



Sixt Leasing AG

Group Quarterly Statement as of 31 March 2016

1. BUSINESS REPORT

1.1 GROUP BUSINESS PERFORMANCE

In the first quarter of 2016 the Sixt Leasing Group continued the positive business performance of the previous year and performed fully in line with its own expectations. In line with strategy, profitability was raised, both on the Group level as well as in the two business units Leasing and Fleet Management. Consolidated earnings before taxes (EBT), the key parameter for measuring business success, climbed 10.5% to EUR 8.1 million against the same quarter the year before and thus above average compared to consolidated revenue, which climbed 5.4% in Q1 to EUR 174.3 million. Consolidated revenue was once again considerably impacted by the sale of used vehicles. Sales revenue increased due to the significantly growing contract portfolio over the preceding years as well as the intensified remarketing of customer vehicles in the Fleet Management segment.

Operating Group revenue, which does not include proceeds from the sale of used vehicles, decreased slightly in Q1 2016 by 2.5% to EUR 103.4 million (Q1 2015: EUR 106.0 million). This decrease is mainly attributable to lower income from fuel services due to price declines. Adjusted by fuel service income, quarterly operating revenue climbed 1.1% compared to the same quarter last year. The operating return on revenue (EBT/leasing and fleet management proceeds without revenue from sales) improved over the first three months to 7.8% compared to 6.9% in the same quarter last year and 7.0% for the full fiscal year 2015.

As of 31 March 2016 the Group's total number of contracts inside and outside Germany (excluding franchisees and cooperation partners) came to 105,000 and was thus 6.7% above the figure at the same reporting date in 2015 (98,400). Above all the Online Retail business field with the platform *sixt-neuwagen.de* for private and commercial customers continued its dynamic growth course. Furthermore, Sixt Leasing acquired 100% of the shares in autohaus24 GmbH at the end of April 2016 to give it another access route to the strongly growing online vehicle market for private and commercial customers. Through integrating leasing and financing offers on *autohaus24.de*, the high brand awareness and strong lead volume of autohaus24 can be utilised to conclude additional leasing and financing contracts.

Based on the overall positive first quarter of the year, which developed in line with plan, the Managing Board affirms its business targets for the full year 2016.

1.2 LEASING BUSINESS UNIT

The Leasing business unit is divided into the two business fields Fleet Leasing and Online Retail.

Key figures for the Leasing business unit	Q1	Q1	Change
	2016	2015	in %
in EUR million			
Leasing revenue	95.6	97.7	-2.2
Sales revenue	57.7	49.0	17.8
Total revenue	153.3	146.7	4.5
Earnings before interest and taxes (EBIT)	12.9	11.7	11.0
Earnings before taxes (EBT)	7.5	6.8	10.5
Return on sales (in %)	7.8	6.9	0.9 points

- || In the **Fleet Leasing** business field Sixt Leasing hired Mr Vinzenz Pflanz as Chief Sales Officer (CSO), who started on 15 January 2016. Mr Pflanz has around 20 years of experience in the leasing and fleet management business. In this newly created role he will be responsible for direct sales activities in the fleet business as well as the further internationalisation of the Group's activities.
- || The **Online Retail** business field (private and commercial customer leasing) with its online platform *sixt-neuwagen.de* launched its first TV advertising campaign in the period January to February 2016. The TV commercial was broadcast during primetime on the major private German channels and met with positive feedback. The TV campaign led to a substantial uptake of concrete customer requests and unsupported brand awareness of Sixt Neuwagen.

1.3 FLEET MANAGEMENT BUSINESS UNIT

Key figures for the Fleet Management business unit	Q1	Q1	Change
	2016	2015	in %
in EUR million			
Fleet management revenue	7.8	8.3	-6.1
Sales revenue	13.3	10.3	28.3
Total revenue	21.0	18.6	13.0
Earnings before interest and taxes (EBIT)	0.7	0.6	17.1
Earnings before taxes (EBT)	0.6	0.6	11.1
Return on sales (in %)	7.8	6.6	1.2 points

- || In the **Fleet Management** business unit, which is operated by Sixt Mobility Consulting GmbH, the implementation of a contract with one of the German blue chip corporations on the management of a fleet of around 13,500 vehicles could be successfully completed towards the end of the period under review. After Sixt Mobility Consulting already managed 3,500 vehicles from this key account, another 10,000 vehicles were added in the second half of 2015. With start of implementation in the fourth quarter of 2015, these new contracts were added to the contract portfolio.
- || Since 2013 Sixt Mobility Consulting has been offering its customers to remarket their vehicles. More and more customers have been making use of this service. As a consequence, the proceeds from the sale of customer vehicles climbed in the first quarter of 2016 by 28.3% against the same quarter last year. This way Sixt Mobility Consulting is opening up another source of income alongside its revenue from fleet management.

1.4 DEVELOPMENT OF CONTRACT PORTFOLIO

As at 31 March 2016 the Group's total number of contracts inside and outside Germany (excluding franchisees and cooperation partners) totalled 105,000 contracts (31 March 2015: 98,400 contracts; +6.7%).

The Leasing business unit held 71,600 contracts at the end of the first quarter, a gain of 6.4% compared to the figure recorded at the same date the year before (67,300 contracts). In the Fleet Leasing business field the number of contracts came to 48,600. Though this was slightly lower than previous year's level (49,800 contracts; -2.4%), nonetheless it increased compared to the level at the end of Q4 2015 (48,300 contracts). The Online Retail business field continued its dynamic development and held 23,000 contracts at the end of the reporting quarter, 31.3% more than on the same reporting date in 2015 (17,500 contracts).

The contract portfolio of the Fleet Management included around 33,400 contracts at the end of the first quarter 2016, 7.5% more than at the same time last year (31 March 2015: 31,100 contracts), mainly due to the acquisition of a key account in the second half of 2015.

Alongside the contracts directly under management, another 5,800 contracts were managed by the Swiss-based company SXB Managed Mobility AG at the end of March 2016. Via its Swiss subsidiary, Sixt Leasing AG holds a 50% share in the joint venture that is consolidated at-equity.

1.5 FINANCIAL POSITION

Equity

As at 31 March 2016 Sixt Leasing Group's equity totalled EUR 184.1 million, some EUR 5.8 million more than at 31 December 2015 (EUR 178.3 million). The equity ratio improved from 16.0% to 16.4% and thereby remained above the sustainably targeted minimum level of 14.0%.

Liabilities

As at 31 March 2016, the Group reported non-current liabilities and provisions in the amount of EUR 509.5 million, some EUR 271.5 million lower than the figure on 31 December 2015 (EUR 781.0 million). Non-current liabilities to related parties were down by EUR 209.0 million to EUR 490.0 million. This development is due to the fact that Sixt Leasing plans to repay the first partial loan amount of EUR 209.0 million from the Core Loan, provided by Sixt SE until the end of 2018, by 30 June 2016 in accordance with the contractually agreed early repayment option. Accordingly, the corresponding amount will be reclassified under the current liabilities to related parties. The Core Loan is expected to be replaced with an ABS financing structure as well as bilateral credit lines and capital market instruments such as borrower's note loans with more favourable conditions.

Furthermore, non-current liabilities decreased as per reporting date, 31 March 2016, significantly down from EUR 69.0 million to EUR 5.9 million. This decline is essentially the result of two long-term bank loans amounting to EUR 60.0 million, which will expire in the first quarter of 2017 and, therefore, were also reclassified under the current liabilities.

Current liabilities and provisions as at 31 March 2016 amounted to EUR 427.4 million compared to EUR 153.5 million as at 31 December 2015. The EUR 273.9 million increase results from the increase in current liabilities to related parties to EUR 212.7 million (31 December 2015: EUR 4.0 million) and the current financial liabilities to EUR 97.5 million (31 December 2015: EUR 28.3 million) due to the above mentioned reclassifications.

1.6 INVESTMENTS

In the first quarter of 2016 Sixt Leasing Group added vehicles with a total value of EUR 106.4 million to the leasing fleet (Q1 2015: EUR 99.8 million).

2. EVENTS SUBSEQUENT TO REPORTING DATE

On 27 April 2016, Sixt Leasing AG acquired 100% of the shares in autohaus24 GmbH from Sixt Ventures GmbH and Axel Springer Auto Verlag GmbH. The parties agreed to keep the purchase price of the transaction confidential. Berlin based autohaus24 ranks as one of the leading internet brokers for new vehicles in Germany. Since its foundation in 2009, the platform autohaus24.de has brokered more than 50,000 vehicles to private and commercial customers. The acquisition of autohaus24 GmbH gives Sixt Leasing another access to the strongly growing online vehicle market for private and commercial customers. Through integrating leasing and financing offers on autohaus24.de, the high brand awareness and strong lead volume of autohaus24 can be utilised to conclude additional leasing and financing contracts.

3. REPORT ON OUTLOOK

Following Sixt Leasing Group's overall positive business performance during the first three months, the Managing Board expects to achieve its business objectives for the full fiscal year 2016.

Accordingly, the Managing Board projects a further growth of the contract portfolio, with the Online Retail business field expected to keep up its dynamic development unchanged so that its number of contracts is set to climb above 32,000 by the end of 2017. For its Fleet Leasing business field, the aim for 2016 is to achieve low single-digit growth in its contract portfolio. The Fleet Management business unit is aiming to make a further step during the current year towards its medium-term target of around 50,000 contracts. Thereby, Sixt Leasing intends to strictly stick to its profitable growth track, where margin and profitability improvements take clear precedence over volume growth.

Transferring the Group financing to external partners as announced during the IPO in May 2015 remains fully on schedule. As at the end of April, credit lines of over EUR 350 million had been negotiated with bank partners. The Managing Board also expects to conclude an ABS-financing structure with a volume of up to EUR 500 million by mid-2016. Given the progress made, Sixt Leasing AG intends to redeem a partial loan amount of EUR 209 million of the Core Loan which Sixt SE is providing by 30 June 2016 according to the contractually agreed early repayment option.

For the full fiscal year 2016 the Managing Board upholds its expectations for expanding operating revenue by a lower to mid-range single-digit percentage figure compared to 2015, combined with a corresponding improvement of consolidated EBT, reflecting the growth in higher-margin businesses.

4. FINANCIAL FIGURES FOR SIXT LEASING GROUP AS AT 31 MARCH 2016

4.1 GROUP INCOME STATEMENT PLUS STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement	Q1	Q1
in EUR thou.	2016	2015
Revenue	174,326	165,337
Other operating income	3,392	3,028
Fleet expenses and cost of lease assets	105,663	102,463
Personnel expenses	5,595	5,283
Depreciation and amortisation expense	45,330	43,170
Other operating expenses	7,453	5,161
Earnings before interest and taxes (EBIT)	13,676	12,288
Net finance costs	-5,597	-4,977
Of which attributable to at-equity measured investments	7	-
Earnings before taxes (EBT)	8,079	7,311
Income tax expense	2,201	1,715
Consolidated profit	5,878	5,596
Of which attributable to shareholders of Sixt Leasing AG	5,878	5,596
Earnings per share – basic (in Euro)	0.29	0.37

Consolidated statement of comprehensive income	Q1	Q1
in EUR thou.	2016	2015
Consolidated profit	5,878	5,596
Other comprehensive income (not recognised in the income statement)		
Components that could be recognised in the income statement in future		
Currency translation gains/losses	-81	837
Total comprehensive income	5,797	6,433
Of which attributable to shareholders of Sixt Leasing AG	5,797	6,433

4.2 GROUP BALANCE SHEET

Assets		
in EUR thou.	31 Mar. 2016	31 Dec. 2015
Non-current assets		
Intangible assets	2,458	2,133
Equipment	381	371
Lease assets	966,275	957,779
At-equity measured investments	166	161
Financial assets	42	42
Other receivables and assets	1,705	1,429
Deferred tax assets	249	81
Total non-current assets	971,276	961,996
Current assets		
Inventories	28,928	33,141
Trade receivables	68,325	56,607
Receivables from related parties	4,795	1,989
Other receivables and assets	36,584	37,395
Income tax receivables	3,263	3,057
Bank balances	7,939	18,712
Total current assets	149,835	150,900
Total assets	1,121,111	1,112,896
Equity and liabilities		
in EUR thou.	31 Mar. 2016	31 Dec. 2015
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,045	135,045
Other reserves	28,488	22,692
Total equity	184,145	178,348
Non-current liabilities and provisions		
Financial liabilities	5,852	68,970
Liabilities to related parties	490,000	699,000
Other liabilities	42	38
Deferred tax liabilities	13,652	13,036
Total non-current liabilities and provisions	509,546	781,044
Current liabilities and provisions		
Other provisions	3,872	4,772
Income tax provisions	1,157	986
Financial liabilities	97,463	28,308
Trade payables	62,728	69,008
Liabilities to related parties	212,670	4,043
Other liabilities	49,529	46,386
Total current liabilities and provisions	427,420	153,504
Total equity and liabilities	1,121,111	1,112,896

4.3 GROUP CASH FLOW STATEMENT

Consolidated cash flow statement	Q1	Q1
in EUR thou.	2016	2015
Cash flow from operating activities		
Consolidated profit	5,878	5,596
Income taxes recognised in income statement	1,754	1,310
Income taxes paid	-1,790	-33
Financial income recognised in income statement ¹	5,604	4,977
Interest received	1	15
Interest paid ²	-5,686	-704
Depreciation and amortisation ³	45,330	43,170
Income from disposal of fixed assets	-3,192	-631
Other (non-)cash expenses and income	-1,475	-8,947
Cash flow	46,426	44,753
Proceeds from disposal of lease assets	57,703	48,977
Payments for investments in lease assets	-106,378	-99,844
Change in inventories	4,212	-1,484
Change in trade receivables	-11,718	-2,822
Change in trade payables	-6,280	-6,672
Change in other net assets	-317	45,598
Net cash flows used in/from operating activities	-16,352	28,506
Investing activities		
Payments for investments in intangible assets and equipment	-435	-212
Payments for investments in financial assets	-	-47
Net cash flows used in investing activities	-435	-259
Financing activities		
Payments received from taken out financial liabilities	6,038	32,657
Change in short-term financing from related parties	-	-65,446
Net cash flows from/used in financing activities	6,038	-32,789
Net change in cash and cash equivalents	-10,749	-4,543
Effect of exchange rate changes on cash and cash equivalents	-23	102
Cash and cash equivalents at 1 Jan.	18,712	13,839
Cash and cash equivalents at 31 Mar.	7,939	9,398

¹ Excluding income from investments

² Including interest paid for loans from related parties

³ The depreciation and amortisation expense includes write-downs on lease vehicles intended for sale

5. ADDITIONAL FINANCIAL FIGURES FOR THE PERIOD UNDER REVIEW

Revenue

Revenue is broken down as follows:

Revenue	Q1	Q1	Change
in EUR thou.	2016	2015	in %
Leasing Business Unit			
Leasing revenue	95,573	97,727	-2.2
Sales revenue	57,703	48,977	17.8
Total	153,276	146,704	4.5
Fleet Management Business Unit			
Fleet management revenue	7,789	8,293	-6.1
Sales revenue	13,261	10,340	28.3
Total	21,050	18,633	13.0
Group total	174,326	165,337	5.4

Fleet expenses and cost of lease assets

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

Fleet expenses and cost of lease assets	Q1	Q1	Change
in EUR thou.	2016	2015	in %
Selling expenses	67,246	58,539	14.9
Fuel	14,555	18,174	-19.9
Repair, maintenance and reconditioning	14,524	16,358	-11.2
Insurance	2,744	2,793	-1.8
External rent expenses	1,536	1,589	-3.3
Vehicle licenses	757	1,003	-24.5
Transportation	802	919	-12.8
Taxes and charges	766	897	-14.6
Radio license fees	423	452	-6.4
Vehicle return expenses	696	302	>100
Other expenses	1,614	1,437	12.3
Group total	105,663	102,463	3.1

The Leasing segment accounted for EUR 86.3 million (Q1 2015: 85.2 million) and the Fleet Management segment for EUR 19.3 million (Q1 2015: EUR 17.3 million).

Depreciation and amortisation

Depreciation and amortisation are split up as follows:

Depreciation and amortisation expense	Q1	Q1	Change
in EUR thou.	2016	2015	in %
Lease assets and lease vehicles intended for sale	45,230	43,121	4.9
Equipment	39	21	82.3
Intangible assets	61	27	>100
Group total	45,330	43,170	5.0

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	Q1	Q1	Change
in EUR thou.	2016	2015	in %
Commissions	15	92	-83.6
Rental expenses for business premises	330	287	15.0
Other selling and marketing expenses	1,776	691	>100
Expenses from write-downs of receivables	213	271	-21.3
Audit, legal, advisory costs, and investor relations expenses	487	608	-19.8
Other personnel services	2,373	1,852	28.1
IT expenses	587	323	81.7
Miscellaneous expenses	1,672	1,036	61.3
Group total	7,453	5,161	44.4

Net finance costs

The net finance costs are as follows:

Net finance costs	Q1	Q1
in EUR thou.	2016	2015
Other interest and similar income	60	74
Other interest and similar income from related parties	2	268
Interest and similar expenses	-290	-1,045
Interest and similar expenses for related parties	-5,376	-4,274
Result from at-equity measured investments	7	-
Group total	-5,597	-4,977

Group segment reporting

The segment information for the first three months of 2016 (compared with the first three months of 2015) is as follows:

By business unit in EUR million	Leasing		Fleet Management		Reconciliation		Group	
	2016	2015	2016	2015	2016	2015	2016	2015
External revenue	153.3	146.7	21.1	18.6	-	-	174.3	165.3
Internal revenue	0.0	0.0	-	0.0	-0.0	-0.0	-	-
Total revenue	153.3	146.7	21.1	18.6	-0.0	-0.0	174.3	165.3
Depreciation and amortisation expense	45.3	43.2	0.0	-	-	-	45.3	43.2
EBIT ¹	12.9	11.7	0.7	0.6	-	-	13.7	12.3
Net interest expense	-5.5	-4.9	-0.1	-0.1	-	-	-5.6	-5.0
Result from at-equity measured investments	-	-	0.0	-	-	-	0.0	-
EBT ²	7.5	6.8	0.6	0.6	-	-	8.1	7.3

¹ Corresponds to earnings before interest and taxes (EBIT)

² Corresponds to earnings before taxes (EBT)

Due to rounding it is possible that selected figures in this Group Quarterly Statement cannot be added up to the amount recorded and that the annual figures listed do not follow from adding up the individual quarterly figures. For the same reason, the percentage figures listed may not always exactly reflect the absolute numbers to which they refer.

Pullach, 12 May 2016

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