DISCOVERING NEW HORIZONS.

ANNUAL REPORT 2013

THE SIXT GROUP IN FIGURES

in EUR million	**2013**	2012	Change 2013 on 2012 in %	2011
Revenue	1,665	1,596	4.3	1,564
Thereof in Germany	1,134	1,144	-0.9	1,178
Thereof abroad	531	452	17.5	386
Thereof operating [1]	1,514	1,426	6.2	1,373
Thereof rental revenue	1,026	954	7.5	896
Thereof leasing revenue	392	383	2.3	394
Earnings before interest and taxes (EBIT)	173.6	167.7	3.5	189.8
Earnings before taxes (EBT)	137.1	118.6	15.6	138.9
Consolidated profit	94.4	79.2	19.2	97.5
Net income per share (basic)				
Ordinary share (EUR)	1.97	1.64	20.1	1.99
Preference share (EUR)	1.99	1.66	19.9	2.01
Total assets	2,373	2,174	9.2	2,328
Lease assets	775	740	4.6	675
Rental vehicles	1,013	926	9.3	1,196
Equity	675	633	6.7	596
Equity ratio (%)	28.5	29.1	-0.6 points	25.6
Non-current financial liabilities	855	790	8.2	528
Current financial liabilities	256	187	36.8	645
Dividend per share				
Ordinary share (EUR)	1.00 [2]	1.00	-	0.75
Preference share (EUR)	1.02 [2]	1.02	-	0.77
Total dividend, net	48.4 [2]	48.4	-	36.4
Number of employees [3]	3,070	3,262	-5.9	3,052
Number of locations worldwide (31 Dec.) [4]	2,067	1,970	4.9	1,846
Thereof in Germany	504	494	2.0	485

[1] Revenue from rental and leasing business, excluding revenue from the sale of used vehicles
[2] Proposal by the management, including special dividend
[3] Annual average
[4] Including franchisees

CONTENT

For over 100 years now Sixt has been a byword for mobility around the globe. Mobility has become a key part of everyday life. In times of globalisation people want to be permanently mobile to reach their destinations across national borders as well. With its differentiated service offers Sixt meets the mobility requirements of its customers in the best possible way.

Founded in 1912, Sixt has become a leading international provider of high-quality mobility services tailored to business and corporate customers as well as private travellers. The Company's unique market position rests on its historic strengths such as consistent service orientation, distinctive innovation culture, as well as the varied and extensive range of premium products at attractive prices. Sixt is the only international mobility service provider to develop flexible and individual concepts for its customers that integrate the rental and leasing products. Another added value is the integration of state-of-the-art online and mobile solutions. The Company takes due account of peoples' changing mobility requirements by offering such innovative services as the premium carsharing service DriveNow.

With representations in over 100 countries worldwide Sixt is continually expanding its presence, maintaining alliances with renowned addresses in the hotel industry, well-known airlines and numerous prominent service providers in the tourism sector. The focal point of all activities is always the customers' benefit.

Sixt's long-term strategy is geared towards the continued expansion of its international presence, growth in its two business divisions of Vehicle Rental and Leasing, remaining focused on strong earnings and achieving a sustained increase in its enterprise value for the benefit of its shareholders.

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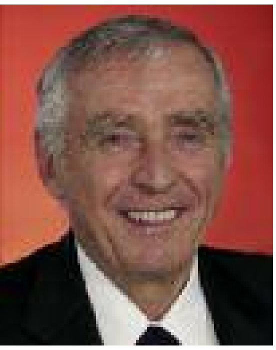
USED CARS. JUST LIKE NEW.

Carpark.de is our digital showroom. We sell used cars that match new cars for quality and safety. With years of motoring experience, we're proud to have served over 100,000 customers.



ERICH SIXT

(born 1944), joined Sixt SE in 1969 and is Chairman of the Managing Board.

Dear shareholders,

This last fiscal year has shown once again that Sixt is strategically positioned at best and a highly profitable mobility service provider with a successful business model. We continued our growth course in 2013 and in a challenging economic and sector environment managed to achieve a business result that exceeded our original expectations. This was due to the significant upturn in demand in the Vehicle Rental Business Unit, which after restrained first six months climbed strongly as of the third quarter.

For the full year 2013 consolidated revenue rose 4.3% year-on-year to EUR 1.66 billion. Consolidated operating revenue even rose 6.2% to EUR 1.51 billion, with earnings performing even better. Consolidated earnings before taxes (EBT), which is our key reporting parameter for measuring our business success, climbed disproportionately by 15.6% to EUR 137.1 million. Despite the start-up costs for long-term growth initiatives, such as the expansion in the USA, Sixt generated one of the best Group results in the Company's history. The improved return on sales of 9.1% once again makes our Company one of the most profitable mobility service providers worldwide.

The focal point of our activities last year was primarily the expansion of our presence in strong growing foreign markets as well as the further development of innovative and top-quality mobility concepts.

In 2013 the activities in Western Europe and the USA were once again Sixt's growth driver, so that a third of operative consolidated revenue is meanwhile generated outside of Germany. The expansion of the station network in the Sixt corporate countries, reinvigorated sales activities, above all in the business with private customers, as well as eye-catching advertising and marketing activities meant that such key markets as France and Spain saw significant increases in revenue, market shares and brand awareness.

The important expansion in the USA that was started in 2011 and which is vital for the long-term development of Sixt continues to be well on its way. Thus, in 2013 we managed to continually increase our presence on the world's biggest rental market, both through the opening of additional company-owned stations as well as by extending our franchise network. At the end of 2013 there were already 26 Sixt stations in nine US states. The key economic performance indicators for the US business already exceeded our expectations.

We are also making good progress with the development of innovative mobility concepts. DriveNow, our joint venture with BMW, is one of the fastest growing carsharing services in Germany. The number of members tripled in 2013 from 75,000 to over 200,000. The start of operations in Hamburg in November 2013 was highly successful. Within a mere two months DriveNow had won over more than 25,000 new customers. A clear indication that modern carsharing has established itself in Germany.

Sixt has always been a byword for premium rental vehicles at attractive prices. In 2013 we therefore increased the share of premium vehicles in the fleet in numerous corporate countries. Alongside the traditional German brands, such as BMW, Mercedes-Benz or Audi we are also offering more and more top models from such other brands as Aston Martin or Jaguar. The share of premium vehicles in Sixt's fleet stands at around 60% and is well above the industry average.

With over 76,000 contracts the Leasing Business Unit managed to extend its customer base significantly in 2013. This encouraging development is primarily the result of expanded fleet management, as well as a growing number of private customers, who prefer leasing as an alternative that does not strain their capital to the classic purchase of a car.

For many years the rock solid capital and financing structure has been characteristic of Sixt. At the end of 2013 our Group held equity of around EUR 675 million at an equity ratio of 28.5%, which is a top rating in our industry. Over the last few years this capital strength has allowed us to continually optimise the terms and conditions of our refinancing structure. The result of these measures is a significant improvement in the financial result in the year under review.

The 2013 fiscal year's good balance sheet is owed to a large extent to our employees. Their expertise, strong commitment and consistent customer focus are the basis for our success. The Managing Board thanks all Sixt employees for their achievements over the past year.

You dear shareholders shall obviously participate accordingly in the good business result. The Managing and Supervisory Board will therefore propose to the Annual General Meeting on 3 June 2014 to pay a dividend of EUR 0.65 per ordinary share and EUR 0.67 per preference share as well as a special dividend of EUR 0.35 for both share categories. This equals a dividend total of EUR 48.4 million. This proposal is in keeping with our shareholder-friendly dividend policy and at the same time extends the financial leeway that we need for the continued realisation of our growth targets.

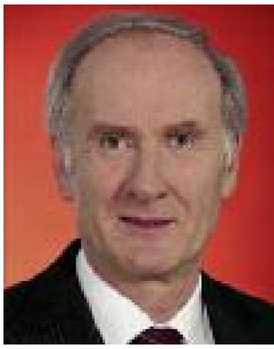
Top of our agenda for 2014 are the expansion of foreign operations in Western Europe and the USA, new mobility services in the two Business Units, Vehicle Rental and Leasing, as well as the further strengthening of our online and mobile services. The improvements seen over the last few months in the economic conditions in Europe after years of recession are helping us, even though care should still be taken. Demand from European business customers has recovered again, while the private customer segment is registering increased travel willingness in Europe and the USA.

Against this background we expect 2014 to see a slight increase in consolidated operating revenue compared to last year. Growth stimulus should once again come predominantly from the markets abroad. On the basis of a continued demand-driven and cautious fleet policy and consistent cost management we aim to achieve a stable to slightly higher Group EBT. This way we have also created good conditions to continue on the growth and high profitability track in this current year.

Pullach, March 2014

The Managing Board

ERICH SIXT | DETLEV PÄTSCH | DR. JULIAN ZU PUTLITZ



DETLEV PÄTSCH

(born 1951), joined Sixt SE in 1986 and is responsible for operations.

DR. JULIAN ZU PUTLITZ

(born 1967), has been with Sixt SE since 2009 and is responsible for finance and controlling.

PROF. DR.
GUNTER THIELEN

(born 1942), Chairman of the Supervisory Board of Sixt SE since 2008.

General

In 2013 the Company's Supervisory Board carefully and conscientiously attended to the duties incumbent on it according to law and the Articles of Association. It dealt in detail with the Group's and the Company's situation and advised and supported the Managing Board.

The Supervisory Board of Sixt Aktiengesellschaft came together for two meetings prior to the conversion into Sixt SE as resolved by the Annual General Meeting on 20 June 2013. Sixt SE's Supervisory Board comprises the same members and convened for three meetings following its constitution after above Annual General Meeting. This meant that the legally prescribed frequency of two meetings per calendar half-year was complied with.

The Managing Board informed the Supervisory Board regularly, promptly and comprehensively about the Group's and the Company's situation, both in written and verbal form. For this purpose, the Managing Board prepared a written report every quarter with detailed information on the economic and financial position of the Company and its domestic and foreign subsidiaries. At the regular meetings of the Supervisory Board, the control organ and the Managing Board discussed in depth the development of business, planning and corporate strategies and also explained the documents. The Supervisory Board was always involved in decisions of significant importance for the Company and the Group.

In the year under review the Supervisory Board carefully examined and discussed in detail during its meetings the reports and draft resolutions submitted by the Managing Board. Apart from the documents presented it was not necessary for the Supervisory Board to consult additional company documents.

Outside the meetings the members of the Supervisory Board also exchanged information with the Managing Board, especially the chairmen of the two company organs. This intensive dialogue meant that the Supervisory Board was informed in due time of current business developments and significant transactions. The provisions of the German Corporate Governance Code and of the legal stipulations on stock corporations governing the reporting duties by the Managing Board to the Supervisory Board were consistently observed.

As a rule, the Supervisory Board took its decisions during physical meetings. There were two instances where the Supervisory Board also took decisions outside of these physical meetings. Neither the Supervisory Board of Sixt Aktiengesellschaft nor of Sixt SE formed any committees the reason being that the Supervisory Board consisted and consists only of three members according to the Articles of Association. Working efficiency is not expected to increase by the formation of committees.

Key topics in 2013

At the 2013 meetings, the Supervisory Board received comprehensive information from the Managing Board on all key questions relating to current business development, the strategic focus, the risk situation and risk management, the entrepreneurial control systems and the financing structure of the Company and the Sixt Group. The Managing Board attended all of the Supervisory Board's meetings and outlined to the Supervisory Board, above all, the latest revenue and earnings developments of the Sixt Group. In this context, the Managing Board explained in detail the business performance of the individual Business Units.

In addition, the consultations in the year under review focused particularly on the following aspects:

- The Supervisory Board unanimously approved the conversion of Sixt Aktiengesellschaft into a European Stock Corporation (Societas Europaea – SE). Preceding this resolution was a detailed examination of the advantages of such change in legal structure, looking in particular at the structural simplifications and corresponding cost savings as well the Sixt Group's internationalisation strategy. Together with the approval, the decision was taken to elect the first Supervisory Board of Sixt SE at the Annual General Meeting of Sixt Aktiengesellschaft on 20 June 2013.

- One key issue addressed in all meetings was the growing demand for services in the two Business Units. For the Vehicle Rental Unit the Supervisory Board had the Managing Board explain the reasons for the rise in demand in Germany, above all, from corporate and business customers. Moreover, the gratifying growth outside of Germany was also on the agenda. For the Leasing Business Unit the Supervisory Board took positive note of the higher number of private customer contracts and fleet management contracts.

- The competitive situation in the vehicle rental and leasing industry as a whole was also of great interest for the Supervisory Board. The Board's members dealt at length with the margin situation and price developments in the respective markets.

- The Supervisory Board also addressed the Sixt Group's strategic orientation. It analysed in depth the developments made with the establishment of new mobility services such as DriveNow, autohaus24.de or myDriver. In its deliberations it covered at length the expansion on the US-American rental market, which was driven forward in the year under review. The Supervisory Board approvingly noted that the opening of company-owned rental stations and the parallel set-up of a network of franchisees meant that market penetration on the world's biggest rental market was continuing apace.

- Another focal point in the Company's Supervisory Board's work was the review and assessment of the risk management system in the two Business Units, Vehicle Rental and Leasing. The Board examined the effectiveness and efficiency of the annual audit and came to a positive conclusion.

Corporate governance

The Company's corporate management and supervision comply with the principles of the German Corporate Governance Code. In the Corporate Governance Report, which is published in the Annual Report, the Managing Board and Supervisory Board report on the Company's corporate governance in accordance with section 3.10 of the Code. Moreover, in December 2013, the Managing Board and Supervisory Board issued a declaration of conformity pursuant to section 161 of the Aktiengesetz (AktG – German Public Companies Act) and made it permanently available to shareholders on the Company’s website (http://ir.sixt.eu). With few exceptions Sixt complies with the recommendations of the Government Commission on the German Corporate Governance Code.

Audit of the 2013 annual financial statements and consolidated financial statements

The Managing Board prepared the annual financial statements of Sixt SE as at 31 December 2013 in accordance with the requirements of the Handelsgesetzbuch (HGB – German Commercial Code) and the consolidated financial statements and the management report on the Group's and the Company's situation as at 31 December 2013 in accordance with section 315a of the HGB and in compliance with IFRS, as adopted by the EU.

Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements of Sixt SE and the consolidated financial statements as well as the management report on the Group's and the Company's situation and gave each document an unqualified audit opinion. The audit was conducted on the basis of the engagement by the Supervisory Board in compliance with the resolution of the Annual General Meeting on 20 June 2013.

The documents were received by the Supervisory Board in sufficient time for examination and together with the Managing Board's dependent companies' report and the auditors' audit reports as well as the Managing Board's proposal on the appropriation of the unappropriated profit. Discussion and examination of these documents was conducted during the Supervisory Board's meeting on 15 April 2014, which convened to adopt the annual financial statements.

The auditors of the annual financial statements and of the consolidated financial statements attended this meeting and provided in-depth information on the material findings of their activities. Following extensive analysis of the risk situation and risk management the auditors concluded that there were no material risks in the Company and the Group companies which are not mentioned in the reports. According to the auditors there were no material weaknesses in the internal control and risk management system relating to accounting procedures. The auditors also informed the Supervisory Board of services rendered over and above the audit. In the opinion of the auditor there were no circumstances that could justify doubt as to the impartiality or independence of the auditors.

The Supervisory Board approvingly noted the auditors' findings and had no objections after concluding of its own review. The Supervisory Board approved the annual and consolidated financial statements as well as the management report on the Group's and the Company's situation as prepared by the Managing Board and audited by the auditor. The annual financial statements of Sixt SE were thus formally adopted in accordance with the provisions of the German Aktiengesetz (AktG – German Public Companies Act). Following its own examination the Supervisory Board concurred with the proposal of the Managing Board for the appropriation of the unappropriated profit of 2013.

The auditor included in its audit the Managing Board's Dependent Company Report in accordance with section 312 of the AktG covering the relationship between Sixt SE and its affiliated companies, and submitted its audit report to the Supervisory Board. The audit by the auditor did not give rise to any objections. The following unqualified audit opinion was issued:

"On completion of our review and assessment in accordance with professional standards, we confirm that the actual statements in the report are correct."

Equally, the Supervisory Board's examination of the Dependent Company Report in accordance with section 312 of the AktG did not give rise to any objections. The Supervisory Board therefore concurred with the auditor's findings. Following the completion of its own examination, the Supervisory Board had no objections to the Managing Board's concluding declaration in the Dependent Company Report.

Personnel changes in the Managing Board and Supervisory Board

Until the conversion into Sixt SE there were no changes in the Managing and Supervisory Board of Sixt Aktiengesellschaft in the year under review. The previous members of the Managing Board and Supervisory Board of Sixt Aktiengesellschaft were appointed as members of the Managing Board and Supervisory Board of Sixt SE as part of the conversion, so that there were no changes during the year under review.

The Supervisory Board is highly satisfied with the Group's performance in the year under review. Sixt has shown that it was able to raise revenue as well as earnings even in generally weaker economic conditions. In 2013 our Company recorded one of the best results in its history.

The Supervisory Board extends its deep gratitude to the members of the Managing Board and all Sixt Group employees for their dedicated commitment and successful work in 2013. Our Company is not only highly profitable, but also stands on a very solid financial basis and is equipped with strong innovative strength that also promises healthy growth over the coming years.

Pullach, April 2014

The Supervisory Board

PROF. DR. GUNTER THIELEN	RALF TECKENTRUP	DR. DANIEL TERBERGER
Chairman	Deputy Chairman	Member

SIXT PREMIUM FLEET.
ORANGE IS THE NEW BLACK.

Our customers deserve exceptional cars.
Sixt has one of the largest BMW, Mercedes-Benz and Audi rental fleets:
Around 60 % of our vehicles are premium brands. Offering everything
from MINI Cooper S to Aston Martin, Sixt makes dreams a reality.

Stock markets performed very positively over the course of the year

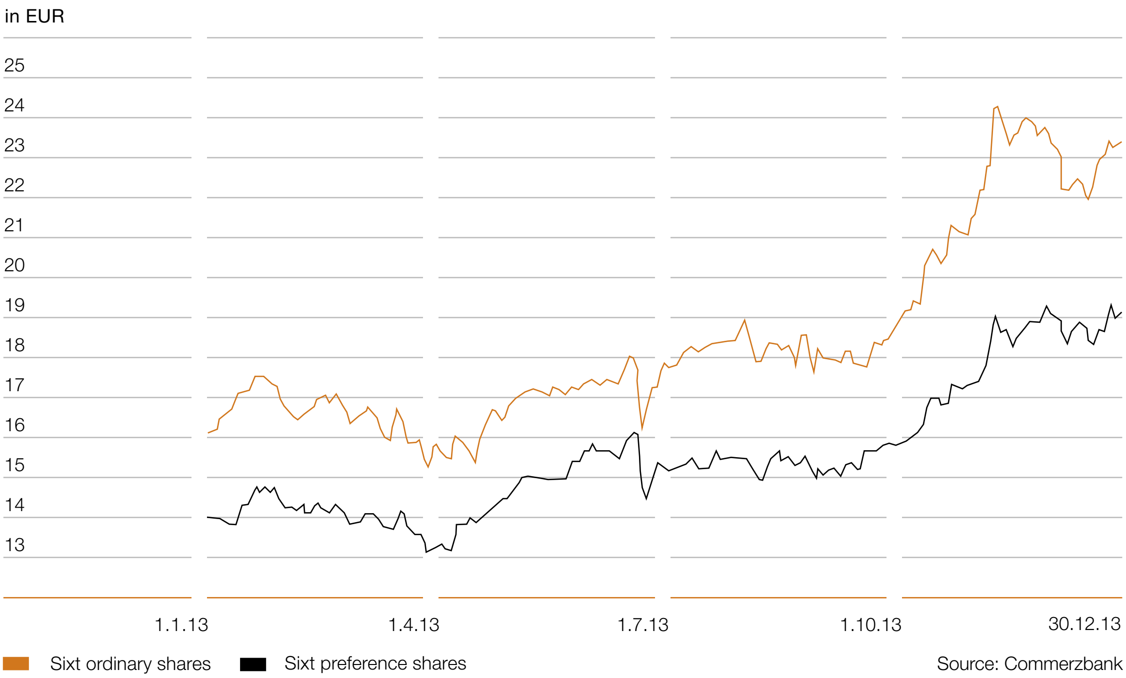
The international stock markets witnessed a clear upward trend during the course of the year. The first half of 2013, however, revealed divergences between the individual economic zones. While weak data from the markets and the sovereign debt crisis burdened the indices in Europe, the monetary measures of the American Federal Reserve caused share prices in the USA to soar. In the second quarter European markets then followed suit. They were driven primarily by small share ratios in many investor portfolios, historically low capital market interest rates, the low valuation of many European companies and an ongoing high liquidity in the market.

Nothing much changed in these fundamentals during the second half of the year. The central banks around the globe continued their expansive monetary policies and kept base rates on a comparatively low level. When the European Central Bank cut its key interest rate early in November it kicked off a bull market that lasted until the end of the year. At its meeting in December the American Federal Reserve announced that it would keep base rates at a low level and would start to reduce the liquidity supply gradually given the indications for a manifest economic recovery.

Nonetheless, the positive development on the stock markets is still overshadowed by the still unresolved sovereign debt crisis in many European countries. The potential for a renewed conflagration in the budget stand-off in the United States is also still very much on the cards. Given these uncertainty factors, many market participants refuse to rule out a radical reversal in share prices.

After a lacklustre start to the year, the German stock index (DAX) fell to its low for the year on 19 April 2013 at 7,460 points. After scaling a first peak, followed by a sharp correction, the index rallied for a continuous upward movement over the second half of the year and reached its high on 27 December 2013 at 9,589 points. Closing the year at 9,552 points the index had climbed by

Performance of Sixt ordinary and preference shares



Source: Commerzbank

25% year-on-year. The SDAX, which includes Sixt's ordinary shares, recorded its low for the year as early as 2 January 2013 at 5,338 points. After a volatile development during the first half of the year, the second six months saw the index rise continuously. On 2 December 2013 the index reached its high at 6,859 points and closed the year at 6,789 points, corresponding to a gain of 29% on 2012.

In 2013 the European lead index, the Euro Stoxx 50, witnessed an increase of 18%, the US-American Dow Jones gained 27% and the Japanese Nikkei 225 index shot up by as much as 57%.

Sixt shares outperformed SDAX

The positive trend on the stock exchanges is also borne out by the price developments of Sixt's ordinary and preference shares. Both share categories benefited from the healthy business development during the year as well as the favourable conditions on the capital markets and were able to register significant value increases in the reporting year. Both, ordinary as well as preference shares, outperformed the SDAX.

Sixt ordinary shares began the year initially restrained. The share had its low for the year at EUR 15.23 on 27 March 2013. In the second and third quarters the price recovered slowly but steadily, settling in late summer at a level around EUR 18.00. As of the middle of September the share then climbed more dynamically, reaching its high for the year on 7 November 2013 at EUR 24.31. On that high level the share closed the year at EUR 23.42. This is 49% growth on the previous year (2012: EUR 15.68).

Relative performance of Sixt ordinary and preference shares against the SDAX

Source: Commerzbank

This development is mirrored by Sixt's preference shares. The first quarter was generally slack and recorded the share's annual low on 27 March 2013 at EUR 13.09. The price climbed continuously until the late summer, moving between EUR 15.00 to 16.00, before it rallied sharply to reach its annual high on 20 December 2013 at EUR 19.39. At EUR 19.21 the price at the close of the year was 39% higher than in 2012 (EUR 13.80). This also meant that the Company's market capitalisation crossed the EUR 1 bn barrier, recording EUR 1,054 million as of reporting day (All data refer to Xetra closing prices).

Shareholder structure essentially unchanged

Based on the registered share capital, 60.1% of the ordinary voting shares were held without change by Erich Sixt Vermögensverwaltung GmbH at the end of 2013, all shares of which are owned by the Sixt family.

Investors benefit from positive business performance with attractive payout

Sixt SE continues to maintain the principle of allowing its shareholders to participate in the Company's success by distributing an appropriate dividend. The amount paid out is determined by the development of corporate earnings as well as future demands placed on equity from the planned growth of operative business. Dividend payments from net assets are avoided.

In accordance with the proposal by the Managing Board and Supervisory Board, the Annual General Meeting on 20 June 2013 resolved to pay a dividend of EUR 0.55 per ordinary share and EUR 0.57 per preference share for the fiscal year 2012, plus a special dividend of EUR 0.45 for both share categories. The sum total of dividends paid out therefore reached the record figure of EUR 48.4 million.

The Managing Board and Supervisory Board are proposing that the Annual General Meeting on 3 June 2014 appropriate a dividend of EUR 0.65 per ordinary share and EUR 0.67 per preference share as well as a special dividend of EUR 0.35 for both share categories for the fiscal year 2013. The proposal reflects the very strong earnings performance, which exceeded the original expectations, as well as the continued solid equity basis that is once again way ahead of the industry's average. Subject to the Annual General Meeting approving the proposal, the total dividend payment comes to EUR 48.4 million.

Measured in terms of the consolidated profit after minority interests, the dividend payout rate amounts to 51% (previous year: 61%). Based on the share prices recorded for each category at the end of 2013 the dividend yield is 4.3% for ordinary shares and 5.3% for preference shares.

Sixt share information

Classes of shares	No-par value voting ordinary bearer shares (WKN: 723132, ISIN: DE0007231326)
	No-par value non-voting preference bearer shares (WKN: 723133, ISIN: DE0007231334)
Stock exchanges	Xetra, Frankfurt am Main, Munich, Stuttgart, Hanover, Düsseldorf, Hamburg, Berlin
Key indices	SDAX (weighting of ordinary shares: 1.76%)
	CDAX (weighting of ordinary shares: 0.03%, weighting of preference shares: 0.03%)
	Prime All Share (weighting of ordinary shares: 0.03%, weighting of preference shares: 0.03%)
Trading segment	Prime Standard
Designated Sponsors	Commerzbank AG, DZ Bank AG

	2013	2012
Earnings per share – basic (EUR)		
Ordinary shares	1.97	1.64
Preference shares	1.99	1.66
Dividend (EUR)		
Ordinary shares	0.65[1]	0.55
	+ special div. 0.35	+ special div. 0.45
Preference shares	0.67[1]	0.57
	+ special div. 0.35	+ special div. 0.45
Number of shares (as of 31 December)	48,058,286	48,058,286
Ordinary shares	31,146,832	31,146,832
Preference shares	16,911,454	16,911,454
High (EUR)[2]		
Ordinary shares	24.31	16.86
Preference shares	19.39	14.67

	2013	2012
Low (EUR)[2]		
Ordinary shares	15.23	12.55
Preference shares	13.09	11.43
Year-end price (EUR)[2]		
Ordinary shares	23.42	15.68
Preference shares	19.21	13.80
Dividend yield (%)[3]		
Ordinary shares	4.3	6.4
Preference shares	5.3	7.4
Market capitalisation (EUR million)[3,4]		
as at 31 December	1,054	722

1 Proposal by the management
2 All prices refer to Xetra closing prices
3 Based on Xetra year-end price
4 Based on ordinary and preference shares

Intensive communication with the capital market

By being in continuous and intensive dialogue with the capital market Sixt ensures open, timely and comprehensive financial communication. Being a stock listed company in Deutsche Börse's Prime Standard and a large corporation focused on the capital markets, Sixt has to meet extensive requirements on transparency and publicity.

Over the course of the reporting year Sixt SE engaged in a regular and close exchange with capital market participants, including numerous analysts and investors, to convey a timely and comprehensive overview of business conditions. The focal point was above all the role business figures play in the mid- to long-term strategic orientation of the Group. During meetings and conversations the Managing Board outlined the future fields of growth for the Group, in particular the international expansion and the development of new mobility products.

Sixt Group's strategy and business development were very well received during the roadshows and investor conferences held in Germany and abroad. In the period under review consultations were held at key financial centres in Germany, the UK, France, Switzerland, Austria, Northern Europe and the USA. Sixt also held conference calls for the publication of business figures.

The Managing Board furthermore used the publication of quarterly figures to inform financial journalists in a timely manner about Sixt's current development. The Managing Board presented its view on business performance and was available for questions. These conference calls have been held for years now and have become an established institution for almost all relevant business journals and news agencies. They are therefore a meaningful addition to these long-standing events, such as the Annual Press Conference and the Annual General Meeting.

Prominent financial and research institutes carefully track the development of the Group and the Sixt share. The Managing Board and analysts regularly exchange information. Thus, in the period under review analyses were published by Baader Bank, Bankhaus Lampe, Commerzbank, DZ Bank, HSBC Trinkaus & Burkhardt, M.M.Warburg & CO. The majority of analysts rated the shares as a 'buy' on reporting day. As at 31 December 2013 the latest research of the aforelisted financial institutes had Sixt's ordinary shares at an average target price of EUR 25.75.

The Managing Board will continue to stay in direct contact with the capital market participants and the media. Their increased interest and information requirements will be met in full and through the appropriate means of communication. Sixt has set itself the particular objective of communicating in detail and with full transparency the Company's very solid financing structure and long-term growth strategy and of outlining the key differences to its relevant competitors.

In accordance with the provisions of section 289a of the Handelsgesetzbuch (HGB – German Commercial Code) the Company has to include a corporate governance declaration in its Management Report. Pursuant to section 317 (2), sentence 3 of the HGB the disclosures made in accordance with section 289a of the HGB are not included in the audit. The declaration can also be found on the website of Sixt SE at http://ir.sixt.eu under "Corporate Governance".

Corporate governance declaration in accordance with section 289a of the HGB

Corporate governance

For Sixt SE, good and responsible corporate management and supervision (corporate governance) is an essential means of ensuring and enhancing capital market confidence in the Company. Responsible management that focuses on long-term value creation is therefore of central importance for the Company. The basic hallmarks of good corporate governance are efficient and trusting collaboration between the Managing Board and the Supervisory Board, respect for shareholders' interests and open corporate communication, both externally and internally.

The recommendations of the Government Commission on the German Corporate Governance Code are an established benchmark for corporate management at German listed companies. Apart from the exceptions listed in the Declaration of Conformity of December 2013, the Managing Board and the Supervisory Board of Sixt SE affirm their commitment to the principles of the German Corporate Governance Code published by the Government Commission on 26 February 2002 and most recently amended on 13 May 2013.

Declaration of conformity in accordance with section 161 of the AktG

In accordance with section 161 of the Aktiengesetz (AktG – German Public Companies Act), the managing board and supervisory board of German listed companies are to issue an annual declaration indicating the extent to which they have complied or are complying with the German Corporate Governance Code. They must also explain which recommendations of the Code have not been or are not being applied. The Managing Board and Supervisory Board of Sixt SE have issued and published such a declaration of conformity every year since 2002. Every declaration of conformity is made available to the public for a period of five years on the Company's website at http://ir.sixt.eu under "Corporate Governance". Referring to the version of the Code valid since May 2013 the most recent declaration of conformity by the two company bodies was published in December 2013, and reads as follows:

"The recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 13 May 2013 (hereinafter referred to as "Code") announced by the Federal Ministry of Justice in the official section of the Bundesanzeiger (Federal Gazette) have been and will be complied with, with the following exceptions:

- In the D&O insurance policy of Sixt SE, no deductible has been agreed for members of the Supervisory Board (section 3.8 of the Code). Sixt SE believes that a deductible would not improve the motivation or sense of responsibility of the members of the Supervisory Boards, especially given that the Supervisory Board members could insure any deductibles themselves.

- Section 4.2.5 (3) of the Code recommends that the remuneration report for fiscal years beginning after 31 December 2013 discloses specific details regarding every Managing Board member's remuneration and that the sample tables, enclosed with the Code, be used for this reporting. The question for Sixt SE is whether to follow these recommendations for the first time with the fiscal year commencing on 1 January 2014. In accordance with the resolution adopted by the Annual General Meeting on 17 June 2010, the total remuneration is currently not disclosed and broken down by individual Managing Board members. In view of this resolution, compliance with the recommendation is presently not intended.

- The Supervisory Board decides on a case-by-case basis whether to specify an age limit when appointing Managing Board members (section 5.1.2 of the Code), because the Supervisory Board believes that to specify a general age limit would impose a blanket restriction on selection and would thus not be in the interests of Sixt SE.

- Since, in accordance with the Articles of Association, the Supervisory Board of Sixt SE consists of three people, no committees are formed (sections 5.3.1 to 5.3.3 of the Code).

- An age limit as well as concrete targets for female representation in the composition of the Supervisory Board are not provided for (section 5.4.1, sentences 2 and 3 of the Code). Given that the Supervisory Board consists of three members, of whom merely two members are elected in accordance with the Articles of Association, any limitation on age and/or sex in the selection process for suitable candidates would run counter to the interests of the Company.

- Proposed candidates for the chair of Supervisory Board are not announced to shareholders (section 5.4.3 of the Code), because legal provisions stipulate that the election of the Supervisory Board chairperson is exclusively the responsibility of the Supervisory Board.

- The remuneration of members of the Supervisory Board is reported as an aggregate amount in the Consolidated Financial Statements (section 5.4.6 of the Code); the remuneration paid to each member of the Supervisory Board is specified in the Articles of Association.

- Sixt SE will disclose all price-sensitive information to analysts and all shareholders (section 6.1 of the Code). Sixt SE believes that disclosure to all shareholders of all non-price-sensitive information given to financial analysts and similar parties would not further their interest in information.

- The Consolidated Financial Statements are published within the statutory periods. Interim reports are published within the periods stipulated by stock exchange law. Sixt SE believes that compliance with the publication deadlines specified in section 7.1.2 sentence 4 of the Code does not benefit to any greater extent the information interests of investors, creditors, employees and the public."

Pullach, December 2013

For the Supervisory Board of Sixt SE	**For the Managing Board of Sixt SE**
SIGNED PROF. DR. GUNTER THIELEN	SIGNED ERICH SIXT
Chairman	Chairman

Relevant disclosures on corporate governance practices

The practices used for managing Sixt SE and the Sixt Group comply fully with the statutory provisions.

Strategic and operational management of the Group is performed on the basis of planning policies and regular comprehensive reports to the Managing Board. Reporting covers the risk management system, the internal control system as well as the internal audit system.

The risk management system, the functioning and extent of which is documented in the risk manual, specifies several types of reports to support management with the identification, assessment and control of risks. Among other things, the Managing Board and the Supervisory Board receive a comprehensive risk report each year. In addition, the Managing Board is regularly informed about relevant issues by the Company's functional units. The internal control system consists of measures and controls to ensure compliance with statutory provisions and corporate guidelines. It specifies regular reports by the Company's Business Units, audit reports and regular working meetings relating to different topics. The internal control system relates to measures such as planned audits and other audits, the results of which are documented in the respective audit and activity reports to the Managing Board.

Principal rules of entrepreneurial activities are summarised in the code of conduct, which provides employees with a framework for their actions. The code of conduct contains behavioural principles for the acting individuals' dealings in relation to third parties and within the Company.

Working practices of Managing Board and Supervisory Board

With its conversion into a European Stock Corporation (Societas Europaea) Sixt SE is governed by the German Aktiengesetz (AktG – German Public Companies Act), the specific European SE regulations and the German SE Implementation Act. One key principle of the Public Companies Act is the dual management system (Managing Board and Supervisory Board), which remains essentially unchanged for Sixt SE. Sixt SE takes due account of this principle of separate management and supervisory bodies and has different personnel in the Managing and Supervisory Boards of Sixt SE. The simultaneous membership in both bodies is not permitted. In accordance with article 7 (1) and (2) of the Company's Articles of Association, the Managing Board of Sixt SE consists of one or more members appointed by the Supervisory Board for a maximum period of up to five years. Reappointments are generally possible. Currently the Managing Board has three members. They are responsible for basic strategic orientation, daily operations and the monitoring of risk management at Sixt SE and in the Sixt Group. In addition, the members of the Managing Board perform functions in other Group companies, for example as Supervisory Board members or Managing Directors. Since Sixt SE is the Group's strategic and financial holding company, the daily operations are managed within the Vehicle Rental and Leasing Business Units. The members of Sixt SE's Managing Board are at the same time Managing Directors of Sixt GmbH & Co. Autovermietung KG, the primary operational company of the Vehicle Rental Business Unit and Supervisory Board members of Sixt Leasing AG, the primary operational company of the Leasing Business Unit. The Chairman of the Managing Board of Sixt SE, Erich Sixt, is Chairman of the Supervisory Board of Sixt Leasing AG.

The members of the Managing Board perform the duties assigned to them under clearly defined portfolio responsibilities in accordance with the executive organisation chart and the rules of procedure. The Chairman of the Managing Board is responsible for the Company's long-term strategic orientation. In addition, he is in charge of Group development, sales, marketing, public relations, international franchising, IT and personnel. The Chief Operations Officer is responsible for the rental business at rental offices and for the fleet, as well as areas such as yield management, pricing, quality management, and customer service. The Chief Financial Officer is in control of the overall management of all the Group's finance departments, including finance and accounting, controlling, risk management as well as the legal and auditing departments.

Managing Board meetings, at which cross-portfolio issues are discussed, are held as and when necessary.

Because of its size with currently only three members, the Managing Board has not formed any committees.

In accordance with article 10 (1) of the Articles of Association, the Supervisory Board of Sixt SE has three members. Two members are elected by the Annual General Meeting in accordance with legal provisions and the provisions of the Articles of Association. One further member of the body is appointed by the shareholder Erich Sixt. The Supervisory Board elects a Chairman and a Deputy Chairman from among its members (article 12 (1) of the Articles of Association). As according to the Articles of Association the Supervisory Board of Sixt SE consists only of three people, no committees are formed.

The Supervisory Board's main tasks include the appointment of Managing Board members and supervision of the Managing Board. As a general rule, the Supervisory Board adopts its resolutions at meetings. On instruction of the Supervisory Board Chairman, resolutions by the Supervisory Board may also be adopted outside of meetings (or by way of a combined resolution) by casting votes verbally or by telephone, in writing (section 126b of the BGB – German Civil Code) and/or by using other means of telecommunication or electronic media (article 14 (2) of the Articles of Association). Moreover, a resolution may also be validly adopted by aforementioned means without the instruction of the Chairman of the Supervisory Board if no member objects (article 14 (3) of the Articles of Association). Resolutions of the Supervisory Board require a majority of votes cast, unless otherwise mandatorily required by law (article 14 (7) of the Articles of Association). The Supervisory Board's report contains further details on the meetings and activities of the Supervisory Board during financial year 2013.

The Board of Management and Supervisory Board cooperate closely for the benefit of Sixt Group. The Managing Board informs the Supervisory Board regularly, promptly and comprehensively on all matters that are relevant to the Company and the Group regarding strategic planning, business development, the risk situation and risk management as well as the results of internal revisions. To this end, the Managing Board agrees the Company's strategic orientation with the Supervisory Board and discusses the implementation of strategy at regular intervals. Documents required to make decisions, in particular the annual financial statements of Sixt SE, the consolidated financial statements, the management report on the Group's and the Company's situation, including the auditors' reports, are forwarded to the members of the Supervisory Board in good time before the respective meeting.

Employee participation programme (matching stock programme)
The Managing Board and Supervisory Board of Sixt SE resolved in 2007 to implement a Matching Stock Programme (MSP) for a selected group of employees, senior executives and members of the Managing Board of the Sixt Group at the Company and its affiliated companies. The programme enables employee participation in the form of shares while avoiding any dilutive effects for existing shareholders of Sixt SE.

Participants in the MSP must have a contract of employment with Sixt SE or one of its subsidiaries which has not been terminated at the time of subscribing for the MSP. To participate in the MSP, each participant must make a personal investment by acquiring interest-bearing bonds of Sixt SE.

For the MSP initiated in 2007 (MSP 2007) the last time stock options were to be granted to the participants was in 2011 in accordance with the following conditions.

The bonds acquired as personal investment carry a coupon of 6% p.a. and a maturity until 2014. The total volume invested by all participants was limited to EUR 3.5 million. The Managing Board of Sixt SE defined the maximum participation volume for each of the beneficiaries. Where the Managing Board of Sixt SE itself was concerned it did so with the approval of the Supervisory Board.

The corresponding participation volume was converted into a corresponding number of virtual Sixt preference shares (MSP shares) on the basis of the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days before the start of the MSP. The average price calculated and applied was EUR 25.51.

Each MSP share entitles the holder to subscribe to 14 stock options per annual tranche in accordance with the MSP terms and conditions. On each 1st of December every year from 2007 (first time) to 2011 (last time) one tranche of stock options had been allocated (a total of five tranches), so that each participant was entitled to subscribe up to a total of 70 stock options for each MSP share (5 tranches with 14 stock options each).

The allocated stock options can only be exercised after a lock-up period of three years, starting from the allocation of the respective tranche. The stock options can only be exercised if the exercise price since the allocation of the respective tranche is 15% higher than the initial price of said tranche (exercise threshold). The initial price of the stock options corresponds to the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days before the stock options for the tranche concerned are allocated. The exercise price is the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days before the stock options of the respective tranche are exercised. Stock options allocated as part of a tranche are deemed to have been exercised on the first trading day following the end of the lock-up period, if the exercise threshold has been reached. If the exercise threshold is not reached, the stock options of this tranche expire without replacement. The initial price and the exercise price of those tranches that had been issued prior to the 1-for-1 capital increase from company funds in fiscal year 2011, had to be adjusted accordingly.

The exercise gain for a tranche, calculated if the stock options are exercised, must not exceed 3% of the earnings before taxes reported in the most recent annual financial statements of Sixt SE available at the time of exercise. If it does, the amount must be reduced proportionately for all participants. An amount net of the taxes and contributions on the exercise gain payable by the participant is credited to each participant in preference shares of Sixt SE in the form that Sixt SE acquires Sixt preference shares on behalf of and for the account of the participant. These shares are subsequently transferred to a blocked custody account in the participant's favour. The participant is free to draw on the shares after another year. The total term of the MSP issued in 2007, including this lock-up period, is eight years, up until 2015.

If, during the term of the MSP, adjustments are made to the share capital of Sixt SE or restructuring measures are implemented that have a direct impact on the share capital of Sixt SE and this causes the value of the stock options to change by 10% or more, the initial price shall be adjusted to the extent necessary to compensate for the change in value of the stock options caused by the capital action. If Sixt SE distributes dividends or other assets to shareholders in the period between allocation and exercise of a tranche of stock options, the initial price of this tranche must be adjusted by deducting the amount of dividend or distribution attributable to one share from the initial price, if required, by the effects from capitalisation measures.

If the bond acquired by the participant as a personal investment is redeemed early or if the participant's contract of employment is terminated, any stock options already allocated but not yet exercised and the entitlements to unallocated stock options are generally lost.

In September 2012 the Managing Board resolved with the approval of the Supervisory Board to issue a follow-up programme (MSP 2012) to the above listed MSP with slightly modified conditions. The essential modifications are outlined in the following summary.

Precondition for participation is a personal investment made in form of acquiring bonds of Sixt SE with a coupon of 4.5% p.a. and a maturity until 2020. Every EUR 1,000 of paid-up subscription amount entitles to subscribe to 500 stock options per annual tranche in accordance with the MSP terms and conditions. The subscription volume has been specified to a total of EUR 5 million for all participants.

On each 1st of December every year from 2012 (first time) to 2016 (last time) one tranche of stock options will been allocated (a total of five tranches), so that each participant is entitled to subscribe up to a total of 2,500 stock options for every EUR 1,000 of paid-up subscription amount (5 tranches with 500 stock options each).

The allocated stock options can only be exercised after a lock-up period of four years, starting from the allocation of the respective tranche. The total term of the MSP issued in 2012, including the one-year lock-up period after the last possible exercise date, is nine years, up until 2021.

The exercise threshold is 20% as off allocation of the respective tranche. The exercise gain for a tranche, calculated if the phantom stocks are exercised, must not exceed 5% of the regular earnings before taxes (EBT) reported in the most recent approved consolidated financial statements of Sixt SE. In addition, the exercise gain (before taxes) of each tranche is limited for every participant to twice his paid-up investment volume.

Disclosures relating to the ownership of shares and financial instruments on those shares

Erich Sixt Vermögensverwaltung GmbH, Pullach, all shares of which are owned by the Sixt family, held 60.1% (18,711,822 shares) of the ordinary shares of Sixt SE as at the reporting date of 31 December 2013.

As at 31 December 2013 members of the Managing Board held Sixt preference shares, granted under the tranche of the MSP employee equity participation programme due and exercised in 2011, 2012 and 2013.

Members of the Supervisory Board held no ordinary shares or preference shares of Sixt SE as at 31 December 2013.

Under the MSP 2007 members of the Managing Board subscribed for bonds of Sixt SE with a total principal amount of EUR 400,000, which, as at reporting date 31 December 2013, entitles them under the MSP terms and conditions to subscribe for up to 219,520 stock options, which were granted until 2011 and have not yet been exercised.

Under the follow-up programme MSP 2012, members of the Managing Board subscribed for bonds of Sixt SE with a total principal amount of another EUR 400,000, which, as at reporting date 31 December 2013, entitles them under the MSP terms and conditions to subscribe for up to 1,000,000 stock options. Of these a total of 400,000 stock options had been granted by 31 December 2013 but not yet exercised. In addition to these, entitlements for future allocation of a total of 600,000 stock options exist.

No financial instruments relating to the purchase or sale of Sixt SE shares were issued to members of the Supervisory Board.

Directors' dealings in accordance with section 15a of the WpHG

In accordance with section 15a of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) directors and executives of Sixt SE as well as individuals closely related to or connected with them, have to disclose their own transactions with Sixt shares or related financial instruments to Sixt SE as well as the Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority). The disclosure obligation does not apply as long as the aggregated total of the transactions conducted by each executive and their closely related or connected parties is less than EUR 5,000 by the end of the calendar year.

Sixt SE has received no disclosures in accordance with section 15a of the WpHG for the 2013 financial year regarding the acquisition or sale of the Company's shares or related financial instruments.

SIXT SERVICE INNOVATION.

PRIVILEGED TO SERVE YOU.

We continually refine our counters, making them convenient for customers and efficient for our teams. High-tech rental points for the most expeditious processes. Whatever the industry innovation, Sixt customers will be the first to know.


SIXT
feel the motion.
feel the
PLATINUM PLATINUM

A. Group fundamentals

1. Business model of the Group

1.1 Group structure and management

Sixt SE (European Stock Corporation – Societas Europaea) is the parent company that acts as the holding company for the Sixt Group. In this function it assumes the central management tasks and is responsible for the strategic and financial management of the Group. It also carries out various financing functions, primarily for the key companies of the two business units, Vehicle Rental and Leasing. The operative business is fully overseen by domestic and foreign subsidiaries, which are assigned to the respective business units.

The Annual General Meeting resolved on 20 June 2013 to convert the legal form of the holding company from a (German) public stock company (Aktiengesellschaft – AG) into a European Stock Corporation (SE). This was entered into the commercial register on 6 August 2013. The change in legal form is significant for the Group's increasingly international focus.

The Managing Board of Sixt SE is solely responsible for managing the Company. The Supervisory Board of Sixt SE appoints, monitors and advises the Managing Board and is directly involved in decisions of fundamental importance for the Company and the Group.

An overview of the companies included in the consolidated financial statements as well as the other investments of Sixt Group, which in their aggregate are economically insignificant, can be found under the section entitled “Consolidation” in the notes to the consolidated financial statements.

1.2 Group activities and services portfolio

The Sixt Group is an international provider of high-quality, end-to-end mobility services. With its Vehicle Rental and Leasing Business Units the Company offers its customers tailor-made products that provide mobility of a few minutes to several years. With a focus on customers' requirements, these products can be combined to form integrated solutions. Numerous innovative services round off these products, whereby Sixt places great stress on interlinking its solutions with online and mobile technologies to do justice to its customers' requests for flexible and state-of-the-art mobility.

In the **Vehicle Rental Business Unit** Sixt has a network of stations with an almost worldwide presence through its own rental offices as well as through cooperation with highly efficient franchisees and cooperation partners. In Germany, Sixt has a market share of over 30%, making it the clear market leader, far ahead of his competitors. At some of the German commercial airports, which are a particularly important segment for the rental business, the Company’s market share is even higher. For the Vehicle Rental Business Unit the primary target groups are business and corporate customers. In addition, over the last few years Sixt has continuously expanded its business with private customers and holidaymakers at home and abroad. The accident replacement business, on the other hand, is of minor significance.

The Business Unit is represented through its subsidiaries in the core European countries of Germany, France, Spain, the UK, the Netherlands, Austria, Switzerland, Belgium, Luxembourg, and Monaco (Sixt corporate countries) thus covering a large part of the European market. Sixt ranks amongst the largest vehicle rental companies in Europe, and also operates another subsidiary on the US rental market.

In addition, Sixt is represented by franchise and cooperation partners in many other European and non-European countries (Sixt franchise countries). During the course of 2013 Sixt continued to expand its network of franchisees in the USA to accelerate growth on the US rental market and strengthen the Sixt brand. As a result, the brand has an almost global presence.

The services of Sixt Vehicle Rental are augmented and supplemented by special products, including:

- **Sixt Rent a Truck:** Sixt provides a wide range of utility vehicles from small transporters to delivery vans right through to trucks weighing up to 12 tons. Sixt Rent a Truck offers customers a comprehensive mobility and service package, specifically geared towards their needs, such as accessory equipment for house moving for example. Depending on customer requests, the offer also covers specialised vehicle fittings and equipment for example for movie and TV productions.

- **Sixt holiday rental vehicles:** Sixt provides holiday travellers with an international holiday car rental service tailored to mobility requirements in holiday destinations. It comes as prepaid product with the rent paid in advance, where customers receive a confirmation after their booking that they then use to rent the vehicle of their choice at the holiday destination. Extra services such as insurance (excluding any deductible), airport duties, taxes and mileage are generally already included for key vacation destinations.

- **Sixt Limousine Service:** Sixt Limousine Service is an individual, exclusive mobility service for business travellers as well as special occasions such as event services, airport transfers and sightseeing trips. For this service Sixt uses a fleet of attractive premium vehicles and chauffeurs trained to a uniform and high Sixt standard. The product is offered in more than 60 countries worldwide.

- **Sixt Luxury Cars:** In various countries Sixt provides this particularly exclusive offer for luxury segment saloon and sports cars or SUVs.

- **DriveNow:** DriveNow is a premium carsharing product for the mobility demands in major cities. Customers receive a high-quality alternative to owning and maintaining a vehicle. They can rent attractive BMW and MINI models at short notice, independent of a rental station, and park them at the kerbside. The offer is supplemented by such comprehensive services as BMW's ConnectedDrive information service or BMW's especially fuel-efficient EfficientDynamics engines. DriveNow is a joint venture between Sixt and BMW, with both companies owing a 50% share. At present the premium carsharing product is available in the German cities of Berlin, Munich, Hamburg, Düsseldorf and Cologne as well as in San Francisco (USA).

- **myDriver:** The chauffeur service myDriver kicked off in the first quarter of 2013 and represents a comfortable alternative to taxis and classic limousine services. Unlike taxis the customer is given a binding fixed price when booking the trip. The personalised driver's service is available for business and private customers at attractive prices in numerous German metropolitan areas. The vehicles of myDriver can be booked online and mobile at any time, day or night, for shorter or also longer periods. The vehicle fleet comprises top-fitted saloon cars of renowned brands.

- **Integrated services:** Sixt is the only international mobility service provider able to offer its customers integrated products and services according to their needs. With Sixt unlimited the company offers customers the means to rent a vehicle for a monthly flat rate at any time at over 600 Sixt service stations in Europe. Frequent travellers in particular will benefit from significant time and cost advantages, as separate costs for their own car, rental cars, taxis or parking fees can be done away with. In addition, the offer includes preference service, comprehensive insurance cover and tyres fit for winter during the respective months. There is no obligation to pre-book nor is there any mileage limitation.

- **Strategic partnerships:** Sixt maintains a large number of close strategic partnerships, some of which are long-established, with companies in the tourist and mobility industries. This enables Sixt to offer its customers numerous price benefits. These cooperation projects include airlines, hotel chains, hotel reservation and marketing associations, and other mobility service providers such as the ADAC (the German motorists' association).

Through its **Leasing Business Unit** Sixt is one of the largest non-bank, vendor-neutral leasing companies in Germany operating subsidiaries in France, Austria, Switzerland and the Netherlands. In addition, Sixt franchisees and cooperation partners offer lease financing and services in around 60 countries.

Sixt Leasing possesses extensive expertise in the management of complex full-service solutions and develops bespoke mobility concepts that aim to optimise fleet costs over the long term. To this end, Sixt Leasing deploys innovative and consistently online-based solutions, such as the FleetIntelligence reporting system, which assists fleet managers in compiling detailed analyses of both their entire fleet and individual vehicles, increasing transparency over their fleet costs and thus realising significant savings.

One focus of business activities is on fleet management and full-service leasing for corporate and business clients. This covers a wealth of further services alongside the classic finance function. It includes vendor-neutral advice concerning vehicle selection, vehicle procurement, vehicle maintenance over the entire contract period, tyre replacements, special product offers for transparent conditions at vehicle returns, service packages in the case of accidents as well as the management of vehicle insurances, fuel cards, vehicle taxes, or radio license fees.

Another focal point of Sixt Leasing's activities lies with offering the product Sixt Neuwagen (Sixt new cars). The independent business segment offers private and commercial customers leasing and variable financing contracts for new vehicles. Using Sixt Neuwagen's Internet portal customers can pick and choose between the latest models of over 30 car manufacturers. All the vehicles are exclusively from the German contract dealers. With this innovative offer Sixt Leasing takes due account of the strong demand for leasing and financing solutions. Rounding them off, Sixt Leasing also offers comprehensive services for wear and tear, tyre replacements as well as insurance policies.

Additional state-of-the-art and new service and products, such as Sixt Corporate CarSharing, supplement the service portfolio of Sixt Leasing.

Sixt Mobility Consulting specialises in comprehensive fleet management and combines it with individual brand-independent consulting solutions. Sixt Mobility Consulting looks after and optimises client fleets of varying industries and sizes, ranging from mid-sized companies to international corporations. The aim is to achieve measurable quality and cost optimisation for clients that will enable them to raise their own performance.

To this end Sixt Mobility Consulting works with online-based solutions developed in-house. Among others, this includes a multibid configurator and the FleetOptimizer. The multibid configurator allows companies to freely configure their fleet vehicles, compare them to potential alternative cars, send out tenders for their vehicles of choice amongst various leasing companies and thereby generate more favourable lease instalments. The FleetOptimizer enables companies to identify cost saving potentials with existing customer fleet configurations and deduce measures with which the customers' fleet expenses can be reduced over the long term.

Online and mobile solutions are playing an ever more important role for the further strategic development of the Vehicle Rental and Leasing Business Units. They enable Sixt to react swiftly to new trends and augment the range of products with corresponding services. This includes continually adapting the websites of the Vehicle Rental and Leasing Business Units to the current state of the art as well as the customers' wishes and requirements concerning usability and content. Furthermore, it entails the development of specific applications for smartphones and tablet PCs, and keeping up the Sixt Group's presence in its own Internet blogs and social networks in order to maintain an intensive dialogue with customers and the wider public.

Sixt is an early mover in this field. The Company was one of the first vehicle rental companies worldwide to offer an application for the Apple iPhone. Today, substantially more than half of all reservations in the Vehicle Rental Business Unit are made via Internet and mobile services.

Sixt conceptualises and promotes additional business models that are offered via Internet solutions. An example of this is the platform for new cars autohaus24.de, which is operated together with the Axel Springer Auto Verlag and which brokers new cars by collaborating with an extensive network of German contract dealers. Measured by the number of vehicles brokered, autohaus24.de is one of the leading providers in its segment in Germany.

1.3 Significant external influencing factors

As an internationally active Group with a stock-listed holding at its head, the business activities of the Sixt companies are exposed to the influence of a number of different legal systems and regulations. These include road traffic, environmental protection and public order stipulations, as well as tax and insurance laws, and capital and financial market regulations.

Economically, the Group is dependent on the general economic conditions, which affect in particular the spending propensity of business travellers, consumption behaviour of private customers and companies' willingness to invest. Travel activities can also be affected by unstable political situations or the outbreak of epidemics in individual countries and thereby influence Sixt's business development.

2. Business management

The long-term business success of the Sixt Group is measured using pre-defined financial control parameters.

The following financial control parameters are particularly essential at the level of the Sixt Group:

- operating revenue
- earnings before taxes (EBT)
- return on sales in the business units (EBT/operating revenue)
- equity ratio (equity/total assets)

The Sixt Group aims to achieve the following returns and ratios over the long term and therefore on a sustained basis:

- a pre-tax return on sales of at least 10% in the Vehicle Rental Business Unit
  (related to the Business Unit's operating revenue)
- a pre-tax return on sales of 5% in the Leasing Business Unit
  (related to the Business Unit's operating revenue)
- an equity ratio of at least 20% at Group level

3. Research and development

Since it is a pure service provider, Sixt did not engage in any research and development activities worth reporting in financial year 2013.

B. Business report

1. Economic environment

Sixt Group's business activities are focused on Europe, with an emphasis on Germany, as well as increasingly in the USA. The Group's business performance is highly dependent on the economic development of these two business regions, given the strong correlation of transactions with investment activities, the spending propensity of companies and consumption behaviour of private customers.

A gradual economic recovery was evident for the USA and Europe. Towards the end of the year both markets performed ever more positively, thanks, above all, to very robust private demand. Such key indicators as the global purchasing managers' index PMI, are clearly expanding and suggest a robust business climate.

Over the course of 2013 the Euro area's economy managed to leave the recession behind. Since the second quarter, economic production is climbing again after having shrunk for six preceding quarters in a row. However, the economic recovery is still lacklustre and despite the upbeat confidence shown by consumers and corporations, such economic indicators as industrial production or retail revenues, remained lowly.

Data by the Statistische Bundesamt (Federal Statistical Office) shows that the German economy proved to be generally stable over the year 2013. Adjusted for inflation, the gross domestic product (GDP) rose by 0.4%. The strong domestic demand could only compensate in parts the weaker external economic development, which was influenced by the continued recession in some European countries and the restrained global development. Following a phase of weakness over the Winter 2012/2013, the economic climate improved during 2013. Most service industries upped their economic output, with a clear increase registered by corporate service providers (+3.4%).

Sources:
European Central Bank, Monthly Bulletin December 2013, 12 December 2013
European Central Bank, Monthly Bulletin January 2014, 16 January 2014
The World Bank, Global economic prospects, 14 January 2014
International Monetary Fund, World Economic Outlook – Update January 2014, 21 January 2014
Institut für Weltwirtschaft (IfW [Institute for world economy]), Forecast Winter 2013, 18 December 2013
Statistisches Bundesamt (Federal Statistical Office), Press Release, 15 January 2014

2. Group business performance, overview and comparison with previous year forecast

The Sixt Group registered a good fiscal year 2013 with consolidated revenue up by 4.3% to EUR 1.6 billion and a 15.6% higher pre-tax profit (EBT) of EUR 137.1 million. In particular the third quarter contributed to this development as it saw a significant thrust in growth given the improved economic conditions. The Company thereby affirmed its revenue and earnings forecast, which it had slightly upgraded during the course of the fiscal year. EBT was one of the highest profits ever achieved by the Group. The earnings performance is due to the good demand for mobility services, above all abroad. Given the higher operative costs and start-up expenses for long-term growth initiatives, this earnings development must be valued very highly.

In its forecast for the year, Sixt had expected a generally declining economic situation and had readied itself for a challenging fiscal year 2013. On the back of the insights gained during the course of the year, the original guidance was upgraded in the second half year. This applied in particular to EBT, which initially had been expected to decrease.

The initial outlook for the Vehicle Rental Business Unit had foreseen declining demand in Germany, whilst the strong growth abroad was expected to continue. All in all, the Company had projected slightly declining rental revenues. After the economic climate clearly brightened up over the course of the year, the domestic forecast was marginally bettered by a 1% growth. Rental revenue growth of almost 19% outside of Germany exceeded even the ambitious expectations, leaving Sixt to realise a total growth in rental revenues in the single digit range.

Restrained economic conditions initially also defined revenue expectations for the Leasing Business Unit. Against a background of stronger sales activities, though, the leasing revenues were projected to close out stable to slightly higher. In the end, leasing revenues for the fiscal year climbed marginally by around 2%.

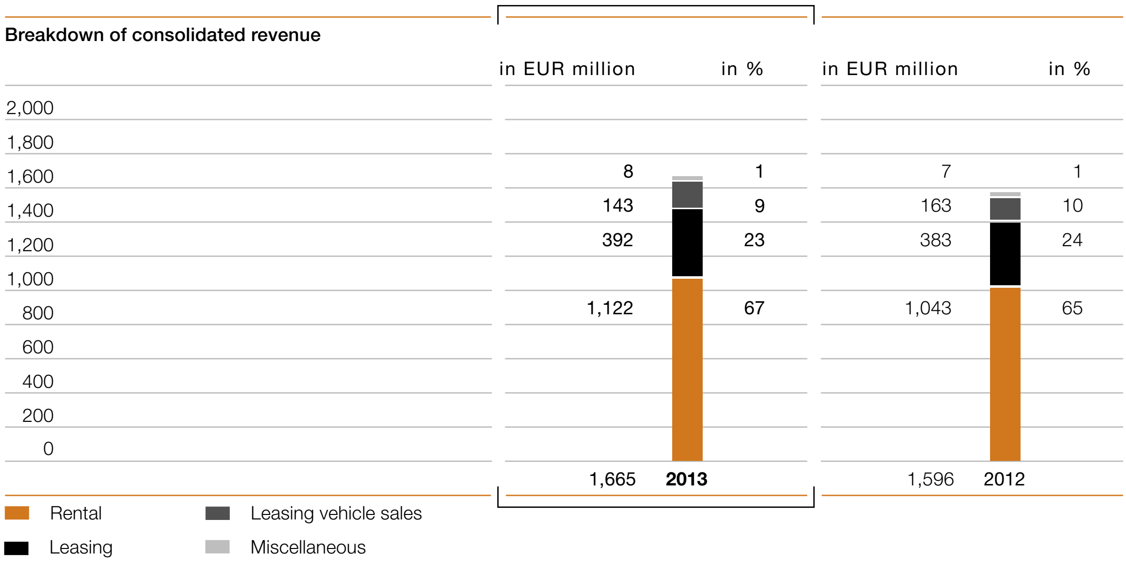
Aligned to the assumptions for revenues to be generated, the original earnings outlook expected pre-tax profit to fall gently but to remain satisfactory. During the course of the fiscal year the earnings forecast was adjusted in line with better-than-expected and realised revenues. In the second half of the year the Company expected pre-tax profits for the full year to close out higher than the year before. Against initial expectations, the actual EBT generated in fiscal year 2013 was 16% up on the previous year.

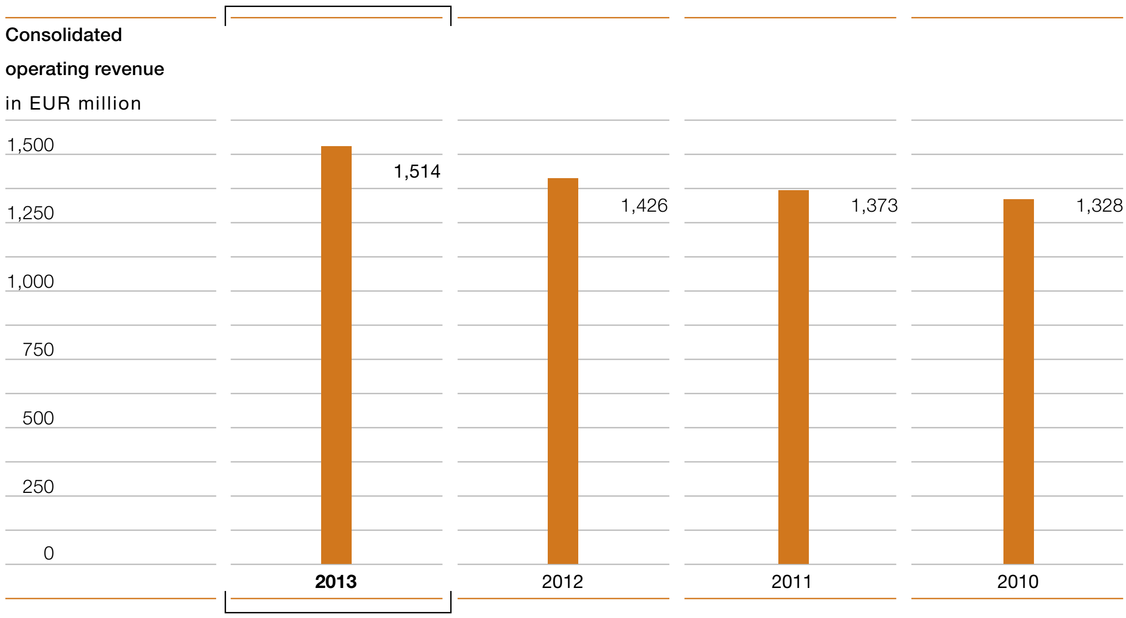
3. Revenue development

3.1 Developments in the Group

As in previous years, the Group's revenue development is again measured by the so-called operating revenue as well as by consolidated revenue. Operating revenue is the total amount of revenue from rental business (including other revenue from rental business) and leasing business. Revenue from the sale of used leasing vehicles, which depends primarily on general fleet policy and is predominantly based on firm buy-back agreements with manufacturers and dealers, is not recognised as operating revenue. Revenue from the sale of used vehicles from the Vehicle Rental Business Unit is not reported under revenue.

Total consolidated revenue amounted to EUR 1.66 billion in the year under review, 4.3% more than the previous year's figure of EUR 1.60 billion. At EUR 1.51 billion, consolidated operating revenue from rental and leasing business (excluding revenue from the sale of used leasing vehicles) was 6.2% higher than the prior-year figure (2012: EUR 1.43 billion). This increase was the result of a good revenue performance in the Rental Vehicle Business Unit, especially from the ongoing international expansion.





3.2 Revenue breakdown by region

In Germany the consolidated revenue for 2013 was EUR 1.13 billion, a slight decline of 0.9% from the year before (EUR 1.14 billion). Against initial expectations, the rental revenue in the Vehicle Rental Business Unit reached EUR 610.7 million, slightly higher than the previous year (EUR 604.7 million). Other revenue from rental business climbed with 11.2% to EUR 69.7 million (2012: EUR 62.6 million). The revenue from leasing activities in Germany rose 0.8% year-on-year to EUR 325.1 million (2012: EUR 322.6 million). Revenue generated in Germany from the sale of used leasing vehicles, which is generally subject to fluctuations, was EUR 121.1 million and thus 17.7% below the previous year (EUR 147.2 million).

Group revenue generated outside of Germany, performed clearly more positively in 2013 thanks to the growth measures initiated. At EUR 530.5 million (2012: EUR 451.5 million) it rose 17.5% scaling another new record level. Rental revenues continued their dynamic development of the previous year and climbed 18.9% to EUR 414.9 million (2012: EUR 349.0 million). Strengthening this trend were the activities in the USA as well as the vacation destinations in Spain and France. At EUR 27.1 million, other revenue from rental business was slightly up on the prior-year figure (EUR 26.6 million). Leasing revenues generated abroad also picked up noticeably by 10.6% to EUR 66.7 million (2012: EUR 60.3 million). Foreign revenue from the sale of used leasing vehicles increased 39.7% to EUR 21.8 million (2012: EUR 15.6 million).

Sixt once again took another step towards its strategic goal of further increasing the share of foreign business in revenue. Thus, the consolidated revenue generated in 2013 amounted to 68.1% (2012: 71.7%) within Germany and 31.9% (2012: 28.3%) outside of Germany. In relation to consolidated operating revenue, the share of revenue generated outside of Germany also climbed to 33.6% (2012: 30.6%).

4. Earnings development

Consolidated income statement (condensed)			Absolute	Change
in EUR million	**2013**	2012	change	in %
Consolidated revenue	1,664.6	1,595.6	69.0	4.3
Thereof consolidated operating revenue [1]	1,514.2	1,425.8	88.4	6.2
Fleet expenses and cost of lease assets	645.6	643.2	2.4	0.4
Personnel expenses	175.0	162.4	12.6	7.8
Depreciation/amortisation	318.9	314.1	4.8	1.5
Net other operating income/expense	-351.5	-308.2	-43.3	14.1
Earnings before interest and taxes (EBIT)	173.6	167.7	5.9	3.5
Net finance costs	-36.5	-49.1	12.6	-25.6
Earnings before taxes (EBT)	137.1	118.6	18.5	15.6
Income tax expenses	42.7	39.4	3.3	8.4
Consolidated profit	94.4	79.2	15.2	19.2
Earnings per share [2] (EUR)	1.97	1.64	0.33	

[1] Not including proceeds from the sale of used leasing vehicles
[2] Basic, in 2013 based on 48.1 million shares (weighted), in 2012 based on 48.2 million shares (weighted, taking into account treasury stocks)

Other operating income came to EUR 52.8 million, 38.1% higher than the prior-year figure (EUR 38.2 million). This includes the reversal of a EUR 6.5 million provision for legal costs that is no longer required.

The fleet expenses and cost of lease assets position comprises the following expenses:

- expenses for rental and leasing fleet during the useful lives of the vehicles (e.g. fuel, transport costs, insurance, motor vehicle taxes, vehicle maintenance and repairs)

- expenses for the sale of leasing vehicles (residual carrying amounts of vehicles as well as sales-related costs)

Fleet expenses and cost of lease assets grew slightly in 2013, up by 0.4% to EUR 645.6 million (2012: EUR 643.2 million). Costs increased almost across the board, above all for vehicle upkeep, maintenance and repair work, taxes and insurance. Fleet expenses as a whole were on a par with last year, which was mainly attributable to lower disposals of residual carrying amounts from leasing assets.

Personnel expenses climbed 7.8% to EUR 175.0 million (2012: EUR 162.4 million), mainly because of a bigger workforce as a result of the growth in operative business abroad and due to annual salary adjustments.

Depreciation and amortisation expenses totalled EUR 318.9 million, which was almost on a par with the EUR 314.1 million the year before (+1.5%). The minor increase is the result of higher depreciation on the increased lease assets (EUR 151.9 million; +8.3%). Depreciation of rental vehicles, on the other hand, declined slightly (EUR 155.0 million; -5.5%).

Other operating expenses in the fiscal year rose by an exceptional 16.7% to EUR 404.3 million (2012: EUR 346.5 million). The increases affected all types of costs with marked growth recorded for leasing expenses from the refinancing of the fleet (operate lease), commissions, the expenses incurred in connection with outsourced activities for vehicle upkeep, consultancy costs and risk provisioning.

For 2013, Sixt Group's earnings before interest and taxes (EBIT) came to EUR 173.6 million, which is 3.5% more than the previous year's figure of EUR 167.7 million. The EBIT margin, measured as the ratio to consolidated operating revenue, is on a par with last year at 11.5% (2012: 11.8%).

Due to lower interest payments on financial liabilities from refinancing the capitalised rental and leasing fleet, the net finance costs improved significantly in comparison to the prior year from EUR -49.1 million to EUR -36.5 million (-25.6%). Net finance costs include a negative result from interest rate hedging transactions in the amount of EUR 3.1 million (2012: EUR +0.4 million).

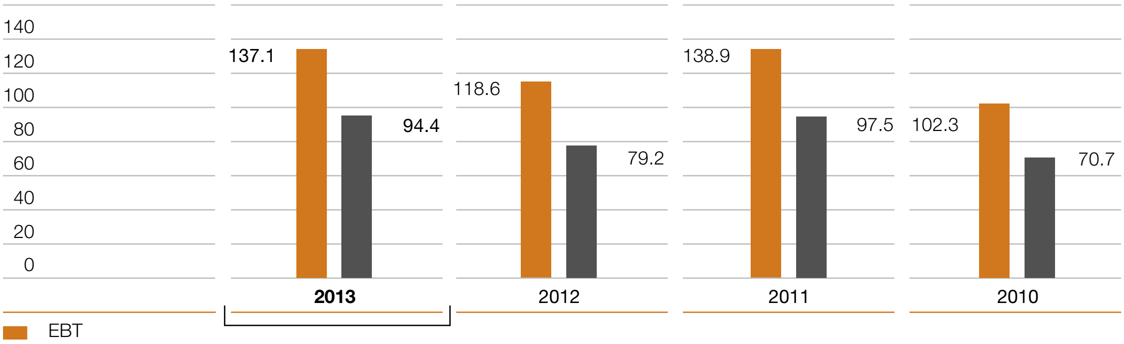
At EUR 137.1 million, consolidated earnings before taxes (EBT) showed one of the best results in the Company's history. Year-on-year this equals an increase of 15.6% (2012: EUR 118.6 million). After a contraction to 8.3% the year before, the EBT margin – expressed in relation to consolidated operating revenue – came back to 9.1% and was back within the targeted long-term range.

Income tax expenses came to EUR 42.7 million (2012: EUR 39.4 million). At +8.4% this increase was below the growth in pre-tax profit. The tax rate, calculated on the basis of EBT, was 31.1% (2012: 33.2%).

For fiscal year 2013 the Sixt Group reports a consolidated profit of EUR 94.4 million after EUR 79.2 million the year before (+19.2%). As in the previous years, minority interests had no noteworthy effect. As a result, consolidated profit after taxes and minority interests of EUR 94.8 million was almost on a par with profit before minority interests (2012: EUR 79.2 million).

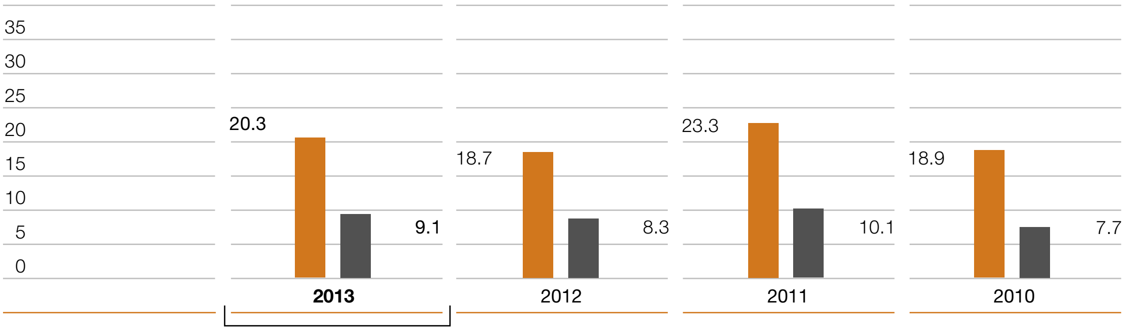
Earnings per share (basic) for the year under review amounted to EUR 1.97 per share. The year before, earnings per share had been EUR 1.64.

Earnings performance Sixt Group
in EUR million



EBT
Consolidated profit

Return indicators for the Sixt Group
in %



Return on equity (Ratio of EBT to equity)
Return on sales (Ratio of EBT to operating revenue)

5. Appropriation of profit

Sixt SE prepares its annual financial statements according to the provisions of the German Commercial Code (HGB) and the German Public Companies Act (AktG). It reported unappropriated profits of EUR 55.5 million for 2013 (2012: EUR 85.5 million).

The Managing Board and Supervisory Board of Sixt SE are proposing that the Annual General Meeting on 3 June 2014 distribute these unappropriated profits as follows:

- payment of a dividend of EUR 0.65 plus a special dividend of EUR 0.35 for each ordinary share

- payment of a dividend of EUR 0.67 plus a special dividend of EUR 0.35 for each preference share

This dividend proposal, which would result in a total dividend payment of EUR 48.4 million (previous year: EUR 48.4 million), reflects the Group's good earnings performance in the year under review and also takes due account of the financing of the targeted further expansion. The dividend proposal would result in a payout rate of 51% for fiscal year 2013 (measured in terms of the consolidated profit after minority interests) as compared to a payout rate of 61% for fiscal year 2012.

6. Net assets

As at the end of the reporting year 2013, Sixt Group's total assets came to EUR 2,373.4 million, which was EUR 199.7 million or 9.2% more than at 31 December 2012 (EUR 2,173.7 million). The expansion of total assets is due to higher lease assets on the non-current assets side and an expanded rental vehicles position on the current assets side following the higher business volume.

Non-current assets amounted to EUR 892.8 million (2012: EUR 848.9 million; +5.2%), and are still dominated by lease assets, which increased by EUR 34.2 million year-on-year to EUR 774.6 million (2012: EUR 740.4 million). At 86.8% the share of lease assets in the total non-current assets position was on a level with the previous year (87.2%). Its share in total assets also remained more or less constant at 32.6% (2012: 34.1%). Property and equipment increased by EUR 6.2 million to EUR 57.3 million and intangible assets rose by EUR 4.7 million to EUR 17.7 million. There were no significant changes in the other items under non-current assets year-on-year.

Current assets increased in total by EUR 155.8 million to EUR 1,480.6 million (2012: EUR 1,324.8 million; +11.8%). Rental vehicles accounted for EUR 1,012.7 million, which was EUR 86.5 million or 9.3% more than at the end of the previous year (EUR 926.2 million). The share of the rental vehicles position in current assets amounted to 68.4% (2012: 69.9%) and 42.7% in total assets (2012: 42.6%).

The inventories position contains essentially rental vehicles taken out of the fleet and returned leasing vehicles as well as petrol stocks. At EUR 48.4 million, they were EUR 14.0 million, or year-on-year 40.8%, more due to reporting day effects (2012: EUR 34.4 million).

As part of the general business expansion, trade receivables of EUR 256.3 million were 4.7% higher than the year before (EUR 244.9 million).

Current other receivables and assets increased in by EUR 57.0 million to EUR 107.2 million (2012: EUR 50.2 million; +113.4%). The increase was essentially due to invoiced new vehicles that had not yet been adopted in the rental and leasing fleet. As at reporting date the Group's cash and cash equivalents came to EUR 48.6 million after EUR 67.3 million the year before.

The Sixt brand name in particular is a significant asset that is not recognised in the balance sheet. The value of this asset can be affected, among other things, by advertising campaigns. However, advertising expenses cannot be unambiguously allocated to this asset. Advertising expenses for fiscal year 2013 amounted to around 2.9% of operating revenue (2012: 2.8%).

7. Financial position

7.1 Financial management and financial instruments

The financial management of the Sixt Group is centralised within the Finance unit and is performed on the basis of internal guidelines and risk policies as well as a monthly Group finance plan. The key tasks overseen include safeguarding liquidity, cost-oriented long-term coverage of financing requirements of the consolidated companies, managing interest rate and credit risks. The finance division of the Group takes care of the operative liquidity control and the cash management for all consolidated companies.

For financing business operations Sixt uses credit lines granted by banks as well as borrower's note loans and a commercial paper programme. In addition to these the Company regularly issues bonds on the capital market.

As at the end of 2013, the Sixt Group was primarily financed by the following instruments:

- a bond with a nominal value of EUR 250 million, maturing in 2018 and bearing a coupon of 3.75% p.a.

- a bond with a nominal value of EUR 250 million, maturing in 2016 and bearing a coupon of 4.125% p.a.

- borrower's note loans totalling EUR 432 million, maturing between 2014 and 2019 and bearing fixed and variable market rates of interest

- drawn credit lines with a number of reputable banks, mainly based in Germany

To finance the fleet, the Group also uses leases (operate and finance lease) with external financial services providers, most of which are tied to particular OEMs. These forms of lease financing continue to constitute an important part of the Group's refinancing portfolio.

7.2 Equity

The Group's equity amounted to EUR 675.5 million as at 31 December 2013, compared with EUR 632.8 million as per the end of the previous year. This increase of EUR 42.7 million, or 6.7%, is mainly due to the consolidated profit generated. Special account must be taken herein of the cash outflow for the dividend distribution for fiscal year 2012 paid out in the reporting year (EUR 48.4 million). At 28.5% the equity ratio, measured against total assets, was only marginally lower than the ratio of 29.1% reported the year before. This means that Sixt Group's continues to report an equity ratio significantly higher than the average in the German rental and leasing industry.

The share capital of Sixt SE as at reporting date remains unchanged at EUR 123.0 million (2012: EUR 123.0 million).

7.3 Liabilities

Non-current liabilities and provisions increased year-on-year by EUR 74.6 million, or 8.9%, from EUR 835.3 million to EUR 909.9 million. This change is on the one hand due to higher financial liabilities following the issue of borrower's note loans with nominal volume totalling EUR 160.0 million and a term of between 4 and 6 years. On the other hand, some EUR 96.2 million were repaid and/or reclassified as current financial liabilities. On balance, non-current financial liabilities increased EUR 65.1 million to EUR 855.2 million (2012: EUR 790.1 million). This item contains the bond 2012/2018 and the bond 2010/2016 with nominal values of EUR 250.0 million each as well as borrower's note loans and bank liabilities with terms to maturity of more than one year in the amount of EUR 358.1 million (2012: EUR 295.2 million).

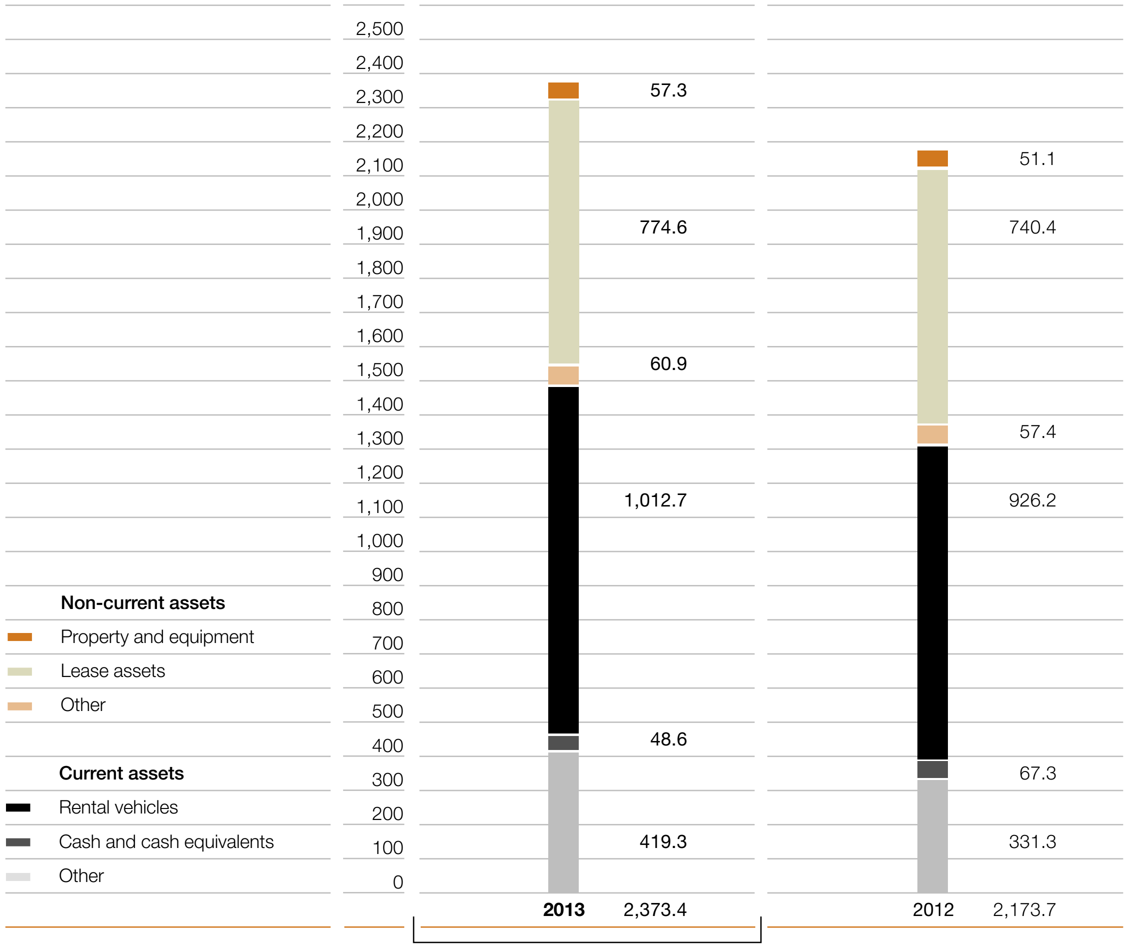
Non-current other liabilities went up by EUR 12.6 million to EUR 43.2 million, mainly because new lease purchase loans that are classified as finance lease for refinancing lease assets with matching maturities were taken out.

Current liabilities and provisions rose by EUR 82.4 million year-on-year to EUR 788.0 million (2012: EUR 705.6 million). This rise was primarily a consequence of the increase in financial liabilities to EUR 255.7 million (2012: EUR 186.8 million), which in turn was above all the result of reclassifying the non-current financial liabilities and a stronger utilisation of bank credit lines. In the financial year, one borrower's note loan with a nominal value of EUR 130.0 million was paid back as scheduled.

As at reporting day trade payables also rose by EUR 51.6 million from EUR 294.8 million to EUR 346.4 million, while the current other liabilities decreased by EUR 35.2 million to EUR 81.4 million (2012: EUR 116.6 million). This reduction is essentially due to the scheduled repayment of current purchase loans (finance lease) used for fleet refinancing.

The use of leases (operate lease) to refinance part of the fleet is also of importance for the Group's financial position.

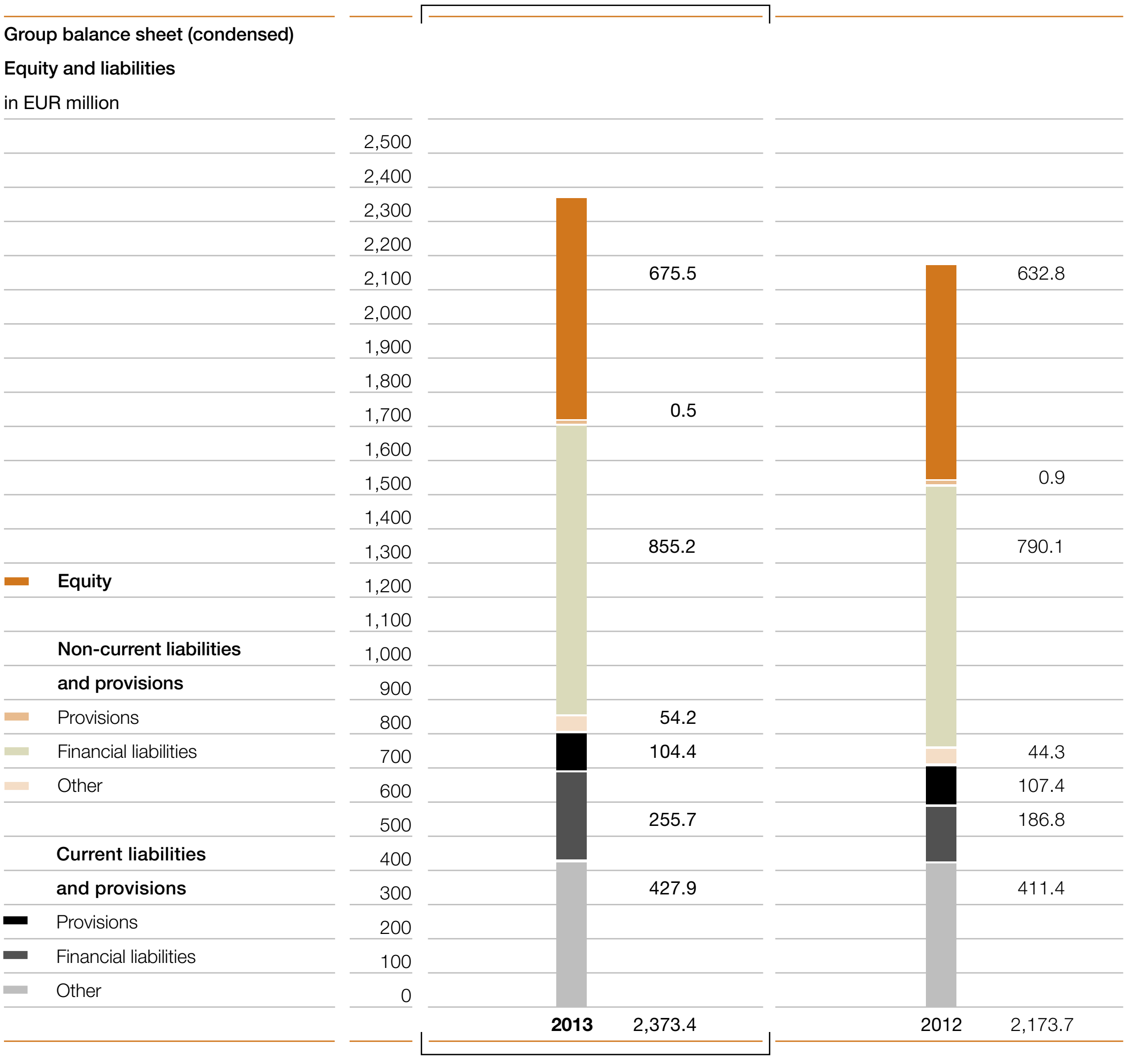
Group balance sheet (condensed)
Assets
in EUR million



8. Liquidity position

For 2013, the Sixt Group reports cash flows of EUR 398.3 million, which is EUR 7.9 million less than the figure for the preceding year (EUR 406.2 million). Adjusted for changes in working capital this results in a cash inflow of EUR 114.1 million (2012: net cash inflow of EUR 488.5 million). The year-on-year changes are essentially due to the net increase in the rental fleet.

Net cash used in investing activities amounted to EUR 218.7 million (2012: net cash used in investing activities of EUR 211.3 million), since the investments in the leasing fleet clearly exceeded the proceeds from the disposal of used leasing vehicles.



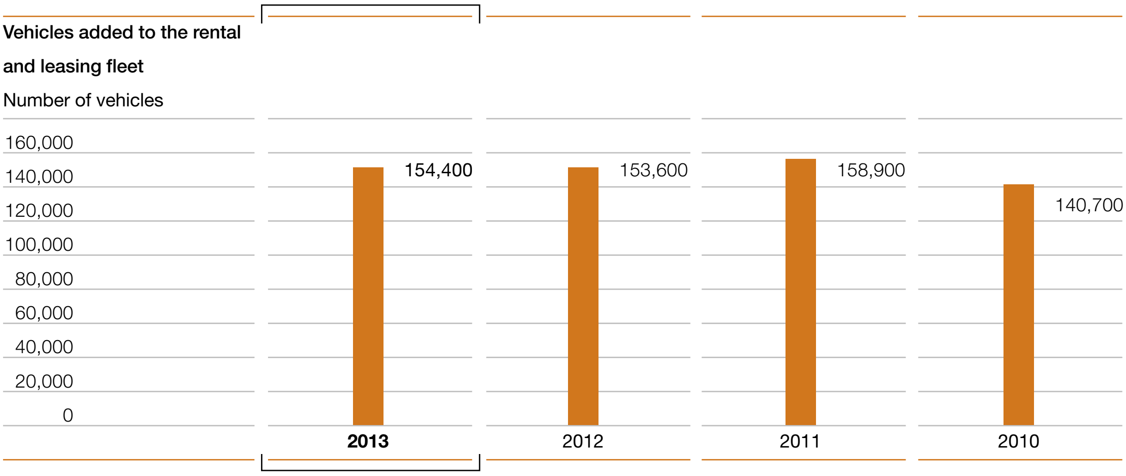
Financing activities resulted in cash inflows of EUR 85.5 million, which was the result of more financial liabilities being taken out (2012: cash outflow of EUR 240.9 million).

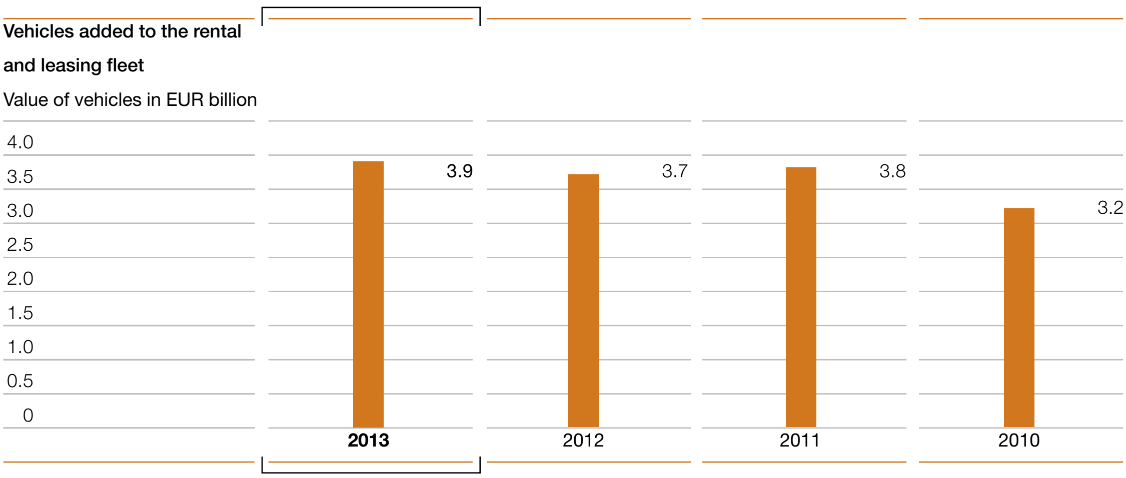
After changes relating to exchange rates and other factors, total cash flows resulted in a year-on-year reduction in cash and cash equivalents as at 31 December 2013, down by EUR 18.7 million, (2012: increase of EUR 35.9 million).

The cash flow statement was rearranged in the fiscal year. Previous year figures have been adjusted to the new presentation.

9. Investments

Sixt's fleet policy took due account of the fragile economic environment so that around 154,400 vehicles were added to the rental and leasing fleet in 2013 (2012: 153,600 vehicles) with a total value of EUR 3.87 billion (2012: EUR 3.69 billion). Year-on-year, this is a 0.5% increase in the number of vehicles and an increase of 4.9% in the value of vehicles. The average value per rental car was around EUR 25,500, and thus higher than the previous year's figure of EUR 24,100.





10. Segment report

10.1 Vehicle Rental Business Unit

Sector developments

The global vehicle rental business continues to be characterised by fierce competition and moderate growth rates. The worldwide market is dominated by a few international active corporations. The concentration process in the industry continues apace. Alongside the acquisition of classic vehicle rental companies, there is a new trend towards buying up young start-up companies with innovative mobility offers, as for example Avis Budget's takeover of the carsharing enterprise Zipcar in the USA. In Sixt's view the smaller and regional providers continue to suffer from structural competitive disadvantages if they do not operate a nationwide network of rental offices. High fixed costs and a thin capital basis are making it hard for these providers to develop mobile and online innovations. Business travellers and large tourism companies are more inclined to work with internationally active service providers than local vehicle rental companies.

According to forecast published by Euromonitor International, in 2013 the vehicle rental industry registered slow growth in Sixt's key markets. Thus, in Germany market volume expanded from EUR 2.0 billion to EUR 2.1 billion (+2%) making Germany, as in the previous years, once again Europe's largest vehicle rental market. In Sixt's ten European corporate countries (Belgium, Germany, France, the UK, Luxembourg, Monaco, the Netherlands, Austria, Switzerland and Spain) market volume went up by around 2% from EUR 7.6 billion to EUR 7.7 billion. Next to Germany the biggest markets for 2013 were the UK with a market volume of EUR 1.6 billion, followed by France (EUR 1.4 billion) and Spain (EUR 1.3 billion). Market volume in the USA grew by 3% to EUR 18.4 billion (2012: EUR 17.9 billion) so that the USA remained the biggest vehicle rental market in the world.

According to Euromonitor International there were no significant changes in the revenue shares by customer groups during the period under review. In Germany the proportion of business travellers remained at 51% as constant as the share of private travellers at 41%. In the Sixt corporate countries the share of private travellers increased marginally from 46% to 47% while the share of business travellers declined slightly from 48% to 47%. In the United States the shares for both, business travellers at 31% as well as the private travellers at 39%, were below the European levels. This is due to the stronger accident replacement business in the USA.

According to the Arbeitsgemeinschaft Deutscher Verkehrsflughäfen (ADV – German Airports Association) the 22 international passenger airports in Germany saw the number of airtraffic passengers grow only slightly in 2013. In the period under review the German airports counted 201.8 million passengers (2012: 200.4 million). This 0.7% increase over the same period the year before is the result of higher passenger numbers on European flights.

The vehicle rental business at airports, where Sixt enjoys a strong presence, saw revenue shares by customer groups remain on a par with the year before, according to data supplied by Euromonitor. In Germany private customers continue to be the biggest group at 54%, with business travellers accounting for 46%. In Sixt's European corporate countries both customer groups had an equal share of 50%. In the USA the situation is the opposite to Germany's: 46% of travellers renting a vehicle at an airport did so for private reasons and 54% for business.

All in all, travel and tourism associations estimate that the number of journeys increased slightly in Europe and the USA during the year under review, with developments on the private travel market, in particular, having a supportive role.

Sources:
Euromonitor International, Travel and Tourism 2013, internal estimates
Global Business Travel Association, Press Release, 26 September 2013
European Travel Commission, European Tourism 2013 – Trends & Prospects, Q3/2013
Arbeitsgemeinschaft Deutscher Verkehrsflughäfen (ADV [German Airports Association]), Press Release, 28 January 2014
Arbeitsgemeinschaft Deutscher Verkehrsflughäfen (ADV [German Airports Association]), ADV monthly statistic 12/2012, 5 February 2013

Developments in the Vehicle Rental Business Unit

The Vehicle Rental Business Unit recorded a positive development in 2013. Above all in the European countries outside Germany and the USA Sixt saw dynamic growth. Domestic demand also picked up noticeably during the course of the year and performed better than initially anticipated.

In the view of Sixt, the reasons for this encouraging development are its wide range of innovative and varied mobility products, its consistent orientation towards individual customer requests, its clear focus on premium fleets and the strong brand recognition which the Company has enjoyed for years in Germany and is now also enjoying in Europe. Customers associate the Sixt brand with such positive attributes as quality of service, innovation, flexibility and a good price-performance ratio.

The Business Unit's development in 2013 was characterised by the ongoing expansion abroad, above all its stronger presence in the USA, the world's biggest rental market. In the year under review, the Company extended its US-network of company-owned stations as well as those operated by franchise partners.

Total revenue generated by the Vehicle Rental Business Unit came to EUR 1,122.4 million in 2013, an increase of 7.6% compared to the previous year's figure (EUR 1,042.9 million). Rental revenue was EUR 1,025.6 million, up by 7.5% on the previous year (EUR 953.7 million). The growth momentum increased significantly over the course of the year. While the first quarter of 2013 had registered a 1.8% drop in rental revenue against the same quarter the year before, the third quarter of 2013 saw a 13.1% increase on the corresponding quarter of the prior year. Other revenue from rental business also climbed by 8.4% to EUR 96.8 million (2012: EUR 89.2 million).

The Vehicle Rental Business Unit's revenue in Germany rose to EUR 680.4 million (2012: EUR 667.3 million). Rental revenues grew 1.0% to EUR 610.7 million (2012: EUR 604.7 million). Outside of Germany the Business Unit's revenue increased by 17.7% to EUR 442.0 million (2012: EUR 375.6 million). Rental revenues showed dynamic growth, rising 18.9% to EUR 414.9 million (2012: EUR 349.0 million). The share of the segment's revenue generated abroad was 39.4% (2012: 36.0%), continuing the growth seen over the previous years.

In the year under review, the Business Unit increased its earnings before taxes (EBT) to EUR 122.3 million (2012: EUR 106.4 million). This result includes start-up costs for various expansion activities, such as the opening of new stations in the USA and Europe. The improvement in earnings was the result of revenue growth and a moderate increase in the average rental price as well as a better utilisation of the fleet. The return on sales, i.e. the ratio of EBT to segment revenue, climbed to 10.9% (2012: 10.2%).

Key figures for the Vehicle Rental Business Unit			Change
in EUR million	**2013**	2012	in %
Revenue	1,122.4	1,042.9	7.6
Thereof rental revenue	1,025.6	953.7	7.5
Thereof other revenue from rental business	96.8	89.2	8.4
Thereof abroad	442.0	375.6	17.7
Earnings before interest and taxes (EBIT)	134.8	136.8	-1.5
Earnings before taxes (EBT)	122.3	106.4	15.0
Return on sales (%)	10.9	10.2	0.7 points

Developments in Germany: In 2013 Sixt Vehicle Rental Business recorded a slight growth in demand for mobility services in Germany, which picked up speed over the course of the year. This development is due to the strong growth in the private customer business and higher revenues in the second half of the year in the business customer segment. As market leader with a share of over 30% in the market, Sixt has a strong position in Europe's largest vehicle rental market. Above all the key target group of business customers highly appreciates the dense network of service points in Germany, which is the basis for this strong market position, for the reliable availability of mobility services and the Company's nationwide presence in Germany create a highly flexible and smooth travelling experience. Private travellers are also benefiting more and more from these advantages, and their share in rental revenues keeps increasing. As in the years before Sixt continued to expand its network of domestic service stations in 2013. At the year's end it included 504 stations (2012 year end: 494 stations).

Developments abroad: Sixt's presence in Europe covers rental offices in Germany as well as France, the UK, Spain, the Netherlands, Austria, Switzerland, Belgium, Luxembourg, and Monaco. The performance of the rental business in these Sixt corporate countries, where Sixt is represented by its own network of offices and its own vehicle fleets, was very positive in 2013. This is primarily due to the very encouraging private customer business, the higher number of rental stations and the growing degree of familiarity of the brand. In key markets, such as Spain and France, Sixt managed to gain market shares in 2013 through double-digit growth rates. The Business Unit's revenue generated outside of Germany was EUR 442.0 million, a 17.7% increase on the previous year's level of EUR 375.6 million.

Sixt recorded its biggest percentage growth within Europe in France, which is the second most important market for Sixt after Germany. The significant expansion of the station network and the higher brand awareness following extensive advertisement campaigns led to double-digit growth rates, above all in the private customer business. In the important Spanish tourism market Sixt benefited from its targeted focus on tourists.

At the end of the reporting year the number of stations in Sixt corporate countries outside of Germany increased to 479 (2012: 426). The changes are primarily the result of the network expansion in France and Great Britain.

Sixt outpaces expectations in USA: In 2013 Sixt continued to extend its presence in the United States apace. Thus, new company-owned stations opened up in the year under review in the federal states of Florida, Arizona and Washington. At the end of the year the Company had 17 stations of its own in 4 states, mainly located at key traffic junctions.

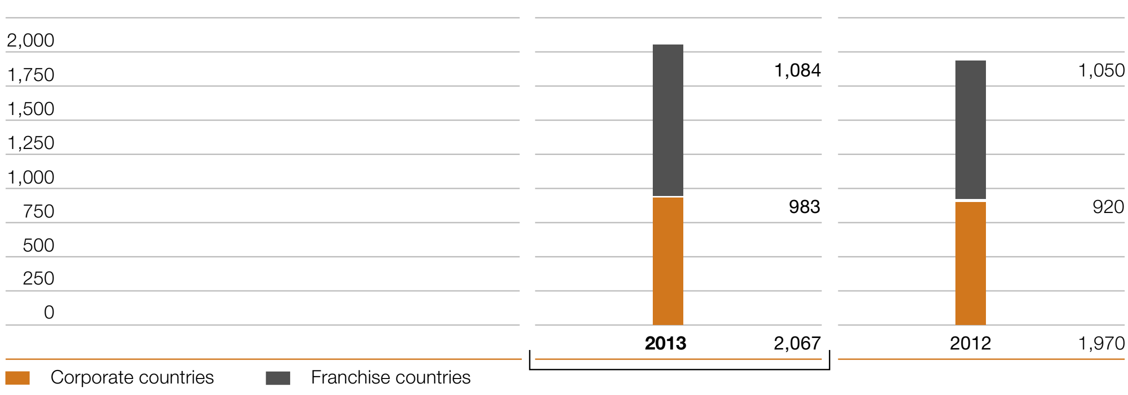
In addition to these, in 2013 Sixt also began to achieve a higher presence on the world's biggest rental market through its work with franchise partners. Thus, in the year under review franchise stations opened up in Florida, South Carolina, Connecticut, Massachusetts, North Carolina and Nevada. All in all, Sixt had 26 stations (corporate and franchise) in the USA as at 31 December 2013 (2012: 12 stations).

Sixt's business performance in the USA was generally highly satisfying and above expectations. The strong demand from travellers coming from Europe, as well as North and South America, has already made the first stations profitable. The consistent implementation of our premium strategy also contributed towards the positive business performance. Also overseas, the Sixt brand is a byword for top quality vehicles, in particular the premium brands of BMW, Mercedes-Benz and Audi, with an attractive price-performance ratio.

Outside the USA and Europe, Sixt extended its presence by striking up new partnerships. The Company has made an entry in emerging markets, such as Nigeria and Chile, by working with local franchise partners. In both of these countries Sixt is offering an extensive vehicle fleet for rent, starting from well-equipped compact and medium-sized cars to premium class vehicles.

As at the end of 2013, Sixt had a total of 2,067 rental offices, including franchisees, in over 100 countries worldwide (2012: 1,970 offices).

Rental offices



Premium fleet expanded in many countries

In 2013 Sixt extended its positioning as provider of premium vehicles with an attractive price-performance ratio. Sixt's premium fleet comprises top quality vehicles by German and foreign brands. Customers had the choice between premium saloon cars, SUVs, convertibles or sports cars from the brands BMW, Mercedes-Benz, Audi, Porsche, Jaguar, Aston Martin or Infinity. Alongside the cars, the Company also offers high-quality BMW motorcycles in its fleet. In 2013 around 59% in value of the vehicle fleet in the corporate countries comprised highly sought-after cars from premium brands such as BMW, Mercedes-Benz and Audi (2012: 52%).

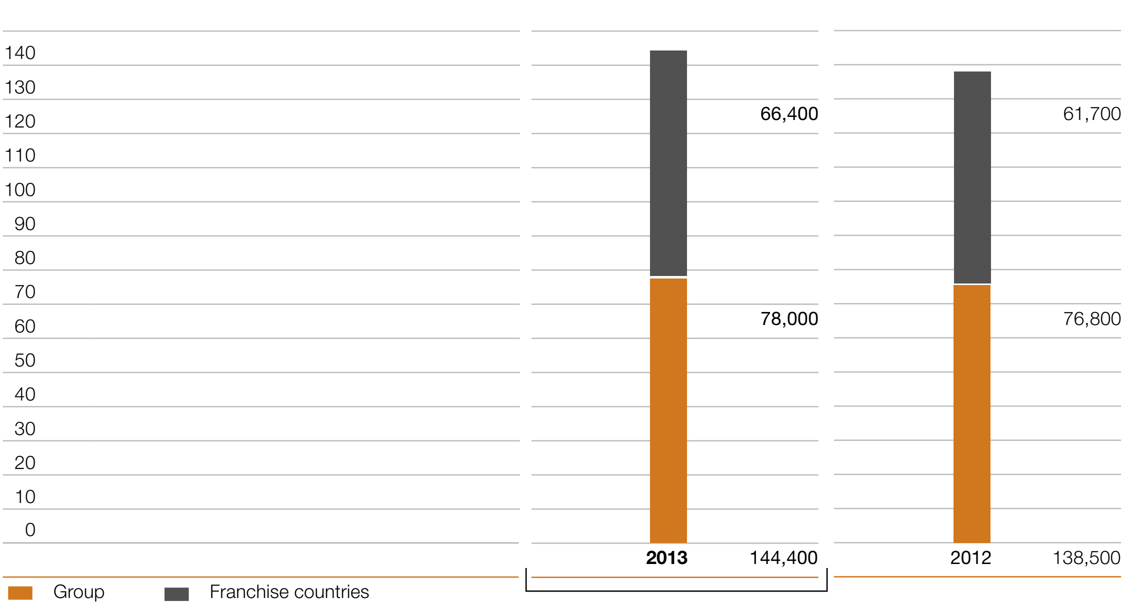
Many premium vehicles are equipped with modern and innovative technology. In BMW cars Sixt customers have access to BMW's ConnectedDrive technology, which allows the convenient handling of such useful services as driver assistance systems or office applications in the car. Further to these select vehicles are fitted with LTE hotspots, offering fast Internet connections, or have Webasto auxiliary heating integrated for the winter months.

In the Sixt corporate countries the average fleet size of the Vehicle Rental Business Unit was 78,000 vehicles or 1.6% more than in 2012 (76,800 vehicles). Inclusive of the vehicles in franchise countries Sixt's global fleet totalled 144,400 vehicles in 2013, which amounts to an increase of 4.2% compared to 2012 (138,500 vehicles).

Sixt's premium offer comprises many additional services alongside the top quality vehicles. A new counter design was developed in 2013 that allows rental vehicles to be picked up even faster and more conveniently. At select counters Sixt's VIP customers can use the comfort of the Diamond Lounge to relax or for a business meeting. Loyalty programs with renowned companies from the tourism and travel industry offer Sixt customers numerous attractive advantages such as credits on their miles or rebates for booking rental cars.

Average number of vehicles

Group and franchisees



All-in solutions for business customers: The business and corporate customer segment was once again a challenging market for Sixt in 2013. In view of a weak economic climate, business customers were initially rather restrained. This was only partly offset by winning over new customers. Over the course of the year, however, demand in this customer segment improved continuously.

In the business customer segment Sixt pursues the objective of offering tailored rental services as well as additional advantages by providing all-round mobility services. Combined solutions made up of renting, leasing, carsharing and carpooling, which cover individual requirements very specifically, help customers to generate significant time and cost savings.

To offer these all-in solutions, Sixt assists its business customers throughout the entire rental process. During the analysis with the customer all aspects are addressed, such as the selection of manufacturer, booking channels, vehicle check-out and return or accident management.

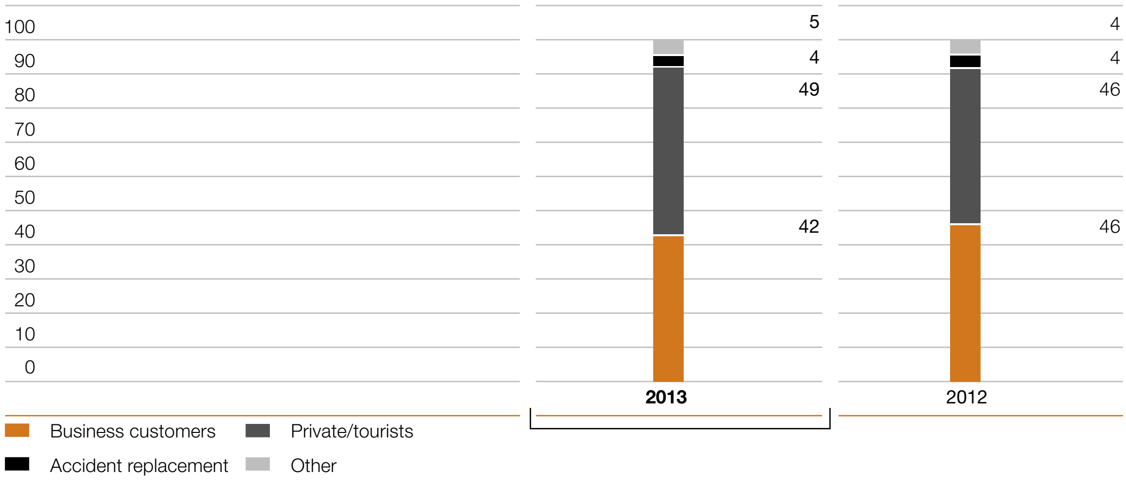
During the year under review the focus of sales activities was on developing services that specifically address the requirements of corporations with international operations. To this end, Sixt recruited additional staff abroad and implemented measures that ensured that these customers have a uniform contact channel across all borders. Reacting to the restrained key account business during the first half year, sales promoting activities were launched as of the summer 2013, which led to a significant improvement in revenue figures in the second half of the year.

Growing private customer business: Through extensive sales and marketing activities, Sixt managed to increase the share of private customer business in the Vehicle Rental Business Unit's total revenue to 49% (2012: 46%). Above all Western European countries outside of Germany generated growth here through the expanded network of stations.

Sixt also successfully continued its strategy to position itself specifically with private customers as a provider of premium vehicles offered with an attractive price-performance ratio. In both, in holiday destinations and large European cities, the Company registered an increasing demand for customised product and service offers, among others, for top quality convertibles, motorcycles or saloon cars. The Company's holiday rental vehicles can be booked at many relevant tourist destinations worldwide.

Expanding Sixt's e-commerce activities to private travellers also had a highly positive effect. Over half of all bookings were made via the Internet. Offering Sixt applications for smartphones and tablets also considerably eases the booking of a rental vehicle for Sixt's customers. Invigorated activities in social networks helped to raise the awareness of Sixt's innovative mobility offers on the Web.

Vehicle rental revenue breakdown by customer group
in %



DriveNow – Premium carsharing on growth track: In the period under review DriveNow managed to continue its dynamic membership growth and in 2013 was among the fastest growing carsharing providers in Germany. The joint venture which Sixt launched together with BMW in 2011 had 215,000 registered users at the end of the year 2013 (2012: 75,000). On top of the existing business areas in Munich, Berlin, Düsseldorf, and Cologne, the new service was successfully started in Hamburg in early November 2013. Within two months, some 25,000 new customers were won over. In addition, the service was also extended to the airports of the DriveNow sites (Munich, Berlin Tegel, Düsseldorf, Cologne/Bonn, and Hamburg). All these airports provide dedicated parking zones close to the terminals, where the vehicles can be rented and returned. At the end of the year the DriveNow fleet had 2,300 vehicles (2012: 1,400 vehicles) from BMW and MINI. This way Sixt also successfully implements its strategy in the carsharing segment of positioning itself as provider of innovative premium vehicles that sets itself apart from the competition.

To interlink carsharing services with public transportation, in 2013 DriveNow started cooperating with local public transport companies, such as the Hamburger Verkehrsverbund (HVV – Hamburg Transport Association), and also extended existing partnerships. DriveNow further intensified its collaboration with the mobile telecommunication provider Vodafone in order to optimise the usage of mobile technologies in the increasingly connected mobile and automobile industries. Thanks to Vodafone's modern mobile technology, customers can now localise parked vehicles, rent them out spontaneously and park and return them anywhere in the business area in question. In February 2013 the two companies received the prestigious Global Mobile Award at the Mobile World Congress in Barcelona in the category Best Mobile Product or Service for Automotive.

Sixt is of the opinion that the business model has proven itself. The Company plans to strengthen the presence of DriveNow in Germany and abroad and open up new locations.

myDriver – a top-notch alternative to the taxi: The chauffeur service myDriver, which had kicked off in the first quarter of 2013, represents a comfortable alternative to taxis and classic limousine services. Unlike taxis the customer is given a binding fixed price when booking the trip. The personalised driver's service is available for business and private customers in numerous German metropolitan areas at prices comparative to taxi fares. The vehicles of myDriver can be booked online and mobile via apps at any time, day or night, for shorter or also longer periods. The vehicle fleet comprises top-fitted saloon cars of renowned brands.

Exclusive mobility services: Sixt Limousine Service registered domestic and foreign growth in 2013. The exclusive mobility service can be ordered online and in the booking systems of travel agencies. Because of its activities it is particularly in demand from the event segment including top-quality shuttle services, for state receptions and visits, for example, or large trade shows and other show events. Further to these, the service maintains cooperation agreements with renowned national and international hotel chains and airlines, which use the special chauffeur services for individual sightseeing tours or reliable airport transfers.

For customers with exceptional mobility requirements Sixt also offers luxury cars. In 2013, rental stations in Germany, Switzerland, France and Spain took over a total of 70 cars from the luxury Aston Martin brand, which are mainly hand-crafted. Next to these countries, exclusive vehicles of other premium brands are also available in Monaco.

Sixt unlimited: The number of customer contracts has doubled against the previous year so that the Sixt unlimited service, launched in 2012, established itself with customers during the year under review. Especially frequent travellers, such as managers, make use of the possibility of selecting a vehicle from the category of their choice at any time and at Sixt service stations in nine European corporate countries for a monthly flat rate. They appreciate the high flexibility, wide range of vehicle categories, freely selectable terms of duration as well as flexible price models, which enables savings to be made depending on duration of use and additionally includes an advantageous pre-paid rate.

Innovations in Vehicle Rental: Sixt is the innovation leader in the vehicle rental industry. The Company continuously introduces new services and technologies to make car rental even faster, simpler and more convenient for customers and thereby increase its appeal. For the development of mobile services and apps Sixt employs 12 members of staff in-house as well as additional freelancers.

The reworked **Sixt Rent a Car App** with optimised handling and more modern design was presented in October 2013. The structure of the app is easier to grasp and guarantees simpler handling of the functions. The context-sensitive app offers a better overview of all key features and information. The Sixt app has been optimised for Apple's new operating system iOS 7 to offer customers the option of specifying their preferred loyalty program with which they collect miles or points. When paying via the smartphone the users receive a discounted tariff. The iPhone app allows customers to select the rental vehicle of choice only 30 minutes before pick-up.

Customers are asking in ever greater numbers for technological innovations, such as the optimised applications for the Android and Windows operating systems or barcode technologies that were introduced last year. In the year under review customers opted over 3 million times for a vehicle booking via online or mobile devices. The number of customers that complete their booking comfortably via barcode has also risen significantly.

High service and product quality: In 2013 Sixt once again won prestigious awards for its high level of customer focus and high-quality mobility solutions.

For the third time after 2010 and 2012 the Company was rewarded as best car rental company from the Studie Autovermieter (car rental survey) from the Deutsches Institut für Service-Qualität (DISQ – German Institute for Service Quality) that was commissioned by the news channel n-tv. In the extensive industry test Sixt picked up first places in the category Service and the category Conditions. In addition, Sixt was one of three companies to be given the German Service Prize 2014 in the category Tourism.

At last year's gala event celebrating the European World Travel Awards (WTA) in Antalya/Turkey, the Sixt Limousine Service received its third award in a row. Sixt's exclusive service received the renowned World Travel Award for Europe's best limousine and chauffeur service. The Limousine Service also won the category Leading Chauffeur Company at the World Travel Awards (WTA) for the Middle East region. Sixt was awarded prizes for the set-up and quality of the chauffeur service in Abu Dhabi and in Dubai.

In July 2013 Sixt for the first time received the Seven Star Global Luxury Award, a worldwide prize for luxury and lifestyle, which Sixt was awarded as best vehicle rental company. The Seven Star Global Luxury Award honours global companies that stand for exceptionally high levels of luxurious lifestyle and hospitality. Here Sixt won against 40 tourist industry service providers.

Sixt's Rent a Car App was given four out of a possible five stars in the category Car Rental of the Mobile Travel App Guide that is published by the Internationale Tourismus Börse (ITB – International Tourism Fair). It was the best rating of all tested apps. Experts examined up to five iOS apps from a total of 25 categories, applying different criteria such as functionality, design, availability, and compatibility with different platforms. Sixt's app convinced the jury with its availability on almost all platforms and all operating systems as well as its social media features.

10.2 Leasing Business Unit

Sector developments

The European leasing industry's performance in 2013 was slightly weaker than the year before. According to data published by the industry association Leaseurope, the volume of new business declined marginally from EUR 119 billion in 2012 to EUR 115 billion in the year under review. The volume of new business in vehicle leasing, however, managed to budge this negative trend and grew 3.7% across Europe.

As Europe's biggest leasing market, the German leasing industry, was on a par with the previous year in 2013 according to data supplied by the Bundesverband Deutscher Leasing-Unternehmen e.V. (BDL – German Association of Leasing Companies). Following a weak first half of the year, the industry stabilised as of the summer 2013. All in all the leasing industry realised investments in the amount of EUR 48.5 billion (2012: EUR 49.3 billion), of which EUR 46.5 billion (2012: EUR 47.2 billion) were attributable to moveable asset leasing. New transactions in vehicle leasing with passenger and utility vehicles, which at 70% accounts for the biggest share in the leasing market as in the year before, declined by 2% in 2013, both according to purchase prices and total number of vehicles.

Sources:
Leaseurope, Biannual Survey 2013, 7 November 2013
Bundesverband Deutscher Leasing-Unternehmen e.V. (BDL – German Association of Leasing Companies),
Press Release, 21 November 2013

Developments in the Leasing Business Unit

Sixt Leasing is one of the leading vendor-neutral, non-bank full-service leasing providers and fleet managers in Germany, with further operations in numerous countries worldwide. Alongside conventional finance leasing, a wide range of other services of fleet management are also offered. Companies and private individuals use the services offered to generate cost advantages and benefit from the comprehensive services and efficient processes.

In 2013 Sixt Leasing registered a generally successful business performance. The Business Unit extended its full-service leasing contract portfolio for fleet customers and thereby managed to offset the general market trend. This was essentially due to the continued intensive attention given to existing customers as well as stronger sales activities to win over new customers. In addition, the fleet management business was very encouraging during the year under review.

The segment providing leasing solutions to private and commercial customers developed dynamically. In the year under review, Sixt Leasing ramped up its activities in this segment once more and so met the ongoing strong demand. This also included renaming the offer Sixt Neuwagen, relaunching the associated online platform www.sixt-neuwagen.de and introducing supplementary services. These measures almost doubled the number of contracts with private and commercial customers.

At the end of 2013 the Business Unit had a total of 76,200 leases, of which 23,500 were pure service and fleet management contracts. The year-on-year increase was 22.5% (2012: 62,200 leases, of which 15,400 were service and fleet management contracts). If the leases with Sixt’s worldwide franchise partners are included, the total number of contracts for 2013 came to 139,400 as against the 123,500 leasing contracts recorded at the end of 2012 (+12.9%).

The Business Unit's leasing revenue came to EUR 391.8 million, slightly above last year (EUR 382.9 million; +2.3%). In Germany Sixt generated leasing revenues of EUR 325.1 million, compared to the EUR 322.6 million in 2012 (+0.8%). Foreign leasing revenues amounted to EUR 66.7 million, a clear gain of 10.6% on last year’s total of EUR 60.3 million. In particular, the leasing revenues in France performed above average.

In 2013 the business unit generated revenue from the sale of used leasing vehicles, which can be subject to considerable fluctuations from the general fleet policy and reporting day effects, in the amount of EUR 142.9 million, which was 12.2% less than in the year before (2012: EUR 162.8 million).

All in all, the business unit reported revenue in the year under review of EUR 534.7 million, some 2.0% less than the figure recorded the year before (EUR 545.7 million).

The Business Unit's earnings before taxes (EBT) came to EUR 21.0 million after EUR 16.3 million the year before (+28.8%). The return on revenue, expressed as the ratio of EBT to the segment's operating revenue, was 5.4% (2012: 4.3%) and therefore slightly above the long-term target.

Key figures for the Leasing Business Unit			Change
in EUR million	**2013**	2012	in %
Leasing revenue	391.8	382.9	2.3
Thereof abroad	66.7	60.3	10.6
Sales revenue	142.9	162.8	-12.2
Total revenue	534.7	545.7	-2.0
Earnings before interest and taxes (EBIT)	43.1	39.3	9.9
Earnings before taxes (EBT)	21.0	16.3	28.8
Return on sales (%)	5.4	4.3	1.1 points

Throughout 2013 Sixt Leasing continued its activities to increase the Business Unit's efficiency. The measures implemented included optimising the procurement of vehicle and workshop services as well as other internal processes. On top, Sixt Leasing continued to raise its profile as full-service provider with special consulting expertise and a marked innovation culture. All newly introduced and enhanced services were geared to make leasing procedures even easier, more transparent and cost-efficient for customers, accompany new technological developments pro-actively and integrate them sensibly into the service portfolio.

Private customer leasing: One focal point for Sixt Leasing in 2013 was on expanding business with private and commercial customers. Of vital significance was the transfer of offered services into an independent Sixt Neuwagen business segment as well as relaunching the corresponding website under www.sixt-neuwagen.de. At present Sixt Neuwagen offers vehicle models of well over 30 car manufacturers. All of these are exclusively new cars from German contract dealers, which can be ordered tailored to the customers' individual configuration and specifications requirements. This ensures that they come with the full manufacturer guarantee and warranty.

Moreover, customers can choose between a leasing offer and Sixt's Vario-Financing. The latter combines the advantages of leasing and financing. Like with leasing, during the agreed term, costs are only incurred for the actual usage of the vehicle. At the end of the agreed term, customers can buy the vehicle with a final instalment that is already guaranteed before conclusion of the contract. Sixt Neuwagen's offer is rounded off by additional services such as the auction platform Sixtbid, where used vehicles are marketed.

The launch of Sixt Neuwagen also comprised an extension of the teams for the segment's management, procurement, marketing or customer services at the sites in Pullach, Berlin and Rostock and setting up a team for software development in Leipzig. Sixt Neuwagen covers the continued strong demand for leasing solutions for private and commercial customers. Thanks to its strengthened activities Sixt Neuwagen developed highly successfully in the reporting year, seeing its contract portfolio almost doubling.

International business: In its international business the Company focused on strengthening and extending business in selected national markets in 2013. Thus, in Switzerland and France Sixt Leasing worked to expand its market share and brand awareness.

In addition, Sixt Leasing started cooperating with an efficient franchise partner in Sweden during the year under review and thereby extended its network of international partners. The Company also focused on widening the service quality and streamlining the leasing procedures in the franchise countries. These measures were above all on account of the increasing demand for international leasing solutions.

Innovative leasing solutions: Sixt Leasing continually develops its service portfolio and uses state-of-the-art technologies to fully meet the current mobility requirements of its customers and, wherever possible, even anticipate these. Highly specialised internal teams develop these numerous applications.

During 2013 the Company optimised the online-based reporting system FleetIntelligence and extended it with various functions. These extensions address simplified handling, a subscription function for reports as well as the introduction of additional reports. One key change now makes reports available not just to fleet managers, but also to individual drivers. They now receive detailed information on fuel consumption, CO_2 emission, or damage processing, among other things. FleetIntelligence thereby facilitates company-internal benchmarking that can have a positive effect on the driving behaviour of individual drivers. In the year under review, the FleetIntelligence reporting system was available in Germany, Austria, Switzerland, France, and the Netherlands.

Sixt Leasing also introduced a new CSI-Tool (Customer Satisfaction Index) in the year under review, to survey its customers' satisfaction. The tool allows the Company to react immediately to customer comments, for example as part of a complaint management procedure, and thereafter develop its services still further. This way the different target groups, such as fleet managers or drivers, can provide direct feedback to further Sixt Leasing's services. The CSI-tool is fully online-based.

In 2013 Sixt Leasing developed Sixt Corporate CarSharing. As in carsharing the concept of this service enables companies to rent out their fleet vehicles to their employees. In return the utilisation of the company fleet increases significantly and a relevant portion of vehicle costs can be refinanced. On top, with Sixt Corporate CarSharing the companies receive all services relating to the consulting and management of fleets from one single source.

Sixt Corporate CarSharing is a cooperation between Sixt Leasing and the PSA Group (Peugeot and Citroën) and is independent of the DriveNow carsharing service, which is geared primarily to private clients in European metropolitan areas. The first Sixt Corporate CarSharing vehicles were delivered to customers in the year under review.

Sixt Mobility Consulting: Sixt Mobility Consulting recorded a successful business development in 2013 and substantially increased the number of contracts. The fleet management specialist managed to win over numerous renowned new customers and continued to attend to all its existing customers.

The extension of the service portfolio and the development of new products were characteristic of the activities of Sixt Mobility Consulting during the year under review. Thus, the Company's operations now also cover utility vehicles, with the first vehicle fleet offered by this segment. This puts Sixt Mobility Consulting in a position to address the entire mobility range, from passenger cars to utility vehicles.

In the year under review, Sixt Mobility Consulting developed a so-called multibid configurator, which is an absolute novelty in this industry. The online-based tool significantly simplifies vehicle procurement for companies as it allows them to freely configure their company cars, compare them with potential alternative vehicles and invite various leasing companies to forward their tenders for the vehicle of choice. The configurator also speeds up the ordering and approval process and, depending on the vehicle model, achieves a leasing price through the tendering process that can be substantially lower than previous monthly costs.

The fleet management specialist additionally introduced the so-called FleetOptimizer. Deploying the latest technologies the FleetOptimizer can identify various cost saving potentials in the company fleet and deduces actions that optimise the fleet's cost structure permanently. This analysis and planning tool is available for most European countries and takes due account of national taxation and consumption parameters.

Sixt Mobility Consulting also continued enhancing the specific requirements of the reporting system FleetIntelligence, supplementing it with new functions, such as the digital vehicle folder. This digital record gives users real-time access to all documents of their fleet.

C. Events subsequent to reporting date

No events of special significance for the net assets, financial position and results of operations of the Group and the Company occurred after the end of financial year 2013.

D. Governance report

1. Human resources report

Sixt is a global provider of high-quality, end-to-end mobility services. As a consequence its employees meet special demands on quality of service and customer focus as they always have to orient their action to customer benefits. To this end they make their customers' wishes and requirements their own and find flexible and appropriate solutions for the requirements in question within a short period of time. Their competence, commitment and appearance influence customers' choices when selecting a mobility partner, making them in turn a vital precondition for the Company's long-term success.

Sixt attaches strategic importance to its human resources work. To meet the exacting demands and develop solutions befitting our customers, the employees must show professional expertise, commitment, creativity and flexibility and must constantly be willing to take on responsibility. In addition and in keeping with Sixt's distinct culture of innovation, they must always strive to find improvements in the services offered so as to do justice to constantly changing mobility requirements. The intensive training and continuing professional development of its senior executives and its young employees plays a vital role for the Sixt Group.

The Sixt College in Munich offers employees a broad seminar programme for professional and personal development. Over and above the regular courses, the college coordinates additional training and education seminars in Sixt corporate countries as well as apprenticeships for vocational trainees. The seminar programme covered by the Sixt College teaches key competencies such as improving sales techniques at the counter or in the field, management skills for trainees or the professional expertise required by future branch managers as well as representatives in the rental business. On top, the courses include extensive further training for all employees in, among other things, foreign languages, IT as well as soft skills. Another module in the programme is the in-house training of apprentices.

In the year under review a total of almost 2,000 training days were held by internal and external trainers in Germany and abroad. In addition to these Sixt continued to expand its range of e-learning services. Within the world of Sixt (corporate and franchise countries) a total of 16,000 e-learning lessons were taken by our own employees and those of our franchise partners. Also driven forward was the integration of face-to-face training and online modules with preparatory and post-lesson units – the so-called blended learning concepts.

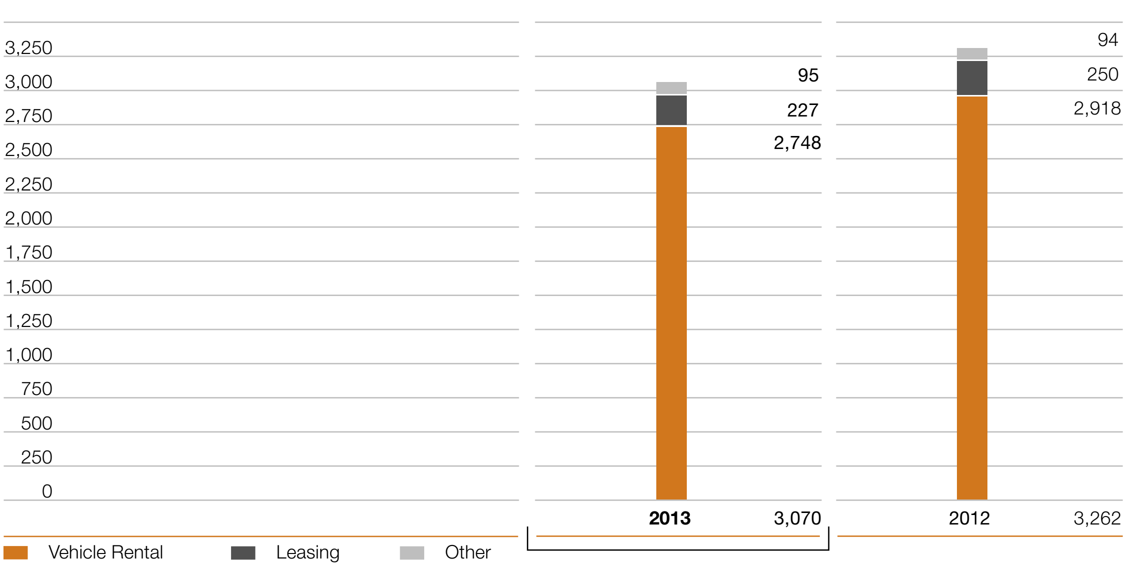
For years now, Sixt has been offering a special development programme for selected young employees. Among other things, the programme serves to strengthen the employees' integration into the Company and their long-term loyalty to the Company. In cooperation with external seminar providers, the further training courses supplement individual career developments.

Sixt assumes responsibility when it comes to giving young people qualified and sustainable vocational training. The professional training courses offered include automobile sales specialists, office administrators and office communication specialists. At the end of 2013 Sixt employed around 200 apprentices in Germany, and, in the year under review, 21 trainees were recruited additionally for future management assignments.

The Sixt Group employed 3,070 people on average in 2013, which is roughly 6% less than the previous year's average of 3,262 members of staff.

The Vehicle Rental Business Unit employed an average of 2,748 people in 2013, or just about 6% less than in the previous year (2,918). The Leasing Business Unit had 227 members of staff in 2013 (2012: 250), which is also about 9% fewer. The Internet and Others segments had an average of 95 employees (2012: 94).

Number of employees by business unit (average)



2. Key features of the remuneration system

The remuneration paid to members of the Managing Board and Supervisory Board meets the statutory requirements that were valid at the time at which the remuneration was determined and complies largely with the recommendations and suggestions contained in the German Corporate Governance Code.

It is the Supervisory Board's responsibility to determine the remuneration paid to members of the Managing Board of Sixt SE. The structure of the remuneration system is regularly reviewed to test its appropriateness. The Managing Board's remuneration comprises fixed and variable components, which are reported as a total amount for all Managing Board members.

The fixed component is commensurate with the responsibilities and the individual performance of the Board member concerned. In addition to the fixed basic salary, the members of the Managing Board – like other senior executives of the Sixt Group – also receive non-cash benefits in the form of company cars. Furthermore, a D&O insurance policy has been taken out for the members of the Managing Board.

The variable portion of the remuneration is based on consolidated earnings before taxes (EBT). Variable remuneration only becomes payable to Managing Board members once a defined minimum EBT has been reached. Contracts of service with Managing Board members impose a cap on the variable portion of the remuneration.

The remuneration paid to members of the Managing Board and the Group's senior executives also includes a share-based payment component, as they can participate in the employee equity participation programme entitled “Matching Stock Programme”. Details of share-based payment are provided in the section entitled “Share-based payment” in the notes to the consolidated financial statements.

The remuneration paid to members of the Supervisory Board is governed by the Articles of Association of Sixt SE. These provide solely for a fixed component and therefore do not specify any variable performance-based components. The members of the Supervisory Board receive fixed remuneration of EUR 50,000 in each financial year. The Chairman receives twice this amount. If a member and/or the Chairman of the Supervisory Board holds office for less than a full financial year, the above remuneration is paid pro rata for the actual time the individual is a member of the Supervisory Board or holds the office of Chairman. The remuneration is payable after the end of each financial year. In addition, the members of the Supervisory Board are reimbursed for their expenses and the value added tax payable on their remuneration and expenses. D&O insurance policies have also been taken out for members of the Supervisory Board.

The Group has no pension obligations towards members of the Managing Board or members of the Supervisory Board. For further details of the remuneration paid to members of executive bodies, please refer to the section entitled “Total remuneration of the Supervisory Board and Managing Board of Sixt SE” in the notes to the consolidated financial statements.

3. Disclosures in accordance with sections 289 (4) and 315 (4) HGB (German Commercial Code) including explanations by the Managing Board

Composition of subscribed capital, share categories

As at 31 December 2013, the subscribed capital of Sixt SE amounted to EUR 123,029,212.16 in total and was composed of 31,146,830 ordinary bearer shares, two ordinary registered shares and 16,911,454 non-voting preference bearer shares.

The Company's shares are all no-par value shares with a notional interest in the subscribed capital of EUR 2.56 per share. As at 31 December 2013, the ordinary shares therefore account for a total of EUR 79,735,889.92 of the subscribed capital, and the preference shares for a total of EUR 43,293,322.24. All the shares have been fully paid up.

Only the ordinary shares carry voting rights; each ordinary share conveys one vote at the Annual General Meeting. Subject to mandatory statutory provisions, the preference shares do not convey any voting rights. To the extent that preference shares are accorded a voting right, one preference share carries one vote. Preference shares grant a preferential right to profits, based on which holders of preference shares receive a dividend from unappropriated profit for the year that is EUR 0.02 higher than that paid to holders of ordinary shares, and a minimum dividend of EUR 0.05 per share.

Holders of preference shares have a right to subsequent payment on the minimum dividend, if the unappropriated profit does not suffice for distribution of the minimum dividend. Further details can be found in article 22 of the Articles of Association of Sixt SE.

The non-voting preference share accommodates those shareholders who are interested first and foremost in the return and in value growth, and not primarily in voting rights. Moreover, compared with other financing instruments, the advantage of preference shares for Sixt SE is that the preference dividend is paid out of the unappropriated profit and that no interest expense on debt finance needs to be recognised in the income statement.

Restrictions on voting rights or the transfer of shares

Apart from excluding voting rights for preference shares, the Company's Articles of Association do not impose any restrictions on the voting rights. Equally, they do not impose any restrictions on the transfer of shares. The Managing Board is not aware of any restrictions on voting rights or the transfer of shares arising from agreements between shareholders. However, lock-up periods apply to shares, received by employees, senior executives and members of Sixt Group's Managing Board as part of the Matching Stock Programme. For further details, please refer to the corporate governance report.

Shareholdings in Sixt SE

As at 31 December 2013, Erich Sixt Vermögensverwaltung GmbH, in which all shares are held by the Sixt family, holds 18,711,822 ordinary voting shares, conveying 60.1% of the voting rights. The Company has not received any information about, and the Managing Board is not aware of, any further direct or indirect interests in the share capital exceeding 10% of the voting rights as at 31 December 2013.

Shares with special rights

In accordance with article 10 (1) of Sixt SE's Articles of Association, the Company's Supervisory Board consists of three members. According to legal provisions two of these members are elected by the Annual General Meeting. One further member of the Supervisory Board is appointed by the shareholder Erich Sixt. This right to appoint one member of the Supervisory Board also extends to his heirs providing they are shareholders. In all other respects, there are no shares conveying special control rights.

Employee participation and their control rights

The Company is not aware of any employees holding shares in the Company's capital where the employees' control rights are not exercised directly.

Appointment and dismissal of Managing Board members, amendments to the Articles of Association

Sixt SE has a two-tier management and monitoring system, made up of a management body (Managing Board) and a supervisory body (Supervisory Board). The legal stipulations and conditions of the Articles of Association governing the appointment and dismissal of Managing Board members are defined in article 39 (2), sentence 1, 46 of the SE Regulation, section 16 SEAG, article 9 (1) lit. c) (ii) of the SE Regulation, sections 84, 85 AktG (German Public Companies Act) and article 7 of the Articles of Association. In accordance with these the Managing Board is made up of one or more members. The Supervisory Board determines the number of Supervisory Board members. In accordance with article 7 (2) of the Articles of Association of Sixt SE, the Managing Board members can be appointed by the Supervisory Board for a period not exceeding five years. The Supervisory Board adopts resolutions in this regard by a simple majority of votes cast. Reappointments are permitted. The law only permits the Supervisory Board to dismiss a member of the Managing Board prior to the expiration of the term of office for good cause.

Amendments to Sixt SE's Articles of Association are passed by the Annual General Meeting. Subject to mandatory statutory provisions, the preference shares do not carry any voting rights in this context. Mandatory statutory provisions require resolutions to amend the Articles of Association to be adopted by a majority of three-quarters of the share capital represented at the adoption of the resolution (article 59 (1) of the SE Regulation, section 179 (2) sentence 1 AktG).

However, the law also provides for the possibility that the Articles of Association allow for a smaller majority providing at least half of the subscribed capital is presented. This possibility does not apply though to a change of the Company's purpose, relocation of the Company's seat into another member state, or for cases where a higher majority of capital is mandatory under statutory provisions (article 59 (2) of the SE Regulation, section 51 SEAG).

Sixt SE has made use of the option of specifying different majority requirements by means of a provision in the Articles of Association that is common among listed companies. According to article 20 (2) of the Articles of Association, amendments to the Articles of Association can be adopted by a simple majority of votes cast, if at least half of the voting share capital is represented and insofar as this does not conflict with any mandatory statutory provisions. However, under article 20 (2) sentence 3 of the Articles of Association, capital increases from corporate funds may only be passed by a majority of 90% of the votes duly cast. In accordance with article 16 of the Articles of Association, amendments to the Articles of Association that only concern the formal wording may also be passed by the Supervisory Board instead of the Annual General Meeting.

Powers of the Managing Board, with particular regard to the issue and buy-back of shares

In accordance with article 4 (3) of the Articles of Association, the Managing Board is authorised to increase the share capital on one or more occasions in the period up to 5 June 2017, with the consent of the Supervisory Board, by up to a maximum of EUR 64,576,896.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital). The authorisation also includes the power to issue new non-voting preference shares up to the legally permitted limit. For the distribution of profits and/or company assets these non-voting preference shares are ranked equal to the non-voting preference shares previously issued. Further details, including details of the Managing Board's authorisation to exclude shareholders' subscription rights in specific cases, follow from the aforementioned article of the Articles of Association. The authorisation of the Managing Board to issue new shares from authorised capital enables the Managing Board to meet potential capital requirements of Sixt SE quickly and flexibly and to make use of attractive financing options as they arise on the market.

By resolution of the Annual General Meeting of 20 June 2013 the Managing Board is authorised to issue, on one or more occasions in the period up to and including 19 June 2018 with the consent of the Supervisory Board, profit participation bonds and/or rights registered in the name of the holder and/or bearer up to a maximum of EUR 350,000,000.00 with a fixed or indefinite term against cash and/or non- cash contributions. The profit participation bonds and rights issued under this authorisation may not provide for conversion or subscription rights to shares of the Company. The issue can be effected by a company in which Sixt SE is directly or indirectly invested with a majority of votes and capital. In this case, the Managing Board is authorised to assume for the issuing company the guarantee on behalf of Sixt SE that the resulting liabilities will be met. The shareholders of Sixt SE are accorded in principle the statutory subscription right. However, with the consent of the Supervisory Board, the Managing Board is authorised to exclude the subscription right under certain conditions, which follow fully from the resolution taken by the Annual General Meeting on 20 June 2013 on Agenda Item 7. The authorisation of the Managing Board to issue profit participation bonds and rights extends the range of financing instruments at the Company's disposal and thereby offers attractive financing means as they arise on the market that go beyond the classic forms of raising equity and debt capital. Depending on the definition of the conditions for the bonds and/or profit participation rights this may also offer the possibility to classify the financing instruments as equity for rating and/or accounting purposes.

The Annual General Meeting on 6 June 2012 resolved to authorise the Managing Board, in accordance with section 71 (1) no. 8 of the AktG and until 5 June 2017, to purchase ordinary bearer and/or preference bearer shares of the Company representing up to a total of 10% of the Company's share capital in existence at the date the authorisation was granted. At no point shall the shares acquired under the above authorisation, together with other treasury shares owned and assigned to the company under sections 71d and 71e of the AktG, represent more than 10% of the share capital. With the approval of the Supervisory Board the authorisation may be exercised in full or in part, on one or more occasions, by the Company or its dependent or majority-owned companies, as well as third parties acting for the account of the Company or for the account of its dependent or majority-owned companies. The authorisation may be exercised for any purpose permitted by law. Acquisitions for the purpose of trading in treasury shares are excluded. According to the resolution of the Annual General Meeting of 6 June 2012 the Company is also authorised to acquire treasury shares by using derivatives. The complete wording of the aforementioned authorisation to acquire treasury shares follows from the resolutions taken on Agenda Items 6 and 7 during the Annual General Meeting on 6 June 2012.

As at 31 December 2013 the Company held no treasury shares.

Significant agreements by the Company that are subject to a change of control as a result of a takeover bid

In the event of a change of control, including as the result of a takeover bid, various creditors of the Company have the following rights:

- The creditors of the 2010/2016 bond issued by the Company in the total principal amount of EUR 250.0 million have, among other things, a special right of termination, subject to one month's notice after a change in control has been announced. According to the terms and conditions of the bond, a change in control occurs if the proportion of the Company's share capital held directly or indirectly by Erich Sixt, his direct descendants, his spouse and/or a family foundation together falls below 30% or if one person or several persons acting together gain control of the Company. Control in this context means direct or indirect (as defined in section 22 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act)) legal or economic ownership of ordinary shares which together convey more than 50% of voting rights. The term person refers here to any natural or legal person or to any kind of organisation, but excluding affiliated subsidiaries of the issuer within the meaning of sections 15 to 18 of the AktG.

- The creditors of the 2012/2018 bond issued by the Company in the total principal amount of EUR 250.0 million have, among other things, a special right of termination, subject to one month's notice after a change in control has been announced. According to the terms and conditions of the bond, a change in control occurs if the proportion of the Company's share capital held directly or indirectly by Erich Sixt, his direct descendants, his spouse and/or a family foundation together falls below 30% or if one person or several persons acting together gain control of the Company. Control in this context means direct or indirect (as defined in section 22 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act)) legal or economic ownership of ordinary shares which together convey more than 50% of voting rights. The term person refers here to any natural or legal person or to any kind of organisation, but excluding affiliated subsidiaries of the issuer within the meaning of sections 15 to 18 of the AktG.

- The agreement on an undrawn bilateral credit line over EUR 30.0 million, concluded for an indefinite period of time, provides for its termination by the contract partner in the event that a third party gains control over the Company.

All the rights described above are creditor rights commonly encountered on the capital markets and in lending transactions.

Furthermore, there are individual cases in which Group companies have concluded vehicle delivery contracts, under which the supplier reserves the right to assert a potential right of termination in the event of a change in control.

Compensation agreements between the Company and members of the Managing Board or employees in the case of a takeover bid

The Company has no agreements with members of the Managing Board or employees that would entitle them to compensation in the case of a takeover bid.

E. Report on outlook

1. Economic environment

The geographic centres of Sixt's business activities, Europe and the USA, are showing increasing signs of a sustained positive development, according to the European Central Bank (ECB). The impact from austerity measures and political uncertainties on the economy is receding. This means that the established industrialised nations are becoming growth drivers again, besides to the emerging countries. The most recent stabilisation of financial market conditions should generally shore up the economic recovery over the short term.

According to the World Bank, the economy in the Euro area is set to grow strongly again. For 2014 GDP is expected to expand by 1.1% with economists expecting to see slightly higher growth rates in the years thereafter. According to the World Bank, the economic output in the USA is likely to grow by 2.8% this year and is set to remain on a similarly high level over the following years.

In Germany the economy is gaining momentum again, as the Deutsche Bundesbank (German Central Bank) notes in its monthly bulletin, with domestic demand becoming the main growth driver, replacing the export economy. Low unemployment figures, ongoing employment growth, tangible income gains and the low level of interest rates are having a positive effect, as all these factors are strengthening private consumption. The Deutsche Bundesbank expects the German economy to generate GDP growth of 1.7% in 2014 and 2.0% in 2015.

Nonetheless, high sovereign debt and ongoing structural problems still pose a high potential risk for disruption in the European and global economy. The further course of global and financial markets conditions and the related insecurities could affect the economy adversely.

Sources:
European Central Bank, Monthly Bulletin January 2014, 16 January 2014
The World Bank, Global economic prospects, 14 January 2014
Deutsche Bundesbank (German Central Bank), Monthly Bulletin January 2014, 8 January 2014

2. Sector development

2.1 Vehicle Rental Business Unit

Against the background of a resurgent economy, Sixt expects to see gradual improvements in the conditions for vehicle rental in its key markets Germany, Western Europe, and the USA. One indicator for this is the development of passenger numbers at German airports. According to estimates by the Arbeitsgemeinschaft Deutscher Verkehrsflughäfen (ADV – German Airports Association) these are likely to grow by 2.2% in 2014.

According to figures by the European Travel Commission (ETC), an umbrella organisation of 33 national tourism associations, the total number of journeys to foreign destinations is set to expand worldwide by 4.5% in 2014. For North America the forecast is for a 4.0% rise and for Europe a 3.3% increase. For the business traveller segment the Global Business Travel Association (GBTA) projects that the market volume for Germany will expand by 6.1% in 2014 to USD 56.3 billion. While domestic business travel is expected to grow by 7.7% to a projected total business volume of USD 46.4 billion, business travel from Germany abroad is expected to drop slightly in 2014. The industry association estimates a growth of 3.4% in 2014 for the five biggest European business travel markets taken together: Germany, the UK, France, Spain, and Italy. For the private customer segment the prospects are equally positive, according to estimates in the tourism industry survey Global Trend Report, which is published by Euromonitor International and the tourism trade fair World Travel Market. The number of trips should grow by 3% within Germany. France and the Netherlands are also developing positively, as is Spain once again.

According to Euromonitor International, a market research institute, the role played by online business is becoming increasingly important for the travel industry. Smartphones and tablets will thus become the most essential travel tools by 2018. For the worldwide travel industry the average annual value increase over the same period is expected to be 9.5% for online services. According to Euromonitor, the revenue generated in the vehicle rental market from Internet business will grow by around 8% in 2014. Online bookings will be made above all via smartphones.

Sources:
Arbeitsgemeinschaft Deutscher Verkehrsflughäfen (ADV [German Airports Association]), Press Release, 28 January 2014
Global Business Travel Association, Press Release, 26 September 2013
European Travel Commission, European Tourism 2013 – Trends & Prospects, Q3/2013
Euromonitor International, World Travel Market Global Trends Report, November 2013

2.2 Leasing Business Unit

The 2014 outlook for the German leasing industry is good according to industry experts such as the Bundesverband Deutscher Leasing-Unternehmen e.V. (BDL – German Association of Leasing Companies). Economic growth, which is expected to strengthen over the course of the year, will, in the view of the ifo-Institute, result in better utilisation of production capacities in German companies and consequently lead to higher investments in plants and equipment (including ancillary facilities). These investments are expected be around 7% in nominal terms. Leasing companies would participate at least in equal share in that increase. Alongside this reinvigorated investment activity, the leasing companies stand to benefit from better prospects for the automobile industry in 2014, as the Verband der Automobilindustrie e.V. (VDA – German Automotive Industry Association) forecasts. Accordingly, the total number of new vehicle registrations in Germany is likely to reach 3 million (2013: 2.95 million vehicles).

In the view of the BDL the leasing industry will become an important financing partner for launching new products on the market, such as energy-saving technologies or new generations of road vehicles, for example. Financing these innovations is hardly a core competence of banks, as the technological maturity of these innovations is hard to measure.

Despite the positive outlook the leasing industry has for some time now been watching the development of general investment activity with some apprehension. Over the last few years the overall economic investment ratio has dropped slightly in Germany. In 1999 it had still accounted for 20% of the GDP, but in 2012 it had come down to merely 17%. According to the BDL, there is a need for a holistic forward-looking concept that can help to bridge the investment gap in Germany, peel back bureaucracy and support medium-sized enterprises.

The revised version of the accounting standard on leasing relations (IAS 17 – Leases) is still under debate. According to this, assets and liabilities tied to a leasing transaction should be recognised in the balance sheet in future. The industry thinks, however, that this harbours the risk that affected companies could curtail their willingness to finance future investments via leasing. A final decision on revising the standard was still outstanding at the time this report was prepared.

Sources:
Bundesverband Deutscher Leasing-Unternehmen e.V. (BDL [German Association of Leasing Companies]), Press Release, 21 November 2013
ifo-Institute, Sonderdruck zur Leasingwirtschaft (Special edition on the leasing industry), December 2013
Verband der Automobilindustrie e.V. (VDA [German Automotive Industry Association), Press Release, 4 December 2013

3. Expected development in fiscal year 2014

In 2014 the Sixt Group will continue its strategy in both Business Units, Vehicle Rental and Leasing, of positioning itself as a premium provider of innovative mobility products. Expanding its presence abroad continues to have high priority.

3.1 Vehicle Rental Business Unit

In the Vehicle Rental sector the share of foreign business is to be further increased to reduce dependence on the German rental market. To this end, Sixt continues to position itself as a provider of premium vehicles and services with an attractive price-performance ratio. The focus is on the expansion of the station network in the USA, which is the world's biggest vehicle rental market with an annual volume of around USD 22 billion. In 2014 Sixt plans to open further company-owned service stations in the United States and to enter into and/or extend its partnerships with efficient franchisees.

In Sixt's European corporate countries like France or Spain Sixt plans to improve its presence at key holiday destinations and to develop further market potential. In addition, the franchise network is scheduled to be extended to include the large economic growth regions of the Asia-Pacific area, Eastern Europe, and Latin America.

The Sixt Group will continue to meet changing mobility requirements through an extended range of innovative mobility services. Emphasis will be on the expansion of the premium carsharing service DriveNow. In the current fiscal year 2014, existing sites will be strengthened with new vehicle models, including high quality and stronger electric vehicles, the DriveNow core areas are set to be extended and airports will be linked to these areas. The product is to be expanded to major German and European cities and continuously interlinked with other traffic providers such as local public transport companies.

The mobility product myDriver is also to see further expansion. For Germany the aim is to have new sites successfully connected to achieve nationwide coverage. To better utilise Sixt's internal know-how and expertise in technical handling the bookings and to generate synergy effects in procurement, Sixt could set up its own fleet with in-house drivers so that it will not only broker the trips in future but offer them directly itself.

In 2014 Sixt will continue to deploy new online and mobile technologies in the Group's Vehicle Rental segment. Not only are the applications for smartphones and tablet PCs undergoing continual optimisation, but Sixt plans to communicate more rental vehicle offers via its own channels, such as the Sixt Rent a Car App or its own Facebook profile, as well as the travel apps and booking procedures from cooperation partners (hotels and airlines). The aim is to simplify travel preparations for the customer, as they come from one single source, and at the same time extend the reach of Sixt offers.

3.2 Leasing Business Unit

In the Leasing Business Unit Sixt will continue to optimise its fleet leasing in 2014. On the market Sixt Leasing takes the role of a highly specialised external service provider that offers its customers seamless processes.

The Leasing Business Unit sees enormous potential to continue the successful development of Sixt Neuwagen in 2014 and expand this with additional services for the benefit of its customers. There is strong demand from private and business customers for leasing and financing solutions. Sixt offers a choice between a leasing offer and Sixt's Vario-Financing. The latter provides customers with a vehicle on favourable leasing instalments during the contract term, and thereafter the option of acquiring the vehicle with a previously guaranteed final instalment.

For 2014 Sixt expects to see opportunities developing in its business with small and medium-sized companies (SMEs). The combined offer of online and offline solutions is intended to increase the share of SME customers pro-actively. The service portfolio includes individualised leasing and fleet consultancy services for optimising insurance policies, purchases, and addressing specific further questions.

The Group company and fleet management specialist, Sixt Mobility Consulting, plans to further expand its service portfolio in 2014. The development of online-based applications, which help customers to increase fleet transparency, identify cost-cutting potentials and then implement these with appropriate actions, will be particularly significant. Furthermore, the Company reckons that the ongoing expansion of its international presence holds great potential and therefore is investigating selected national markets in Europe.

4. Financial outlook

Business prospects have improved in the markets essential for the Sixt Group. The Managing Board is cautiously optimistic that the growth in business travel and in the tourism and travel industry, promised by industry associations will result in stronger demand for the vehicle rental offers. Increasing investments in equipment and facilities also indicate a positive development in demand for leasing services.

Against the background of business and industry forecasts and the assumptions made in the budget, the Sixt Group expects to see a slightly more positive development than in 2013 as far as revenue and earnings are concerned as well as the key performance indicators for managing the Group. Consolidated operating revenue is expected to grow marginally, with growth impulse likely to come predominantly from foreign markets. A continued demand-driven and cautious fleet policy and consistent cost management as well as ongoing investments for growth initiatives should result in stable to slightly higher earnings before taxes (EBT). Consequently, the return on sales (EBT in relation to consolidated operating revenue) should be on a par with the previous year.

The Sixt Group attaches considerable importance to a solid and sustainable net asset and financial structure. Capital-giving investors and banks assess the equity basis to be positive and consider Sixt to be a reliable and trustworthy partner. Sixt wants to do justice to this claim also in 2014 and works to keep its stable equity ratio on a level with 2013.

Over the long term Sixt maintains its strategy of a pre-tax return on sales of at least 10% for the Vehicle Rental Business Unit and 5% for the Leasing Business Unit (each related to the Business Unit's operating revenue). On a Group level Sixt wants to operate with an equity ratio of at least 20%.

F. Report on risks and opportunities

1. Internal control and risk management organisation

1.1 Risk management system

Sixt SE has installed an internal control and risk management system designed to identify at an early stage all developments that can lead to significant losses or endanger the existence of the Company or of the Group. Efficient tools ensure that risks are decentrally and centrally identified, evaluated and managed swiftly. The internal audit monitors the efficiency of the risk management system. Sixt's risk management system covers all activities for the systematic handling of potential risks in the Company, starting with risk identification and documentation, analysis and assessment through to the management and monitoring of material risks. It is defined by a formal process that firmly integrates all relevant Group divisions and segments. The risk management system installed with Sixt thereby registers the relevant individual risks. The opportunities management is not part of the risk management system.

Sixt Group's overall risk management system is composed of detailed planning, reporting, control and early warning systems (some of which have been proven in years of practice) both centrally at Group level and in the respective functional areas down to the level of the individual rental offices. The system is regularly fine-tuned. The Group units Controlling and Risk Management are responsible for central risk management and report to the Managing Board.

The Group's organisational set-up determines the decision-makers, communication and reporting paths, structures and risk responsibility officers involved in the risk management process. The officers responsible for risks on the level of the decentralised risk management organisations are equipped with adequate early-detection systems tailored to their areas as well as analysis and reporting tools, and control and monitoring systems. In addition, the central risk management organisation uses pre-defined key parameters to quantify and appropriately condense the individual risks, which are identified locally, assigns these to suitable risk categories and reports them to the Managing and Supervisory Board.

Sixt thereby complies with the Gesetz zur Kontrolle und Transparenz im Unternehmensbereich (KonTraG – German Act on Control and Transparency in Business) and other specific provisions relating to certain consolidated business areas, such as section 25a Kreditwesengesetz (KWG – German Banking Act), including the minimum requirements of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority) to be met by the risk management of institutes (MaRisk).

1.2 Risk assessment

After considering the risks in the installed planning, reporting, control and early warning systems, the organisational unit's risk officers record the individual risks in the central risk catalogue, assess their probability of occurrence as well as the amount of damages before and after the initiated counter measures.

The individual risks' probability of occurrence is measured in the categories “low” (up to 30%), “possible” (between 31% up to 50%), “probable” (between 51% up to 90%) and “very probable” (over 90%). The individual risks are assigned to the defined risk categories and the corresponding damage classes according to the estimated amount of damage. On the Group level the central risk management agglomerates the decentrally registered individual risks in a risk inventory and clusters them into risk groups according to the estimated amount of damage and probabilities of occurrence. This forms the basis for the risk report, which is integral part of the reporting system to the Managing and Supervisory Boards of Sixt SE.

1.3 Internal control- and risk management system for (Group) accounting (Disclosures in accordance with sections 289 (5) and 314 (2) no. 5 of the HGB [German Commercial Code])

The internal control and risk management system for the Group's and the Company’s accounting contains organisational provisions and technical requirements to manage the risk associated with accounting. Key elements here are the clear and appropriate separation of functions with regard to the Managing Board and leadership responsibilities including management control processes, the central accounting and reporting organisation for all consolidated companies, the technical stipulations contained in guidelines and the Group manual, the recording of business transactions with the so-called “four eyes principle” (two man rule), the implementation of quality assurance processes by the internal audit function and external audit procedures and consulting, systems-based security measures, manual control measures and regular comparisons with planning and controlling processes taking the form of target to actual comparisons and analyses of deviations. To guarantee the safety of data the accounting-related systems have access restrictions and access rules. Employees receive appropriate information and training on data protection rules and regulations. In addition, where this relates to financial matters the “Code of Conduct” defines the general behavioural provisions for employees. The Supervisory Board examines the annual financial statements and the consolidated financial statements together with the management report on the Group’s and the Company's situation and discusses these with the Managing Board and the auditors.

2. Risk factors

As an internationally active Company, Sixt is exposed to a variety of different risks, which can have material effects on the Group's business performance, net assets, financial position and results of operations. The following provides an aggregate overview of the relevant risk factors. The structure of risk categories outlined essentially follows the categorisation in the reporting of the central risk management system.

2.1 General market risks (economic, social and regulatory risks)

The Sixt Group's main activities are vehicle rental and leasing, the business focus of which is centred in Germany. Nonetheless, as part of Sixt's internationalisation, the business activities outside of Germany, both in Europe and outside Europe, are gaining more and more importance.

Both Business Units are, to a certain extent, dependent on the general economic environment across the globe, Europe and especially in Germany, as this has a major effect on the investment inclination and spending propensity of customers and, in turn, on the demand for mobility services.

During phases of economic weakness, demand for mobility services may fall as a result of cost-saving measures by companies and private households. Higher default risks (sector risks, counterparty credit risk) can also generally be expected in these times. A downturn in the overall economy could therefore adversely affect demand and profitability of vehicle rental and leasing products.

Sixt is also dependent on developments in tourism and personal transport. In turn, developments in the latter are dependent on a variety of factors that the Company cannot influence. These include, for example, the expansion of the public transport infrastructure, improvements in traffic flow and the coordination of the combined use of different modes of transport. Legal requirements relating to environmental protection, which are growing in importance above all in the European Union but also in other regions of the world, can, when combined with widespread public debate, bring about changes in mobility patterns. This could generally have both positive and negative effects on demand for the mobility services offered by Sixt.

In addition, the Group's business can be adversely affected by national and international developments such as political upheavals and revolutions, armed conflicts, acts of terrorism, environmental disasters or epidemics, and by restrictions on private and business travel as a result of such events. Since the occurrence and effects of such events are difficult or even impossible to predict, consistently reliable forecasts regarding the development and hence the demand for travel can only be made to a very limited extent, if at all, even over the short term.

Sixt intends to increase revenue and market share by expanding above all in key Western Europe countries and in the USA. This objective is to be achieved primarily by organic growth. Nonetheless, as far as growth outside of Germany is concerned, well-considered acquisitions cannot be ruled out.

The internationalisation strategy involves various risks including market-specific, legal, fraud, financial and personnel risks. These include possible incorrect assessments of market conditions in the countries in question, changes to national legal frameworks, the costs associated with the establishment of an effective business organisation and the need to find qualified management personnel and suitable employees. In the case of acquisitions, there are also the customary transaction risks. Initiating and expanding foreign operations can therefore also impact the Group's results of operations negatively. The failure or delay of the foreign expansion could affect existing customer relations adversely, because especially business and corporate customers, who are one of Sixt's main customer groups, require more and more mobility offerings of international scale.

To meet our claim of innovation leadership in an environment of swiftly changing market conditions and customer requirements and to win over further market shares, Sixt develops new product ideas, whose introduction and penetration in the domestic and international markets can result in substantial up-front costs. Relevant market analyses and plans cannot guarantee that the products as offered will meet the expected acceptance and demand. Under certain circumstances therefore, this can impact the Group's results of operations negatively.

Moreover, Sixt’s business activities are also dependent on a number of tax regulations. These include the taxation of leasing transactions and company cars, which has been the subject of political discussions for years. The taxation of fuels and emission-based motor vehicle taxes may also have a material effect on customers’ investment behaviour.

2.2 Specific market risks

Specific market risks – Vehicle Rental Business Unit

The national and international vehicle rental industry continues to be dominated by intense predatory competition, which in many cases is fought out over pricing. The trend in demand – mainly among corporate customers – towards large, mostly international providers, which has been noticeable for years, is continuing. It is therefore essential that Sixt, due to its high ratio of corporate customers, provide customers with a global rental infrastructure that is available in particular in areas with a high volume of traffic, such as in airports and train stations and with as uniform and best possible quality as feasible.

Intense competition also carries the risk that individual market participants attempt to gain market share in the short term by consciously implementing a below-cost pricing policy, in some cases even accepting operating losses.

General developments in the automotive industry are important for the Vehicle Rental Business Unit, owing to their effects on terms and conditions for purchasing vehicles. Sixt is highly dependent on the supply of popular vehicle models, on being able to purchase them on competitive terms and – for reasons of pricing certainty and the reduction of residual value risks – on repurchase commitments by manufacturers and dealers. These factors influence both the purchase prices of vehicles and the revenue that can be generated when the vehicles are sold back.

By remaining vendor-neutral, Sixt can diversify risks when purchasing vehicles for the Vehicle Rental Business Unit. The Group can select marketable popular models and negotiate favourable terms and conditions from a number of different manufacturers and dealers in each case, without having to take the specific sales interests of particular manufacturers into account. Sixt distributes its purchasing volumes over a number of suppliers and adjusts vehicle deliveries to intra-year requirements planning. Flexible agreements with vehicle manufacturers enable the Company to a certain extent to stagger vehicle orders over a period of time to meet concrete demand. This is especially important during times of great economic uncertainty and downturns, as well as in phases of increased demand, during which the requirements for mobility services are even more difficult to predict. Flexible supply agreements enable Sixt to a certain extent to react at short notice to unforeseeable fluctuations in demand.

Furthermore, Sixt's international expansion changes purchasing requirements. Sixt relies on having a broad supplier base in all corporate countries, whereby some vehicle fleets have to be tailored to specific regional needs. Were Sixt no longer able to add a sufficient number of vehicles to the fleet, or to offer enough vehicles with features that reflect the Group's premium orientation, this could adversely affect its revenue and earnings development. This would apply to an even greater extent if the Group's operating business were to expand dynamically, boosting demand for vehicles. For example, such a bottleneck would also be conceivable if automobile manufacturers were to change their sales strategies. However, no such trends are evident at present.

Alongside the general economic conditions, demand in the vehicle rental business is also dependent on numerous random factors, such as the weather and short-term changes in customers' mobility requirements, which makes it therefore difficult to forecast. The combination of high economic capacity utilisation of the rental fleet and simultanous vehicle availability is of great importance for the success of the Group. Availability relates not only to the absolute size of the rental fleet but also to individual vehicle classes and types that meet customer wishes. Declining demand can result in a lower-than-expected utilisation of the rental fleet that is provided up-front, which in turn can affect the profitability of rental products adversely. For an efficient and flexible control sophisticated, reliable and tried-and-tested fleet management tools are all the more important.

Sixt's internal yield management system – a sophisticated IT tool that has been constantly updated over the years and that is tailored to the varied requirements of the rental business – enables the Company to align its purchasing activities with demand and to manage the availability of vehicles at the individual rental offices. The yield management system is permanently optimised. This is based on the volume of historic data generated from the rental activities that has constantly grown over the years. The systematic fleet and offering management achieves the highest possible level of fleet utilisation.

The development of the used car market in Germany in particular is important for the prices that Sixt achieves from selling used rental vehicles on the open market. Over the last years the used vehicle market recorded stagnation on a low level.

Allowing for the opportunities afforded by the market, Sixt seeks to hedge rental vehicles through buy-back agreements with manufacturers and dealers to minimise the risks associated with the sale of vehicles. This means that buy-back conditions for these vehicles are already fixed at the time of acquisition. The Company therefore has a reliable basis for calculating the development of its fleet costs. By reducing the resale risk, Sixt is to a large extent independent of the situation on the used car market. Around 94% of all vehicles added into the fleet during the fiscal year were secured by means of take-back agreements.

However, within this context the risk persists that contractual partners, dealers or manufacturers, may not be able to meet their repurchase commitments. Moreover, given the current economic risks or a possible deterioration of the used car markets, there is a risk that Sixt will generate lower-than-expected revenue from selling used rental cars on the open market.

Sixt regularly assesses the creditworthiness of its contractual partners according to strict standards. This is especially important at times when the automobile trading markets are tight, so that the risk of contractual partners, dealers or manufacturers, not meeting their repurchase commitments can be detected early on. In this case, Sixt would be obliged to market the vehicles on the used car market at its own economic risk, for example through its own dealerships (Sixt Autoland and Carpark) or through an online trading platform.

Commercial customers from the Vehicle Rental Business Unit, who receive vehicle quotas on account, have their creditworthiness regularly reviewed and monitored on the basis of internal guidelines.

Specific market risks – Leasing Business Unit

In the Leasing Business Unit one focus of business activities is on corporate customers so that the Business Unit's performance is highly dependent, among other things, on companies' investment behaviour. This investment behaviour can be influenced – apart from general cyclical factors – by the underlying economic, legal accounting and tax conditions for commercial vehicle leasing. Companies need best possible planning security on which to base their investment decisions. Higher taxes on leasing transactions and company cars, or potentially adverse changes to the international accounting stipulations relating to leasing contracts, can adversely affect the attractiveness of leasing fleet solutions for lessees.

As in the past, the leasing market in Germany continues to be dominated by various manufacturer- or bank-controlled companies. These enjoy on the one hand good purchasing terms, owing to their close relationships with the manufacturers, and on the other, as bank-controlled providers, good refinancing terms. For this reason, there is intense competition in terms of price and conditions in the automobile leasing market, which can have a negative effect on the margins that can be achieved and, as a consequence, on the Sixt Group's results of operations.

In the Leasing Business Unit, Sixt focuses its offering on the products of full-service leasing, which provides a variety of services to private and business customers in addition to the customary finance leasing, as well as fleet management. In this context, the Company can leverage its many years of experience in the management of vehicle fleets and its position as a major fleet operator. Owing to its consistent positioning as a full-service leasing company, Sixt is able to substantially reduce the dependence of its business success in the Leasing Business Unit on pure finance leasing, which is under price pressure. Moreover, the continuous development of new, mostly Internet-based fleet management products gives Sixt the opportunity to set itself apart from its competitors.

Alongside the business with corporate customers, private and commercial customer business is gaining more and more importance for the Leasing Business Unit and is set for further expansion. The associated diversification of the customer portfolio helps to counter risks stemming from the economic, accounting and fiscal conditions prevailing for commercial vehicle leases in the business with corporate customers.

To guard against the risks of reselling vehicles, the Leasing Business Unit also secures the residual values, which are calculated according to market conditions and fixed in the leasing contracts, through buy-back agreements with manufacturers or dealers. This applies to the majority of vehicles in the business with corporate customers, where the residual values are secured by buy-back obligations. Around 68% of the leasing vehicles held at the end of the year under review were covered by buy-back agreements with manufacturers or dealers.

Nonetheless, the risk that contractual partners may not be able to meet their repurchase commitments cannot be excluded. When selecting vehicle dealers, Sixt therefore pays great attention to their economic stability. Sixt conducts regular and strict creditworthiness reviews of vehicle suppliers.

In the event that used leasing vehicles are to be sold on the open market the Leasing Business Unit is dependant on the developments on the used car market, particularly in Germany.

The value of vehicles to be sold directly by Sixt on the used vehicle market is analysed regularly based on the Company's own experience and market reports. For the most part, these vehicles are sold by in-house specialists at specially established locations under the brand names Sixt Autoland and Carpark. In addition, the vehicles as well as supplementary services are also offered to commercial as well as private customers through Internet portals.

Next to the general risks of reselling vehicles on the open market, there is also the risk that lessees fail to meet their payment obligations during the term of the contract or only pay parts thereof, resulting in payment defaults. This counterparty default risk in the customer business generally increases with a worsening economic climate, as it can trigger more payment defaults of leasing customers.

Sixt assesses the creditworthiness of each new customer by means of internal guidelines. Furthermore, with corporate customers their creditworthiness is regularly monitored during the lease period. This precautionary measure helps to avoid and/or mitigate future risks arising from the customer relationship. The risk metering and control systems as well as the organisation of the credit risk management of Sixt Leasing AG comply with the minimum requirements for risk management (MaRisk) as defined by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority).

2.3 Financial risks

The Sixt Group’s ordinary business activities are exposed to various financing risks. These include interest rate risks, which can be limited using derivative financial instruments, among other things. In specific cases, interest rate caps, interest rate swaps or other interest rate derivatives can be used for hedging. Entering into these types of hedges allows variable-rate financial liabilities to be converted into synthetic fixed rate financing in order to limit the interest rate risk for the Group. In contrast, given appropriate expectations on the future development of short- and long-term interest rates, derivative instruments can also be used to achieve a defined proportion of variable-rate liabilities. In this context, internal Group guidelines stipulate the main duties and competencies, responsibilities, reporting requirements and control tools.

Operations, and particularly the rental business, generally use short-term financing facilities such as bank credit lines or, alternatively, lease agreements. In view of the evidently still ongoing changes in the banking sector as an industry, among others due to higher equity requirements for credit operations or changed risk weightings, financial institutes may sustainably change their financing policies.

In its dealings with corporate customers the Leasing Business Unit can generally counter the interest rate risks, which follow a possible change in market rates, by agreeing interest escalation clauses in the specific master agreements, which are entered into for new contracts concluded under such master agreements. Next to these, the interest rate risks are partly covered by refinancing assets with matching maturities. In addition, the management of the interest rate risk for the Leasing Business Unit is also embedded in the higher level asset-liability management on Group level.

Sixt continues to have a broad and robust financing structure, which provides an adequate framework for financing. A positive factor in this context is that the residual values of the vast majority of the vehicles in the rental and leasing fleet are covered by buy-back agreements with manufacturers and dealers, which significantly increases the security for the financing banks.

However, since banks, depending on the market situation, are having to accept increased risk premium when refinancing their own activities, it cannot be ruled out that these higher premiums will be passed on to customers taking out loans. Moreover, the ever tighter legal rules and regulations, which financial institutes have to comply with when granting credit, require that they underlay these with more equity. This could result in Sixt Group's financing costs increasing or that they remain at a high level.

The Group continues to have a strong equity base and a broad financing mix. The Group's solid financial circumstances give it good access to the capital market, which it used successfully in the past by placing bonds or issuing borrower’s note loans on the market. However, one can never fully rule out the possibility that the capital markets, temporarily or for longer, will have only a limited capacity and willingness to absorb such issues.

Alongside bonds and borrower’s note loans the Sixt Group also regularly uses leasing and credit finance as refinancing instruments. The Group only utilised a portion of its credit lines in the year under review. Sixt SE and its subsidiaries maintain trustworthy business relationships with a number of banks since many years.

2.4 Other risks (operational and legal risks)

A complex, high-performance IT system is essential for processing rental and leasing operations. Hard- and software related system malfunctions or failures can considerably affect operating processes and, in serious cases, even bring them to a standstill. When implementing new, replacement or supplementary software the high complexity of the IT system places high demands on compatibility on existing systems so as to guarantee smooth continuation of the operative business. To counter these risks, Sixt has its own IT department charged with carrying out ongoing monitoring, servicing and enhancements, and with protecting the Group's IT systems.

As in the past, Sixt Group intends to continue investing in the Internet as well as in mobile services for smartphones and tablet PCs as a sales and communications channel for its rental and leasing products and as basis for further business models. A number of risks associated with the Internet (for example uncertainty regarding the protection of intellectual property or registered domains, violation of data protection, dependence on technological conditions, system failures, viruses, spyware, etc.) could affect the use of the Internet as an independent and cost-effective sales and communications channel. The population's general usage of the Internet is developing in the other direction, however. Accordingly, it has to be noted that the customers' use of Internet-based offerings and products of the Sixt Group has been continually rising for years. Above all on the background of media convergence, i.e. the convergence of different technical devices and services and the ever-increasing presence of online services in every-day life, one may well assume that the utilisation of Internet-based offers is set to continue in future.

Sixt's activities involve entering into a large number of different agreements. This is generally only possible by using standardised agreements that have to be mapped to the operative processing systems accordingly. As a consequence, even minor inaccuracies in the wording or changes to the legal framework could have a material effect on business activities. Sixt counteracts the resulting risks via contract management with the help of legal experts and various system controls.

The Sixt Group also relies on intellectual property rights to protect its business activities. Preserving these rights at national and international level is one important precondition for maintaining competitiveness.

The personal skills and know-how of the Group's employees constitute an important success factor. Particularly in times of expanding business operations and the associated recruitment of new staff, Sixt is dependent on having a sufficient number of qualified and motivated staff who are able to perform the required work to the required quantitative and qualitative standard. If, for instance, there is greater fluctuation and therefore a loss of know-how, this could affect the quality of service in the car rental and leasing business. Sixt guards against these risks through increased involvement in training and professional development by firmly establishing staff development as part of its corporate culture and through the use of incentive systems.

Strategic partnerships and cooperative ties with airlines, hotel chains and other key players in the mobility and tourism industry are an important factor for the Sixt Group's success. Agreements with these partners often contain short notice periods and are – with a few exceptions – non-exclusive. Therefore, it cannot be ruled out that existing cooperative ties will be terminated or will not be expanded due to changes in market conditions or to the partners’ market or business strategies. However, a number of these partnerships have been in place for many years and are based on a spirit of long-term and trustworthy collaboration. In addition to these, Sixt is permanently adding to its network partners from different industries.

In general, the business activities of the Sixt Group are subject to numerous legal and governmental rules and regulations as well as individual agreements with business partners. These have the potential to lead to official reviews and examinations or contested issues, which under certain circumstances might have to be settled in court.

The insolvency administrator of a former business partner has filed claims for damages at the competent German court against one of the company's of the Sixt Group, alleging apparently inadmissible usage of trademarks. The insolvency administrator is claiming damages of at least EUR 12 million, plus interest, but has left the actual determination of the amount to the discretion of the court, which could also decide on a higher damages amount. Sixt is of a different opinion and has requested that the claims be dismissed. The court's decision is still pending.

The French competition authority (Autorité de la Concurrence) is currently pursuing a judicial inquiry against various car rental companies, including, among others, Sixt SAS, Avrigny, alleging potentially concerted anti-competitive behaviour at various French airports. The inquiries' findings are presently pending. Sixt is of the opinion, though, that the accusations raised by the French competition authority are unfounded. In the event that the French competition authority should arrive at a different opinion, this might result in considerable fines against Sixt SAS and possibly also against Sixt SE.

Provisions have been recognised in the balance sheet to the extent deemed necessary by the Sixt Group.

3. The Managing Board's assessment of the overall risk profile

Sixt SE has installed an internal control and risk management system designed to identify at an early stage all developments that can lead to significant losses or endanger the continued existence of the Group. As part of the established risk management system, all the risks listed are regularly reviewed, analysed and the probability of their occurrence and effect is assessed. The result is communicated to the Managing and Supervisory Boards so that the necessary counter measures can be initiated in case of need.

Both the overall risk and the risk profile of the Sixt Group have remained essentially unchanged from the previous year. At present no risks which, alone or in their entirety, could endanger the Company's continued existence have been identified.

4. Opportunities report

Sixt SE is active in over 100 countries through its own stations and via franchise partners, offering a wide range of mobility products and services for different customer groups. Consequently there are a number of opportunities that can positively affect the Company's business performance. Opportunities are defined as the possibilities arising from events, developments or actions that allow the Company to secure and/or outperform the scheduled company targets. It is the operative Business Unit's task to identify and exploit these opportunities as part of the predefined corporate strategy.

4.1 Market opportunities

General economic developments

The Sixt Group is highly dependent on the general economic conditions especially in Germany and Europe. An improvement in the economy leads to increased investment willingness by companies as well as a higher spending propensity, both of which would have a positive effect on the vehicle rental and leasing industry, and hence on the Sixt Group. When planning the current fiscal year, the Sixt Group takes due account of economic analysts' assessments on the business cycle of 2014, as the report on outlook outlines. In the event that the economy should perform better than forecast, this could raise demand for Sixt's products and services.

Stronger demand from the main target groups

The Sixt Group positions itself as a provider of all-round mobility products and services for business and corporate customers, who make up 42% of one of the Group's main target groups. Over the past few years, the weak economic development in Germany and the persistent recession in Europe has meant that business with corporate customers has been challenging for the entire industry. In some parts, revenues even declined. In its planning assumptions Sixt reckons that business travel will grow slightly. In the event that Sixt's assumptions should be exceeded, the Company stands to record above-average benefits, as Sixt is Germany's leading vehicle rental company with a large share in business and corporate customers.

With its premium vehicle offerings, Sixt Group has also established itself more and more in the private customer segment. Above all in highly frequented tourist destinations, such as the Sixt corporate countries France and Spain, revenue for this target group has grown thanks to the fleet's attractiveness and the extension of the station network. Should developments in the tourism sector outperform expectations in Sixt's key markets, the Company's share in that growth will be above-average.

4.2 Opportunities from competition

Growth through acquisitions

Sixt Group plans to drive its foreign expansion primarily through organic growth. Nonetheless, opportunities might arise where local and regional competitors can be acquired at favourable conditions and thereby increase the growth momentum abroad. The focus could be on purchasing airport concessions at attractive sites whilst also extending the customer circle. When examining potential take-over candidates, Sixt applies strict criteria regarding compatibility, earnings situation, risk profile and enterprise culture.

Stronger revenues from market consolidation

The vehicle rental industry is dominated by intense predatory competition with some competitors pursuing an aggressive price strategy. The situation could arise where further rivals will have to close their business operations. Sixt would be in a position to cover potential gaps and take over demand, which in turn would generate additional revenue.

Increasing demand for premium products

The share of top quality premium brands in Sixt's entire fleet is high compared with its competitors. Due to the improved income situation of companies and private households, but also customers' changing levels of aspiration, the demand for top quality vehicles could exceed planning assumptions. The Sixt Group stands to benefit exceptionally from this development.

4.3 Opportunities from innovations

New mobility products

As a provider of innovative mobility services Sixt has launched a number of new products on the market over the last few years, including DriveNow, Sixt Corporate CarSharing or myDriver. Developing new mobility products is associated with comparatively high uncertainty as the actual demand and market volume can differ from the expectations regarding market acceptance. Any positive deviation from Sixt Group's expectations could result in sustained higher revenue growth.

Interlinked traffic systems

Many people, especially in large cities, are changing their perspective in mobility. Given the scarcity of parking spaces, dense traffic, increasing costs of maintenance for owning a car and greater ecological awareness, the car's appeal is on the wane in densely populated areas. Concepts capable of addressing people's individual mobility ideas are required. The Sixt Group is collaborating with partners to interlink the various modes of transportation (buses, railways, air traffic) intelligently so as to offer people mobility solutions that are optimally tailored to their needs. For example, DriveNow is joining public transportation associations to develop specialised and combined services. At present, Sixt is expecting demand for these services to grow continuously. As one of the innovation leaders in the vehicle rental industry Sixt could benefit over the long term from such a swifter market penetration.

Trend towards e-commerce solutions

When travellers book their business and private trips, attractive pricing and increasingly service from one source are becoming key criteria when deciding on a journey. Accordingly, the entire preparation of a journey, starting from the choice of airline, hotel reservation through to booking the rental vehicle, should be possible from one single interface, whether it is the computer or increasingly the smartphone or tablet. The Sixt Group is very well positioned here thanks to its numerous cooperation agreements and its excellent mobile applications.

Furthermore, the Sixt Group communicates its attractive offers via its own channels, such as the Sixt Rent a Car App or its own Facebook profile, as well as the travel apps from cooperation partners. More and more Sixt online offers are integrated into the booking procedures of hotels and airlines to extend the reach of Sixt services pro-actively. Where higher user intensity, and with it more online bookings, outstrip the expectations of the Sixt Group, this would have a positive effect on the Company's business situation.

G. Dependent company report

In accordance with section 17 of the AktG, Sixt SE is a dependent company of Erich Sixt Vermögensverwaltung GmbH, Pullach. According to section 9 (1) lit. c) (ii) SE-VO, section 49 (1) SEAG in conjunction with section 312 AktG, a report is therefore prepared containing the following concluding declaration by the Managing Board:

“There were no legal transactions or measures subject to disclosure requirements in the fiscal year 2013.”

H. Corporate governance declaration in accordance with section 289a of the HGB

The corporate governance declaration in accordance with section 289a of the HGB (German Commercial Code) is contained in Sixt SE's 2013 Annual Report as part of the corporate governance report and is available to the general public online at http://ir.sixt.eu under “Corporate Governance”.

I. Additional information for Sixt SE (pursuant to HGB)

Fundamentals and business performance

Sixt SE (European Stock Corporation – Societas Europaea) is the parent company that acts as the holding company for the Sixt Group. In this function it assumes the central management tasks and is responsible for the strategic and financial management of the Group. It also carries out various financing functions, primarily for the key companies of the two Business Units, Vehicle Rental and Leasing. The Company is headquartered in Pullach, with registered branches in Leipzig and at Munich Airport.

In its function Sixt SE's business performance, net asset and earnings position as well as its opportunities and risks are essentially dependent on the development of Sixt Group's consolidated companies.

Business performance of Sixt SE is characterised by the financing requirements and the proceeds distributed by Sixt Group's subsidiaries. The annual financial statements of Sixt SE are prepared pursuant to (German) commercial law and the legal stipulations on stock corporations and serve as the basis for the fiscal year's dividend to be approved by the Annual General Meeting.

Results of operations, net assets and financial position

For its services rendered, Sixt SE receives remuneration of EUR 5.9 million (2012: EUR 8.3 million). Besides this, it receives EUR 40.3 million (2012: EUR 55.8 million) from financing services and income from investments and earnings transfers of EUR 90.3 million (2012: EUR 108.6 million). On the other side are personnel and material expenses of EUR 10.3 million (2012: EUR 14.4 million) as well as interest payments of EUR 49.8 million (2012: EUR 54.7 million) and loss transfers of EUR 2.8 million (2012: EUR 0.3 million). Result from ordinary activities amounts to EUR 73.6 million for the year under review (2012: EUR 103.3 million), with a net income for the period of EUR 55.3 million (2012: EUR 85.0 million).

Sixt SE's significant assets consist of shareholdings in affiliated companies and investments of EUR 530.3 million (2012: EUR 472.4 million). The increase is essentially the result of a capital injection in a financing company that is consolidated within the Sixt Group. In addition, Sixt SE recognises receivables from affiliated companies and investments of EUR 1,026.4 million (2012: EUR 1,021.9 million).

As in the year before, the share capital of Sixt SE amounts to EUR 123.0 million. The equity reported comes to EUR 550.4 million (2012: EUR 543.4 million).

Significant financial liabilities are the outstanding bonds of EUR 500.0 million (2012: EUR 500.0 million) as well as liabilities from borrower’s note loans in the amount of EUR 381.2 million (2012: EUR 351.2 million). Further to these, Sixt SE has liabilities to affiliated companies of EUR 74.9 million (2012: EUR 71.4 million).

Opportunities, risks and outlook

As far as its opportunities and risks are concerned, Sixt SE's development is essentially dependent on the performance of the operative companies within the Sixt Group. To this extent, the overall assessment in the report on risks and opportunities of the Sixt Group serves a reference. The economic development of Sixt SE is likewise significantly determined by the performance, financing requirements and earnings strength of the Sixt Group's companies. Their earnings distributions are directly or indirectly determined by the resolutions of Sixt SE. In line with expectations regarding the development of the Group, Sixt reckons to see a slight increase in earnings before taxes for Sixt SE.

Investments

As part of its financing function within the Sixt Group, Sixt SE will provide consolidated companies with loans and funds in the form of equity. Potential company startups or acquisitions could require investments to be made by Sixt SE.

Pullach, 21 March 2014

Sixt SE

The Managing Board

ERICH SIXT	DETLEV PÄTSCH	DR. JULIAN ZU PUTLITZ

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You choose a vehicle category. And how long to hire it for.
With your Sixt Unlimited Card, you can drive it there and then.

MORE THAN 600 RENTAL LOCATIONS

UNLIMITED VEHICLE CHANGES


INFINITE MOBILITY
UNRESTRICTED MILEAGE

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

of Sixt SE, Pullach, for the year ended 31 December 2013

Consolidated Income Statement	Notes		EUR		EUR
			2013		2012
Revenue	[4.1]		1,664,567,278		1,595,632,980
Other operating income	[4.2]		52,808,822		38,230,794
Gross revenue			**1,717,376,100**		**1,633,863,774**
Fleet expenses and cost of lease assets	[4.3]		645,559,867		643,196,250
Personnel expenses	[4.4]				
a) Wages and salaries		150,204,105		139,900,737	
b) Social security contributions		24,833,347		22,527,314	
			175,037,452		162,428,051
Depreciation and amortisation expense	[4.5]				
a) Depreciation of rental vehicles		154,999,108		163,995,535	
b) Depreciation of lease assets		151,949,837		140,283,017	
c) Depreciation of property and equipment and investment property		8,073,540		6,944,778	
d) Amortisation of intangible assets		3,894,641		2,872,602	
			318,917,126		314,095,932
Other operating expenses	[4.6]		404,266,992		346,475,283
Earnings before interest and taxes (EBIT)			**173,594,663**		**167,668,258**
Net finance costs	[4.7]				
a) Interest income		3,564,557		2,155,750	
b) Interest expense		39,210,963		54,396,878	
c) Other net financial income		-873,668		3,145,577	
			-36,520,074		-49,095,551
Earnings before taxes (EBT)			**137,074,589**		**118,572,707**
Income tax expense	[4.8]		42,672,444		39,375,841
Consolidated profit			**94,402,145**		**79,196,866**
Of which attributable to minority interests	[4.9]		-421,651		33,082
Of which attributable to shareholders of Sixt SE			**94,823,796**		**79,163,784**
Earnings per ordinary share – basic	[4.10]		1.97		1.64
Earnings per preference share – basic	[4.10]		1.99		1.66

Statement of Comprehensive Income		
in EUR thou.	**2013**	2012
Consolidated profit	94,402	79,197
Other comprehensive income (not recognised in the income statement)		
Components that could be recognised in the income statement in future		
Currency translation gains/losses	-1,770	888
Derivative financial instruments in hedge relationship	-1,241	
Changes in available-for-sale assets		544
Related deferred taxes	309	-135
Total comprehensive income	**91,700**	**80,494**
Of which attributable to minority interests	-422	33
Of which attributable to shareholders of Sixt SE	92,122	80,461

CONSOLIDATED BALANCE SHEET

of Sixt SE, Pullach, as at 31 December 2013

Assets	Notes	EUR 31. Dec. 2013	EUR 31. Dec. 2012
Non-current assets			
Goodwill	[4.11]	18,442,000	18,442,000
Intangible assets	[4.12]	17,666,246	13,000,683
Property and equipment	[4.13]	57,295,645	51,130,502
Investment property	[4.14]	3,043,004	3,078,025
Lease assets	[4.15]	774,622,377	740,372,836
Non-current financial assets	[4.16]	3,359,217	2,421,005
Non-current other receivables and assets	[4.17]	6,220,917	6,861,790
Deferred tax assets	[4.8]	12,181,129	13,585,231
Total non-current assets		**892,830,535**	**848,892,072**
Current assets			
Rental vehicles	[4.18]	1,012,709,732	926,175,598
Inventories	[4.19]	48,459,553	34,406,158
Trade receivables	[4.20]	256,311,823	244,857,390
Current other receivables and assets	[4.21]	107,158,673	50,216,243
Income tax receivables	[4.21]	7,397,132	1,884,335
Cash and bank balances	[4.22]	48,555,220	67,280,284
Total current assets		**1,480,592,133**	**1,324,820,008**
Total assets		**2,373,422,668**	**2,173,712,080**

Equity and Liabilities	Notes	EUR 31. Dec. 2013	EUR 31. Dec. 2012
Equity			
Subscribed capital	[4.23]	123,029,212	123,029,212
Capital reserves	[4.24]	201,995,382	206,701,237
Other reserves	[4.25]	350,222,099	303,055,212
Minority interests	[4.26]	251,723	23,058
Total equity		**675,498,416**	**632,808,719**
Non-current liabilities and provisions			
Non-current other provisions	[4.27]	516,033	924,779
Non-current financial liabilities	[4.28]	855,184,423	790,113,506
Non-current other liabilities	[4.29]	43,259,790	30,612,858
Deferred tax liabilities	[4.8]	10,985,540	13,608,058
Total non-current liabilities and provisions		**909,945,786**	**835,259,201**
Current liabilities and provisions			
Current other provisions	[4.30]	65,821,878	56,150,865
Income tax provisions	[4.30]	38,617,325	51,231,735
Current financial liabilities	[4.31]	255,677,420	186,832,924
Trade payables	[4.32]	346,425,136	294,825,800
Current other liabilities	[4.33]	81,436,707	116,602,836
Total current liabilities and provisions		**787,978,466**	**705,644,160**
Total equity and liabilities		**2,373,422,668**	**2,173,712,080**

CONSOLIDATED CASH FLOW STATEMENT

of Sixt SE, Pullach, for the year ended 31 December 2013

Consolidated Cash Flow Statement	EUR thou. 2013	EUR thou. 2012
Cash flow from operating activities		
Consolidated profit	94,402	79,197
Income taxes recognised in income statement	43,903	42,681
Income taxes paid	-62,029	-35,980
Financial income recognised in income statement	38,557	51,876
Interest received	4,206	7,201
Interest paid	-46,620	-57,490
Depreciation and amortisation	318,917	314,096
Income from disposal of fixed assets	7,374	2,762
Other (non-)cash expenses and income	-414	1,890
Cash flow	**398,296**	**406,233**
Change in rental vehicles, net	-241,533	106,258
Change in inventories	-14,053	-13,254
Change in trade receivables	-11,454	-5,001
Change in trade payables	51,599	-40,336
Change in other net assets	-68,751	34,586
Net cash flows from operating activities	**114,104**	**488,486**
Investing activities		
Proceeds from disposal of intangible assets, property and equipment, and investment property	1,284	7,977
Proceeds from disposal of lease assets	142,910	162,777
Proceeds from disposal of financial assets	9	-
Payments for investments in intangible assets, property and equipment	-24,296	-24,587
Payments for investments in lease assets	-337,508	-370,880
Payments for investments in financial assets	-1,111	-1,401
Change in the scope of consolidation	-	-180
Change in current financial assets	-	15,015
Net cash flows used in investing activities	**-218,712**	**-211,279**
Financing activities		
Change in treasury shares	-	-8,555
Dividend payment	-48,397	-36,382
Payments received from taken out borrower's note loans, bonds and long-term bank loans	160,000	395,000
Payments made for redemption of borrower's note loans, bonds and long-term bank loans	-150,000	-401,766
Other change in current financial liabilities	198,844	-56,410
Other change in non-current financial liabilities	-74,929	-132,804
Net cash flows from/used in financing activities	**85,518**	**-240,917**
Net change in cash and cash equivalents	**-19,090**	**36,290**
Effect of exchange rate changes on cash and cash equivalents	201	-410
Change from amendments to the scope of consolidation	164	26
Cash and cash equivalents at 1 January	**67,280**	**31,374**
Cash and cash equivalents at 31 December	**48,555**	**67,280**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of Sixt SE, Pullach, as at 31 December 2013

in EUR thou.	Subscribed capital	Capital reserve	Other reserves			Treasury shares	Equity attributable to shareholders of Sixt SE	Minority interests	Total equity
			Retained earnings	Currency translation reserve	Other equity				
1 January 2012	**129,154**	**200,425**	**93,936**	**-2,875**	**201,303**	**-26,010**	**595,933**	**151**	**596,084**
Consolidated profit 2012					79,164		79,164	33	79,197
Currency translation differences				888			888		888
Dividend payments 2011					-36,382		-36,382		-36,382
Other changes	-6,125	6,277	28,478[1]		-61,457	26,010	-6,817	-161	-6,978
31 December 2012	**123,029**	**206,702**	**122,414**	**-1,987**	**182,628**	**-**	**632,786**	**23**	**632,809**
1 January 2013	**123,029**	**206,702**	**122,414**	**-1,987**	**182,628**	**-**	**632,786**	**23**	**632,809**
Consolidated profit 2013					94,824		94,824	-422	94,402
Currency translation differences				-1,770			-1,770		-1,770
Dividend payments 2012					-48,397		-48,397		-48,397
Changes to other equity					-932		-932		-932
Other changes		-4,707	35,011[1]		-31,569		-1,265	651	-614
31 December 2013	**123,029**	**201,995**	**157,425**	**-3,757**	**196,554**	**-**	**675,246**	**252**	**675,498**

1 Including transfer to retained earnings of Sixt SE (EUR 37,000 thou., 2012: EUR 63,000 thou.)

See also the Notes [4.23] to [4.26]


BEST CONDITIONS
NEW VEHICLES
HIGH FLEXIBILITY
40 YEARS OF COMPETENCE

PRIVATE LEASING.

MOBILITY THAT'S TAILORED TO YOU.

Private and small businesses now benefit from the unbeatable conditions of Sixt Leasing! We set standards with innovative leasing and Vario-Financing offers. Transparent, efficient and tailored to your needs. Sixt Leasing has the perfect solution for every requirement!

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Sixt SE, Pullach, for financial year 2013

1. General disclosures

Information about the Company

Sixt SE, domiciled in Zugspitzstrasse 1, 82049 Pullach, Germany, is registered in section B of the commercial register at the Munich Local Court, under the number 206738. The Company was formed in 1986 as a result of a reorganisation of “Sixt Autovermietung GmbH”, established in 1979, and has traded since then as “Sixt Aktiengesellschaft”, which in 2013 was transferred into “Sixt SE”. The Company floated on the stock market in 1986. It has registered branches in Leipzig and at Munich airport. The Company has been established for an indefinite period.

In accordance with its Articles of Association, the purpose of the Company is to rent, lease and sell vehicles, aircraft and moveable equipment, to manage, acquire, administer and provide support for companies and equity interests in companies, particularly those whose purpose wholly or partly extends to the aforementioned areas of activity, and to carry on any secondary activities that fall within these areas in the widest sense, as well as any other business activities that serve its purpose. The Company can establish branches at home and abroad, found, acquire or hold equity interests stakes in other companies in and outside Germany. The limits of aforementioned purpose shall not apply to the purpose of subsidiaries and investees. The Company is entitled to hand over its operations wholly or partly to subsidiaries or investees as well as to transfer its operations wholly or partly to subsidiaries or investees. The Company can limit its activities to one or specific purposes of the aforementioned objects, and also to the activity of a holding company and/or the administration of other own assets.

At the reporting date, the Company’s subscribed capital amounted to EUR 123,029,212.16. Both ordinary shares and non-voting preference shares have been issued, both categories as no-par value shares with a notional amount of EUR 2.56 per share. All shares have been fully paid up. The largest shareholder is Erich Sixt Vermögensverwaltung GmbH, Pullach, which holds 60.1% of the ordinary shares and voting rights of the subscribed capital as at reporting date. Erich Sixt Vermögensverwaltung GmbH, Pullach, is the parent of Sixt SE, Pullach, and the ultimate Group parent.

General disclosures on the consolidated financial statements

The consolidated financial statements of Sixt SE as at 31 December 2013 were prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU and the applicable commercial law regulations according to section 315a (1) of the HGB (German Commercial Code).

The consolidated financial statements were prepared on the basis of the historical acquisition and production costs. Excluded are certain financial instruments that were measured at fair value as of reporting date. The appropriate explanations are given in the sections entitled “Reporting and valuation methods” and “Additional disclosures on financial instruments”.

The Company applied the following new and/or amended standards for the first time in the current fiscal year:

Amended IFRS 7: Financial instruments: Disclosures – offsetting financial assets and financial liabilities:
As the Group has no offsetting agreements, the application of the amendment has no effect on the disclosures or the amounts recognised in the consolidated financial statements.

IFRS 13 – Fair value measurement:
The transitional regulations under IFRS 13 allow for non-application of disclosure requirements to comparative information, which are provided for periods before first-time adoption of this standard. Accordingly, the Group did not provide comparative figures for 2012, which are newly required under IFRS 13. Apart from these additional disclosures, the application of IFRS 13 has no material effect on the amounts recognised in the consolidated financial statements.

Amended IAS 1: Presentation of financial statements – Presentation of the other comprehensive income:
The Company has adopted the new terminology presented with the amendment of IAS 1. In addition, the Group has retroactively applied the grouping of items in the other comprehensive income as requested in the amended IAS 1 and adjusted the items in the other comprehensive income accordingly. Apart from these changes in disclosure, the application of the amended IAS 1 does not result in any further consequences for the presentation of the income statement or the other comprehensive income.

Amended IAS 1: Presentation of financial statements as part of the annual improvements to IFRS – Cycle 2009 to 2011, published in May 2012:
The annual improvements to the IFRS – Cycle 2009 to 2011 resulted in changes to numerous IFRS. Relevant for the Group are the changes to IAS 1 in respect of the question when the preparation of a third balance sheet at the start of a comparative period and the corresponding notes to the financial statements are required. There was no obligation to prepare a third balance sheet in the period under review.

IAS 19 (2011): Employee benefits:
The first-time adoption of the new regulations had no effect on the consolidated financial statements, as Sixt has no defined benefit nor part-time retirement obligations and the amendments of the other definitions have no influence on the financial statements.

The following new and/or amended standards have been ratified by the IASB but are not yet mandatory. The Company has not applied these regulations prematurely:

Standard/ Interpretation		Adoption by European Commission	Applicable as at
IFRS 9	Financial instruments (Hedge accounting and amendments to IFRS 9, IFRS 7 and IAS 39)	No	-
IFRS 10	Consolidated financial statements	11 Dec. 2012	1 Jan. 2014
IFRS 11	Joint arrangements	11 Dec. 2012	1 Jan. 2014
IFRS 12	Disclosure of interests in other entities	11 Dec. 2012	1 Jan. 2014
IFRS 14	Regulatory deferral accounts	No	1 Jan. 2016
Amendments to IFRS 9 and IFRS 7	Point in time for mandatory adoption of IFRS 9 and disclosures concerning the transition	No	1 Jan. 2015
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, agreements, disclosure of interests in other entities	4 April 2013	1 Jan. 2014
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment entities	20 Nov. 2013	1 Jan. 2014
IAS 27	Separate financial statements	11 Dec. 2012	1 Jan. 2014
IAS 28	Investments in associates and joint ventures	11 Dec. 2012	1 Jan. 2014
IAS 32	Financial instruments: Disclosure and presentation	11 Dec. 2012	1 Jan. 2014
Amendments to IAS 19	Employee benefits	No	1 July 2014
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets	19 Dec. 2013	1 Jan. 2014
Amendments to IAS 39	Novation of OTC derivatives and continuing designation for hedge accounting	19 Dec. 2013	1 Jan. 2014
Annual Improvements	Annual improvement project 2010 to 2012	No	1 July 2014
Annual Improvements	Annual improvement project 2011 to 2013	No	1 July 2014
IFRIC 21	Levies	No	1 Jan. 2014

Sixt expects that the future adoption of IFRS 9 could affect the presentation of the Group's financial assets and financial liabilities. However, a reliable estimate of the effects following the adoption of IFRS 9 can only be given once a detailed analysis has been made.

IFRS 10, IFRS 11 and IFRS 12 are not expected to have any material effects on the Group’s net assets, financial position and results of operations. The same applies for the transition from the quota to the at-equity accounting.

The effects of the other standards and interpretations are presently still being investigated. Material changes are not expected however.

The consolidated income statement is prepared using the total cost (nature of expense) method.

The Group currency of Sixt SE is the Euro (EUR). Unless specified otherwise the amounts listed in the consolidated financial statements are given in “EUR thousand”.

The annual financial statements of Sixt SE, the consolidated financial statements and the management report on the Group's and the Company's situation are published in the Federal Gazette (Bundesanzeiger).

2. Consolidation

Consolidated companies

As well as the financial statements of Sixt SE, the consolidated financial statements include the financial statements of the following companies under the control of Sixt SE (subsidiaries) in accordance with IAS 27 whose financial and operating policies it has the power to govern.

With three exceptions the following wholly owned subsidiaries were fully consolidated in the consolidated financial statements of Sixt SE as at 31 December 2013 (the equity interest corresponds to the voting power):

Name	Domicile
Sixt GmbH & Co. Autovermietung KG	Pullach
Sixt Leasing AG	Pullach
Sixt Allgemeine Leasing GmbH & Co. KGaA	Pullach
Sixt Beteiligungen GmbH & Co. Holding KG	Pullach
Sixt VIP Services GmbH	Pullach
Sixt European Holding GmbH & Co. KG	Pullach
Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Alpha Immobilien KG	Pullach
Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Delta Immobilien KG	Pullach
Sigma Grundstücks- und Verwaltungs GmbH & Co. Immobilien KG (Equity interest: 94%)	Pullach
Sigma Grundstücks- und Verwaltungs GmbH	Pullach
Sixt Holiday-Cars AG	Basle
e-Sixt GmbH & Co. KG (Equity interest: 97%)	Pullach
Sixt GmbH & Co Autovermietung KG	Taufkirchen
Sixt Verwaltungsgesellschaft mit beschränkter Haftung	Pullach
Sixt SAS	Avrigny
Sixt Location Longue Durée SARL	Paris
Sixt G.m.b.H.	Vösendorf
Sixt Leasing G.m.b.H.	Vösendorf
Sixt AG	Basle
Sixt Leasing (Schweiz) AG	Basle
Sixt B.V.	Hoofddorp
Sixt Leasing B.V.	Hoofddorp
United Kenning Rental Group Ltd.	Chesterfield
Sixt Kenning Ltd.	Chesterfield
Sixt Plc	Chesterfield

Table continued:

Name	Domicile
Sixt Insurance Services PCC Ltd.	St. Peter Port
United Rental Group Ltd.	Chesterfield
Europa Service Car Ltd.	Chesterfield
Sixt Belgium BVBA	Zaventem
SIXT RENT A CAR S.L.U.	Palma de Mallorca
Sixt rent-a-car AG	Basle
United rentalsystem GmbH	Pullach
Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Gamma Immobilien KG	Pullach
Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Epsilon Immobilien KG	Pullach
Sixt Finance GmbH	Pullach
Sixt e-ventures GmbH	Pullach
Sixt Transatlantik GmbH	Pullach
Sixt Rent A Car, LLC	Delaware
Sixt Mobility Consulting GmbH	Pullach
Sixt Asset and Finance SAS	Avrigny
Sixt Financial Services GmbH	Pullach
Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Sita Immobilien KG	Pullach
SXT Telesales GmbH	Berlin
MD Digital Mobility GmbH & Co. KG (Equity interest: 89%)	Munich
SXT Beteiligungs GmbH & Co. KG	Pullach
Sixt Allgemeine Leasing (Schweiz) AG	Basle

In addition to these, the joint ventures DriveNow GmbH & Co. KG, Munich, and autohaus24 GmbH, Pullach, with assets of EUR 12,877 thousand and liabilities of EUR 9,402 thousand (50% equity interest), were also included in the consolidated financial statements by way of pro rata consolidation.

The two special purpose entities listed below, which operate exclusively in the real estate sector, were consolidated in accordance with SIC 12:

Name	Domicile
Akrimo GmbH & Co. KG	Pullach
ASX Beteiligungs-GmbH & Co FAKO KG	Pullach

The following list shows all Group companies which have not been consolidated. These subsidiaries, most of which have no operating activities, have not been consolidated because of their insignificance in the aggregate for the presentation of a true and fair view of the net assets, financial position and results of operations of the Group. The combined revenue of these companies amounts to less than 1% of consolidated revenue.

Name	Domicile	Nominal capital		Equity interest
Sixt Aéroport SARL	Paris	7,622	EUR	100%
e-Sixt Verwaltungs GmbH	Munich	50,000	DM	100%
Sixt GmbH	Munich	50,000	DM	100%
Sixt Verwaltungs-GmbH	Taufkirchen	25,000	EUR	100%
Sixt Executive GmbH	Pullach	50,000	DM	100%
United Rentalsystem SARL	Paris	7,000	EUR	100%
Sixt Holiday Cars GmbH	Pullach	50,000	DM	100%
Sixt College GmbH	Pullach	100,000	EUR	100%
Sixt Beteiligungen GmbH	Pullach	25,000	EUR	100%
Sixt Franchise GmbH	Pullach	25,000	EUR	100%
Sixt Travel GmbH	Taufkirchen	1,000,000	DM	97%
Sixt Sud SARL	Paris	7,622	EUR	100%
Sixti SARL	Courbevoie	7,622	EUR	100%
Sixt Développement SARL	Paris	7,622	EUR	100%
Sixt Nord SARL	Paris	7,000	EUR	100%
Sixt Executive France SARL	Paris	7,000	EUR	100%
Sixt Systems GmbH	Pullach	25,000	EUR	100%
Sixt Immobilien Beteiligungen GmbH	Pullach	25,000	EUR	100%
Sixt Autoland GmbH	Garching	25,000	EUR	100%
Sixt International Holding GmbH	Pullach	25,000	EUR	100%
SIXT S.à.r.l.	Luxembourg	12,500	EUR	100%
SIXT S.A.R.L.	Monaco	15,000	EUR	99%
kud.am GmbH	Pullach	200,000	EUR	100%
Preis24.de GmbH	Berlin	88,618	EUR	25%
TÜV SÜD Car Registration & Services GmbH	Munich	50,000	EUR	50%
DriveNow Verwaltungs GmbH	Munich	25,000	EUR	50%
Sixt Franchise USA, LLC	Delaware	1,000,000	USD	100%
MD Digital Mobility Verwaltungs GmbH	Munich	25,000	EUR	100%
SXT Services GmbH & Co. KG	Pullach	1,000	EUR	100%
SXT Verwaltungs GmbH	Pullach	25,000	EUR	99%
SXT Beteiligungsverwaltungs GmbH	Pullach	25,000	EUR	100%
Sixt Reparatur & Service GmbH	Pullach	25,000	EUR	100%
Sixt Leasing N.V.	Sint-Stevens-Woluwe	124,000	EUR	100%
Sixt Mobility Consulting Österreich G.m.b.H.	Vösendorf	35,000	EUR	100%
TOV 6 - Systems	Kiev	407,163	UAH	100%
Sixt Tourisme SARL	Saint-Louis	7,000	EUR	100%
Sixt Centre SARL	Saint-Louis	7,000	EUR	100%
INCENT Corporate Services GmbH	Berlin	38,720	EUR	21%
MD Digital Mobility Schweiz AG	Basle	100,000	CHF	89%
MD Digital Mobility Österreich GmbH	Vösendorf	35,000	EUR	89%
MD Digital Mobility Netherlands B.V.	Hoofddorp	20,000	EUR	89%
Sixt Financial Services USA, LLC	Delaware	2,000,000	USD	100%

Also not consolidated were MOHAG Autohaus Datteln GmbH & Co. KG, Datteln, in which the Sixt Group holds 95% of the fixed capital totalling EUR 10,000 and SXT Reservierungs- und Vertriebs-GmbH, Rostock, (98% of the share capital of a total of EUR 26,000), over which the Sixt Group has neither significant influence nor holds control due to contractual agreements.

A list of these Group companies is enclosed in a separate appendix to these notes to the consolidated financial statements together with the other disclosures. In accordance with section 264b of the HGB, the following companies are exempt from the duty to prepare and publish annual financial statements under the provisions applicable to corporations: Sixt GmbH & Co. Autovermietung KG, Pullach, Sixt Beteiligungen GmbH & Co. Holding KG, Pullach, Sixt European Holding GmbH & Co. KG, Pullach, Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Alpha Immobilien KG, Pullach, Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Delta Immobilien KG, Pullach, Sigma Grundstücks- und Verwaltungs GmbH & Co. Immobilien KG, Pullach, Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Gamma Immobilien KG, Pullach, Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Epsilon Immobilien KG, Pullach, e-Sixt GmbH & Co. KG, Pullach, Sixt GmbH & Co Autovermietung KG, Taufkirchen, Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Sita Immobilien KG, Pullach, SXT Beteiligungs GmbH & Co. KG, Pullach, MD Digital Mobility GmbH & Co. KG, Munich. Sixt Leasing AG, Pullach, Sixt Finance GmbH, Pullach, and Sixt Transatlantik GmbH, Pullach, make use of the exemption with regard to publication provided for in section 264 (3) of the HGB.

Changes in the scope of consolidation

The following changes in the consolidated Group as against the end of 2012 occurred: SXT Telesales GmbH, Berlin, MD Digital Mobility GmbH & Co. KG, Munich, SXT Beteiligungs GmbH & Co. KG, Pullach, and Sixt Allgemeine Leasing (Schweiz) AG, Basle, were consolidated for the first time. The companies were established by the Sixt Group and so far had not been consolidated in the annual financial statements of the Group because of their insignificance. Their initial consolidation had no noteworthy effects on the Group's net assets, financial position and results of operations.

Consolidation methods

The single-entity financial statements included in the consolidated financial statements are uniformly prepared in accordance with the IFRS accounting policies applicable to the Sixt Group as at the balance sheet date, in this case 31 December 2013. Where necessary, the single-entity financial statements of the consolidated companies are adjusted to bring them into line with the accounting policies used within the Group.

Acquisition accounting is performed in accordance with IFRS 3, which requires business combinations to be accounted for using the purchase method. Assets and liabilities acquired must generally be recognised at fair value. Any excess of the cost of the business combination over the Group's share of the net fair values of the acquiree's assets, liabilities and contingent liabilities is recognised as goodwill and tested for impairment on a regular basis, and at least once a year.

The assets and liabilities from the business combination to be recognised at their fair values are depreciated or amortised over their applicable useful lives. If they have an indefinite useful life, any need to recognise impairment losses is determined using the same method as for goodwill.

The resulting difference from the acquisition accounting of the subsidiaries consolidated for the first time in 2013 is charged or credited to other reserves, as all these companies were founded by the Company.

Joint ventures are consolidated proportionately.

Intra-Group transactions are eliminated in the course of consolidation. Significant receivables, liabilities and provisions between consolidated companies are offset against each other, and intercompany profits and losses are eliminated. Intra-Group income is offset against the corresponding expenses. Deferred taxes are recognised as required by IAS 12 for temporary differences arising on consolidation.

The results of subsidiaries consolidated for the first time during the year are included in the consolidated income statement from the date of their initial consolidation.

Foreign currency translation

The financial statements of consolidated foreign subsidiaries are translated using the functional currency concept. The subsidiaries' functional currency is in each case the local currency, as the subsidiaries operate independently in their respective markets. Assets and liabilities are translated at the closing rate, equity at historic prices. Income statement items are translated at the average rates for the year. The resulting difference as against the closing rate is recognised in the other comprehensive income and accumulated in equity as currency translation differences.

Goodwill arising out of the acquisition of a foreign business operation and any fair value adjustments to the identifiable assets and liabilities will be treated as assets and liabilities of the foreign operation and translated at the closing rate. The resulting differences from translation are recognised in the reserves from currency translations.

The exchange rates (= EUR 1) applied for currency translation purposes are shown in the table below.

	Closing rate		Average rate	
	31 Dec. 2013	31 Dec. 2012	**2013**	2012
Pound Sterling	0.83310	0.81550	0.85030	0.81193
Swiss Francs	1.22680	1.20730	1.22903	1.20426
US-Dollar	1.37670	1.31850	1.33016	1.29273

3. Reporting and valuation methods

Income statement

Revenue is measured at the fair value of the consideration received or receivable. It is the amount receivable for goods and services provided in the course of ordinary operating activities. Revenue from services is recognised as soon as the service is rendered and the amount of the revenue can be determined reliably. Discounts, bonuses and VAT/sales or other taxes relating to the goods or services provided are deducted from the revenue.

Vehicle sales are recognised when the vehicle is delivered and ownership is transferred, the amount of the revenue and the costs still to be incurred can be determined reliably and an incoming benefit is probable.

Interest income and expense presented in net finance costs is recognised on an accrual basis taking into account the outstanding loan amount and the applicable rate of interest. The effective interest method is applied for this. Income and expense arising from profit and loss transfer agreements are recognised at the end of the financial year, while dividend income is recognised on the date from which the shareholder is entitled to receive payment thereof.

Income tax expense is the aggregate of current tax expense and deferred taxes. Current tax expense is calculated on the basis of the taxable income for the year. Deferred taxes are the tax assets and liabilities expected to result from differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax base. They are measured using the balance sheet liability method.

Basic earnings per share are measured in accordance with IAS 33 (Earnings per share). Undiluted earnings per share are calculated by dividing the share in post-tax earnings of the parent company's shareholders by the weighted average number of shares outstanding during the fiscal year. The diluted earnings per share are calculated by assuming that all securities with a potentially dilutory effect are converted.

Assets

Any goodwill generated from a business combination is recognised at cost less any necessary impairment and is carried separately in the consolidated balance sheet. For the purpose of testing impairment, goodwill is allocated to those cash-generating units (or groups) of the Group, of which it is expected that they can draw benefit from the synergies of the business combination.

Those cash-generating units, to which a portion of goodwill is allocated, must be tested for impairment at least annually. If the recoverable amount of a cash-generating unit is smaller than the carrying amount of the unit, the impairment costs must be allocated first to the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. The recoverable amount is the higher value from the value in use and the fair value less costs for selling the asset.

Any impairment of goodwill is recognised directly in the income statement. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

The annual impairment test is based on management's planning. The planning assumptions used to determine value in use are adapted annually to reflect current market conditions and the Company's results of operations. The model used for the impairment test is based on the discounted cash flow method, with a multi-year plan (2014 to 2017) and a growth factor of 1% taken as the basis in deriving a sustainable figure. The discount rate (before taxes and growth discount) used is currently 8.7% (2012: 7,0%). The assumptions used for the model are based on external observations. Sixt holds the view that no reasonably conceivable change in the underlying assumptions, on which the determination of the recoverable amount is based, would result in the accumulated carrying amount of the cash-generating unit exceeding its recoverable amount.

Intangible assets include purchased and internally developed software, as well as any payments on account in respect of intangible assets.

Purchased intangible assets are capitalised at acquisition cost less accumulated depreciation and impairment, while internally generated intangible assets are only capitalised at production cost if the criteria set out in IAS 38 have been met. If the capitalisation criteria have not been met, the expenses are recognised in the income statement in the year in which they are incurred. Intangible assets are amortised on a straight-line basis over a useful life of three to seven years. In accordance with IAS 36, intangible assets whose useful lives cannot be determined or are generally indefinite are tested for impairment on an annual basis and, where necessary, written down to their fair value.

Property and equipment are carried at cost less straight-line depreciation and recognised impairment. Investment property is also carried at cost less straight-line depreciation and recognised impairment, as no market value can be reliably determined. Depreciation is taken so that the acquisition costs of assets less their residual values are depreciated on a straight-line basis over their useful lives. The expected useful lives, residual values and depreciation methods are re-evaluated at the end of each reporting period and all necessary changes in estimates are applied prospectively.

Depreciation is based on the following useful lives, which apply uniformly throughout the Group:

Useful lives	
Buildings	50 years
Operating and office equipment	3 to 21 years

Property and equipment are derecognised either when on disposal or when no further economic benefit is to be expected from the continued use of the asset. The resulting gain or loss from the sale or retirement of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Equity interests are generally measured at fair value in accordance with IAS 39. In so far as they cannot be reliably determined, they are measured at amortised cost.

Among other things, non-current assets include lease assets. The Sixt Group is both a lessee and a lessor. In accordance with IAS 17, lease assets are assigned to the lessee (finance lease) or the lessor (operate lease).

Leasing relations are classified as finance lease, if under the lease agreement all opportunities and risks associated with ownership are essentially transferred to the lessee. All other leasing relations are classified as operate lease.

In accordance with IAS 17, assets leased by the Sixt Group as lessee under finance leases are recorded in the balance sheet at inception of the lease at the lower of their present value of the minimum lease payments or their fair value. The assets are depreciated to their contractual residual values on a straight-line basis over the respective lease terms. Impairment losses are recognised in the event that an indication of value impairment is given. The corresponding liabilities to the lessor are recognised as liabilities arising from future lease payments under other liabilities.

Assets leased out by the Sixt Group as lessor under finance leases must be accounted for by the lessee. In these cases, the present value of the contractually agreed payments is reported as an asset under finance lease receivables. Lease payments are apportioned between interest payments and repayment of the leasing receivable, to achieve a constant periodic rate of interest on the receivable. Only the interest rate portion is recognised through profit and loss.

Assets leased out by the Sixt Group as lessor under operate leases are carried in the balance sheet at cost less straight-line depreciation to their calculated residual values. Impairment losses are recognised in individual cases. Rental income from operate leases is allocated to the income statement in a straight-line basis over the term of the corresponding leasing relation. Assets leased by the Sixt Group as lessee under operate leases are not recognised as Group assets.

Rental vehicles are carried at cost, including incidental costs and less straight-line depreciation to their residual values. The residual values are based on the buy-back value per vehicle type contractually agreed with the suppliers. If no buy-back values have been agreed, the residual value is based on the expected fair value. Write-downs for impairment are recognised to the extent that indications for impairment are given.

The Group reviews the carrying amounts of property and equipment and intangible assets at each balance sheet date, to determine if there are any indications for an impairment of these assets. If any such indications can be detected, the recoverable amount of the asset is estimated to determine the extent of a possible impairment expense.

The vehicles intended for sale are recognised in the item inventories. These are measured at amortised cost, including incidental costs, and are regularly compared with the net realisable value. If this is lower, an impairment loss is recognised.

Raw materials, consumables and supplies are carried at the lower of cost, including incidental costs and discounts, or net realisable value.

The financial assets are composed of originated loans and receivables, purchased equity and debt instruments, cash and cash equivalents, and derivatives with their fair values, which are recognised and measured in accordance with IAS 39. Financial assets are recognised when the Group has a contractual right to receive cash or another financial asset from another entity. Purchases and sales of financial assets are generally recognised at the settlement date. Financial assets are initially recognised at fair value plus transaction costs if applicable. Transaction costs incurred for the purchase of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Subsequent measurement is based on the allocation of the financial assets according to the IAS 39 categories reported.

Financial assets at fair value through profit or loss comprise financial assets held for trading (FAHfT). Receivables from derivatives that are recognised under the other financial assets are also assigned to this measurement category. Changes in the fair value of financial assets in this category are recognised in profit or loss. The gain or loss resulting from the measurement of derivative financial instruments is immediately recognised in profit or loss, unless the derivative is designated and effective as hedging instrument as part of a hedging relationship (hedge accounting). In this case, the timing of the recognition in the income statement of the measurement results depends on the type of hedging relationship.

Loans and receivables (LaR) are non-derivative financial assets that are not quoted in an active market. They are measured at amortised cost using the effective interest method. Trade receivables, financial receivables and loans reported in other assets, and cash and cash equivalents are assigned to this measurement category. Interest income from items in this category is calculated using the effective interest method unless the receivables are short-term and effect of interest accumulation is immaterial.

Held-to-maturity investments (FAHtM) 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 amortised cost. Held-to-maturity investments are reported as other financial assets. At present the Group does not have any held-to-maturity financial assets.

Available-for-sale financial assets (AfS) comprise those non-derivative financial assets that are not assigned to one of the other categories. These are, in particular, equity instruments and debt instruments not held to maturity that are reported as other financial assets. Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income. Changes in fair value are only recognised in profit or loss when the instrument is disposed of. An impairment loss is recognised in profit or loss in the event of a prolonged or significant decline in fair value below amortised cost. In cases where a quoted market value can be determined for equity and debt instruments, it is recognised as the fair value. If there is no quoted market price and fair value cannot be reliably estimated, such financial instruments are recognised at cost less impairment losses.

Except for the financial assets recognised at fair value through profit or loss, financial assets are reviewed at each reporting date for potential impairment indicators. Financial assets are considered impaired, if as a result of one or more events after the initial recognition of the asset, an objective indication exists that the expected future cash flows of the financial asset have changed negatively.

A number of categories of financial assets where impairment is not identified on a case by case basis, such as trade receivables for example, are tested for impairment on a portfolio basis. An objective indication for an impairment of a portfolio of receivables can be based on the Group's past experience regarding payments received, an increase in the frequency of payment defaults within the portfolio over an assumed credit period, as well as observable changes in the national or local economic environment to which the defaults can be linked.

In the case of financial assets measured at amortised cost, the impairment loss corresponds to the difference between the carrying amount of the asset and the net present value of expected future cash flows determined on the basis of the original effective interest rate on the asset.

With financial assets measured at cost, the impairment loss corresponds to the difference between the carrying amount of the asset and the net present value of expected future cash flows determined on the basis of the current market rate of return for a similar financial asset. These impairments cannot be reversed in subsequent periods.

An impairment leads to a direct reduction in the carrying amount of the affected financial assets, with the exception of trade receivables, whose carrying amount is reduced by an impairment account. Changes in the carrying amount of the impairment account are recognised in the income statement.

In the event that a financial asset classified as available-for-sale should be considered to be impaired, gains and losses previously recognised in other comprehensive income must be reclassified into the income statement during the period.

If in a subsequent fiscal year the impairment loss of a financial asset measured at amortised cost decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed through the income statement. The appreciation in value may not, however, exceed the amount of amortised costs without impairment.

For equity instruments that are classified as available-for-sale, any impairment recognised in the past in profit and loss are not reversed. Any increase in the fair value is recognised after an impairment has been taken in other comprehensive income and accumulated in the revaluation reserve for financial investments.

With debt instruments that are classified as available-for-sale, any impairment recognised in the past in profit and loss are reversed in subsequent periods, if the increase in the fair value of the instrument can be attributed to an event that occurred after recognition of the impairment.

The Group derecognises a financial asset if the contractual rights to cash flows from the financial asset expire or the financial asset and practically all the opportunities and risks associated with the financial asset are transferred to a third party.

Hedging relationships

The Group designates individual hedging instruments, including derivatives, as part of the fair value hedges or cash flow hedges.

The details of the hedging relationship between underlying and hedging transaction are documented at the start of hedge accounting. In addition, the effectiveness to the hedged risk of the designated hedging instrument in the hedging relationship is regularly documented with regard to compensation for changes of the fair value and/or in the cash flows of the underlying transaction, both at the inception of a hedging relationship and over the course of the relationship.

The section entitled “Additional disclosures on financial instruments” provides details on the fair value of the derivatives used for hedging.

Fair value hedge

The changes in the fair value of derivatives, suited and designated as fair value hedges, are immediately recognised in the income statement together with the changes in fair value of the underlying transaction attributable to the hedged risk. Changes in the fair value of the hedging instrument and changes in the underlying transaction attributable to the hedged risk are recognised in the item of the income statement which is associated with the underlying transaction.

Financial accounting of the hedging relationship ends if the Group terminates the hedging relationship, the hedging instrument expires, is sold, ends or is exercised or if the instrument is no longer suitable for hedging. Where the underlying transaction is interest-bearing, the adjustment to the carrying amount of the underlying transaction attributable to the hedged risk is reversed through profit or loss as of this time.

Cash flow hedges

The effective part of a change to the fair value of derivatives, which are suitable for cash flow hedges and which have been designated as such, is recognised in other comprehensive income under the item derivative financial instruments in hedge relationship. The gains or losses from the ineffective portion is carried immediately through profit or loss and recognised under other operating income and/or other operating expenses in the income statement.

Amounts recognised in other comprehensive income are transferred to the income statement during the period in which the hedged underlying transaction is also carried through profit or loss. They are recognised in the same item of the income statement that also lists the underlying transaction.

Financial accounting of the hedging relationship ends if the Group terminates the hedging relationship, the hedging instrument expires, is sold, ends or is exercised or if the instrument is no longer suitable for hedging. The full amount of gains or losses recognised in other comprehensive income at this point in time that has accumulated in equity remains in equity and is only recognised in the income statement when the anticipated transaction is also recognised in the income statement. Where the forecasted transaction is no longer expected to occur, the cumulative gain or loss recognised in equity is directly transferred to the income statement.

Equity and liabilities

Equity-settled share-based payment transactions to employees are measured at the grant date fair value of the equity instruments granted. The section entitled “Share-based payment” provides further information on the determination of the fair value of equity-settled share-based payments.

The fair value determined at the grant date of the equity-settled share-based payments is recognised as expense on a straight-line basis over the vesting period with corresponding increase of equity (capital reserves) and is based on the Group's expectations regarding the equity instruments expected to vest. The Group reviews at each balance sheet date its estimate regarding the number of equity instruments expected to vest.

Adequate provisions are recognised for potential obligations to third parties if these are attributable to a past event, if utilisation is more likely than not and provided a reliable estimate can be made of the probable amount of the obligation. Such liabilities are only carried as provisions if their amount is uncertain and payment to settle the obligation is probable. The measurements are made with the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties inherent in the obligation. Where a provision is measured on the basis of the estimated cash flows for meeting the obligation, these cash flows are discounted if the impact on interest is significant.

Financial liabilities are measured on initial recognition at their fair value and subsequently – with the exception of derivative financial instruments, which are measured at fair value – according to the effective interest method at amortised costs less directly attributable transaction costs, where applicable.

Estimation uncertainties and discretionary decisions

In preparing the consolidated financial statements, it is often necessary to make estimates and assumptions that affect both the items reported in the consolidated balance sheet and the consolidated income statement, as well as in the disclosures contained in the notes to the consolidated financial statements. The amounts actually realised may differ from the reported amounts. Changes are recognised in the income statement on the date at which a better knowledge is gained. The estimates and assumptions made are outlined in the disclosures on the individual items. The areas in which amounts are most significantly affected are the following: Goodwill is measured on the basis of expected developments and estimated parameters, property and equipment is measured on the basis of the estimated useful lives of the assets. Lease assets and rental vehicles are measured on the basis of the estimated useful lives of the vehicles. Valuation allowances are charged on receivables based on an assessment of the identifiable risks. Derivatives are measured on the basis of estimated market yield curves calculated by the relevant transaction partners (banks). The need for other provisions is determined using the best estimate of the most probable settlement amount of the present obligation at the balance sheet date.

4. Explanations and disclosures on individual items of the consolidated financial statements

4.1 Income statement

Revenue is broken down as follows: [4.1]

Revenue		Germany		Abroad		Total	Change
in EUR thou.	**2013**	2012	**2013**	2012	**2013**	2012	in %
Rental Business Unit							
Rental revenue	610,677	604,665	414,902	349,048	1,025,579	953,713	7.5
Other revenue from rental business	69,727	62,688	27,078	26,587	96,805	89,275	8.4
Total	**680,404**	**667,353**	**441,980**	**375,635**	**1,122,384**	**1,042,988**	**7.6**
Leasing Business Unit							
Leasing revenue	325,071	322,558	66,684	60,314	391,755	382,872	2.3
Sales revenue	121,151	147,205	21,759	15,572	142,910	162,777	-12.2
Total	**446,222**	**469,763**	**88,443**	**75,886**	**534,665**	**545,649**	**-2.0**
Other revenue	7,518	6,996	-	-	7,518	6,996	7.5
Group total	**1,134,144**	**1,144,112**	**530,423**	**451,521**	**1,664,567**	**1,595,633**	**4.3**

The Group is divided into two segments, Rental and Leasing. These Business Units form the basis of segment reporting. The main activities are broken down as follows:

Business segments	
Rental	Vehicle rentals including other related services
Leasing	Vehicle leasing including additional services (full-service and fleet management) and sale of lease assets

The revenue reported for the Rental Business Unit as well as the leasing revenue are together described as “operating revenue”. Operating revenue in the Rental Business Unit comprises rental revenue of EUR 1,025,579 thousand (2012: EUR 953,713 thousand) and other revenue from rental business, such as insurance recoveries, subsidies, licence and franchise fees, and commission revenue amounting to EUR 96,805 thousand (2012: EUR 89,275 thousand). Other revenue from rental business includes compensation payments from third parties totalling EUR 68,071 thousand (2012: EUR 60,413 thousand).

In keeping with the focus on the full-service leasing market segment, operative leasing revenue comprises contractually agreed lease instalments (EUR 179,388 thousand; 2012: EUR 175,890 thousand), as well as revenue from the settlement of claims, revenue relating to service components such as repairs, fuel, tyres, etc. and franchise fees (EUR 212,367 thousand; 2012: EUR 206,982 thousand). In the Leasing segment, compensation payments from third parties amount to EUR 5,355 thousand (2012: EUR 4,647 thousand).

As in the previous year, rental fleet vehicles were sold predominantly at fixed conditions under buy-back agreements concluded with manufacturers and dealers, and therefore not sold directly in the used vehicle market. To better reflect this fact, proceeds from the sale of used vehicles are not recognised in the Rental segment. Instead, the selling expenses carried under fleet expenses and cost of lease assets are reduced by the corresponding amounts. Any remaining balance is allocated to depreciation and amortisation expense. In contrast, the Leasing segment sells a significant proportion of vehicles directly and therefore reports all proceeds from the sale of used lease assets under revenue.

Part of the rental fleet is refinanced using lease transactions. Under these arrangements, the vehicles are owned by third-party companies for their useful life during rental operations and therefore also do not result in any revenue from vehicle sales in the Sixt Group.

[4.2] Other operating income in the amount of EUR 52,809 thousand (2012: EUR 38,231 thousand) includes income of EUR 9,493 thousand (2012: EUR 6,715 thousand) from currency translation. This item also includes income of EUR 15,784 thousand (2012: EUR 16,447 thousand), among others, from forwarding costs to third parties and income of EUR 7,043 thousand (2012: EUR 211 thousand) from the reversal of provisions.

[4.3] Fleet expenses and cost of lease assets are broken down as follows:

Fleet expenses and cost of lease assets by segment	EUR thou. **2013**	EUR thou. 2012	Change in %
Rental Business Unit	322,659	300,833	7.3
Leasing Business Unit	322,901	342,363	-5.7
Group total	**645,560**	**643,196**	**0.4**

In addition to the net carrying amounts of vehicles sold in the Leasing Business Unit, the fleet expenses and cost of lease assets item includes the direct costs of vehicle preparation relating to the sale of vehicles and current expenses for rental and lease operations. In the Rental segment, selling expenses are reduced by the corresponding amounts of sales revenue.

Fleet expenses and cost of lease assets	EUR thou.	EUR thou.	Change
	2013	2012	in %
Repairs, maintenance, and reconditioning	213,314	195,116	9.3
Fuel	115,627	116,593	-0.8
Insurance	69,473	67,589	2.8
Transportation	37,202	37,870	-1.8
Taxes and charges	18,303	16,701	9.6
Other, including selling expenses	191,641	209,327	-8.4
Group total	**645,560**	**643,196**	**0.4**

Personnel expenses increased from EUR 162,428 thousand the year before to EUR 175,037 thousand in the year under review. Social security contributions mainly include employer contributions to statutory social insurance schemes. All employees of consolidated companies in Germany have a contribution-defined pension plan under the statutory German pension insurance, to which the Sixt Group contributes the currently applicable rate of 9.45% (employer's share) of the remuneration liable to pension contribution. [4.4]

Personnel expenses	EUR thou.	EUR thou.	Change
	2013	2012	in %
Wages and salaries	150,204	139,901	7.4
Social security contributions	24,833	22,527	10.2
Group total	**175,037**	**162,428**	**7.8**

Average number of employees during the year:

Employees in the Group		
	2013	2012
Female employees	1,635	1,890
Male employees	1,435	1,372
Group total	**3,070**	**3,262**

The Rental Business Unit employed 2,748 (2012: 2,918) members of staff, and the Leasing Business Unit employed 227 (2012: 250) members of staff. The “Other” segment carried 95 (2012: 94) members of staff.

Expenses for depreciation and amortisation in the financial year are explained in more detail below. [4.5]

Depreciation and amortisation expense	EUR thou.	EUR thou.	Change
	2013	2012	in %
Rental vehicles	154,999	163,996	-5.5
Lease assets	151,950	140,283	8.3
Property and equipment, and investment property	8,073	6,945	16.3
Intangible assets	3,895	2,872	35.6
Group total	**318,917**	**314,096**	**1.5**

Depreciation of rental vehicles decreased slightly by EUR 8,997 thousand to EUR 154,999 thousand (2012: EUR 163,996 thousand). Impairment losses of EUR 1,307 thousand (2012: EUR 2,248 thousand) were charged on the rental assets of EUR 86 million (2012: EUR 393 million). At EUR 151,950 thousand depreciation of lease assets was EUR 11,667 thousand higher year on year (2012: EUR 140,283 thousand). Impairment losses of EUR 1,644 thousand (2012: EUR 398 thousand) were charged on the lease assets of EUR 736 million (2012: EUR 40 million). Impairment losses are based on assumed future prices on the used vehicle market.

[4.6] The following table contains a breakdown of other operating expenses. In the fiscal year, other operating expenses increased in total by EUR 57,792 thousand to EUR 404,267 thousand (2012: EUR 346,475 thousand).

Other operating expenses	EUR thou. **2013**	EUR thou. 2012	Change in %
Leasing expenses	66,030	58,714	12.5
Commissions	89,039	82,245	8.3
Expenses for buildings	50,173	48,480	3.5
Other selling and marketing expenses	43,753	39,566	10.6
Expenses from write-downs of receivables	16,930	12,827	32.0
Audit, legal, advisory costs, and investor relations expenses	15,866	12,473	27.2
Other personnel services	50,467	40,105	25.8
Miscellaneous expenses	72,009	52,065	38.3
Group total	**404,267**	**346,475**	**16.7**

The consolidated financial statements of Sixt SE recognised as operating expenses in the amount of EUR 666 thousand (2012: EUR 355 thousand) the fees for the auditors of the consolidated financial statements. The fees break down into audit costs (EUR 255 thousand; 2012: EUR 221 thousand), other assurance services (EUR 75 thousand; 2012: EUR 68 thousand), tax consultant services (EUR 50 thousand; 2012: EUR 66 thousand) and other services (EUR 286 thousand; 2012: EUR 0 thousand) that were provided for the parent or subsidiary companies.

[4.7] Net finance costs improved significantly year-on-year by EUR 12,576 thousand from EUR -49,096 thousand to EUR -36,520 thousand. This is mainly the result of an improved refinancing structure and Sixt Group's better refinancing conditions. The following table contains a breakdown of the net finance costs.

Net finance costs	EUR thou. 2013	EUR thou. 2012
Other interest and similar income	3,386	2,018
Other interest and similar income from unconsolidated affiliated companies	178	138
Interest and similar expenses	-39,095	-52,228
Interest and similar expenses for unconsolidated affiliated companies	-115	-208
Expenses for profit participation capital	-	-1,961
Net interest expense	**-35,646**	**-52,241**
Income from financial assets	2,194	3,675
Income from unconsolidated affiliated companies	-	85
Other expenses for financial assets	-	-1,133
Net income from sale of securities	-	153
Net income from derivative financial instruments	-3,068	365
Other financial net income	**-874**	**3,145**
Net finance costs	**-36,520**	**-49,096**

The income tax expenses comprise the following: [4.8]

Income tax expenses	EUR thou. 2013	EUR thou. 2012
Current income tax for the reporting period	43,903	42,681
Deferred taxes	-1,231	-3,305
Group total	**42,672**	**39,376**

In accordance with the balance sheet liability method as defined by IAS 12 (Income taxes), deferred taxes are principally formed for all temporary differences arising from the deviations in the valuation of assets and liabilities in the IFRS consolidated balance sheet as against the tax balance sheet and the consolidation measures recognised in the income statement. In addition, deferred tax assets are recognised for the future benefits expected to arise from accepted tax loss carryforwards.

Deferred taxes are measured at the tax rates that are expected to apply to the period when the temporary differences reverse or the tax loss carryforwards are used. Until changes to tax laws are ratified, deferred taxes are measured at current tax rates. A corporation tax rate of 15% (2012: 15%) was used to calculate deferred taxes at the German companies as at 31 December 2013. In each case, a solidarity surcharge of 5.5% on the corporation tax was also included and a trade tax rate of 11% (2012: 11%) was applied; an aggregate tax rate of 27% (2012: 27%) was used to calculate deferred taxes at the German companies. The country-specific tax rates were used in each case to calculate deferred taxes at the foreign companies.

Deferred taxes are generally recognised in the income statement, except where they relate to items recognised directly in equity.

The reconciliation of taxes explains the relationship between the expected and effective tax expense reported. The effective tax expense results from the application of an income tax rate of 27% (2012: 27%) to consolidated profit for the period (before taxes) in accordance with IFRS. The income tax rate is made up of corporation tax at 15% (2012: 15%), a solidarity surcharge of 5.5% (2012: 5.5%) as well as trade tax at 11% (2012: 11%).

Reconciliation of taxes	EUR thou.	EUR thou.
	2013	2012
Consolidated profit before taxes in accordance with IFRS	137,075	118,573
Expected income tax expense	37,011	32,015
Effect of different tax rates outside Germany	611	-187
Non-deductible operating expenses	2,466	3,985
Tax-exempt income	-221	-133
Income taxes from other periods	-390	-1,262
Other effects	3,195	4,958
Reported effective tax expense	**42,672**	**39,376**

The item other effects contains, among others, a territorial business fee in France, tax effects from the non-recognition of deferred tax assets for losses carried forward and not yet used as well as tax effects resulting from changes to tax rates.

Deferred tax assets of EUR 309 thousand (2012: deferred tax liabilities of EUR 135 thousand) were recognised without impact on the income statement.

The following overview outlines the sources of the deferred tax assets and liabilities:

in EUR thou.	Deferred tax assets		Deferred tax liabilities	
	31 Dec. 2013	31 Dec. 2012	**31 Dec. 2013**	31 Dec. 2012
Fleet	5,764	7,529	9,136	11,750
Receivables	14	201	1,714	2,194
Other assets	86	-	668	606
Other liabilities	4,620	3,222	3,805	3,952
Provisions	4,339	4,304	-	-
Tax loss carryforwards	1,695	3,223	-	-
	16,518	**18,479**	**15,323**	**18,502**
Offsetting	-4,337	-4,894	-4,337	-4,894
Carrying amount	**12,181**	**13,585**	**10,986**	**13,608**

Of the unused tax losses carried-forward of EUR 32,840 thousand (2012: EUR 43,224 thousand), for which no deferred tax assets were recognised, some EUR 227 thousand will expire until 2020 and another substantial part of EUR 11,298 thousand until 2033.

The loss carryforwards for which deferred tax assets were recognised are expected to be used during the five-year planning period. In principle, the losses can be carried forward indefinitely.

The minority interests contained in the consolidated profit amounted to a total of EUR -422 thousand (2012: EUR 33 thousand). [4.9]

The following dividends were distributed in the course of the preceding year:

Dividends	EUR thou. 2013	EUR thou. 2012
Amounts recognised as distributions to shareholders in the financial year	48,397	36,382
Dividend for financial year 2012 EUR 1.00 (2011: EUR 0.75) for each ordinary share	31,147	23,360
Dividend for financial year 2012 EUR 1.02 (2011: EUR 0.77) for each preference share	17,250	13,022

The proposal is to pay for financial year 2013 a dividend of EUR 0.65 per ordinary share and EUR 0.67 per preference share, plus a special dividend of EUR 0.35 for each ordinary and preference share. This corresponds to an estimated total distribution of EUR 48,397 thousand for the year under review. The proposed dividend/special dividend is dependent upon a corresponding resolution being passed by the Annual General Meeting and was not recognised as a liability in the consolidated financial statements.

Earnings per share are as follows: [4.10]

Earnings per share (basic)		2013	2012
Consolidated profit after minority interests	in EUR thou.	94,824	79,164
Profit/loss attributable to ordinary shares	in EUR thou.	61,237	51,087
Profit/loss attributable to preference shares	in EUR thou.	33,587	28,077
Weighted average number of ordinary shares		31,146,832	31,230,966
Weighted average number of preference shares		16,911,454	16,932,798
Earnings per ordinary share	in EUR	1.97	1.64
Earnings per preference share	in EUR	1.99	1.66

The profit/loss attributable to preference shares includes the additional dividend of EUR 0.02 per preference share payable in accordance with the Articles of Association for preference shares carrying dividend rights in the financial year (as at 31 December). The weighted average number of shares is calculated on the basis of the proportionate number of shares per month for each category of shares, taking due account of the respective number of treasury shares.

There were no financial instruments in issue over the fiscal year that could cause dilutive effects.

4.2 Balance sheet

Assets

[4.11] to [4.15] The changes in the Group's non-current assets (without financial assets) are shown below.

Consolidated Statement of Changes in Non-current Assets in EUR thou.	Aquisition and production cost						
	1 Jan. 2013	Foreign exchange differences	Additions	Changes in scope of consolidation	Disposals	Transfers	**31 Dec. 2013**
Goodwill	**18,488**	**-**	**-**	**-**	**-**	**-**	**18,488**
Purchased software	16,527	-3	7,315	-	1,539	2,687	24,987
Internally developed software	3,502	-	-	-	-	-	3,502
Payments on account of software	3,871	-	1,496	-	46	-2,687	2,634
Other intangible assets	3,682	-111	60	-	-	-	3,631
Intangible assets	**27,582**	**-114**	**8,871**	**-**	**1,585**	**-**	**34,754**
Land and buildings	23,171	-99	352	-	9	-	23,415
Operating and office equipment	68,695	-98	12,790	-3	1,248	2,040	82,176
Payments on account of property and equipment	1,351	-1	2,283	-	946	-2,040	647
Property and equipment	**93,217**	**-198**	**15,425**	**-3**	**2,203**	**-**	**106,238**
Investment property	**7,311**	**-**	**-**	**-**	**-**	**-**	**7,311**
Lease assets	**871,909**	**-1,545**	**337,508**	**-**	**293,206**	**-**	**914,666**
Total	**1,018,507**	**-1,857**	**361,804**	**-3**	**296,994**	**-**	**1,081,457**

Consolidated Statement of Changes in Non-current Assets in EUR thou.	Aquisition and production cost						
	1 Jan. 2012	Foreign exchange differences	Additions	Changes in scope of consolidation	Disposals	Transfers	31 Dec. 2012
Goodwill	**18,488**	**-**	**-**	**-**	**-**	**-**	**18,488**
Purchased software	13,942	3	2,163	-	1.543	1,962	16,527
Internally developed software	3,502	-	-	-	-	-	3,502
Payments on account of software	2,570	-	3,299	-	36	-1,962	3,871
Other intangible assets	2,522	-33	1,193	-	-	-	3,682
Intangible assets	**22,536**	**-30**	**6,655**	**-**	**1,579**	**-**	**27,582**
Land and buildings	22,875	107	6,550	164	6,525	-	23,171
Operating and office equipment	64,626	48	6,824	16	7,088	4,269	68,695
Payments on account of property and equipment	2,893	-	4,558	-	1,831	-4,269	1,351
Property and equipment	**90,394**	**155**	**17,932**	**180**	**15,444**	**-**	**93,217**
Investment property	**7,311**	**-**	**-**	**-**	**-**	**-**	**7,311**
Lease assets	**821,837**	**666**	**370,880**	**-**	**321,474**	**-**	**871,909**
Total	**960,566**	**791**	**395,467**	**180**	**338,497**	**-**	**1,018,507**

Depreciation/Amortisation					Carrying amounts	
1 Jan. 2013	Foreign exchange differences	Depreciation/ Amortisation in the financial year	Disposals	31 Dec. 2013	31 Dec. 2013	31 Dec. 2012
46	-	-	-	46	18,442	18,442
10,678	-2	3,286	1,370	12,592	12,395	5,849
3,117	-	354	-	3,471	31	385
-	-	-	-	-	2,634	3,871
786	-16	255	-	1,025	2,606	2,896
14,581	-18	3,895	1,370	17,088	17,666	13,001
3,116	-35	464	8	3,537	19,878	20,055
38,970	-46	7,574	1,093	45,405	36,771	29,725
-	-	-	-	-	647	1,351
42,086	-81	8,038	1,101	48,942	57,296	51,131
4,233	-	35	-	4,268	3,043	3,078
131,536	-486	151,950	142,956	140,044	774,622	740,373
192,482	-585	163,918	145,427	210,388	871,069	826,025

Depreciation/Amortisation					Carrying amounts	
1 Jan. 2012	Foreign exchange differences	Depreciation/ Amortisation in the financial year	Disposals	31 Dec. 2012	31 Dec. 2012	31 Dec. 2011
46	-	-	-	46	18,442	18,442
9,271	2	2,327	922	10,678	5,849	4,671
2,738	-	379	-	3,117	385	764
-	-	-	-	-	3,871	2,570
625	-5	166	-	786	2,896	1,897
12,634	-3	2,872	922	14,581	13,001	9,902
4,367	41	397	1,689	3,116	20,055	18,508
38,661	26	6,513	6,230	38,970	29,725	25,965
-	-	-	-	-	1,351	2,893
43,028	67	6,910	7,919	42,086	51,131	47,366
4,198	-	35	-	4,233	3,078	3,113
147,178	215	140,283	156,140	131,536	740,373	674,659
207,084	279	150,100	164,981	192,482	826,025	753,482

[4.11] The goodwill of EUR 18,442 thousand (2012: EUR 18,442 thousand) results from the consolidation of the companies belonging to United Kenning Rental Group Ltd., Chesterfield, acquired in 2000. As in the year before, no impairment losses were recognised in the financial year.

[4.12] Intangible assets include internally developed software amounting to EUR 31 thousand (2012: 385 thousand) and purchased software amounting to EUR 12,395 thousand (2012: EUR 5,849 thousand). The item also includes payments on account in respect of software amounting to EUR 2,634 thousand (2012: EUR 3,871 thousand) and other intangible assets amounting to EUR 2,606 thousand (2012: EUR 2,896 thousand).

[4.13] The item property and equipment includes land and buildings for rental offices/service points and administrative buildings in Germany and abroad in the amount of EUR 19,878 thousand (2012: 20,055 thousand), as well as operating and office equipment (mainly IT systems, fixtures and fittings and office equipment) in the amount of EUR 36,771 thousand (2012: 29,725 thousand). The item also includes expenses for down-payments made for property and equipment in the amount of EUR 647 thousand (2012: EUR 1,351 thousand). Land charges are registered against properties for real estate financing in the amount of EUR 1,946 thousand (2012: EUR 2,282 thousand). No impairment losses were recognised in the year under review.

[4.14] Investment properties are measured at amortised cost. Scheduled depreciation covers a period of 50 years. The fair value was calculated using the income capitalisation approach, as in the previous year. No write-downs to the lower fair value were required in the year under review as the fair value was above amortised cost. The income capitalisation approach uses currently known and estimated future rental income and a discount rate of approximately 6.1% p.a. or 5.1% p.a. (perpetual annuity). This represents the risk-free interest rate (derived from published yield curves) plus a specific risk premium. The fair value reflects the indexation of future expected instalments. Investment property is not valued by an external surveyor. Loans amounting to EUR 1,617 thousand (2012: EUR 1,958 thousand) are secured by real property liens. Net rental income for the period is the balance of rental income of EUR 252 thousand (2012: EUR 252 thousand) and expenses of EUR 11 thousand (2012: EUR 11 thousand).

Investment property	EUR thou. **2013**	EUR thou. 2012
Net rental income	241	241
Indexation	5% (progressive)	5% (progressive)
Discount rate p.a.	5.1% or 6.1%	5.1% or 6.1%
Fair value as at 31 December	5,003	5,007
Carrying amount as at 31 December	3,043	3,078

As the input factors used for determining the fair value cannot be observed, the fair value measurement is classified into level 3 of the fair value hierarchy.

Lease assets increased by EUR 34.2 million to EUR 774.6 million (2012: EUR 740.4 million). As lessor, the Group primarily leases out vehicles of various brands, mainly under full-service lease agreements. Of the future minimum lease payments under operate leases (including fixed service fees and residual value guarantees granted by third parties) totalling EUR 748 million (2012: EUR 748 million), payments of EUR 303 million (2012: EUR 287 million) are due within one year, payments of EUR 445 million (2012: EUR 460 million) are due in one to five years and payments of EUR 0.3 million (2012: EUR 1 million) are due in more than five years. The fixed-term agreements usually contain agreements on the vehicles' mileage. The resulting contingent lease payments recognised as income in the period under review amounted to EUR 0.4 million in total (2012: EUR 0.4 million). In addition to these, the calculated residual values not guaranteed by third parties are expected to be EUR 163 million (2012: EUR 104 million). [4.15]

Lease assets of EUR 143.5 million (2012: EUR 20.8 million) are pledged as collateral for liabilities to banks. Certain other lease vehicles are refinanced at matching maturities under finance lease agreements. These agreements are structured such that the refinanced vehicles remain attributable to the Group in the amount of EUR 40.7 million (2012: EUR 31.4 million). The agreements have a residual term of up to five years and provide for full amortisation. The obligations under the leases are presented under other liabilities.

The carrying amount of the unconsolidated affiliates and investments presented under financial assets amounts to EUR 3,359 thousand (2012: EUR 2,421 thousand). [4.16]

Non-current other receivables and assets mainly include the non-current portion of finance lease receivables (finance instalments) resulting from lease agreements with customers that are classified as finance leases. The details of the agreements are as follows: [4.17]

Non-current finance lease receivables in EUR million	Gross investment		Present value of outstanding minimum lease payments	
	31 Dec. 2013	31 Dec. 2012	**31 Dec. 2013**	31 Dec. 2012
Due in one to five years	3.0	4.3	2.8	4.0
Unrealised finance income	0.2	0.3		

The interest rate implicit in the leases is fixed at inception of the lease for the entire term. The agreements partly contain put options on the part of the Group as lessor. As in the previous year, proportionate valuation allowances on current and non-current finance lease receivables amounted to EUR 0.1 million in total.

The item also includes other receivables such as deposits for leases and advances amounting to EUR 3,403 thousand (2012: EUR 2,764 thousand), in each case maturing in one to five years.

[4.18] The rental vehicle item increased from EUR 926.2 million to EUR 1,012.7 million. The increase is due, among other things, to the higher number of capitalised rental vehicles as at reporting day and a higher average acquisition costs. The acquisition costs for new additions to rental vehicles in the fiscal year amounted to EUR 1,854 million (2012: EUR 1,722 million). For the rental assets reported at the end of the year under review, it amounted to EUR 1,107 million (2012: EUR 1,024 million). Rental vehicles in the amount of EUR 20.1 million (2012: EUR 30.4 million) are pledged as collateral for liabilities to banks.

As in the previous years, some rental vehicles were financed via operate leases, which were concluded with manufacturers/manufacturer financing companies.

[4.19] Inventories consist mainly of rental and lease vehicles intended for sale in the amount of EUR 37,687 thousand (2012: EUR 31,529 thousand). Impairment losses on the vehicles amount to EUR 16,161 thousand. Other inventories consist mainly of fuel. Total inventories increased by EUR 48,459 thousand (2012: EUR 34,406 thousand).

[4.20] Trade receivables result almost exclusively from services invoiced in the course of rental and leasing business and from vehicle deliveries. Valuation allowances were recognised for identifiable risks.

[4.21] Current other receivables and assets falling due within one year can be broken down as follows.

Current other receivables and assets	EUR thou. **31 Dec. 2013**	EUR thou. 31 Dec. 2012
Financial other receivables and assets		
Current finance lease receivables	3,627	4,287
Receivables from affiliated companies	1,467	1,996
Receivables from other investees	3,026	3,934
Miscellaneous assets	14,354	10,797
Non-financial other receivables and assets		
Recoverable income taxes	7,397	1,884
Other recoverable taxes	5,117	10,681
Insurance claims	6,312	1,886
Deferred income	14,548	16,635
Miscellaneous assets	58,708	-
	114,556	**52,100**

Finance lease receivables (finance instalments) correspond to the current portion (due within one year) of receivables relating to lease agreements with customers that are classified as finance leases. The interest rate implicit in the leases is fixed at inception of the lease for the entire term. Gross investments amount to EUR 3.9 million (2012: EUR 4.7 million), the present value of the outstanding minimum lease payments comes to EUR 3.6 million (2012: EUR 4.3 million), and unrealised finance income to EUR 0.3 million (2012: EUR 0.4 million). The agreements contain put options on the part of the Group as lessor.

Receivables from affiliated companies relate primarily to short-term loans to finance investments and to receivables from intercompany settlements.

Cash and bank balances of EUR 48,555 thousand (2012: EUR 67,280 thousand) comprise cash and short-term deposits at banks with terms of under three months. The item corresponds to the cash and cash equivalents item in the consolidated cash flow statement. [4.22]

Equity and liabilities

The Sixt Group's equity increased year-on-year to a total of EUR 675,498 thousand (2012: EUR 632,809 thousand). The subscribed capital of Sixt SE contained in this total amounted to EUR 123,029 thousand (2012: EUR 123,029 thousand).

Minority interests are reported in current other liabilities where interests in equity or in the net profit or loss of consolidated partnerships are affected.

Subscribed capital of Sixt SE [4.23]

The share capital is composed of	No-par value shares	Nominal value EUR
Ordinary shares	31,146,832	79,735,890
Non-voting preference shares	16,911,454	43,293,322
Balance at 31 December 2013	**48,058,286**	**123,029,212**

The ordinary shares are bearer shares with the exception of two registered shares, while the preference shares are exclusively bearer shares. Both categories of shares are no-par value shares. The notional interest in the share capital is EUR 2.56 per share. The preference shares entitle the holders to receive a dividend EUR 0.02 per share higher than that on the ordinary shares and a minimum dividend of EUR 0.05 per share from net retained profit for the year. The share capital is fully paid up.

Treasury shares

By resolution of the Annual General Meeting of 6 June 2012 the Managing Board was authorised, as specified in the proposed resolution, to acquire treasury shares of the Company in the amount of up to 10% of the Company's share capital at the time of the authorisation in the period up to 5 June 2017. The authorisation may be exercised wholly or partially, on one or more occasions for any purpose permitted by law. Acquisitions for the purpose of trading in treasury shares are excluded. No use was made of the authorisation during the year under review.

Authorised capital

The Managing Board is authorised to increase the share capital on one or more occasions in the period up to 5 June 2017, with the consent of the Supervisory Board, by up to a maximum of EUR 64,576,896 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised capital). The authorisation also includes the power to issue new non-voting preference shares up to the legally permitted limit. For the distribution of profits and/or company assets these non-voting preference shares are ranked equal to the non-voting preference shares previously issued.

Shareholders are granted pre-emptive rights unless such pre-emptive rights are disapplied for the following reasons. The shares may also be underwritten by a bank or a syndicate of banks with the obligation of offering them to the Company's shareholders for subscription (indirect pre-emptive rights).

If both ordinary and preference shares are issued and the ratios of the two share categories at the time of the respective issue are retained, the Managing Board is authorised, with the consent of the Supervisory Board, to disapply the pre-emptive rights of holders of one category of shares for shares of the other category. In this case, too, the Managing Board is entitled to implement a further disapplication of pre-emptive rights in accordance with the following provisions.

The Managing Board is also entitled to disapply the shareholders' pre-emptive rights with the consent of the Supervisory Board,

a) to settle fractional amounts;

b) if the issue price of the new shares in the case of capital increases against cash contributions is not materially lower than the quoted market price of existing listed shares of the relevant class at the time the issue price is finalised, and the shares issued on the basis of this authorisation do not exceed a total of 10% of the share capital either at the effective date or at the date of the utilisation of the authorisation (section 186 (3) sentence 4 of the Aktiengesetz [AktG – German Public Companies Act]);

c) to the extent necessary to grant pre-emptive rights for new shares to the holders of options and/or conversion rights (profit participation certificates with warrants/convertible profit participation certificates, bonds with warrants or convertible bonds) in the amount to which they would be entitled after their options or conversion rights have been exercised or conversion obligations met; and

d) in the case of capital increases against non-cash contributions, in particular to acquire companies, parts of companies, or investments in companies, as part of business combinations and/or to acquire other assets including rights and claims.

Taken together, the total notional amount in the share capital attributable to the new shares, for which the subscription right is excluded on account of aforelisted authorisations, and the notional amount in the share capital attributable to treasury shares and the new shares from the authorised capital, to which conversion or option rights and/or obligations from bonds and/or profit participation certificates refer and which have been sold and/or issued since 6 June 2012 under exclusion of the subscription right, may not exceed 20% of the share capital either at the time when the authorisation takes effect nor at the time of their exercise.

The Managing Board is authorised, with the consent of the Supervisory Board, to stipulate the further details of the pre-emptive rights and the terms and conditions of the share issue. The Managing Board may resolve, with the consent of the Supervisory Board, that the new shares shall also carry dividend rights from the beginning of the financial year preceding their issue if the Annual General Meeting has not adopted a resolution on the appropriation of the profit for the financial year in question at the time the new shares are issued. If such a provision is not agreed, the new shares shall participate in profits from the beginning of the financial year in which they are issued.

By resolution of the Annual General Meeting of 20 June 2013 the Managing Board is authorised to issue, on one or more occasions in the period up to and including 19 June 2018 with the consent of the Supervisory Board, profit participation bonds and/or rights registered in the name of the holder and/or bearer by up to a maximum of EUR 350,000,000.00 with a fixed or open-ended term against cash and/or non-cash contributions. The profit participation bonds and rights issued under this authorisation may not provide for conversion or subscription rights to shares of the Company. The issue can be effected by a company in which Sixt SE is directly or indirectly invested with a majority of votes and capital. In this case, the Managing Board is authorised to assume for the issuing company the guarantee on behalf of Sixt SE that the ensuing liabilities will be met. The shareholders of Sixt SE are accorded in principle the statutory subscription right. However, with the consent of the Supervisory Board, the Managing Board is authorised to exclude the subscription right under certain conditions, which follow fully from the resolution taken by the Annual General Meeting on 20 June 2013 on Agenda Item 7. The authorisation of the Managing Board to issue profit participation bonds and rights extends the range of financing instruments at the Company's disposal and thereby offers attractive financing means as they arise on the market that go beyond the classic forms of raising equity and debt capital. Depending on the definition of the conditions for the bonds and/or profit participation this may also offer the possibility to classify the financing instruments as equity for rating and/or accounting purposes.

Capital reserves

[4.24]

Capital reserves	EUR thou.	EUR thou.
	2013	2012
Balance at 1 January	206,702	200,425
Other changes	-4,707	6,277
Balance at 31 December	**201,995**	**206,702**

The decrease in the capital reserves to EUR 201,995 thousand (2012: EUR 206,702 thousand) is due to the consideration for the employee equity participation programme MSP 2007 and MSP 2012.

Retained earnings

[4.25]

Retained earnings	EUR thou.	EUR thou.
	2013	2012
Balance at 1 January	122,414	93,936
Other changes	35,011	28,478
Balance at 31 December	**157,425**	**122,414**

The other changes include last year's transfer to retained earnings of Sixt SE in the amount of EUR 37,000 thousand (2012: EUR 63,000 thousand).

[4.25] Currency translation reserve

Currency translation reserve	EUR thou.	EUR thou.
	2013	2012
Balance at 1 January	-1,987	-2,875
Differences arising on the translation of the financial statements of foreign subsidiaries	-1,770	888
Balance at 31 December	**-3,757**	**-1,987**

[4.25] Other equity

Other equity	EUR thou.	EUR thou.
	2013	2012
Balance at 1 January	182,628	201,303
Consolidated profit	94,824	79,164
Dividend payments	-48,397	-36,382
Transfer to retained earnings of Sixt SE	-37,000	-63,000
Other changes	4,499	1,543
Balance at 31 December	**196,554**	**182,628**

Other equity mainly includes the consolidated unappropriated profit and the revaluation reserve from the transition to IFRS accounting.

[4.26] Minority interests

Minority interests	EUR thou.	EUR thou.
	2013	2012
Balance at 1 January	23	151
Consolidated profit	-422	33
Other changes	651	-161
Balance at 31 December	**252**	**23**

Non-current liabilities and provisions

[4.27] Non-current other provisions in the Group consist mainly of provisions for property rental agreements. The discount rate is between 3.0% and 4.4 %. In the medium term, the obligations are likely to lead to corresponding outflows of resources over a period of two to ten years.

Non-current other provisions	Real estate	Other	Total
in EUR thou.			
Balance at 1 January 2013	849	76	925
Additions	53	-	53
Utilised	-254	-4	-258
Reclassifications	-197	-	-197
Foreign exchange differences	-7	-	-7
Balance at 31 December 2013	**444**	**72**	**516**

Non-current financial liabilities comprise liabilities from issued borrower's note loans and bonds, as well as bank loans falling due in more than one year. [4.28]

Non-current financial liabilities	Residual term of 1 to 5 years		Residual term of more than 5 years	
in EUR thou.	**31 Dec. 2013**	31 Dec. 2012	**31 Dec. 2013**	31 Dec. 2012
Borrower's note loans	289,481	235,753	65,820	35,873
Bonds	494,881	244,376	2,204	250,566
Liabilities to banks	2,798	23,171	-	375
	787,160	**503,300**	**68,024**	**286,814**

Borrower's note loans with a total nominal value of EUR 432 million (2012: EUR 402 million) were issued in several tranches. A nominal amount of EUR 356 million (2012: EUR 272 million) relates to non-current financial liabilities. Interest is paid at a variable or fixed rate with nominal maturities between three and seven years. In fiscal year 2013 the Company issued new long-term borrower's note loans with four to six year terms at a total volume of EUR 160 million.

The bonds include a EUR 250 million bond issued on the capital market in 2010 with a nominal interest rate of 4.125% p.a. and a maturity of six years until 2016. They also include a EUR 250 million bond issued on the capital market in 2012 with a nominal interest rate of 3.75% p.a. and a maturity of six years until 2018. There are conditional call options for the issuer and put options for the bondholders.

Bonds in the principal amount of EUR 4.3 million (2012: EUR 3.8 million) had been issued to participants in the MSP employee equity participation programme as at balance sheet date. The bonds carry an interest coupon of 6.0% p.a. and/or 4.5% p.a. and have a term until 2014 (EUR 2.1 million) and/or 2020 (EUR 2.2 million).

Liabilities to banks result from investment loans. The loans have been secured by mortgages.

Non-current other liabilities include, among others, interest-bearing liabilities from customer deposits and the reported interest rate hedging transactions. Liabilities under leases that were entered into to refinance the lease fleet and classified as finance lease are presented in the following: [4.29]

Non-current finance lease liabilities in EUR thou.	Gross investment		Present value of outstanding minimum lease payments	
	31 Dec. 2013	31 Dec. 2012	**31 Dec. 2013**	31 Dec. 2012
Due in one to five years	35,071	24,032	33,401	22,428
Due in more than five years	-	644	-	642
Unrealised finance portions	1,670	1,606		

The interest rate underlying the contracts is fixed at conclusion of the contract for the entire term. The agreements feature fixed final instalments and provide for full amortisation. The Group's obligations under finance leases are secured by way of the financing partner's right of retention in respect of the leased assets. The minimum lease payments are offset by corresponding payments from customers under subleases.

Current liabilities and provisions

[4.30] The liabilities included in current provisions are expected to be settled within one year. They consist mainly of provisions for taxes, legal costs, rental operations and staff provisions. In addition, provisions were set up for obligations in connection with restructuring measures carried out in subsidiaries (potential obligations arising from the termination of work contracts).

Current provisions	Income tax	Other			
in EUR thou.		Personnel	Real estate	Miscellaneous	Total
Balance at 1 January 2013	51,232	18,276	635	37,240	56,151
Additions	17,554	25,217	731	16,255	42,203
Reversals	-	-580	-	-6,463	-7,043
Utilised	-30,146	-17,661	-318	-7,665	-25,644
Reclassifications	-	-	197	-	197
Foreign exchange differences	-23	-35	-6	-1	-42
Balance at 31 December 2013	**38,617**	**25,217**	**1,239**	**39,366**	**65,822**

[4.31] Current financial liabilities include in particular borrower's note loan liabilities and liabilities to banks falling due within one year. They can be broken down as follows:

Current financial liabilities	EUR thou.	EUR thou.
	31 Dec. 2013	31 Dec. 2012
Borrower's note loans	76,220	129,979
Bonds	2,065	-
Liabilities to banks	162,062	39,127
Other liabilities	15,330	17,727
	255,677	**186,833**

The borrower's note loan in the nominal amount of EUR 76 million due for current repayment carries a fixed interest rate and a nominal term of seven years. The borrower's note loan with a nominal value EUR 130 million from 2007, reported last year under current financial liabilities, was repaid in 2013 as per agreement.

Liabilities to banks include short-term borrowings at variable rates of interest taken out by utilising the credit lines available to the Group. The liabilities have been secured by transferring ownership of assets. Other liabilities consist mainly of deferred interest.

[4.32] Trade payables comprise current liabilities arising from deliveries to the Group, particularly of vehicles for the rental and lease fleets, and other purchases in the course of operating activities.

Current other liabilities falling due within one year are broken down as follows: [4.33]

Current other liabilities	EUR thou.	EUR thou.
	31 Dec. 2013	31 Dec. 2012
Financial other liabilities		
Finance lease liabilities	9,265	47,942
Liabilities to affiliated companies	5,912	3,120
Liabilities to other investees	2,922	2,044
Payroll liabilities	1,923	1,716
Miscellaneous liabilities	12,390	8,580
Non-financial other liabilities		
Deferred income	21,306	15,272
Miscellaneous liabilities	27,719	37,929
	81,437	**116,603**

Miscellaneous liabilities include minority interests in equity and in the net profit or loss of consolidated partnerships (EUR 1,593 thousand; 2012: EUR 1,525 thousand).

The details of the current finance lease liabilities entered into to refinance the rental and lease fleets are outlined below:

Current finance lease liabilities in EUR thou.	Gross investment		Present value of outstanding minimum lease payments	
	31 Dec. 2013	31 Dec. 2012	**31 Dec. 2013**	31 Dec. 2012
Due within one year	9,420	48,263	9,265	47,942
Unrealised finance portions	155	321		

The interest rate implicit in the leases is fixed at inception of the lease for the entire term. The agreements provide for full amortisation. The Group's obligations under finance leases are secured by way of the financing partner's right of retention in respect of the leased assets. The minimum lease payments are offset by corresponding payments from customers under subleases.

Deferred income relates mostly to the deferral of income from advance payments by lessees, which are reversed using the straight-line method over the agreed term of the lease.

4.3 Additional disclosures on financial instruments

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each single category of financial instrument. The fair value of financial assets and liabilities that are not regularly measured at fair value, but for which the fair value is to be specified, are assigned in the following table to the measurement levels of the fair value hierarchy.

Carrying amounts and fair values by IAS 39 measurement category:

in EUR thou.	IAS 39 measurement category	Measurement basis for fair value	Carrying amount 31 Dec. 2013	Carrying amount 31 Dec. 2012	Fair value 31 Dec. 2013	Fair value 31 Dec. 2012
Non-current assets						
Non-current financial assets	AfS	Level 3	3,359	2,421	3,359	2,421
Non-current finance lease receivables	IAS 17	Level 2	2,750	4,035	2,823	4,154
Non-current other receivables	LaR	Level 1	3,471	2,827	3,471	2,827
Total			**9,580**	**9,283**	**9,653**	**9,402**
Current assets						
Cash and cash equivalents	LaR	Level 1	48,555	67,280	48,555	67,280
Trade receivables	LaR	Level 1	256,312	244,857	256,312	244,857
Current other receivables	LaR	Level 1	18,270	16,200	18,270	16,200
Current finance lease receivables	IAS 17	Level 2	3,627	4,287	3,739	4,451
Currency derivatives		Level 2	347	527	347	527
Interest rate derivatives		Level 2	230	-	230	-
Total			**327,341**	**333,151**	**327,453**	**333,315**
Non-current liabilities						
Bonds	FLAC	Level 2	497,085	494,942	545,800	535,929
Borrower's note loans	FLAC	Level 2	355,301	271,626	368,740	282,056
Liabilities to banks	FLAC	Level 1	2,798	23,545	2,818	24,148
Non-current other liabilities	FLAC	Level 1	115	47	115	47
Non-current finance lease liabilities	IAS 17	Level 2	33,401	23,070	33,967	23,673
Interest rate derivatives		Level 2	9,744	7,496	9,744	7,496
Total			**898,444**	**820,726**	**961,184**	**873,349**
Current liabilities						
Trade payables	FLAC	Level 1	346,425	294,826	346,425	294,826
Bonds	FLAC	Level 2	2,065	-	2,189	-
Borrower's note loans	FLAC	Level 2	76,220	129,979	79,655	133,115
Liabilities to banks	FLAC	Level 1	162,062	39,127	162,153	39,308
Current other liabilities	FLAC	Level 1	37,628	33,187	37,628	33,187
Current finance lease liabilities	IAS 17	Level 2	9,265	47,942	9,373	48,028
Currency derivatives		Level 2	849	-	849	-
Total			**634,514**	**545,061**	**638,272**	**548,464**
Of which aggregated by IAS 39 measurement category						
Available for Sale	AfS		3,359	2,421	3,359	2,421
Loans and Receivables	LaR		326,608	331,164	326,608	331,164
Financial Liabilities Measured at Amortised Costs	FLAC		1,479,699	1,287,279	1,545,523	1,342,616
Derivatives			10,016	6,969	10,016	6,969

The financial instruments in above table are classified into three levels depending on the measurement basis. Level 1 measurements are based on prices quoted in active markets. Level 2 measurements are based on parameters other than quoted prices that are observable either directly as prices or are indirectly derived from prices. Level 3 measurements are based on models that use parameters that are not based on observable market data, but rather on assumptions.

Due to factors that change in the course of time, the reported fair values can only be regarded as indicative of the values actually realisable on the market. The fair values of the financial instruments were calculated on the basis of market data available at the balance sheet date and the methods and assumptions described below.

If the financial instruments only had short maturities or if, as in the case of the financial assets, no fair values were available due to the absence of active markets, it was assumed that the fair values corresponded to the carrying amounts (amortised cost). The fair values of the finance lease receivables reported as non-current assets and the bonds, borrower’s note loans, finance lease liabilities and liabilities to banks reported as non-current liabilities were calculated as the present values of the future expected cash flows. Standard market rates of interest of between 1.4% p.a. and 2.1% p.a. (2012: between 1.1% p.a. and 2.4% p.a.) based on the respective maturities were used for discounting.

Finance lease receivables and liabilities are measured in accordance with IAS 17.

As in the year before derivative interest rate instruments reported at the balance sheet date are recognised at fair value and are partly included in hedge accounting.

Net expenses from interest rate derivatives amounted to EUR 3,068 thousand (2012: net gains of EUR 365 thousand). The net losses from the measurement of currency derivatives came to EUR 502 thousand (2012: net gain of EUR 527 thousand).

The net gain from the available-for-sale financial assets (AfS measurement category) amounted to EUR 0 thousand in the fiscal year under review (2012: EUR 153 thousand). Last year's gains were mainly the result of sales proceeds. The change in the reported carrying amounts and fair values of financial assets resulted from additions to equity investments or changes in the scope of consolidation. To the extent that disposals were recognised, these related mainly extensions in the scope of consolidation. At present there is no intention to dispose these equity investments.

Net gains on the LaR measurement category (measured at amortised cost) amounted to EUR 997 thousand in the fiscal year (2012: EUR 1,363 thousand) and relate to income from payments received on receivables previously written off.

As in the previous year, there were no net gains or losses in the financial year on financial liabilities measured at amortised cost (FLAC measurement category) that were not measured at fair value through profit or loss.

Total interest income from financial assets not measured at fair value through profit or loss amounted to EUR 3,565 thousand in financial year under review (2012: EUR 2,156 thousand). This includes interest income from finance leases in the amount of EUR 428 thousand (2012: EUR 543 thousand). Total interest expense on financial liabilities not measured at fair value through profit or loss amounted to EUR 39,211 thousand in financial year (2012: EUR 54,397 thousand). This includes interest expense on finance leases in the amount of EUR 1,216 thousand (2012: EUR 2,147 thousand).

The subsequent measurement of the interest rate and currency derivatives is made at fair value (level 2 measurement). As at balance sheet date, assets from interest rate derivatives amounted to EUR 230 thousand. Of the financial liabilities from interest rate derivatives, totalling EUR 9,744 thousand (2012: EUR 7,496 thousand), an amount of EUR 8,502 thousand had no hedging relationship and EUR 1,242 thousand were in cash flow hedge relations. All in all, a volume of EUR 174 million (of which EUR 49 million is in a hedging relationship) is hedged against interest rate derivatives carrying fixed interest rates between 1.2% and 3.7% and remaining terms of up to six years. The variable interest rate is hedged against the 6-monthly Euribor. As at balance sheet date, assets from currency derivatives amounted to EUR 347 thousand (2012: EUR 527 thousand). The financial liabilities from currency derivatives amounted to EUR 849 thousand (2012: EUR 0 thousand). EUR 164 million is hedged against currency derivatives, denominated mainly in US-Dollars and British Pounds, with a maximum remaining term of up to six months. The currency derivatives are in no hedging relationship.

Sensitivity analysis

The sensitivity analysis for the reported interest rate derivatives assumes a parallel shift in the yield curves of +100/-100 basis points. This would result in the changes in the reported fair values presented in the following table.

Change in fair value	Change in the yield curves		Change in the yield curves	
in EUR thou.		**31 Dec. 2013**		31 Dec. 2012
	+100 basis points	-100 basis points	+100 basis points	-100 basis points
Other current assets/Other non-current liabilities	5,952	-5,245	1,615	-2,208

Furthermore, based on the parallel shift in the yield curves of +100/-100 basis points, interest expense for variable-rate financial liabilities would increase by EUR 1,635 thousand, respectively decrease by EUR 1,635 thousand (2012: EUR +781 thousand/EUR -781 thousand) taking into account the existing interest rate derivatives but not taking into account possible economic compensations from new business.

The sensitivity analysis for the reported currency derivatives assumes a change in exchange rates of +10/-10 percentage points. The reported fair values as at 31 December 2013 (Other current assets/Other current liabilities) would then amount to EUR +6,972 thousand/EUR -8,521 thousand (2012: EUR +4,560 thousand/EUR -5,573 thousand).

Given aforelisted changes to valuations from interest rate and currency exchange risks, this would result in a change in equity of EUR +11,289 thousand/EUR -12,131 thousand and a change in the annual result of EUR +9,467 thousand/EUR -10,285 thousand.

Financial risk management and hedging

The Sixt Group is exposed to the following financial risks, which are addressed through the risk management system that has been implemented:

Interest rate and market price risk

Alongside medium- and long-term financial instruments bearing a fixed rate of interest, the Sixt Group also uses variable-rate financial instruments to finance investments in the rental and lease fleets and is therefore exposed to interest rate risk. Derivative financial instruments such as interest rate caps and interest rate swaps may in principle be used to limit interest rate risk as part of the risk management. In this context, internal Group guidelines stipulate the main duties and competencies, responsibilities, reporting requirements and control tools. By entering into hedging transactions as part of risk management, the Group deliberately converts existing variable-rate liabilities into synthetic fixed-rate refinancing. In contrast, given appropriate expectations on the future development of short- and long-term interest rates, derivative instruments can also be used to achieve a defined proportion of variable-rate liabilities.

The transactions are reported under other assets or other liabilities, or in the same item as the underlying, depending on the hedging relationship. The valuations used by the transaction partners (financial institutions) are based on market yield curves. The Group had derivative financial instruments amounting to EUR 174 million in its portfolio at the balance sheet date (2012: EUR 249 million). The fair value of the transactions was in total EUR -9.5 million (2012: EUR -7.5 million). There are some hedging relationships (cash flow hedge).

Counterparty default risk

Creditworthiness checks are performed in accordance with internal guidelines prior to entering into an agreement in order to minimise counterparty default risk. Customers' creditworthiness is also checked at regular intervals during the term of the agreement. In the event of a concrete default risk, a valuation allowance is recognised or the receivable in question is derecognised. In addition, there is the principal risk that suppliers will not be able to meet their obligations under buy-back agreements. In given cases, Sixt bears the resale risk relating to the vehicles. In this context too, Sixt performs regular credit checks.

Analysis of trade receivables

The Business Units' trade receivables are classified in the following table.

Trade receivables	Rental	Leasing	Other	Group
in EUR thou.				
Receivables not impaired				
Not past due	76,196	35,878	750	112,824
Less than 30 days	46,043	17,812	41	63,896
30-90 days	7,243	5,042	45	12,330
91-360 days	707	-	3	710
More than 360 days	-	-	18	18
Total receivables	**130,189**	**58,732**	**857**	**189,778**
Impaired receivables				
Gross receivables	108,815	6,377	62	115,254
Impairments	-44,407	-4,268	-45	-48,720
Net receivables	**64,408**	**2,109**	**17**	**66,534**
Group total 31 December 2013	**194,597**	**60,841**	**874**	**256,312**

As at the reporting date, there were no indications of potential default in the case of the trade receivables and the other receivables reported as other receivables and assets that are neither past due nor individually impaired.

Trade receivables predominantly comprise receivables from rental and leasing business with Sixt Group end-customers and receivables from suppliers relating to the sale of used vehicles as part of their buy-back commitments, or commercial and private buyers as part of their sale on the open market.

Impairments are based on parameters such as customer group, customer credit quality, transaction type and age of the receivable. To this end the method of a collective valuation allowance is used. In the event of concrete indications of default, for example the insolvency of the debtor, the relevant receivables are derecognised. In the fiscal year the expense for impairment losses was EUR 4,573 thousand (2012: EUR 2,005 thousand).

The maximum default amount is the reported carrying amount of the net receivable. No credit derivatives or similar hedging instruments were used to cover credit risk in the period under review. A proportion of the receivables in the leasing business is collateralised by customer deposits.

Analysis of receivables from insurances in the other assets

All the receivables are impaired. In the Vehicle Rental Business Unit the gross receivables amounted to EUR 13,430 thousand (2012: EUR 1,266 thousand), the impairments to EUR 9,237 thousand (2012: EUR 943 thousand), so that the resulting net receivables came to EUR 4,193 thousand (2012: EUR 323 thousand). In the Leasing Business Unit the gross receivables amounted to EUR 3,707 thousand (2012: EUR 3,111 thousand), the impairments to EUR 1,588 thousand (2012: EUR 1,548 thousand), so that the resulting net receivables came to EUR 2,119 thousand (2012: EUR 1,563 thousand). The maximum default amount is the reported carrying amount of the net receivable.

In the fiscal year under review the expenses for derecognised trade receivables and derecognised receivables from insurances amounted to EUR 12,357 thousand (2012: EUR 10,822 thousand). The proceeds from payments received on the previously derecognised receivables in these categories amounted to EUR 997 thousand (2012: EUR 1,363 thousand).

Liquidity risk

Liquidity risk is managed via financial planning performed in accordance with internal guidelines. Sixt has sufficient opportunities for refinancing in the capital markets and by credit lines not yet used.

Based on interest rate levels at the balance sheet date, no significant net cash inflows and outflows are expected in conjunction with the derivatives entered into by the Group.

Analysis of the repayment amounts of financial liabilities and finance lease liabilities

The following table includes the repayment amounts (including assumed future payable interest) at their respective maturities.

Maturity	EUR thou. Borrower's note loans	EUR thou. Bonds	EUR thou. Liabilities to banks	EUR thou. Finance lease liabilities	EUR thou. Total
2014	88,497	21,976	162,159	10,279	282,911
2015	79,697	19,787	838	20,307	120,629
2016	6,947	269,787	842	12,196	289,772
2017	226,835	9,474	945	1,086	238,340
2018	2,217	259,474	330	623	262,644
2019	68,313	99	-	-	68,412
2020 and later	-	2,303	-	-	2,303
31 Dec. 2013	**472,506**	**582,900**	**165,114**	**44,491**	**1,265,011**

Maturity	EUR thou. Borrower's note loans	EUR thou. Bonds	EUR thou. Liabilities to banks	EUR thou. Finance lease liabilities	EUR thou. Total
2013	146,397	19,889	59,973	48,262	274,521
2014	85,946	22,004	872	6,782	115,604
2015	76,690	19,762	872	15,073	112,397
2016	3,489	269,762	872	1,085	275,208
2017	92,051	9,450	975	1,091	103,567
2018	1,226	259,450	386	644	261,706
2019 and later	37,165	1,810	-	-	38,975
31 Dec. 2012	**442,964**	**602,127**	**63,950**	**72,937**	**1,181,978**

The financial liabilities and finance lease liabilities maturing in 2014 will largely be repaid from new lending of funds on the capital market and the usage of bank credit lines and/or leasing refinancing lines granted by manufacturers.

Analysis of the repayment amounts of interest rate and currency derivatives

Maturity	EUR thou. Interest rate derivatives	EUR thou. Currency derivatives	EUR thou. Total
2014	-3,930	-502	-4,432
2015	-3,635	-	-3,635
2016	-2,873	-	-2,873
2017	-57	-	-57
2018	10	-	10
2019 and later	15	-	15
31 Dec. 2013	**-10,470**	**-502**	**-10,972**

Exchange rate and country risk

Exchange rate risk is of only minor significance in the Sixt Group, as the vast majority of receivables and liabilities are due in the local currency of the country in which the respective Group company is based. There are almost no country risks at present.

Capital management

The Sixt Group manages the Group's capital with the goal of creating a financial profile that supports the Group's growth targets, while providing the necessary financial flexibility and diversification. The key objective is a Group equity ratio (equity/total assets) of at least 20%. This ensures that all Group companies can operate on the basis of the going concern assumptions.

The basis of the Group's financial profile is the equity provided by the parent's investors. As at balance sheet date, the Group's equity ratio was 28.5% (2012: 29.1%). Other key elements of the Group's financial profile are the financial instruments reported in non-current and current financial liabilities. The proportion of total assets accounted for by non-current and current financial liabilities amounted to 46.8% at the balance sheet date (2012: 44.9%). In addition to the reported financial liabilities, the Group has entered into finance and operate lease agreements to refinance its fleets.

5. Other disclosures

5.1 Segment reporting

By Business Unit	Rental		Leasing		Other		Reconciliation		Group	
in EUR million	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
External revenue	**1,122.4**	1,042.9	**534.7**	545.7	**7.5**	7.0	**-**	-	**1,664.6**	1,595.6
Internal revenue	**4.9**	6.3	**11.4**	10.8	**17.8**	16.4	**-34.1**	-33.5	**-**	-
Total revenue	**1,127.3**	1,049.2	**546.1**	556.5	**25.3**	23.4	**-34.1**	-33.5	**1,664.6**	1,595.6
Depreciation and amortisation expense	**166.2**	172.9	**152.0**	140.4	**0.7**	0.8	**-**	-	**318.9**	314.1
EBIT[1]	**134.8**	136.8	**43.1**	39.3	**-4.3**	-8.4	**-**	-	**173.6**	167.7
Interest income	**3.7**	1.9	**1.6**	1.1	**32.8**	57.9	**-34.5**	-58.7	**3.6**	2.2
Interest expense	**-16.4**	-33.1	**-23.7**	-24.1	**-33.6**	-55.9	**34.5**	58.7	**-39.2**	-54.4
Other net finance costs[2]	**0.2**	0.8	**-**	-	**-1.1**	2.3	**-**	-	**-0.9**	3.1
EBT[3]	**122.3**	106.4	**21.0**	16.3	**-6.2**	-4.1	**-**	-	**137.1**	118.6
Investments[4]	**24.3**	18.6	**337.7**	371.1	**0.9**	7.2	**-**	-	**362.9**	396.9
Segment assets	**1,481.2**	1,398.6	**925.5**	842.1	**1,509.5**	1,516.8	**-1,562.4**	-1,599.2	**2,353.8**	2,158.3
Segment liabilities	**881.8**	881.7	**897.4**	800.8	**951.2**	970.7	**-1,082.0**	-1,177.1	**1,648.4**	1,476.1
Employees[5]	**2,748**	2,918	**227**	250	**95**	94	**-**	-	**3,070**	3,262

By region	Germany		Abroad		Reconciliation		Group	
in EUR million	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Total revenue	**1,143.1**	1,152.2	**534.1**	457.6	**-12.6**	-14.2	**1,664.6**	1,595.6
Investments[4]	**297.7**	327.4	**65.2**	69.5	**-**	-	**362.9**	396.9
Segment assets	**2,005.4**	1,851.9	**820.6**	714.6	**-472.2**	-408.2	**2,353.8**	2,158.3

1 Corresponds to earnings before interest and taxes (EBIT)
2 Including net investment income
3 Corresponds to earnings before taxes (EBT)
4 Excluding rental assets
5 Annual average

The Sixt Group is active in the two main business areas of Vehicle Rental (including other associated services) and Leasing (finance leasing and full-service leasing of vehicles and fleet management). Activities that cannot be allocated to these segments, such as financing, holding company activities, real estate leasing, or e-commerce transactions, are combined in the Other segment. Resources are allocated and the Group's performance is assessed by the Managing Board on the basis of these segments (management approach).

Segment reporting is based on the accounting policies in the consolidated financial statements. Receivables, liabilities, income and expenses between the segments are eliminated in the reconciliation to the Group figures. Intra-company revenue is calculated at arm's length prices.

5.2 Contingent liabilities and other financial obligations

Contingent liabilities

At the end of the fiscal year there were contingencies from guarantees or similar obligations in the amount of EUR 7.5 million (2012: EUR 6.9 million).

Other financial obligations

In addition to provisions and liabilities, the Group has other financial obligations that result mainly from operate leases entered into to refinance the rental fleet and from obligations under rental agreements on buildings.

Other financial obligations in EUR million	**31 Dec. 2013**	31 Dec. 2012
Due within one year	74.2	66.0
Due in one to five years	159.6	117.2
	233.8	**183.2**

In a few cases, the operate leases entered into to refinance the fleet contain renewal options on an arm's length basis.

Obligations relating to fleet financing are offset by revenue from subleasing corresponding to the obligations on the financing side plus an interest margin. In the year under review, expenses in connection with lease instalments for fleet financing amounted to EUR 66.0 million (2012: EUR 58.7 million) and mileage agreement payments amounted to EUR 13.4 million (2012: EUR 7.8 million).

Purchase commitments under agreements concluded as at the balance sheet date in respect of vehicle deliveries for the rental and lease fleets in the coming year amount to around EUR 2,294 million (2012: EUR 1,957 million).

5.3 Share-based payment

In the year under review the Group had two employee equity participation programmes (Matching Stock Programmes – MSP). The first programme was started already in 2007 (MSP 2007), while the second programme was initiated as follow-up programme in 2012 with slightly amended conditions (MSP 2012). The programmes are recognised in the category of equity-settled share-based payment programmes and are described in detail below.

In 2007 the Managing Board and Supervisory Board of Sixt SE resolved to implement a Matching Stock Programme for selected group of employees, senior executives and members of the Managing Board of Sixt SE at the Company and its affiliated companies (MSP 2007). The programme enables employee participation in the form of shares while avoiding any dilutions for existing shareholders of Sixt SE, i.e. new shares are not issued for settlement but shares are bought from the market.

To participate in the MSP, each participant must make a personal investment by acquiring a bond.

The bonds acquired for the 2007 MSP carry a coupon of 6% p.a. and had an original maturity of seven years. If the bond was acquired later the maturity was shortened accordingly. The total volume invested by all participants was limited to EUR 3.5 million. The Managing Board of Sixt SE – with the approval of the Supervisory Board if the Managing Board itself is concerned – sets the maximum participation volume for each individual beneficiaries. Participants in the MSP must have a contract of employment with Sixt SE or one of its subsidiaries which has not been terminated at the time of subscribing for the MSP.

The individual investment volume of the participants was converted into a corresponding number of virtual Sixt preference shares (MSP shares) on the basis of the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days before the start of the MSP. The average price calculated and applied was EUR 25.51. After the necessary adjustment following the 1-for-1 capital increase from company funds undertaken in 2011 each MSP share entitled the holder to subscribe to fourteen stock options per tranche in accordance with the MSP terms and conditions.

On each 1st of December every year from 2007 to 2011 one tranche of stock options had been allocated (a total of five tranches) under the MSP 2007. Each participant was entitled to subscribe for fourteen stock options a year for each MSP share (at a total of five tranches up to a total of 70 stock options).

The allocated stock options can only be exercised after a lock-up period of three years, starting from the allocation of the respective tranche. The stock options can only be exercised if the exercise price since the allocation of the respective tranche is 15% higher than the initial price of said tranche (exercise threshold). The initial price of the stock options corresponds to the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days before the respective stock options of the tranche concerned are allocated. The exercise price is the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days before the stock options of a tranche are exercised. Stock options allocated as part of a tranche are deemed to have been exercised on the first trading day following the end of the lock-up period, if the exercise threshold has been reached. If the exercise threshold is not reached, the stock options expire without replacement.

The exercise gain for a tranche, calculated if the stock options are exercised, must not exceed 3% of the earnings before taxes reported in the most recent annual financial statements of Sixt SE. If it does, the amount must be reduced proportionately for all participants. An amount less the taxes and contributions on the exercise gain payable by the participant, is credited to each participant in preference shares of Sixt SE. Sixt SE does this by acquiring Sixt preference shares on behalf of and for the account of the participant. These shares are subsequently transferred to a blocked custody account in the participant's favour. The participant is free to draw on the shares after another year. The total term of the MSP, including this lock-up period, is eight years.

If, during the term of the MSP, adjustments are made to the share capital of Sixt SE or restructuring measures are implemented that have a direct impact on the share capital of Sixt SE and this causes the value of the stock options to change by 10% or more, the initial price is adjusted to the extent necessary to compensate for the change in value of the stock options caused by the capital action. In 2011 an adjustment was required following the 1-for-1 capital increase from company funds undertaken, as the value of the share had arithmetically halved. The initial price, calculable dividend and the allocation ratio for the stock options for each MSP share were adjusted accordingly.

If Sixt SE distributes dividends or other assets to shareholders in the period between allocation and exercise of a tranche of stock options, the initial price of this tranche must be adjusted by deducting the amount of dividend or distribution attributable to one preference share from the initial price.

If the bond acquired by the participant as a personal investment is redeemed early or if the participant's contract of employment is terminated, the stock options already allocated but not yet exercised and the entitlements to unallocated stock options are generally lost.

As of 2012 no further stock options were granted from the MSP 2007 as it had reached the specified end of its term. As a consequence, in September 2012 the Managing Board resolved with the approval of the Supervisory Board to issue a follow-up programme to the above listed MSP 2007 with slightly modified conditions (MSP 2012). The essential modifications of the MSP 2012 are outlined in the following.

Precondition for participation is a personal investment made in form of acquiring bonds of Sixt SE with a coupon of 4.5% p.a. and a maturity until 2020. Every EUR 1,000 of paid-up subscription amount entitles to subscribe to 500 stock options per annual tranche in accordance with the MSP terms and conditions. The subscription volume has been specified to a total of EUR 5 million for all participants.

On each 1st of December every year from 2012 (first time) to 2016 (last time) one tranche of stock options will been allocated (a total of five tranches), so that each participant is entitled to subscribe up to a total of 2,500 stock options for every EUR 1,000 of paid-up subscription amount (5 tranches with 500 stock options each).

The allocated stock options can only be exercised after a lock-up period of four years, starting from the allocation of the respective tranche. The total term of the MSP issued in 2012, including the lock-up period, is nine years until 2021.

The exercise threshold is 20% since the allocation of the respective tranche. The exercise gain for a tranche, calculated if the stock options are exercised, must not exceed 5% of the regular earnings before taxes (EBT) as reported in the prior to each exercise most recent approved consolidated financial statements of Sixt SE. In addition, the exercise gain (before taxes) of each tranche is limited for every participant to twice his paid-up investment volume.

For the MSP 2007 the last time stock options were granted to the participants was in 2011 in accordance with the above listed conditions.

In addition to the MSP shares granted in 2012, ("2012 allocation"), in fiscal year 2013 Sixt SE granted MSP shares or a legally binding right to future stock options to other employees (new hires). Apart from a few exceptions, the conditions for the grant of these shares or rights ("2013 allocation") corresponded to the parameters for the "2012 allocation". Notwithstanding this, the "2013 allocation" covers the grant of four tranches of stock options. In principle, the market conditions as at 1 December 2013 were used as a basis for granting the tranche of the "2013 allocation"; the conditions as at 1 December 2012 were only used to determine the number of virtual MSP shares to be granted depending on the relevant investment volume.

The number of stock options under the MSP 2007 changed as follows:

Number of stock options							2007 allocation
	2013	2012	2011	2010	2009	2008	2007
Outstanding at the beginning of the financial year	817,712	1,234,800	691,488	738,402	653,072	386,904	-
Adjusted according to capital increase	-	-	691,488	-	-	-	-
Granted during the financial year	-	-	411,600	230,496	246,134	326,536	386,904
Returned during the financial year	-	-8,232	-148,176	-46,914	-160,804	-60,368	-
Exercised during the financial year	-408,856	-408,856	-411,600	-	-	-	-
Expired according to the terms and conditions	-	-	-	-230,496	-	-	-
Outstanding at the end of the financial year	408,856	817,712	1,234,800	691,488	738,402	653,072	386,904
Existing contractual obligation for future grant	-	-	-	230,496	492,268	979,608	1,547,616

Number of stock options						2008 allocation
	2013	2012	2011	2010	2009	2008
Outstanding at the beginning of the financial year	137,200	205,800	102,900	96,040	52,136	-
Adjusted according to capital increase	-	-	102,900	-	-	-
Granted during the financial year	-	-	68,600	34,300	48,020	52,136
Returned during the financial year	-	-	-	-27,440	-4,116	-
Exercised during the financial year	-68,600	-68,600	-68,600	-	-	-
Outstanding at the end of the financial year	68,600	137,200	205,800	102,900	96,040	52,136
Existing contractual obligation for future grant	-	-	-	34,300	96,040	156,408

Number of stock options					2009 allocation
	2013	2012	2011	2010	2009
Outstanding at the beginning of the financial year	219,520	329,280	123,480	61,740	-
Adjusted according to capital increase	-	-	123,480	-	-
Granted during the financial year	-	-	109,760	61,740	61,740
Returned during the financial year	-	-	-27,440	-	-
Exercised during the financial year	-109,760	-109,760	-	-	-
Outstanding at the end of the financial year	109,760	219,520	329,280	123,480	61,740
Existing contractual obligation for future grant	-	-	-	61,740	123,480

Number of stock options				2010 allocation
	2013	2012	2011	2010
Outstanding at the beginning of the financial year	428,064	609,168	152,292	-
Adjusted according to capital increase	-	-	152,292	-
Granted during the financial year	-	-	304,584	152,292
Returned during the financial year	-27,440	-181,104	-	-
Exercised during the financial year	-200,312	-	-	-
Outstanding at the end of the financial year	200,312	428,064	609,168	152,292
Existing contractual obligation for future grant	-	-	-	152,292

Number of stock options		2011 allocation	
	2013	2012	2011
Outstanding at the beginning of the financial year	362,208	422,576	-
Granted during the financial year	-	-	422,576
Returned during the financial year	-16,464	-60,368	-
Exercised during the financial year	-	-	-
Outstanding at the end of the financial year	345,744	362,208	422,576

The number of stock options under the MSP 2012 changed as follows:

Number of stock options	2013 allocation		2012 allocation
	2013	**2013**	2012
Outstanding at the beginning of the financial year	-	1,316,000	-
Granted during the financial year	170,500	1,248,500	1,316,000
Returned during the financial year	-	-67,500	-
Outstanding at the end of the financial year	170,500	2,497,000	1,316,000
Existing contractual obligation for future grant	511,500	3,745,500	5,264,000

As at the balance sheet date the following options from tranches granted under the MSP 2007 and the MSP 2012 were outstanding:

2007 allocation	Number of outstanding options	Future exercise date	Residual term	Estimated conversion/ exercise price
Tranche 2011	408,856	2014	1.0 years	EUR 12.36

2008 allocation	Number of outstanding options	Future exercise date	Residual term	Estimated conversion/ exercise price
Tranche 2011	68,600	2014	1.0 years	EUR 3.83

2009 allocation	Number of outstanding options	Future exercise date	Residual term	Estimated conversion/ exercise price
Tranche 2011	109,760	2014	1.0 years	EUR 8.60

2010 allocation	Number of outstanding options	Future exercise date	Residual term	Estimated conversion/ exercise price
Tranche 2011	200,312	2014	1.0 years	EUR 11.34

2011 allocation	Number of outstanding options	Future exercise date	Residual term	Estimated conversion/ exercise price
Tranche 2011	345,744	2014	1.0 years	EUR 11.76

2012 allocation	Number of outstanding options	Future exercise date	Residual term	Estimated conversion/ exercise price
Tranche 2012	1,248,500	2016	3.0 years	EUR 10.97
Tranche 2013	1,248,500	2017	4.0 years	EUR 10.43

2013 allocation	Number of outstanding options	Future exercise date	Residual term	Estimated conversion/ exercise price
Tranche 2013	170,500	2017	4.0 years	EUR 17.56

Measurement of options issued

The stock options under the MSP 2007 and the MSP 2012 were measured by means of a Monte Carlo simulation model. Assuming that the price of the stock option granted can be calculated as the discounted future expected value (with regard to the risk-neutral probability), the price development of the underlying (Sixt preference share) is simulated a large number of times and the expected value is determined by calculating the arithmetic mean of the results of the individual simulations.

The method used is based on the random walk of the price performance of Sixt preference shares with a log-normal distribution of the relative price changes. Other assumptions used by the model are: the MSP participants pursue a strategy that is profit-maximising from their perspective, constant dividend yields, drift and volatility, the cap of 3% of earnings before taxes (MSP 2007) and 5% of earnings before taxes (MSP 2012) is not achieved, no change in the share capital of Sixt SE during the term of the MSP, no change in the current MSP terms and conditions.

The average price over a 60-day period is determined for each path comprising a simulated share price performance for each tranche after the lock-up period expires, and is compared with the exercise threshold. If the figure is above the exercise threshold, the related gain on the stock option is discounted from the exercise date to the reporting date in accordance with the yield curve observed.

The expected volatility was estimated on the basis of the historical volatility of the share price. The expected term used in the model was adjusted to reflect the Managing Board’s best estimate of the impact of non-transferability, exercise restrictions and behaviour such as staff fluctuation.

At the time of granting the parameters used in the simulation were:

Simulation model parameters (MSP 2007)	**2011 allocation**	**2010 allocation**	**2009 allocation**	**2008 allocation**	**2007 allocation**
Risk-free interest rate (%)	1.50	2.00	4.25	4.50	4.75
Expected volatility (%)	42	45	43	43	35
Expected term until exercise from issue (years)	3.0	3.0	3.0	3.0	3.0
Price of preference shares on the issue date (EUR)	12.31	12.36	8.62	3.79	12.76

Simulation model parameters (MSP 2012)	**2013 allocation**	**2012 allocation**
Risk-free interest rate (%)	0.40	0.36
Expected volatility (%)	32	39
Expected term until exercise from issue (years)	4.0	4.0
Price of preference shares on the issue date (EUR)	18.90	12.65

In accordance with IFRS 2, personnel expenses were calculated on the basis of the market conditions at the grant date, and not the market conditions at the balance sheet date. In 2013, the Group recognised personnel expenses of EUR 1,934 thousand (2012: EUR 1,622 thousand) in connection with equity-settled share-based payments and allocated this amount to capital reserves. EUR 500 thousand of this amount relates to the “2010 allocation”, EUR 675 thousand to the “2011 allocation” (each for the MSP 2007), EUR 749 thousand to the “2012 allocation” and EUR 10 thousand to the “2013 allocation” (MSP 2012).

This was offset by a withdrawal from the reserves from the exercise of the tranches issued in 2010 (MSP 2007) in the year under review.

5.4 Related party disclosures

The Sixt Group has receivables from and liabilities to various unconsolidated Group companies for the purposes of intercompany settlements and financing. The resulting balances are presented separately as receivables from affiliated companies and liabilities to affiliated companies. The transactions are conducted on arm’s length terms. The following provides an overview of significant transactions and account balances arising from such relationships.

Affiliated companies in EUR million	Services rendered		Services used		Receivables from related companies		Liabilities to related companies	
	2013	2012	**2013**	2012	**31 Dec. 2013**	31 Dec. 2012	**31 Dec. 2013**	31 Dec. 2012
Sixt Développement SARL	0.6	0.7	-	-	-	-	0.2	0.2
Sixt Aéroport SARL	-	-	5.5	4.3	-	-	0.6	0.4
Sixt Sud SARL	-	-	2.9	2.6	-	-	0.4	0.3
Sixti SARL	-	-	2.8	2.3	-	-	0.4	0.4
Sixt Nord SARL	-	-	3.7	3.0	-	-	0.7	0.6
United Rentalsystem SARL	-	-	2.9	2.3	-	-	0.4	0.3
Sixt GmbH	-	-	-	-	-	-	[1]	-
SIXT S.à.r.l., Luxembourg	0.2	0.3	[1]	[1]	0.9	0.8	-	-
Sixt College GmbH	0.2	-	3.8	-	-	-	0.3	0.1
SIXT S.A.R.L., Monaco	0.5	0.4	0.7	0.2	0.2	0.8	-	-
Sixt Executive France SARL	-	-	3.0	1.9	-	-	0.4	0.5
kud.am GmbH	-	-	-	-	[2]	[2]	-	-
Sixt Immobilien Beteiligungen GmbH	-	-	-	-	-	-	0.1	0.1
Sixt Executive GmbH	-	-	2.7	-	-	-	0.9	0.1
Sixt International Holding GmbH	-	-	-	-	0.1	0.1	-	-
Sixt Franchise USA, LLC	0.5	0.4	-	-	-	0.2	0.5	-
e-Sixt Verwaltungs GmbH	-	-	-	-	-	-	0.1	0.1
Sixt Travel GmbH	-	-	-	-	-	-	0.3	-
Sixt Reparatur & Service GmbH	[1]	-	1.1	-	-	-	0.3	-
Sixt Autoland GmbH	0.2	-	2.2	-	-	-	0.2	-
Sixt Financial Services USA, LLC	-	-	-	-	0.2	-	-	-

[1] Amount less than EUR 0.1 million
[2] Impaired with EUR 0.1 million

The Group rents two properties belonging to the Sixt family for its operations. In the financial year, as in the previous year, the rental expenses amounted to EUR 0.2 million. For his services as Chairman of the Managing Board, Erich Sixt receives remuneration which, in accordance with the resolution passed by the Annual General Meeting on 17 June 2010, is not published individually. Other members of the Sixt family received remuneration amounting to EUR 1.1 million (2012: EUR 0.8 million) for their activities in the Group. Under the employee equity participation programme MSP 2007 and MSP 2012, members of the Sixt family were granted 564,640 stock options (2012: 364,640) at the end of the reporting year on the basis of their personal investments. In addition, there are entitlements to acquire a further total of 600,000 stock options in three tranches to be issued in future in accordance with the terms and conditions of the MSP 2012. The listed emoluments include the fair value at the issue date for the stock options granted to the family members in fiscal year 2013, in the amount of EUR 0.2 million (2012: EUR 0.2 million).

The Supervisory Board and Managing Board of Sixt SE

Supervisory Board	Membership of supervisory boards and other comparable supervisory bodies of business enterprises
Prof. Dr. Gunter Thielen Chairman Chairman of the Executive Board of the Walter Blüchert Stiftung Gütersloh	Chairman of the Supervisory Board of Sixt Allgemeine Leasing GmbH & Co. KGaA Member of the Supervisory Board of Groupe Bruxelles Lambert, Belgium Member of the Supervisory Board of Leipziger Messe GmbH
Ralf Teckentrup Deputy Chairman Member of the Executive Board of Thomas Cook AG Frankfurt am Main	Member of the Supervisory Board of Sixt Allgemeine Leasing GmbH & Co. KGaA Member of the Supervisory Board of Thomas Cook Airlines Belgium, Belgium Chairman of the Administration Board of M&M Militzer & Münch International Holding AG, Switzerland (from 19 November 2013)
Dr. Daniel Terberger Chairman of the Managing Board of KATAG AG Bielefeld	Member of the Supervisory Board of Sixt Allgemeine Leasing GmbH & Co. KGaA Member of the Advisory Board of ECE Projektmanagement GmbH & Co. KG Member of the Advisory Board of Eterna Mode Holding GmbH (from 8 October 2013)

Managing Board	Membership of supervisory boards and other comparable supervisory bodies of business enterprises
Erich Sixt Chairman Grünwald	Chairman of the Supervisory Board of Sixt Leasing AG Chairman of the Supervisory Board of e-Sixt GmbH & Co. KG
Dr. Julian zu Putlitz Pullach	Member of the Supervisory Board of Sixt Leasing AG Member of the Supervisory Board of e-Sixt GmbH & Co. KG President of the Administrative Board of Sixt AG, Basle
Detlev Pätsch Oberhaching	Member of the Supervisory Board of Sixt Leasing AG

Total remuneration of the Supervisory Board and Managing Board of Sixt SE

	EUR thou. **2013**	EUR thou. 2012
Supervisory Board remuneration	200	200
Total remuneration of the Managing Board	7,497	8,770
Of which variable remuneration	2,215	2,444

The total remuneration of the Managing Board includes the fair value at initial date of issue of the tranche of stock options granted in fiscal year 2013 to the members of the Managing Board under the Matching Stock Programme 2012 in the amount of EUR 227 thousand (2012: EUR 227 thousand) as well as the exercise gain from the exercise of the stock options granted in the fiscal year in the amount of EUR 864 thousand (2012: EUR 1,284 thousand). After taxation of the exercise gain 22,478 preference shares were allocated thereof.

In accordance with the resolution adopted by the Annual General Meeting on 17 June 2010, the total remuneration disclosed is not broken down by individual Managing Board members.

At the end of the reporting year members of the Supervisory Board were granted none and members of the Managing Board were granted 619,520 stock options (2012: 639,040) under the employee equity participation programme (MSP 2007 and MSP 2012), and on the basis of their personal investments. In addition, there are entitlements to acquire a further total of 600,000 stock options (2012: 800,000) in three tranches to be issued in future in accordance with the terms and conditions of the MSP 2012.

The Group has no pension obligations towards members of the Supervisory Board and Managing Board.

Shareholdings

As at 31 December 2013, Erich Sixt Vermögensverwaltung GmbH, all shares of which are held by the Sixt family, held an unchanged 18,711,822 shares of the ordinary shares of Sixt SE.

Section 15a of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) requires the disclosure of transactions in shares or related financial instruments in excess of EUR 5,000. Sixt SE received no disclosures from the group of persons specified by the stipulation in section 15a of the WpHG.

5.5 Proposal for allocation of the unappropriated profit

Sixt SE reported an unappropriated profit for fiscal year 2013 in accordance with German commercial law of EUR 55,496 thousand (2012: EUR 85,545 thousand). Subject to the approval of the Supervisory Board, the Managing Board proposes utilising this unappropriated profit as follows:

	EUR thou. **2013**	EUR thou. 2012
Payment of a dividend of EUR 0.65 (2012: EUR 0.55) and a special dividend of EUR 0.35 (2012: EUR 0.45) per ordinary share	31,147	31,147
Payment of a dividend of EUR 0.67 (2012: EUR 0.57) and a special dividend of EUR 0.35 (2012: EUR 0.45) per preference share	17,250	17,250
Transfer to retained earnings	7,000	37,000
Carry-forward to new account	99	148

The dividend proposal, which would result in a total distribution of EUR 48,396,515 appropriately reflects the earnings trend of the Sixt Group in the year under review.

The proposal by the Managing Board and the Supervisory Board on the appropriation of the unappropriated profit for financial year 2012 was resolved unchanged by the Annual General Meeting on 20 June 2013.

5.6 Declaration of conformity in accordance with section 161 of the AktG

The declaration by the Managing Board and the Supervisory Board required by section 161 of the Aktiengesetz (AktG – German Public Companies Act) stating that the recommendations of the Government Commission on the German Corporate Governance Code are complied with and which recommendations have not been applied was issued in the financial year and made permanently accessible to shareholders on Sixt SE website (http://ir.sixt.eu) under “Corporate Governance”.

5.7 Authorisation of the consolidated financial statements in accordance with IAS 10.17

These consolidated financial statements are authorised by the Managing Board for submission to the Supervisory Board on 21 March 2014.

Pullach, 21 March 2014

Sixt SE

The Managing Board

ERICH SIXT	DETLEV PÄTSCH	DR. JULIAN ZU PUTLITZ

Annexed: Consolidated financial statements of Sixt SE, Pullach, for financial year 2013
List of shareholdings pursuant to section 313 (2) no. 4 of the HGB
(HGB – German Commercial Code)

Name	Domicile	Nominal capital	Equity	Equity interest	Annual result
e-Sixt Verwaltungs GmbH	Munich	50,000 DM	64,568 EUR	100.0%	4,953 EUR
Sixt GmbH	Munich	50,000 DM	10,947 EUR	100.0%	4,946 EUR
Sixt Holiday Cars GmbH[1)]	Pullach	50,000 DM	25,565 EUR	100.0%	212 EUR
Sixt Travel GmbH	Taufkirchen	1,000,000 DM	346,730 EUR	97.1%	298,951 EUR
Sixt Beteiligungen GmbH	Pullach	25,000 EUR	41,026 EUR	100.0%	1,638 EUR
Sixt Sud SARL	Paris	7,622 EUR	109,678 EUR	100.0%	44,150 EUR
Sixti SARL	Courbevoie	7,622 EUR	86,097 EUR	100.0%	52,980 EUR
Sixt Développement SARL	Paris	7,622 EUR	76,030 EUR	100.0%	10,770 EUR
Sixt Aéroport SARL	Paris	7,622 EUR	94,401 EUR	100.0%	62,139 EUR
United Rentalsystem SARL	Paris	7,000 EUR	110,374 EUR	100.0%	47,707 EUR
Sixt Nord SARL	Paris	7,000 EUR	87,456 EUR	100.0%	70,310 EUR
Sixt Executive France SARL	Paris	7,000 EUR	77,009 EUR	100.0%	57,062 EUR
Sixt Autoland GmbH	Garching	25,000 EUR	23,052 EUR	100.0%	7,367 EUR
Sixt Verwaltungs-GmbH	Taufkirchen	25,000 EUR	43,615 EUR	100.0%	1,953 EUR
Sixt Franchise GmbH	Pullach	25,000 EUR	24,795 EUR	100.0%	1,341 EUR
Sixt Systems GmbH	Pullach	25,000 EUR	26,979 EUR	100.0%	-18,021 EUR
Sixt Immobilien Beteiligungen GmbH	Pullach	25,000 EUR	129,764 EUR	100.0%	11,805 EUR
Sixt Executive GmbH	Pullach	50,000 DM	178,180 EUR	100.0%	7,038 EUR
Sixt International Holding GmbH	Pullach	25,000 EUR	1,159 EUR	100.0%	-5,862 EUR
SIXT S.à.r.l.	Luxembourg	12,500 EUR	826,355 EUR	100.0%	305,945 EUR
kud.am GmbH	Pullach	200,000 EUR	-130,606 EUR	100.0%	-12,825 EUR
Sixt College GmbH	Pullach	100,000 EUR	111,860 EUR	100.0%	11,860 EUR
Preis24.de GmbH	Berlin	88,618 EUR	-764,681 EUR	24.6%	993,080 EUR
MOHAG Autohaus Datteln GmbH & Co. KG	Datteln	10,000 EUR	166,862 EUR	95.0%	2,186,443 EUR
SIXT S.A.R.L.	Monaco	15,000 EUR	818,427 EUR	99.9%	466,547 EUR
DriveNow Verwaltungs GmbH	Munich	25,000 EUR	26,109 EUR	50.0%	-371 EUR
TÜV SÜD Car Registration & Services GmbH	Munich	50,000 EUR	645,265 EUR	50.0%	215,838 EUR
SXT Reservierungs- und Vertriebs-GmbH	Rostock	26,000 EUR	73,647 EUR	97.7%	47,647 EUR
MD Digital Mobility Verwaltungs GmbH	Munich	25,000 EUR	22,433 EUR	100.0%	-1,193 EUR
SXT Services GmbH & Co. KG	Pullach	1,000 EUR	320,675 EUR	100.0%	-91 EUR
SXT Verwaltungs GmbH	Pullach	25,000 EUR	23,152 EUR	99.2%	-1,214 EUR
SXT Beteilungsverwaltungs GmbH	Pullach	25,000 EUR	24,336 EUR	100.0%	-35 EUR
Sixt Reparatur & Service GmbH	Pullach	25,000 EUR	27,706 EUR	100.0%	3,330 EUR
Sixt Franchise USA, LLC	Delaware	1,000,000 USD	366,549 USD	100.0%	-127,585 USD
Sixt Leasing N.V.	Sint-Stevens-Woluwe	124,000 EUR	123,897 EUR	100.0%	-103 EUR
Sixt Mobility Consulting Österreich GmbH	Vösendorf	35,000 EUR	38,664 EUR	100.0%	3,685 EUR
TOV 6 - Systems	Kiev	407,163 UAH	2,027,656 UAH	100.0%	1,732,073 UAH
Sixt Financial Services USA, LLC	Delaware	2,000,000 USD	484,816 USD	100.0%	-15,184 USD
MD Digital Mobility Netherlands B.V.	Hoofddorp	20,000 EUR	19,821 EUR	89.3%	-179 EUR
MD Digital Mobility Schweiz AG	Basle	100,000 CHF	97,020 CHF	89.3%	-2,980 CHF
MD Digital Mobility Österreich G.m.b.H.	Vösendorf	35,000 EUR	31,546 EUR	89.3%	-3,454 EUR
Sixt Centre SARL	Saint-Louis	7,000 EUR	6,270 EUR	100.0%	-730 EUR
Sixt Tourisme SARL	Saint-Louis	7,000 EUR	6,324 EUR	100.0%	-676 EUR
INCENT Corporate Services GmbH	Berlin	38,720 EUR	-61,579 EUR	20.6%	-662,246 EUR

[1] Profit and loss transfer agreement with Sixt GmbH & Co. Autovermietung KG, Pullach

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RESPONSIBILITY STATEMENT

by Sixt SE, Pullach, for financial year 2013

in accordance with sections 297 (2) sentence 4 and 315 (1) sentence 6 of the Handelsgesetzbuch (HGB – German Commercial Code)

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report on the Group's and the Company's situation includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Pullach, 21 March 2014

Sixt SE

The Managing Board

ERICH SIXT	DETLEV PÄTSCH	DR. JULIAN ZU PUTLITZ

The following independent auditor's report ("Bestätigungsvermerk") was issued in accordance with section 322 of the HGB (German Commercial Code) on the IFRS Financial Statements 2013, which were prepared in the German language. The translation of the independent auditors' report ("Bestätigungsvermerk") is as follows:

INDEPENDENT AUDITORS' REPORT

We have audited the consolidated financial statements prepared by Sixt SE (formerly Sixt Aktiengesellschaft), Pullach, – comprising the consolidated income statement and statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes to the consolidated financial statements – and the management report on the Group's and the Company's situation for the business year from January 1 to December 31, 2013. The preparation of the consolidated financial statements and the management report on the Group's and the Company's situation in accordance with IFRS, as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to section 315a (1) of the HGB (German Commercial Code) are the responsibility of the parent Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the management report on the Group's and the Company's situation based on our audit.

We conducted our audit of the consolidated financial statements in accordance with section 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the management report on the Group's and the Company's situation are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the management report on the Group's and the Company's situation are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the management report on the Group's and the Company's situation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of Sixt SE (formerly Sixt Aktiengesellschaft), Pullach, comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to section 315a (1) of the HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The management report on the Group's and the Company's situation is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, 21 March 2014

Deloitte & Touche GmbH	(Löffler)	(Stadter)
Wirtschaftsprüfungsgesellschaft	**Auditor**	**Auditor**


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BALANCE SHEET

of Sixt SE (formerly Sixt Aktiengesellschaft), Pullach, as at 31 December 2013

Assets		EUR **31 Dec. 2013**	EUR 31 Dec. 2012
A. Fixed assets			
Financial assets			
1. Shares in affiliated companies	519,709,770		464,651,770
2. Shares in other investees	10,612,500		7,712,500
		530,322,270	472,364,270
B. Current assets			
I. Receivables and other assets			
1. Receivables from affiliated companies	1,024,728,912		1,018,094,778
2. Receivables from other investees	1,657,127		3,763,084
3. Other assets	1,886,918		5,774,338
		1,028,272,957	1,027,632,200
II. Cash-in-hand and bank balances		112,999	12,758,223
C. Prepaid expenses		878,418	858,583
		1,559,586,644	**1,513,613,276**

Equity and Liabilities		EUR **31 Dec. 2013**	EUR 31 Dec. 2012
A. Equity			
I. Subscribed capital	123,029,212		123,029,212
II. Capital reserves	200,319,036		200,319,036
III. Retained earnings			
Other retained earnings	171,538,250		134,538,250
IV. Unappropriated profit	55,495,874		85,544,929
Thereof retained profits brought forward EUR 148,414 (2012: EUR 554,712)		550,382,372	543,431,427
B. Provisions			
1. Provisions for taxes	18,869,311		21,218,214
2. Other provisions	12,350,807		4,344,372
		31,220,118	25,562,586
C. Liabilities			
1. Bonds	500,000,000		500,000,000
2. Liabilities to banks	381,233,547		351,233,333
3. Trade payables	185,390		335,262
4. Liabilities to affiliated companies	74,880,675		71,404,549
5. Other liabilities	19,410,134		21,646,119
		975,709,746	944,619,263
D. Deferred tax liabilities		2,274,408	-
		1,559,586,644	**1,513,613,276**

Off-balance sheet items

Liabilities from guarantees EUR 511,113,057 (2012: EUR 373,443,959)

INCOME STATEMENT

of Sixt SE (formerly Sixt Aktiengesellschaft), Pullach, for the year ended 31 December 2013

		EUR **2013**	EUR 2012
1. Other operating income		5,874,076	8,339,527
2. Personnel expenses			
a) Wages and salaries	6,771,524		8,521,048
b) Social security contributions	6,472		51,705
		6,777,996	8,572,753
3. Other operating expenses		3,489,402	5,841,875
4. Income from investments		56,984,447	67,162,111
5. Income from profit transfer agreements		33,308,823	41,472,846
6. Other interest and similar income		40,271,902	55,790,708
7. Cost of loss absorption		2,797,362	309,733
8. Interest and similar expenses		49,785,531	52,762,991
9. Expenses for profit participation capital		-	1,960,833
10. Result from ordinary activities		**73,588,957**	**103,317,007**
11. Taxes on income		18,241,497	18,325,497
12. Other taxes		-	1,293
13. Net income		**55,347,460**	**84,990,217**
14. Retained profits brought forward		148,414	554,712
15. Transfer of other retained earnings		-	6,124,580
16. Allocation to capital reserves in accordance to section 237 (5) of the AktG		-	6,124,580
17. Unappropriated profit		**55,495,874**	**85,544,929**

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FINANCIAL CALENDAR

Financial Calendar of Sixt SE	
Annual press conference for financial year 2013 in Munich	24 March 2014
Publication of the 2013 Annual Report	22 April 2014
Analyst conference	30 April 2014
Publication of the 31 March 2014 Interim Report	15 May 2014
Annual General Meeting for financial year 2013 in Munich	3 June 2014
Publication of the 30 June 2014 Interim Report	19 August 2014
Publication of the 30 September 2014 Interim Report	18 November 2014

Dates and event locations subject to change

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