

Company Registration No. 03311438 (England and Wales)

AVIS BUDGET EMEA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

WEDNESDAY



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AVIS BUDGET EMEA LIMITED

COMPANY INFORMATION

Directors	P L Ford M J Servodidio D B Wyshner
Secretary	G Jones
Company number	03311438
Registered office	Avis Budget House Park Road Bracknell RG12 2EW United Kingdom
Auditor	Deloitte LLP Abbots House Abbey Street Reading RG1 3BD United Kingdom

AVIS BUDGET EMEA LIMITED

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AVIS BUDGET EMEA LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their Strategic Report for the Company for the year ended 31 December 2016.

Strategic Review and Future Developments

The Company was formerly the parent company of the Avis Europe group, a leading vehicle rental company operating two of the main global brands, Avis and Budget, in Europe, Africa, the Middle East and Asia. Following the acquisition of the Company by Avis Budget Group, Inc. on 3 October 2011, the Company is an intermediate holding company of the Avis Budget Group, Inc. group of companies.

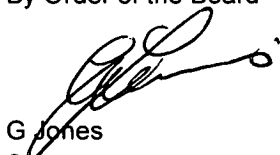
The Company has continued to perform as expected throughout the year and has made a profit after taxation in the year of £13.1 million (2015: £8.0 million). The Directors expect the Company to continue to transact business as an intermediate holding company in the coming year. The position of the Company at the year end is set out in the balance sheet and related notes on pages 9 to 18.

Given the straightforward nature of the business, the Directors are of the opinion that analysis using other key performance indicators is not required in order to understand the development, performance or position of the business.

Financial Risk Management Objectives and Policies

The Directors consider that there is limited exposure to financial risk, as the majority of the Company's financial exposure is to other companies in the Avis Budget EMEA Limited group. As such the Directors have not implemented a policy for the Company. Instead, the Company's financial risk management objectives and policies are aligned to those of the Avis Budget Group, Inc. group of companies, which are as disclosed in the consolidated financial statements of Avis Budget Group, Inc.

By Order of the Board



G Jones
Secretary
27 April 2017

AVIS BUDGET EMEA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the audited Financial Statements of the Company for the year ended 31 December 2016.

Results and Dividends

The Company made a profit after taxation in the year of £13.1 million (2015: £8.0 million).

No interim dividend has been paid on the ordinary shares during the year (2015: £nil). The Directors do not recommend the payment of a final dividend on the ordinary shares (2015: £nil).

Going Concern

The Directors expect the Company to continue to operate in the coming year. Thus they continue to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in Note 3 of the Financial Statements.

Payments to creditors

It is the Company's practice to agree terms of payment at the start of business with each supplier, to ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other legal obligations. The Company had no trade creditors at 31 December 2016 (2015: nil).

Directors

The Directors of the Company during the year and up to the date of signing the Financial Statements are set out below:

P L Ford

M J Servodidio

D B Wyshner

AVIS BUDGET EMEA LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditor

Each of the persons who are a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that ought to have been taken as Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

Deloitte LLP will continue in office as permitted by Section 487 of the Companies Act 2006.

By Order of the Board



G. Jones
Secretary
27 April 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIS BUDGET EMEA LIMITED

We have audited the Financial Statements of Avis Budget EMEA Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related Notes on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIS BUDGET EMEA LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Hornby, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading
United Kingdom
27 April 2017

AVIS BUDGET EMEA LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £m	2015 £m
Other administrative expenses		(1.8)	(3.3)
Exceptional items		(2.8)	(2.4)
		<hr/>	<hr/>
Administrative expenses		(4.6)	(5.7)
Other operating income		-	0.1
		<hr/>	<hr/>
Operating loss	5	(4.6)	(5.6)
Finance income	8	17.8	14.1
Finance costs	8	(0.1)	(0.5)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		13.1	8.0
Taxation	9	-	-
		<hr/>	<hr/>
Profit for the financial year		13.1	8.0
		<hr/>	<hr/>

All results derive from continuing operations.

The accompanying Notes on pages 9 to 18 form an integral part of these Financial Statements.

AVIS BUDGET EMEA LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £m	£m	2015 £m	£m
Fixed assets					
Investments	10		710.9		710.9
Current assets					
Trade and other receivables	11	1.3		1.9	
Other financial assets:					
- amounts owed by subsidiary undertakings	13	348.3		348.1	
Cash at bank and in hand		0.6		-	
		<u>350.2</u>		<u>350.0</u>	
Current liabilities					
Other payables	12	0.2		-	
Other financial liabilities:					
- amounts owed to subsidiary undertakings	13	15.9		29.0	
		<u>16.1</u>		<u>29.0</u>	
Net current assets			334.1		321.0
Total assets less current liabilities			<u>1,045.0</u>		<u>1,031.9</u>
Equity					
Called up share capital	15		20.2		20.2
Share premium			294.8		294.8
Retained earnings			730.0		716.9
Total equity			<u>1,045.0</u>		<u>1,031.9</u>

The Financial Statements on pages 6 to 18 were approved by the Board on 27 April 2017 and were signed on its behalf by:



P L Ford
Director
Avis Budget EMEA Limited
Company Registration No. 03311438

AVIS BUDGET EMEA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 1 January 2015	20.2	294.8	708.9	1,023.9
Profit and total comprehensive income for the year	-	-	8.0	8.0
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	20.2	294.8	716.9	1,031.9
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2016	20.2	294.8	716.9	1,031.9
Profit and total comprehensive income for the year	-	-	13.1	13.1
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	20.2	294.8	730.0	1,045.0
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying Notes on pages 9 to 18 form an integral part of these Financial Statements.

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 General information

The Company is an intermediate holding company in the Avis Budget Group, Inc. group of companies. The Company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Avis Budget House, Park Road, Bracknell RG12 2EW.

2 Statement of compliance

The Financial Statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

3 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below:

3.1 Basis of accounting

The Financial Statements have been prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the statement of comprehensive income. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to present group financial statements as it is a wholly owned subsidiary undertaking of Avis Budget Group, Inc., a company incorporated in the United States of America, which itself prepares consolidated financial statements.

3.2 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the Financial Statements.

3.3 Cash flow statement

The Company is included in the consolidated financial statements of Avis Budget Group, Inc., which are publicly available, and therefore has elected to utilise the exemption provided in section 1.12 of FRS 102, and not produce a cash flow statement.

3.4 Foreign currency

The Company's functional currency is Sterling. Foreign currency assets and liabilities are translated at the rates of exchange ruling at the year end. Transactions during the year are recorded at rates of exchange in effect when the transaction occurs. Profits and losses on exchange are dealt with in the statement of comprehensive income.

3.5 Exceptional items

Exceptional items are material non-recurring items that fall within the ordinary activities of the Company, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

3.6 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is only recognised when there are expected to be suitable future taxable profits within the tax group against which to reverse the underlying timing differences.

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Accounting policies

(Continued)

3.7 Dividends

Final dividends to the Company's shareholders are recognised as a liability in the Financial Statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

3.8 Investments

Investments are shown at cost less provision for any impairment where the recoverable amount is less than cost. Investments are initially stated at cost, being their purchase cost together with any incidental expenses of acquisitions. The carrying values of investments are reviewed at each year end if events or changes in circumstances indicate the carrying value may not be recoverable. Any impairment of investments is charged to the statement of comprehensive income in the year in which it arises. The reversal of any impairment loss is recognised where the recoverable amount increases because of a change in economic circumstances or in the expected use of the investment. The amount of any reversal recognised is restricted to increasing the value of the investment to the carrying value that would be recognised had the original impairment not occurred.

3.9 Financial instruments

Financial assets

The classification of financial assets is determined at initial recognition depending on the purpose for which they were acquired. Any impairment is recognised in the statement of comprehensive income as it arises.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and short term deposits

Cash comprises cash in hand, demand deposits and bank overdrafts. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within "borrowings" in "current liabilities" in the balance sheet.

Impairment of financial assets

At each balance sheet date the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount is reduced through the use of an allowance account, and the amount is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables, with any subsequent recoveries credited to administrative expenses.

Financial liabilities

Financial liabilities (including borrowings) are recognised initially at fair value, net of transaction costs. They are subsequently held at amortised cost unless part of a fair value hedge. Any difference between the amount on initial recognition and redemption value is recognised in the statement of comprehensive income using the effective interest method. Short term liabilities (including trade and other payables) are measured at original invoice amount.

Inter-company loans

Inter-company loans are measured at amortised cost using the effective interest method as reduced by appropriate allowances for estimated irrecoverable amounts.

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Accounting policies

(Continued)

Other payables

Other payables are measured at amortised cost using the effective interest method.

4 Critical accounting judgements and key sources of estimation uncertainty

The Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Impairment of investments

In determining value in use, the Directors calculate the present value of the estimated future cash flows expected to arise based on management's latest long term plans, with extrapolation thereafter. In addition, a market approach is adopted whereby a comparison is made to similar business interests that have been sold. No impairment provision has been recognised as a consequence of this review as at 31 December 2016.

5 Operating loss

Operating loss for the year is stated after crediting/(charging):

	2016 £m	2015 £m
Charge to subsidiary undertakings for management services	1.1	1.9
Exceptional items	(2.8)	(2.4)
Income from shares in group undertakings	-	0.1
	==	==

Exceptional costs of £2.8 million (2015: £2.4 million) relate to legal and professional fees and integration costs incurred on the acquisition of the Avis Poland and Avis Budget Scandinavia Licensees and the Maggiore brand and rent a car operation in Italy in 2015 and the acquisition of France Cars in 2016 by subsidiaries of the Company.

6 Auditor's remuneration

The auditor's remuneration is borne by Avis Budget Services Limited, an indirect subsidiary undertaking. The fee payable to the Company's auditors for the audit of the Company's Financial Statements for the year ended 31 December 2016 was £1,000 (2015: £1,000).

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

7 Directors' remuneration

The average monthly number of persons employed during the year, including Directors, was 3 (2015: 3).

The Directors costs are paid by Avis Budget Services Limited, an indirect subsidiary undertaking, and are recharged to the Company on an annual basis. The total remuneration of Directors, comprising salary or fees, taxable benefits and bonus payments for the year ended 31 December is set out below:

	2016 £m	2015 £m
Emoluments	2.6	3.4
Amounts receivable under long term incentive schemes	1.0	3.1
	<u>3.6</u>	<u>6.5</u>
Highest paid director: emoluments	<u>2.3</u>	<u>2.8</u>

One of the Directors has pension entitlements under the defined benefit section of the Avis UK Pension Plan at 31 December 2016 (2015: one). None of the Directors are accruing pensions under the Retirement Capital Plan.

8 Net finance income

	2016 £m	2015 £m
Interest receivable on loans to group undertakings	17.8	14.1
Interest payable on loans from group undertakings	(0.1)	(0.5)
	<u>17.7</u>	<u>13.6</u>

9 Taxation

	2016 £m	2015 £m
Analysis of charge in year		
Total current tax	-	-
Total deferred tax	-	-
	<u>-</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9 Taxation

(Continued)

Factors affecting the tax charge for the year

The standard rate of tax applied to reported profit on ordinary activities is 20.00% (2015: 20.25%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2013. The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £m	2015 £m
Profit before taxation	13.1	8.0
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	2.6	1.6
Expenses not deductible	0.2	0.3
Group relief received for nil consideration	(2.8)	(1.9)
Taxation for the year	-	-

The Finance Act 2013 included legislation to reduce the main rate of corporation tax in the UK from 23% to 21%, with effect from 1 April 2014 and from 21% to 20%, with effect from 1 April 2015.

The Finance Bill (No.2) 2015 included legislation to reduce the main rate of corporation tax in the UK from 20% to 19%, with effect from 1 April 2017 and from 19% to 18%, with effect from 1 April 2020. These rates were substantively enacted on 26 October 2015. Subsequently the Finance Act 2016 included legislation to reduce the main rate of corporation tax in the UK to 17% with effect from 1 April 2020. This rate was substantively enacted on 6 September 2016.

10 Investments

	Investments in group undertakings £m
Cost	
At 1 January 2016 and 31 December 2016	710.9
Provision for impairment	
At 1 January 2016 and 31 December 2016	-
Net book amount	
At 31 December 2016	710.9
At 31 December 2015	710.9

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10 Investments

(Continued)

In accordance with the requirements of FRS 102, the Directors review the carrying value of the investments in the Company's subsidiaries if events or changes in circumstances indicate that there has been an impairment, or a potential reversal of a prior impairment. This review is undertaken by reference to the recoverable amount of the Company's investment in subsidiaries, being an estimate of value in use.

In determining value in use, the Directors calculate the present value of the estimated future cash flows expected to arise based on management's latest long term plans, with extrapolation thereafter. In addition, a market approach is adopted whereby a comparison is made to similar business interests that have been sold. The resultant value in use calculation at 31 December 2016 resulted in a value in use in excess of the opening carrying value of the fixed asset investment and no provision has been recognised as a consequence of this review (2015: £nil).

Details of the Company's investments are given below:

Name	Address of the registered office	Activity	% of the Ordinary Share capital owned
AAA France Cars SAS	10, rue de Luyot – ZI – B, 59113 Seclin, France	Vehicle Rental	100.0
AB Fleetco	21 place de l'Hôtel Dieu, 60000, Beauvais, France	Finance	100.0
ABG Commerce Consultancy (Shanghai) Co., Ltd (China)	Rm1742, No. 533, Loushanguan Rd, Changning District, Shanghai	Management	100.0
ABG Fiserv Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Management	100.0
ABG Scandinavia Holdings AS	Ruseløkkvien 26, 0251 Oslo, Oslo, 0251, Norway	Holding Company	100.0
Aegis Motor Insurance Limited	PO Box 305, Rose House, 51-59 Circular Road, Douglas, Isle of Man IM99 2BB	Insurance	100.0
Anji Car Rental & Leasing Co Limited	5th Floor, 1385 Jianshe Road, Jianshe Town, Chongming County, Shanghai China	Vehicle Rental	50.0
Auto-Hall SA	9 Avenue d'Ostende, 98000 Monaco	Vehicle Rental	100.0
Avis (US) Holdings BV	Louis Armstrongweg 4, 1311 RK Almere, Netherlands	Holding Company	100.0
Avis Africa Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Investment	100.0
Avis Alquile un Coche SA	Avda.Manoteras, 32 Edificio C, 28050 Madrid, Spain	Vehicle Rental	100.0
Avis Asia Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Investment	100.0
Avis Assistance Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Investment	100.0
Avis Autovermietung Beteiligungsgesellschaft mbH	Zimmersmühlenweg 21, 61440 Oberursel, Germany	Holding Company	100.0
Avis Autovermietung Gesellschaft mbH	Laaer Berg Straße 43, 1100 Vienna, Austria	Vehicle Rental	100.0
Avis Belgium SA	Rue Colonel Bourg 122, PO Box 7m 1140 Evere, Brussels, Belgium	Vehicle Rental	100.0
Avis Budget Auto Service GmbH	Zimmersmühlenweg 21, 61437, Oberursel, Germany	Dormant	100.0
Avis Budget Autoverhuur BV	Louis Armstrongweg 4, 1311 RK Almere, Netherlands	Vehicle Rental	100.0
Avis Budget Autovermietung AG	Hofwisenstrasse 36, 8153 Rumlang, Switzerland	Vehicle Rental	100.0
Avis Budget Autovermietung GmbH & Co KG	Zimmersmühlenweg 21, 61437, Oberursel, Germany	Vehicle Rental	100.0
Avis Budget Autovermietung Verwaltungsgesellschaft mbH	Zimmersmühlenweg 21, 61440 Oberursel, Germany	Management	100.0
Avis Budget Denmark A/S	Roskildevej14, 2620 Albertslund, Denmark	Vehicle Rental	100.0
Avis Budget Europe Reinsurance International Limited	Well Road House, Market Street, Douglas, IM1 2PQ, Isle Of Man	Insurance	100.0
Avis Budget Group Business Support Centre Kft	Kassak Lajos u. 19-25., 1134 Budapest, Hungary	Management	100.0
Avis Budget Group Contact Centre EMEA SA	World Trade Centre, Edificio Norte 5a Planta, Moll de Barcelona s/n, 08039 Barcelona, Spain	Management	100.0

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10 Investments

(Continued)

Name	Address of the registered office	Activity	% of the Ordinary Share capital owned
Avis Budget Italia SpA	Via Roma n° 96 39100 Bolzano, Italy	Vehicle Rental	100.0
Avis Budget Italia SpA Fleetco SAPA	Via Roma n° 96 39100 Bolzano, Italy	Finance	75.0
Avis Budget Services Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Management	100.0
Avis Budget UK Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Vehicle Rental	100.0
Avis Commercial Holdings Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Avis Europe and Middle East Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Investment	100.0
Avis Europe Group Holdings (BV)	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Avis Europe Holdings Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Avis Europe Investment Holdings Limited *	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Avis Europe Investments Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Avis Europe Overseas Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Avis Europe Risk Management Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Insurance	100.0
Avis Finance Company (No.2) Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Avis Finance Company (No.3) Limited	44 Esplanade, St Helier, Jersey, JE4 9WG	Finance	100.0
Avis Finance Company Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Finance	100.0
Avis Financement Vehicules SAS	Immeuble Linea, 1 Rue du General Leclerc, 92800 Puteaux France	Finance	100.0
Avis Holdings Inc.	Avis Budget House, Park Road, Bracknell RG12 2EW	Dormant	100.0
Avis India Investment Private Limited	807, New Delhi House, Barakhamba Road, New Delhi, 110001, India	Holding Company	100.0
Avis Investment Services (No2)	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Avis Investment Services Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Avis Leisure Services Limited	Kensington Chambers, 46/50 Kensington Place, JE4 0ZE Jersey	Investment	100.0
Avis Licence Holdings Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Investment	100.0
Avis Location de Voitures Sarl	Aéroport de Findel, L-1110 Findel, Luxembourg	Vehicle Rental	100.0
Avis Location de Voitures SAS	Immeuble Linea, 1 Rue du General Leclerc, 92800 Puteaux France	Vehicle Rental	100.0
Avis New York General Partnership	Avis Budget House, Park Road, Bracknell RG12 2EW	Investment	100.0
Avis Pension Trustees Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Management	100.0
Avis Portugal SGPS Lda	Av. Marechal Craveiro Lopes, no 2, 2 e 3 Pisos, 1700-284, Lisboa, Portugal	Vehicle Rental	100.0
Avis Rent A Car (Isle of Man) Limited	P.O. Box 227, Clinches House, Lord Street, Douglas, IM99 1RZ, Isle of Man	Dormant	100.0
Bell' Aria SpA	Viale Carmelo Bene no 70. 00139 Rome, Italy	Vehicle Registration	100.0
Business Rent a Car GmbH	Laaer Berg Strasse 43, 1100 Vienna, Austria	Dormant	100.0
Centrus Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Credit Hire	100.0
Cilva Holdings Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Europe Leisure Holdings NV	Louis Armstrongweg 4, 1311 RK Almere, Netherlands	Holding Company	28.5
Garage St. Martin SAS	184 rue du Faubourg St Martin 75010, Paris, France	Vehicle Sales	100.0
Garep AG	Hofwisenstrasse 36, 8153 Rumlang, Switzerland	Vehicle Maintenance	100.0
Jupol-Car sp. z.o.o.	Lopuszanska 12A, 02-220, Warsaw, Poland	Vehicle Rental	100.0
Kallsbergs Biluthyrning AB	Strandvagen 52, 444 31 Stenungsund, Sweden	Vehicle Rental	100.0
Maggiore Asset Management SRL	Viale Carmelo Bene no 70. 00139 Rome, Italy	Holding Company	100.0
Maggiore Rent SPA	Via Roma n° 96 39100 Bolzano, Italy	Vehicle Rental	100.0

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10 Investments

(Continued)

Name	Address of the registered office	Activity	% of the Ordinary Share capital owned
Manor National Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Mercury Car Rentals Private Limited	L-10, Green Park Extension, New Delhi - 110 016, India	Vehicle Rental	60.0
Milton Location de Voitures SAS	Immeuble Linea, 1 Rue du General Leclerc, 92800 Puteaux France	Vehicle Rental	100.0
National Car Rentals (Private) Limited	8 Marina Boulevard, 05-02 Marina Bay Financial Centre, Singapore	Vehicle Rental	100.0
Payhot Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
PVI Kraftfahrzeug-Leasing GmbH	Zimmersmuhlenweg 21, 61437, Oberursel, Germany	Dormant	100.0
RAC Norway AS	Drengsrudbekken 12, Oslo, Asker, 1383, Norway	Vehicle Rental	100.0
SCA SAS	99 Avenue du General de Gaulle, 92200, Neuilly sur Seine, France	Management	100.0
Sovial Sociedade de Viatures de Alguer Lda	Av Marechal Craveiro Lopes, No. 2,2/3 Pisos, 1700-284 Lisboa, Portugal	Vehicle Rental	100.0
Sovialma-Sociedade de Viatures de Alguer de Madeira Lda	Largo Antonio Nobre 164, 9000 Funchal, Madeira	Vehicle Rental	66.7
Strongdraw Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Sweden Rent A Car AB	P.O. Box 6050, 171 06, Solna, Sweden	Vehicle Rental	100.0
Upperextra Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Zodiac Autovermietung AG	Hofwisenstrasse 36, 8153 Rumlang, Switzerland	Dormant	100.0
Zodiac Europe Finance Company Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Finance	100.0
Zodiac Europe Investments Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Zodiac Europe Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Holding Company	100.0
Zodiac Italia SpA	Via Roma n° 96 39100 Bolzano, Italy	Investment	100.0
Zodiac Rent a Car Limited	Avis Budget House, Park Road, Bracknell RG12 2EW	Vehicle Rental	100.0

* Shares held directly by the Company

11 Trade and other receivables

2016 £m	2015 £m
Prepayments	1.3
	1.9

12 Trade and other payables

2016 £m	2015 £m
Accruals and deferred income	0.2
	-

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13 Inter-company items

	2016 £m	2015 £m
Amounts owed by subsidiary undertakings	348.3	348.1
Amounts owed to subsidiary undertakings	(15.9)	(29.0)
Net amounts owed by subsidiary undertakings	<u>332.4</u>	<u>319.1</u>

Amounts owed by subsidiary undertakings, and amounts owed to subsidiary undertakings, are unsecured and payable on demand.

Balance sheet amounts are stated net of provisions for doubtful debts, and accordingly the maximum credit risk exposure is the carrying amount of the amounts owed by subsidiary undertakings. No allowance for bad debts has been made as all amounts owed by subsidiary undertakings are expected to be fully recoverable.

Inter-company loans are fixed rate with a weighted average cost for amounts owed by subsidiary undertakings at 31 December 2016 of 5.09% (2015: 4.07%), and for amounts owed to subsidiary undertakings at 31 December 2016 of 5.01% (2015: 3.82%). There were no floating rate inter-company loans.

14 Financial instruments

	2016		2015	
	Book amount £m	Fair value £m	Book amount £m	Fair value £m
Prepayments	1.3	1.3	1.9	1.9
Other financial assets:				
- amounts owed by group undertakings	348.3	348.3	348.1	348.1
Cash at bank and in hand	0.6	0.6	-	-
Other payables	(0.2)	(0.2)	-	-
Other financial liabilities:				
- amounts owed to group undertakings	<u>(15.9)</u>	<u>(15.9)</u>	<u>(29.0)</u>	<u>(29.0)</u>

15 Share capital

	2016 £m	2015 £m
Ordinary share capital		
Issued and fully paid		
201,763,437 Ordinary shares of 10p each	<u>20.2</u>	<u>20.2</u>

AVIS BUDGET EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

16 Commitments and contingencies

The Company and certain subsidiaries have provided unsecured guarantees to certain third parties within the normal course of business, the majority of which were in favour of certain lenders in respect of some of the Avis Budget EMEA Limited group's borrowing facilities, together with guarantees provided to vehicle suppliers and property lessors. As at 31 December 2016, these guarantees in relation to drawn balances totalled £230.1 million (2015: £132.9 million).

In February 2015, the French Competition Authority issued a statement of objections alleging that several car rental companies, including the Company and two of its European subsidiaries, engaged with (i) twelve French airports, the majority of which are controlled by public administrative bodies or the French state, and violated competition law through the distribution by airports of company-specific statistics to car rental companies operating at those airports; and (ii) two other international car rental companies in a concerted practice relating to train station surcharges. In May 2016, the French Competition authority issued a second statement of objections reiterating the allegations that it raised in its first statement of objections. The Company believed that it had valid defences and intended to vigorously defend against the allegations, but it was unable to predict the outcome of the proceedings or range of reasonably possible losses as at 31 December 2016. In February 2017, the Company was notified that the French Competition authority dismissed the charges on both objections and cleared the Company and its subsidiaries of any wrongdoings.

Certain of the Avis Budget EMEA Limited group companies are defendants in a number of claims and legal proceedings incidental to their operations. Based on information currently available it is not possible to assess the likelihood of these proceedings resulting in material fines but the Directors believe that they have valid defences in these matters and do not expect that any of these contingencies will have a material impact on the results or financial position of the Company.

17 Ultimate parent undertaking

The Company is a wholly owned subsidiary of AE Consolidation Limited, which is registered in England and Wales. The largest parent undertaking to consolidate the Financial Statements of the Company is Avis Budget Group, Inc., which is incorporated in the United States of America and registered on NASDAQ. The Financial Statements of Avis Budget Group, Inc. are publicly available at www.avisbudgetgroup.com.

18 Related party transactions

The Company has taken advantage of the exemption within section 1.12 of FRS 102 for wholly owned subsidiary undertakings not to disclose transactions with other entities within the same group. The consolidated financial statements for Avis Budget Group, Inc., in which the Company is included, are publicly available at www.avisbudgetgroup.com.