	(156,410)
Other financial expenses		(90,650)	(62,360)	(78,579)
Other financial income		9,393	2,841	4,812
Net financing costs	***10***	**(232,681)**	**(223,569)**	**(230,177)**
Profit/(loss) before tax		**(94,520)**	**(49,595)**	**(88,773)**
Income tax	***11***	(10,655)	(8,070)	(18,447)
Share of profit/(loss) in associates	***15***	(6,523)	(5,050)	(3,466)
Net profit/(loss)		**(111,698)**	**(62,715)**	**(110,686)**
Attributable to:				
Owners of ECG		(112,273)	(62,024)	(109,861)
Non-controlling interests		575	(691)	(825)
Basic loss per share attributable to owners of ECG (in €)	***23***	*(1.082)*	*(0.597)*	*(1.404)*
Diluted loss per share attributable to owners of ECG (in €)	***23***	*(1.082)*	*(0.597)*	*(1.404)*

Consolidated statement of comprehensive inc

In € thousands	Dec. 31, 2014 Before tax	Dec. 31, 2014 Tax income/ (expense)	Dec. 31, 2014 After tax	Dec. 31, 2013 Before tax	Dec. 31, 2013 Tax income/ (expense)	Dec. 31, 2013 After tax
Net profit/(loss) for the year	**(101,043)**	**(10,655)**	**(111,698)**	**(54,645)**	**(8,070)**	**(62,715)**
Items that will not be reclassified to profit or loss	**(21,802)**	**5,985**	**(15,817)**	**(919)**	**191**	**(728)**
Actuarial gains/(losses) on defined benefit pension schemes	**(21,802)**	**5,985**	**(15,817)**	**(919)**	**191**	**(728)**
Items that may be reclassified subsequently to profit or loss	**(282)**	**(4,713)**	**(4,995)**	**18,784**	**(10,129)**	**8,655**
Foreign currency differences	**13,598**		**13,598**	**(10,629)**		**(10,629)**
Effective portion of changes in fair value of cash flow hedges	**(13,922)**	**(4,713)**	**(18,635)**	**29,381**	**(10,118)**	**19,263**
Net change in fair value of available-for-sale financial assets	**42**		**42**	**32**	**(11)**	**21**
Other comprehensive income/(loss) for the period	**(22,084)**	**1,272**	**(20,812)**	**17,865**	**(9,938)**	**7,927**
Total comprehensive income/(loss) for the period	**(123,127)**	**(9,383)**	**(132,510)**	**(36,780)**	**(18,008)**	**(54,788)**
Attributable to:						
Owners of ECG			(133,085)			(54,097)
Non-controlling interests			575			(691)

Consolidated statement of financial position

In € thousands	Notes	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
ASSETS				
Goodwill	*12*	449,389	434,352	441,071
Intangible assets	*13*	721,732	745,627	760,901
Property, plant and equipment	*14*	88,204	89,402	93,634
Equity-accounted investments	*15*	17,323	56	852
Other non-current investments	*16*	38,934	35,541	43,745
Deferred tax assets	*17*	47,395	31,796	32,881
Total non-current assets		**1,362,977**	**1,336,774**	**1,373,084**
Inventories	*18*	16,141	16,979	18,633
Rental fleet related receivables	*19*	1,932,758	1,668,437	1,788,345
Trade and other receivables	*20*	325,912	288,508	322,489
Current investments	*16*	49,477	41,404	36,845
Current tax assets		33,347	37,042	17,368
Restricted cash	*21*	81,795	81,724	83,941
Cash and cash equivalents	*21*	144,037	196,381	135,109
Total current assets		**2,583,467**	**2,330,475**	**2,402,730**
Total assets		**3,946,444**	**3,667,249**	**3,775,814**
Equity				
Share capital		446,383	446,383	782,286
Share premium		452,978	452,978	7,075
Reserves		(77,926)	(72,889)	(81,523)
Retained earnings (losses)		(664,250)	(539,278)	(476,547)
Total equity attributable to the owners of ECG		**157,185**	**287,194**	**231,291**
Non-controlling interests		950	3,451	4,142
Total equity	*22*	**158,135**	**290,645**	**235,433**
Subordinated loan		–	–	110,000
Total equity and subordinated loan		**158,135**	**290,645**	**345,433**
LIABILITIES				
Financial liabilities	*24*	1,043,069	1,036,015	1,016,496
Non-current financial instruments	*29*	41,928	13,748	24,938
Employee benefit liabilities	*25*	124,759	102,957	100,340
Non-current provisions	*26*	10,114	4,460	3,097
Deferred tax liabilities	*17*	131,005	135,223	141,421
Other non-current liabilities		365	425	563
Total non-current liabilities		**1,351,240**	**1,292,828**	**1,286,855**
Current portion of financial liabilities	*24*	1,127,545	945,115	1,000,278
Employee benefits	*25*	2,744	2,522	2,400
Current tax liabilities		34,560	39,910	33,648
Rental fleet related payables	*27*	581,957	548,103	581,678
Trade payables and other liabilities	*28*	449,866	354,445	326,829
Current provisions	*26*	240,397	193,681	198,693
Total current liabilities		**2,437,069**	**2,083,776**	**2,143,526**
Total liabilities		**3,788,309**	**3,376,604**	**3,430,381**
Total equity and liabilities		**3,946,444**	**3,667,249**	**3,775,814**

Consolidated statement of changes in equi

In € thousands	Attributable to owners of the Company						Non-controllin
	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Total	interest
Balance at January 1, 2012	**782,286**	**7,075**	**(48,069)**	**(47,512)**	**(350,228)**	**343,552**	**4,967**
Net profit/(loss) for the year	**–**				**(109,861)**	**(109,861)**	**(825**
Foreign currency differences				3,388		3,388	–
Effective portion of changes in fair value of cash flow hedges			16,274			16,274	–
Net change in fair value of available-for-sale financial assets					(286)	(286)	–
Actuarial gains/(losses) on defined benefit pension schemes					(22,699)	(22,699)	–
Income tax relating to components of other comprehensive income			(5,604)		6,527	923	–
Other comprehensive income/(loss)	**–**	**–**	**10,670**	**3,388**	**(16,458)**	**(2,400)**	**–**
Increase in share capital						–	–
Subordinated loan						–	–
Transactions with owners	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at December 31, 2012	**782,286**	**7,075**	**(37,399)**	**(44,124)**	**(476,547)**	**231,291**	**4,142**
Balance at January 1, 2013	**782,286**	**7,075**	**(37,399)**	**(44,124)**	**(476,547)**	**231,291**	**4,142**
Net profit/(loss) for the year					**(62,024)**	**(62,024)**	**(691**
Foreign currency differences				(10,629)		(10,629)	–
Effective portion of changes in fair value of cash flow hedges			29,381			29,381	–
Net change in fair value of available-for-sale financial assets					32	32	–
Actuarial gains/(losses) on defined benefit pension schemes					(919)	(919)	–
Income tax relating to components of other comprehensive income			(10,118)		180	(9,938)	–
Other comprehensive income/(loss)	**–**	**–**	**19,263**	**(10,629)**	**(707)**	**7,927**	**–**
Increase in share capital	(335,903)	445,903				110,000	–
Subordinated loan						–	–
Transactions with owners	**(335,903)**	**445,903**	**–**	**–**	**–**	**110,000**	**–**
Balance at December 31, 2013	**446,383**	**452,978**	**(18,136)**	**(54,753)**	**(539,278)**	**287,194**	**3,451**

In € thousands	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Total	Non-controlling interests
	Attributable to owners of the Company						
Balance at January 1, 2014	**446,383**	**452,978**	**(18,136)**	**(54,753)**	**(539,278)**	**287,194**	**3,451**
Net profit/(loss) for the year					**(112,273)**	**(112,273)**	**575**
Foreign currency differences				13,598		13,598	–
Effective portion of changes in fair value of cash flow hedges			(13,922)		–	(13,922)	–
Net change in fair value of available-for-sale financial assets			–		42	42	–
Actuarial gains/(losses) on defined benefit pension schemes					(21,802)	(21,802)	–
Income tax relating to components of other comprehensive income			(4,713)		5,985	1,272	–
Other comprehensive income/(loss)	**–**	**–**	**(18,635)**	**13,598**	**(15,775)**	**(20,812)**	**–**
						–	
Change in non-controlling interests	–	–			3,076	3,076	(3,076)
Subordinated loan						–	–
Transactions with owners	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at December 31, 2014	**446,383**	**452,978**	**(36,771)**	**(41,155)**	**(664,250)**	**157,185**	**950**

Consolidated cash flow statement

In € thousands	Notes	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Profit/(loss) before tax		**(94,520)**	**(49,595)**	**(88,773)**
Depreciation and impairment charge on property, plant & equip.	***14***	12,834	14,490	16,807
Amortization exp. and impairment charge on intangible assets	***13***	36,183	25,349	24,919
Impairment charge on goodwill	***12***	–	–	–
Depreciation and impairment charge on financial assets	***16***	–	–	–
Changes in provisions and employee benefits	***25, 26***	46,865	(951)	5,743
Profit/(loss) on disposal of assets		(1,311)	(107)	(83)
Total net interest costs		*160,011*	*174,163*	*167,697*
Redemption premium		*17,063*		
Amortization of transaction costs		*29,237*	*23,409*	*20,369*
Amortization of bond issue premiums		*1,415*	*–*	*710*
Other non-cash items[(1)]		*16,258*	*18,191*	*35,014*
Financing costs		**223,984**	**215,763**	**223,790**
Operating profit before changes in working capital		**224,035**	**204,949**	**182,403**
Changes in rental fleet		(91,466)	(7,043)	64,978
Changes in fleet working capital		(74,025)	63,043	30,512
Changes in non-fleet working capital[(3)]		50,018	62,613	(18,598)
Cash generated from operations		**108,562**	**323,562**	**259,295**
Income taxes received/paid		(31,447)	(35,600)	(65,752)
Net interest paid		(166,798)	(174,053)	(166,273)
Net cash generated from (used by) operating activities		**(89,683)**	**113,909**	**27,270**
Other investments and loans		(1,158)	90	7,382
Acquisition of intangible assets and property, plant and equipment	***12,13,14***	(23,578)	(23,202)	(25,534)
Proceeds from disposal of fixed assets		3,491	1,812	1,973
Proceeds from disposal of financial assets		(9,614)	2,937	(6,560)
Acquisition of subsidiaries, net of cash acquired[(4)]		(45,778)	(4,644)	(5,673)
Disposal of subsidiaries, net of cash sold		–	–	–
Dividends received from associates		–	(67)	16
Net cash used by investing activities		**(76,637)**	**(23,074)**	**(28,396)**
Increase in share capital		–	110,000	–
Shareholder's subordinated loan		–	–	110,000
New senior subordinated secured notes		350,000	–	324,000
Redemption of senior subordinated secured notes		(367,063)	–	(425,000)
Change in senior fleet financing liability[(2)]		84,445	16,700	(15,540)
Change in other fleet financing liabilities		56,185	(47,917)	2,621
Payment of transaction costs		(17,336)	(4,013)	(33,954)
Cash payment for swap amendment		(2,000)	–	(67,117)
Other new borrowings			–	3,495
Repayment of other borrowings		(931)	(110,347)	(32,096)
Net cash generated from (used by) financing activities		**103,300**	**(35,577)**	**(133,591)**
Cash and cash equivalents at end of period	***21***	206,317	267,038	213,094
Cash and cash equivalent at beginning of period	***21***	267,038	213,094	344,974
Effect of foreign exchange differences		2,299	(1,314)	2,837
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences		**(63,020)**	**55,258**	**(134,717)**

(1) Of which, €14 million in 2014 (€35 million in 2012, €17 million in 2013) of swap fair value adjustments reclassified from other comprehensive income to profit and loss (see Note 29).

(2) Changes in borrowings dedicated to fleet financing are reported on a net basis since they relate to buy-back agreements with a short term maturity.

(3) Of which, € 48.6 million in 2012 reported in "Changes in non-fleet working capital", and €17.4 million reported in income taxes received/paid to settle the Fleming VAT claim.

(4) Of which in 2014, the acquisition cost, net of cash acquired, of Ubeeqo (€17.3 million) and Europhall (€22.5 million), as well as the subscription to the increase in the capital of Car2Go (€5.7 million).

General context and basis of preparation of the consolidated financial statements

Europcar Groupe SA ("ECG") was incorporated on March 9, 2006 with an initial share capital of €235,000 and was converted into a French *société anonyme* (joint-stock corporation) on April 25, 2006. ECG's registered offices are located at 2 rue René Caudron, 78960 Voisins le Bretonneux, France.

These consolidated financial statements have been prepared to provide financial information to our shareholders, the holders of and potential investors in the notes issued by Europcar Groupe S.A. (referred to as "ECG") and not in response to any statutory obligation. ECG is exempt from any such obligation by virtue of the consolidated accounts prepared by its ultimate shareholder Eurazeo S.A.

The financial statements were approved and authorized for issue by the Board of Directors on March 9, 2015.

Europcar Groupe leverages all of its experience in the car rental sector to provide vehicles for short and medium term corporate and leisure rentals under the Europcar and InteRent trademarks for a wide range of publics and businesses. Its offering ranges from low cost to luxury rentals.

Between 2008 and 2013, the Group also serviced the National and Alamo trademarks in the EMEA region under a license from Enterprise, with National targeting mostly the business segment and Alamo the leisure broker segment. This partnership was terminated in August 2013, although the Group continues to service the National and Alamo brands in the EMEA regions on the basis of a license agreement with Enterprise. The license and commercial cooperation agreement are subject to an arbitration process, the result of which is to effectively discontinue said agreements in March 2015, after a transition period agreed between the two parties.

In 2014, the Group added to its portfolio of businesses with the acquisition of a majority 70.64% stake in Ubeeqo, a French start up created in 2008 that offers corporate car-sharing solutions. Ubeeqo, which is already present in France and Belgium, is using Europcar's support to set up in Germany and also intends to expand into the UK.

In the final quarter of 2014, the Group used its French subsidiary, Europcar France SAS, to acquire 100% of the shares of Europ Hall SAS, one of the subsidiary's major franchisees in Eastern France.

In July 2014, the Group issued 5.125% high-yield notes for a total amount of € 350,000,000 to refinance existing debt.

The Company is planning an IPO on Euronext Paris.

I—Basis of preparation

These consolidated financial statements for the years ended December 31, 2012, December 31, 2013 and December 31, 2014 have been prepared as part of Europcar Group's planned IPO on Euronext Paris and in accordance with the requirements of base prospectus (*document de base*) filed with the French financial markets authority (*Autorité des marchés financiers*—AMF). They have been prepared based on:

- the consolidated financial statements for the year ended December 31, 2012, approved by the Shareholders' Meeting of May 16, 2013, and audited by PricewaterhouseCoopers Audit on April 19, 2013;
- the consolidated financial statements for the year ended December 31, 2013, approved by the Shareholders' Meeting of March 26, 2014, and audited by PricewaterhouseCoopers Audit on March 10, 2014;
- the consolidated financial statements for the year ended December 31, 2014, approved by the Shareholders' Meeting of March 6, 2015, and audited by PricewaterhouseCoopers Audit on April 10, 2015.

In the context of the planned listing on a regulated market, the Group is required to apply IFRS 8—Operating Segments and IAS 33—Earnings per Share, for the first time.

The presentation principles retained are those that are mandatory for financial periods beginning on or after December 31, 2014. The new standards, amendments to existing standards applied since December 31, 2012 do not have a material impact on the consolidated financial statements for the years ended December 31, 2012 and December 31, 2013.

These consolidated financial statements were reapproved for issue by the Board of Directors of Europcar Groupe SA at its meeting of March 9, 2015.

Only events that occurred between December 31, 2014 and March 9, 2015, the date the consolidated financial statements were approved for issue, have been treated in accordance with IAS 10—Events after the Reporting Period. These events are described in Note 35—Subsequent Events.

II—Significant accounting policies

The consolidated financial statements of Europcar Groupe for the years ended December 31, 2012, December 31, 2013 and December 31, 2014 have been prepared in accordance with the IFRSs (International Financial Reporting Standards) adopted by the European Union. These standards can be viewed on the European Commission's website at: http://ec.europa.eu/finance/accounting/ias/index_en.htm.

The consolidated financial statements have been prepared using the historical cost basis except for the following:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit and loss are measured at fair value;
- non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell in accordance with IFRS 5.

These consolidated financial statements are presented in euros (€), which is ECG's functional currency and the Group's presentation currency. All financial information presented in euros (€) has been rounded to the nearest thousand euros unless otherwise stated.

Accounting policies and methods

Basis of measurement

The accounting policies used to prepare the consolidated financial statements for the year ended December 31, 2014 are consistent with those used for the year ended December 31, 2013, with the exception of the following standards which are mandatory for accounting periods beginning on or after January 1, 2014:

- IFRS 10—Consolidated Financial Statements, defines control over an investee as exposure or rights to variable returns and the ability to affect those returns through power over an investee;
- IFRS 11—Joint Arrangements, outlines two ways of accounting for joint arrangements:
- joint operations, where the Group recognizes its share in the assets, liabilities, income and expenses of the arrangement. Joint operations may be structured through separate vehicles;
- joint ventures, where the rights to the net assets of the arrangement are accounted for using the equity method.

The Group does not own any joint ventures.

- IFRS 12—Disclosures of Interests in Other Entities;
- Revised IAS 27—Separate Financial Statements and Revised IAS 28—Investments in Associates and Joint Ventures;
- Amendments to transition guidance for IFRS 10—Consolidated Financial Statements, IFRS 11—Joint Arrangements, and IFRS 12—Disclosures of Interests in Other Entities;
- Amendment by Investment Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12);
- Amendment to IAS 32—Offsetting Financial Assets and Financial Liabilities;
- Amendment to IAS 36—Recoverable Amount Disclosures for Non-Financial Assets;
- Amendment to IAS 39—Novation of Derivatives and Continuation of Hedge Accounting.

Application of these new standards and amendments did not have a material impact on Europcar's consolidated financial statements.

The Group has not elected to early adopt the following standards which are not mandatory for accounting periods through December 31, 2014, and have not yet been adopted by the European Union:

- Amendments to IAS 19—Defined Benefit Plans: Employee Contributions, applicable for accounting periods beginning on or after February 1, 2015;
- Amendments to IFRS 10 and IAS 28—Sales or Contributions of Assets between an Investor and its Associate or Joint Venture, applicable for accounting periods beginning on or after January 1, 2016;
- Amendments to IAS 27—Equity Method in Separate Financial Statements, applicable for accounting periods beginning on or after January 1, 2016;
- Amendments to IAS 16 and IAS 41—Agriculture: Bearer Plants, applicable for accounting periods beginning on or after January 1, 2016;
- The IFRS annual improvements 2010-2012 cycle, applicable for accounting periods beginning on or after July 1, 2014;
- The IFRS annual improvements 2011-2013 cycle, applicable for accounting periods beginning on or after July 1, 2014;
- The IFRS annual improvements 2012-2014 cycle, applicable for accounting periods beginning on or after January 1, 2016;
- Amendments to IAS 16 and IAS 38—Clarification of Acceptable Methods of Depreciation and Amortization, applicable to accounting periods beginning on or after 1 January 2016;
- IFRS 14—Regulatory Deferral Accounts, applicable for accounting periods beginning on or after January 1, 2016;
- IFRS 15—Revenue from Contracts with Customers, applicable for accounting periods beginning on or after January 1, 2017;
- IFRS 9 and subsequent updates to IFRS 9—Financial Instruments: Classification and Measurement, applicable for accounting periods beginning on or after January 1, 2015.

Europcar has elected not to adopt IFRIC 21—Levies, adopted by the EU on June 14, 2014, because this interpretation is only mandatory for accounting periods beginning on or after January 1, 2015.

Europcar is currently determining the potential impacts of these new standards and amendments on the Group's consolidated financial statements.

Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions which impact the amounts presented for existing assets and liabilities in the consolidated statement of financial position, income and expense items in the consolidated income statement, and disclosures in the notes to the consolidated financial statements.

Due to the uncertainty inherent to all measurement processes, these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Group formulates assumptions and, on this basis, regularly prepares estimates relating to its various activities. These estimates are based on past experience and factor in the economic conditions prevailing at the period-end and the information then available. Those economic trends are specifically reviewed on a country-by-country basis.

However, actual values may be different from these estimates due to changes in conditions that affect the underlying assumptions and the Group's future earnings may also differ from those estimated.

With respect to the vehicle rental business, estimates specifically cover:

- The residual value of "at risk" vehicles (see section II- Rental fleet related receivables (iii)).
- The fair value of vehicles purchased with manufacturer or dealer buy-back commitment when badly damaged or stolen (see section II- Rental fleet related receivables (i)).
- Evaluation of the ultimate cost of claims made against the Group for self-funded insured accidents using actuarial techniques generally accepted and used in the insurance industry.

In addition, estimates also cover:

- Fair value measurement of assets and liabilities during allocation of the acquisition cost of business combinations (see Note 12).
- The value of non-listed equity investments held for sale (see Note 16) and financial instruments recorded at fair value in the Group's statement of financial position (see Note 29).
- Estimates of future cash flows as part of impairment tests for goodwill recorded in the statement of financial position and capitalized assets including trademarks (see Notes 12 and 13).
- Amounts of deferred taxes that may be recognized in the statement of financial position (see Note 17).
- Measurement of post-employment benefits and other employee benefits (see Note 25).
- Provisions for disputes and litigation and valuation of contingent liabilities (see Notes 26 and 31).

Basis of consolidation

(i) Subsidiaries

Europcar Groupe's financial statements include the accounts of the parent company, ECG, and its subsidiaries for the year ended December 31, 2014.

Subsidiaries are all entities (including special purpose entities), directly or indirectly controlled by ECG. Control exists when ECG has the ability to direct an investee's relevant activities, is exposed to variable returns and has the ability to affect those returns through power over an investee. In assessing control, substantive potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. At the acquisition date, ECG transfers the consideration, acquires the assets and assumes the liabilities of the acquiree.

The assets acquired and the liabilities assumed (including contingent consideration) are valued at fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Depending on the nature of the business combination, the Group may elect to use either of these options.

At the acquisition date, the difference between:

- the fair value of the consideration transferred (including contingent consideration), plus non-controlling interests in the acquiree and, in the case of step acquisitions, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree revalued through profit or loss; and
- the acquisition-date fair value of the identifiable assets required and liabilities assumed;

is recorded as goodwill.

If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Accounting policies of subsidiaries are amended where necessary to ensure consistency with the policies adopted by the Group.

(ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions between equity owners of the Group. In the case of an additional acquisition of shares in a previously-controlled entity, the difference between the consideration paid and the corresponding share acquired in the carrying amount of net assets of the subsidiary is recorded in equity. When the Group ceases to exercise control, any remaining interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss.

(iii) Associates

Associates are entities over whose financial and operating policies the Group has significant influence, but not control or joint control (generally corresponding to a shareholding of between 20% and 50% of the voting rights).

The Group's interests in associates are accounted for under the equity method, i.e., equity interests are accounted for at cost, adjusted for the post-acquisition changes in the investor's share in the net assets of the associate. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has a legal or constructive obligations to make payments on behalf of an associate.

(iv) Joint arrangements

Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement. The Group's interests in joint ventures are accounted for under the equity method. The consolidated financial statements include the Group's proportionate share of joint ventures' assets, liabilities, revenue and expenses grouped together with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

(v) Special purpose entities

Special purpose entities (SPEs), such as SecuritiFleet companies, Euroguard, the Protected Cell Insurance & Reinsurance SPE, FCT Sinople and EC Finance plc are consolidated when the relationship between the Group and the SPE indicates that the SPE is in substance controlled by the Group. SPEs are entities which are created to accomplish a specifically-defined objective.

(vi) Reclassification of exchange gains/losses in profit and loss

Exchange gains/losses recognized in other comprehensive income are reclassified in profit and loss only in the case of a total or partial disposal. A partial disposal is defined by the Group as the disposal of an interest in a subsidiary (and not as a decrease in the investment).

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros (€),which is ECG's functional currency and the Group's presentation currency.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation of monetary assets and liabilities are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at the foreign exchange rate at the fair value measurement date.

(iii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the foreign exchange rate at the reporting date, while equity is translated at historical rates. The revenues and expenses of foreign operations are translated into euros at weighted average rates. All resulting exchange differences are recognized as a separate component of equity.

(iv) Foreign currency exchange rates

The following exchange rates were used at December 31, 2012, December 31, 2013 and December 31, 2014:

	December 31, 2014		December 31, 2013		December 31, 2012	
	Average rate	**Closing rate**	**Average rate**	**Closing rate**	**Average rate**	**Closing rate**
Sterling (GBP)	1.240	1.284	1.177	1.199	1.233	1.225
Australian Dollar (AUD)	0.679	0.674	0.726	0.648	0.806	0.787

Source: Banque de France

Goodwill

Goodwill recognized in local currency is not amortized and is subject to an impairment test performed at least annually, or more frequently if there is evidence that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated by operating segment and within the corporately-owned rental business segment by country.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted future cash flow method. When this value is less than its carrying amount, an impairment loss is recognized in the income statement. The impairment loss is first recorded as an adjustment to the carrying amount of goodwill allocated to the CGU and the remainder of the loss, if any, is allocated to the other long-term assets of the unit on a pro rata basis.

Goodwill arising from acquisitions of associates is included in 'Investments in associates' and the total amount of goodwill is tested for impairment.

Any impairment of goodwill is recorded in "Goodwill impairment expense".

Intangible assets other than goodwill

(i) Trademarks and licenses

Trademarks with an indefinite useful life

The Europcar trademark has been recognized at cost with an indefinite useful life and is not amortized. It is tested annually for impairment based on the relief-from-royalty method.

Impairment charges for trademarks are accounted for in non-recurring items in the consolidated income statement.

Trademarks with a finite useful life

The contractual right to operate the National and Alamo trademarks as part of a brand license agreement with Enterprise Holdings Inc. was recorded in “Other intangible assets”.

Trademarks and licenses that have a finite useful life are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives, or over the life of the underlying contract (10 years). They are tested for impairment at least annually or more frequently if there is evidence that they may be impaired.

(ii) Computer software and operating systems

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire them and bring them into use. These costs are amortized over their estimated useful lives (see below). Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. These costs include the costs of the employees allocated to developing the software and a portion of relevant overheads directly attributable to developing the software.

Computer software development costs recognized as assets are amortized over their estimated useful lives (see below).

(iii) Intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization (see below) and impairment losses. They include the right to operate trademarks acquired under a business combination.

(iv) Amortization

Intangible assets are amortized from the date they are available for use. The estimated useful lives are as follows:

• Trademarks with a finite useful life	10 years
• Lease rights	10 years
• Computer software	3 years
• Operating systems	5 to 10 years

Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items of property, plant and equipment and depreciated over their own useful lives. Repairs and maintenance costs are expensed as incurred.

(ii) Leased assets

IAS 17 defines a lease as being an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases (lessee accounting). Owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

(iii) Subsequent costs

The Group recognizes within the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the Group will gain future economic benefit from the item and the cost of the item can be measured reliably. All other costs are expensed in the income statement as and when they are incurred. The cost of repairs and interest on borrowings are recorded as current expenses.

(iv) Depreciation

Land is not depreciated. Estimated useful lives are as follows:

• Freehold buildings	25 to 50 years
• Technical equipment and machinery	6 to 12 years
• Other equipment and office equipment, including specialized tools	3 to 15 years

If the residual value is material, it is reassessed annually. The useful life is reviewed annually.

Rental fleet and related receivables

The rental fleet operated by Europcar comprises vehicles that are acquired or financed in different ways:

	% of total volume of vehicles purchased		
Type of acquisition and related financing	**2014**	**2013**	**2012**
Vehicles purchased with manufacturer or dealer buy-back commitment	43%	44%	43%
Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements qualifying as operating leases	49%	48%	51%
Total fleet purchased with buy-back arrangements	92%	92%	94%
Vehicles purchased without manufacturer or dealer buy-back commitment (“at risk” or “risk vehicles”)	7%	7%	6%
Vehicles financed through rental agreements qualifying as finance leases	1%	1%	0%
Total purchases of rental fleet	100%	100%	100%

The Group recognizes the entire rental fleet on the statement of financial position, with the exception of vehicles acquired on operating leases which are recognized off-balance sheet.

(i) Vehicles purchased with manufacturer or dealer buy-back commitment

One of the characteristics of the car industry is the sale/purchase of vehicles with buy-back commitment from the manufacturer or dealer. The contractual holding period usually runs for a period of less than 12 months. IFRS does not specifically provide any standards or guidance on the accounting treatment of such transactions. As a result, in line with other car rental companies, the Group applies industry specific accounting practices as described below. This accounting treatment mirrors that usually applied by car manufacturers.

Because the holding period of the vehicle is in general less than 12 months, the Group recognizes these vehicles as current assets (in the “Rental fleet and related receivables” line item—see Note 18) at the inception of the arrangements.

The amount recorded under the “Rental fleet and related receivables” statement of financial position account represents the acquisition cost of the vehicles (net of volume rebates) and is the sum of two amounts representing two distinct current assets:

- The “Vehicle buy-back agreement receivable”, representing the agreed buy-back price (the obligation of the manufacturer or dealer);
- The “Deferred depreciation expense on vehicles”, representing the difference between the acquisition cost of the vehicle and the agreed buy-back price. This asset is depreciated through the income statement on a straight-line basis over the contractual holding period of the vehicle.

For stolen vehicles, the Group recognizes an impairment charge against the value of the corresponding “Vehicle buy-back agreement receivable” over a three-month period following the event. For badly damaged vehicles, the Group adjusts the value of the corresponding receivable on the basis of third party appraisal of the damaged vehicle.

IFRIC 4—Determining Whether an Arrangement Contains a Lease, requires entities to determine whether an arrangement is, or contains, a lease based on the respective economic substance of the arrangement. In doing so, an

assessment must be made as to whether (a) fulfillment of an arrangement is dependent on the use of a specific asset or assets (the asset) and (b) the arrangement conveys a right to use the asset.

The agreements with car manufacturers and dealers in respect of the rental fleet have been examined in light of IFRIC 4 and do not have an impact on the classifications described above.

(ii) Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements qualifying as operating leases

Vehicles are also acquired through rental arrangements with financial institutions and financial divisions of car manufacturers that in substance qualify as operating leases as defined under IAS 17—Leases. The providers of financing do not transfer significant risks and rewards of ownership to Europcar, given that:

- Europcar uses the cars for only a short period (not exceeding 18 months) compared with the economic life of the asset;
- The residual value of vehicles at the end of the agreement is significant; and
- Europcar is not exposed to any significant residual value risk (due to the buy-back commitment from the manufacturer or dealer).

Vehicles operated under operating lease arrangements are not reported in the statement of financial position in accordance with IAS 17 and lease payments for these vehicles are disclosed in Note 31 (i), “Operating leases”.

(iii) Vehicles purchased without manufacturer or dealer buy-back commitment (“at risk” or “risk vehicles”)

Vehicles purchased without manufacturer or dealer buy-back commitment are reported by the Group as “at risk” vehicles.

In most cases, the holding period for a car does not exceed 12 months. For vans and trucks, the holding period can range from 12 to 24 months. At December 31, 2014, the net book value of “at risk” vehicles represented 15% of the total value of the rental fleet (including the estimated outstanding value of the fleet financed through operating leases), the same as at December 31, 2013. Consequently, the Group classifies “at risk” vehicles as current assets under “Rental fleet and related receivables”—see Note 18.

The value of the vehicles is initially measured at cost, including any import duties, non-refundable purchase taxes and any costs directly attributable to bringing the vehicle to the rental location and preparing it for rental. At inception, “at risk” vehicles are depreciated on a straight-line basis based on their planned holding period and projected residual value. Over the holding period, the residual value is regularly reviewed taking into account the conditions of the used vehicle market and it is adjusted if necessary.

(iv) Vehicles financed through rental agreements qualifying as a finance lease

When Europcar is exposed to a significant residual value risk under rental arrangements with financial institutions or the financial divisions of car manufacturers, the arrangement is considered to be a finance lease. Vehicles acquired under finance lease arrangements represented 0.55% of the total volume of vehicles purchased in 2014 (0.64% in 2013) and their average holding period is usually shorter than 12 months. Therefore, vehicles financed under finance lease arrangements are recorded as current assets.

(v) Rental fleet related receivables

Rental fleet related receivables include:

- Fleet receivables, due by car manufacturers or dealers repurchasing the vehicles after the vehicle has been returned to the car manufacturer at the end of the holding period (buy-back agreements). The fleet receivables are recorded at fair value, which corresponds to their nominal value. These receivables fall due within one year and are impaired if their carrying amount is greater than the estimated recoverable amount.
- The full amount of the Group’s VAT receivables, since the major portion of these are fleet-related.

Rental fleet related payables

Rental fleet payables are amounts due to car manufacturers or dealers. These payables are recorded at fair value and fall due within one year. Rental fleet related payables include the full amount of the Group’s VAT payables, since the major portion of the Group’s VAT payables are fleet related.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the regular course of business which are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provisions for impairment. A provision is recognized in respect of impairment of trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of a receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered to be indicators that a trade receivable is impaired.

The impairment loss is recognized in the consolidated income statement in "Fleet operating, rental and revenue related costs" (see Note 4).

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Cash

Cash includes cash and cash equivalents and restricted cash.

(i) Cash and cash equivalents

Cash comprises cash in hand.

Cash equivalents include short-term and highly liquid investments such as marketable securities and obligations with a maturity of less than three months at the acquisition date, readily convertible to a known amount of cash and subject to an insignificant risk of a change in value. Financial instruments classified as cash and cash equivalents are accounted for at fair value through profit and loss.

(ii) Restricted cash

Cash and cash equivalents are considered as restricted when they are (i) used to cover the future settlement of insurance claims or (ii) not immediately available for financing the activity of the subsidiaries. Therefore, cash located in the following fleet and insurance SPEs is considered restricted:

- SecuritiFleet Holding and SecuritiFleet Holding Bis;
- FCT Sinople (securitization mutual fund);
- EC Finance Plc; and
- Euroguard, a captive insurance structure.

Restricted cash and restricted cash equivalents are presented separately from cash and cash equivalents.

Financial instruments

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

The Group classifies its financial assets in the following categories: financial instruments at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial liabilities are classified in the following categories: financial liabilities at fair value through profit and loss and other financial liabilities. Management determines the classification of financial assets and liabilities at initial recognition.

(i) Loans and receivables

This category is for non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, which arise from the lending of money, or supply of goods or services. They include loans acquired, receivables and marketable securities not classified as cash and cash equivalents. Loans and receivables are initially recognized at fair value, including transaction costs. These are subsequently valued at amortized cost, using the effective interest rate method.

For short-term receivables, amortized cost generally equals the nominal amount.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the entity has the positive intention and ability to hold to maturity. These instruments are measured at amortized cost. Held-to-maturity investments are reported as non-current investments if the maturity is greater than 12 months. Otherwise they are reported as current investments (see Note 16).

(iii) Available-for-sale financial assets

“Available-for-sale financial assets” is essentially a residual category for those financial assets that do not meet the criteria of the other categories or that are designated as available-for-sale. This category includes investments in non-consolidated companies (see Note 16).

Financial instruments classified as “available-for-sale” are measured at fair value. Gains and losses arising from changes in fair value are included as a separate component of equity except for impairment losses and monetary items such as foreign exchange gains and losses. When these investments are derecognized, the cumulative gain or loss is transferred to the income statement. Where these investments are interest bearing, interest determined using the effective interest method is recognized in the income statement.

Available-for-sale equity investments (e.g., investments in unconsolidated companies) that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost, less any accumulated impairment losses.

Impairment of available-for-sale financial assets

In the case of available-for-sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is also considered in determining whether impairment exists. Where such evidence exists, the cumulative net loss previously recognized directly in equity is transferred out of equity and recognized in the income statement.

Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement until the sale of the equity instrument. Increases in the fair value of equity securities after impairment are recognized directly in equity.

(iv) Financial liabilities at amortized cost

These financial liabilities include:

• loans and borrowings;
• trade and other payables;
• bank overdrafts.

For short-term trade and other payables, amortized cost generally equals the nominal amount.

Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently measured at amortized cost. The effective interest rate calculation takes into account interest payments and the amortization of transaction costs. Transaction costs are amortized on an effective interest rate basis over the term of the borrowings.

Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of current borrowings for the purposes of the statement of financial position and statement of cash flows.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(v) Derivative financial instruments

The Group uses derivative financial instruments to manage its exposure to interest rate and foreign exchange risks. In accordance with its treasury management policy, the Group does not hold or issue derivative financial instruments for trading purposes.

When derivatives are held for risk management purposes and when transactions meet the required criteria, the Group applies fair value hedge accounting, cash flow hedge accounting or hedging of a net investment in a foreign operation as appropriate to the risks being hedged.

At the inception of the transaction the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives for undertaking the hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of

various derivative instruments used for hedging purposes are disclosed in Note 29. Movements in the cash flow hedging reserve are shown in the consolidated statement of comprehensive income.

Cash flow hedge accounting

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognized initially in shareholders' equity, and recycled to the income statement in the periods when the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognized in the income statement immediately in "Net financing costs" (see Note 10).

At December 31, 2012, 2013 and 2014 the Group held no derivative instruments eligible for fair value or net investment hedge accounting.

Europcar is authorized to reimburse its borrowings or notes as and when it sees fit. In accordance with IAS 39, the issuer call options included in fixed-rate debt issued by EC Group SA (€400 million High Yield Bonds maturing in 2018) and EC Finance Plc (€350 million High Yield Bonds maturing in 2021) are deemed to be embedded derivatives that must be recognized separately at fair value through profit and loss insofar as they are exercisable at a price that is not approximately equal to the amortized cost.

(vi) Financial assets and liabilities at fair value through profit and loss

This category includes financial instruments held for trading. Instruments are classified as held for trading if they are:

• acquired principally for the purposes of selling or repurchasing in the near term; or
• a derivative (other than a hedging derivative).

Financial instruments held for trading are measured at fair value through profit and loss. Gains and losses arising from changes in fair value are included directly in the income statement and presented within "Net financing costs".

(vii) Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that loans and receivables are impaired. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the reporting date (a 'loss event'), and said loss event has an impact on the estimated future cash flows of the financial asset or the portfolio that can be reliably estimated.

Impairment of trade receivables is described in Note 19 and impairment of available-for-sale assets is described above.

Employee benefits

The Group provides post-employment benefits through defined contribution plans as well as defined benefit plans.

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to an independent entity or a fund. The Group has no legal or constructive obligation to pay further contributions after its payment of the fixed contribution if the fund does not have sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. The Group contributes to state pension plans and insurance schemes for individual employees that are deemed to be defined contribution plans. Contributions to the plans are recognized as an expense in the period in which the services are rendered by the employees.

(ii) Defined benefit plans

Plans that do not meet the definition of a defined contribution plan are defined benefit plans. The defined benefit plan operated by the Group defines the amount of pension benefit that an employee will receive on retirement by reference to length of service and final salary.

The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund.

The valuation of the Group's commitments with respect to defined benefit plans is performed by an external independent actuary using the projected unit credit method. This method requires specific actuarial assumptions that are detailed in Note 25—Employee Benefits. These actuarial valuations are performed at the period end for each plan by estimating the present value of the amount of future benefits that employees have earned in return for their service in the current and prior periods and factoring in the effects of future salary increases.

Plan assets are usually held in separate legal entities and measured at fair value as determined at each period end.

In accordance with IAS 19, the liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

From one accounting period to the next, any difference between the projected and actual amount of commitments in respect of pension plans and their related assets is accumulated for each benefit plan to form actuarial differences (gains or losses). These actuarial differences may result either from changes in actuarial assumptions used at the period end or from experience-related adjustments based on changes in prior-period assumptions.

The Group recognizes actuarial gains/losses (including any impact from the application of IFRIC 14) in the consolidated statement of comprehensive income in the period in which they occur.

Past service costs are recognized immediately as operating expenses in personnel costs.

Unwinding of discounts and the expected return on plan assets are recognized as financial expenses (see Note 10).

(iii) Long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than for pension plans (or post-employment benefit plans), is the future benefit that employees have earned in return for their service in the current and prior periods, such as long-service awards (*médailles du travail*) in France and jubilee awards in Germany. The obligation is calculated using the projected unit credit method and is discounted to its present value. The provision is recorded net of the fair value of any related assets (i.e., all actuarial gains/losses and past service costs are recognized immediately in the consolidated income statement).

(iv) Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to ECG's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The related expenses are recognized in Personnel costs (see Note 5).

Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provision is made for the estimated value of uninsured losses from both known and incurred but not reported third-party claims on an actuarially determined basis. Where these claims are expected to be settled over a longer period of time, the provision made represents the present value of the expected expenditure required to settle the obligation. Any excess of this prepayment over the estimated liabilities is subject to an assessment of recoverability, and a provision is set aside if necessary.

In the normal course of its business activities, the Group is subject to certain claims and investigations relating to compliance with laws and regulations in various jurisdictions, including some with fiscal or competition authorities. The Group generally records a provision whenever a risk represents a contingent liability towards a third party and when the possible loss that may result can be estimated with sufficient accuracy.

A provision on vehicle buy-back and reconditioning costs is recognized over the holding period of the vehicles.

The impact of discounting provisions is recognized as an interest expense.

Revenue

Revenue includes vehicle rental incomes, fees from the provision of services incidental to vehicle rental (including fuel), and fees receivable from the Europcar franchise network, net of discounts and excluding inter-company sales, VAT and sales taxes.

Revenue from services rendered is recognized proportionally over the period in which the vehicles are rented out based on the terms of the rental contract. The stage of completion is assessed on the basis of the actual service provided (number of days of rental in the accounting period).

When vehicle rental income is generated by intermediaries (such as travel agencies), the gross revenue is recognized in the consolidated income statement when Europcar:

• has the ability to determine the price;
• performs part of the service; and
• has discretion in intermediary selection.

The commission fees are recorded in the Fleet operating, rental and revenue-related costs line item in the income statement (see Note 4).

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

The Group has launched a customer awards program covered by IFRIC 13—Customer Loyalty Programmes. However, given its recent nature, the Group considers that the impacts of application of this standard, consisting of:

• considering the benefit accruing to the customer—such as a free weekend of car rental to be used within one year—as a separate component of a sale transaction;

• allocating some of the proceeds of the initial sale to the award, and deferring this portion of the proceeds until the Group has fulfilled its obligations;

are not material.

Expenses

(i) Fleet holding costs

Fleet holding costs include vehicle costs such as costs related to rental fleet agreements either with car manufacturers or providers of financing, fleet related taxes and costs incurred in connection with the acquisition and disposal of vehicles.

Costs related to rental fleet agreements mainly consist of vehicle depreciation expense net of rebates and off-balance sheet fleet operating lease expenses (see Significant Accounting Policies, section f) Rental fleet and related receivables).

Costs related to the acquisition and disposal of vehicles include the cost of vehicle accessories and costs relating to the conditioning of new vehicles and the disposal of used cars.

Payments made under operating leases are recognized in the consolidated income statement in “Fleet holding costs” on a straight-line basis over the term of the lease. Lease incentives received are recognized on a straight-line basis in the consolidated income statement as an integral part of the total lease expense.

(ii) Fleet operating, rental and revenue related costs

Fleet operating costs relate to costs incurred during the fleet operating cycle for:

• reconditioning;
• repairs;
• maintenance;
• impairment of badly damaged and wrecked vehicles, thefts; and
• insurance.

Rental related costs include petrol, fleet transfers, car wash, etc. Revenue related costs include commissions, airport and railway station fees, etc.

(iii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other operating income and expenses

(i) Acquisition-related charges

Acquisition-related expenses include charges incurred in connection with the integration of acquisitions, such as legal and accounting fees, severance and consultancy costs related to headcount reductions due to the streamlining of the rental station network and its support functions, asset write-offs and transfer costs, lease termination and building refurbishment costs carried out for the purpose of integrating acquisitions.

(ii) Reorganization and other operating expenses

Reorganization expenses include charges incurred in connection with business restructurings carried out in response to economic downturns or to adapt local or corporate organizational structures to changing business conditions. They include headcount reduction expenses, consultancy fees, asset write-offs and transfer costs and early lease termination costs incurred as part of restructuring programs.

Unusual, non-recurring items for material amounts are presented separately in other operating income and expenses to provide a clearer picture of the Group's performance.

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividend income, foreign exchange gains and losses, financing arrangement costs, gains and losses on financial instruments that are recognized in the consolidated income statement, any ineffective portion of the gain or loss on cash flow hedging instruments, and the financial component of pension charges (unwinding of discounts and the expected return on plan assets).

Interest income is recognized in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, and subject to any adjustment to tax payable in respect of previous years.

The amount of deferred tax recognized is based on the expected pattern of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax asset can be utilized. This probability is assessed based on:

• the existence of temporary differences that will give rise to taxation in the future;
• forecasts of taxable profits.

Non-current assets held for sale and discontinued operations (IFRS 5)

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset.

A discontinued operation is a component of an entity that has either been disposed of or is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired or a group of assets acquired exclusively with a view to resale.

Indicators not defined by IFRS

- Adjusted corporate EBITDA, defined as recurring operating income before depreciation and amortization, and after deduction of the interest expense on certain liabilities related to rental fleet financing. See Note 2, “Segment reporting” for a reconciliation of Adjusted corporate EBITDA to the amounts reported in the consolidated income statement.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program seeks to mitigate the potential negative impacts of volatility in the financial markets on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is handled by the Group Treasury department, which submits proposed transactions for approval by the Board of Directors. Group Treasury identifies, evaluates and recommends hedges of financial risks in close co-operation with the Group's operating units. The Board of Directors decides whether to authorize these recommendations based on formal documentation describing the context, purpose and main characteristics of the transactions. Once the Board of Directors has approved the transactions, Group Treasury is responsible for setting up the hedges. This procedure is prepared and monitored for the management of all material financial risks, and in particular interest rate and credit risk, as well as for the use of derivative and ordinary financial instruments, and the short-term investment of surplus cash. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either centrally coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. The Group considers that its exposure at December 31, 2014 has not changed significantly during the last 12 months and therefore the policy implemented to mitigate such exposure remains consistent with prior years.

Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the GBP. Foreign exchange risk arises from translation into euros of the results and net assets of the subsidiaries having a functional currency other than the euro, from financial intra-group transactions and, to a lesser extent from transactions with franchisees.

As at December 31, 2014, the Group did not have any investments in foreign operations whose net assets are exposed to foreign currency translation risk other than in the United Kingdom, Australia and New Zealand.

Group summary of quantitative exposure to foreign exchange risk arising from translation into the functional currency

In € thousands	**GBP**	**AUD**	**Total 2014**
Trade and other receivables (including fleet)	105,988	11,386	**117,374**
Other financial assets:			
Non-current investments	1,657	43	**1,700**
Derivative financial instruments	–	–	**–**
Other financial assets	2	–	**2**
Cash and cash equivalents	17,797	17,695	**35,492**
Total financial assets	**125,444**	**29,124**	**154,568**
Trade and other payables (including fleet)	112,889	17,138	**130,027**
Loans and borrowings	347,635	102,668	**450,033**
Impact of hedging derivatives	–	–	**–**
Total financial liabilities	**460,254**	**119,806**	**580,060**
Total net foreign exchange risk exposure	**(334,810)**	**(90,682)**	**(425,492)**

In € thousands	GBP	AUD	Total 2013
Trade and other receivables (including fleet)	77,798	9,694	**87,492**
Other financial assets:			
Non-current investments	1,753	82	**1,835**
Derivative financial instruments	–	–	**–**
Other financial assets	–	(3)	**(3)**
Cash and cash equivalents	35,585	9,808	**45,393**
Total financial assets	**115,136**	**19,581**	**134,717**
Trade and other payables (including fleet)	93,595	14,710	**108,305**
Loans and borrowings	265,191	103,605	**368,796**
Impact of hedging derivatives	–	–	**–**
Total financial liabilities	**358,786**	**118,315**	**477,101**
Total net foreign exchange risk exposure	**(243,650)**	**(98,734)**	**(342,384)**

In € thousands	GBP	AUD	Total 2012
Trade and other receivables (including fleet)	80,836	13,449	**94,285**
Other financial assets:			
Non-current investments	1,808	281	**2,089**
Derivative financial instruments	–	–	**–**
Other financial assets	1	(2)	**(1)**
Cash and cash equivalents	16,737	7,739	**24,476**
Total financial assets	**99,382**	**21,467**	**120,849**
Trade and other payables (including fleet)	79,740	15,004	**94,744**
Loans and borrowings	313,857	129,191	**443,048**
Impact of hedging derivatives	–		**–**
Total financial liabilities	**393,597**	**144,195**	**537,792**
Total net foreign exchange risk exposure	**(294,215)**	**(122,728)**	**(416,943)**

At December 31, 2014, if the euro had appreciated or depreciated by 15% against sterling, with all other variables held constant, net loss for the year would have increased/decreased by €1.1 million (in 2012 and 2013, the equivalent figures were €1.9 million and €1.4 million, respectively) and equity would have increased/decreased by €74.7 million (in 2012 and 2013, the equivalent figures were €69.2 million and €69.6 million, respectively).

(ii) Interest rate risk

With the exception of investments in bonds in the Euroguard insurance program (see "Insurance risks"), the Group does not hold any significant interest-bearing assets. Accordingly, its income and operating cash flows are largely unaffected by changes in market interest rates.

The Group's interest rate risk arises on revolving lines of credit. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's interest rate risk also arises from operating leases issued at variable rates. As of December 31, 2014, €0.8 billion worth of operating leases were hedged (€0.3 billion at December 31, 2013) and € 0.1 billion were not hedged (€0.6 billion at December 31, 2013).

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration, among other things refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings for revolving fleet financing facilities at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Based on the tests performed on these hedging instruments, no ineffectiveness was detected and accordingly no impact was recorded in the consolidated income statement for 2014.

At December 31, 2014, if interest rates had strengthened by 100 basis points, the fair value recognized in other comprehensive income would have increased by €38.0 million (€13.1 million at December 31, 2013 and €22.4 million at December 31, 2012).

At December 31, 2014, if interest rates had weakened by 100 basis points, the fair value recognized in other comprehensive income would have decreased by €39.2 million (€13.4 million at December 31, 2013 and €23.1 million at December 31, 2012).

At the reporting date the interest rate profile of the Group's interest-bearing borrowings was as follows.

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Non-current liabilities			
Fixed rate borrowings	1,047,682	1,039,425	1,028,116
Variable rate borrowings	(4,613)	(3,410)	(11,620)
Of which variable rate hedged	*(4,916)*	*(3,713)*	*(12,072)*
Of which variable rate not hedged	*303*	*303*	*452*
	1,043,069	**1,036,015**	**1,016,496**
Current liabilities			
Fixed rate borrowings	7,644	15,487	16,646
Variable rate borrowings	1,119,901	929,628	983,632
Of which variable rate hedged	*614,700*	*524,506*	*506,849*
Of which variable rate not hedged	*505,201*	*405,122*	*476,782*
	1,127,545	**945,115**	**1,000,278**

Credit risk

Credit risk is managed on a Group-wide basis. Credit risk arises on:

- cash and cash equivalents;
- derivative financial instruments;
- deposits with banks and financial institutions;
- arrangements with car manufacturers and dealers;
- customer receivables, particularly outstanding receivables and pending commitments.

For banks and financial institutions, only independently rated counterparties are accepted. The utilization of credit limits is regularly monitored.

Loans and receivables credit risk analysis

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Neither past due nor impaired[1]	1,459,322	1,352,276	1,445,839
Past due but not impaired	139,290	102,092	142,474
Impaired	36,899	35,963	31,579
Total	**1,635,511**	**1,490,331**	**1,619,892**

(1) Net of provisions for stolen and badly damaged cars (see Note 19).

The maximum exposure to credit risk at the reporting date is the carrying amount of loans and receivables. The Group does not hold any collateral as security.

Loans and receivables neither past due nor impaired relate to a number of independent counterparties for whom there is no recent history of default or expected default.

The Group's credit risk exposure to car manufacturers and dealers primarily arises from:

- the risk of non-recoverability of receivables relating to buy-back commitments received from car manufacturers;

- the risk of having to self-finance the receivables referred to in the previous point; and

- the risk of bankruptcy of a significant supplier and the subsequent uncertainty surrounding future supplies.

No single customer accounts for 10% or more of Europcar Groupe's revenue.

The Group has implemented procedures to monitor and reduce credit risk exposure that include customer credit limits in the information system, monthly tracking of car manufacturer credit ratings and overdue receivable risk monitoring

reporting. The aged analysis of loans and receivables past due but not impaired and excluding financial loans and receivables is as follows:

In € thousands	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	832,196				832,196
Fleet receivables	387,896	63,436	6,280	2,426	460,038
Rental receivables.......................................	127,582	37,116	12,322	4,467	181,487
Trade receivables..	18,937	4,503	301	6,832	30,573
Other receivables	48,900	19	8	1	48,928
Total as at December 31, 2014	**1,415,511**	**105,074**	**18,911**	**13,726**	**1,553,222**

In € thousands	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	792,002				792,002
Fleet receivables	348,197	28,941	494	211	377,843
Rental receivables.......................................	108,825	41,094	7,496	797	158,212
Trade receivables..	12,726	6,252	733	8,491	28,202
Other receivables	35,946	3,072	1,523	1,949	42,490
Total as at December 31, 2013	**1,297,696**	**79,359**	**10,246**	**11,448**	**1,398,749**

In € thousands	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	812,184				812,184
Fleet receivables	432,829	35,503	1,409	479	470,220
Rental receivables.......................................	104,160	51,430	8,472	3,520	167,582
Trade receivables..	12,039	6,338	371	9,477	28,225
Other receivables	27,510	16,350	2,177	5,167	51,204
Total as at December 31, 2012	**1,388,722**	**109,621**	**12,429**	**18,643**	**1,529,415**

Price risk

The Group is not exposed to equity price risk given the non-material amounts of its financial investments classified as either available-for-sale or at fair value through profit or loss. The Group is not directly exposed to commodity price risk but is exposed to the risk of increasing holding costs for vehicles.

Liquidity risk

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows determined on a consolidated basis. Each operational entity produces liquidity and cash forecasts for internal reporting purposes. Those forecasts are consolidated at Group Treasury level and analyzed by Europcar Groupe Management and the operating units.

The budget on which the cash forecast for 2014 is based has been built on assumptions that take account of the impact of the current uncertain economic environment.

Our liquidity risk management strategy is based around maintaining sufficient available lines of credit and guaranteed credit facilities for appropriate amounts. Given the dynamic nature of the underlying businesses—particularly seasonal fluctuations—flexible financing arrangements are provided by guaranteed medium- to long-term revolving lines of credit.

Europcar has been rated as B3 with a stable outlook and B with a stable outlook by Moody's and Standard & Poor's, respectively.

The following table analyzes the Group's financial liabilities (including hedging derivatives) by maturity, based on the remaining period from the reporting date through the contractual maturity date. The amounts disclosed in the table are

the contractual undiscounted cash flows. Balances due within 12 months correspond to their carrying values as the impact of discounting is not significant.

In € thousands	Carrying amount	Due within 1 year		Due between 1 and 5 years		Due in more than 5 years		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2014									
Notes issued	1,055,324		112,850	724,000	215,026	350,000	27,654	1,074,000	355,529
Bank borrowings and finance lease liabilities	671,357	124,706	15,874	552,018[(1)]	26,607			676,724	42,841
Senior asset financing facility	414,153		14,040	417,600[(1)]	20,298			417,600	34,338
Other borrowings	29,780	29,780						29,780	
Derivative liabilities	41,928				41,928				41,928
Trade and fleet payables	794,333	794,333						794,333	
Deposits	42,875	42,875						42,875	
Total financial liabilities	**3,049,750**	**991,694**	**142,764**	**1,693,618**	**303,859**	**350,000**	**27,654**	**3,035,312**	**474,276**

In € thousands	Carrying amount	Due within 1 year		Due between 1 and 5 years		Due in more than 5 years		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2013									
Notes issued	**1,054,919**	–	108,885	1,074,000	306,045	–	–	1,074,000	414,930
Bank borrowings and finance lease liabilities	**516,437**	393,414	22,000	133,000[(1)]	16,750	–	–	526,414	38,750
Senior asset financing facility	**397,770**	–	12,600	402,496[(1)]	31,500	–	–	402,496	44,100
Other borrowings	**12,003**	12,003	–	–	–	–	–	12,003	–
Derivative liabilities	**13,748**	–			13,748			–	13,748
Trade and fleet payables	**726,382**	726,382						726,382	–
Deposits	**33,960**	33,960						33,960	–
Total financial liabilities	**2,755,219**	**1,165,759**	**143,485**	**1,609,496**	**368,043**	**–**	**–**	**2,775,255**	**511,528**

In € thousands	Carrying amount	Due within 1 year		Due between 1 and 5 years		Due in more than 5 years		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2012									
Notes issued........	**1,044,162**	–	135,679	674,000	402,430	400,000	12,500	1,074,000	550,609
Bank borrowings and finance lease liabilities	**639,430**	469,161	19,756	182,000[(1)]	10,349	–	–	651,161	30,105
Senior asset financing facility.............	**325,301**	–	16,476	336,796[(1)]	8,238	–	–	336,796	24,714
Other borrowings	**7,881**	7,881	–	–	–	–	–	7,881	–
Derivative liabilities	**24,938**				24,938			–	24,938
Trade and fleet payables..........	**806,525**	806,525						806,525	–
Deposits		–						–	–
Total financial liabilities.........	**2,848,237**	**1,283,567**	**171,911**	**1,192,796**	**445,955**	**400,000**	**12,500**	**2,876,363**	**630,366**

(1) Renewable financing arrangements are classified as current liabilities in the statement of financial position.

The table below shows the credit limits and balances with the three major counterparties at the reporting date:

In € thousands	Dec. 31, 2014		Dec. 31, 2013		Dec. 31, 2012	
	Credit limit	**Utilized**	**Credit limit**	**Utilized**	**Credit limit**	**Utilized**
Revolving credit[(1)]	300,000	214,300	300,000	174,700	300,000	229,000
Senior asset financing lines related to fleet financing.................................	1,000,000	417,600	1,100,000	402,496	1,100,000	336,796
Financing other than senior asset financing lines related to fleet financing[(2)]	1,235,159	884,201	1,153,310	752,289	1,320,386	819,161

(1) Utilized amounts include the revolving credit facility for €201 million as at December 31, 2014 (in 2012 and 2013, the equivalent figures were € 182.0 million and €133 million, respectively) and guarantees given in the course of the Group’s operating activities.

(2) Primarily relates to fleet operations in the United Kingdom financed through credit lines other than the senior financing asset loan.

Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Insurance risks

The Group’s operating subsidiaries located in France, Spain, the United Kingdom, Portugal, Belgium, Italy (from January 1, 2008) and Germany (from April 1, 2008) buy local automobile liability insurance policies with Chartis (formerly AIG) entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. However, the local Europcar entities fund a significant portion of the risk through a Deductible Funding mechanism which is managed via another cell (0) located within Euroguard that acts as a fund manager. The funds hosted in this cell are also consolidated.

As from January 1, 2009 the Group’s operating subsidiary located in Spain has placed its Fleet Motor Liability risk with another insurer on a traditional risk transfer basis.

(i) Frequency and severity of claims

The risk covered by an insurance contract has to do with the probability of occurrence of the insured event and the uncertainty as to the amount of the resulting claim. The Group uses its auto fleet liability insurance program to insure against property damage and bodily injuries caused by the drivers of Europcar vehicles to third parties. Because auto liability insurance is mandatory, the risk is initially transferred from ground up to the insurer, but partly funded and reinsured by Europcar as a group on the back end side through various risk self-financing techniques.

Europcar's auto fleet liability risk is based on a combination of frequency and severity events. Europcar has developed a strategy around self-financing frequent risks and effectively transferring severity risk to the insurer (applicable to main corporate countries, with the exception of Spain for the reasons set out above):

- Operating a large fleet entails the occurrence of multiple small third party claims. The loss stemming from these small claims can be predicted with a good level of certainty by actuaries, factoring in the variation of activity and trends witnessed in the various countries. Losses of up to €500,000 for any single claim are self-insured.
- Operating a large fleet also entails the more random occurrence of costly events, essentially severe bodily injury claims from third parties as a result of the driver of a Europcar vehicle being at fault. These claims cannot be anticipated by actuaries with a good level certainty, which is why the portion of risk exceeding €500,000 is borne by the insurer.

The current tendency is towards an average cost increase in severity claims due to economic, legal and social factors.

(ii) Sources of uncertainty in the estimation of future claim payments

Claims under Fleet Motor Liability policies are payable on a claims-occurrence basis. The Group, by virtue of the self-financing component of the program, is liable for all insured events that occur during the insured period (typically a given calendar year). A portion of the ultimate loss for a given insurance period arises after that insurance period has expired because of late claims notification and post insurance period claims (typically as a result of deterioration in the health of a victim). As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

(iii) Changes in assumptions and methodology

The Group did not change any of the main assumptions or methodologies for the insurance contracts disclosed in this note, other than updating its cost in light of the time value of money.

Notes to the consolidated financial statements

Note 1—Changes to scope of consolidation

- On October 31, 2014, the Group acquired 100% of the capital of Europ Hall for an amount of €13.5 million (payable in two installments with the outstanding portion of €5.4 million due in 2015). Europ Hall is fully consolidated from the acquisition date.

Europ Hall is the second largest company in the franchisee network by revenue and size and is a longstanding partner of Europcar France. It has a network of 40 rental stations spread over 12 French *départements*, stretching between the cities of Colmar and Villefranche sur Soane and including a presence in Burgundy and Franche-Comté. Europ Hall delivered revenue of €23 million in 2014 from a fleet of 2,400 vehicles and it employs 142 people.

The acquisition generated goodwill of € 10.3 million.

- On November 30, 2014, the Group acquired a 70.6% stake in the French start-up Ubeeqo, specialized in corporate car-sharing solutions, through the acquisition of shares and subscription to a capital increase for a total amount of €17 million.

Ubeeqo currently operates in France and Belgium. It is consolidated under the equity method by Europcar and its carrying amount at December 31, 2014 was €17.3 million.

Note 2—Segment reporting

Europcar operates a car rental activity:

- using its own fleet of vehicles based in 10 countries; and
- through a franchisee network present in the countries in which Europcar operates directly (“domestic franchises”), but particularly in other countries (“international franchises”).

In total, Europcar is present in 145 countries.

The chief operating decision maker within the meaning of IFRS 8—Operating Segments, is the Group Executive Committee.

The Group is monitored and managed on a day to day basis using reporting data provided by the individual countries. The Group presents two segments: Europe and Rest of world. The nature of the services provided and the category of customers are identical for these two segments. The distinction between the two segments is mainly based on criteria related to the dynamics of the economic zone, the organization of customers, interdependencies between the countries as regards the management of customer contracts and the fleet, as well as daily operational management.

- The Europe segment includes the European countries in which the Group operates its fleet directly (Belgium, France, Germany, Italy, Portugal, Spain and the United Kingdom), organized on shared service, customer and distribution criteria, as well as franchised European countries (Austria, Denmark, Finland, Greece, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland and Turkey) which have similar economic characteristics and offer synergies in terms of fleet negotiation and customer management.
- Rest of World: all countries other than those cited above, including Australia and New Zealand, in which the Group operates the fleet directly.

The Executive Committee members regularly review the operating and financial performance of the segments, which are measured as follows:

- Revenue, which includes vehicle rental income, territorial fees, other commissions related to the Group’s trademarks and billed to franchisees, and fuel charges.
- Adjusted corporate EBITDA, defined as recurring operating income before depreciation and amortization, and after deduction of the interest expense on certain liabilities related to rental fleet financing.

Consequently, and as required by IFRS 8, the Group discloses a global reconciliation of its segment reporting information to its IFRS consolidated financial statements.

Segment reporting information

In € thousands	Note	December 31, 2014			
		Europe	Rest of world	Eliminations & Holdings	Segment total
Segment revenue		**1,836,161**	**149,996**	**(7,287)**	**1,978,870**
Recurring operating income		206,625	31,996	15,270	**253,890**
Amortization and depreciation expense		10,716	1,089	20,019	31,824
Net fleet financing expenses	10	(65,974)	(5,129)	(1,805)	(72,908)
Adjusted corporate segment EBITDA		**151,368**	**27,956**	**33,484**	**212,807**
Total assets		1,491,165	125,547	2,329,732	3,946,444
Total liabilities		1,568,712	121,550	2,098,047	3,788,309

In € thousands	Note	December 31, 2013			
		Europe	Rest of world	Eliminations & Holdings	Segment total
Segment revenue		**1,766,424**	**142,941**	**(6,711)**	**1,902,654**
Recurring operating income		167,809	26,550	15,869	**210,229**
Amortization and depreciation expense		11,858	992	20,969	33,819
Net fleet financing expenses	10	(78,925)	(6,427)	(2,159)	(87,511)
Adjusted corporate segment EBITDA		**100,742**	**21,115**	**34,679**	**156,537**
Total assets		1,249,195	109,967	2,308,087	3,667,249
Total liabilities		1,330,147	119,551	1,926,906	3,376,604

In € thousands	Note	December 31, 2012			
		Europe	Rest of world	Eliminations & Holdings	Segment total
Segment revenue		**1,801,584**	**140,239**	**(5,412)**	**1,936,411**
Recurring operating income		125,419	26,521	21,097	**173,038**
Amortization and depreciation expense		11,695	1,190	20,126	33,011
Net fleet financing expenses	10	(88,633)	(8,590)	10,245	(86,978)
Adjusted corporate segment EBITDA		**48,481**	**19,121**	**51,468**	**119,072**
Total assets		1,308,319	138,180	2,329,315	3,775,814
Total liabilities		1,385,922	145,300	1,899,159	3,430,381

(a) Group-wide disclosures

(i) Information about revenue and services

Revenue and services can be analyzed as follows:

In € thousands	December 31, 2014			
	Europe	Rest of world	Eliminations & Holdings	Segment total
Vehicle rental income	1,695,994	126,772		1,822,766
Other revenue associated with car rental	106,126	3,935	(7,287)	102,774
Franchising business	34,041	19,289		53,330
Segment revenue	**1,836,161**	**149,996**	**(7,287)**	**1,978,870**

In € thousands	Europe	Rest of world	Eliminations & Holdings	Segment total
				December 31, 2013
Vehicle rental income	1,634,571	120,980		1,755,551
Other revenue associated with car rental	98,406	3,502	(6,711)	95,197
Franchising business	33,447	18,459		51,906
Segment revenue	**1,766,424**	**142,941**	**(6,711)**	**1,902,654**

In € thousands	Europe	Rest of world	Eliminations & Holdings	Segment total
				December 31, 2012
Vehicle rental income	1,661,973	118,874		1,780,847
Other revenue associated with car rental	102,477	3,221	(5,412)	100,286
Franchising business	37,134	18,144		55,278
Segment revenue	**1,801,584**	**140,239**	**(5,412)**	**1,936,411**

(ii) Disclosure by country and customer segment

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Vehicle rental income	1,822,766	1,755,551	1,780,847
Breakdown of customers by segment			
Leisure broker	55.3%	54.3%	53.5%
Business	44.7%	45.7%	46.5%

(iii) Information about geographical areas

The Group operates in three main markets: France, Germany, the United Kingdom and Other European countries. Revenue has been identified based on where the rental service is provided. Non-current assets are allocated based on their physical location.

Revenue and non-current assets include items directly attributable to a geographical area as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets.

Car rental customers comprise both individuals and corporate customers. No single external customer accounts for 10% or more of the Group's revenue.

In € thousands December 31, 2014	France	United Kingdom	Germany	Other European countries	Rest of world[2]	Eliminations & Holdings	Total
Revenue from external customers	325,363	410,385	518,259	582,154	149,996	(7,287)	**1,978,870**
Non-current assets[1]	97,886	110,253	208,865	118,397	39,041	788,435	**1,362,977**

In € thousands December 31, 2013	France	United Kingdom	Germany	Other European countries	Rest of world[2]	Eliminations & Holdings	Total
Revenue from external customers	333,366	365,197	511,911	555,951	142,941	(6,711)	**1,902,655**
Non-current assets[1]	88,230	121,080	210,733	93,726	33,486	789,519	**1,336,774**

In € thousands December 31, 2012	France	United Kingdom	Germany	Other European countries	Rest of world[2]	Eliminations & Holdings	Total
Revenue from external customers	339,158	369,094	507,085	586,247	140,239	(5,412)	**1,936,411**
Non-current assets[1]	89,406	129,255	217,493	92,096	38,542	806,292	**1,373,084**

(1) Non-current assets reported under "Eliminations&Holdings" include trademarks.

(2) "Rest of world" mainly corresponds to Australia and New Zealand.

Note 3—Fleet holding costs

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Costs related to rental fleet agreements[1]	(421,709)	(417,160)	(453,376)
Purchase and sales related costs[2]	(47,354)	(51,388)	(56,576)
Taxes on vehicles	(27,201)	(26,476)	(26,879)
	(496,264)	**(495,024)**	**(536,831)**

(1) Costs related to rental fleet agreements mainly consist of (i) vehicle depreciation expenses net of rebates and (ii) off-balance sheet fleet operating lease expenses (see Significant Accounting Policies, section f) "Rental fleet and related receivables").

During the year ended December 31, 2014 the Group recognized depreciation expense net of volume rebates amounting to €164.2 million (€171.2 million in 2013 and €221.6 million in 2012) under "Costs related to rental fleet agreements". This depreciation expense relates to vehicles subject to manufacturer or dealer buy-back agreements and "at-risk" vehicles.

"Costs related to rental fleet agreements" also include operating lease payments amounting to €245.0 million (€235.8 million in 2013 and €222.0 million in 2012). The related off-balance sheet rental commitments in respect of rental fleets operated under operating lease arrangements are disclosed in Note 31 (i), "Operating leases".

(2) Fleet acquisition and disposal costs include the costs related to vehicle accessories and conditioning new vehicles and to the disposal of used cars.

Note 4—Fleet operating, rental and revenue related costs

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Fleet operating costs[1]	(229,577)	(239,089)	(266,024)
Revenue-related commissions and fees[2]	(247,547)	(232,345)	(216,426)
Of which, trade receivables allowances and write-offs	*(9,899)*	*(8,890)*	*(8,179)*
Rental related costs[3]	(209,155)	(200,367)	(208,842)
	(686,279)	**(671,801)**	**(691,292)**

(1) Fleet operating costs mainly consist of insurance, repairs and maintenance costs as well as costs incurred for damaged and stolen cars and for the reconditioning of vehicles before they are repurchased by the car manufacturers or dealers.

(2) Revenue-related costs include agent's fees, travel agency commissions and airport concession fees.

(3) Rental related costs include vehicle transfer costs incurred during the holding period, vehicle washing costs and fuel costs.

Note 5—Personnel costs

Personnel costs

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Wages and salaries[1]	(242,757)	(235,065)	(234,037)
Social security contributions	(59,875)	(61,197)	(60,105)
Post-employment benefits	(6,833)	(6,156)	(6,085)
Other items	(8,688)	(8,338)	(8,990)
	(318,153)	**(310,756)**	**(309,217)**

(1) Includes bonuses and profit-sharing expenses.

In 2014, the amounts relating to the LTIP and restructuring programs were recorded in "Other operating expenses" (see Note 9).

Headcount

number of people	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Total headcount	**6,284** [1]	**6,210**	**6,373**

(1) Excluding Europhall

Data shown in the table above correspond to average annual data. The Group also uses a certain number of temporary workers as well as external service providers, mainly for vehicle transit and cleaning during peak periods, and in accordance with the applicable legislation in each of the countries in which the Group operates.

Note 6—Network and head office overhead costs

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Network costs[1]	(77,948)	(75,132)	(76,505)
IT costs	(30,482)	(31,098)	(33,183)
Telecom costs	(6,348)	(6,050)	(6,267)
Head office costs[2]	(50,185)	(51,444)	(56,463)
Sales and marketing costs	(34,376)	(31,051)	(39,580)
	(199,339)	**(194,775)**	**(211,998)**

(1) Network costs consist of rental expenses for premises and network overheads.

(2) Head office costs consist of rental and traveling expenses, local and central auditing and consulting fees.

Note 7—Amortization, depreciation and impairment expense

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Amortization of intangible assets	(18,243)	(19,848)	(19,259)
Depreciation of property, plant and equipment	(13,550)	(13,355)	(13,752)
Impairment expense	(31)	(616)	
	(31,824)	**(33,819)**	**(33,011)**

Note 8—Other income and expenses

This category includes net income related to certain commercial agreements, the release of provisions and other items.

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Contractual income	2,514	7,661	7,318
Release of surplus provisions	1,410	1,377	1,011
Foreign exchange gains/(losses) on operating activities	307	587	120
Gains (losses) on the disposal of property, plant and equipment[1]	1,312	111	82
Other items, net[2]	1,336	4,013	10,445
	6,879	**13,749**	**18,976**

(1) Of which, €1.3 million in 2014 for gains on the disposal of plant in Manchester, Birmingham and Plymouth owned by P1 UK Ops.

(2) Of which:—in 2013, € 1.4 million of other revenue from secondary activities in Germany;
—in 2012, €2.5 million of capitalized lease bank rebates, and €1.5 million of tax penalties.

Note 9—Other operating income and expenses

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Other operating income		3,694	–
Total other operating income	**–**	**3,694**	**–**
Amortization of rights to operate National and Alamo trademarks	(5,235)	(5,371)	(5,625)
(Addition to)/release of provisions for impairment of real estate assets in Spain	502	(1,390)	(3,173)
Reorganization charges[1]	(22,771)	(26,717)	(19,620)
Comprising: Reorganization—redundancy expenses	*(12,960)*	*(18,753)*	*(12,196)*
Reorganization—professional fees	*(9,811)*	*(981)*	*(7,424)*
Reorganization—Head office and network termination expenses.		*(6,983)*	–
Compensation benefit[4]	(23,865)		
Legal fees[2]	(59,440)		
Other[3]	(4,920)	(6,471)	(3,216)
Total other operating expenses	**(115,729)**	**(39,949)**	**(31,634)**
Total other operating income/(expense)	**(115,729)**	**(36,255)**	**(31,634)**

(1) The reorganization charge amounting to €22.8 million in 2014 (€26.7 million in 2013 and € 19.6 million in 2012) relates to measures implemented in several entities of the Group or announced before year end to bring cost structures into line with lower demand due to the economic downturn.

(2) This amount includes for ongoing litigations with Enterprise Holdings Inc both for the elogo use in UK and the license agreement subject to the arbitration: legal fees, damage assessment and the cost of dismantling the logo in certain rental stations as well as a one-off write-down taken on the residual value of the right to use the National Alamo trademark (Cf note 31 (iii)).

(3) At December 31, 2014, this amount included €3.1 million for damage to vehicles caused by bad weather.

At December 31, 2013, this amount included €6.2 million related to Auto Europe for a receivable write-down following a change in regulations in 2013 in respect of VAT deductibility for tour operators based outside of the European Union.

(4) Long term incentive plan for which objectives were completed in 2014.

Note 10—Net financing costs

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Net fleet financing expenses	(72,908)	(87,498)	(86,978)
Other financing expenses, net	(78,516)	(76,552)	(69,432)
Gross financing costs	**(151,424)**	**(164,050)**	**(156,410)**
Charges arising on the trading of derivatives	(16,258)	(18,791)	(35,015)
Amortization of transaction costs	(30,652)	(23,409)	(21,079)
Negative foreign exchange differences	(5,963)	(1,545)	(1,519)
Adjustments to the discounting rates applied to provisions and employee benefits	(2,977)	(2,862)	(3,428)
Other[1]	(34,800)	(15,753)	(17,538)
Other financial expenses	**(90,650)**	**(62,360)**	**(78,579)**
Positive foreign exchange differences	9,393	2,841	4,812
Other financial income	**9,393**	**2,841**	**4,812**
Net financing costs	**(232,681)**	**(223,569)**	**(230,177)**

(1) Including €17.1 million in redemption premiums and refinancing costs paid in 2014 following early redemption of the €350 million High Yield Bonds.

For the year ended December 31, 2014, total interest expense on financial liabilities at amortized cost amounted to €152.5 million (€165.2 million in 2013 and €158.5 million in 2012) and total interest income on financial assets at amortized cost amounted to €1.0 million (€1.1 million in 2013 and € 2.1 million in 2012).

Note 11—Income tax

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Current tax	(29,196)	(22,218)	(25,684)
Deferred tax	18,541	14,148	7,237
Total income tax expense in income statement	**(10,655)**	**(8,070)**	**(18,447)**

The theoretical tax expense based on ECG's statutory tax rate can be reconciled to the tax expense reported in the income statement as follows:

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Profit/(loss) before tax	**(94,520)**	**(49,595)**	**(88,773)**
Statutory tax rate	34.43%	34.43%	34.43%
Theoretical tax	**32,543**	**17,076**	**30,565**
Impact of differences in tax rates	(2,229)	(4,528)	(4,131)
Permanent differences	(8,397)	(8,044)	(11,936)
Impairment charge on goodwill	–	–	–
Write-off of inter-company loan	–	–	–
Other permanent differences[3]	*(8,397)*	*(8,044)*	*(11,936)*
Change in unrecognized deferred tax assets	(28,201)	(13,210)	(30,281)
Impact of tax losses[1]	*(19,037)*	*(9,184)*	*(25,627)*
Other temporary differences	*(9,164)*	*(4,026)*	*(4,654)*
Impact of French business contribution on added value (CVAE) and Italy's regional tax on productive activities (IRAP)	(3,625)	(3,788)	(4,399)
Other[2]	(747)	4,424	1,735
Income tax expense	**(10,655)**	**(8,070)**	**(18,447)**
Effective tax rate	-11.27%	-16.27%	-20.78%

(1) In 2012, unrecognized tax losses correspond to Italy (€6.6 million), Spain (€6.5 million) and France (€12.3 million). In 2013, unrecognized tax losses were attributable to Italy (€0.6 million), Spain (€0.8 million) and France (€9.4 million). In 2014, virtually the entire amount was attributable to France (€26 million).

(2) In 2012, this amount mainly comprised unused withholding taxes (negative €3.9 million) and €5.5 million in prior-period adjustments (mostly in the United Kingdom). The 2013 amount included € 3.9 million in prior-period adjustments (€1.8 million in the United Kingdom and €1.9 million in Italy). The

2014 total included a provision for tax risks in Germany for a negative amount of €3.7 million, offset by €2.7 million in prior-period adjustments (including € 1.0 million in Germany and €0.8 million in the United Kingdom).

(3) In 2012, the amount was mainly attributable to the non-deduction of interest for tax purposes in France (negative amount of €6.7 million). In 2013, the amount was mainly due to the non-deduction of interest for tax purposes in France (negative €6.2 million). In 2014, the amount was mainly due to the non-deduction of interest for tax purposes in France (negative €11 million).

Note 12—Goodwill

In € thousands	Gross value	Impairment loss	Carrying amount
Balance at January 1, 2012	**629,635**	**(190,351)**	**439,284**
Acquisitions	253	-	253
Impairment		-	-
Disposals	-	-	-
Effect of movements in foreign exchange rates	2,126	(592)	1,534
Balance at December 31, 2012	**632,014**	**(190,943)**	**441,071**
Balance at January 1, 2013	**632,014**	**(190,943)**	**441,071**
Acquisitions	28	-	28
Impairment		-	-
Disposals	(616)	130	(486)
Effect of movements in foreign exchange rates	(9,896)	3,635	(6,261)
Balance at December 31, 2013	**621,530**	**(187,178)**	**434,352**
Balance at January 1, 2014	**621,530**	**(187,178)**	**434,352**
Acquisitions	10,287	-	10,287
Impairment		(31)	(31)
Disposals	-	-	-
Effect of movements in foreign exchange rates	7,095	(2,314)	4,781
Balance at December 31, 2014	**638,912**	**(189,523)**	**449,389**

Goodwill arises from past acquisitions of franchisees in the normal course of the Group's business and from acquisitions of subsidiaries.

(a) Annual impairment test

In accordance with IAS 36—Impairment of Assets, the Group performs impairment testing of the carrying value of goodwill. The Group prepares and internally approves formal three-year business plans for each of its geographical segments. For impairment testing purposes, the three-year plan is extended to five years. The Group considers that each country corresponds to a cash-generating unit (CGU). When performing impairment tests, the Group calculates cash flows from Adjusted corporate EBITDA and uses the following assumptions:

- Adjusted corporate EBITDA according to the three-year plan.
- The terminal value of each CGU is based on a perpetuity growth rate of 2%.
- The weighted average cost of capital (WACC) is applied to the cash flows of each CGU based on the average risk-free rate (average over a five-year period) corresponding to the German risk-free rate for ten year bonds adjusted for a risk premium for each country.

(b) Goodwill allocated to corporate segments by underlying geographical cash-generating unit

In € thousands	Germany	United Kingdom	France	Italy	Spain	Other countries	Total
Balance at January 1, 2012	**180,325**	**85,019**	**78,254**	**–**	**–**	**95,686**	**439,284**
Disposal/price adjustment	59	–	–	–	–	194	253
Impairment expense		–	–	–	–	–	–
Effect of movements in foreign exchange rates		1,250	–	–	–	284	1,534
Balance at December 31, 2012	**180,384**	**86,269**	**78,254**	**–**	**–**	**96,164**	**441,071**
Balance at January 1, 2013	**180,384**	**86,269**	**78,254**	**–**	**–**	**96,164**	**441,071**
Disposal/price adjustment	–	–	(486)	–	–	28	(458)
Impairment expense		–	–	–	–	–	–
Effect of movements in foreign exchange rates		(1,148)	–	–	–	(5,113)	(6,261)
Balance at December 31, 2013	**180,384**	**85,121**	**77,768**	**–**	**–**	**91,079**	**434,352**
Balance at January 1, 2014	**180,384**	**85,121**	**77,768**	**–**	**–**	**91,079**	**434,352**
Acquisition			10,287				10,287
Disposal/price adjustment	–	–	–	–	–		
Impairment expense		–	(31)	–	–	–	(31)
Effect of movements in foreign exchange rates		3,744	–	–	–	1,037	4,781
Balance at December 31, 2014	**180,384**	**88,865**	**88,024**	**–**	**–**	**92,222**	**449,389**

Recently recognized impairment losses include the following: for the year ended December 31, 2010, €53.8 million of goodwill allocated to an Italian cash-generating unit (full write-down); for the year ended December 31, 2011, €23.7 million of goodwill allocated to a United Kingdom cash-generating unit and €16.7 million of goodwill allocated to an Australian cash-generating unit (partial write-downs).

(c) WACC calculation

	France	Germany	Italy	Spain	United Kingdom	Belgium	Portugal	Australia
WACC calculation	**7.35%**	**7.02%**	**9.04%**	**9.23%**	**7.62%**	**7.45%**	**11.78%**	**8.93%**

The terminal value is based on normalized cash flows discounted over an indefinite period, with a perpetuity growth rate of 2%. The risk-free rate is based on the German risk-free rate for bonds with a 10-year maturity (average over a five-year period), adjusted by a risk premium for each country in line with a credit risk premium based on a BBB- credit rating.

In response to the high volatility of equity risk premiums observable in the financial markets in 2011, and in line with the French financial markets authority (*Autorité des marchés financiers*—AMF) recommendations, the Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 5.0%, in order to reflect the long-term assumptions factored into the impairment tests.

The gearing used when determining the WACC is based on the annual average debt to equity ratio issued by comparable companies on a quarterly basis.

(d) Sensitivity analysis

Goodwill was subject to an impairment test performed by the company as described in the “Goodwill” section of Significant Accounting Policies and in section (a) above.

In 2012, 2013 and 2014, Europcar did not identify any probable scenarios whereby the CGU’s recoverable amount would fall below its carrying amount. The sensitivity analysis performed on the assumptions used indicate that no impairment losses would be recognized in the following scenarios:

- a 1 percentage point increase in the discount rate
- a 1 percentage point decrease in the growth rate.

Note 13—Intangible assets

In € thousands	Trademarks[1]	Software, operating systems	Intangible assets in progress	Leasehold rights	Total
Cost					
Balance at January 1, 2012	**731,604**	**211,795**	**9,274**	**1,002**	**953,675**
Other acquisitions	–	872	10,085	65	11,022
Disposals	–	(2,251)	–	–	(2,251)
Transfers	–	12,242	(12,324)	–	(82)
Effect of movements in foreign exchange rates	1,285	304	–	11	1,600
Balance at December 31, 2012	**732,889**	**222,962**	**7,035**	**1,078**	**963,964**
Balance at January 1, 2013	**732,889**	**222,962**	**7,035**	**1,078**	**963,964**
Other acquisitions	–	771	9,872	–	10,643
Disposals	–	(168)	–	(31)	(199)
Transfers	–	9,768	(9,794)	–	(26)
Effect of movements in foreign exchange rates	(1,180)	(582)	–	(7)	(1,769)
Balance at December 31, 2013	**731,709**	**232,751**	**7,113**	**1,040**	**972,613**
Balance at January 1, 2014	**731,709**	**232,751**	**7,113**	**1,040**	**972,613**
Changes in scope of consolidation	–	12	–	263	275
Other acquisitions	–	622	10,747	–	11,369
Disposals	–	(8)	–	(33)	(41)
Transfers	–	727	(723)	–	4
Effect of movements in foreign exchange rates	3,849	815	–	33	4,697
Balance at December 31, 2014	**735,558**	**234,919**	**17,137**	**1,303**	**988,917**
Amortization and impairment losses					
Balance at January 1, 2012	**(28,947)**	**(150,201)**	**–**	**(588)**	**(179,736)**
Amortization and impairment charge for the year	(5,625)	(19,213)	–	(81)	(24,919)
Disposals	–	2,251	–	–	2,251
Transfers	–	228	–	–	228
Effect of movements in foreign exchange rates	(588)	(299)	–	–	(887)
Balance at December 31, 2012	**(35,160)**	**(167,234)**	**–**	**(669)**	**(203,063)**
Balance at January 1, 2013	**(35,160)**	**(167,234)**	**–**	**(669)**	**(203,063)**
Amortization and impairment charge for the year	(5,371)	(19,954)	–	(30)	(25,355)
Disposals	–	111	–	–	111
Transfers	–	242	–	–	242
Effect of movements in foreign exchange rates	589	490	–	–	1,079
Balance at December 31, 2013	**(39,942)**	**(186,345)**	**–**	**(699)**	**(226,986)**
Balance at January 1, 2014	**(39,942)**	**(186,345)**	**–**	**(699)**	**(226,986)**
Increases/decreases related to changes in scope of consolidation	–	–	–	(239)	(239)
Amortization and impairment charge for the year	(17,909)	(18,224)	–	(19)	(36,152)
Disposals	–	7	–	–	7
Transfers	–	242	–	–	242
Effect of movements in foreign exchange rates	(3,258)	(799)	–	–	(4,057)
Balance at December 31, 2014	**(61,109)**	**(205,119)**	**–**	**(957)**	**(267,185)**
Carrying amounts					
December 31, 2012	**697,729**	**55,728**	**7,035**	**409**	**760,901**
December 31, 2013	**691,767**	**46,406**	**7,113**	**341**	**745,627**
December 31, 2014	**674,449**	**29,800**	**17,137**	**346**	**721,732**

(1) Including the right to use trademarks with a finite life (Alamo, Guy Salmon and National) amortized since March 1, 2007: gross value of €54.7 million, cumulative amortization of € 37.4 million as at December 31, 2013 (December 31, 2012: gross value of €55.9 million, cumulative amortization of €32.6 million). In 2014, these trademark usage rights were written down in full following the settlement of the related litigation (see "Significant events of the year").

(a) Trademarks

(i) Annual impairment test

In accordance with IAS 36—Impairment of Assets, the Group has performed an annual impairment test of the carrying amount of the Europcar finite-lived trademark (€699.0 million as at December 31, 2013) based on the relief-from-royalty method. This test is performed on a consolidated basis with no country or segment-based allocation.

The value in use of the trademark has been determined based on projections of royalties received within the Europcar network (corporate entities, domestic and international franchisees).

(ii) Key assumptions

The terminal value is based on a perpetuity growth rate of 2%.

The discount rate used in the weighted average cost of capital is applied to the net royalty cash flows of each CGU based on a risk-free rate for 10-year German bonds.

In 2014, it was estimated at 9.05% (9.31% in 2013 and 9.34% in 2012).

(iii) Sensitivity analysis

A reasonably possible change in the key assumptions on which management has based its determination of the recoverable amount would not cause significant difference between the carrying amount and the recoverable amount. The following table shows the results of the impairment tests and the resulting difference between the recoverable amount and the carrying amount of brands according to different assumptions of the long-term growth rate and weighted average cost of capital.

	Perpetuity growth rate		
In € millions	**1.0%**	**2.0%**	**3.0%**
WACC			
8.05%	**275**	**398**	**571**
9.05%	**195**	**242**	**298**
10.05%	**58**	**180**	**212**

The tests performed on the Europcar trademark did not result in the recognition of any impairment losses in 2012, 2013 or 2014.

(b) Software and operating systems

Internally-developed computer software (the Europcar Greenway and PremierFirst Speedlink systems) has been recognized at fair value in accordance with IFRS 3—Business Combinations, based on an analysis of functional aspects. This methodology is based on the calculation of function points for each segment/software of the Europcar and PremierFirst rental reservation and fleet management systems. A function point reflects the functionality of the application which has been used as a basis to calculate its replacement value.

The net book value of this internally-developed computer software amounts to € 19.9 million as at December 31, 2014 (at end-2012 and end-2013, the equivalent figures were €43.6 million and € 34.6 million, respectively).

Costs amounting to € 9.3 million were capitalized in 2014.

(c) Security

The total amount of intangible assets is held as security against the senior asset financing loan, as described in Note 24.

Note 14—Property, plant and equipment

The Group leases buildings and other equipment under different types of finance lease agreements. At December 31, 2014, the carrying amount of leased buildings and other equipment was €0.3 million and € 4.9 million, respectively (in 2012, the respective figures were €0.6 million and €4.7 million and in 2013 they were € 0.4 million and €4.4 million).

Property, plant and equipment assets are held as security against Group corporate financing, as described in Note 24.

In € thousands	Land and buildings	Technical equipment	Other equipment	Fixed assets in progress	Total
Cost					
Balance at January 1, 2012	**90,474**	**8,391**	**147,830**	**1,385**	**248,080**
Other acquisitions	585	309	7,896	5,469	14,259
Disposals	(2,612)	(211)	(11,323)	(624)	(14,770)
Transfers	(180)	(34)	1,593	(1,297)	82
Effect of movements in foreign exchange rates	345	6	464	–	815
Balance at December 31, 2012	**88,612**	**8,461**	**146,460**	**4,933**	**248,466**
Balance at January 1, 2013	**88,612**	**8,461**	**146,460**	**4,933**	**248,466**
Other acquisitions	2,926	120	7,769	1,716	12,531
Disposals	(892)	(307)	(1,819)	(366)	(3,384)
Transfers	36	–	7,380	(3,667)	3,749
Effect of movements in foreign exchange rates	(1,033)	(47)	(817)	–	(1,897)
Balance at December 31, 2013	**89,649**	**8,227**	**158,973**	**2,616**	**259,465**
Balance at January 1, 2014	**89,649**	**8,227**	**158,973**	**2,616**	**259,465**
Changes in scope of consolidation	–	69	3,209	–	3,278
Other acquisitions	548	171	8,132	3,252	12,103
Disposals	(2,449)	(6)	(959)	(285)	(3,699)
Transfers	11	–	1,873	(1,888)	(4)
Effect of movements in foreign exchange rates	1,058	13	1,895	–	2,966
Balance at December 31, 2014	**88,817**	**8,474**	**173,123**	**3,695**	**274,109**
Depreciation and impairment losses					
Balance at January 1, 2012	**(30,780)**	**(5,894)**	**(113,767)**	**–**	**(150,441)**
Depreciation and impairment charge for the year	(5,216)	(416)	(11,175)	–	(16,807)
Disposals	1,951	180	10,748	–	12,879
Transfers	172	–	(279)	–	(107)
Effect of movements in foreign exchange rates	(79)	(6)	(271)	–	(356)
Balance at December 31, 2012	**(33,952)**	**(6,136)**	**(114,744)**	**–**	**(154,832)**
Balance at January 1, 2013	**(33,952)**	**(6,136)**	**(114,744)**	**–**	**(154,832)**
Depreciation and impairment charge for the year	(3,287)	(404)	(10,799)	–	(14,490)
Disposals	467	276	1,609	–	2,352
Transfers	–	–	(3,965)	–	(3,965)
Effect of movements in foreign exchange rates	303	17	552	–	872
Balance at December 31, 2013	**(36,469)**	**(6,247)**	**(127,347)**	**–**	**(170,063)**
Balance at January 1, 2014	**(36,469)**	**(6,247)**	**(127,347)**	**–**	**(170,063)**
Increases/decreases related to changes in scope of consolidation	–	(60)	(2,560)	–	(2,620)
Depreciation and impairment charge for the year	(1,358)	(364)	(11,112)	–	(12,834)
Disposals	714	6	801	–	1,521
Transfers	–	–	(242)	–	(242)
Effect of movements in foreign exchange rates	(232)	(6)	(1,429)	–	(1,667)
Balance at December 31, 2014	**(37,345)**	**(6,671)**	**(141,889)**	**–**	**(185,905)**
Carrying amounts					
December 31, 2012	**54,660**	**2,325**	**31,716**	**4,933**	**93,634**
December 31, 2013	**53,180**	**1,980**	**31,626**	**2,616**	**89,402**
December 31, 2014	**51,472**	**1,803**	**31,234**	**3,695**	**88,204**

Note 15—Equity-accounted investments

At December 31, 2014

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in €k)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2Go Europe GmbH[1]	Germany	25.00%	25.00%	(6,523)		(717)
Car2Go Hamburg GmbH	Germany	75.00%	50.00%	–	–	
BAJV Pty Ltd	Australia	0.00%	0.00%	–	–	
Ubeeqo[2]	France	70.60%	70.60%	–	17,323	
Total				**(6,523)**	**17,323**	**(717)**

At December 31, 2013

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in €k)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2Go Europe GmbH	Germany	25.00%	25.00%	(5,222)	149	
Car2Go Hamburg GmbH	Germany	75.00%	50.00%	(49)	(93)	
BAJV Pty Ltd	Australia	0.00%	0.00%	221	–	
Ubeeqo	France	0.00%	0.00%	–	–	
Total				**(5,050)**	**56**	

At December 31, 2012

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (in €k)	Equity-accounted shares (in €k)	Provisions taken on equity-accounted shares (in €k)
Car2Go Europe GmbH	Germany	25.00%	25.00%	(4,387)	1,494	
Car2Go Hamburg GmbH	Germany	75.00%	50.00%	1,105	(811)	
BAJV Pty Ltd	Australia	50.00%	50.00%	(184)	169	
Ubeeqo	France	0.00%	0.00%	–	–	
Total				**(3,466)**	**852**	

(1) Car2Go Europe GmbH Group—on a full-consolidation basis

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Share of net assets of associates and joint ventures			
Non-current assets	50,266	43,123	36,777
Current assets	43,596	12,743	11,146
Non-current liabilities	(33)	(88)	
Current liabilities	(71,532)	(51,273)	(42,517)
Net assets	**22,297**	**4,505**	**5,406**
Share of profit/(loss) in associates			
Revenue	53,179	31,864	10,930
Profit or loss	(26,091)	(20,879)	(16,440)

(2) In light of the planned shareholders' agreement between Europcar Groupe and the founders of Ubeeqo, no shareholder controls the company within the meaning of IFRS 10. None of the parties may take a decision without the approval of the other party (even if one of the parties owns more than 50% of the share capital), or exercise joint control within the meaning of IFRS 11. Consequently, Europcar Groupe exercises significant influence over Ubeeqo and accounts for it using the equity method. In 2013, Ubeeqo reported revenue of €2.5 million and its assets totaled €2.7 million. The acquisition agreement provides for call/put options with potential voting rights. The total amount recognized under derivatives is nil at December 31, 2014.

Note 16—Financial assets

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Other non-current investments			
Available-for-sale financial assets	670	617	587
Held-to-maturity investments[1]	31,225	28,125	36,207
Deposits and prepayments	5,747	5,591	5,768
Other non-current investments	1,292	1,208	1,183
Total non-current financial assets	**38,934**	**35,541**	**43,745**
Current investments			
Loans	118	118	117
Other current investments[1]	49,359	41,286	36,728
Total current financial assets	**49,477**	**41,404**	**36,845**

(1) Of which €62.9 million to cover liabilities arising from our captive insurance structure (€53.3 million at December 31, 2013 and € 56.2 million at December 31, 2012), mainly consisting of bonds recognized at amortized cost. Because they mature in the very near future, management has concluded that the fair value of these held-to-maturity investments approximates their respective carrying amounts as at December 31, 2014.

No impairment charge was recognized on investments in non-consolidated entities classified as available-for-sale financial assets.

Note 17—Deferred tax assets and liabilities

(a) Deferred tax assets and liabilities and temporary differences recognized during the period

In € thousands	January 1, 2014	Changes in scope of consolidation	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2014
Property, plant and equipment	(1,434)		313		(106)	(1,228)
Intangible assets	(253,308)		7,988		(200)	(245,514)
Rental fleet	(3,964)		2,082		(130)	(2,012)
Investments in subsidiaries	149			(7)	3	145
Other financial assets	–		(302)			(302)
Receivables and other assets	(1,199)		(1,782)		20	(2,962)
Prepaid and deferred charges	2,276		(2,239)		(3)	36
Employee benefits	12,615		(533)	5,985	32	18,099
Deferred income	3,670		2,482			6,152
Provisions	11,787		5,686	(11)	(26)	17,436
Derivative liabilities	4,733			(4,713)		20
Other liabilities	6,218		3,865		28	10,111
Tax losses carried forward	115,030		980		381	116,409
Deferred tax assets/(liabilities)	**(103,427)**		**18,541**	**1,628**	**(81)**	**(83,610)**
Deferred tax assets						**47,395**
Deferred tax liabilities						**(131,005)**

In € thousands	January 1, 2013	Reclassifi-cation	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2013
Property, plant and equipment	(2,128)	(104)	763		35	(1,434)
Intangible assets	(257,561)	(59)	4,171		141	(253,308)
Rental fleet	(3,197)	148	(964)		49	(3,964)
Investments in subsidiaries	158	(1)		(7)	(1)	149
Other financial assets	–		(697)	697		–
Receivables and other assets	(1,018)	(498)	377		(60)	(1,199)
Prepaid and deferred charges	2,903	884	(1,531)		20	2,276
Employee benefits	14,250	(685)	(998)	176	(128)	12,615
Deferred income	6	17	3,647			3,670
Provisions	10,092	263	1,447	(4)	(11)	11,787
Derivative liabilities	8,586		6,263	(10,116)		4,733
Other liabilities	4,602		1,209	20	387	6,218
Tax losses carried forward	114,765	81	461		(277)	115,030
Deferred tax assets/(liabilities)	**(108,542)**	**46**	**14,148**	**(9,234)**	**155**	**(103,427)**
Deferred tax assets						**31,796**
Deferred tax liabilities						**(135,223)**

In € thousands	January 1, 2012	Reclassifi-cation	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2012
Property, plant and equipment	(2,503)		434		(59)	(2,128)
Intangible assets	(261,904)		4,530	1	(188)	(257,561)
Rental fleet	(7,122)		4,095		(170)	(3,197)
Investments in subsidiaries	9		11	141	(3)	158
Other financial assets	(3,442)		3,443		(1)	–
Receivables and other assets	1,784		(2,812)		10	(1,018)
Prepaid and deferred charges	(1,196)		4,102		(3)	2,903
Employee benefits	8,396		(437)	6,281	10	14,250
Deferred income	–		6			6
Provisions	7,632	(591)	2,855	196		10,092
Derivative liabilities	25,244		(11,056)	(5,603)	1	8,586
Other liabilities	2,829	180	1,687	(93)	(1)	4,602
Tax losses carried forward	113,551	590	379		245	114,765
Deferred tax assets/(liabilities)	**(116,722)**	**179**	**7,237**	**923**	**(159)**	**(108,542)**
Deferred tax assets						**32,881**
Deferred tax liabilities						**(141,423)**

(b) Unrecognized deferred tax assets

Deferred tax assets are recognized up to the amount of available deferred tax liabilities and recoverability projections derived from business plans.

In € millions	2014	2013	2012
Relating to temporary differences	33,415	21,404	16,211
Relating to tax losses carried forward[(1)]	129,290	110,009	107,874
	162,705	**131,413**	**124,085**

(1) The amount mainly relates to Spain (€44.5 million), Italy (€16.9 million) and France (€ 60.2 million). With the exception of those in Spain, all other tax losses may be carried forward indefinitely. Spanish tax losses will become evergreen from 2015. Certain tax jurisdictions may cap the use of tax losses.

Note 18—Inventories

No material restrictions of title or right of use exist in respect of the inventories listed below:

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Consumables	2,021	2,117	2,231
Oil and fuel	12,363	13,212	14,576
Vehicles	739	803	822
Spare parts	312	465	392
Other items	706	382	612
Total inventories	**16,141**	**16,979**	**18,633**

Inventories are stated net of provisions. At year-end 2014, they amounted to of €140,000 (end-2013: €197,000 and end-2012: €126,000).

Vehicles reported in inventory are vehicles not yet in operation at the end of the period.

Note 19—Rental fleet related receivables

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Deferred depreciation expense on vehicles	158,247	133,813	169,319
Vehicle buy-back agreement receivables	897,011	792,002	812,184
Receivables and current assets related to buy-back agreements	**1,055,258**	**925,815**	**981,503**
Vehicles purchased without manufacturer or dealer buy-back commitment (“at risk” or “risk vehicles”)	289,088	254,598	230,104
Vehicles acquired through rental agreements qualifying as finance leases without buy-back arrangements	58,314	64,795	56,757
Total rental fleet	**1,402,660**	**1,245,208**	**1,268,364**
Fleet receivables[(1)]	460,038	377,843	470,220
VAT receivables[(2)]	70,060	45,386	49,761
Rental fleet related receivables	**1,932,758**	**1,668,437**	**1,788,345**

(1) Includes an amount of €232.5 million (end-2013: €244.9 million) related to a large fleet operating lease contracted in 2009 whereby the Group acquired vehicles from a manufacturer and resold them immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement.

(2) Most of the VAT receivables amount is related to fleet acquisitions and disposals.

Vehicle buy-back agreement receivables are shown net of depreciation or impairment expense in respect of damaged or stolen vehicles amounting to €4.5 million (€3.1 million in 2013 and € 2.7 million in 2012)

Note 20—Trade and other receivables

The fair values of trade and other receivables correspond to their nominal value. All trade receivables fall due within one year.

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Rental receivables	181,487	158,212	167,582
Other trade receivables	79,501	70,692	79,429
Other tax receivables	543	1,792	1,635
Insurance claims	18,515	15,533	15,591
Prepayments	31,902	26,164	33,685
Employee related receivables	739	790	775
Deposits, other receivables and loans	13,225	15,325	23,792
Total trade and other receivables	**325,912**	**288,508**	**322,489**

Impairment losses taken on rental and other trade receivables are as follows:

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	**(33,742)**	**(29,119)**	**(32,690)**
Allowance for bad debts[(1)]	(8,783)	(13,656)	(4,804)
Receivables written off during the year/period	6,803	6,320	7,911
Unused amounts reversed	568	2,360	506
Foreign currency differences	(143)	352	(41)
Closing balance	**(35,297)**	**(33,742)**	**(29,119)**

(1) Including €6.2 million related to Auto Europe for a receivable write-down following a change in regulations in 2013 in respect of VAT deductibility for tour operators based outside of the European Union.

Additions to/releases of the allowance for bad debts are included in "Fleet operating, rental and revenue related costs" in the consolidated income statement (Note 4).

The aged receivables profile is as follows:

In € thousands	Not past due	Overdue by < 90 days	Dec. 31, 2014 Overdue by between 90 and 180 days	Overdue by > 180 days	Total
Trade and other receivables—gross amount	253,396	50,679	18,133	47,067	369,275
Allowance for bad debts	(9,308)	(2,335)	(2,152)	(29,568)	(43,363)
Trade and other receivables—net amount	**244,088**	**48,344**	**15,981**	**17,499**	**325,912**

In € thousands	Not past due	Overdue by < 90 days	Dec. 31, 2013 Overdue by between 90 and 180 days	Overdue by > 180 days	Total
Trade and other receivables—gross amount	206,508	60,498	15,971	48,575	331,552
Allowance for bad debts	(3,912)	(3,031)	(3,119)	(32,982)	(43,044)
Trade and other receivables—net amount	**199,020**	**58,432**	**13,404**	**17,652**	**288,508**

In € thousands	Not past due	Overdue by < 90 days	Dec. 31, 2012 Overdue by between 90 and 180 days	Overdue by > 180 days	Total
Trade and other receivables—gross amount	208,093	82,556	17,967	53,637	362,253
Allowance for bad debts	(2,887)	(3,390)	(4,264)	(29,223)	(39,764)
Trade and other receivables—net amount	**205,206**	**79,166**	**13,703**	**24,414**	**322,489**

Note 21—Cash and cash equivalents and restricted cash

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Cash-in-hand and at bank	143,721	196,078	134,785
Accrued interest	316	303	324
Cash and cash equivalents	**144,037**	**196,381**	**135,109**
Restricted cash	81,795	81,724	83,941
Cash and cash equivalents and restricted cash	**225,832**	**278,105**	**219,050**

Cash-in-hand and at bank includes € 52.5 million in cash tied up in SecuritiFleet companies, excluding the two SFH Holdings (€83.1 million in 2013 and € 82.3 million in 2012) dedicated to fleet financing in France, Germany, Italy and Spain. As such, this cash is considered as non-restricted.

Cash and cash equivalents in fleet and captive insurance SPEs are reported as restricted cash. For the definition of restricted cash, please refer to Significant Accounting Policies, section Treasury (ii).

The following table reconciles cash and cash equivalents in the statement of financial position to cash and cash equivalents in the cash flow statement:

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Cash and cash equivalents	144,037	196,381	135,109
Restricted cash	81,795	81,724	83,941
Bank overdrafts[(1)]	(19,515)	(11,067)	(5,956)
Cash flow statement cash and cash equivalents	**206,317**	**267,038**	**213,094**

(1) Included in current loans and borrowings (see Note 24).

Note 22—Capital and reserves

(a) Share capital and share premium

On August 2, 2011 ECG increased its capital by issuing 382,042 new Category B preference shares at a unit price of €19.50, fully paid up in cash, mainly by the management of Europcar at that date. The remaining shares, not subscribed by management, were taken up by Eurazeo S.A.

On January 9, 2013, the par value of the shares issued by ECG was reduced to € 4.30 per share through a capital decrease not based on losses (*réduction de capital non motivée par des pertes*), allocated to an unavailable reserve account.

On February 1, 2013, ECG issued an additional 25,581,396 Category A ordinary shares fully subscribed by Eurazeo and by ECIP Europcar.

Therefore, at December 31, 2014 and at December 31, 2013, the issued and subscribed capital comprises 103,810,045 shares: 103,428,003 Category A ordinary shares and 382,042 Category B preference shares, all with a nominal value of €4.30 each.

Share premiums arise from past capital increases. The subscribed capital was fully paid up at December 31, 2014, December 31, 2013 and December 31, 2012.

Shareholders are entitled to receive dividends as declared on a timely basis. There is no preferential dividend. Each Category A ordinary share gives an entitlement to one vote. Category B preference shares do not have voting rights at ECG shareholders' meetings.

Aside from the shares owned by Eurazeo, the 382,042 Category B preference shares are owned exclusively by certain managers and former managers of Europcar ("the Managers"). They may be converted into Category A ordinary shares in certain circumstances, namely in the event of an IPO or disposal by Eurazeo of its shares in Europcar under the terms of the shareholders agreement with Eurazeo (see Appendix D of the Europcar Group Management Agreement of July 29, 2011). The conversion ratio is based on the application of a formula, taking into account Eurazeo's exit multiple, accompanied by a maximum amount.

In the specific case of the listing of ECG shares on a regulated market, the Managers may convert their shares, either partially or fully, at any time up to the expiration of (i) the 20-day period following publication of Eurazeo's accounts for the period ended December 31, 2015, or (ii) the three-month period following the expiration of the lock-up period imposed on the Managers. The conversion ratio would depend on when the conversion rights are exercised, i.e.,:

- If they are converted when the shares are listed, the ratio would be based on the ordinary share price on the first day of trading.
- If they are converted between the listing date and the publication of Eurazeo's accounts for the period ended December 31, 2015, the ratio would be based on the average share price weighted by trading volumes.
- If they are converted after the publication of Eurazeo's accounts for the period ended December 31, 2015, the ratio would be automatically based on a one-for-one exchange ratio.

In accordance with Article R. 225-114 of the French Commercial Code (*Code de commerce*), the value of the preference shares has been calculated based on work performed by an independent financial expert.

(b) Warrants

As part of a previous management package, ECG issued 346,607 Category A shares with equity warrants attached (*actions à bons de souscription d'actions*). These shares with warrants were subscribed and are owned by Eurêka Participation, which itself is 99.56%-owned by Eurazeo. Each of these Category A shares had 175 equity warrants (*actions à bons de souscription d'action*) giving a total of 60,656,225 equity warrants in circulation. They were canceled on January 1, 2014.

(c) Planned corporate actions within the scope of ECG's IPO on Euronext Paris

As part of ECG's IPO on Euronext Paris, the following corporate actions were approved by the Shareholders' Meeting of February 24, 2015:

(i) capital decrease to cover accumulated losses amounting to €336,844,642.72, by reducing the par value of the shares. The share capital was reduced from €446,383,193.50 to €109,538,550.78 and the par value of the share decreased from €4.30 to €1.055 per share.

(ii) the creation of C and D preference shares, reserved for Management and Eurazeo respectively, the purpose of the latter category being to allow Management to make additional investments in ECG in the event that the IPO is successful. The Shareholders' Meeting delegated its authority to the Board of Directors to decide on the requisite capital increases for the issuance of the C and D preference shares.

Other corporate actions are also planned, in particular with a view to neutralizing the losses recorded in respect of the year ended December 31, 2014, and whose exact terms had not been decided as of the date of preparation of these consolidated financial statements.

(d) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. At December 31, 2014 it includes a foreign exchange loss amounting to €51.5 million (the same as at December 31, 2013 and December 31, 2012) arising on an intercompany loan denominated in GBP granted by Europcar Groupe SA to its subsidiary Europcar UK Ltd that qualifies as a quasi-equity loan.

This loan for a nominal amount of €171 million (denominated in GBP) was repaid in full by Europcar UK Ltd to Europcar Groupe SA in December 2011. As the parent company continues to hold the same percentage of the subsidiary and continues to control the foreign operation, no partial disposal was recognized under sections 48d and 49 of IAS 21. Accordingly, the relevant currency translation adjustment has not been reclassified to the consolidated income statement.

As at December 31, 2014, Europcar International S.A.S.U. held a loan receivable with its subsidiary located in Australia amounting to AUD 14.6 million. The translation reserve includes a foreign exchange gain amounting to €1.6 million in relation to this loan (€ 3.2 million at December 31, 2012 and €1.2 million at December 31, 2013).

(e) Subordinated loan

In the context of Europcar's refinancing in 2012, Eurazeo and Europcar Groupe SA contributed to a subordinated shareholder loan in the amount of €110 million. This subordinated loan was capitalized in early February 2013 through the issuance of additional Europcar ordinary shares to the ordinary equity investors.

Note 23—Loss per share

Basic and diluted loss per share are based on the loss attributable to ordinary shareholders of €112.3 million for 2014 (2013: €62.0 million and 2012: € 109.8 million) and the weighted average number of ordinary shares during the year (not taking into account the shares that could be issued as these are likely to have an accretive impact (see Note 22), calculated as follows:

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Loss attributable to ordinary shareholders	(112,273)	**(62,024)**	**(109,861)**
Weighted average number of ordinary shares at December 31	103,810,045	103,810,045	78,228,649
Basic and diluted earnings (loss) per share (in €)	(1.082)	(0.597)	(1.404)
Dilution effect	0%	0%	0%

Note 24—Loans and borrowings

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Notes issued	1,074,000	1,074,000	1,074,000
Other bank loans	303	303	452
Transaction costs/Premiums/Discounts	(31,234)	(38,288)	(57,956)
Non-current liabilities	**1,043,069**	**1,036,015**	**1,016,496**
Senior Revolving Credit Facility	201,000	133,000	182,000
Senior asset Revolving Facility dedicated to fleet financing	417,600	402,496	336,796
Other borrowings dedicated to fleet financing	475,305	392,803	469,161
Finance lease liabilities	419	611	793
Bank overdrafts	19,515	11,067	5,956
Current bank loans and other borrowings	9,361	146	345
Transaction costs/Premium/Discount—current portion	(16,916)	(22,898)	(22,639)
Accrued interest	21,261	27,890	27,866
Current liabilities	**1,127,545**	**945,115**	**1,000,278**

Net debt reconciliation:

In € thousands	Notes	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Non-current loans and borrowings	***24***	1,043,069	1,036,015	1,016,496
Current loans and borrowings	***24***	1,127,545	945,115	1,000,278
Held-to-maturity investments	***16***	(31,225)	(28,119)	(36,203)
Other current investments	***16***	(49,359)	(41,293)	(36,728)
Cash and cash equivalents and restricted cash	***21***	(225,832)	(278,105)	(219,050)
Net debt on the statement of financial position		**1,864,198**	**1,633,613**	**1,724,793**
Estimated outstanding value of the fleet financed through operating leases[1]		1,284,052	1,184,802	1,223,925
Total net debt		**3,148,250**	**2,818,415**	**2,948,718**

(1) The estimated debt on operating leases represents the carrying amount of the vehicles concerned and is calculated based on the purchase prices and depreciation rates of corresponding vehicles (statistics provided by the manufacturers).

(a) Loans and borrowings by maturity

In € thousands	Dec. 31, 2014	<1 year	Due between 1 and 5 years	>5 years
Notes issued	1,074,000		724,000	350,000
Other bank loans	303		303	
Transaction costs/Premiums/Discounts[1]	(31,234)		(29,492)	(1,741)
Non-current liabilities	**1,043,069**	**–**	**694,811**	**348,259**
Senior Revolving Credit Facility	201,000	201,000		
Senior asset financing facility dedicated to fleet financing	417,600	417,600		
Other borrowings dedicated to fleet financing	475,305	475,305		
Finance lease liabilities	419	419		
Bank overdrafts	19,515	19,515		
Current bank loans and other borrowings	9,361	9,361		
Transaction costs/premiums/discount—current portion[1]	(16,916)	(16,916)		
Accrued interest	21,261	21,261		
Current liabilities	**1,127,545**	**1,127,545**	**–**	**–**

(1) Transaction costs and premiums relate to (i) the €324 million bond for €25.8 million, (ii) the € 400 million bond for €5.6 million, (iii) the €350 million bond for €7.4 million, (iv) the SARF for €3.9 million, (v) the RCF for € 1.3 million, and (vi) other items for €4.1 million.

In € thousands	Dec. 31, 2013	<1 year	Due between 1 and 5 years	>5 years
Notes issued	1,074,000		1,074,000	
Other bank loans	303		303	
Transaction costs	(38,288)		(38,288)	
Non-current liabilities	**1,036,015**	**–**	**1,036,015**	**–**
Senior Revolving Credit Facility	133,000	133,000		
Senior asset financing facility dedicated to fleet financing	402,496	402,496		
Other borrowings dedicated to fleet financing	392,803	392,803		
Finance lease liabilities	611	611		
Bank overdrafts	11,067	11,067		
Current bank loans and other borrowings	146	146		
Transaction costs/Premiums/Discounts—current portion	(22,898)	(22,898)		
Accrued interest	27,890	27,890		
Current liabilities	**945,115**	**945,115**	**–**	**–**

In € thousands	Dec. 31, 2012	<1 year	Due between 1 and 5 years	>5 years
Notes issued	1,074,000		674,000	400,000
Other bank loans	452		452	
Transaction costs	(57,956)		(57,348)	(608)
Non-current liabilities	**1,016,496**	**–**	**617,104**	**399,392**
Senior Revolving Credit Facility	182,000	182,000		
Senior asset financing facility dedicated to fleet financing	336,796	336,796		
Other borrowings dedicated to fleet financing	469,161	469,161		
Finance lease liabilities	793	793		
Bank overdrafts	5,956	5,956		
Current bank loans and other borrowings	345	345		
Transaction costs/Premiums/Discounts—current portion	(22,639)	(22,639)		
Accrued interest	27,866	27,866		
Current liabilities	**1,000,278**	**1,000,278**	**–**	**–**

(b) Loans and borrowings by currency of origination

At December 31, 2014, loans and borrowings by currency of origination can be analyzed as follows

In € thousands	Dec. 31, 2014	EURO	GBP	AUD
Notes issued	1,074,000	1,074,000		–
Transaction costs	(48,150)	(44,101)	(4,049)	
Accrued interest	21,261	21,261		
Senior Revolving Credit Facility	201,000	201,000		
Senior asset Revolving Facility dedicated to fleet financing	417,600	417,600		
Other borrowings dedicated to fleet financing	475,305	21,622	351,018	102,665
Finance lease liabilities	419	419		
Bank overdrafts	19,515	19,176	339	
Current bank loans and other borrowings	9,361	9,361		
Other bank loans	303	303		
Total loans and borrowings	**2,170,614**	**1,720,641**	**347,308**	**102,665**

In € thousands	Dec. 31, 2013	EURO	GBP	AUD

In € thousands	Dec. 31, 2013	EURO	GBP	AUD
Notes issued	1,074,000	1,074,000		
Transaction costs	(61,186)	(56,972)	(4,214)	
Accrued interest	27,890	27,890		
Senior Revolving Credit Facility	133,000	133,000		
Senior asset financing facility dedicated to fleet financing	402,496	402,496		
Other borrowings dedicated to fleet financing	392,803	19,800	269,400	103,603
Finance lease liabilities	611	611		
Bank overdrafts	11,067	11,067		
Current bank loans and other borrowings	146	146		
Other bank loans	303	303		
Total loans and borrowings	**1,981,130**	**1,612,341**	**265,186**	**103,603**

In € thousands	Dec. 31, 2012	EURO	GBP	AUD
Notes issued	1,074,000	1,074,000		
Transaction costs	(80,595)	(78,312)	(2,283)	
Accrued interest	27,866	27,866		
Senior Revolving Credit Facility	182,000	182,000		
Senior asset financing facility dedicated to fleet financing	336,796	336,796		
Other borrowings dedicated to fleet financing	469,161	23,831	316,141	129,189
Finance lease liabilities	793	793		
Bank overdrafts	5,956	5,956		
Current bank loans and other borrowings	345	345		
Other bank loans	452	452		
Total loans and borrowings	**2,016,774**	**1,573,727**	**313,858**	**129,189**

(c) Debt covenants

The following covenants must be complied with:

(i) For United Kingdom fleet financing facilities

Europcar UK shall ensure that:

• the net assets of Europcar UK Group shall be not less than GBP 60 million,
• the ratio of EBITAR to Fixed Charges shall be not less than 1.00,
• Fleet cover shall be no more than 1.00, and

(ii) For the Senior Revolving Credit Facility ("RCF")

The ratio of cash flow (which shall include, for any given period of 12 months ending on a quarter date, cash on the statement of financial position at the beginning of such period) to total debt service shall at no time be less than 1.10.

Total debt service is defined as the aggregate of the interest and associated fees paid during any given 12 month period plus repayment of financial liabilities, the latter being subject to certain limitations.

(iii) Loan to Value Covenant

The Group is subject to a maximum 95% loan-to-value ratio for all Securitifleet company debt over the total asset market value of certain Securitifleet entities. Compliance is tested on a quarterly basis.

(iv) For Australian Asset Financing

Europcar Australia shall ensure that:

• Minimum net worth, i.e., total shareholders' equity, is always greater than AUD 50 million;
• The fleet utilization ratio is above 70% on average over the year;
• Minimum cumulative net profit before tax is within 85% of the company's budget.

The Group complied with all these covenants at December 31, 2014.

(d) Notes issued

Loan notes issued are as follows:

In € thousands	Nominal outstanding amount			Carrying amount		
	Dec. 31, 2014	**Dec. 31, 2013**	**Dec. 31, 2012**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2012**
Senior Subordinated Secured 11.50% Notes due in 2017..........................	324,000	324,000	324,000	302,807	294,013	286,390
Senior Subordinated Secured 9.75% Notes due in 2017..........................	–	350,000	350,000	–	359,991	358,723
Senior Subordinated Secured 5.125% Notes due in 2021..........................	350,000	–	–	350,122	–	–
Senior Subordinated Unsecured 9.375% Notes due in 2018	400,000	400,000	400,000	402,397	400,908	399,649
	1,074,000	**1,074,000**	**1,074,000**	**1,055,326**	**1,054,912**	**1,044,762**

(i) € 400 million senior subordinated notes

In November 2010, ECG issued Senior Subordinated Unsecured notes due in 2018 with a nominal value of €400 million. The proceeds of these notes were used to redeem in full all of the Senior Subordinated Unsecured Notes due in 2014 (for a total nominal value of €375 million).

These Senior Subordinated Unsecured Notes due in 2018 are subordinated to:

- all secured ECG debt up to the value of the assets securing this debt;
- all debt and other liabilities (including trade payables) of each subsidiary of the issuer that is not a guarantor subsidiary.

(ii) € 324 million senior subordinated notes

In June 2012, ECG issued Senior Subordinated Unsecured notes with a nominal value of €324 million (coupon 11.5%, due in 2017) in order to redeem in full Europcar's Senior Subordinated Floating Rate Notes due in 2013 for a nominal value of €425 million.

These EGSA Senior Subordinated notes are due in 2017 and will be secured by a second-ranking share pledge taken on the share capital of ECI.

(iii) €350 million senior subordinated notes

In July 2014, the Group refinanced its fleet financing debt in France, Italy, Germany and Spain by issuing €350 million worth of senior secured 5.125% notes due in 2021. These notes were issued by EC Finance plc, an SPE, and guaranteed as senior debt by ECI, (the "EC Finance Notes"). This issue was used to redeem the senior secure notes due in 2017—and also guaranteed by EC Finance plc—in two installments: €250 million in summer 2010 and €100 million in May 2011. This early redemption therefore generated a redemption premium of €17.1 million.

These call options provided for in the event of early redemption are considered as embedded derivatives that must be recognized separately at fair value through profit and loss and they are not deemed material at December 31, 2014.

(e) Senior Revolving Credit Facility

The Senior Revolving Credit Facility consists of a senior secured revolving credit facility providing for loan advances denominated in euro, or such other currencies as may be agreed upon with the lenders. The facility, initially amounting to €350 million and maturing in May 2013, was restructured in June 2012 to a total aggregate principal amount of €300 million available at any time under certain conditions to ECG, ECI, Europcar Holding and the main operating companies of the Group ("the borrowers"). The maturity date of the facility has been extended to June 2015 with a further two-year extension option. Following agreement with the banks, the maturity has been extended to April 2017. The purpose of the facility is to provide funding mainly for:

- Financing advances to be made by a borrower to an SPE to contribute to the financing of fleet acquisition;
- Working capital needs and general corporate purposes of the Group;
- Payment to an SPE pursuant to any operating lease;

• Interest payments due by ECG or any other debtor of the Group pursuant to, inter alia, the Senior Revolving Credit Facility and certain other outstanding liabilities of ECG;

• Repayment of inter-company loans.

(f) Dedicated Asset Financing

(i) Senior Asset Revolving Facility 2010 ("SARF 2010")

In 2010, the Group entered into a €1.3 billion Senior Asset Revolving Facility, which may be increased to €1.7 billion (SARF 2010). Together with the net proceeds of the ECI Finance Notes (€242 million), SARF 2010 finances a portion of the purchase price and costs related to the purchase of vehicles and fleet financing in France, Germany, Italy and Spain. The SARF 2010 maturity date is the earlier of: (i) July 2014, (ii) the date on which a default event under the SARF 2010 is declared (subject to certain grace periods), (iii) the date on which the SARF 2010 is repaid (unless such facility is partly or fully refinanced for amounts equal to or greater than the existing amount of such facility), and (iv) on, or prior to the date on which the EC Finance Notes are fully repaid (unless such notes are refinanced for amounts equal to or greater than the existing amounts of such notes) (the "SARF Termination Date"). The final maturity date of the SARF 2010 will be the date occurring six months after the SARF 2010 Termination Date.

In its utilization, SARF 2010 allows the drawn amount to be adjusted each month on the basis of the fleet assets held in the four SecuritiFleet companies which own the fleet at the end of the previous month.

Drawn down amounts under SARF 2010 are based on the aggregate of all borrowing bases calculated monthly, in substance as the aggregate of the vehicle fleet residual value (including vehicles for which registration is pending) and the fleet working capital, including related VAT positions.

The SARF 2010 was initially entered into on July 30, 2010, then amended between Credit Agricole Corporate and Investment Bank acting as lender, Securitifleet Holding (as borrower) and ECI (as borrower agent). The last amendment, dated April 2012, was related to the 'A' rating assigned to FCT Sinople by S&P and documented the reduction of the SARF 2010 from €1.3 billion to €1.1 billion. Drawings are available to Securitifleet Holding for the sole purpose of financing fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet companies exclusively. The lender assigned its claims arising under SARF 2010, together with all security and ancillary rights thereto, to FCT Sinople. With respect to such claims, FCT Sinople will issue: (i) FCT Senior Notes to be subscribed periodically by Credit Agricole Corporate and Investment Bank, The Royal Bank of Scotland plc, Société Générale, Deutsche Bank, BNP Paribas and any other entity which may subscribe to or acquire the FCT Senior Notes as senior subscriber, and (ii) FCT Junior Notes to be subscribed from time to time by ECI.

In March 2014, the Group signed an amendment allowing it to extend maturity through July 2017 and to start repayments in January 2017. Europcar also adapted the facility to its financing requirements and limited its commitment to €1 billion. Standard & Poor's has confirmed its A stable outlook rating.

(ii) United Kingdom fleet financing facilities

The United Kingdom fleet has a stand-alone arrangement through the Group's United Kingdom subsidiaries, including Europcar Group UK Limited, Europcar UK Limited and certain subsidiaries of Europcar UK Limited, comprising a working capital facility and two main leasing facilities (one with Lloyds for GBP 190 million and the other with Lombard for GBP 160 million). In October 2014, all financing lines were renegotiated. As well as obtaining better conditions and expanding the banking pool, the refinancing arrangements increase the United Kingdom entities' fleet financing facilities to GBP 455 million, maturing in three years with a two-year extension option.

The total guaranteed amount available for leasing facilities is GBP 555 million (2013: GBP 558 million; 2012: GBP 583 million). Vehicles are acquired from the manufacturers, then sold to lessors and operated through lease-back agreements. The amount outstanding as at December 31, 2014 was GBP 273 million (end-2012: GBP 258 million; end-2013: GBP 225 million). Leasing facilities are due to expire on September 30, 2017.

(g) Australia Asset Financing

National Australia Bank (the "NAB"), Toyota Financial Services, Volkswagen Financial Services and Alphabet Financial Services have provided Europcar Australia and New Zealand with senior credit facilities (the "Australian Asset Financing Facilities") that include revolving and non-revolving fleet operating and finance leases for up to AUD 60 million. These facilities are renewed annually in April of each year.

NAB Facilities are secured by fixed and floating charges over Europcar Australia assets, including goodwill and uncalled capital and called but unpaid capital, together with assignment of the related insurance policy. There are also performance guarantees for the facilities.

(h) Major operating lease

The Group finances a portion of its fleet in all countries in which it is present, including Germany, France, Italy and Spain, through operating leases. In certain countries, the operating companies have entered into comprehensive framework operating lease agreements with financial institutions and manufacturers.

The financing of our operating leases is mostly correlated to the 6-month Euribor rate, in particular due to contractual terms that match the average length of the holding period of cars.

The note on "Financial risk management" provides more information about the Group's exposure to interest and liquidity risks.

Note 25—Employee benefits

	Dec. 31, 2014			Dec. 31, 2013			Dec. 31, 2012		
In € thousands	**Pensions**	**Other LT employee benefits**	**Total**	**Pensions**	**Other LT employee benefits**	**Total**	**Pensions**	**Other LT employee benefits**	**Total**
Non-current	120,945	3,814	**124,759**	98,824	4,133	**102,957**	96,127	4,213	**100,340**
Current	2,744		**2,744**	2,522		**2,522**	2,400	–	**2,400**
Total................	**123,689**	**3,814**	**127,503**	**101,346**	**4,133**	**105,479**	**98,527**	**4,213**	**102,740**

(a) Net liability recognized in the statement of financial position

The Group has defined benefit pension obligations for some of the Group's employees in the United Kingdom, France, Germany, Italy and Belgium.

In € thousands		**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2012**
Present value of funded or partially funded obligations	**(A)**	(74,155)	(68,669)	(62,692)
Fair value of plan assets	**(B)**	67,425	55,080	51,108
Surplus/(Deficit) at period end[(1)]..		**(6,730)**	**(13,589)**	**(11,584)**
Present value of unfunded obligations..	**(C)**	(116,960)	(87,758)	(87,355)
Unrecognized prior service costs			–	412[(2)]
Net liability for defined benefit obligations at end of period		**(123,689)**	**(101,346)**	**(98,527)**
Comprising:				
A statement of financial position liability of		123,689	101,346	98,527
A statement of financial position asset of..		–	–	–

(1) Mainly in United Kingdom.

(2) The Group has applied the revised IAS 19 since January 1, 2013, however, 2012 data has not been restated in line with the revised standard in view of the non-material amounts involved.

(b) Movement in net liability recognized in the statement of financial position

In € thousands	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2012**
Net liability for defined benefit obligations at 1 January.....................	(101,346)	(98,527)	(74,965)
Changes in scope of consolidation	(912)	–	–
Settlements	–	(35)	128
Defined benefit obligations and fair value of plan assets acquired as part of business combinations		–	–
Contributions paid into plan..	2,269	2,079	1,635
Benefits paid...	3,399	2,216	2,414
Current service cost, interest expense and expected return on plan assets...	(5,861)	(5,061)	(5,554)
Past service cost	(12)	(422)	(64)
Actuarial gains/(losses) recognized in equity....................................	(21,802)	(1,609)	(22,072)
Curtailments	569		
Foreign currency differences..	7	13	(49)
Net liability for defined benefit obligations at end of period	**(123,689)**	**(101,346)**	**(98,527)**

(c) Movement in defined benefit obligations

In € thousands		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Defined benefit obligations at 1 January	(A)+(C)	(156,416)	(150,047)	(118,162)
Curtailments		569		
Settlements		(3)	83	128
Defined benefit obligations acquired as part of a business combination		(912)	–	–
Benefits paid		5,028	3,772	1,862
Current service cost		(3,048)	(2,200)	(2,126)
Interest on obligations		(5,199)	(5,029)	(5,506)
Actuarial gains/(losses) recognized in equity		(27,327)	(3,935)	(25,274)
Foreign currency differences		(3,807)	940	(969)
Defined benefit obligations at end of period		**(191,115)**	**(156,416)**	**(150,047)**

(d) Plan assets

	2014		2013		2012	
In % (average)	**Eurozone**	**United Kingdom**	**Eurozone**	**United Kingdom**	**Eurozone**	**United Kingdom**
Equities	0%	18%	0%	19%	15%	41%
Debt	0%	52%	0%	65%	65%	52%
Other assets	100%	31%	100%	17%	20%	7%

(e) Movement in defined benefit plan assets

In € thousands		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Fair value of plan assets at 1 January	(B)	55,080	51,108	42,721
Curtailments				
Settlements		3	(118)	–
Fair value of plan assets acquired as part of a business combination			–	–
Contributions paid into plan		2,269	2,079	1,635
Benefits paid		(1,629)	(1,556)	552
Expected rate of return on plan assets		2,386	2,168	2,078
Actuarial gains/(losses) recognized in equity		5,527	2,326	3,202
Foreign currency differences		3,789	(927)	920
Fair value of plan assets at end of period		**67,425**	**55,080**	**51,108**

(f) Expense recognized in the income statement for defined benefit plans

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Current service costs	3,046	2,200	2,126
Interest on obligations	5,199	5,029	5,506
Expected rate of return on plan assets	(2,386)	(2,168)	(2,078)
Past service cost	12	422	64
Curtailments/settlements	–	35	(128)
	5,872	**5,518**	**5,490**

The expense is recognized in “Personnel costs” as disclosed in Note 5, except for interest costs on benefit plans and expected return on plan asset (€2.8 million). In the three main countries (France, Germany and United Kingdom), the estimated charge in the consolidated income statement for 2015, based on the assumptions at December 31, 2014 amounts to €5.5 million.

(g) Actuarial assumptions

Group obligations are valued by an external independent actuary, based on assumptions at the reporting date that are periodically updated. These assumptions are set out in the table below:

	2014			2013			2012		
	Eurozone excl. Germany[1]	Germany	United Kingdom	Eurozone excl. Germany[1]	Germany	United Kingdom	Eurozone excl. Germany[1]	Germany	United Kingdom
Discount rate	1.80%	1.80%	3.65%	3.00%	3.00%	4.45%	4.75%	3.00%	4.40%
Inflation rate	From 1.00% to 2.00%	1.00%	3.15%	From 1.00% to 2.00%	1.00%	3.45%	From 1.00% to 2.00%	1.00%	2.95%
Expected rate of salary increase	From 2.00% to 3.50%	2.00%	2.75%	From 2.00% to 3.50%	2.00%	2.75%	From 2.00% to 3.50%	2.00%	2.50%
Expected rate of pension increase	From 0.00% to 3.00%	1.00%	3.05%	From 0.00% to 3.00%	1.00%	3.30%	From 0.00% to 2.00%	1.00%	2.90%
Expected rate of return on plan assets	1.80%	N/A	3.65%	3.00%	N/A	4.45%	From 3.25% to 3.50%	N/A	5.00%

(1) The eurozone includes plans in Italy, France and Belgium expressed based on a weighted average.

The discount rate is the yield at the reporting date on bonds with a credit rating of at least AA that have maturities similar to those of the Group's obligations.

A 0.25% increase in the discount rate would reduce the benefit obligation by € 7.9 million; a 0.25% decrease in the discount rate would increase the benefit obligation by €8.4 million.

The estimated return on plan assets has been determined based on long-term bond yields. All of the plan assets are allocated to United Kingdom and Belgian employees.

Assumptions concerning long-term returns on plan assets are based on the discount rate used to measure defined benefit obligations. The impact of the revised IAS 19 is not material for Europcar Groupe.

Assumptions regarding future mortality rates are based on best practice and published statistics and experience in each country.

(h) Actuarial gains and losses recognized directly in equity (net of deferred tax)

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Cumulative opening balance	(25,907)	(25,179)	(8,858)
Gain/(loss) recognized during the year/period	(15,817)	(728)	(16,321)
Cumulative closing balance	**(41,724)**	**(25,907)**	**(25,179)**

(i) Experience adjustments

In € thousands	2014	2013	2012	2011	2010	2009	2008
Present value of defined benefit obligations	(61,369)	(50,720)	(47,859)	(42,325)	(38,098)	(35,482)	(25,033)
Fair value of plan assets	61,669	49,880	47,155	40,668	36,617	31,286	25,977
(surplus)/deficit	(300)	(840)	(705)	(1,657)	(1,481)	(4,196)	944
Experience adjustments to plan liabilities	1,372	313		–	850	–	–
Experience adjustments to plan assets	36	1,444	3,174	679	2,434	1,469	(5,262)

(j) Contributions to defined contribution plans

In 2014, the Group paid contributions into defined contribution plans amounting to €2.7 million (2012: €2.4 million; 2013: €2.5 million)

Note 26—Provisions

In € thousands	Insurance claim provisions	Reconditioning provisions	Other provisions	Total
Balance at January 1, 2012	**121,642**	**34,474**	**42,507**	**198,623**
Provisions recorded during the year	71,315	97,081	19,042	187,438
Provisions used during the year	(62,540)	(98,770)	(11,404)	(172,714)
Provisions reversed during the year	(4,600)	–	(5,996)	(10,596)
Transfers	–	–	–	–
Actuarial (gains)/losses	–	–	(1,839)	(1,839)
Effect of foreign exchange differences	629	107	142	878
Balance at December 31, 2012	**126,446**	**32,892**	**42,452**	**201,790**
Non-current				
Current	–		3,097	3,097
	126,446	32,892	39,355	198,693
	126,446	**32,892**	**42,452**	**201,790**
Balance at January 1, 2013	**126,446**	**32,892**	**42,452**	**201,790**
Provisions recorded during the year	64,823	72,483	32,726	170,032
Provisions used during the year	(59,423)	(76,944)	(28,154)	(164,521)
Provisions reversed during the year	(1,500)	(153)	(6,559)	(8,212)
Transfers	–	–		
Actuarial (gains)/losses	–	–	–	–
Effect of foreign exchange differences	(577)	(208)	(163)	(948)
Balance at December 31, 2013	**129,769**	**28,070**	**40,302**	**198,141**
Non-current	–	–	4,460	4,460
Current	129,769	28,070	35,842	193,681
	129,769	**28,070**	**40,302**	**198,141**
Balance at January 1, 2014	**129,769**	**28,070**	**40,302**	**198,141**
Provisions recorded during the year	59,816	72,314	65,268	197,398
Provisions used during the year	(51,489)	(68,738)	(22,575)	(142,802)
Provisions reversed during the year	(2,252)	(295)	(4,476)	(7,023)
Changes in scope of consolidation			644	644
Transfers	–	–	976	976
Actuarial (gains)/losses	–	–	–	–
Effect of foreign exchange differences	2,339	423	415	3,177
Balance at December 31, 2014	**138,183**	**31,774**	**80,554**	**250,511**
Non-current	–	–	10,114	10,114
Current	138,183	31,774	70,440	240,397
	138,183	**31,774**	**80,554**	**250,511**

(i) Insurance claim provisions

Most of these provisions relate to the insurance risks described in the “Financial risk management”.

(ii) Reconditioning provisions

The provision for reconditioning relates to costs incurred for the present fleet at the end of the buy-back agreement period.

(iii) Other provisions

Other provisions relate mainly to reserves for:

- risks and liabilities for damages to cars financed through operating leases;
- restructuring costs (personnel costs and the costs of moving the Group’s head office);
- litigation costs include litigation with franchisees, employee disputes and accident claims.

(iv) Provisions added or reversed in the income statement

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Operating income before other income/(expense)	4,047	(4,166)	(1,043)
Other operating income/(expense)	(86)	(7,543)	(4,100)
Non-recurring income/(expense)	29,677	6,912	6,075
Financial income/(expense)	3,250	3,845	4,811
Taxes	9,980	–	–
Total provisions added or reversed	**46,867**	**(952)**	**5,743**

Note 27—Rental fleet related payables

The fair values of rental fleet and related payables correspond to their nominal value. Fleet payables relate to operating lease contracts.

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Fleet payables[(1)]	491,664	475,950	541,785
VAT payables	90,293	72,153	39,893
Total rental fleet and related payables	**581,957**	**548,103**	**581,678**

(1) Includes an amount of €232.5 million (2013: €244.9 million) relating to a large fleet operating lease contract initiated in 2009, whereby the Group acquired fleet from a manufacturer and resold it immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement.

Note 28—Trade payables and other liabilities

The fair values of trade payables correspond to their nominal value. All trade payables and other liabilities fall due within one year.

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Trade payables[(1)]	302,669	250,432	233,608
Other tax payables	16,007	14,818	16,368
Deposits	42,875	33,960	30,511
Employee related liabilities	82,930	55,235	46,342
Liabilities relating to the acquisition of participating interests	5,385	–	–
Total trade payables and other liabilities	**449,866**	**354,445**	**326,829**

(1) Includes €23.7 million relating to LTIP programs.

Note 29—Derivative financial instruments

Total interest rate derivatives eligible for hedge accounting

In € thousands	Nominal	Indexation	Fair value at Dec, 31 2014	Fair value adjustments during period	Impact on income statement	Impact on OCI
Forward interest rate swaps maturing in 2017*—0.865%	900,000	1-month Euribor	(19,945)	(19,945)		(19,945)
Interest rate swaps maturing in 2018***—1.489%	500,000	6-month Euribor	(21,925)	(12,460)		(12,460)
Interest rate swaps maturing in 2015—0.143%	900,000	1-month Euribor	(58)	4,225	(2,000)	4,225
Interest rate swaps maturing in 2015**—2.43%	1,300,000	1-month Euribor	–		(14,258)	14,258
	1,400,000		**(41,928)**	**(28,180)**	**(16,258)**	**(13,922)**

* From January 19, 2015 to July 17, 2017.

** Wound up in April 2012 in exchange for a balancing cash payment of €67 million amortized over the initial term of the swap (i.e., through January 2015).

*** Change in rate to 1.65% in exchange for a balancing cash payment of €2 million, then to 1.4890%, and maturity extended through July 2018.

In € thousands	Nominal	Indexation	Fair value at Dec, 31 2013	Fair value adjustments during period	Impact on income statement	Impact on OCI
Interest rate swaps maturing in 2015***—1.95%	500,000	6-month Euribor	(9,465)	6,104	(1,100)	7,204
Interest rate swaps maturing in 2015—0.656%	900,000	1-month Euribor	(4,283)	5,086		5,086
Interest rate swaps maturing in 2015*—2.43%	1,300,000	1-month Euribor			(17,091)	17,091
	1,400,000		**(13,748)**	**11,190**	**(18,191)**	**29,381**

* Wound up in April 2012 in exchange for a balancing cash payment of €67 million amortized over the initial term of the swap (i.e., through January 2015).
*** Maturity extended through April 2015 and interest rate changed to 1.95% in exchange for a balancing cash payment of €0.6 million.

In € thousands	Nominal	Indexation	Fair value at Dec, 31 2012	Fair value adjustments during period	Impact on income statement	Impact on OCI
Interest rate swaps maturing in 2014—2.985%	300,000	6-month Euribor	(15,569)	(1,078)		(1,078)
Interest rate swaps maturing in 2015—0.656%	900,000	1-month Euribor	(9,369)	49,456		49,456
Interest rate swaps maturing in 2015*—2.43%	1,300,000	1-month Euribor	–	(67,117)	(35,014)	(32,103)
	1,200,000		**(24,938)**	**(18,739)**	**(35,014)**	**16,275**

* Wound up in April 2012 in exchange for a balancing cash payment of €67 million amortized over the initial term of the swap (i.e., through January 2015).

The fair value of a hedging derivative is recorded as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the maturity of the hedged item is less than 12 months.

The forward swap agreements qualify for cash flow hedge accounting and therefore the effective portion of changes in fair value is recognized in equity.

Note 30—Other disclosures relating to financial assets and liabilities

This note presents the Group's financial instrument fair value measurement methodology. The "Financial risk management" section in the Significant Accounting Policies provides more information about the Group's financial risk management policy.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price: Level 1 in the fair value measurement hierarchy.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated using the discounted cash flow method: Level 2 in the fair value measurement hierarchy.

The carrying amount less impairment provision for trade receivables and payables is assumed to approximate their fair value.

Given the maturity of the financing facilities and other debts and their respective interest rates, management has concluded that the fair value of the financial liabilities approximates their respective carrying amounts, except for Loan Notes maturing in 2017, 2018 and 2021 whose fair values were determined using quoted prices on the Euro MTF market at December 31, 2014, December 31, 2013 and December 31, 2012.

The fair values of the other financial assets and liabilities (investments, other assets, trade receivables and payables) are close to their carrying amounts in view of their short maturities.

The fair values of financial assets and liabilities, together with their carrying amount in the statement of financial position, are as follows:

In € thousands Fair value as at December 31, 2014	Notes	Carrying amount	Fair value	Fair value through the income statement	Fair value through OCI	Financial instruments at amortized cost
Trade receivables	***20***	260,629	260,629			*260,629*
Deposits and current loans	***16***	7,164	7,164			*7,164*
Vehicle buy-back agreement receivables	***19***	897,011	897,011			*897,011*
Fleet receivables	***19***	460,038	460,038			*460,038*
Deposits, other receivables and loans	***20***	13,225	13,225			*13,225*
Total of loans and receivables		**1,638,067**	**1,638,067**			***1,638,067***
Investments in non-consolidated entities	***16***	670	670		*670*	
Other financial assets	***16***	99,179	99,179			*99,179*
Restricted cash	***21***	81,795	81,795	*81,795*		
Cash and cash equivalents	***21***	144,037	144,037	*144,037*		
Derivative assets	***29***					
Total financial assets[(1)]		**1,963,748**	**1,963,748**	***225,832***	***670***	***1,737,246***
Notes and borrowings	***24***	1,043,069	1,120,820			*1,120,820*
Trade payables	***28***	368,913	368,913			*368,913*
Fleet payables	***27***	491,664	491,664			*491,664*
Bank overdrafts and portion of loans due in less than one year	***24***	1,127,545	1,127,545			*1,127,545*
Derivative liabilities	***29***	41,928	41,928		*41,928*	
Total financial liabilities[(1)]		**3,073,095**	**3,150,870**		***41,928***	***3,108,942***

In € thousands Fair value as at December 31, 2013	Notes	Carrying amount	Fair value	Fair value through the income statement	Fair value through OCI	Financial instruments at amortized cost
Trade receivables	***20***	228,904	228,904			*228,904*
Deposits and current loans	***16***	6,923	6,923			*6,923*
Vehicle buy-back agreement receivables	***19***	792,002	792,002			*792,002*
Fleet receivables	***19***	377,843	377,843			*377,843*
Deposits, other receivables and loans	***20***	15,325	15,325			*15,325*
Total of loans and receivables		**1,420,997**	**1,420,997**	**–**	**–**	***1,420,997***
Investments in non-consolidated entities	***16***	617	617		*617*	
Other financial assets	***16***	70,584	70,584			*70,584*
Restricted cash	***21***	81,724	81,724	*81,724*		
Cash and cash equivalents	***21***	196,381	196,381	*196,381*		
Derivatives assets	***29***	–	–		–	
Total financial assets[(1)]		**1,770,303**	**1,770,303**	***278,105***	***617***	***1,491,581***
Notes and borrowings	***24***	1,036,015	1,145,757			*1,145,757*
Trade payables	***28***	284,392	284,392			*284,392*
Fleet payables	***27***	475,950	475,950			*475,950*
Bank overdrafts and portion of loans due in less than one year	***24***	945,115	945,115			*945,115*
Derivative liabilities	***29***	13,748	13,748		*13,748*	
Total financial liabilities[(1)]		**2,755,220**	**2,864,962**	**–**	***13,748***	***2,851,214***

In € thousands Fair value as at December 31, 2012	Notes	Carrying amount	Fair value	Fair value through the income statement	Fair value through OCI	Financial instruments at amortized cost
Trade receivables	***20***	247,011	247,011			*247,011*
Deposits and current loans	***16***	7,072	7,072			*7,072*
Vehicle buy-back agreement receivables	***19***	812,184	812,184			*812,184*
Fleet receivables	***19***	470,220	470,220			*470,220*
Deposits, other receivables and loans	***20***	23,792	23,792			*23,792*
Total of loans and receivables		**1,560,279**	**1,560,279**	**–**	**–**	***1,560,279***
Investments in non-consolidated entities	***16***	587	587		*587*	
Other financial assets	***16***	73,783	73,783			*73,783*
Restricted cash	***21***	83,941	83,941	*83,941*		
Cash and cash equivalents	***21***	135,109	135,109	*135,109*		
Derivative assets	***29***	–	–		–	
Total financial assets[1]		**1,853,699**	**1,853,699**	***219,050***	***587***	***1,634,062***
Notes and borrowings	***24***	1,016,496	1,031,829			*1,031,829*
Trade payables	***28***	264,114	264,114			*264,114*
Fleet payables	***27***	541,785	541,785			*541,785*
Bank overdrafts and portion of loans due in less than one year	***24***	1,000,278	1,000,278			*1,000,278*
Derivative liabilities	***29***	24,938	24,938		*24,938*	
Total financial liabilities[1]		**2,847,611**	**2,862,944**	**–**	***24,938***	***2,838,006***

(1) Financial assets and liabilities are not offset as they have not been contracted with the same counterparties.

The level in the fair value hierarchy at which fair value measurements are categorized, for assets and liabilities measured in the statement of financial position, is as follows:

In € thousands	Dec. 31, 2014	Level 1	Level 2	Level 3
Assets measured at fair value				
Other financial assets	670	670		
Cash and cash equivalents	225,832	225,832		
Total	**226,502**	**226,502**	**–**	**–**

In € thousands	Dec. 31, 2014	Level 1	Level 2	Level 3
Liabilities measured at fair value				
Derivative liabilities	41,928		41,928	
Total	**41,928**	**–**	**41,928**	**–**

Time-frame for recycling items from OCI to profit and loss:

In € thousands	Dec. 31, 2014	2015	2016	2017	2018
Recycling of completed operations	617	617			
Recycling of operations in progress	41,928	13,829	14,733	10,362	3,004

Note 31—Off-balance sheet commitments

(i) Operating leases

As at December 31, 2014, the Group's minimum future payments for non-cancellable operating lease commitments are as follows:

In € thousands	Dec. 31, 2014		Dec. 31, 2013		Dec. 31, 2012	
		of which related to rental fleet		of which related to rental fleet		of which related to rental fleet
Payable:						
Within 1 year	312,936	267,735	307,453	258,611	237,990	195,309
From 1 to 5 years	110,165	23,607	111,135	20,041	100,487	30,102
Over 5 years	30,498	–	41,084	–	24,639	–
	453,599	**291,342**	**459,672**	**278,652**	**363,116**	**225,411**

The Group leases vehicles in Germany, Belgium, Portugal, France, Spain, Australia and New Zealand. The Group also leases facilities and other assets. Facilities and other asset leases run for a period of three to nine years in most instances, usually with an option to renew the lease after that date.

During 2014, €245.0 million was recognized as an expense in the income statement in respect of operating leases related to the rental fleet (2013: €235.8 million; 2012: €222.2 million). For assets other than the rental fleet leased under operating leases (mainly rental station facilities), expenses recorded in the 2014 consolidated income statement were €64.7 million (€62.8 million in 2013 and €63.9 million in 2012).

(ii) Capital commitments

During 2014 the Group entered into contracts to purchase vehicles. At December 31, 2014 capital commitments to purchase vehicles amounted to €496.1 million (€467.6 million at end-2013 and €379.2 million at end-2012), and commitments to purchase property, plant and equipment and intangible assets were €0.2 million (€0.1 million at end-2013 and €0.2 million at end-2012),

The large increase in fleet capital commitments at December 31, 2013 reflects the switch from outright purchase of vehicles to operating leases and the late finalization and signature of contracts with car manufacturers in early 2013 (instead of end-2012).

(iii) Contingencies and guarantees

1. In particular, in 2007 the Group acquired from Vanguard the operations of National and Alamo in the EMEA region. Vanguard was then acquired by Enterprise and the Group and Enterprise entered into a period of commercial cooperation that lasted until August 2013 during which the Group continued to operate the National and Alamo brands in EMEA under a license agreement with Enterprise. Following disputes between the parties over the interpretation of certain provisions of the license agreement, such agreement and the commercial alliance agreement were the subject of an arbitration proceeding that resulted in a decision on December 9, 2014 which, after a transitional period agreed by the parties, effectively terminated these agreements as of March 2015.

Furthermore, in January 2015, the High Court of Justice of England issued a judgment ordering the Group to cease using the "e-moving" logo (an accessory element to the global Europcar brand in the United Kingdom on the grounds that such logo was confusing with and infringing upon prior trademarks of Enterprise Holdings Inc. The Group has requested the authorization to appeal this judgment before the English courts.

In its financial statements as of and for the year ended December 31, 2014 the Group recorded a provision in relation to the two above-mentioned proceedings in an amount equal to the risk of certain of the damages that it was able reasonably to estimate as of the closing date (see note 9).

During a second phase of the arbitration proceeding, the arbitrators will determine the compensation for damages incurred by Enterprise as a result of the facts referred to in the arbitration decision of December 9, 2014. The amount of other damages that the Group may be required to pay as a result of the adverse findings in such decision cannot be reasonably estimated at this stage of the proceeding (the final award of which is not expected to be issued before the second quarter of 2016) and, accordingly, no provision in respect of such other potential damages was recorded in the Group's financial statements as of and for the year-ended December 31, 2014.

Furthermore, the French Competition Authority is investigating potential anti-competitive practices in the vehicle rental industry. On February 17, 2015, the French Competition Authority sent a notification of grievances to Europcar France and other interested parties accusing them of certain practices that it considers to be in violation of French regulations. Europcar France has two months to respond to the notification of grievances. Should this investigation run its course the Group would be subject to the risk of a fine, potentially of a significant amount. At this stage of the proceeding, the amount of the potential fine to which the Group might be subject based on the allegations against it that might be confirmed cannot be reasonably estimated and, accordingly, no provision in this respect was recorded in the Group's financial statements as of and for the year-ended December 31, 2014.

Should the Group have to pay fines and/or damages in relation to these proceedings in excess of a certain amount it might need to seek additional financings or other financial resources.

2. The Group has provided various guarantees (mostly joint and several guarantees) to certain third parties (mainly for fleet leasing transactions) within the normal course of business, as well as some specific purpose guarantees, including a €38 million guarantee to Chartis (formerly AIG) for the performance of certain obligations of its self-insurance program (Loss Retention Agreement), which could be exercised in the highly unlikely event that Europcar were unable to meet its commitments under such Loss Retention Agreement.

As at December 31, 2014, ECG had given guarantees worth €43.4 million to suppliers, including Chartis (at end-2013 and end-2012, these guarantees amounted to €69.0 million and €76.6 million, respectively). At that date, contingent assets amounted to €3.6 million (€3.8 million at end-2013 and €2.8 million at end-2012).

ECG received a vendor warranty granted by the Volkswagen group at the time of the acquisition of the Europcar group in 2006. This guarantee has expired and cannot now be called upon except in relation to certain very specific matters. However, relating to previous implementations or such specific implementations, the Company may still receive compensation subject to the completion of ongoing litigation or pre-litigation and in agreement with Volkswagen on the final amount of such compensations.

3. The Group has granted pledges on some of its assets, in particular trademarks, subsidiaries' shares, receivables, bank accounts and business assets. The assets of the Securitifleet group as well as those related to Securitifleet group operations are pledged in favor of EC Finance Notes holders and the lenders of the SARF 2010. Other assets have been pledged in favor of the lenders of the Senior Revolving Credit Facility, except for certain United Kingdom based assets and Australia/New Zealand based assets which are pledged in favor of the local lenders for those respective territories.

4. Securitifleet SAS and Securitifleet SL respectively own a substantial part of the fleet leased by, respectively, Europcar France SAS and Europcar IB SA to their respective clients and have been granted a pledge over their vehicles, with respect to Securitifleet SAS, in favor of Crédit Agricole Corporate and Investment Bank and its successors and assignees and, more particularly, in favor of the French securitization mutual fund, FCT Sinople, in accordance with the provisions of articles 2333 *et seq*. of the French Civil Code (*Code civil*), and with respect to Securitifleet S.L., in favor of its creditors and its successors and assignees pursuant to a contract known as the "Spanish Securitifleet Financing Agreement" and in accordance with the provisions of article 1863 of the Spanish Civil Code. For the requirements of these pledges, Europcar France SAS and Europcar IB SA were respectively appointed as third party holders (*tiers convenu* and *tercero poseedor de conformidad*) in accordance with the provisions of Article 2337 of the French Civil Code and Article 1863 of the Spanish Civil Code, respectively. Consequently, any vehicle returns by clients of Europcar France SAS or Europcar IB S.A. will either have to be made to Europcar France SAS or Europcar IB SA in their capacity as third party holder (*tiers convenu* and *tercero poseedor de conformidad*) or to any other entity representing them in such capacity and in no event to Securifleet France SAS or Securitifleet SL.

Note 32—Related parties

Under IAS 24, related parties include parties with the ability to control or exercise significant influence over the reporting entity. All business transactions with non-consolidated subsidiaries are conducted at arm's length. Several members of the Management and the Board of Directors of the Group are members of the supervisory boards of companies with which Europcar Groupe SA has relations in the normal course of its business activities. All transactions with these parties are conducted at arm's length.

(a) Transactions with related parties controlled by Eurazeo S.A., Europcar Groupe SA's parent company

The Group has negotiated a management services agreement with its parent company, Eurazeo. These services are provided by Eurazeo and billed directly to Europcar Groupe SA.

At December 31, 2014 (and at December 31, 2013 and December 31, 2012) no amounts were billed by Eurazeo to Europcar because no services had been provided under this agreement.

(b) Transactions with entities over which Europcar Groupe exercises significant influence

The Group has subscribed to the capital increase of Car2Go Europe in line with its 25% stake for the following amounts: €5.7 million in 2012, €5.0 million in 2013 and €5.7 million in 2014.

The Group has also subscribed to the capital increase of its newly-acquired subsidiary Ubeeqo for an amount of €4 million.

(c) Compensation of key management members

In addition to their salaries, the Group also provides non-cash benefits to executive officers and contributes to a post-employment defined benefit plan on their behalf. There were no significant transactions with any companies related directly or indirectly to key management members disclosed in the management report of the Europcar subsidiaries. The remuneration of the Group's senior executives amounted to €7.7 million during the year (€2.8 million in 2012 and €2.5 million in 2013).

The remuneration of the members of the Group's Executive Committee is set out below in aggregate by category. Salaries and short-term employee benefits include wages, salaries and social security costs.

In € thousands	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Salaries and short-term employee benefits	7,421[(1)]	1,826	1,569
Post-employment benefits	15	17	5
Termination indemnities	313	682	1,230
	7,749	**2,525**	**2,804**

(1) Including the Executive Committee members' portion of the LTIP, of which €24 million was classified in "Other operating expenses" (Note 9)

Note 33—Group entities

Company name	Registered office (city)	Country	Consolidation method[(1)] (FC/EM)	% interest	% control
PARENT COMPANY					
Europcar Groupe SA	Voisins le bretonneux	France	FC		
1. Information on consolidated companies					
Europcar International S.A.S.U.	Voisins le bretonneux	France	FC	100.00%	100.00%
EC1	Voisins le bretonneux	France	FC	100.00%	100.00%
Europcar Holding S.A.S.	Voisins le bretonneux	France	FC	100.00%	100.00%
Securitifleet Holding S.A.	Paris	France	FC	100.00%	8.26%
Securitifleet Holding Bis S.A.S.U.	Paris	France	FC	100.00%	0.00%
EC Finance Plc	London	United Kingdom	FC	0.00%	0.00%
FCT Sinople	Paris	France	FC	0.00%	0.00%
EIS E.E.I.G.	Voisins le bretonneux	France	FC	100.00%	100.00%
Europcar France S.A.S.	Voisins le bretonneux	France	FC	100.00%	100.00%
Securitifleet S.A.S.U.	Paris	France	FC	100.00%	8.26%
Securitifleet France Location S.A.S.U.	Rouen	France	FC	100.00%	8.26%
Parcoto Services S.A.S	Rouen	France	FC	100.00%	100.00%
Europ Hall S.A.S.	Besançon	France	FC	100.00%	100.00%
Ubeeqo S.A.S.	Boulogne-Billancourt	France	EM	70.6%	70.6%
Europcar International S.A.S.U. und Co OHG	Hamburg	Germany	FC	100.00%	100.00%
Europcar Autovermietung GmbH	Hamburg	Germany	FC	100.00%	100.00%
Securitifleet GmbH	Hamburg	Germany	FC	100.00%	5.41%

Company name	Registered office (city)	Country	Consolidation method[1] (FC/EM)	% interest	% control
InterRent Immobilien GmbH	Hamburg	Germany	FC	100.00%	100.00%
Car2Go Europe GmbH	Esslingen	Germany	EM	25.00%	25.00%
Car2Go Deutschland GmbH	Esslingen	Germany	EM	25.00%	25.00%
Car2Go Österreich GmbH	Vienna	Austria	EM	25.00%	25.00%
Car2Go Italia S.r.l.	Milan	Italy	EM	25.00%	25.00%
Car2Go UK Ltd	Birmingham	United Kingdom	EM	25.00%	25.00%
Ogotrac France S.A.S.	Paris	France	EM	25.00%	25.00%
Car2Go Denmark	Copenhagen	Denmark	EM	25.00%	25.00%
Car2Go Sweden	Stockholm	Sweden	EM	25.00%	25.00%
Car2Go Hamburg GmbH	Hamburg	Germany	EM	75.00%	50.00%
Travset Business Travel + Service GmbH	Hamburg	Germany	FC	100.00%	100.00%
Ultramar Cars S.L.	Palma de Mallorca	Spain	FC	100.00%	100.00%
Europcar S.A.	Zaventem	Belgium	FC	100.00%	100.00%
Europcar IB S.A.	Madrid	Spain	FC	100.00%	100.00%
Securitifleet S.L.	Madrid	Spain	FC	100.00%	0.41%
Europcar United Kingdom Limited	Watford	United Kingdom	FC	100.00%	100.00%
Europcar Italia S.p.A.	Bolzano	Italy	FC	100.00%	100.00%
Securitifleet S.p.A.	Bolzano	Italy	FC	99.32%	13.76%
Europcar Internacional Aluguer de Automoveis S.A.	Lisbon	Portugal	FC	99.99%	100.00%
Europcar Services Unipessoal, LDA.	Lisbon	Portugal	FC	100.00%	100.00%
Monaco Auto Location SAM	Monaco	Monaco	FC	100.00%	100.00%
PremierFirst Vehicle Rental EMEA Holdings Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
PremierFirst Vehicle Rental Holdings Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
Provincial Assessors Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
PremierFirst Vehicle Rental Pension Scheme Trustees Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
PremierFirst Vehicle Rental Insurances Guernsey Ltd	Guernsey	United Kingdom	FC	99.99%	100.00%
Europcar Group UK Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
Provincial Securities Ltd	Leicester	United Kingdom	FC	73.00%	100.00%
PremierFirst Vehicle Rental German Holdings GmbH	Wiesbaden	Germany	FC	100.00%	100.00%
PremierFirst Vehicle Rental GmbH	Wiesbaden	Germany	FC	100.00%	100.00%
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United Kingdom	FC	100.00%	100.00%
Euroguard	Gibraltar	Gibraltar	FC	100.00%	100.00%
Europcar Holding Property Ltd	Melbourne	Australia	FC	100.00%	100.00%
Europcar Australia Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
G1 Holdings Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
CLA Holdings Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
CLA Trading Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
Eurofleet Sales Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
Delta Cars & Trucks Rentals Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
Eurofleet Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
E Rent a car Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
MVS Holdings (Australia) Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
MVS Trading Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
JSV Trading Pty Ltd	Victoria	Australia	FC	100.00%	100.00%
SMJV Ltd	Christchurch	New	FC	100.00%	100.00%

Company name	Registered office (city)	Country	Consolidation method[1] (FC/EM)	% interest	% control
		Zealand			
BVJV Ltd	Christchurch	New Zealand	FC	100.00%	100.00%
2. Information on non-consolidated companies					
Vehitel 2000 France S.A.S.	Suresnes	France	NC	20.00%	20.00%
Vehitel 2000 S.N.C.	Suresnes	France	NC	33.33%	33.33%
PremierFirst Marketing Enterprises Middle East Ltd	Dubai	United Arab Emirates	NC	25.00%	25.00%
SVV Stadthausbrücke Vermögensverwaltungsgesellschaft mbH	Hamburg	Germany	NC	100.00%	100.00%

(1) FC: full consolidation method; EM: equity method; NC: not consolidated

Consolidated special purpose entities (SPEs)

As part of the securitization program for part of the fleet financing for Germany, France, Italy and Spain, SPEs have been incorporated under the name Securitifleet in each of those countries and are either 100% owned or controlled (over 90%-controlled) by one of the following SPEs: "Securitifleet Holding SA" or "Securitifleet Holding Bis SAS", both incorporated in France. The Group consolidates all Securitifleet entities, i.e., the four local Securitifleet companies as well as the two Securitifleet holding companies, since they have been created for specific objectives defined by Europcar Groupe.

The Group's operating subsidiaries located in France, Spain, the United Kingdom, Portugal, Belgium, Italy (from January 1, 2008) and Germany (from April 1, 2008) buy local automobile liability insurance policies with Chartis (formerly AIG) entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. However, the local Europcar entities fund a significant portion of the risk through a Deductible Funding mechanism which is managed via another cell (0) located within Euroguard that acts as a fund manager. The funds hosted in this cell are also consolidated.

PremierFirst Vehicle Rental Holdings Limited owns 100% of PremierFirst Vehicle Rental Insurances Guernsey Limited, a captive company based in Guernsey in the Channel Islands. This captive company has two types of business: roadside assistance (RAC) and personal accident insurance (PAI). The profits from the RAC and PAI businesses can mostly be distributed by the captive company under strict rules. 90% of the profits must be distributed within 18 months of the year end.

Since January 2008, PremierFirst Vehicle Rental Limited has participated in the Group insurance scheme described in the first paragraph above.

Note 34—Statutory Auditors' fees

In € thousands	Mazars	%	PricewaterhouseCoopers	%	Total 2014
Statutory audit	(682)	47%	(767)	53%	**(1,449)**
Other reviews and services related to the statutory audit engagement	(171)	53%	(209)	52%	**(380)**
Other services provided by the networks					
Tax			*(72)*		*(72)*
Legal			*(52)*		*(52)*
Labor law					
Other			*(21)*		*(21)*
Total	**(853)**		**(1,121)**		**(1,974)**

In € thousands	Mazars	%	PricewaterhouseCoopers	%	Total 2013
Statutory audit	(476)	37%	(795)	63%	(1,271)
Other reviews and services related to the statutory audit engagement	(34)	50%	(34)	50%	(68)
Other services provided by the networks	–		(145)	100%	(145)
Tax	–		*(145)*		*(145)*
Legal					–
Labor law					–
Other					–
Total	**(510)**		**(974)**		**(1,484)**

In € thousands	Mazars	%	PricewaterhouseCoopers	%	Total 2012
Statutory audit		–	(1,234)	100%	(1,234)
Other reviews and services related to the statutory audit engagement			(388)	100%	(388)
Other services provided by the networks			(116)	0	(116)
Tax			*(104)*		*(104)*
Legal			–		
Labor law					–
Other			*(12)*		*(12)*
Total			**(1,738)**		**(1,738)**

Note 35—Subsequent events

On February 17, 2015, the French Competition Authority sent a statement of objections to Europcar France and other interested parties accusing them of certain practices that it considers to be in violation of French regulations.

PricewaterhouseCoopers Audit
62 rue de Villiers
9200 Neuilly-sur-Seine

Mazars
61 rue Henri Régnault
92400 Courbevoie

Europcar Groupe SA
2 rue René Caudron
78960 Voisins-le-Bretonneux
France

STATUTORY AUDITORS' REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Period from January 1, 2015 to March 31, 2015

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Management Board

In our capacity as Statutory Auditors of Europcar Groupe SA and in response to your request in view of the planned public offering and listing of the Company's shares on the regulated market of Euronext Paris, and within the context of the issuance of Senior Secured Notes, described in section "Interim financial reporting" of the accompanying condensed consolidated interim financial statements, we have conducted a review of the condensed consolidated interim financial statements of the Company for the period from January 1 to March 31, 2015, as attached to this report.

These condensed consolidated interim financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these condensed consolidated interim financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34— standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Courbevoie and Neuilly-sur-Seine, May 6, 2015,

The Statutory Auditors,
French original signed by

Mazars
Isabelle Massa

PricewaterhouseCoopers Audit
François Jaumain

Europcar Groupe SA

Interim condensed consolidated financial statements for the three-month period ended March 31, 2015

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Interim consolidated income statement

In € thousands	Notes	First-quarter 2015	First-quarter 2014
Revenue		**413,726**	**374,150**
Fleet holding costs	*2*	(117,551)	(104,996)
Fleet operating, rental and revenue related costs	*3*	(151,091)	(138,499)
Personnel costs	*4*	(80,932)	(76,065)
Network and head office overhead costs		(53,258)	(47,213)
Depreciation, amortization and impairment expense	*5*	(8,017)	(8,014)
Other income		674	1,753
Recurring operating income		**3,551**	**1,116**
Goodwill impairment expense			
Other non-recurring income		24,600	370
Other non-recurring expense		(57,268)	(4,377)
Operating income	*6*	**(29,117)**	**(2,891)**
Gross financing costs		(34,547)	(38,622)
Other financial expenses		(13,530)	(15,284)
Other financial income		4,631	164
Net financing costs	*7*	**(43,446)**	**(53,743)**
Profit/(loss) before tax		**(72,563)**	**(56,634)**
Income tax benefit/(expense)	*8*	5,044	(56)
Share of profit/(loss) in companies accounted for under the equity method		(1,937)	(1,229)
Net profit/(loss) for the period		**(69,456)**	**(57,919)**
Attributable to:			
Owners of ECG		(69,454)	(57,956)
Non-controlling interests		(2)	37
Basic loss per share attributable to owners of ECG (in €)		*(0.669)*	*(0.558)*
Diluted loss per share attributable to owners of ECG (in €)		*(0.669)*	*(0.558)*

Interim consolidated statement of comprehensive income

In € thousands	First-quarter 2015			First-quarter 2014		
	Before tax	Tax income/ (expense)	After tax	Before tax	Tax income/ (expense)	After tax
Net profit/(loss) for the period	**(74,500)**	**5,044**	**(69,456)**	**(57,863)**	**(56)**	**(57,919)**
Items that will not be reclassified to profit or loss						
Actuarial gains/(losses) on defined benefit pension schemes	(9,771)	3,645	(6,126)			
Items that may be reclassified subsequently to profit or loss						
Foreign currency differences	15,865		15,865	**2,541**		**2,541**
Effective portion of changes in fair value of hedging instruments	588	(20)	568	**(2,453)**	**(552)**	**(3,005)**
Net change in fair value of available-for-sale financial assets						
Income tax relating to other comprehensive income					**552**	**552**
Other comprehensive income for the period	**6,682**	**3,625**	**10,307**	**88**		**88**
Total comprehensive income/(loss) for the period	**(67,818)**	**8,669**	**(59,149)**	**(57,775)**	**(56)**	**(57,831)**
Attributable to:						
Owners of ECG			(59,147)			(57,868)
Non-controlling interests			(2)			37

Interim consolidated statement of financial position

In € thousands	Notes	March 31, 2015	Dec. 31, 2014
ASSETS			
Goodwill	*9*	454,721	449,389
Intangible assets		720,161	721,732
Property, plant and equipment		88,640	88,204
Equity-accounted investments		17,323	17,323
Other non-current financial assets	*10*	43,334	38,934
Deferred tax assets		51,221	47,395
Total non-current assets		**1,375,400**	**1,362,977**
Inventories		17,274	16,141
Rental fleet related receivables	*11*	2,154,076	1,932,758
Trade and other receivables		361,442	325,912
Current financial assets		45,072	49,477
Current tax assets		41,826	33,347
Restricted cash	*12*	74,681	81,795
Cash and cash equivalents	*12*	163,813	144,037
Total current assets		**2,858,184**	**2,583,467**
Total assets		**4,233,584**	**3,946,444**
Equity			
Share capital		109,539	446,383
Share premium		452,978	452,978
Reserves		(67,619)	(77,926)
Retained earnings (losses)		(396,860)	(664,250)
Total equity attributable to the owners of ECG		**98,038**	**157,185**
Non-controlling interests		948	950
Total equity		**98,986**	**158,135**
LIABILITIES			
Financial liabilities	*14*	1,047,607	1,043,069
Non-current financial instruments		41,967	41,928
Employee benefit liabilities		133,959	124,759
Non-current provisions	*15*	57,571	10,114
Deferred tax liabilities		126,881	131,005
Other non-current liabilities		351	365
Total non-current liabilities		**1,408,336**	**1,351,240**
Current portion of financial liabilities	*14*	1,098,441	1,127,545
Employee benefits		2,744	2,744
Current tax liabilities		37,402	34,560
Rental fleet related payables		888,094	581,957
Trade payables and other liabilities		486,554	449,866
Current provisions	*15*	213,027	240,397
Total current liabilities		**2,726,262**	**2,437,069**
Total liabilities		**4,134,598**	**3,788,309**
Total equity and liabilities		**4,233,584**	**3,946,444**

Interim consolidated statement of changes in e

In € thousands	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings
	Attributable to owne				
Balance at January 1, 2014	**446,383**	**452,978**	**(18,136)**	**(54,753)**	**(539,278)**
Net profit/(loss) for the period					**(57,956)**
Other comprehensive income/(loss)	**–**	**–**	**(3,005)**	**2,541**	**552**
Balance at March 31, 2014	**446,383**	**452,978**	**(21,141)**	**(52,212)**	**(596,682)**
Balance at January 1, 2015	**446,383**	**452,978**	**(36,771)**	**(41,155)**	**(664,250)**
Net profit/(loss) for the period					**(69,454)**
Other comprehensive income/(loss)	**–**	**–**	**(5,558)**	**15,865**	
Capital decrease	(336,844)	–			336,844
Transactions with owners	**–**	**–**	**–**	**–**	**–**
Balance at March 31, 2015	**109,539**	**452,978**	**(42,329)**	**(25,290)**	**(396,860)**

Interim consolidated cash flow statement

In € thousands	Notes	First-quarter 2015	Full-year 2014	First-quarter 2014
Profit/(loss) before tax		**(72,563)**	**(94,520)**	**(56,634)**
Depreciation and impairment charge on property, plant and equipment		3,430	12,834	3,142
Amortization and impairment charge on intangible assets		4,530	36,183	6,184
Changes in provisions and employee benefits		14,079	46,865	(6,446)
Profit/(loss) on disposal of assets		(16)	(1,311)	(755)
Total net interest costs		*37,008*	*160,011*	*42,131*
Redemption premium			*17,063*	
Amortization of transaction costs		*4,915*	*29,237*	*6,037*
Amortization of bond issue premiums			*1,415*	
Other non-cash items		*3,348*	*16,258*	*3,914*
Financing costs		**45,271**	**223,984**	**52,082**
Operating income before changes in working capital		**(5,269)**	**224,035**	**(2,427)**
Changes in rental fleet		(123,015)	(91,466)	(23,086)
Changes in fleet working capital		244,213	(74,025)	99,747
Changes in non-fleet working capital		1,014	50,018	(1,574)
Cash generated from operations		**122,212**	**108,562**	**72,660**
Income taxes received/paid		(5,365)	(31,447)	(3,541)
Net interest paid		(20,266)	(166,798)	(30,051)
Net cash generated from (used by) operating activities		**91,312**	**(89,683)**	**39,068**
Other investments and loans		(107)	(1,158)	1,668
Acquisition of intangible assets and property, plant and equipment		(8,161)	(23,578)	(5,301)
Proceeds from disposal of intangible assets and property, plant and equipment		2,727	3,491	1,840
Proceeds from disposal of financial assets			(9,614)	(799)
Acquisition of subsidiaries, net of cash acquired[(2)]			(45,778)	(2,250)
Disposal of subsidiaries, net of cash sold			–	
Dividends received from associates			–	
Net cash used by investing activities		**(5,541)**	**(76,637)**	**(4,842)**
Increase in share capital				
Shareholder's subordinated loan				(390)
New senior subordinated secured notes			350,000	
Redemption of senior subordinated secured notes			(367,063)	
Change in senior fleet financing liability[(1)]		(38,731)	84,445	(89,197)
Change in other fleet financing liabilities		(54,937)	56,185	673
Payment of transaction costs			(17,336)	(3,751)
Cash payment for swap amendment			(2,000)	
Other new borrowings		20,141		
Repayment of other borrowings			(931)	(25)
Net cash generated from (used by) financing activities		**(73,527)**	**103,300**	**(92,690)**
Cash and cash equivalents at end of period	***12***	220,817	206,317	209,282
Cash and cash equivalent at beginning of period	***12***	206,317	267,038	267,038
Effect of foreign exchange differences		2,256	2,299	708
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences		**12,244**	**(63,020)**	**(58,464)**

(1) Changes in borrowings dedicated to fleet financing are reported on a net basis since they relate to buy-back agreements with short-term maturities.

(2) In first-quarter 2014, this item Includes the subscription to the increase in the capital of Car2Go (€2.3 million), and in full-year 2014, the acquisition cost, net of cash acquired, of Ubeeqo (€17.3 million) and Europhall (€22.5 million), as well as the subscription to the increase in the capital of Car2Go (€5.7 million).

General context and basis of preparation of the interim condensed consolidated financial statements

Europcar Groupe SA ("ECG") was incorporated on March 9, 2006 with an initial share capital of €235,000 and was converted into a French *société anonyme* (joint-stock corporation) on April 25, 2006. ECG's registered offices are located at 2 rue René Caudron, 78960 Voisins le Bretonneux, France.

The Europcar Group leverages all of its experience in the car rental sector to provide vehicles for short- and medium-term corporate and leisure rentals under the Europcar and InteRent trademarks for a wide range of private and business customers. Its offering ranges from low cost to luxury rentals.

The Company is planning an IPO on Euronext Paris.

Disputes and proceedings currently in progress (including proceedings with the French anti-trust authorities and disputes and arbitration proceedings with Enterprise Holdings Inc.) are described in Note 15 to the interim condensed consolidated financial statements.

During the period ended March 31, 2015, Europcar strengthened its governance arrangements by putting in place a Supervisory Board and a Management Board. The Management Board members are Philippe Germond, Chairman of the Board and Chief Executive Officer of the Europcar Group; Caroline Parot, Chief Financial Officer of the Europcar Group; Ken McCall, Managing Director of Europcar UK; and Fabrizio Ruggiero, Managing Director of Europcar Italy.

Interim financial reporting

These interim condensed consolidated financial statements for the three-month period ended March 31, 2015 have been prepared as part of Europcar Group's planned IPO on Euronext Paris and in accordance with the requirements of the base prospectus (*document de base*) filed with the French financial markets authority (*Autorité des marchés financiers*—AMF), as well as in connection with the Group's financing.

They were authorized for issue by the Management Board of Europcar Group on May 4, 2015, and were reviewed by the Audit Committee on April 27, 2015 and by the Supervisory Board of Europcar Group on May 4, 2015.

Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended March 31, 2015 were prepared in accordance with IAS 34—Interim Financial Reporting, as adopted by the European Union. They do not contain all of the disclosures required for a complete set of financial statements in accordance with IFRS, and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2014.

The interim condensed consolidated financial statements are presented in thousands of euros, unless otherwise indicated.

Significant accounting policies

Accounting policies

The accounting policies used to prepare the Group's interim condensed consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2014 and set out in the notes thereto, with the exception of the specific disclosures required in interim financial information and in respect of new standards and interpretations, as described hereafter.

New standards and interpretations applicable as from January 1, 2015

IFRIC 21—Levies, is mandatorily applicable with effect from January 1, 2015. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The liability may only be recognized progressively if the obligating event occurs over a period of time.

The same recognition principles are applied in annual and interim financial reports. At the end of the period, the expense may not be recognized if there is no obligation to pay, or deferred if the entity has a present obligation to pay.

Application of this interpretation did not have a material impact on Europcar Group's interim condensed consolidated financial statements.

The Group elected not to early adopt any standards, amendments or interpretations whose application was not mandatory.

Europcar is currently determining the potential impacts of these new standards, amendments and interpretations on the Group's consolidated financial statements.

Seasonality of operations

Revenue, recurring operating income and all operating performance indicators are subject to seasonal fluctuations, due mainly to the summer holiday season when activity for the leisure segment surges. The impact of seasonality varies depending on the country in which the Group operates. Accordingly, the interim results for the three months ended March 31, 2015 may not reflect the results that are expected for full-year 2015.

Use of estimates and judgments

The preparation of interim financial information requires management to use judgment in making estimates and applying assumptions that may impact the amounts of certain assets and liabilities and income and expenses recognized in the interim condensed consolidated financial statements, as well as the information disclosed in certain explanatory notes. Actual values recognized in future periods may differ from these estimates due to changes in conditions that affect the underlying assumptions.

For the preparation of these interim condensed consolidated financial statements, the judgments exercised by management in applying the Group's accounting policies and the main estimates were identical to those used to prepare the consolidated financial statements for the year ended December 31, 2014, with the following exceptions:

- the estimate used to recognize the interim tax charge: for interim financial information, the current and deferred tax charge is determined based on the income tax rate expected to apply to full-year taxable income, i.e., by applying the expected average effective tax rate for 2015 to pre-tax income and share in profit of companies accounted for by the equity method for the interim period.

- the French business contribution on added value (CVAE), for which a provision has been set aside for 25% of the estimated annual charge.

In view of the significant decrease in the yield on AA-rated bonds (1.30% at March 31, 2015 versus 1.80% at December 31, 2014), the Group's main pension obligations (Germany) were remeasured as part of the preparation of the interim condensed consolidated financial statements.

The pension expense for the period amounted to 25% of the estimated expense for 2015 based on the data and assumptions used at December 31, 2014.

With respect to the vehicle rental business, estimates specifically cover:

- the residual value of "at risk" vehicles;

- the value of vehicles purchased with manufacturer or dealer buy-back commitment when badly damaged or stolen;

- the evaluation of the ultimate cost of claims made against the Group for self-funded insured accidents using actuarial techniques generally accepted and used in the insurance industry.

Estimates also cover provisions for disputes and litigation and the measurement of contingent liabilities. The Group sets aside provisions when the related damages can reasonably be estimated at the reporting date. A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Notes to the interim consolidated financial statements

Note 1—Segment reporting

Europcar operates a car rental activity:

- using its own fleet of vehicles based in nine countries; and
- through a franchisee network present in the countries in which Europcar operates directly (“domestic franchises”), but particularly in other countries (“international franchises”).

In total, Europcar is present in more than 140 countries.

The chief operating decision maker within the meaning of IFRS 8—Operating Segments, is the Management Board. The Group is monitored and managed on a day to day basis using reporting data provided by the individual countries. The Group presents two segments: Europe and Rest of World. The nature of the services provided and the category of customers are identical for these two segments. The distinction between the two segments is mainly based on criteria related to the dynamics of the economic zones, the organization of customers, interdependencies between the countries as regards the management of customer contracts and the fleet, as well as daily operational management.

- Europe: European countries in which the Group operates its fleet directly (Belgium, France, Germany, Italy, Portugal, Spain and the United Kingdom), organized on shared service, customer and distribution criteria, as well as franchised European countries (Austria, Denmark, Finland, Greece, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland and Turkey) which have similar economic characteristics and offer synergies in terms of fleet negotiation and customer management.
- Rest of World: all countries other than those cited above, including Australia and New Zealand, in which the Group operates the fleet directly.

The Management Board members regularly review the operating and financial performance of the segments, which are measured as follows:

- Revenue, which includes vehicle rental income, territorial fees, other commissions related to the Group’s trademarks and billed to franchisees, and fuel sales.
- Adjusted corporate EBITDA, defined as recurring operating income before depreciation and amortization, and after deduction of the interest expense on certain borrowings related to rental fleet financing.

Consequently, and as required by IFRS 8, the Group discloses a global reconciliation of its segment reporting information to its IFRS consolidated financial statements.

Segment reporting information

		First-quarter 2015			
In € thousands	**Note**	**Europe**	**Rest of World**	**Eliminations & Holding companies**	**Segment total**
Segment revenue		**373,968**	**40,486**	**(729)**	**413,726**
Recurring operating income		(9,021)	8,279	4,296	3,554
Amortization and depreciation expense		2,706	262	5,049	8,017
Net fleet financing expenses	7	(12,947)	(1,252)	(1,052)	(15,251)
Adjusted corporate EBITDA		**(19,262)**	**7,289**	**8,293**	**(3,680)**
Total assets		1,832,728	115,999	2,284,857	4,233,584
Total liabilities		1,977,698	106,946	2,050,899	4,135,543

In € thousands	Note	Europe	Rest of World	Eliminations & Holding companies	Segment total
					First-quarter 2014
Segment revenue		339,199	36,298	(1,347)	374,150
Recurring operating income		(3,456)	7,175	(2,602)	1,117
Amortization and depreciation expense		2,604	245	5,165	8,014
Net fleet financing expenses	7	(16,888)	(1,387)	(1,041)	(19,316)
Adjusted corporate EBITDA		**(17,740)**	**6,033**	**1,522**	**(10,185)**

(a) Information about revenue and services

Revenue and services can be analyzed as follows:

In € thousands	Europe	Rest of World	Eliminations & Holding companies	Segment total
				First-quarter 2015
Vehicle rental income	347,601	35,303		382,904
Other revenue associated with car rental	19,197	786	(729)	19,254
Franchising business	7,170	4,397		11,567
Segment revenue	**373,968**	**40,486**	**(729)**	**413,726**

In € thousands	Europe	Rest of World	Eliminations & Holding companies	Segment total
				First-quarter 2014
Vehicle rental income	312,148	31,282		343,430
Other revenue associated with car rental	19,927	771	(1,347)	19,351
Franchising business	7,124	4,245		11,369
Segment revenue	**339,199**	**36,298**	**(1,347)**	**374,150**

(b) Customer segment information

In € thousands	First-quarter 2015	First-quarter 2014
Vehicle rental income	382,904	343,430
Breakdown of customers by segment		
Leisure broker	45.7%	45.9%
Business	54.3%	54.1%

(c) Information about geographical areas

The Group operates in four main markets: France, Germany, the United Kingdom as well as Other European countries. Revenue has been identified based on where the rental service is provided. Non-current assets are allocated based on their physical location.

Car rental customers comprise both individuals and corporate customers. No single external customer accounts for 10% or mo

In € thousands	France	United Kingdom	Germany	Othe Europear countries
First-quarter 2015				
Revenue from external customers	66,279	91,105	117,819	98,766
Non-current assets[1]	97,568	115,766	216,525	113,807

In € thousands	France	United Kingdom	Germany	Othe Europear countries
First-quarter 2014				
Revenue from external customers	58,803	77,993	112,893	89,510

(1) Non-current assets reported under "Eliminations & holding companies" include trademarks.

(2) "Rest of World" mainly corresponds to Australia and New Zealand.

Note 2—Fleet holding costs

In € thousands	First-quarter 2015	First-quarter 2014
Costs related to rental fleet agreements	(98,037)	(88,673)
Purchase and sales related costs	(12,354)	(10,987)
Taxes on vehicles	(7,160)	(5,336)
	(117,551)	**(104,996)**

Note 3—Fleet operating, rental and revenue related costs

In € thousands	First-quarter 2015	First-quarter 2014
Fleet operating costs	(50,782)	(48,967)
Revenue-related commissions and fees	(51,873)	(45,471)
Of which, trade receivables allowances and write-offs	*(1,984)*	*(1,823)*
Rental related costs	(48,436)	(44,061)
	(151,091)	**(138,499)**

Note 4—Personnel costs

In € thousands	First-quarter 2015	First-quarter 2014
Wages and salaries	(59,869)	(55,395)
Social security contributions	(16,084)	(15,832)
Post-employment benefits	(1,744)	(1,742)
Other items	(3,235)	(3,096)
	(80,932)	**(76,065)**

Note 5—Amortization, depreciation and impairment expense

In € thousands	First-quarter 2015	First-quarter 2014
Amortization of intangible assets	(4,530)	(4,807)
Depreciation of property, plant and equipment	(3,487)	(3,207)
	(8,017)	**(8,014)**

Note 6—Other non-recurring income and expenses

In € thousands	First-quarter 2015	First-quarter 2014
Other non-recurring income[(2)]	24,600	370
Total other non-recurring income	**24,600**	**370**
Amortization of rights to operate National and Alamo trademarks		(1,377)
Reorganization charges[(1)]	(11,212)	(2,553)
O/w: Reorganization—redundancy expenses	*(9,604)*	*(857)*
Reorganization—fees	*(1,608)*	*(1,696)*
Other non-recurring expense[(3)]	(46,056)	(447)
Total other non-recurring expense	**(57,268)**	**(4,377)**
Total other non-recurring income and expenses	**(32,668)**	**(4,007)**

(1) Reorganization expenses in the amount of €11.2 million in the first quarter of 2015 relate to measures implemented in several countries, or announced before the quarter end, to streamline operating networks.

(2) Reversal of the provision for an intellectual property related dispute (see Note 15).

(3) See Note 15.

Note 7—Net financing costs

In € thousands	First-quarter 2015	First-quarter 2014
Net fleet financing expenses	(15,251)	(19,316)
Net other financing expenses	(19,296)	(19,306)
Gross financing costs	**(34,547)**	**(38,622)**
Charges arising on the trading of derivatives	(617)	(3,914)
Amortization of transaction costs	(4,915)	(6,037)
Foreign exchange losses	(3,637)	
Adjustments to the discounting rates applied to provisions and employee benefits	(504)	(710)
Other	(3,857)	(4,623)
Other financial expenses	**(13,530)**	**(15,284)**
Foreign exchange gains	4,631	164
Other financial income	**4,631**	**164**
Net financing costs	**(43,446)**	**(53,743)**

Note 8—Income tax

The Group recognizes the tax expense for the period based on its best estimate of the expected annual average weighted tax rate for full-year 2015, determined separately for each country.

At Group level, the tax rate for the three-month period ended March 31, 2015 is 7.0% and breaks down as follows:

In € thousands	First-quarter 2015	First-quarter 2014
Current tax	(1,294)	(2,087)
Deferred tax	6,338	2,031
Total income tax expense	**5,044**	**(56)**

Note 9—Goodwill and intangible assets

In accordance with IAS 36, the Europcar Group uses internal and external data to assess whether there is any indication that an asset may be impaired.

External data sources essentially consist in reviewing the weighted average cost of capital (WACC).

Internal data sources are based on performance indicators: a material decrease in revenue and/or profitability, or the inability to achieve the budget, are indications of impairment.

After reviewing the general trend in the performance of the countries comprising the cash-generating units, management did not identify any indications of impairment and therefore no impairment tests were carried out on assets at March 31, 2015, including on goodwill and the Europcar trademark.

In € thousands	Gross value	Impairment loss	Carrying amount
ınce at January 1, 2015	**638,912**	**(189,523)**	**449,389**
Effect of movements in foreign exchange rates	7,921	(2,589)	5,332
Balance at March 31, 2015	**646,833**	**(192,112)**	**454,721**

Note 10—Financial assets

In € thousands	March 31, 2015	Dec. 31, 2014
Other non-current financial assets		
Available-for-sale financial assets	685	670
Held-to-maturity investments[(1)]	35,493	31,225
Deposits and prepayments	5,772	5,747
Other long-term investments	1,384	1,292
Total non-current financial assets	**43,334**	**38,934**
Current financial assets		
Loans	115	118
Other current financial assets[(1)]	44,957	49,359
Total current financial assets	**45,072**	**49,477**

(1) Including €63.0 million to cover liabilities arising from our captive insurance structure (€62.9 million at December 31, 2014), mainly consisting of bonds recognized at amortized cost.

Note 11—Rental fleet related receivables and other receivables

In € thousands	March 31, 2015	Dec. 31, 2014
Deferred depreciation expense on vehicles	206,966	158,247
Vehicle buy-back agreement receivables	1,002,533	897,011
Receivables and current assets related to buy-back agreements	**1,209,499**	**1,055,258**
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	295,829	289,088
Vehicles acquired through rental agreements qualifying as finance leases without buy-back arrangements	62,041	58,314
Total rental fleet	**1,567,369**	**1,402,660**
Fleet receivables	481,923	460,038
VAT receivables	104,784	70,060
Rental fleet related receivables	**2,154,076**	**1,932,758**

Note 12—Cash and cash equivalents and restricted cash

In € thousands	March 31, 2015	Dec. 31, 2014	March 31, 2014
Cash-in-hand and at bank[(1)]	163,753	143,721	132,543
Accrued interest	60	316	63
Cash and cash equivalents	**163,813**	**144,037**	**132,606**
Restricted cash	74,681	81,795	77,992
Cash and cash equivalents and restricted cash	**238,494**	**225,832**	**210,598**

(1) Including €61.6 million at March 31, 2015 (€52.5 million at December 31, 2014) in Securitifleet entities for the financing of the fleet in France, Germany, Italy and Spain.

Cash and cash equivalents are considered as restricted when they are (i) used to cover the future settlement of insurance claims or (ii) not immediately available for financing the activity of the subsidiaries. Therefore, cash located in the following fleet and insurance SPEs is considered restricted:

- Securitifleet Holding and Securitifleet Holding Bis;
- FCT Sinople (securitization mutual fund);
- EC Finance Plc; and
- Euroguard, a captive insurance structure.

Restricted cash and restricted cash equivalents are presented separately from cash and cash equivalents.

The following table reconciles cash and cash equivalents in the statement of financial position to cash and cash equivalents in the cash flow statement:

In € thousands	March 31, 2015	Dec. 31, 2014	March 31, 2014
Cash and cash equivalents	163,813	144,037	132,606
Restricted cash	74,681	81,795	77,992
Bank overdrafts[(1)]	(17,677)	(19,515)	(1,316)
Cash and cash equivalents reported in the cash flow statement	**220,817**	**206,317**	**209,282**

(1) Included in current loans and borrowings (see Note 14).

Note 13—Capital and reserves and earnings per share

As part of ECG's IPO on Euronext Paris, the following corporate actions were approved by the Shareholders' Meeting of February 24, 2015:

(i) capital decrease to cover accumulated losses amounting to €336,844,642.72, by reducing the par value of the shares. The share capital was reduced from €446,383,193.50 to €109,538,550.78 and the par value of the share from €4.30 to €1.055 per share.

(ii) the creation of C and D preference shares, reserved for ECG's Management and Eurazeo respectively, the purpose of the latter category being to allow Management to make additional investments in ECG in the event that the IPO is successful. The Shareholders' Meeting delegated its authority to the Board of Directors to decide on the requisite capital increases for the issuance of the C and D preference shares.

At March 31, 2015, the issued and subscribed capital comprised 103,810,045 shares breaking down into 103,428,003 Category A ordinary shares and 382,042 Category B preference shares, all with a par value of €1.055.

The Group did not distribute any dividends during the first quarter of 2015.

	March 31, 2015	March 31, 2014
Loss attributable to ordinary shareholders (in €k)	**(69,454)**	**(57,956)**
Weighted average number of ordinary shares at December 31 (in shares)	103,810,045	103,810,045
Basic and diluted loss per share (in €)	(0.669)	(0.558)
Dilution effect	0%	0%

Note 14—Loans and borrowings

In € thousands	March 31, 2015	Dec. 31, 2014
Notes issued	1,074,000	1,074,000
Other bank loans	303	303
Transaction costs/Premiums/Discounts	(26,696)	(31,234)
Non-current liabilities	**1,047,607**	**1,043,069**
Senior Revolving Credit Facility	230,000	201,000
Senior Asset Revolving Facility dedicated to fleet financing	349,699	417,600
Other borrowings dedicated to fleet financing	449,561	475,305
Finance lease liabilities	369	419
Bank overdrafts	17,677	19,515
Current bank loans and other borrowings	29,948	9,361
Transaction costs/Premium/Discount – current portion	(16,559)	(16,916)
Accrued interest	37,746	21,261
Current liabilities	**1,098,441**	**1,127,545**

Net debt reconciliation:

In € thousands	March 31, 2015	Dec. 31, 2014
Non-current loans and borrowings	1,047,607	1,043,069
Current loans and borrowings	1,098,441	1,127,545
Held-to-maturity investments	(35,493)	(31,225)
Other current financial assets	(44,957)	(49,359)
Cash and cash equivalents and restricted cash	(238,494)	(225,832)
Net debt on the statement of financial position	**1,827,104**	**1,864,198**
Estimated outstanding value of the fleet financed through operating leases[(1)]	1,495,155	1,284,052
Total net debt	**3,322,259**	**3,148,250**

(1) The estimated debt on operating leases represents the carrying amount of the vehicles concerned and is calculated based on the purchase prices and depreciation rates of corresponding vehicles (statistics provided by the manufacturers).

Note 15—Provisions

In € thousands	Insurance claim provisions	Reconditioning provisions	Other provisions[(1)]	Total
Balance at January 1, 2015	**138,183**	**31,774**	**80,554**	**250,511**
Provisions recognized during the period	13,907	10,762	59,991	84,660
Provisions utilized during the period	(16,241)	(14,333)	(3,478)	(34,052)
Provisions reversed during the period	(1,718)	–	(32,381)	(34,099)
Changes in scope of consolidation	–	–	–	–
Transfers	–	–		
Actuarial (gains)/losses	–	–	–	–
Effect of foreign exchange differences	2,585	505	491	3,581
Balance at March 31, 2015	**136,716**	**28,708**	**105,174**	**270,598**
Non-current	–	–	57,571	57,571
Current	136,716	28,708	47,603	213,027
	136,716	**28,708**	**105,174**	**270,598**

(1) The main disputes and proceedings currently in progress or that have evolved during the period are as follows:

Procedure of the French anti-trust authorities

The French Competition Authority (*Autorité de la concurrence*—ADLC) has initiated a proceedure in the vehicle rental sector. On February 17, 2015, the ADLC addressed a statement of objections to Europcar France, as well as to other stakeholders, relating to certain practices that are alleged not to be compliant with French anti-trust regulations.

Europcar France will lodge its statement of defense brief on May 20, 2015. The Company intends to strongly contest the complaints and the underlying arguments, further to which the case-handler is expected to submit a report to the ADLC College during the second half of 2015. Europcar France will then have two months to respond to this report. The ADLC's decision would then be expected to be issued several months later, following a closed hearing before its College.

Any decision imposing a fine may be appealed. This would not in principle suspend the obligation to pay the penalty, unless there is an exceptional procedure to suspend the payment pending appeal. An unfavorable decision could be followed by damages claims brought by third parties.

The Group recorded a provision for €45 million in its interim condensed consolidated financial statements for the three months ended March 31, 2015, reflecting the Company's best estimate of the financial risks at this stage of the procedure in the event that the ADLC were to impose a fine, notwithstanding the Group's arguments in defense of its position.

In the event that the Group were to be found liable for penalties and/or damages as a result of the proceedings, it may be required to seek additional financing or resources.

Dispute with Enterprise Holdings Inc.

Various entities of the ECI Group were parties to a number of legal disputes and an arbitration proceeding with Enterprise Holdings Inc. ("Enterprise"). On April 30, 2015, the parties signed a settlement agreement (the "Settlement Agreement"), which put an end to all of these proceedings, in consideration of the payment of € 12.5 million by the Group (recognized in other liabilities at end-March 2015 and paid on May 4, 2015) as well as the phased discontinuation of the use of the e-moving logo by Europcar.

Note 16—Other disclosures relating to financial assets and liabilities

The fair values of financial assets and liabilities, together with their carrying amount in the statement of financial position, are as follows:

Fair Value as at March 31, 2015 In € thousands	Notes	Carrying amount	Fair value	Fair value through the income statement	Fair value through equity	Financial instruments at amortized cost
Trade receivables		275,771	275,771			*275,771*
Deposits and current loans		7,271	7,271			*7,271*
Vehicle buy-back agreement receivables		1,002,533	1,002,533			*1,002,533*
Fleet receivables		481,923	481,923			*481,923*
Deposits, other receivables and loans		14,345	14,345			*14,345*
Total of loans and receivables		**1,781,843**	**1,781,843**	**–**	**–**	**1,781,843**
Investments in non-consolidated entities		685	685		*685*	
Other financial assets		97,773	97,773			*97,773*
Restricted cash		74,681	74,681	*74,681*		
Cash and cash equivalents		163,813	163,813	*163,813*		
Derivative assets						
Total financial assets		**2,118,795**	**2,118,795**	**238,494**	**685**	**1,879,616**
Notes and borrowings		1,047,607	1,125,358			*1,125,358*
Trade payables		344,397	344,397			*344,397*
Fleet payables		812,679	812,679			*812,679*
Bank overdrafts and portion of loans due in less than one year		1,098,441	1,098,441			*1,098,441*
Derivative liabilities		41,967	41,967		*41,967*	
Total financial liabilities		**3,345,091**	**3,422,842**	**–**	**41,967**	**3,380,875**

Note 17—Off-balance sheet commitments

(i) Operating leases

At March 31, 2015, the Group's minimum future payments for non-cancelable operating lease commitments were as follows:

In € thousands	March 31, 2015		Dec. 31, 2014	
		of which related to rental fleet		of which related to rental fleet
Payable:				
Within 1 year	292,707	232,762	314,276	267,735
From 1 to 5 years	129,804	20,400	115,527	23,607
More than 5 years	48,077	–	33,179	–
	470,588	**253,162**	**462,982**	**291,342**

(ii) Capital commitments

The Group has entered into contracts to purchase vehicles. At March 31, 2015, capital commitments to purchase vehicles amounted to €592.8 million versus €496.1 million at December 31, 2014.

Note 18—Subsequent events

None

REGISTERED OFFICE OF EGSA

Europcar Groupe S.A.
2, rue René Caudron
Bat. OP
78960 Voisins-le-Bretonneux
France

REGISTERED OFFICE OF THE SPV ISSUER

Europcar Notes Limited
2nd Floor, Palmerston House
Fenian Street
Dublin 2, Ireland

LEGAL ADVISORS TO EGSA
As to U.S., French and English law:

Cleary Gottlieb Steen & Hamilton LLP
12 rue de Tilsitt
75008 Paris
France

Gide Loyrette Nouel AARPI
22 Cours Albert 1er
75008 Paris
France

LEGAL ADVISORS TO THE SPV ISSUER
As to Irish law:
Arthur Cox
Earlsfort Terrace
Dublin 2
Ireland

LEGAL ADVISORS TO THE INITIAL PURCHASERS
As to U.S., French and English law:
White & Case LLP
19 Place Vendôme
75001 Paris
France

INDEPENDENT AUDITORS TO EGSA
Pricewaterhouse Coopers Audit
63 rue de Villiers
92208 Neuilly-sur-Seine
France

Mazars

61 rue Henri Regnault
92400 Courbevoie
France

INDEPENDENT AUDITORS TO THE SPV ISSUER
KPMG
1 Stokes Place
St Stephen's Green
Dublin 2

Ireland

TRUSTEE

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

LUXEMBOURG LISTING AGENT

The Bank of New York Mellon
Luxembourg (S.A.)
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

LUXEMBOURG PAYING AGENT AND TRANSFER AGENT AND REGISTRAR

The Bank of New York Mellon
Luxembourg (S.A.)
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISORS TO THE TRUSTEE
As to U.S. law:
Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104-3300
U.S.A.

€475 million

5.750% Senior Notes due 2022

OFFERING MEMORANDUM

RR Donnelley
925966

€475 million 5.750% Senior No