

Avis Budget Denmark A/S

14, Roskildevej
DK-2620 Albertslund

Central Business Registration No. (CVR-no): 19 67 31 46

Annual Report 2016

Adopted on the Company's Annual general Meeting on June 29th, 2017



Chairman: Nina Bell

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Statement by Management on the annual report

We have today presented the annual report of Avis Budget Denmark A/S for the financial year January 1st 2016 to December 31st 2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at December 31st 2016 as well as the Company's activities and cash flow for the financial year January 1st to December 31st 2016.

Also, we believe that the management's commentary contains a fair review for the affairs and conditions, the financial outcome for the year and for the financial position referred to therein.

We recommend the annual report for adoption at the Annual general Meeting.

Albertslund, on June, 29th, 2017

Executive Board:

Ole Grønvold
Managing director

Lars Dissing
Assistant director

Supervisory Board:



Nina Bell
Chairman

Ole Grønvold

Lars Dissing



Mark Kightley



Paul Ford

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Managing director



Lars Dissing
Assistant director

Supervisory Board:

Nina Bell
Chairman



Ole Grønvold



Lars Dissing

Mark Kightley

Paul Ford

Independent auditor's reports

To the shareholders of Avis Budget Denmark A/S

Opinion

We have audited the financial statements of Avis Budget Denmark A/S for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's reports

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Frederiksberg, June, 29th, 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Martin Alsbæk
State Authorised
Public Accountant

Management's review

Financial highlights

DKK '000,000	2016	2015	2014	1) 2013	2012
Key figures					
Revenue	264,6	218,5	210,7	189,2	186,2
Gross profit/loss	53,2	51,6	58,0	30,0	27,8
Operating profit/loss	15,4	14,5	19,7	-12,5	-13,4
Financial profit/loss	0,3	0,5	1,2	0,2	-1,3
Net profit/loss for the year	12,2	11,1	15,8	-9,7	-11,0
Balance sheet total	97,8	93,7	100,0	58,7	94,5
Equity	40,4	28,3	33,0	17,1	12,4
Cash flow from operating activities	-5,5	-2,2	0,9	7,1	-30,4
Cash flow from investments	-2,9	-0,4	5,6	14,1	-2,3
Cash flow from financing	-9,3	-30,0	-1,6	-18,6	18,2
Total cash flow	-17,7	-32,8	50,8	2,6	-14,5
Hereof investments in property, plant and eq.	2,9	1,2	0,0	0,1	12,9
Ratios					
Profit ratio	5,8%	6,6%	9,4%	neg.	neg.
Gross margin	20,1%	23,6%	27,5%	15,8%	14,9%
Equity ratio	41,4%	30,2%	33,0%	29,2%	13,2%
Return on equity	44,9%	36,4%	63,2%	neg.	neg.
Average number of employees	121	127	118	116	120

1) The Company has following the escape clause section 101 (3) of the Danish Financial Statements Act omitted to change the figures for comparison in the Financial highlights.

Management's review

Company details

Company

Avis Budget Denmark A/S
14, Roskildevej
DK-2620 Albertslund

Central Business Registration No (CVR-nr): 19 67 31 46
Registered in: Albertslund

Phone: +45 33 26 80 00

Internet: www.avis.dk

E-mail: info@avis.dk

Supervisory Board

Nina Bell (chairman)
Ole Grønvold
Lars Dissing
Mark Kightley
Paul Ford

Executive Board

Ole Grønvold (Managing director)
Lars Dissing (Assistant director)

Company Auditors

Ernst & Young P/S

Management's review

Review

Primary activities

Avis Budget Denmark A/S forms part of the global Avis Budget Group, Inc. listed on NASDAQ, and undertakes the rental of cars and related operations and services stemming from these operations, including purchase and sale of cars in Denmark under the brand names of Avis and Budget

Development in activities and finances

The Company's profit/loss for the financial year January 1st 2016 - December 31st 2016 shows a profit of DKK 12,159k and an equity at December 31st 2016 of DKK 40,442k. Given the development in profit and loss for the Company in previous years and the fierce competitive situation on the Danish market, the profit is seen as being almost satisfactory as the profit reached a level of more than 85 % of the expectations for the year as presented in the Management's review in the Annual Report 2015. The Company has experienced an increase in Revenue of more than 20 % compared to the year before in a very competitive market. In line with this the fleet volume has also increased during 2016.

As mentioned in the Management review for 2015 the change in rules for car tax imposed in 2015 has had a negative effect on the holding costs for electric vehicles and the Company's fleet of electric vehicles has been reduced from end of 2015 to end of 2016 and is expected to continue to go down during 2017. Also the tax basis for the so called "valuta" vehicles were changed late 2015 and as anticipated in the Management review for 2015 the Company has experienced increased costs for the acquisition of the rental fleet in this area during 2016.

The rental fleet of the Company mainly consists of new and hence more environmental friendly vehicles. Despite the challenges mentioned above the Company still holds a volume of more than 500 electric vehicles at the end of 2016.

Particular risks

Business risks

The Company continues to be heavily disposed towards changes in the demand for rental cars, both when it comes to demand from the private sector, among other tourism etc., and the business market. Furthermore the rental business is marked by heavy competition with a high degree of transparency on prices and consequent fierce market pressure on these.

Equally the Company is exposed to risks in regard to costs to acquire and run its rental fleet, among this not least the changes in registration tax in 2015 mentioned above, but also changes regarding registration tax expected to take place in 2017 with special focus on rules utilized by leasing companies.

The rental fleet of the Company is entirely financed by operational leasing and hence the Company has been released from the risk of residual values.

Financial risks

The Company continues to be exposed to changes in interest rates, which will, among other things influence on leasing agreements for the rental fleet as these are often tied to agreements around floating interest and interest margins.

Management's review

Review

Events after the balance sheet date

From the closing of the financial year 2016 and until the date of these financial statements nothing has occurred which essentially changes the content of the report.

Outlook

Following the strong competitive situation the Company is continuously working around the Company's profitability. Also in 2017 the Company expects a growth in the market and expects to continue to consolidate its position though with a somewhat smaller increase than that seen in 2016. However the Company also expects that the continuous strong competition on the market will influence negatively on the rental prices.

The Company budgets with a profit before tax for 2017 in order of DKK 27,400k.

Annual Report January 1st to December 31st

Profit & Loss

<u>Note</u>	<u>DKK '000</u>	<u>2016</u>	<u>2015</u>
3	Revenue	264.599	218.538
4, 5	Cost of sales	<u>-211.398</u>	<u>-166.983</u>
	Gross profit/loss	53.201	51.555
4, 5	Distribution costs	-10.211	-10.092
4, 5	Administrative expenses	-27.602	-27.579
	Other operating income	<u>39</u>	<u>571</u>
	Operating profit	15.427	14.455
6	Financial income	985	1.104
7	Financial expenses	<u>-671</u>	<u>-580</u>
	Profit/loss before tax	15.741	14.979
8	Tax on profit/loss for the year	<u>-3.582</u>	<u>-3.836</u>
	Net profit/loss for the year	<u>12.159</u>	<u>11.143</u>

Annual Report January 1st to December 31stBalance sheet at December 31st 2016

Note	DKK '000	2016	2015
	Assets		
	Fixed assets		
	Property, plant and equipment		
9	Land and buildings	2.598	2.634
9	Leasehold improvements	1.496	403
9	Other fixtures and fittings, tools and equipment	1.982	761
	Property, plant and equipment	6.076	3.798
	Financial assets		
10	Deferred tax asset	835	3.773
	Financial assets	835	3.773
	Fixed assets	6.911	7.571
	Current assets		
	Inventories		
	Inventories	89	171
	Inventories	89	171
	Receivables		
	Receivable corporate income tax	28	0
	Intercompany loan	25.575	15.005
	Trade receivables	27.454	15.997
	Receivables from group enterprises	4.311	5.490
	Other receivables	20.440	19.018
	Prepayments	7.643	7.499
	Receivables	85.451	63.009
	Cash		
11	Cash	5.301	22.968
	Cash	5.301	22.968
	Current assets	90.841	86.148
	Assets	97.752	93.719

Annual Report January 1st to December 31stBalance sheet at December 31st 2016

Note	DKK '000	2016	2015
	Liabilities		
	Equity		
	Equity		
	Share capital	3.000	3.000
	Retained earnings	37.442	25.283
	Equity	40.442	28.283
	Liabilities		
	Short-term liabilities other than provisions		
	Payable corporate income tax	0	4.371
	Trade payables	26.201	13.743
	Payables to group enterprises	7.708	7.569
12	Prepaid revenue	3.454	16.220
13	Other payables	19.947	23.533
	Short-term liabilities other than provisions	57.310	65.436
	Liabilities other than provisions	57.310	65.436
	Equity and liabilities	97.752	93.719

- 1 Accounting policies
- 2 Events after the balance sheet date
- 15 Proposed distribution of profit/loss
- 16 Related parties
- 17 Transactions with related parties
- 18 Consolidation
- 19 Recourse guarantee commitments and contingent liabilities
- 20 Rent- and leasing commitments

Annual Report January 1st to December 31st

Statement for changes in equity

<u>Note</u>	<u>DKK '000</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Prop. dividend</u>	<u>Total</u>
	Equity at January 1st 2015	3.000	14.140	15.831	32.971
	Paid dividend	0	0	-15.831	-15.831
	Net profit/loss for the year	0	11.143	0	11.143
	Equity at January 1st 2016	3.000	25.283	0	28.283
	Net profit/loss for the year	0	12.159	0	12.159
	Equity at December 31st 2016	3.000	37.442	0	40.442

Changes in share capital in the past 5 financial years:

<u>Note</u>	<u>DKK '000</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
	Share capital at January 1st	3.000	3.000	3.000	2.500	2.000
	Increase in capital	0	0	0	500	500
		3.000	3.000	3.000	3.000	2.500

The share capital consists of 3,000 shares of DKK 1,000

The shares have not been divided into classes

Annual Report January 1st to December 31st

Cash-flow statement

	Operating profit/loss	15.427	14.455
5	Depreciation, amortisation and impairment losses	659	1.224
14	Working capital changes	<u>-16.834</u>	<u>-14.351</u>
	Cash flow from operating activities before financial activities	-748	1.328
6	Financial income received	985	1.104
7	Financial expense paid	-671	-580
	Paid corporate tax	<u>-5.043</u>	<u>-4.036</u>
	Cash flow from operating activities	-5.477	-2.184
9	Acquisition etc. of property, plant and equipment	-2.937	-1.171
9	Sale of property, plant and equipment	<u>0</u>	<u>733</u>
	Cash flow from investing activities	-2.937	-438
	Paid dividend	0	-15.831
	Change in ourstandings, group enterprises	<u>-9.253</u>	<u>-14.336</u>
	Cash flow from financing activities	-9.253	-30.167
	Increase/decrease in cash and cash equivalents	-17.667	-32.789
11	Cash and cash equivalents at January 1st, 2016	<u>22.968</u>	<u>55.757</u>
	Cash and cash equivalents at December 31st, 2016	<u>5.301</u>	<u>22.968</u>

Annual Report January 1st to December 31st

Notes

1 Accounting policies

The annual report for Avis Budget Denmark A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statement Act applying to medium reporting class C entities.

Effective January 1st, 2016, the Company has adopted act no. 738 of June 1st, 2015. This implies changes in the recognition and measurement in the following area:

1. Yearly reassessment of residual values of property, plant and equipment

In future, residual values of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions with future effect only as a change in accounting estimates with no impact on equity.

The above change does not affect the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above changes as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of June 1st, 2015, the accounting policies are consistent with those of last year.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liability are measured at cost. Measurement subsequent to initial recognition is affected and described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Annual Report January 1st to December 31st

Notes

1 Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Rental income from rental of cars and vans and sale of insurances and related services are periodised and are recognized on a linear basis over the rental period following the rental contract. When entering into an rental agreement a revenue is recognized corresponding to fair value of the entered contract when transition of the essential benefits and risks with the customer has taken place, the revenue can be worked out in a reliable way and payments is expected to take place. Revenue is recognized net of VAT, duties and sales discounts.

Cost of sales

Cost of sales comprise costs incurred directly in connection with performing the primary activities of the Company, especially costs related to acquisition and running the rental fleet of the Company, acquisition and running rental stations and costs for the employees of the Company directly engaged in rental and maintenance of rental cars as well as depreciation.

Distribution costs

Distribution costs comprise costs incurred for distribution of goods sold and also for sales campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation and amortisation.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the Company, including expenses for the administrative staff and management, stationery and office supplies as well as depreciation and amortization.

Other operating income

Other operating income and operating expenses comprise items of secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

Financial income and expenses

These items comprise interest income and expenses, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, etc. as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Annual Report January 1st to December 31st

Notes

1 Accounting policies

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Balance sheet

Assets

Property, plant and equipment

Land and buildings, rental cars as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives and residual value of the assets:

	Useful life (years)	Residual value
Buildings	5-50 years	0
Rental cars	3-5 years	0
Other fixtures and fittings, tools and eq.	3-5 years	0

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Depreciation is recognized in the income statement as cost of sales, distribution costs and administrative expenses, respectively.

Annual Report January 1st to December 31st

Notes

1 Accounting policies

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

In case of changes in the amortization period or the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

Gains and losses on the disposal of items or property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognized in the income statement as other operating income or other operating expenses, respectively.

Inventories

Inventories are measured at the lower cost, measured by reference to the average method, and net realizable value. Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or group of receivables is impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial periods. Prepayments are measured at cost.

Liabilities

Equity

Dividends proposed for the financial year are presented as a separate item under Equity.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Lease commitments

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Annual Report January 1st to December 31st

Notes

1 Accounting policies

Other financial liabilities

Other financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows the Company's cash flow from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisition and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term to maturity of three months or less, which are subject to only minor risks of changes in value.

Financial highlights

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Profit ratio	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Equity ration	$\frac{\text{Equity (ultimo)} \times 100}{\text{Balance sheet total (ultimo)}}$
Return on equity	$\frac{\text{Net profit} \times 100}{\text{Average equity}}$

Annual Report January 1st to December 31st

Notes

1 Accounting policies

Invested capital is defined as net working capital plus property, plant and equipment and intangible assets minus other long-term operating liabilities.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Cash and income tax receivable and payable are not included in net working capital.

2 Events after the balance sheet date

From the closing of the financial year 2016 and until the date of these financial statements nothing has occurred which essentially changes the content of the report.

3 Revenue

Revenue comprises rental operations of cars and vans on the Danish market.

Annual Report January 1st to December 31st

Notes

<u>Note</u>	<u>DKK '000</u>	<u>2016</u>	<u>2015</u>
4	Staff costs		
	Salaries and wages	48.529	49.245
	Pension costs	3.137	2.799
	Other social security costs	641	852
	Other staff expenses	<u>2.756</u>	<u>3.514</u>
		<u>55.063</u>	<u>56.410</u>
	Staff costs are incorporated in the income statement as follows:		
	Cost of sales	36.162	37.480
	Distribution costs	5.630	6.340
	Administrative expenses	<u>13.271</u>	<u>12.590</u>
		<u>55.063</u>	<u>56.410</u>
	Remuneration for the Executive and Supervisory boards:		
	Executive board	3.187	5.935
	Supervisory board	<u>0</u>	<u>0</u>
		<u>3.187</u>	<u>5.935</u>
	Average number of employees	<u>121</u>	<u>127</u>

Annual Report January 1st to December 31st

Notes

Note	DKK '000	2016	2015
5	Depreciation, amortisation and impairment losses		
	Intangible assets	0	64
	Land and buildings	36	36
	Leasehold improvements	239	1.043
	Other fixtures and fittings, tools and equipment	384	81
		<u>659</u>	<u>1.224</u>
	Depreciation and impairment losses are recognised in the income statement as follows:		
	Cost of sales	285	157
	Distribution costs	0	0
	Administrative expenses	374	1.067
		<u>659</u>	<u>1.224</u>
6	Financial income		
	Interest income	22	55
	Interest income group enterprises	790	5
	Other financial income	173	1.044
		<u>985</u>	<u>1.104</u>
7	Financial expenses		
	Interest expense	-660	-565
	Other financial expense	-11	-15
		<u>-671</u>	<u>-580</u>
8	Tax on profit/loss for the year		
	Corporate tax for the year	-644	-4.830
	Change in deferred tax	-2.938	1.251
	Change in corporate tax due to change in tax-%	0	-257
		<u>-3.582</u>	<u>-3.836</u>

Annual Report January 1st to December 31st

Notes

<u>Note</u>	<u>DKK '000</u>	<u>Land and buildings</u>	<u>Leasehold improve- ments</u>	<u>Other fixtures etc</u>	<u>Total</u>
9	Cost at January 1st 2016	3.020	6.107	4.991	14.118
	Additions	0	1.331	1.606	2.937
	Disposals	0	-4.507	-1.687	-6.194
	Cost at December 31st 2016	<u>3.020</u>	<u>2.931</u>	<u>4.910</u>	<u>10.861</u>
	Depreciation and impairment losses at January 1st 2016	386	5.704	4.230	10.320
	Depreciation for the year	36	239	384	659
	Reversals related to disposals	0	-4.507	-1.687	-6.194
	Depreciation and impairment losses at December 31st 2016	<u>422</u>	<u>1.436</u>	<u>2.927</u>	<u>4.785</u>
	Carrying amount at December 31st 2016	<u>2.598</u>	<u>1.495</u>	<u>1.983</u>	<u>6.076</u>
	Carrying amount of properties	<u>2.598</u>			
	Value according to public land assessment in 2016	<u>1.750</u>			

Annual Report January 1st to December 31st

Notes

<u>Note</u>	<u>DKK '000</u>	<u>2016</u>	<u>2015</u>
10	Deferred tax		
	Deferred tax at January 1st	-3.773	-2.778
	Changes for the year	2.938	-995
	Deferred tax at December 31st	-835	-3.773
	Deferred tax is incumbent on the following financial statement items:		
	Intangible assets	0	-41
	Buildings	-24	-22
	Leasehold improvements	38	-2
	Other fixtures and fittings, tools and equipment	109	84
	Rental cars	-198	-263
	Prepaid revenue	-760	-3.529
		-835	-3.773
	Deferred tax expected to crystallise in 2017 concerning Prepaid revenue		
11	Cash and cash equivalents		
	Cash	5.301	22.968
		5.301	22.968
12	Prepaid revenue		
	Other financial income	3.454	16.220
		3.454	16.220

Annual Report January 1st to December 31st

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Note	DKK '000	2016	2015
13	Other payables		
	Wages and salaries, personal income tax, social security etc.	3.995	4.124
	Holiday pay obligations	4.907	5.192
	VAT and duties	1.684	3.341
	Other costs payable	9.361	10.876
		19.947	23.533
14	Cash flow - changes in working capital		
	Change in inventories	82	-54
	Change in receivables	-13.023	-5.742
	Change in trade payables etc.	-3.893	-8.555
		-16.834	-14.351
15	Proposed distribution of profit/loss		
	Proposed dividend for the financial year incorporated in the equity	0	0
	Retained earnings	12.159	11.143
		12.159	11.143

Annual Report January 1st to December 31st

Notes

Note	DKK '000	2016	2015
16 Related parties			
The following related parties have a controlling interest in Avis Budget Denmark A/S:			
Name: ABG Scandinavia Holding AS			
Registered office: Norway			
Basis of influence: Wholly owned			
17 Transactions with related parties			
Management fee to group enterprises		10.995	9.532
Purchase of services from group enterprises		27.653	18.259
Sale of services to group enterprises		88	13
Purchase of goods from group enterprises		500	327
Interest income from group enterprises		790	5
Intercompany loan		25.575	15.005
Receivables from group enterprises		4.311	5.490
Payables to group enterprises		7.708	7.569
18 Consolidation			
Avis Budget Denmark A/S is included in the consolidated financial statements of:			
Avis Budget Group, Inc.			
6, Sylwan Way			
Parsippany, NJ, Delaware			
USA			
Irs.no. 06-0918165			
The financial statements for this company can be obtained at the company's address.			
19 Recourse guarantee commitments and contingent liabilities			
Guarantees have been granted for the following enterprises:			
SKAT: DKK 200k			
Københavns Lufthavne A/S: DKK 1,029k			
20 Rent- and leasing commitments			
The Company is incumbent on a rent of approx. DKK 19.4m, the commitments are essentially effective until 2019 though DKK 0.8m longer.			
The Company is uncubent on a operational lease of approx. DKK 50.4m, the commitments are effective with DKK 38.6m to 2017, DKK 9.6m to 2018 and DKK 2.2m longer.			

