SIXT LEASING AG

ANNUAL REPORT
2015

Sixt leasing

THE SIXT LEASING GROUP IN FIGURES

in EUR million	**2015**	2014[1]	Change 2015 on 2014 in %	2013[1]
Revenue	665	575	15.7	546
Thereof operating revenue	430	428	0.4	403
Thereof leasing revenue	397	387	2.5	378
Thereof fleet management revenue	33	40	-19.1	25
Thereof sales revenue	236	147	60.1	143
Earnings before interest and taxes (EBIT)	52	49	5.8	43
Earnings before taxes (EBT)	30	26	18.2	21
Operating return on revenue (in %)[2]	7.0	6.0	17.7	5.1
Operating return on revenue Leasing business unit (in %)[2]	6.9	6.1	14.1	5.4
Operating return on revenue Fleet Management business unit (in %)[2]	8.7	5.3	62.8	1.2
Consolidated profit	23	19	18.4	16
Earnings per share - basic (in EUR)	1.20	1.27	-5.5	1.03
Total assets	1,113	1,081	3.0	922
Lease assets	958	902	6.1	775
Equity	178	12[3]	>100	16[3]
Equity ratio (in %)	16.0	1.1	+14.9 Points	1.7
Non-current liabilities to related parties	699	20	>100	20
Current liabilities to related parties	4	660	-99.4	530
Financial liabilities[4]	97	259	-62.5	238
Dividend per share (in EUR)	0.40[5]			
Total dividend, net	8.2[5]			
Contract portfolio (in thou.)	103	97	6.0	76
Thereof Fleet Leasing	48	50	-3.7	49
Thereof Online Retail	21	16	33.7	11
Thereof Fleet Management	34	31	7.6	16
Investments in lease assets[6]	424	420	0.9	338
Number of employees[7]	280	275	1.8	227

1 *Values are taken from the Combined Financial Statements*
2 *Ratio of EBT to operating revenue*
3 *Profit and loss transfer agreement with Sixt SE until 30 April 2015*
4 *Current and non-current financial liabilities, including finance lease liabilities*
5 *Proposal by the management*
6 *Value of vehicles added to the leasing fleet*
7 *Annual average*

CONTENT

TO OUR SHAREHOLDERS

SIXT LEASING
– WIKI –

DID YOU KNOW THAT

in 2015 about

8.7 MILLION

visitors accessed the website sixt-neuwagen.de?

A \\ TO OUR SHAREHOLDERS

A.1 \\ LETTER TO SHAREHOLDERS

DR. RUDOLF RIZZOLLI

\\ CEO of Sixt Leasing AG
\\ Born in 1973
\\ Since 2012 with Sixt Leasing AG

BJÖRN WALDOW

\\ CFO of Sixt Leasing AG
\\ Born in 1974
\\ Since 2010 with Sixt

Dear shareholders,

Since 7 May 2015 our Company's shares have been traded on the Regulated Market of the Frankfurt Stock Exchange. This marks the beginning of a new chapter for Sixt Leasing and offers our Company many strategic and exciting growth opportunities. We are delighted that you, dear shareholders, take this step with us and thank you for the trust you have placed in us. We expressly thank all our employees for their untiring efforts, leading to the strong and profitable growth of our Company over the last years, which laid the foundation for a successful IPO.

Today, Sixt Leasing AG is already one of Germany’s leading leasing companies and is active in about 40 countries via own subsidiaries and franchise partners. We want to strengthen and expand this market position in the coming years on the basis of our competitive strengths we have developed over decades as well as our forward-looking and proved business model with our three business fields Fleet Leasing, Fleet Management and Online Retail for private and commercial customers.

In the last fiscal year we continued our successful growth path regarding contract portfolio, revenue and earnings, and thus achieved the best year in the Company’s history. Group earnings before taxes (EBT), our key success parameter, reached EUR 30.3 million and thus grew by 18.2% against the previous year. The uptake in earnings was clearly above the growth recorded in our consolidated operating revenue, which climbed by 0.4% to EUR 429.8 million in 2015. This development emphasises the high priority we give to a continued improvement in margins and profitability. That way, we gradually increased the return on operating revenue, i.e. the ratio of EBT to consolidated operating revenue, over the last few years – last year by one percentage point to 7.0%.

The contract portfolio also recorded a positive development in 2015. For the first time the number of contracts exceeded the threshold of 100,000. At the end of 2015 the Group's contract portfolio totalled 103,200 contracts and was thus some 6.0% higher than the corresponding figure the year before. In the Leasing business unit the number of contracts increased due to the ongoing dynamic growth witnessed by the still emergent Online Retail business field. With *sixt-neuwagen.de* we offer private and commercial customers a unique online platform to order the latest car models from over 30 different OEMs that are either instantly available or individually configured, via leasing or Vario-Financing, only with a few mouse clicks. As “first mover” we are addressing with this offering an almost untapped market in Germany, for which we estimate a potential of more than 1 million vehicles per year.

Our second business unit Fleet Management, that runs under the brand name Sixt Mobility Consulting, also managed to expand its contract portfolio in 2015. Especially sales success in acquiring notable key customers contributed to this development, such as recently with the conclusion of a contract to expand a fleet already under management to about 13,500 vehicles.

As announced during the IPO, we consider Sixt Leasing AG to be an attractive and reliable dividend-paying investment. The Managing Board and Supervisory Board are therefore going to suggest to the Annual General Meeting paying out a dividend of EUR 0.40 per share for the fiscal year 2015. This would lead to a distribution ratio of about 37%, referenced to the consolidated profit after taxes. The ratio would therefore be in the upper half of the corridor of 30% to 40% that we targeted in the context of the IPO.

This dividend proposal fairly reflects the solid earnings position as well as the Group's capital and financing basis. With an equity ratio of 16.0% as at the end of 2015, we have ample leeway to financially underpin our ambitious growth plans for the upcoming years. The financing agreement we have concluded with our previous sole shareholder, Sixt SE, also allows us to transfer and diversify our Group financing swiftly, but with all due caution, to independent external financing partners. This process, scheduled to run until 2018, is fully in line with our plans.

For the current fiscal year 2016 we plan to continue our growth across all business fields. In our core business Fleet Leasing, which is characterised by evolving, reliable and predictable cash flows, we expect to see the contract portfolio grow at a smaller single-digit percentage figure. In the Fleet Management business field we want to take another step towards our mid-term target of at least 50,000 contracts. A stronger presence of Sixt Mobility Consulting in Western Europe will have growing importance as we want to manage our customers' fleets across national boundaries. A key role in the nascent internationalisation is playing the newly developed Global Reporting Tool, which we introduced in the fourth quarter of 2015 and which allows to manage international fleets efficiently and transparently. This tool is also a good example of Sixt Leasing's ambition to offer its customers real added value through product innovations.

In the Online Retail business field we expect the dynamic development to continue. As next milestone we have set our sights on at least 32,000 contracts by the end of 2017. We have also secured the right to use the premium brand name “Sixt” over the long term, so that we benefit from the brand's recognition and trust with private and commercial customers and can reap additional growth potential. We will continue to focus in particular on extending our service business. Today about every third contract concluded in the Online Retail business field already includes at least one service component next to pure finance leasing.

For full fiscal year 2016 we expect that the Group will continue to expand its operating revenue at a lower to mid-range single-digit percentage rate, accompanied by a corresponding improvement in EBT. Thus, we want to build on and accelerate the drive of the previous years.

Pullach, April 2016

The Managing Board

DR. RUDOLF RIZZOLLI (CEO)

BJÖRN WALDOW (CFO)

A.2 \\ REPORT OF THE SUPERVISORY BOARD

General

In fiscal year 2015 the Supervisory Board of Sixt Leasing AG carefully and conscientiously attended to the duties incumbent on it according to law and the Articles of Association. The Board dealt in detail with the Company's situation, consulted with the Managing Board over key strategic questions and provided it with assistance. The year under review was very much influenced by the IPO of the Company completed in May 2015, in the course of which the Supervisory Board also had new members join the organ.

A total of seven Supervisory Board meetings were held in 2015, each of which were attended by all Supervisory Board members. Two meetings were conducted via telephone. The legally stipulated frequency of two meetings per calendar half-year was complied with.

The Managing Board informed the Supervisory Board in written and verbal form regularly, promptly and comprehensively about the situation of the Company and the Group. To this end, the Managing Board prepared a report every quarter with detailed information on the economic and financial position of Sixt Leasing AG as well as its domestic and foreign subsidiaries. The Managing Board explained to the Supervisory Board the documents and reports submitted for the meetings. The Supervisory Board did not have to consult additional company documents.

The Supervisory Board was involved early on in decisions of significant importance for the Company and the Group. In the year under review this applied in particular to the assessment, preparation and implementation of the IPO of Sixt Leasing AG. The members of the Supervisory Board also regularly exchanged information with the Managing Board outside the meetings, especially the chairmen of the two corporate organs. The provisions of the German Corporate Governance Code and of the legal stipulations on stock corporations governing the duty of the Managing Board to report to the Supervisory Board were consistently observed.

The Supervisory Board of Sixt Leasing AG has not established any committees. As the Supervisory Board consists of only three members, the formation of committees is not expected to yield any greater working efficiency.

ERICH SIXT

- Chairman of the Supervisory Board of Sixt Leasing AG since 2004
- Born in 1944
- Since 1969 with Sixt

Key issues in 2015

The Supervisory Board regularly addressed and looked into the current business performance, the strategic focus, the risk situation and risk management, internal control systems, the performance of contract portfolios in the individual business units as well as the net assets, the financial position and results of operations of Sixt Leasing AG and the Sixt Leasing Group. The entire Managing Board attended all Supervisory Board meetings to explain all the information and procedures in due detail and answer questions. The Supervisory Board approved the mid-term business plan until 2019 which the Managing Board presented.

- Over the first half of 2015 the *IPO of Sixt Leasing AG* took up most of the time during the consultations with the Supervisory Board. The Managing Board informed the Supervisory Board in great detail of the considerations and plans for going public with the Company, given the background of Sixt Leasing Group's strong growth over the previous years, the ambitious mid-term growth projections and the resulting capital requirements. In close consultation with the organs of the previous sole shareholder, Sixt SE, the Managing Board and the Supervisory Board agreed that direct access to the capital market could open up additional growth opportunities for the Sixt Leasing Group and would therefore be a long-term strategic benefit. Restructuring the previous financing arrangements of the operative business, which was mainly provided by Sixt SE, to external and independent financing arrangements would additionally offer the opportunity to significantly reduce the financing costs of the Sixt Leasing Group.

Against this background, the Supervisory Board unanimously approved in its meeting of 17 April 2015 a number of key agreements between Sixt SE and Sixt Leasing AG that specify the business relations between the two companies after the IPO, among others the financing contracts and the brand license agreement. During its meeting on 23 April 2015 the Supervisory Board gave its approval for the IPO concept and the underwriting agreement that had been negotiated between the Managing Board and the issuing banks. On 5 May 2015 the Supervisory Board agreed to the fixing of the issue price for the shares to be placed.

The Supervisory Board regarded the IPO of the Company as a success, given that it was prepared and completed within a few months and that capital markets reacted positively to the placement offer in a volatile environment. The issue price that was finally achieved at EUR 20.00 per share was also seen as success. The Supervisory Board expressly wishes to thank the team entrusted with the issuance for their outstanding efforts that made such a result possible.

- In 2015 the Supervisory Board dealt in detail with the ***measures to intensify sales activities and to internationalise the business of Sixt Leasing***, especially in the Fleet Management business unit. The Board approved the creation of the position of a Chief Sales Officer in order to extend direct sales in the Fleet Leasing and Fleet Management business fields and also to drive forward internationalisation.

- Another key issue was ***transferring the Group's financing*** to external sources after the IPO. To this end the Managing Board provided information on the measures planned. In the second half of 2015 Sixt Leasing AG was able to conclude the first financing agreements with bank partners, which will enable it to gradually replace the Group financing secured by Sixt SE.

- In the year under review the Supervisory Board also looked at ***product innovations*** that will be of material significance for Sixt Leasing AG. These include, among others, the introduction of a driver's logbook app for the users of company cars as well as a Global Reporting Tool that allows the centralised and consistent management of international vehicle fleets.

Corporate Governance

The corporate management and supervision of Sixt Leasing AG complies with the principles of the German Corporate Governance Code. The Corporate governance report, which is published in the Annual Report, includes the Managing Board and Supervisory Board's report on Sixt Leasing AG's corporate governance in accordance with section 3.10 of the Code. In November 2015, the Managing and the Supervisory Board issued a Declaration of Conformity pursuant to section 161 of the Aktiengesetz (AktG – German Public Companies Act), which is available to shareholders on the Company’s website ***ir.sixt-leasing.com***. With few exceptions, Sixt Leasing AG complies with the recommendations of the Government Commission on the German Corporate Governance Code.

In the year under review the Supervisory Board approved the proposal of the Managing Board to specify target quotas for a share of female members in the Group's executive management levels, which shall come into effect as of 30 June 2017 in according with the stipulations of the Act on equal participation of women and men in executive positions.

Changes in the Managing and Supervisory Boards

Effective as of 1 April 2015, the Supervisory Board appointed Mr Björn Waldow as Chief Financial Officer (CFO) for the Company. He is responsible for finance, accounting and controlling as well as investor relations, risk management, revision, legal, contract management and compliance issues.
Mr Waldow has been with the Sixt Group since 2010. In his previous assignments he was responsible as Managing Director for business development in the departments Strategy, Mergers & Acquisitions and Sales Controlling as well as the Group's risk management.

In the course of the IPO, the Company's Supervisory Board was replaced. Messrs Erich Sixt, Detlev Pätsch and Dr. Julian zu Putlitz resigned from the organ effective as of 16 April 2015. On 8 April 2015, the Annual General Meeting of Sixt Leasing AG elected Mr Erich Sixt, the longstanding CEO of Sixt SE, and Prof. Dr. Marcus Englert, management consultant and Associate Partner as well as Managing Director of Solon Management Consulting GmbH & Co. KG, as members of the Supervisory Board of Sixt Leasing AG, effective as of 17 April 2015.

In addition and in accordance with the stipulations of section 9 (2) of the Company’s Articles of Association, Sixt SE appointed Mr Georg Bauer to act as a further Supervisory Board member, effective as of 17 April 2015. Mr Bauer is Managing Director of Tesla Financial Services GmbH and has a track record of many years in the automotive industry with executive functions at Daimler-Benz and BMW.

The new Supervisory Board members are appointed until the Annual General Meeting, which will approve the actions of the Supervisory Board for fiscal year 2017. In its constituent meeting the newly established Supervisory Board elected Mr Erich Sixt as Chairman of the Supervisory Board and Prof. Dr. Englert as Deputy Chairman.

Audit of the 2015 annual financial statements and consolidated financial statements
The Managing Board prepared the annual financial statements of Sixt Leasing AG as per 31 December 2015 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 per 31 December 2015 in accordance with section 315a of the HGB and on the basis of the International Financial Reporting Standards (IFRS), as adopted by the EU.

Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements of Sixt Leasing AG and the consolidated financial statements as well as the management report on the situation of the Group and the Company, and gave these documents their unqualified audit opinion. The auditor had been commissioned by the Supervisory Board on the basis of the resolution taken by the Annual General Meeting on 8 April 2015.

The Supervisory Board received the documents together with the Managing Board's dependent company report and the auditors' audit reports as well as the Managing Board's proposal on the appropriation of the unappropriated profit in sufficient time for examination. Discussion and examination of these documents was conducted during the Supervisory Board's meeting on 14 April 2016, which was 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 an analysis of the risk situation and risk management, the auditors concluded that there were no material risks, in Sixt Leasing AG and the Group companies, which were not mentioned in the reports. The audit of the effectiveness of the internal control and risk management system relating to accounting procedures by the auditors did not lead to any objections. Furthermore, the auditors informed the Supervisory Board of services rendered over and above the work on 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 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 auditors. The annual financial statements of Sixt Leasing AG for 2015 were thus formally adopted in accordance with the provisions of the (German) AktG. The Supervisory Board concurred with the proposal made by the Managing Board for the appropriation of the unappropriated profit of 2015.

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

"On the basis of our review and assessment in accordance with professional standards, we confirm that the actual disclosures made in the report are accurate and the consideration paid by the Company for legal transactions listed in the Report was not inappropriately high."

The Supervisory Board's examination of the dependent company report in accordance with section 312 of the AktG covering the relationship between Sixt Leasing AG and its affiliated companies did not give rise to any objections. The Supervisory Board therefore concurred with the auditors' 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.

Thanks to Managing Board and employees
The successful listing on the stock exchange has opened a new chapter in our Company's corporate history. Positioning ourselves as a stock-listed company will not only open up room for manoeuvre regarding business but will also raise the per-

ception of Sixt Leasing AG by customers, business partners and the wider public.

In 2015 our Group successfully kept driving forward its growth in contract portfolio, revenue and earnings and thereby also increased profitability. The results of the previous year confirm that the strategic direction is heading in the right direction. The Supervisory Board wishes to express its gratitude to the Managing Board and all employees for their excellent performance and achievements in the very eventful year 2015. The Supervisory Board is convinced that Sixt Leasing AG will record another healthy fiscal year in 2016.

Pullach, April 2016

The Supervisory Board

ERICH SIXT	PROF. DR. MARCUS ENGLERT	GEORG BAUER
Chairman	Deputy Chairman	Member

A.3 \\ INITIAL PUBLIC OFFERING

Successful initial public offering on 7 May 2015
On 14 April 2015 Sixt SE, as the then sole shareholder of the Company, and Sixt Leasing AG announced that they planned an initial public offering (IPO) with Sixt Leasing AG. The objective of the IPO was to strengthen the Company's capital base and thereby create the financial leeway for the expected ongoing growth at home and abroad. On top of this, the expectation was for the IPO to increase profitability still further by restructuring the Company's financing set-up.

The initial public offering covered a total of 10,753,874 shares of Sixt Leasing AG, of which 5,586,593 were new shares from a cash capital increase and 5,167,281 were shares from the holding of the previous sole shareholder Sixt SE. Added to these were some further 1,613,081 shares from the holdings of Sixt SE that were to be used for the Greenshoe option. Every ordinary bearer share holds a notional amount in the Company's share capital of EUR 1.00 and full dividend entitlement as of 1 January 2015.

On 24 April 2015 the price range for the shares to be placed was fixed at EUR 17.90 to EUR 21.30. After completion of the book building phase, Sixt SE and Sixt Leasing AG on 6 May 2015 fixed the issue price at EUR 20.00 per share. The shares were placed above all with institutional investors from Germany and Europe. At this issue price the offer was significantly oversubscribed. On 7 May 2015 the shares of Sixt Leasing AG were listed for the first time on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard) at an initial price of EUR 20.40.

Sixt Leasing AG generated gross issue proceeds of EUR 111.7 million from the placement of new shares. In the run-up to the IPO, Sixt SE had made a capital increase of EUR 30.0 million by paying the amount into the capital reserves of Sixt Leasing AG. This way the Company's equity was strengthened by a gross total of EUR 141.7 million as part of its going public.

After some 1,213,081 shares of the total of 1,613,081 potential shares were exercised under the Greenshoe option, the interest held by Sixt SE in Sixt Leasing AG amounts to 41.9%. The same rate is also held at reporting date.

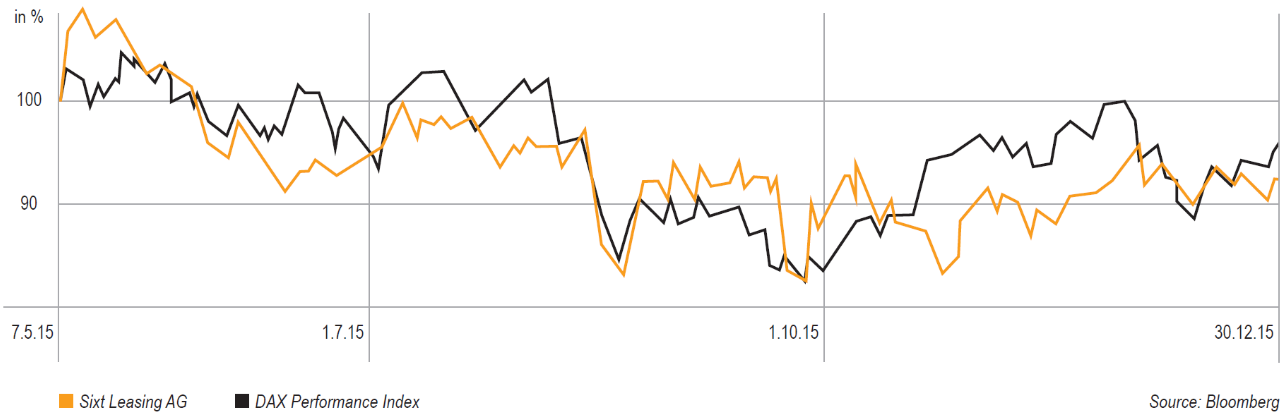
A.4 \\ SIXT LEASING SHARES

Heterogeneous performance of stock markets in 2015
The international stock markets saw diverging performances in 2015. While some of the European stock exchanges registered significant gains in shares prices, the development in the USA was negative. Thus, the Euro Stoxx 50 clocked up a 3.8% gain while the US Dow Jones Index fell by 2.2%, the first year-on-year loss since 2008.

While the European Central Bank's (ECB) bond buying programme, the moderate interest rate policy of the US Federal Reserve (Fed) and the overall robust economic data from the Euro zone and the USA positively affected stock markets, dampening effects came from the debt crisis in Greece, the cooling of the Chinese economy combined with the devaluation of the Yuan, the fall in oil prices to the lowest price in eleven years, as well as political and ethnic crises.

The German stock index (DAX) registered a volatile year in 2015. Though the index scaled the 12,000 points barrier for the first time in the first quarter and reached an all-time high on 10 April at 12,375 points, the following months saw the index slide continuously downwards. On 24 September it hit its low for the year at 9,428 points. Thereafter the DAX recovered again and closed the year at 10,743 points. All in all, this performance equals a value gain of around 10% against the closing price of the previous year (9,806 points).

Relative performance of Sixt Leasing shares against the DAX



Sixt Leasing shares start well
Sixt Leasing AG got off to a strong start on the stock exchange. On 7 May 2015 the shares traded for the first time on the Prime Standard segment of the Frankfurt Stock Exchange. At EUR 20.40 the first noted price for Sixt Leasing shares was clearly above the issue price of EUR 20.00. On the following days the shares continued their positive performance and recorded their high for the year on 11 May at EUR 22.15.

Thereafter, as the market environment turned more volatile, the share price began to fall. On 24 August, the day the entire market crashed in the wake of negative economic data from China, the shares dropped to their low for the year of EUR 17.00. During the closing quarter the share price recovered and closed the year under review at EUR 18.80. This equals a 6% drop compared with the issue price.

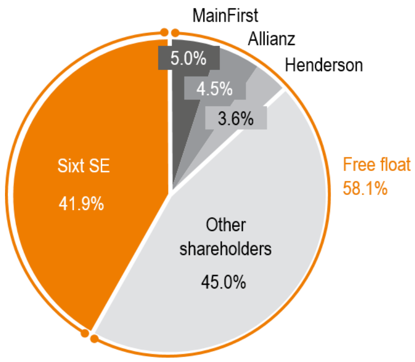
Sixt SE remains largest single shareholder after IPO
In the wake of the IPO, the stake held by Sixt SE, Pullach, in the share capital of Sixt Leasing AG and in the voting rights decreased from 100% to 41.9%. Sixt SE still remains the largest single shareholder of the Company. Based on the voting right notifications submitted to the Company, other large investors are MainFirst SICAV at 5.0%, Allianz Global Investors GmbH at 4.5% and the Henderson Group plc with 3.6% (all figures as at 21 March 2016).

The voting right notifications received by the Company during the year under review are available from the Company's website *ir.sixt-leasing.com*.

Attractive dividend proposal
Sixt Leasing AG upholds a shareholder-friendly dividend policy, which seeks to participate its shareholders in the Company's success by distributing an appropriate dividend. The amount to be paid out as a dividend is determined by the Company's earnings performance as well as future equity requirements given the scheduled ongoing growth at home and abroad. As was announced during the IPO, the general policy is to distribute a dividend in a range of 30% to 40% of the Group's surplus.

On the basis of this dividend policy, the Managing Board and Supervisory Board intend to propose to the Annual General Meeting on 1 June 2016 in Munich a dividend payment of EUR 0.40 per share. This would bring the total amount to be distributed to EUR 8.2 million, which is a ratio of about 37% of the consolidated profit and therefore in the upper half of the targeted divided corridor.

Shareholder structure of Sixt Leasing AG (as at 21 March 2016)



Total ordinary bearer shares: 20,611,593

Sixt Leasing share information	
Share class	No-par value ordinary bearer shares (WKN: A0DPRE, ISIN: DE000A0DPRE6)
Stock exchanges	All price-setting German stock exchanges
Trading segment	Prime Standard
Designated sponsors	Commerzbank AG, Joh. Berenberg, Gossler & Co. KG

	2015
Earnings per share basic (EUR)	1.20
Dividend (EUR)	0.40[1]
Number of shares (as at 31 Dec)	20,611,593

	2015
High (EUR)[2]	22.15
Low (EUR)[2]	17.00
Year-end price (EUR)[2]	18.80
Dividend yield (in %)[3]	2.1
Market capitalisation (EUR million)[3] as at 31 December	387.5

[1] *Proposal by the management*
[2] *All prices refer to Xetra closing prices*
[3] *Based on Xetra year-end price*

Intensive communication with the capital market
As a stock listed company in Deutsche Börse’s Prime Standard, Sixt Leasing AG has to meet extensive requirements on transparency and publicity.

The Company intensively engages and communicates with the capital markets. Well before the IPO and especially during the subscription period for the shares to be placed, the Managing Board held numerous meetings and events with investors, analysts and the media to explain the business model, the specific competitive strengths and the strategic opportunities of the Group. The strong market demand for the placement offer, which was clearly oversubscribed at the issue price, vindicates the positive response coming from capital market participants.

Also after going public, Sixt Leasing AG maintained its regular exchange with the capital markets. The focal points of interest for analysts and investors were in particular the developments in the contract portfolio of the individual business fields of Fleet Leasing, Online Retail and Fleet Management, the progress made in the ongoing transfer of the Group's financing to third parties as well as the measures taken towards internationalisation and innovative products and services. For the third quarter of 2015, Sixt Leasing for the first time informed investors and analysts via a conference call about current business performance.

The strategy and business performance of Sixt Leasing AG were also positively received during roadshows and investor conferences held in Germany and abroad. In 2015 roadshows were held at key financial centres such as Frankfurt/Main, London, Zurich and New York. In addition to these the Managing Board held regular meetings with journalists from the relevant financial and business media as well as designated leasing and fleet management publishers.

Prominent financial and research institutions analysed the Company's and Sixt Leasing's share development, and the Managing Board and analysts maintained detailed information exchanges. In 2015 the Baader Bank, Berenberg Bank and Commerzbank AG conducted studies on Sixt Leasing AG.

As at the year's reporting date per 31 December 2015, the average target price for Sixt Leasing shares was EUR 23.30.

Following its successful start on the stock exchange, Sixt Leasing AG will intensify its communication with the capital market and the media in 2016. Special attention will be given to conveying the long-term perspective of the corporate growth strategy and to highlighting the Company's key USPs against its competitors even more than in the past.

A.5 \\ CORPORATE GOVERNANCE REPORT

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 Leasing AG at ***ir.sixt-leasing.com*** under “Corporate Governance”.

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

Corporate Governance
For Sixt Leasing AG, 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 November 2015, the Managing Board and the Supervisory Board of Sixt Leasing AG 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 5 May 2015.

Declaration of conformity in accordance with section 161 of the AktG
The recommendations of the “Government Commission on the German Corporate Governance Code” in the version of 5 May 2015 (hereinafter referred to as “Code”) announced by the Federal Ministry of Justice in the official section of the Bundesanzeiger (Federal Gazette) will be and, since the stock market flotation on 7 May 2015, have been complied with, with the following exceptions:

\\ In the D&O insurance policy of Sixt Leasing AG, no deductible has been agreed for members of the Supervisory Board (section 3.8 (3) of the Code). Sixt Leasing AG believes that a deductible would not improve the motivation or sense of responsibility of the members of the Supervisory Board, especially given that the Supervisory Board members could insure any deductibles themselves.

\\ In accordance with the resolution adopted by the Annual General Meeting on 8 April 2015, the total remuneration is currently not disclosed and broken down by individual Managing Board member. In view of this resolution, an individual disclosure of benefits, compensations and other benefits for each member of the Managing Board using the model tables provided in the Code is not to be published (section 4.2.5 (3) of the Code).

\\ 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 (2) sentence 3 of the Code), because the Supervisory Board believes that to specify a general age limit would impose a restriction on selection and would thus not be in the interests of Sixt Leasing AG.

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

\\ An age limit for members of the Supervisory Board as well as a regular limit of length of membership in the Supervisory Board are not provided for (section 5.4.1 (2) sentence 1 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 length of membership 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 sentence 3 of the Code), because legal provisions stipulate that the election of the Supervisory Board chairperson is exclusively the responsibility of the Supervisory Board.

- Sixt Leasing AG will disclose all price-sensitive information to analysts and all shareholders (section 6.1 sentence 2 of the Code). Sixt Leasing AG 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 Leasing AG 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, November 2015

For the Supervisory Board of Sixt Leasing AG

SIGNED ERICH SIXT
Chairman

For the Managing Board of Sixt Leasing AG

SIGNED DR. RUDOLF RIZZOLLI
Chairman

Relevant disclosures on corporate governance practices
The practices used for managing Sixt Leasing AG and the Sixt leasing 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.

Compliance within the Sixt Leasing Group
The success of the Sixt Leasing Group is not only driven by its excellent business policy, but also by the harmonisation of business principles with the highest moral and ethical standards, and the trust that customers, suppliers, shareholders and business partners place in us. In order to win and keep this trust it is a precondition that the Managing Board and the employees of the Company in any situation and continuously comply with the high standards of legislation, ethics and social skills. The Code of Conduct of Sixt Leasing AG and its affiliated companies, which is mandatory for all employees, contains these behavioural principles for the acting individuals' dealings in relation to third parties and within the Company.

To become aware of potential compliance defaults, Sixt offers its employees different reporting channels via the superior, the compliance officer or the ombudsman. The compliance officer maintains regular contact with the Managing Board and assists as well as advises the Board with respect to preventive measures.

Working practices of Managing Board and Supervisory Board
In accordance with article 6 (1) of the Company's Articles of Association, the Managing Board of Sixt Leasing AG consists of one or more members. Between 1 January 2015 and

31 March 2015 the Managing Board of Sixt Leasing AG had one member in Dr. Rudolf Rizzolli. Effective as of 1 April 2015, the Supervisory Board appointed Mr Björn Waldow as additional member to the Managing Board of Sixt Leasing AG. He is responsible for finance, accounting, treasury and controlling as well as investor relations, risk management, revision, legal, contract management and compliance issues. Consequently the Managing Board has been extended to two members and Dr. Rudolf Rizzolli was appointed Chairman of the Managing Board. He signs responsible for Group strategy and development, sales and marketing, operations, procurement, IT and human resources.

In addition, Dr. Rizzolli holds further functions such as managing director in other consolidated companies. 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.

Because of its size of just two members, the Managing Board has not formed any committees.

In accordance with article 9 (1) of the Articles of Association, the Supervisory Board of Sixt Leasing AG 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. Another Supervisory Board member is appointed by Sixt SE for as long as it remains shareholder of the Company. The Supervisory Board elects a Chairman and a Deputy Chairman from among its members (article 11 (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. Membership in the Managing and Supervisory Board of Sixt Leasing AG is mutually exclusive. The simultaneous membership in both bodies is not permitted. 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 BGB - German Civil Code) and/or by using other means of telecommunication or electronic media (article 13 (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 13 (3) of the Articles of Association). Resolutions of the Supervisory Board require a simple majority of votes cast, unless otherwise mandatorily required by law (article 13 (6) of the Articles of Association). The Supervisory Board's report contains further details on the meetings and activities of the Supervisory Board during fiscal year 2015.

The Managing and Supervisory Board cooperate closely for the benefit of the Sixt Leasing 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 Leasing AG, 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)

Sixt Leasing AG does not have an employee participation programme. Prior to the Company's IPO the Managing Board of Sixt Leasing AG and selected employees of the Sixt Leasing Group were entitled to participate in the Matching Stock Programme (MSP) of Sixt SE.

The Managing Board and Supervisory Board of Sixt SE resolved 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.

The bonds acquired as personal investment carry a coupon of 4.5% p.a. and a maturity until 2020. The total volume invested by all participants is limited to EUR 5.0 million. The Managing Board of Sixt SE defines the maximum participation volume for each of the beneficiaries. Where the Managing Board of Sixt SE itself is concerned it does so with the approval of the Supervisory Board.

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.

On each 1st of December every year from 2012 (first time) to 2016 (last time) one tranche of stock options will be 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 stock options can only be exercised if the exercise price since the allocation of the respective tranche is 20% 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 exercise gain for a tranche, calculated if the stock options 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. In the case of a higher calculated exercise gain, the amount will be reduced proportionately for all participants. An amount net of the taxes and contributions on the exercise gain payable by the participants 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, including this lock-up period, is nine years, up until 2021.

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, adjusted 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.

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

In accordance with the German Corporate Governance Code the ownership of Company shares and financial instruments relating to those shares held by members of the Managing and the Supervisory Board must be disclosed in the event of such direct or indirect shareholdings exceeding 1% of the shares issued by the Company.

As at reporting date, 31 December 2015, Sixt SE, Pullach, held 41.9% (8,644,638 shares) of the shares in Sixt Leasing AG. Erich Sixt Vermögensverwaltung GmbH, Pullach, all shares of which are owned by the Sixt family (including Mr Erich Sixt, the Supervisory Board Chairman of Sixt Leasing AG and CEO of Sixt SE) held 60.1% (18,711,822 shares) of the ordinary shares of Sixt SE.

Further to these, as at 31 December 2015 no other member of the Managing or Supervisory Board had direct or indirect shareholdings or financial instruments relating to these shares exceeding 1% of the shares issued by the Sixt Leasing AG.

Directors' dealings in accordance with section 15a WpHG

In accordance with section 15a WpHG (Wertpapierhandelsgesetz – German Securities Trading Act) directors and executives of Sixt Leasing AG as well as individuals closely related to or connected with them, have to disclose their own transactions with Sixt Leasing shares or related financial instruments to Sixt Leasing AG 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 Leasing AG received six notifications in accordance with section 15a WpHG for the 2015 financial year regarding the acquisition or sale of the Company's shares or related financial instruments. These notifications have been published on the Company's website ***ir.sixt-leasing.com*** under "Corporate Governance" – "Directors' Dealings".

Target figures in accordance with the Act stipulating the equal participation of women and men in executive positions

In accordance with the provisions of the Act on equal participation of women and men in executive positions in the private and public sectors the Supervisory Board of Sixt Leasing AG in the year under review defined target figures for the share of female member in the Supervisory and Managing Boards of Sixt Leasing AG and the Managing Board of Sixt Leasing AG defined target figures for the share of women in the first and second executive level below the Managing Board. In view of this first-time definition, the period for implementation until which the respective share of women must be attained, must not be later than 30 June 2017, pursuant to statutory provisions.

As all the members of the Supervisory Board and the Managing Board have been elected and/or appointed for terms extending beyond 30 June 2017, and given that the Company currently does not plan to extend the Supervisory Board or the Managing Board or to effect any personnel changes, the Supervisory Board has determined that the share of women serving in the Supervisory Board and the Managing Board shall be 0% and also resolved that this shall be implemented by 30 June 2017.

During the period under review the Managing Board in turn defined the target figures for the share of women in the first executive level below the Managing Board to be 30% and in the second executive level below the Managing Board to be 35%. These target figures are also to be attained by 30 June 2017. This takes due account of the German consolidated companies of Sixt Leasing AG.

Disclosures relating to the auditor

The Annual General Meeting on 8 April 2015 adopted the proposal of the Supervisory Board to appoint Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, as auditor for fiscal year 2015 for Sixt Leasing AG and the Sixt Leasing Group. Audit companies from the Deloitte & Touche network are auditing the majority of companies included in the consolidated financial statements. Deloitte und Touche GmbH Wirtschaftsprüfungsgesellschaft has been auditor of Sixt Leasing AG since the annual financial statements for 2005. Since the annual financial statements for 2012 the auditor Christof Stadter has been the auditor responsible for conducting the audit.

GROWTH

↑

SIXT-neuwagen.de

CA.
21,100
CONTRACTS

CA.
3,800,000 VH
MARKET SIZE
*

FIRST MOVER	ONLINE RETAIL SINCE 2012	DISRUPTIVE BUSINESS MODEL

↑

SIXT mobility consulting

CA.
33,800
CONTRACTS

CA.
420,000 VH
MARKET SIZE
*

SCALING OF EXISTING RESOURCES	FLEET MANAGEMENT SINCE 2011	MINIMAL CAPITAL INVESTMENT

↑

SIXT leasing

CA.
48,300
CONTRACTS

CA.
813,000 VH
MARKET SIZE
*

SUSTAINABLE PROFITABILITY	FLEET LEASING SINCE 1967	HIGH CUSTOMER LOYALTY

↑

SOLID BASE

* MARKET SIZE FOR GERMANY – SOURCES: DATAFORCE 2015, DAT-REPORT 2015, COMPANY INFORMATION – FOR LEASING MARKETS: ANNUAL CAR REGISTRATIONS MULTIPLIED BY AVERAGE HOLDING PERIOD AT SIXT LEASING (IN YEARS) – FOR FLEET MANAGEMENT MARKET: STOCK SIZE

EASY AS 1–2–3

–

HIGHLIGHTS 2015

SIXT leasing

OUTSTANDING FOUNDATION, ATTRACTIVE GROWTH OPPORTUNITIES

Over the last few years the Sixt Leasing Group has recorded strong growth in its contract portfolio, revenue and earnings. For the upcoming years the goal is to build on and expand the attained market position as one of the top 3 non-captive leasing companies and fleet managers in Germany.

In Fleet Leasing, increasing our profitability has priority over volume growth. We see above-average growth potential in particular in the private and commercial customer segment, as we are addressing an almost undeveloped market here. Our declared objective is to build a large customer base as swiftly and sustainably as possible to capture a significant share of the overall market. In Fleet Management, expanding the presence to key European markets is high on the agenda, alongside domestic growth.

The continued expansion and development of our technological capabilities and digital solutions, with which we can offer our customers real added value in the form of innovative services, forms the basis of success for all three business fields.

With our successful IPO in May 2015, investors now have the opportunity to invest in our sustainable and profitable business model, which offers attractive growth perspectives. We are committed to continually increasing the value of our company.

FAVOURABLE PRICES, PREMIUM SERVICE AND SUSTAINABLE INNOVATION LEADERSHIP

–

PIONEER IN FULL-SERVICE LEASING, INDEPENDENT FLEET MANAGER FOR LARGE-SIZED FLEETS, FIRST MOVER IN THE ONLINE RETAIL OF NEW VEHICLES FOR PRIVATE AND COMMERCIAL CUSTOMERS.

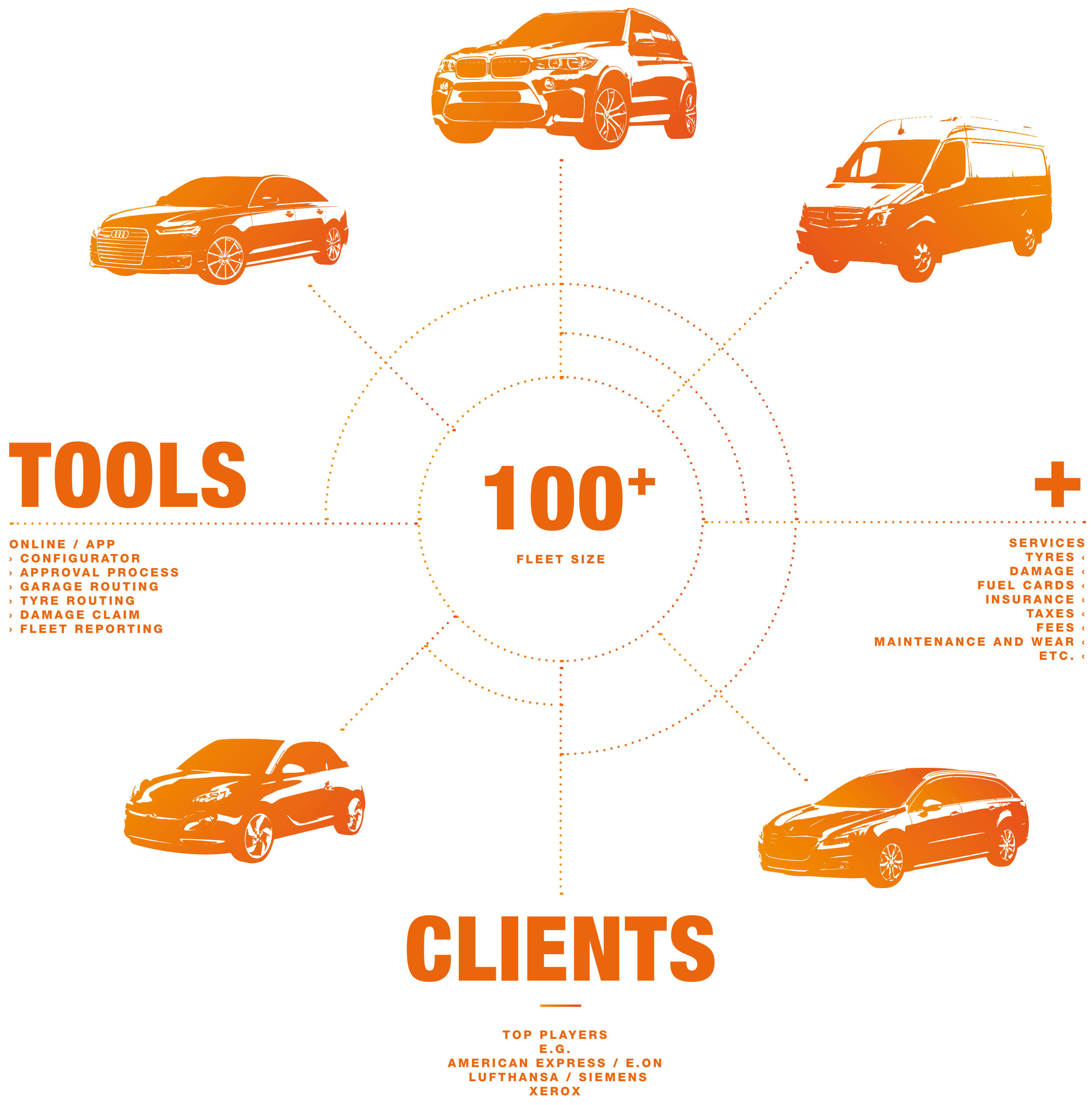
FLEET LEASING
FLEET MANAGEMENT
ONLINE RETAIL

In its Fleet Leasing division, Sixt Leasing develops tailor-made full-service solutions for corporate customers und continually optimises their fleets‘ total cost of ownership.

Under the brand name Sixt Mobility Consulting the Fleet Management segment offers this expertise as well as service solutions also to customers who purchased or leased their vehicles from third parties.

The Online Retail business field with its platform sixt-neuwagen.de allows private and commercial customers to buy all models from over 30 car manufacturers online, either through leasing or Vario-Financing – individually configured or chosen from over 5,000 instantly available vehicles. The offer is rounded off by additional services such as insurance, claims management, service packages and many more, all of which can also be ordered online.

SIXT leasing



52.2 BN€

INVESTMENT VOLUME IN THE GERMAN LEASING INDUSTRY IN 2015 *

74%

MARKET SHARE OF VEHICLES IN THE GERMAN LEASING MARKET *

5%

GROWTH IN GERMAN VEHICLE LEASING IN 2015 *

* SOURCE: BUNDESVERBAND DEUTSCHER LEASING-UNTERNEHMEN (BDL)

The digital Sixt Driver‘s Logbook
Intelligent telematics solutions for fleets

Maintaining a driver‘s logbook is always enormously cumbersome for the driver and often associated with a host of errors. Since October 2015 the Sixt Driver‘s Logbook App allows company car users to record and document their journeys travelled simply via smartphone. This enables them to have their vehicles taxed according to actual usage and thus generates potentially substantial savings compared with the usual “1 percent rule“ applicable in Germany.

Any trips driven are automatically imported into the app by means of a telematics unit and the user can then assign them to a pre-defined purpose. A specially designed online Sixt Driver‘s Logbook portal allows the user to retrieve all trips, evaluate them statistically, determine cost savings via a tax benefit calculator and then export the corresponding document for the tax authorities.

Fleet Leasing

ALL FROM A SINGLE SOURCE

CHALLENGE

For most companies procuring and managing vehicle fleets does not rank among their core competencies. In order to optimally plan and manage a corporate vehicle fleet and to keep a close eye on all mobility costs at the same time, more and more corporations are enlisting the support of a specialised, experienced and efficient partner.

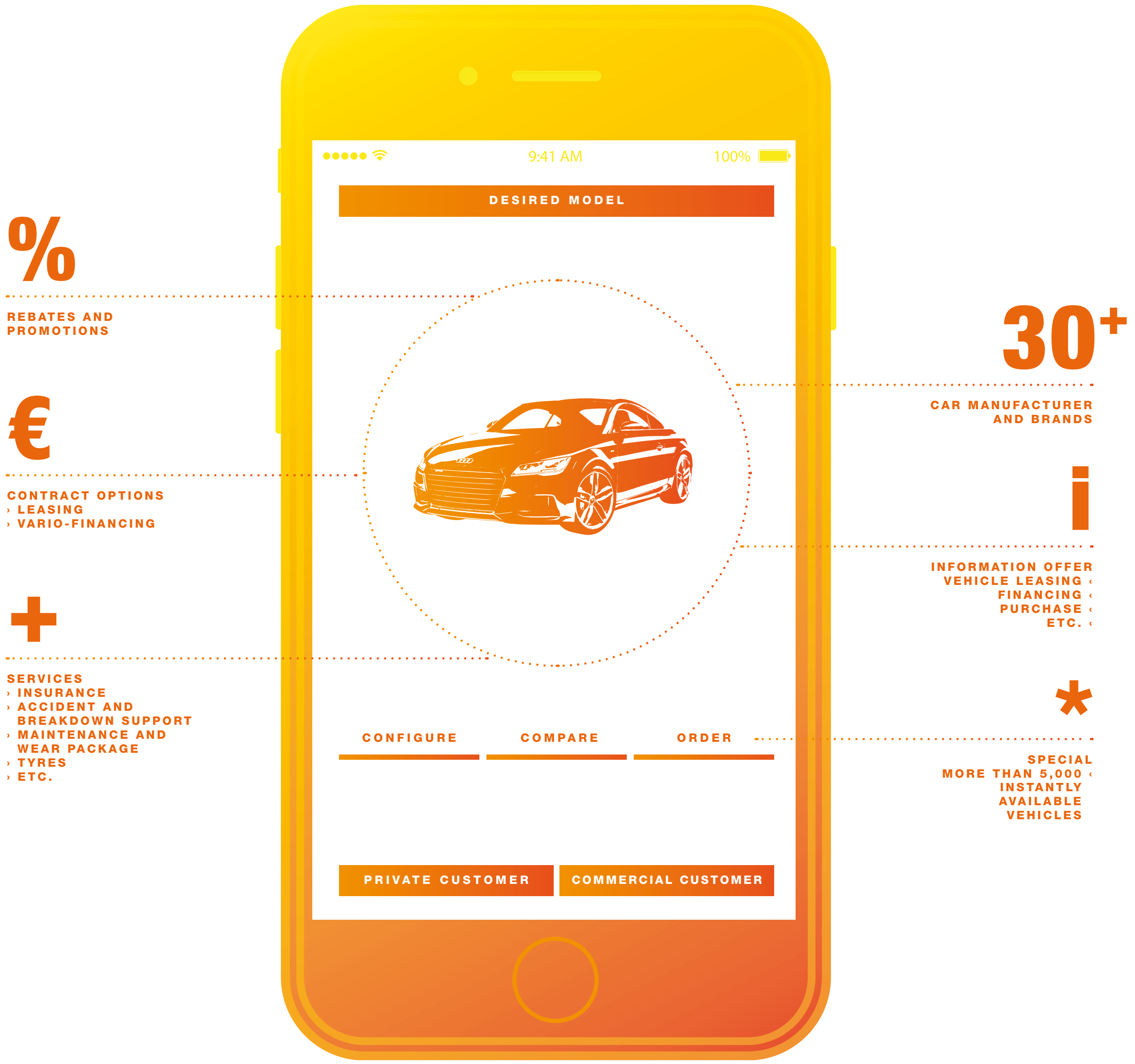
SOLUTION

Sixt Leasing's Fleet Leasing business field provides full-service leasing solutions for companies with a fleet of about 100 vehicles and more. This means that alongside classic finance leasing, companies get also support in tyre, damage, fuel card, insurance, tax and fee management as well as in maintenance and wear.

Moreover, Sixt Leasing enables its clients to automate their internal processes regarding the corporate vehicles via modern IT solutions, whereby matching individual workflows. These include the Sixt Online Configurator, the online approval process, repair shop and tyre routing via app, online damage claiming as well as ongoing online fleet reporting.

The high customer satisfaction and loyalty Sixt Leasing is achieving in this domain is underlined by the fact that the large majority of the top 10 customers in this business field is served for more than ten years, among them a variety of top international players from a wide range of industries such as American Express, E.ON, Lufthansa, Siemens or Xerox.

SUCCESS STORY



SOURCE: DAT-REPORT 2015 – ALL DATA FOR GERMANY AND THE YEAR 2015 *

HANDLING OF ALL STEPS UNTIL CAR DELIVERY FROM PC, TABLET OR SMARTPHONE

75%

OF THE NEWLY REGISTERED CARS IN GERMANY IN 2015 WERE LEASED OR FINANCED *

66%

OF THE NEW CAR BUYERS GATHER INFORMATION ON THE INTERNET BEFORE BUYING *

56%

OF THE SOLD CARS ARE INSTANTLY AVAILABLE VEHICLES *

The full range of services
Convenience from start to finish

One of the central reasons why more and more private and commercial customers decide to opt for a leasing vehicle from sixt-neuwagen.de is the convenient and comfortable handling. All the steps right through to the delivery of the car can be handled from the PC, tablet or smartphone. It was therefore only the next logical step for Sixt Neuwagen to consistently expand its service range to spread the convenience factor from before receiving the new car also across the contract length and until the return of the car. Who wants to be on the safe side with all certain and probable inconveniences during the contract term can also add appropriate service packages such as accident and breakdown assistance, maintenance and wear, or winter tyres, including fitting, well in advance: simply convenient.

Online Retail

ONE STOP ONLINE SHOP

CHALLENGE

To keep an overview in the complex and hardly transparent car market is nearly impossible for private and commercial customers. Major changes in the rebates granted for the same model during the course of a year are not uncommon. Comparing different models and brands over time is almost impossible. Although more and more potential buyers obtain information online, the business is actually taking place only via dealerships.

SOLUTION

With the website sixt-neuwagen.de that was launched in 2012 and represents the Online Retail business field, Sixt Leasing offers private as well as commercial customers a unique online platform, on which they can swiftly and conveniently configure, compare and order the latest vehicle models from over 30 different brands online. Services such as insurance, claims management and maintenance packages can be chosen on top, rounding off the offering.

With Sixt Neuwagen, Sixt Leasing creates a high degree of market transparency, as concrete offers can be retrieved and compared directly on the website. This way, also private and commercial customers benefit, in the form of highly attractive leasing instalments, from the special discounts that Sixt Leasing can generate as one of the largest vehicle purchaser in the German car market, on conclusion of their contract, customers have the choice between a classic leasing contract or the Sixt Vario-Financing, which gives them full flexibility at the end of the contract term: either they return the vehicle or buy it at a predefined price. Furthermore, Sixt Neuwagen tops its offering with additional service arrangements, a large stock of vehicles that are instantly available at the dealer as well as extensive basic information on vehicle leasing, financing and purchase.

In the so far in Germany almost undeveloped growth market Online Retail leasing with an estimated potential of more than one million vehicles per year, Sixt Neuwagen is a “first mover”. This competitive advantage shall be utilised and expanded over the coming years.

FIRST MOVER

CLIENTS

TOP PLAYERS, E.G.
› BP EUROPE
› KION GROUP
› SAP
› ETC.

+

SERVICES
VEHICLE PROCUREMENT ‹
GARAGE INVOICE CONTROL ‹
FUEL INVOICING ‹
DRIVER SUPPORT ‹
ETC. ‹

BIG DATA

ANALYSIS
› FLEET COSTS (PROCUREMENT/OPERATION/ REMARKETING)
› DIFFERENT COUNTRIES AND SOURCES

%

SAVING POTENTIALS
RECOGNISE ‹
REALISE ‹
MANAGED GLOBALLY ‹

300^{+}

FLEET SIZE
INTERNATIONAL

INDEPENDENT CONSULTING
MANUFACTURER / BANK / LEASING PARTNER

INTERNATIONAL FLEET INDUSTRY AWARD 2015

Sixt Global Reporting
The fleet management world at a glance

The Global Reporting Tool provides corporations operating at international level with full transparency and control over all of their worldwide fleets. The tool was developed in collaboration with the client SAP in 2015 and allows users to consistently synchronise and efficiently analyse fleet information from different countries and sources.

This way, customers receive consistent insight into related costs and identify saving potentials on a global scale, which they can realise together with Sixt Mobility Consulting.

Fleet Management

KNOW HOW WITHOUT LIMITS

CHALLENGE

The bigger and more heterogeneous the fleet, the trickier is its management. An increasingly volatile business environment, changing legal conditions and a lack of market transparency are turning fleet management into a complex and multi-faceted task. Especially larger fleets can see apparently smaller cost units accumulate into larger sums, such as those for repairs, changing engine oil or insurance cover, all of which need to be permanently controlled and optimised.

SOLUTION

In order to be able to offer the long-established expertise in optimising a fleet's total cost of ownership also to companies that purchased their vehicles or leased them from other providers, Sixt Mobility Consulting was founded in 2011. Under this brand name, Sixt Leasing serves clients with a fleet of 300 vehicles and more.

Sixt Mobility Consulting assumes all the administration work associated with the fleet, from vehicle procurement, checking workshop invoices or posting the countless petrol bills through to driver support. Thanks to the close-knit partner network and its constantly growing data bank, Sixt Mobility Consulting can not only unearth potential for fleet cost optimising but also supports customers in realising these potentials. Clients can expect tailored consulting services free of any manufacturer or bank interests, as well as maintaining a close and very personal exchange of information across all the phases of cooperation.

Following the successful start of the Fleet Management business in Germany, sights are now set on expanding the presence in Europe in order to provide the mostly international customer base, which includes such key accounts as BP Europe, the Kion Group or SAP, with the service range of Sixt Mobility Consulting at all the sites where their fleets are positioned. In Germany alone, Sixt Mobility Consulting manages around 14,000 vehicles from Europe's biggest software manufacturer SAP. The internationalisation project is supported by the Global Reporting Tool, for which Sixt Mobility Consulting received the "International Fleet Industry Award 2015".

SIZE MATTERS

SIXT LEASING – FLEET LEASING

USING INSTEAD OF OWNING

TREND
SHARE ECONOMY

In modern societies the long-term trend is moving away from ownership. The awareness that real value lies in the usage of goods and not in owning them, is gaining more and more acceptance. This holds true for corporations as well as private consumers. The concept of Share Economy and the associated business models for sharing all kinds of goods have lately given this idea increasing attention.

Leasing has been supporting this trend for over 100 years. Especially with regard to automobiles, which require an enormous financial investment, users can benefit from a whole range of advantages when they opt for leasing models. The fixed, predictable monthly instalment as well as the option of driving a new car again after a few years and of being freed from the effort and risk of selling the old car are making vehicle leasing more and more attractive for corporate as well as private customers.

Sixt recognised early that Germany also held a large and sustained demand for leasing and therefore launched one of the first full-service leasing programmes for vehicles back in 1967.

SIXT NEUWAGEN – ONLINE RETAIL

AUTOMOTIVE INDUSTRY IN TRANSITION

TREND
DIGITISATION

Digitisation is shaking up almost every industry. Suddenly long-established business models are confronted with huge challenges. On the other hand, it is also opening up numerous opportunities for entrepreneurs who are keeping a keen eye on the benefits of the development. Many business ideas that emerged through digitisation have their origin in the new possibilities the information age is offering consumers and corporations. Some industries saw their structures transform very rapidly, while other sectors are taking more time for this development.

Sales in the German automotive industry is traditionally comparatively stationary and regional because of the dealership structure. Through dissemination of the internet, more and more potential buyers of new or used cars obtain information online before going to a dealer, the actual signing of a purchase or leasing contract, however, still takes place offline in most cases. Until recently, customers neither had the means of transparently comparing concrete offers online nor could they conclude the vehicle purchase or leasing agreement directly from home.

Only the establishment of sixt-neuwagen.de in 2012 offered buyers of new cars in Germany a centralised digital hub, where they can obtain information on different brands, configure individual cars and actually make a transparent price comparison. Now customers can request one or multiple leasing or Vario-Financing offers by email and also complete all further steps right through to pick-up the new vehicle comfortably from their PC, tablet or smartphone without having to visit a dealership even once. The strong growth rates of Sixt Neuwagen are evidently proving that the German vehicle market is ready for the digital revolution.

SIXT MOBILITY CONSULTING – FLEET MANAGEMENT

WIN-WIN SITUATION

TREND
OUTSOURCING

A key element of Sixt Leasing‘s offering has always been the integration of additional services for all aspects of the car, be it the fuel card, damage support or the entire fleet management. Based on decades of experience in the management of corporate fleets of varying sizes and complexity, a separate business segment was established in 2011, fully dedicated to providing consulting and management services for fleets.

Sixt Mobility Consulting advises and supports mid-sized to large corporations irrespective of their individual leasing agreements in managing their national and international vehicle fleets. It is a business fully in tune with the times as more and more companies are outsourcing this function to an external service provider who takes care of all their fleet‘s needs and who specialises in continually identifying and realising saving potentials. This is true added value, from which both sides benefit in equal ways.

This offer applies to corporations who procure their fleet from multiple leasing companies and want to appoint an overall fleet manager, as well as to companies who prefer to actually buy their fleet.

SIXT LEASING
– WIKI –

DID YOU KNOW THAT

all over Germany
Sixt Leasing has almost

4,000

partner garages,
where clients can schedule
service appointments?

Sixt leasing

EUROPE

CORPORATE COUNTRIES


GERMANY


FRANCE


NETHERLANDS


AUSTRIA


SWITZERLAND

FRANCHISE COUNTRIES


DENMARK


SWEDEN


LITHUANIA


LATVIA


ESTONIA


IRELAND


CZECH REPUBLIC


POLAND


ROMANIA


UKRAINE


SLOVAKIA


CROATIA


SERBIA


BULGARIA


TURKEY


MALTA


GREECE


CYPRUS

COOPERATION COUNTRIES


UNITED KINGDOM


ITALY

MANAGEMENT REPORT ON THE GROUP'S AND THE COMPANY'S SITUATION

SIXT LEASING
– WIKI –

DID YOU KNOW THAT

during 2015
over

43,000

damage cases
were claimed and
serviced by Sixt Leasing?

B \\ MANAGEMENT REPORT ON THE GROUP'S AND THE COMPANY'S SITUATION

B.1 \\ GROUP FUNDAMENTALS

1. BUSINESS MODEL OF THE GROUP

1.1 GROUP STRUCTURE AND MANAGEMENT

Sixt Leasing AG is the parent company of the Sixt Leasing Group, which mainly conducts its business under the business names of "Sixt Leasing", "Sixt Mobility Consulting" and "Sixt Neuwagen". The Company has its registered offices in Zugspitzstrasse 1, 82049 Pullach/Germany, and is registered in the Commercial Register of Munich Local Court under docket number HRB 155501. The Company has been established for an indefinite period.

As a financial services company, Sixt Leasing AG is supervised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority) and has to comply with the minimum requirements for risk management of credit and financial services institutions (MaRisk).

The Company was founded 1975 in Munich as "Central Garagen CG GmbH" and has been trading since 2003 under the name "Sixt Autoland GmbH" with its registered offices in Garching close to Munich. Sixt Group's operative leasing business has been overseen by "Sixt Leasing GmbH" since 1988 and after its change of legal form into a stock corporation under the name "Sixt Leasing AG". In 2004 "Sixt Leasing AG" merged with the previous "Sixt Autoland GmbH". In the following "Sixt Autoland GmbH" changed its legal form to a stock corporation and continued under the name "Sixt Leasing AG". Since the IPO on 7 May 2015 the Company's shares are listed on the regulated market (Prime Standard) at the Frankfurt Stock Exchange.

The Managing Board of Sixt Leasing AG manages the Company under its own responsibility. The Supervisory Board of Sixt Leasing AG, which consists of three members, appoints, monitors and advises the Managing Board and is directly involved in decisions of fundamental importance for the Company and the Group.

Sixt Leasing AG acts as an operative leasing company and is parent company of the Sixt Leasing Group. It has directly or indirectly 100% shareholdings in the following subsidiaries, which also operate in the leasing or fleet management businesses of their respective countries:

- Sixt Location Longue Durée, Paris/France
- Sixt Leasing (Schweiz) AG, Urdorf/Switzerland
- Sixt Leasing G.m.b.H., Vösendorf/Austria
- Sixt Mobility Consulting GmbH, Pullach/Germany
- Sixt Mobility Consulting S.a.r.l., Paris/ France
- Sixt Mobility Consulting Österreich GmbH, Vösendorf/ Austria
- Sixt Mobility Consulting B.V., Hoofddorp/Netherlands (previously Sixt Leasing B.V.)

Sixt Leasing AG and Sixt Mobility Consulting GmbH concluded a profit and loss transfer agreement from 1 January 2015.

Moreover, Sixt Leasing AG indirectly holds a 50% share of the joint venture Managed Mobility AG, Urdorf/Switzerland.

As of reporting date 31 December 2015, the Company's share capital amounted to EUR 20,611,593, divided up into the same number of no-par value ordinary bearer shares with a notional amount of EUR 1.00 per share. The shares are fully paid up. As part of the Company's IPO in May 2015 the share capital increased by EUR 5,586,593 from EUR 15,025,000.

The largest shareholder with 41.9% of the shares and voting rights is Sixt SE, Pullach. In the context of the IPO, the profit and loss transfer agreement between Sixt Leasing AG as the transferring company and Sixt SE as controlling company, which was concluded on 17 April 2013, was terminated as of 30 April 2015.

Although Sixt SE reduced its share in Sixt Leasing AG to 41.9%, Sixt Leasing AG is still fully consolidated in the consolidated financial statements of Sixt SE in accordance with the provisions of IFRS 10. The necessary control is based on the majority in the Supervisory Board of Sixt Leasing AG in favour of Sixt SE as well as on the existing financing agreements between both companies.

On 17 April 2015 Sixt SE and Sixt Leasing AG entered into the Financing Agreement providing for an amortisable loan facility

(Core Loan) in the amount of EUR 750 million and a bullet loan facility (Growth Loan) of EUR 400 million, whereby a maximum amount of EUR 100 million can be utilised from 2015 to 2018 per year. In 2015 Sixt Leasing AG did not make use of the Growth Loan. Purpose of the agreements is to ensure financing of the operative business of the Sixt Leasing Group after the IPO, and going forward, to replace this financing step by step with external independent financing until 2018.

In the course of the IPO Sixt Leasing AG and Sixt SE concluded a License Agreement, which came into effect on 1 May 2015. The License Agreement grants the use of Trademarks licenses for the use of “Sixt” as part of the commercial names (Firmenbestandteil) of the Company and its subsidiaries and as trademark for products provided by the Sixt Leasing Group. The License Agreement covers the use of certain word marks (Wortmarken) and word and design marks (Wortbildmarken) (the “Trademarks”) as well as domain licenses.

The agreements concluded between Sixt Leasing AG and Sixt SE and its subsidiaries, respectively, are described in detail in the prospectus for the public offering.

1.2 GROUP ACTIVITIES AND SERVICES PORTFOLIO

The Sixt Leasing Group is organised into the two business units (segments) Leasing and Fleet Management.

1.2.1 LEASING BUSINESS UNIT

Through its Leasing business unit the Sixt Leasing Group acts as one of the largest non-bank, vendor-neutral leasing companies in Germany. In addition, the business unit is also represented by its operative subsidiaries in Switzerland, France, Austria and the Netherlands.

The Leasing business unit comprises the two business fields Fleet Leasing and Online Retail (private and commercial customer leasing).

In its Fleet Leasing business field, the Group offers lease financing and associated services (so-called full-service leasing) to corporate customers with larger vehicle fleets. Target customers for this business field are companies with an adequately sized fleet and vehicles from different manufacturers. Their fleets must have a certain complexity for Sixt Leasing to deploy its competitive strengths in a targeted fashion during consultation and service. Next to the classic finance leasing, the offering includes a variety of services such as OEM independent consulting at the vehicle selection, vehicle procurement, maintenance of the vehicles over the total contract period, tire changing, service packages for damages as well as the management of car insurances, fuel cards, vehicle taxes and licence fees.

Based on Sixt Leasing Group's longstanding and extensive expertise in fleet procurement and fleet management, the aim is to optimise the customers' processes over the entire life span of their fleets, so that the total cost of ownership of the customers' vehicle fleets is sustainably reduced. The ratio of contracts which combine finance leasing with service components of various scope accounted for approximately 86% of the total contract portfolio of the Fleet Leasing business field in the end of 2015.

Sixt Leasing AG operates its Online Retail business field via the online platform *sixt-neuwagen.de*, which was launched in 2012. The website gives private and commercial customers (with up to 20 vehicles) the opportunity to configure the latest vehicle models from over 30 different car manufacturers, to request their individual leasing offer and to order online. All of the vehicles on offer are exclusively from German suppliers. Customers thereby benefit from Sixt Leasing's expertise and economies of scale when buying vehicles in the form of attractive conditions. Over 30% of private and commercial customers who concluded a contract in 2015 made use of additional services such as the damage and breakdown management, the inspection or the insurance package. With the online-based vehicle leasing for private and commercial customers Sixt Leasing addresses an almost undeveloped market in Germany.

1.2.2 FLEET MANAGEMENT BUSINESS UNIT

The Sixt Leasing Group operates its Fleet Management business unit via Sixt Mobility Consulting GmbH, which was founded in 2011. So the expertise in managing large-sized customer fleets can also be offered to customers, who purchased their vehicles or leased them from other providers. The target group for this service ranges from mid-sized businesses to international corporations.

Sixt Mobility Consulting combines the holistic fleet management with individual brand-independent consulting. It manages large customer fleets with the aim of achieving measurable quality and operating cost optimisation, and thus raising the efficiency of the fleets. To this end, just as in the Fleet Leasing business field, proprietary developed online-based IT tools like the Multibid Configurator, the FleetOptimizer and the Sixt Global Reporting Tool are used.

The Multibid Configurator facilitates companies in freely configurating their fleet vehicles, comparing them with alternative vehicles or conducting tenders for certain vehicles among various leasing companies. Through the application of the FleetOptimizer, saving potentials at the existing customer fleets can be identified and measures can be derived to consistently reduce fleet costs.

With the end of 2015 developed Sixt Global Reporting Tool, customers have comprehensive transparency over all of the vehicles in operation internationally. It transnationally gives a consistent and continuous overview on relevant aspects like vehicle procurement and replacement, the development of fleet costs, contractual agreements, adherence to security provisions as well as increase or decrease of fuel consumption and CO_2 emissions. Moreover, the Global Reporting Tool also allows to show concrete potential for optimisation for vehicles that are not yet managed by Sixt Mobility Consulting. So possibly new mandates can be acquired.

1.3 SIGNIFICANT EXTERNAL INFLUENCING FACTORS

As an internationally active leasing group with a stock-listed parent company, the business activities of the Sixt Leasing Group are exposed to the influence of a number of different legal systems and stipulations/requirements. 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 general economic conditions, which particularly affect the consumption behaviour of private customers and companies' willingness to invest. Next to these, changes in interest rates or in tax frameworks are key external factors that can influence the Sixt Leasing Group's business operations, and thus influence the Group's business development. Likewise, social trends can also affect the demand for mobility services, as for example the increasing willingness of people to pay for the provision of mobility in form of a time-dependent using fee rather than for owning a vehicle.

2. BUSINESS MANAGEMENT

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

The following financial and operative control parameters are particularly relevant:

- development of contract portfolio by business field
- consolidated earnings before taxes (EBT)
- consolidated operating return on revenue (EBT/operating revenue)
- equity ratio (equity/total assets).

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

- a consolidated operating return on revenue of 6% (related to operating revenue)
- an equity ratio of at least 14%.

3. RESEARCH AND DEVELOPMENT

Sixt Leasing develops the majority of its used software in-house. Next to the online-based IT tools for fleet customers, like the Multibid Configurator, FleetOptimizer and the Global Reporting Tool, this particularly includes the software LEILA, which supports the internal processes of Sixt Leasing in the Online Retail business field, as well as the software SUNPRO, which alleviates the internal workflow in Fleet Leasing and Fleet Management, from purchasing right through to the remarketing of vehicles.

In 2015 Sixt Leasing developed and capitalised software worth EUR 0.3 million. Together with already capitalised software, the carrying amount of the proprietary software including down payments on proprietary software amounted to EUR 0.7 million as of 31 December 2015.

B.2 \\ BUSINESS REPORT

Due to rounding it is possible that selected figures in this report cannot be added up to the amount recorded and that the year 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.

1. ECONOMIC ENVIRONMENT

The focal point of Sixt Leasing Group's operative activity is its domestic market in Germany as well as other European markets. For this reason the investment activities of businesses, the spending propensity of commercial and corporate customers as well as the consumer behaviour of private customers in these economic regions are of particular importance for the Group's own business activity.

The International Monetary Fund (IMF) noted that the Euro area had witnessed moderate economic growth in 2015. According to the fund, economic output grew by 1.5%. As key factors contributing to this development, the fund listed private consumption, which was aided by low oil prices, the devaluation of the Euro, which boosted exports, as well as the continued low interest rate policy pursued by the European Central Bank (ECB). Especially France, Italy and Spain stood out as markets that recorded an improved economic development year-on-year.

The German economy also witnessed a moderate upswing. According to Germany's Statistisches Bundesamt (Federal Statistical Office) the gross domestic product went up 1.7%, making 2015 the second year in row that growth exceeded the average of the previous ten years of 1.3%. According to the Federal Statistical Office, a key factor was private expenditure for consumption following the upturn on the labour market and a higher wage level. In addition, investments made by the corporations and the state as well as foreign trade also shored up the general economic performance.

Sources
International Monetary Fund (IMF), World Economic Outlook January 2016, 19.1.2016
Statistisches Bundesamt (Federal Statistical Office), press release No. 14, 14.1.2016

2. GROUP BUSINESS PERFORMANCE, OVERVIEW AND COMPARISON WITH PREVIOUS YEAR'S FORECAST

The Sixt Leasing Group recorded a successful fiscal year 2015 that was fully in line with internal company expectations. Driven by the substantially higher proceeds from the sale of vehicles, consolidated revenue climbed 15.7% year-on-year to EUR 665.4 million. Consolidated operating revenue, including the revenues from finance leasing and services, rose slightly in the year under review, up by 0.4% to EUR 429.8 million compared to the previous year's figure.

Consolidated earnings before taxes (EBT) improved significantly by 18.2% to EUR 30.3 million. Factors responsible for this were, on the one hand, the measures taken during the year under review to raise profitability in the contract portfolio, while the Group also managed successfully to bring down spending on interest payments. Above all the proceeds from the IPO helped to reduce current financial liabilities and to take the first steps as part of the mid-term objective of replacing the Group's financing, which has so far been provided by Sixt SE.

The strong increase in earnings together with the simultaneous slight growth in operating revenue meant that the operating return on revenue (EBT margin) climbed substantially by one percentage point from 6.0% to 7.0%. This meant that in the financial year the Sixt Leasing Group achieved all of its economic objectives as announced and at the same time recorded the most successful fiscal year in the history of the Company.

At the end of 2015 the Group's contract portfolio totalled around 103,200 contracts, some 6.0% more than the same figure recorded for the previous year.

The Fleet Leasing business field saw its contract portfolio decrease slightly by 3.7% to around 48,300 contracts. Sixt Leasing focused in particular on increasing profitability of the contract portfolio, which took precedence over volume growth.

The Online Retail business field (private and commercial customer leasing) continued its dynamic growth of the previous year, thus fulfilling projections. Its number of contracts grew by around one third during the year under review, totalling around 21,100. At the same time, Sixt Leasing consistently pursued the communicated objective of increasing the profitability of contracts by selling additional services with them. Here, expectations were significantly exceeded. As a consequence, the service ratio (i.e. contracts with at least one service component) in new business had increased to over 30 percent.

The Fleet Management business field, operated by Sixt Mobility Consulting GmbH, is on target with the expansion of its international presence. This is done through subsidiaries in the Netherlands and France, and in Switzerland through the joint venture Managed Mobility AG, which is operated together with Swisscom. Accordingly, the number of contracts managed by the business field grew by 7.6% during the year under review, totalling 33,800. One key factor for this increase was the acquisition of a new key account.

3. REVENUE PERFORMANCE

3.1 LEASING SEGMENT

In the year under review the Leasing segment generated operating revenue from leasing transactions in the amount of EUR 397.1 million, a gain of 2.5% on the same figure the year before (2014: EUR 387.5 million). The growth drivers were 9.2% higher revenues in finance leasing, which were essentially due to the ongoing growth in the number of contracts in the Online Retail business field. Revenue from services, on the other hand, declined slightly by 4.3%.

In addition, the Leasing business unit generated revenue from the sale of vehicles in the amount of EUR 196.4 million (2014: EUR 130.9 million), an increase of 50.0%. This gain is primarily due to the expansion of the contract portfolio over the last few years, which at the end of the terms of the leasing contracts leads to correspondingly more vehicle returns and resales that come in with a certain time lag.

The Leasing business unit's total revenue came to EUR 593.5 million and was thus 14.5% higher than the corresponding figure of last year (2014: EUR 518.4 million).

3.2 FLEET MANAGEMENT SEGMENT

The Fleet Management segment recorded total revenue of EUR 71.9 million for 2015, a gain of 26.9% against the year before (2014: EUR 56.6 million). This positive development is essentially the result of higher proceeds from the sale of vehicles, which climbed from EUR 16.2 million to EUR 39.2 million. Since Sixt Mobility Consulting GmbH has only successively started marketing used customer vehicles since fiscal year 2013, the comparable basis for last year is correspondingly low. The revenue from services came to EUR 32.7 million, some 19.1% below the level of last year (2014: EUR 40.4 million). This drop was mainly the result of business relations with one key account being discontinued as of the second quarter, as the customer did not meet profitability expectations.

3.3 DEVELOPMENT OF CONTRACT PORTFOLIO

As at 31 December 2015 the Sixt Leasing Group's total number of contracts inside and outside Germany (excluding franchisees and cooperation partners) was around 103,200 (31 December 2014: around 97,400 contracts; +6.0%). This also meant that for the first time the number of 100,000 contracts was exceeded.

In the Leasing business unit the portfolio of contracts came to around 69,400 at the end of 2015, a gain of 5.3% compared to the figure recorded at the same date the year before (31 December 2014: 66,000 contracts). In the Fleet Leasing business field the number of contracts came to around 48,300, which was marginally lower than the previous year (31 December 2014: 50,200 contracts; -3.7%). The Online Retail business field, on the other hand, once again recorded strong growth and increased its number of contracts as of the end of the year to around 21,100 (31 December 2014: 15,800 contracts; +33.7%).

In the Fleet Management business unit the number of contracts totalled around 33,800 at the end of the year 2015, a gain of 7.6% compared to the figure recorded at the same date the year before (31 December 2014: around 31,400 contracts). One key factor for this increase was the acquisition of a new key customer.

Alongside the contracts under direct management, another around 5,900 contracts were managed by Managed Mobility AG in Switzerland as of the end of December 2015. Through its Swiss subsidiary, Sixt Leasing AG holds a 50% share in the at-equity consolidated joint venture for fleet management, which was established in the spring of 2015.

In addition, franchisees and cooperation partners of Sixt Leasing AG in around 35 countries managed another about 59,300 contracts as at reporting date 31 December 2015 (31 December 2014: around 57,500 contracts, +3.1%)

4. EARNINGS DEVELOPMENT

Consolidated income statement (condensed) in EUR million	**2015**	2014	Absolute change	Change in %
Consolidated revenue	665.4	575.0	90.3	15.7
Thereof consolidated operating revenue[1]	429.8	427.9	1.9	0.4
Fleet expenses and cost of lease assets	401.4	337.7	63.7	18.9
Personnel expenses	20.2	17.6	2.6	14.6
Depreciation/amortisation	178.6	158.3	20.3	12.8
Net other operating income/expense	-13.6	-12.6	-1.0	7.7
Earnings before interest and taxes (EBIT)	51.6	48.7	2.8	5.8
Net finance costs	-21.3	-23.1	1.8	-7.9
Earnings before taxes (EBT)	30.3	25.6	4.7	18.2
Income tax expenses	7.7	6.6	1.2	17.5
Consolidated profit	22.5	19.0	3.5	18.4
Earnings per share[2] (in EUR)	1.20	1.27	-0.06	

[1] *Revenue from finance leasing and services (without revenue from the sale of used vehicles)*
[2] *Basic, in 2015 based on 18.7 million shares (weighted), in 2014 based on 15.0 million shares (weighted)*

Fleet expenses and the cost of lease assets increased by 18.9% to EUR 401.4 million in the year under review, compared with EUR 337.7 million for the year before. In line with higher sales revenue in 2015, this gain is mainly due to higher selling expenses for vehicles following the higher number of returned vehicles. Offsetting this development were the reductions registered in the expenditures for fuel and repairs.

Personnel expenses for 2015 rose by 14.6% to EUR 20.2 million (2014: EUR 17.6 million).

Compared to last year's reporting period, depreciation and amortisation rose by 12.8% to EUR 178.6 million (2014: EUR 158.3 million). This increase essentially reflects the higher number of leasing vehicles held in comparison to the previous year.

The balance from other operating income and expense came to EUR -13.6 million, compared to EUR -12.6 million the previous year (EUR -1.0 million; -7.7%). Especially foreign currency effects had a slightly positive impact on this, while higher expenditure for sales and marketing had an adverse effect.

Consolidated earnings before interest and taxes (EBIT) rose 5.8% in the year under review to EUR 51.6 million (2014: EUR 48.7 million).

The Sixt Leasing Group's net finance costs for 2015 improved by 7.9% to EUR -21.3 million (2014: EUR -23.1 million). This positive development was aided by interest rate conditions having improved from last year, as well as the redemption of current financial liabilities and the one-off special repayment made to Sixt SE in July in the amount of EUR 51.0 million from the proceeds from the IPO. Accordingly, expenditure for interest payments came down from EUR 25.0 million to EUR 22.0 million in the year under review (-12.0%).

Year-on-year the Group increased its earnings before taxes (EBT) in 2015 by 18.2% to EUR 30.3 million (2014: EUR 25.6 million). The Group's profitability increased further, in line with strategy. The operating return on revenue (EBT/leasing and fleet management revenue without sales revenue) came to 7.0% in the year under review, a gain of 1.0 percentage points compared with last year.

Total return on revenue (EBT to total revenue) came to 4.6%, compared with 4.5% in 2014 (+0.1 percentage points).

Income taxes for 2015 amounted to EUR 7.7 million compared with EUR 6.6 million last year.

The Group's consolidated profit rose 18.4% in the year under review to EUR 22.5 million (2014: EUR 19.0 million).

5. APPROPRIATION OF PROFIT

Sixt Leasing AG prepares its annual financial statements according to the provisions of the German Commercial Code (HGB) and the German accounting regulations for financial institutions and financial service institutions (RechKredV). For fiscal 2015 it reports unappropriated profits of EUR 9.6 million.

Subject to the approval of the Supervisory Board, the Managing Board and Supervisory Board of Sixt Leasing AG are proposing that the Annual General Meeting on 1 June 2016 distribute these unappropriated profits as follows:

- payment of a dividend of EUR 0.40 per share
- carry-forward to new account EUR 1.3 million

This dividend proposal, which would result in a total dividend payment of EUR 8.2 million, reflects the Group's very 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 around 37% for fiscal year 2015 (measured in terms of the consolidated profit).

6. NET ASSETS

As at the end of 2015 the total assets of the Sixt Leasing Group came to EUR 1,112.9 million, some EUR 32.0 million, or 3.0% higher than as at 31 December 2014 (EUR 1,080.9 million).

Non-current assets, which climbed by EUR 56.8 million to EUR 962.0 million (2014: EUR 905,2 million; +6.3%), are still dominated by lease assets. Due to the expanded fleet, lease assets increased year-on-year by EUR 55.4 million, or 6.1% to EUR 957.8 million (2014: EUR 902.4 million). As a proportion of total assets it increased slightly to 86.1% (2014: 83.5%). Year-on-year there were no significant changes in the other items under non-current assets.

Current assets fell year-on-year by EUR 24.8 million to EUR 150.9 million (2014: EUR 175.7 million; -14.1%). The main reason for this development is the fact that receivables from related parties had fallen by EUR 50.8 million to EUR 2.0 million as of reporting date (2014: EUR 52.7 million).

The inventories item mainly contains returned leasing vehicles. At EUR 33.1 million, it was as of reporting date some EUR 13.2 million, or 65.9% higher than last year (2014: EUR 20.0 million).

Trade receivables as of reporting date came to EUR 56.6 million, EUR 1.2 million or 2.1% lower than the previous year's figure of EUR 57.8 million.

Other current receivables and assets increased by EUR 6.1 million to EUR 37.4 million (2014: EUR 31.3 million; +19.4%). The increase was essentially due to claims for delivery of new vehicles for the leasing fleet.

As at reporting date, the Group's cash and cash equivalents came to EUR 18.7 million compared to EUR 13.8 million last year (+EUR 4.9 million, or +35.2%).

7. FINANCIAL POSITION

7.1 FINANCIAL MANAGEMENT AND FINANCIAL INSTRUMENTS

The financial management of the Sixt Leasing Group is centralised within the finance department 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. Operative liquidity control and cash management are effected centrally by the Group's Finance department for all consolidated companies and in some cases are overseen by taking recourse to the central treasury functions of Sixt SE.

Prior to the Company's IPO in May 2015, Sixt Leasing AG concluded a financing agreement with Sixt SE on 17 April 2015. Under this agreement Sixt Leasing AG is provided with a amortisable loan of EUR 750 million (Core Loan) from Sixt SE. The Core Loan serves the purpose of refinancing the loans from related parties (including the amount of the borrower's note loan) that existed as at 30 April 2015.

According to the financing agreement, Sixt SE provides the Core Loan until the end of 2018. The structure of the financing agreement includes repayment options and aims to reduce the existing liabilities towards Sixt SE over the term of the loan. The Core Loan is divided up into three partial amounts of up to EUR 260 million (the First Partial Loan Amount), up to EUR 300 million (the Second Partial Loan Amount) and up to EUR

190 million (the Third Partial Loan Amount). Each of the partial loan amounts must be repaid by predefined dates to avoid a step-up in interest rates.

In July 2015 Sixt Leasing AG repaid a first instalment in the amount of EUR 51 million. As at 31 December 2015 the sum outstanding under the financing agreement with Sixt SE amounts to EUR 699 million.

In accordance with the financing agreement of 17 April 2015 and in addition to the Core Loan, Sixt SE grants Sixt Leasing AG a maturity loan of up to EUR 400 million (Growth Loan). The Growth Loan may only be used for refinancing operative business, in particular for the settlement of liabilities due and for the redemption of the outstanding amounts of the Core Loan. The Growth Loan enabled Sixt Leasing AG to use up to EUR 100 million by 31 December 2015, which was not drawn down. Additional loans of up to EUR 100 million available to be drawn down in each calendar year 2016, 2017 and 2018. All and any loan amounts that were not drawn down by the end of these calendar years are no longer available afterwards and/or outside the calendar year in question. All the amounts drawn down under the Growth Loan must be redeemed by 31 December 2018. Subject to predefined conditions, Sixt Leasing AG is entitled to redeem any outstanding amounts of the growth facility prematurely. However, outstanding amounts will then not be granted again. As soon as Sixt Leasing AG announces a premature repayment instalment for the Growth Loan or a portion thereof, the Growth Loan tranches for the subsequent calendar years can no longer be drawn down.

Besides the loans provided by Sixt SE, Sixt Leasing has also concluded agreements for two long-term bank loans, each in the amount of EUR 30 million, to refinance its operative business. Moreover, as at 31 December 2015, the Company held liabilities from finance leases in the amount of around EUR 28 million from sale-and-lease-back transactions (purchase loans).

As at the end of 2015, the Sixt Leasing Group was primarily financed by the following instruments:

- Core Loan with a nominal value of EUR 699 million, maturing up to 2018 and bearing a coupon of 3.00% p.a.[1] and 4.60% p.a. respectively
- long-term bank loans of EUR 60 million with variable market interest rates, maturing in 2017
- purchase loans of EUR 28 million with variable market interest rates, of which around EUR 19 million mature in 2016 and around EUR 9 million mature in 2017 and 2018
- short-term bank credit lines with variable market interest rates

[1] *A portion of EUR 20 million of the Core Loan bears a fixed interest rate of 2.2% p.a. until 30 June 2017*

7.2 EQUITY

Following the inflow of funds from the capital increase taken with the IPO as well as Sixt SE's injection of EUR 30.0 million into the capital reserves prior to the IPO, the equity of the Sixt Leasing Group as at reporting date amounted to EUR 178.3 million, which was EUR 166.1 million more than at the comparable reporting date the year before (EUR 12.3 million). Consequently the equity ratio rose substantially from 1.1% to 16.0% in terms of the balance sheet total and is therefore above the communicated target range.

The share capital of Sixt Leasing AG increased to EUR 20.6 million compared to the previous year's reporting date following the issue of new shares in the course of the IPO (2014: EUR 15.0 million).

7.3 LIABILITIES

Non-current liabilities and provisions increased by EUR 667.7 million year-on-year to EUR 781.0 million (2014: EUR 113.3 million; + >100%). This development is mainly due to non-current liabilities to related parties having gone up by EUR 679.0 million following the financing agreement with Sixt SE (EUR 699.0 million; 2014: EUR 20.0 million).

Non-current financial liabilities fell by EUR 12.8 million, or -15.7%, to EUR 69.0 million (2014: EUR 81.8 million), mainly because the lease purchase loans that are classified as finance leases for refinancing lease assets with matching maturities were reallocated into the current financial liabilities.

Current liabilities and provisions fell significantly year-on-year by EUR 801.8 million, or -83.9% to EUR 153.5 million (2014: EUR 955.3 million). The development is essentially the result of the long-term financing provided by Sixt SE as outlined above. As a consequence, the current liabilities to related parties fell significantly by EUR 655.7 million, or -99.4% to EUR 4.0 million (2014: EUR 659.8 million). Current financial liabilities also fell by EUR 149.0 million to EUR 28.3 million (2014: EUR 177.3 million; -84.0%).

As at reporting date, trade payables decreased by EUR 7.6 million, from EUR 76.6 million to EUR 69.0 million (-9.9%).

8. LIQUIDITY POSITION

For 2015, the Sixt Leasing Group reports cash flows of EUR 202.0 million, which is EUR 1.6 million less than the figure for the preceding year (EUR 203.6 million). Adjusted for changes in net working capital this results in net cash inflows from operating activities of EUR 4.2 million (2014: net cash outflow EUR 142.1 million). The change from last year is essentially due to the settlement of receivables from Sixt GmbH & Co. Autovermietung KG.

Net cash used in investing activities amounted to EUR 1.8 million (2014: cash outflow of EUR 0.8 million), essentially due to the investments made in intangible assets and property and equipment.

Financing activities resulted in cash inflows of EUR 2.4 million (2014: cash inflow of EUR 144.0 million). The capital increase from the IPO and the cash injection into the capital reserves made by Sixt SE are offset by a reduction in financial liabilities.

After changes relating to exchange rates, total cash flows resulted in a year-on-year increase in cash and cash equivalents as at 31 December 2015, up by EUR 4.8 million (2014: increase of EUR 1.1 million). Cash and cash equivalents correspond to the item “bank balances” in the balance sheet.

9. INVESTMENTS

In 2015 the Sixt Leasing Group added vehicles with a total value of EUR 424.1 million (2014: EUR 420.2 million) to the leasing fleet.

10. SEGMENT REPORTS

10.1 LEASING SEGMENT

Sector developments

During the first half of 2015 the European leasing industry recorded a positive development. According to data by the industry association Leaseurope, the volume of new business grew 10.4% year-on-year to EUR 140.5 billion compared to the previous year (EUR 127.2 billion). The new business volume in the leasing of moveable assets rose 11.0% to EUR 134.1 billion (H1 2014: EUR 120.8 billion), with vehicle leasing up by 11.9%. At the time this report was prepared, no data was available yet on the development of the European leasing industry for the whole year of 2015.

The German leasing market, being the second biggest in Europe after Great Britain, also performed positively. According to data supplied by the Bundesverband Deutscher Leasing-Unternehmen (BDL – German Association of Leasing Companies), investments in 2015 rose to EUR 52.2 billion, compared to the EUR 50.7 billion in 2014 (+3.0%). EUR 51.0 billion of this was attributable to the leasing of moveable assets (2014: EUR 49.0 billion; +4.1%). At 74.0% the new business in vehicle leasing with passenger and utility vehicles makes up by far the largest portion in the leasing market.

Sources
Leaseurope, press release, 25.11.2015
Leaseurope, Biannual Survey 2015, 25.11.2015
Leaseurope, Biannual Survey 2014, 14.11.2014
Bundesverband Deutscher Leasing-Unternehmen (BDL), press release, 19.11.2015

Developments in the Leasing business unit

The Leasing business unit, comprising the business fields of Fleet Leasing as well as Online Retail, recorded a positive performance in fiscal year 2015 and continued its growth of preceding years.

The segment's operating revenue from leasing transactions came to EUR 397.1 million, some 2.5% over the figure of 2014 (EUR 387.5 million). Key factor influencing this development was revenue from finance leasing, which grew 9.2% to EUR 212.0 million (2014: EUR 194.1 million), as a result of the ongoing growth in the number of contracts in the Online Retail business field. Revenue from services, on the other hand, fell slightly by 4.3% to EUR 185.0 million (2014: EUR 193.4 million).

Revenue from the sale of vehicles expanded in the year under review by 50.0% to EUR 196.4 million (2014: EUR 130.9 million). This significant gain on the previous year is due to the strong expansion of the contract portfolio over the last few years, which at the end of the term of the leasing contract leads to correspondingly more vehicle returns and resales that come in with a certain time lag.

Total revenue for the business unit increased by 14.5% year-on-year reaching EUR 593.5 million (2014: EUR 518.4 million).

The segment's number of contracts as at 31 December 2015 totalled around 69,400, a gain of 5.3% compared to the figure recorded on the same date the year before (31 December 2014: about 66,000 contracts). In the Fleet Leasing business field the about 48,300 contracts were slightly below the level of 2014 with 50,200 contracts, also because of the deliberate concentration on contracts generating stronger margins. The Online Retail business field registered strong growth in its contract portfolio, up by 33.7% to around 21,100 at the end of 2015 (31 December 2014: around 15,800 contracts) and thus continued the dynamic development of the preceding years.

The segment's earnings before taxes (EBT) increased 17.0% to EUR 27.4 million as a result of operative growth, improved quality of earnings in the contract portfolio and the lower spending on interest payments, compared to EUR 23.5 million in 2014. The operating return on revenue (EBT/leasing revenue without revenue from vehicle sales) increased in line with strategy by 0.8 percentage points, from 6.1% in 2014 to 6.9% in 2015.

Fleet Leasing business field

Focus on profitability: As in the years before, Sixt Leasing placed special emphasis in 2015 on increasing the profitability of the Fleet Leasing's contract portfolio.

International business: Sixt Leasing offers fleet leasing in Germany, and through its own subsidiaries also in France, the Netherlands, Austria and Switzerland. In the year under review, revenue generated abroad increased from EUR 77.7 million to EUR 86.2 million (+11.0%).

Innovative services: Sixt Leasing is continually extending its range of services for fleet leasing. The Company is counting above all on technological innovations, and is developing new mobility solutions with the help of highly specialised internal teams. For example the Sixt Leasing app can be run on all standard smartphones and enables customers to use key leasing services on the move as well. These include, among other things, insight into relevant contract and contact data or the management of impending inspections or tyre changes. In case of an accident the app serves as electronic accident assistant.

In the year under review, Sixt Leasing developed the Sixt Driver's Logbook app. It allows company car users to record their journeys by smartphone; these are then documented for their tax authority. This enables them to have their company cars taxed according to actual usage and thus generating potentially substantial savings compared with the usual flat rate taxation based on the car's list price (“1 percent rule” applicable in Germany). Any trips driven are automatically imported into the app using a telematics unit in the car. The user can then assign them to a pre-defined purpose with a simple mouse-click. A special Sixt Driver's Logbook portal allows the user to retrieve all trips, analyse them in overview, determine potential cost savings via a tax benefit calculator and then export the corresponding document for tax authorities.

High customer satisfaction: Sixt Leasing is permanently surveying customer satisfaction with the aid of a special CSI tool (Customer Satisfaction Index). The users of leasing vehicles as well as fleet managers are given the chance to give detailed feedback and thereby provide impulses for the continued improvement of the Company's service range.

In 2015 the CSI tool once again indicated a high degree of customer satisfaction. Accordingly, 86% of those surveyed stated that they would recommend Sixt Leasing and 90% affirmed their intention to continue using Sixt Leasing's solutions in future.

Online Retail business field

Expanding service range: Through the online platform *sixt-neuwagen.de* Sixt Leasing offers private and commercial customers the latest vehicle models from over 30 different manufacturers. The customers can configure and order the car of their personal choice. Alongside classic finance leasing, Sixt Neuwagen also offers Sixt Vario-Financing, which is a modern version of vehicle financing and combines the benefits of a classic financing arrangement with those of leasing. Sixt Vario-Financing allows customers to decide at the end of their leasing term whether they want to return the car or buy it against payment of a predefined purchasing price (buy option).

To further ease the acquisition of the leased vehicle at the end of the contract term, Sixt Neuwagen started to cooperate with the special financing institution akf bank in 2015. This enables customers to find a straightforward follow-up financing solution when their leased vehicle comes to the end of its term. A akf team supports Sixt Neuwagen in preparing the offers and in their direct implementation.

In addition, the offer was extended to cover instantly available cars. At the end of 2015 over 5,000 such vehicles were available from the platform. This way, Sixt Neuwagen is meeting many customers' wishes to obtain a vehicle that is immediately available at the dealership. Thereby customers are benefiting from the particular favourable purchasing conditions that Sixt Neuwagen is offering.

Higher service ratio: More and more private and commercial customers are using additional services to finance leasing. In more than 30% of the contracts concluded in 2015 at least one service component, such as accident and damage management, the inspection or the insurance package, is included. The continual efforts made to have these service products tailored to private and commercial customers and make them easy to grasp are now paying off.

Stronger customer loyalty: In the year under review Sixt Neuwagen reinforced measures to retain customers. Through the introduction of a premium for existing customers, they receive a special incentive to conclude a follow-up agreement at the end of their leasing contract's term. Since the introduction of this premium, about every second customer has made use of this offer.

10.2 FLEET MANAGEMENT SEGMENT

Sector developments

In the opinion of Sixt Mobility Consulting the key trends on the market for fleet management did not change in 2015. As in the years before, the industry is characterised by an increasing corporate readiness to outsource fleet management to external specialised fleet managers. In 2014 the corporate fleets with over 300 cars totalled around 420,000 vehicles.

Source
Dataforce, analysis new car registrations and stock data 2015

Developments in the Fleet Management business unit

The Fleet Management business unit, which is operated by Sixt Mobility Consulting GmbH, witnessed an encouraging overall development in 2015. Despite the voluntary and self-initiated termination of business relations with one key account, the number of contracts nonetheless increased compared to the previous year.

The segment's operating revenue from services in the reporting year came to EUR 32.7 million compared with EUR 40.4 million the previous year (-19.1%). The drop is essentially the result of the termination of a contract with a key account at the end of the first quarter. Since Sixt Mobility Consulting successively began to offer the remarketing of customer vehicles as additional service in 2013, the Fleet Management segment now also generates revenue from the sale of used vehicles. These revenues more than doubled from EUR 16.2 million to EUR 39.2 million. So the segment's total revenue increased by 26.9% year-on-year reaching EUR 71.9 million, compared with EUR 56.6 million in the previous year.

The segment's number of contracts as at 31 December 2015 totalled around 33,800, 7.6% up on the figure recorded at the same date the year before (31 December 2014: around 31,400 contracts). This gain is primarily owed to the conclusion of a contract with a new key customer, which was reflected at the end of the fourth quarter in the contract portfolio. Implementing these contracts actually began in the year under review and is expected to be finalised by the end of the first quarter of 2016. Alongside the contracts directly under management, another around 5,900 contracts were managed by the Swiss-based company Managed Mobility AG at the end of 2015. Through its Swiss subsidiary Sixt Leasing AG holds a 50% share in the joint venture that is consolidated at-equity and which has been operative since the second quarter of 2015. The remaining shares are held by a subsidiary of Swisscom AG.

The business segment's earnings before taxes (EBT) improved by 31.6% in 2015 to EUR 2.8 million compared with EUR 2.2 million the year before. This positive development reflects the consistent orientation towards strengthening the margins and profitability of the contract portfolio. The operating return on revenue (EBT/fleet management revenue without sales revenue) increased from 5.3% in 2014 to 8.7% in 2015.

Successful key account acquisition: In the second quarter of 2015 Sixt Mobility Consulting won the biggest mandate in its history. The Company concluded a multi-year contract with Europe's biggest software corporation SAP to manage its German fleet of around 14,000 vehicles. Part of this cooperation is also the development of the Sixt Global Reporting Tool, with which all data for the management of the around 23,500 SAP vehicles worldwide will be consolidated in the future. As part of the cooperation Sixt Mobility Consulting offers SAP drivers comprehensive services ranging from the comfortable selection of their vehicle of choice using the Sixt Online Configurator through to assistance in case of damage, handling maintenance and vehicle repairs and all the way to remarketing the used vehicles using a Sixt remarketing platform.

Internationalisation: In 2015 Sixt Leasing kept driving forward the growth of Sixt Mobility Consulting through consistent internationalisation. The aim is to cater increasingly to companies on an international level and to manage fleets across different countries. One key element in this internationalisation is to set up company-owned national subsidiaries in selected European countries. In the course of the reporting year Sixt Leasing therefore established a French subsidiary for fleet management and realigned its Dutch subsidiary towards focusing on fleet management. The first customers have already taken up the opportunity to have their international fleets managed by Sixt Mobility Consulting.

In Switzerland Sixt Leasing founded Managed Mobility AG together with Swisscom in Q2 2015. The newly established company acts as specialist for all questions of fleet management and fleet optimisation. Managed Mobility AG has its registered offices in Urdorf close to Zurich and offers its services to small and medium-sized companies as well as large international corporations. The joint venture combines fleet management services tailored to their customers' needs with continual fleet optimisation.

Global Reporting: One key driver in internationalising Sixt Mobility Consulting is the online-based Global Reporting Tool that was newly developed in the year under review. It provides all-round transparency over internationally operating corporate fleets, gives a uniform overview over the associated costs and thereby identifies savings potentials on a global level. Sixt Mobility Consulting offers the Global Reporting Tool to all corporations that want to merge their fleet information from multiple countries and different sources and analyse these efficiently.

The tool gives users a multitude of possibilities to analyse their worldwide fleet. The reports can be adjusted fully to corporate structures, reporting requirements as well as regional measurement units and thus provide an overview of the worldwide inventory and cost developments. Extensive alarm functions provide prompts in case of irregularities. A quality monitoring function ensures that data is reliably made available and assessed.

The Global Reporting Tool is not only an attractive product innovation that offers customers transparency over their global fleet, but also an efficient instrument for Sixt Mobility Consulting to show customers savings potentials in individual countries. These detailed insights give Sixt Mobility Consulting the chance to identify potential improvements together with the customer and, if required, to assume the management of parts of their fleets in other countries.

The Sixt Global Reporting Tool received the “International Fleet Industry Award 2015” at the Fleet Europe Awards, which are among the most renown industry awards at international level.

B.3 \\ EVENTS SUBSEQUENT TO REPORTING DATE

After completion of the fiscal year 2015 no events of special significance for the net assets, financial position and results of operations of the Group and the Company occurred.

B.4 \\ GOVERNANCE REPORT

1. HUMAN RESOURCES REPORT

Sixt Leasing AG attaches great importance to all its employees focusing strongly on providing services with a clear service mentality. This applies to the development of customised and demand-oriented product solutions as well as competent, comprehensive, committed and friendly service. This becomes reality when employees make the wishes and requirements of customers their own and manage to convince them of Sixt over the long term. The employees are therefore a key success factor for the Company.

For this reason Sixt Leasing attaches strategic importance to its human resources work. This covers the extensive recruitment process, apprenticeships and further training as well as the employees' professional and personal development. In all this Sixt cultivates an active feedback culture. Feedback tools such as the quarterly employee satisfaction surveys (Employee Satisfaction Index) as well as supporting 360-degree feedback (manager assessments, which compare employee self-assessments with those of superiors, colleagues and employees) serve both the employees and Sixt Leasing, as indicators and bases for future development and promotion programs tailored to the respective employee. Sixt Leasing thus guarantees continuous personnel development geared to the requirements and needs in question.

Human resources work aims to enable employees to act autonomously and responsibly, seeking to continually improve Sixt Leasing's services and not only meet the changing mobility requirements of their customers but also support them actively.

Talent promotion, employee development and und leadership training of Sixt Leasing are integrated into the central human resources management of the Sixt SE Group.

Apprenticeships and traineeships
Sixt offers young people qualified and sustainable professional training. The scope of apprenticeships ranges from commercial officers for office management, through to commercial officers in the automotive industry to IT specialists for application development. Personnel development starts as early as the training courses. Together with universities Sixt offers so-called (German) dual degree courses, for example majoring in service sector marketing, international business, accounting & controlling, media management & communication as well as (business) computer science. At the end of 2015 Sixt SE employed 215 apprentices in Germany (end of 2014: 210 apprentices). Sixt Leasing AG did not employ apprentices in 2015. However, the apprentices pass business divisions of Sixt Leasing AG und build up relevant know-how. Sixt SE charges the respective working hours.

In addition, Sixt offers graduates trainee programmes in different divisions and prepares them for prospective leadership functions. The graduate trainee programme of Sixt Leasing AG runs for 18 months. During this time, trainees also have the opportunity to gather working experience in foreign subsidiaries. Traditionally, apprentices, students engaging in a dual degree course and trainees who perform well get offered a take-over contract into employment with Sixt at the end of their training.

Promotional programmes
Sixt offers its employees many different national and international career paths. Thus, employees can use multiple on-the-job options for their professional and personal development. Key elements in the executive development are the promotion programmes entitled “Future Leader” and “Supervisor”. They serve, among other things, to identify colleagues with particular development potential, offer them structured promotion and thus train future top performers and executives. Over 60 em-

ployees of the Sixt Group participated in this programme during the year under review (previous year: over 40 employees).

Sixt Colleges
Sixt runs a number of “Sixt Colleges”, which are training centres in Germany and abroad, where employees of all ranks and functional levels receive further training in a wide range of different fields. These face-to-face training courses are supplemented by e-learning content. The Sixt Colleges additionally coordinate training and education seminars in the Sixt Corporate countries, as well as the apprenticeships of vocational trainees.

The seminar programme covered by the Sixt College teaches key competencies such as improving advice and consultation, management skills or professional expertise. In addition, the courses include extensive further training for all employees in, among others, foreign languages, IT as well as soft skills.

Number of employees
The Sixt Leasing Group employed 280 people on average in 2015, corresponding to a slight increase to the previous years' figure (2014: 275).

Number of employees per segment (average)	2015	2014
Leasing	258	248
Fleet Management	22	27
Total	**280**	**275**

2. KEY FEATURES OF THE REMUNERATION SYSTEM

2.1 EMPLOYEES OF SIXT LEASING AG

Sixt Leasing AG conducted a self-assessment of its institution as defined by the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung - InstitutsVergV) and by its own account does not belong to the so-called major institutions, especially as its balance sheet total for the last three fiscal years was significantly less than EUR 15 billion. Moreover, in the view of Sixt Leasing AG, the remuneration structure as well as the nature, scale, complexity, risk content and international scope of its business activities do not merit any other assessment.

The components of the remuneration systems outlined in the following are not different for the various business divisions and are therefore described as a whole. In case of individual discrepancies, these will be explicitly referenced and the specifics of that business division explained. No external consultants were enlisted for the set-up of the remuneration systems.

The Managing Board of Sixt Leasing AG is responsible for the appropriate structure of the employees' remuneration systems. The Managing Board informs the Supervisory Board of Sixt Leasing AG once every year on the actual structure of the remuneration systems, taking due account of the requirements of the InstitutsVergV. Arranging the remuneration system for the Managing Board of Sixt Leasing AG in turn comes under the responsibility of the Supervisory Board of Sixt Leasing AG. The control units (especially internal audit, compliance, human resources and risk management) are integrated into the arrangement and monitoring of the remuneration systems in accordance with the stipulations of the InstitutsVergV.

The remuneration system and strategy of Sixt Leasing AG are based on two components: a basic remuneration befitting market and functional role, and on the other hand a performance-based variable remuneration component (target agreement system). Remuneration, above all the variable remuneration component, is aligned to the business and risk strategies of Sixt Leasing AG.

All employees receive a fixed annual salary to be paid out in 12 equal instalments monthly after each month (basic remuneration). Key parameters determining the remuneration unrelated to performance are the function as well as the scope of assignments and responsibilities held and the associated decision-making powers. Besides their basic remuneration, most employees receive a variable remuneration pro-rated for the year and contingent on the Company's success and/or their personal target attainments. The variable remuneration component depends on the functional role, the hierarchical as well as the personal target attainment level. The ratio between the basic and the variable remuneration component can vary anywhere between 60:40 through to 95:5 (in each case assuming a 100% target attainment). The personal targets are deduced over the various functional levels from the overall corporate objectives. Consequently any personal target attainment takes due consideration of the target attainment of the individual employee's organisational unit. In September employees receive a down-payment on the expected variable salary payment, as far as variable salary payment for the current fiscal year is expected. The final payment will be made with the salary payment after the close of the fiscal year but no later than three months after the end of the fiscal year. Management receives its variable remuneration after adoption of the annual financial statements.

In addition, the Company grants its employees voluntary benefits in the form of employee vehicle leasing or, depending on the internal classification, the usage of a company car. The Managing Board of Sixt SE, which until the IPO in May 2015 was the 100% parent company and presently is the largest single shareholder with an interest of 41.9%, has resolved that until the IPO previously selected employees should be given the opportunity to participate in an employee equity participation programme (Matching Stock Programme), the details of which are outlined in the annual report of Sixt SE.

The structure of remuneration and of the remuneration systems is appropriate as defined by section 5 of the InstitutsVergV. Above all, the combination of the existing strategies, the business model, the organisational set-up and competence rules with the existing remuneration structure do not provide incentives to take on disproportionately high risks and do not conflict with the monitoring function of the control units. In addition, Sixt Leasing AG is not aware of any manager or other member of staff being significantly dependent on a variable remuneration. Entitlements established in individual contracts to benefits in the event of termination of activities are not created in an amount which remains unchanged despite any negative individual performance contributions. Special attention was given to ensure that the structure of the variable remuneration systems for the employees in the control units are not concurrent with the departments controlled and the organisational units monitored by them so that there is no threat of a conflict of interest.

The requirements of section 10 of the InstitutsVergV were also satisfied. Moreover, the emphasis of the remuneration structure regarding the control units' staff is on their fixed remuneration (section 9 (2) of the InstitutsVergV).

2.2 MANAGEMENT AND SUPERVISORY BOARDS OF SIXT LEASING AG

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 Leasing AG. 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 Leasing Group – also receive non-cash benefits such as company cars, mobile phones and accident insurance contributions. 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) of the Sixt Leasing Group. Variable remuneration only becomes payable to Managing Board members once a defined minimum EBT has been reached. Furthermore, the variable remuneration becomes payable to individual Managing Board members subject to certain conditions. In one case, payment of the variable remuneration is dependent on the portfolio of leasing contracts (i.e. without fleet management contracts) and its comparison with the previous year. In another case, the default rate must not exceed a specific threshold value. Contracts of service with Managing Board members impose a cap on the variable portion of the remuneration. The variable remuneration is paid out at defined dates within not more than three years. Until the IPO of the Company in May 2015, a share-based payment component existed for members of the Managing Board by participating in the employee equity participation programme (Matching Stock Programme) of Sixt SE. Details of the programme are outlined in the Corporate governance report.

The remuneration paid to members of the Supervisory Board is governed by the Articles of Association of Sixt Leasing AG. These provide solely for a fixed component and therefore do not specify any variable performance-based components. Each member of the Supervisory Board receive a fixed remuneration of EUR 40,000 in each financial year and the chairman receives EUR 50,000. 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 Leasing AG" in the notes relating 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 2015, the share capital of Sixt Leasing AG amounted to EUR 20,611,593.00 in total and was composed of 20,611,593 ordinary bearer shares. The Company's shares are no-par value shares with a notional interest in the share capital of EUR 1.00 per share. All the shares have been fully paid up.

Restrictions on voting rights or the transfer of shares
Each ordinary share entitles its holder to one vote at the Annual General Meeting and determines the shareholder's portion of the Company's profit. Exempted are any treasury shares held by the Company and which do not confer any rights onto the Company.

The Company's Articles of Association do not impose any restrictions on 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.

Shareholdings in Sixt Leasing AG
As at 31 December 2015, Sixt SE holds 8,644,638 ordinary voting shares in the share capital of the Company, accounting for 41.9% 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 2015.

Shares with special rights
In accordance with article 9 (1) of Sixt Leasing AG'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 without being bound by election proposals. The third Supervisory Board member is appointed by Sixt SE for as long as it remains shareholder of the Company. 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
In accordance with the Company's Articles of Association, the Managing Board comprises one or more members. The Supervisory Board determines the number of Managing Board members. The Supervisory Board can also appoint a chairman or speaker as well as a deputy chairman or speaker for the Managing Board. The statutory provisions of section 84 and section 85 of the (German) Aktiengesetz (AktG – German Stock Corporations Act) apply for the appointment and dismissal of Managing Board members.

According to section 179 of the AktG, amendments to Articles of Association require a resolution by the Annual General Meeting. In accordance with article 15 of the Articles of Association, amendments to the Articles of Association that only concern the formal wording may also be resolved by the Supervisory Board. 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 (section 179 (2) sentence 1 AktG). However, the law also provides for the possibility that the Articles of Association may specify for a different capital majority; however, in the case of an amendment of the purpose of the enterprise, only for a larger capital majority (section 179 (2) sentence 2 AktG).

Sixt Leasing AG 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 19 (3) of the Articles of Association, amendments to the Articles of Association can be adopted by a simple majority of the share capital present at the vote, insofar as this does not conflict with any mandatory statutory provisions or the Articles of Association.

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

Authorised capital
In accordance with article 4 (2) 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 4 May 2020, with the consent of the Supervisory Board, by up to a maximum of EUR 10,305,796.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital 2015/II). The authorisation also includes the power to issue 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 Leasing AG quickly and flexibly and to make use of attractive financing options as they arise on the market.

Conditional capital
By resolution of the Annual General Meeting of 8 April 2015, the Company's share capital is conditionally increased by EUR 7,512,500 (Conditional Capital 2015). The conditional capital serves the purpose of granting shares to the holders and/or creditors of convertible bonds as well as the holders of option rights from option bonds.

Authorisation to issue convertible and /or option bonds
By resolution of the Annual General Meeting of 8 April 2015 the Managing Board is authorised, on one or more occasions in the period up to and including 7 April 2020 and with the consent of the Supervisory Board, to issue convertible and/or option bonds registered in the name of the holder and/or bearer of up to a maximum of EUR 250,000,000.00 with a fixed or open-ended term and, in accordance with the more detailed provisions of the convertible and/or option bond terms, grant conversion or option rights to the holder and/or creditor of bonds to acquire a total of up to 7,512,500 new ordinary bearer shares in Sixt Leasing AG, which are made up of ordinary shares and/or preference shares without voting rights, with a pro-rata portion in the share capital of up to EUR 7,512,500.00. The bonds are to be issued against cash contributions.

The issue can be effected by a German or foreign company in which Sixt Leasing AG is directly or indirectly invested with a majority of votes and capital. In this case, the Managing Board is authorised on behalf of the issuing company, in which it has a majority interest, to take on the guarantee for repayment of the bond and the other payment obligations associated with the bond and to grant the bearers and/or creditors of such bonds conversion or option rights for shares in Sixt Leasing AG.

In general, shareholders of Sixt Leasing AG are granted statutory subscription rights. However, the Managing Board is authorised, with the consent of the Supervisory Board, to exclude, fully or in part, the subscription rights of the shareholders to the bonds, (i) in order to exclude fractional amounts from subscription rights; (ii) if necessary, in order to grant holders and/or creditors of conversion or option rights and/or holders and/or creditors of bonds with conversion exercise obligations which have been issued beforehand or will be issued by Sixt-Leasing AG or a Company in which it has a majority interest, subscription rights to the extent they are entitled to after exercising the conversion or option rights and/or after meeting their conversion exercise obligations, or (iii) against payment of cash contributions, if the issuing price is not significantly below the theoretical market price of the bonds with conversion or option rights and/or conversion exercise obligation, calculated with recognised mathematical valuation methods, and whose pro-rata portion in the share capital does not exceed a total of 10% of the share capital, neither at the time when the authorisation takes effect nor at the time when this authorisation is exercised.

The authorisation of the Managing Board to issue convertible and/or option bonds extends the range of financing instruments at the Company's disposal and thereby offers attractive financing means as they arise on the market going beyond the classic forms of raising equity and debt capital. Depending on the definition of the conditions for the convertible and/or option bonds, this may also offer the possibility to classify the financing instruments as equity for rating and/or accounting purposes.

Authorisation to acquire treasury shares
By resolution of the Annual General Meeting of 8 April 2015, the Managing Board is authorised, in accordance with section 71 (1) sentence 8 of the AktG, to acquire in the period up to 7 April 2020 treasury shares of the Company in the amount of up to 10% of the Company’s share capital at the time of the

authorisation or – in case this is the lower value – at the time of exercising this authorisation. At no point shall the shares acquired under the above authorisation, together with other treasury shares owned and assigned to the Company under sections 71a et seq. of the AktG, represent more than 10% of the share capital.

With the approval of the Supervisory Board, 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 Company can elect to make the acquisition either via the stock exchange, in the form of a public offer made to all shareholders, in the form of a public request to issue sales offers and/or through the use of derivatives. Acquisition for the purpose of trading in treasury shares is hereby ruled out.

The Managing Board is authorised with the consent of the Supervisory Board to (i) sell treasury shares against cash contributions in other forms than via the stock exchange or by a public offer made to all shareholders, insofar as the sales price for each treasury share is not materially lower than the quoted market price of existing listed shares at the time of the sale, whereby the attributable amount in the share capital of the shares sold under this authorisation does not exceed a total of 10% of the share capital, either at the time this authorisation takes affect or at the time it is utilised, (ii) sell treasury shares in other forms than via the stock exchange or by a public offer made to all shareholders, 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, (iii) use treasury shares to service conversion and/or option rights and/or obligations from convertible and/or option bonds and/or convertible profit participation rights and/or (iv) offer treasury shares for acquisition, among other things, to members of the Company's Managing Board or members of the executive boards of dependent companies or to employees of the Sixt Leasing Group as part of their remuneration or as part of management or employees participation programmes.

If the Company has ordinary shares as well as non-voting preference shares, this authorisation applies to the shares of either category. The relevant stock exchange price as defined by the authorisation is the respective stock exchange price of the share category affected.

In 2015 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
The License Agreement concluded on 23 April 2015 between Sixt Leasing AG (licensee) and Sixt SE (licensor) grants Sixt SE the right to terminate for material reason, among other things if the business direction of the Sixt Leasing Group significantly worsens or in case of a change of control. According to that agreement, a change of control occurs if a third party directly or indirectly acquires 25% of the shares in Sixt Leasing AG or if a competitor of the Sixt Group or a person related with a competitor of Sixt SE, as defined by section 15 of the AktG, acquires more than 10% of the shares in Sixt Leasing AG.

The financing agreement concluded on 17 April 2015 between Sixt Leasing AG (borrower) and Sixt SE (lender) grants Sixt SE a right to termination, among other things, if a third party directly or indirectly acquires more than 25% of the shares in Sixt Leasing AG.

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.

B.5 \\ REPORT ON OUTLOOK

1. ECONOMIC ENVIRONMENT

The outlook for the development of the world economy in 2016 is generally positive. However, in January 2016 the International Monetary Fund (IMF) lowered its forecast for global growth to 3.4%. In October 2015 the IMF had still expected economic output to climb by 3.6%. Key factors cited for this downgrade were the lower speed of growth in the emerging economies, above all in China, as well as the slower economic recovery in the industrialised states.

According to the IMF the economic output of the Euro zone is set to grow by 1.7% and thus develop better than last year. This development is essentially the result of low oil prices and the Euro's comparative weakening against the Dollar, which in turn aids exports. The German “Institut für Weltwirtschaft” (IfW) also expects growth of 1.7%.

For the German economy the IMF projects moderate growth of 1.7% for the year 2016. This means that the Monetary Fund slightly raised its October forecast of 1.6%. The outlook of the German economic research institutes is more optimistic. The ifo Institute expects the gross domestic product (GDP) to gain 1.9%, while the IfW even foresees growth of 2.2%. Growth drivers cited by the IfW are the ongoing upturn in private consumption in the wake of strong wage increases as well as stronger investment activity by German industry. Moreover, higher government investments in the provisioning and integration of refugees could have the effect of an “economic stimulus programme”.

Sources

International Monetary Fund (IMF), World Economic Outlook January 2016, 19.1.2016
International Monetary Fund (IMF), World Economic Outlook October 2015, 28.9.2015
Institut für Weltwirtschaft (IfW), media information, 14.12.2015
ifo Institute, ifo economic forecast, press release, 9.12.2015

2. PROJECTED SECTOR DEVELOPMENT

For 2016 the Bundesverband Deutscher Leasing-Unternehmen (BDL – German Association of Leasing Companies) expects the German leasing industry to see moderate growth. Thus, the Association projects industry revenue to climb by around 3%. This assumption is based on a corresponding uptake of investments in equipment. Leasing of moveable assets is set to grow by 3% to 4%. The ifo Institute considers the mood of the industry to be fairly optimistic. Though the business climate index for the leasing of moveable assets dropped substantially at the start of 2016 following the German leasing companies' worsening assessment of the current business climate, the industry's expectations for the first six months remained positive nonetheless.

As last year, the automotive industry will not provide any essential impulses for the leasing industry. For 2016 the German Association of the Automotive Industry (Verband der Automobilindustrie – VDA) forecasts a moderate growth in new registrations worldwide, up by around 2%. Developments in Germany are expected to be accordingly weaker. At 3.2 million new registrations, the car market will be only slightly up on the level of the preceding year, according to the VDA.

For the fleet management industry, the Managing Board expects companies to continually pay high attention to costs due to the economic environment, and therefore, to look for savings in terms of their corporate fleet. This ongoing trend favours fleet management specialists like Sixt Mobility Consulting. This is because they can sustainably realise substantial savings for their customers via own maintenance and damage repair networks, profound purchasing expertise and an efficient vehicle remarketing, especially when all processes around the fleet are automised and transparently handled.

Sources

Bundesverband Deutscher Leasing-Unternehmen (BDL), Statement of the BDL president Martin Mudersbach on the leasing new business 2015, http://bdl.leasingverband.de/verband/statements, accessed on 29.2.2016
Bundesverband Deutscher Leasing-Unternehmen (BDL), press release, 19.11.2015
Bundesverband Deutscher Leasing-Unternehmen (BDL), press release, 26.1.2016
Verband der Automobilindustrie (VDA), press release, 1.12.2015

3. EXPECTED DEVELOPMENT IN FISCAL YEAR 2016

For 2016, as well as for the subsequent years, Sixt Leasing AG plans to continue its course of qualitative and earnings-focused growth and to expand its position as an innovative provider of automotive mobility on the German market, generating a strong profit margin. At the same time the Company plans to intensify its foreign operations in its Fleet Management business unit, above all by extending the already existing customer relations. The biggest growth driver for the upcoming years is expected to be its Online Retail business field. As a first mover it is addressing an almost undeveloped future market in Germany for online leasing by private and commercial customers. Sixt Leasing is also continuously reviewing the possibilities of targeted acquisitions to expand its customer and market presence.

Another focal point for Sixt Leasing will be remarketing the increasing number of vehicles returned after their leasing term, whose residual values are not secured by predefined repurchase agreements with vehicle dealers or OEMs. The expansion in the contract portfolio, especially in the Online Retail business field, means that the number of returned vehicles that need subsequent remarketing is also set to grow. Sixt Leasing is increasingly managing to generate higher earnings, either directly through the residual values of the vehicles or through so-called end-of-term service charges billed on return. The vehicles are remarketed primarily in a multi-channel process to optimise the sales profit.

3.1 FLEET LEASING BUSINESS FIELD

The Fleet Leasing business field is characterised by strong and reliably plannable cash generation that is at the same time relatively resistant to economic cycles. Its competitive strengths are its full-service leasing expertise, which has been honed over decades of experience, the long-standing and close customer relationships as well as its innovative products and services over the entire leasing process chain. The Fleet Leasing business field aims to moderately increase its contract portfolio in 2016 and beyond, i.e. by a small single-digit percentage rate per year. Given the highly-developed German leasing market, which can thus grow only marginally, this development is primarily possible by gaining new market shares. To this end, Sixt Leasing continuously reviews how to extend the service range with innovative products and services that can increase the benefits of full-service leasing for its customers as regards costs and process efficiency. One key role in this will be given to the expansion of existing IT solutions as well as the development of new ones.

In Fleet Leasing a strong focus will be on the further increase of profitability in its contract portfolio. Thus, the share of services that customers can retrieve through their contracts is set to grow higher. Sixt Leasing therefore puts great emphasis on gaining customers with complex requirements for the fleet, so that it can really play the full range of services in its full-service leasing packages.

In addition, Sixt Leasing is examining the further internationalisation of the Fleet Leasing business field. This could take the form of establishing additional national subsidiaries or by co-operating with powerful cooperation and franchise partners.

3.2 ONLINE RETAIL BUSINESS FIELD

Sixt Leasing aims to accelerate growth in the Online Retail business field (private and commercial customer leasing), which it provides via the online platform *sixt-neuwagen.de*. Consequently, as communicated before the IPO, the number of contracts is set to double from the end of 2014 to the end of 2017 to 32,000.

The Sixt Leasing Group is an early mover in the growth market of Online Retail leasing. So far the market has remained unchartered but is characterised by an increasing acceptance of using leasing solutions offered by online channels. For the further development of Online Retail, Sixt Leasing will focus on offline and online marketing campaigns. One highly successful highlight in early 2016 was the first TV campaign under the German caption “Sixt Neuwagen braucht keine Werbung – bei den Preisen!” (“At these prices, Sixt Neuwagen has no need for advertising”). This ad was shown on all large private TV channels as well as on well-known social media channels.

In addition, the product and service range of the Online Retail business field is also to undergo further expansion. The aim is to continually increase the pull of the *sixt-neuwagen.de* platform, convince customers of the benefits of additional service components and tie them to these offers over the long term.

3.3 FLEET MANAGEMENT BUSINESS FIELD

Sixt Mobility Consulting GmbH operates the Fleet Management business of the Sixt Leasing Group. For 2016 the Company plans to further extend its international presence by managing and overseeing internationally operating fleets, especially from larger corporations. A key role will be accorded to the Sixt Global Reporting Tool, which enables the efficient and transparent management of fleets across multiple countries.

Following the substantial increase in contracts under management in 2015 which was in line with the Company's strategy, the Managing Board also expects the number of contracts to keep growing in 2016. The Fleet Management segment has earmarked a mid-term goal of at least 50,000 contracts by the end of 2018. Important emphasis will be on securing and raising profitability in the existing portfolio as well as in new business transactions.

4. FINANCIAL OUTLOOK

The Sixt Leasing Group's earnings performance in 2016 is going to be influenced by the expected increase in new business, the measures taken to raise profitability of the contract portfolio as well as the further reduction of the average interest costs. These developments will be offset by significantly higher market development costs, above all the augmented marketing and advertising expenses for the online platform *sixt-neuwagen.de*.

Restructuring of the Group's financing, which is currently mainly provided by Sixt SE, started after the IPO and will be further implemented in 2016. After Sixt Leasing AG concluded financing agreements with bank partners last year, the completion of a comprehensive ABS financing structure is expected for the current year.

For the full fiscal year 2016, the Managing Board expects the consolidated operating revenue to expand by a lower to mid-range single-digit percentage figure compared to 2015 and the contract portfolio to further grow. Regarding the consolidated earnings before taxes (EBT), the Managing Board also expects once again an improvement compared to the previous year. In terms of the Group's equity ratio, the Managing Board expects a ratio above the minimum target range of 14%.

B.6 \\ REPORT ON RISKS AND OPPORTUNITIES

1. INTERNAL CONTROL AND RISK MANAGEMENT ORGANISATION

1.1 RISK MANAGEMENT SYSTEM

The risk measurement and control systems established by Sixt Leasing AG as well as the organisation of credit risk management comply with the minimum requirements for risk management of financial institutions (MaRisk) imposed by BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht).

During the reporting period Sixt Leasing AG took the measures required by MaRisk relating to the adequacy of risk management as well as the measures required to ensure the correctness of the business organisation, taking into account the complexity and scale of the risks assumed by the Company.

Sixt Leasing AG only takes risks if they are calculable and consistent with the principles enshrined in the policy objectives and strategy of the Company or Group.

Based on the risk strategy determined by the management, essential components of the risk management process are the identification, systematic documenting and analysis, assessment and prioritisation of risks, as well as an analysis of the effects and impact of risks on the Company. On this basis measures to avoid, reduce or transfer risks can be initiated.

Taking into account outsourced processes to Sixt GmbH & Co. Autovermietung KG and other Sixt Group companies, Sixt Leasing AG has installed a risk management system for the monitoring of all relevant risks incurred, which is continuously developed further on the basis of the Company's own business needs and in line with the requirements of the Sixt Leasing Group.

Sixt Leasing AG has established internal policies and controls to comply with MaRisk and is constantly reviewing and improving these. The existing risk management system involving the controlling department, accounting, risk management, claims management and internal audit is compliant with the requirements of MaRisk.

The following areas are outsourced as part of outsourcing arrangements to Sixt GmbH & Co. Autovermietung KG:

- risk management
- internal audit
- treasury
- damage management
- accounts receivable
- claims management
- accounts payable
- IT administration
- money laundry

Sixt Leasing AG has made adequate provisions for contingent and exposure risks and other risks arising from its business activities. Depreciations and value adjustments in the financial statements have been made at an appropriate level.

1.2 RISK ASSESSMENT

In addition to the monitoring of risks in the planning, reporting, controlling and early warning systems which are established, as part of risk control processes, persons in charge within the organisational units document - as part of a risk inventory - all business-relevant and significant risks throughout the Group on a regular basis. To this end the estimates made by the responsible managers and other relevant information are analysed. Changes in the level of risk and new risks are communicated immediately.

The probability of occurrence of the individual risks are estimated as “low” (up to and including 30%), “possible” (between 31% up to and including 50%), “probable” (between 51% up to and including 90%) and “very probable” (more than 90%). Within the defined risk categories the individual risks are assigned to loss classes based on the estimated loss levels. At Group level the individual risks recorded decentrally are condensed into a risk inventory by central risk management, and allocated to risk groups on the basis of the estimated loss level and probability of occurrence. The risk report compiled on this basis is an integral part of reporting to the Managing Board and the Supervisory Board of Sixt Leasing AG.

Controlling and Risk Management are central bodies of risk control. The Risk Management department monitors counterparty and concentration risks in particular. The Controlling department is responsible for controlling market risks and operational risks.

The Controlling and Risk Management sections are audited by the group-wide Internal Audit section operated by Sixt GmbH & Co. Autovermietung KG. This section reports directly to the Managing Board of Sixt Leasing AG.

1.3 INTERNAL CONTROL- AND RISK MANAGEMENT SYSTEM FOR (GROUP) ACCOUNTING (DISCLOSURES IN ACCORDANCE WITH SECTIONS 289 (5) AND 315 (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, general behavioural provisions for employees relating to financial matters are part of the regulations of Sixt's "Code of Conduct". 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 as well as the Dependent company report and discusses these with the Managing Board and the auditors.

2. RISK FACTORS

As a company operating across Europe, Sixt Leasing Group is exposed to a variety of risks which could have a significant impact on the Group's business performance, assets, financial situation and operating results. The relevant risk factors are outlined below in an aggregate form, with the breakdown into risk categories corresponding analogously to the reporting of the central risk management.

2.1 GENERAL MARKET RISKS (ECONOMIC, SOCIAL AND REGULATORY RISKS)

Sixt Leasing Group is primarily engaged in the two business units of vehicle leasing and fleet management, both of which are focused mainly on Germany. However, as part of the expansion of Sixt Leasing the Group's business activities in other European countries are becoming increasingly important.

Both segments are dependent to a large degree on general economic conditions in Europe and especially in Germany, because these influence particularly customer readiness to invest and spend, and correspondingly the demand for mobility and leasing services.

In periods of economic weakness the demand for mobility services on the part of companies and private households can decline as a result of austerity measures. In addition, higher default risks (e.g. sector-specific risks and counterparty risks) can be expected during these phases. A weakening of the overall economy can therefore have a negative impact on demand for leasing and fleet management products and on their profitability.

The Sixt Leasing Group regularly develops new product ideas in order to respond appropriately to rapidly changing market conditions and customer requirements, and to maintain the Group's claim for innovation leadership while acquiring additional market share. Launching these new products on the market and ensuring market penetration can generate high initial costs. In spite of the corresponding market analysis and planning, it cannot be guaranteed that the products will, in the form offered, meet with the market acceptance and level of demand which are expected. This may have a negative impact on the profitability of the Group.

2.2 SPECIFIC RISKS IN THE LEASING AND FLEET MANAGEMENT BUSINESS UNITS

In both business units the focus is on activities on business customers. The development of the business units is accordingly dependent on corporate investment behaviour. This investment behaviour can - apart from general cyclical influences - be affected by economic, accounting, regulatory, and fiscal conditions, in particular when it comes to commercial vehicle leasing. Companies need maximum planning security for their investment decisions. Higher taxes on leasing transactions and company cars or the possibility of adverse changes in international accounting regulations relating to contracts of lease can also reduce the attractiveness of solutions based on leased fleets.

In January 2016 the International Accounting Standard Board (IASB) published the new leasing standard IFRS 16. Effective for reporting periods beginning on or after 1 January 2019, lessees must recognise most operating leases with a right-of-use and a leasing liability in their balance sheet. For the lessee this essentially abolishes the distinction between finance leases and operate leases. The consequence of these changes will be that companies can no longer relieve their balance sheets with operate leases. Corporations that report their balance sheets according to international standards and which hitherto have had leased vehicles could potentially buy and/or finance these vehicles. In principle, however, the economic benefits of leasing remain unaffected. Moreover, the associated service functions will continue to justify the demand for leasing products. Customers in the Fleet Leasing and especially in the strong growing Online Retail business field appreciate the residual value guaranty by the lessor.

The leasing market in Germany continues to be dominated by companies tied to specific manufacturers or banks. They either enjoy good purchasing conditions due to their close connections with the manufacturers or good refinancing conditions because of their affiliation with a bank. For this reason there is fierce competition on the market for vehicle leasing in terms of price and conditions, which could have a negative impact on attainable margins and earnings of the Sixt Leasing Group.

In the Leasing business unit the Sixt Leasing Group focuses on full-service leasing products which, in addition to pure financial leasing, also provide a variety of quality services in particular for corporate customers. Its consistent development as a full-service leasing provider enables the Sixt Leasing Group to reduce its dependency on pure finance leasing, which is currently under price pressure. In addition, the continuous development of new, mostly internet-based fleet management products provides an opportunity for the Group to differentiate itself from the competition. Sixt Leasing Groups' Leasing business unit also offers attractive leasing solutions to private and commercial customers on its website *sixt-neuwagen.de*. In the Fleet Management business unit the Company benefits from its many years of experience in the management of vehicle fleets and from its position as a major fleet operator.

Besides the corporate business, business operations with private and commercial customers are becoming increasingly important, and should be expanded in future. The related diversification of the Group's customer portfolio helps counteract risks which could arise from the economic, accounting, regulatory and fiscal conditions for commercial vehicle leasing in corporate business.

Counterparty risk means that during the contractual period lessees fail to meet their payment obligations fully or partly, leading to default losses. This counterparty risk in the customer business generally increases with any deterioration in the economic situation, with an increase in defaults by leasing customers as the result. In addition a failure by car dealers to meet their repurchase commitments cannot be ruled out.

Risk management already identifies the risks of counterparty default on receipt of the leasing agreement. Specific organs of Sixt Leasing AG must approve the conclusion of a new business transaction depending on the amount of the cumulative present value of the leasing agreements. In addition, the Managing Board has set up an Advisory Board and entrusted it with the role of a Risk Management Committee. This committee must be integrated into the approval process for larger exposures. The Supervisory Board is to be informed about each credit application that was approved by the Advisory Board.

The counterparty risks are monitored on a regular basis and actively managed. In addition there is a regular review of the creditworthiness of corporate customers during the term of the lease. When selecting car suppliers, which provide repurchase commitments to Sixt Leasing Group, the Sixt Leasing Group therefore places great emphasis on their economic stability. Vehicle suppliers and customers are subject to regular strict credit checks.

As a result any negative changes in the relationship to customers and vehicle suppliers are as a result identified immediately, and the appropriate countermeasures can be taken promptly if necessary. Commitments with higher levels of risk or potential default risks are monitored and controlled very closely by the risk management department.

Residual value risks result from the marketing of vehicles at the end of the leasing contract, if at this point in time the selling price which can be achieved is below the calculated residual value. To counteract the risks involved in the disposal of vehicles within the Leasing business unit the residual values of the vehicles included in the calculation of the leasing contract are covered partly by repurchase agreements with dealers or manufacturers depending on market conditions. This applies in particular to the majority of vehicles in the corporate customer business, the residual values of which are covered by repurchase agreements. As of 31 December 2015 approx. 53% of vehicles in the Leasing business unit were covered by buy-back agreements. The percentage figure includes lease assets, inventory and orders.

When it comes to the marketing of used leasing vehicles the Sixt Leasing Group is also dependent on developments on the used-car market, particularly in Germany. The vehicles to be disposed of by the Sixt Leasing Group on the used-vehicle market undergo regular valuation tests, which are based on the Group's own experience and monitoring of the market. The marketing of these vehicles is executed mainly by sales specialists at suitably equipped locations under the brand names “Sixt Autoland” and “Sixt Carpark”. In addition, the vehicles are offered on internet portals for commercial and private customers.

The Managing Board is closely monitoring the developments surrounding the emissions issue at the Volkswagen Group. For a certain part of the affected vehicles in the portfolio of the Sixt Leasing Group there are no buy-back agreements with dealers or the manufacturer. Despite the fact that since the last investigation in October more motor versions are affected, the number of vehicles affected in the portfolio of the Sixt Leasing Group without buy-back agreement has not noteworthy changed. In this context, the Sixt Leasing Group could face lower than expected proceeds from remarketing and, therefore, an increased residual value risk. So far, no decline of used car prices for the affected vehicles of the Volkswagen Group can be determined. The Managing Board expects to have a reliable assessment of the risk not before the measures that are to be taken on behalf of the Volkswagen Group will have been made concrete and a general evaluation in the market is made thereupon.

2.3 FINANCIAL RISKS

Prior to the initial public offering, debt financing was provided to Sixt Leasing Group by Sixt SE, and therefore it existed a dependency on funding costs, funding conditions and funding opportunities of Sixt SE. Although the Sixt Leasing Group intends to continue making use of the financing available from the Sixt SE for a certain period following the IPO, these arrangements are expected to expire over time latest with the last portion of the loans to be repaid at 31 December 2018.

In future, Sixt Leasing Group may no longer benefit from refinancing funds provided by Sixt SE or otherwise secured by Sixt SE. Accordingly refinancing of the Sixt Leasing Group will be dependent increasingly on self-financing through operative cash flows or the ability to borrow external funds on the debt capital markets. With regard to debt financing opportunities, it needs to be considered that the financing behaviour of the financial institutions may change significantly due to the ongoing structural changes which can be observed in the credit industry, for example as a result of higher capital requirements in the credit business or changes in the weighting of risks.

Depending on the development of Sixt Leasing Group’s own credit standing, external financing might therefore be more difficult to obtain and might become more costly. In this context, it should be noted that the Sixt Leasing Group currently does not have a credit rating with any recognised rating agency. However as common in the leasing industry asset-based financing opportunities (e. g. forfeiting or securitisation of leasing receivables) which are not used to date will be available to Sixt Leasing Group. However the risk remains that any increase in refinancing costs affect the cost base of Sixt Leasing Group significantly and that this increase might not be passed on to customers.

The Sixt Leasing Group faces an interest rate risk which results from contractually fixed interest rates in the leasing arrangements and variable interest rates included in refinancing agreements. However, the Sixt Leasing Group seeks a maturities matching refinancing if possible and will occasionally enter into derivatives to hedge against interest rate risks. However, it cannot be guaranteed that such hedging is completely effective or that losses can be completely avoided.

2.4 OPERATIONAL RISKS

Operational risks are losses caused by human behaviour, technological failure, inadequate or faulty processes, or by external events. Regulatory, legal and tax related risks are included in this definition.

The success of the Sixt Leasing Group business depends on the recognition and reputation of the Sixt brands, trademarks and domain names owned by Sixt SE. These are important preconditions for the growth and success of the Groups’ business and for maintaining the Groups' competitiveness. For Sixt Leasing Group's continued use of these brands, trademarks and domains, the Group depends on a non-exclusive license agreement entered into with Sixt SE with an initial term of 25 years.

If Sixt SE were to terminate the agreement for cause, or if Sixt Leasing Group were not able to renew such license when the agreement expires after the initial term, this could have a material adverse effect on the Group's ability to market itself to customers and could result in losing market share and customers. In addition, Sixt Leasing Group might incur significant costs to change the Group's signage and otherwise change its brand.

A complex and high-performance IT system is essential for the implementation of the leasing and fleet management business. Hardware and software-related system faults or system failures can have a significant impact on operational processes and, as a worst-case scenario, even lead to their total breakdown. If new, replacement or supplementary software is introduced, the high level of complexity of the IT system can create increased demands in terms of compatibility with existing systems when it comes to ensuring the smooth progress of operations. To address these risks, the Sixt Leasing Group maintains its own IT department and employs additional IT resources and IT infrastructural means of the Sixt Group, whose task is permanent monitoring, maintenance, continuous development and protection of the Group's IT systems.

The personal skills and knowledge of its employees are an important success factor for the Sixt Leasing Group. If there is an increased rate of fluctuation and a corresponding loss of know-how, this could impact on service quality in leasing operations. The Sixt Leasing Group prevents these risks by increased commitment to basic and advanced training, anchoring personnel development in corporate culture and the use of incentive systems.

The business of the Sixt Leasing Group is associated with a variety of different contracts. This is for the most part only possible using standardised agreements, which have to be reflected within the operational management systems. Even minor wording inaccuracies or changes in the legal framework can therefore have a significant impact on the Company's business. The Sixt Leasing Group counteracts the resulting risks by means of contract management with the involvement of legal experts and wide-ranging system controls.

Further regulatory, legal and tax related risks associated with the operation of a financial service institution are mitigated by a compliance structure in accordance with MaRisk and the corresponding control and prevention mechanisms.

3. ASSESSMENT OF THE OVERALL RISK PROFILE BY THE MANAGING BOARD

Sixt Leasing AG has installed a Group-wide internal control and risk management system for the purpose of proactive identification of any developments at an early stage which could lead to significant losses or jeopardise the continued existence of the Group. As part of the Group's established risk management system all identified risks are regularly reviewed, analysed and evaluated for their probability of occurrence and impact. The Managing Board and the Supervisory Board are informed about the results, so that the necessary countermeasures can be taken if the need arises.

In addition, leasing companies are obligated to meet the qualitative requirements for a proper business organisation pursuant to section 25a of the German Banking Act (KWG), which are substantiated by the minimum requirements for risk management (MaRisk). In this context, leasing companies have to ensure that they are invested at all times with adequate funds to shoulder the risk they have entered into (principle of risk bearing capacity). The corresponding risk bearing capacity statement is therefore key component of the quarterly risk report of Sixt Leasing AG. According to this statement the unexpected loss from those risks deemed to be material is compared with the risk cover amount available. Risk capacity is given, if the material risk can be continually covered by a corresponding risk cover amount. As at reporting date 31 December 2015 Sixt Leasing AG recognises a risk cover amount of around 440% to cover the risks identified according to the intrinsic value perspective.

The overall risk and the risk profile of the Sixt Leasing Group did not change significantly in 2015 compared to last year. At present no risks have been identified which individually or in their entirety could jeopardise the continued existence of the Company.

4. OPPORTUNITIES REPORT

Sixt Leasing AG is one of the leading manufacturer-independent full-service leasing providers in Germany. In addition, it is active in around 40 countries worldwide through its own organisational units and franchise partners. Sixt Leasing develops bespoke mobility solutions for its customers through its business fields of Fleet Leasing, Online Retail (for private and commercial customer leasing) as well as Fleet Management. For the Group this results in a multitude of opportunities that can positively affect the Company's business performance.

Opportunities are understood to be possibilities arising from events, developments or actions that allow the Company to achieve and/or outperform the scheduled Company targets. It is the operative business segment's responsibility to identify opportunities as part of the corporate strategy and then to utilise them.

4.1 MARKET OPPORTUNITIES

General economic developments
The general economic conditions, in particular in Germany but also in other countries worldwide, have a key influence on the business performance of the Sixt Leasing Group. Solid economic conditions can lead to a higher demand for mobility solutions from Sixt Leasing. This applies to corporate investments in the vehicle fleets and fleet management services as well as investments made by private and commercial customers in new vehicles.

In the last few years, the gross domestic production (GDP) for Germany, where Sixt Leasing operates the largest part of its business, was moderate. This economic growth positively influences the demand for new vehicles. According to the German Association of Car Manufacturers (Verband der Automobilindustrie e.V. – VDA) the registrations for new vehicles climbed by 6.0% in 2015 year-on-year to 3.2 million units.

In its plans for 2016 the Sixt Leasing Group takes due account of expectations voiced by economists regarding macroeconomic trends as outlined in the Report on Outlook. In the event that the economy should develop better than these projections, it could also result in stronger demand for the products and services offered by the Sixt Leasing Group.

Source
Verband der Automobilindustrie (VDA), press release, 6.1.2016

Growth of the German leasing market
The German leasing market, being the second biggest in Europe, was characterised by a stable upward trend. According to the German Association of Leasing Companies (Bundesverband Deutscher Leasing-Unternehmen – BDL) the share of movable assets leasing grew continuously from less than 5% in 1970 to 22.9% in 2015. As of late the vehicle leasing market has experienced strong gains and overtaken the growth of leasing markets for other assets.

In the event that the German leasing market should develop better than expected, it could also result in stronger demand for the products and services offered by the Sixt Leasing Group.

Sources
Bundesverband Deutscher Leasing-Unternehmen (BDL), Figures & Facts, Leasing in Europe, http://bdl.leasingverband.de/zahlen-fakten/leasing-in-europa, accessed on 29.2.2016
Bundesverband Deutscher Leasing-Unternehmen (BDL), Figures & Facts, Leasing in Germany 2015, http://bdl.leasingverband.de/zahlen-fakten/leasing-in-deutschland, accessed on 29.2.2016

4.2 COMPETITIVE OPPORTUNITIES

Acquisitions for accelerated growth
The Sixt Leasing Group pursues the objective of driving forward its foreign expansion primarily through organic growth. Nonetheless, there is also a possibility of accelerating the Group's growth by making acquisitions at favourable conditions of other providers or leasing portfolios. To this end, Sixt Leasing is continuously keeping a close eye on relevant market opportunities. When examining potential take-over candidates, the Managing and Supervisory Board apply strict criteria regarding earnings situation, risk profile and enterprise culture as well as compatibility with Sixt Leasing's business model.

Continued internationalisation
The Sixt Leasing Group is active in around 40 countries worldwide. The Group permanently monitors the expansion of its global presence by establishing and expanding its own national subsidiaries as well as by cooperating with competent franchise partners.

Especially the Fleet Management business unit aims to oversee the fleets of its international customers across national boundaries. The newly developed Sixt Global Reporting Tool opens up additional opportunities here as it maps and monitors data for all mobility solutions of a corporation worldwide and thereby enables global fleet management. What's more, it can also identify potential cost savings which the customer can generate in individual countries. This way it allows to discuss potential improvements together with the customer and thereby win over further mandates and clients for the management of fleets in additional countries.

Increasing usage of service features
According to the BDL, the trend towards using additional services alongside pure vehicle financing continued throughout 2015. Companies are coming to see additional service features as a relief for their internal resources, as the management of a fleet does not constitute part of their own core business.

It is the objective of the Sixt Leasing Group to increase the share of service components utilised in the individual contracts and thereby raise the profitability of the contract portfolio. If the general demand for these services continues to climb further, this development could have a positive effect on the Group's business performance.

In the Online Retail business field (private as well as commercial customers) offering customers such additional service features as accident and damage management or maintenance packages is also gaining traction. These offers are opening up new opportunities for the Sixt Leasing Group: if the demand for service components continues to climb in Online Retail, this could also lift the profitability of the portfolio of contracts held by this business field.

Source
Bundesverband Deutscher Leasing-Unternehmen (BDL), Market analysis Germany 2015

Greater brand awareness through marketing campaigns
For private and commercial customers (up to 20 vehicles), leasing a car has become a viable alternative to buying a car with cash, or classical vehicle financing. According to figures from the DAT-Report 2016, the share of in Germany in 2015 newly registered vehicles that were leased or financed was 75%. With its innovative *sixt-neuwagen.de* platform, Sixt Leasing Group's Online Retail business field is therefore active in a market that shows huge growth potential.

Marketing campaigns which attract great attention are opening up the chance to increase the brand awareness of Sixt Neuwagen and thereby positively affect business performance. To this end the first TV campaign was launched in January 2016 under the caption “Sixt Neuwagen braucht keine Werbung – bei den Preisen” (“At these prices, Sixt Neuwagen does not need advertising”), which was broadcasted during prime time on all major private TV channels. The campaign was also extended to well-known social media channels.

Source
DAT Group (Deutsche Autotreuhand), DAT-Report 2016

Online sales channel
The market for private and commercial customers is mainly served by car dealers with a limited geographic reach. Often they have vehicles just from one, or from a few OEMs, which for customers translates into a market with little transparency, as cars, options and prices are hard to compare on site.

Against this background the Internet has become a major source of information. According to the DAT-Report 2016, some 66% of German consumers have informed themselves in 2015 online about potential new vehicles. In the view of the Sixt Leasing Group this trend is set to continue so that more and more consumers will switch to online sales channels when procuring and financing their car. If this development exceeds expectations, this could have a positive effect on the business situation of the Sixt Leasing Group.

Source
DAT Group (Deutsche Autotreuhand), DAT-Report 2016

4.3 OPPORTUNITIES FROM INNOVATIONS

Modern online and mobile solutions
The Sixt Leasing Group is of the opinion that digitisation will change the requirements to be met by Fleet Leasing and Fleet Management. Alongside personal advice, customers are looking for a high degree of automation, efficiency and process precision. In this context a trend towards outsourcing fleet management services can be observed, as companies are focusing on their core business and want to make sure that their fleets are optimally managed.

As one of the industry's innovation leaders, the Sixt Leasing Group puts great emphasis on the development of modern online and mobile services to improve the workflow in the form of reporting and apps. In the fiscal year under review it developed such modern solutions as the Sixt driver's logbook app or the Sixt Global Reporting Tool, which both offer the opportunity to address customer requirements even more specifically and thereby generate significant competitive advantages. The Sixt-Leasing Group is permanently driving forward its solutions and is working on new digital solutions to provide optimum customer benefit.

B.7 \\ DEPENDENT COMPANY REPORT

In accordance with section 17 of the AktG, Sixt Leasing AG is a dependent company of Sixt SE, Pullach. Pursuant to section 312 of the AktG, a report is therefore prepared containing the following concluding declaration by the Managing Board:

"According to the facts and circumstances known to the Managing Board at the time legal transactions subject to disclosure requirements were conducted, Sixt Leasing AG received appropriate consideration in each case. Actions subject to disclosure requirements taken or actions omitted did not exist in the period under review."

B.8 \\ CORPORATE GOVERNANCE DECLARATION IN ACCORDANCE WITH SECTION 289A OF THE HGB

The corporate governance declaration in accordance with section 289a of the HGB is contained in the Annual Report 2015 of Sixt Leasing AG as part of the Corporate governance report and is available to the general public online at ***ir.sixt-leasing.com*** under "Corporate Governance".

B.9 \\ ADDITIONAL INFORMATION FOR SIXT LEASING AG (PURSUANT TO HGB)

Fundamentals and business performance
Sixt Leasing AG has its registered offices in Pullach and is the parent company of the Sixt Leasing Group. It assumes central management tasks and is responsible for the strategic and financial management of the Group. In addition, Sixt Leasing AG is also the operative company for the leasing business within Germany. In this function Sixt Leasing AG is essentially responsible for the business performance, net assets and earnings position as well as the opportunities and risks of the Sixt Leasing Group.

The annual financial statements of Sixt Leasing AG are prepared pursuant to (German) commercial law and the legal provisions on stock corporations and serve as the basis for the fiscal year's allocation of the net unappropriated profit to be approved by the Annual General Meeting.

Results of operations, net assets and financial position
In its operative leasing business Sixt Leasing AG generated in 2015 leasing revenue (less leasing expenses) in the amount of EUR 215.7 million (2014: EUR 198.4 million). Alongside these, the balance between interest income and expense led to charge of EUR 18.2 million (2014: charge of EUR 19.4 million). This was offset by general operating expenses in the amount of EUR 40.3 million (2014: EUR 27.8 million) as well as expenditures for depreciation and valuation allowances, above all for lease assets in the amount of EUR 142.7 million (2014: EUR 126.8 million).

2015 earnings from ordinary activities totalled EUR 20.6 million (2014: EUR 25.7 million). The Company recognises an annual surplus of EUR 9.7 million (2014: EUR 0.5 million) and after a transfer to other retained earnings a net income of EUR 9.6 million. In the year before, the annual profit of EUR 25.2 million was transferred to Sixt SE pursuant to an existing profit and loss transfer agreement.

As part of the IPO this profit and loss transfer agreement was terminated by the Company effective as of 30 April 2015, so that Sixt Leasing AG was obligated to transfer the profits of the current fiscal year to Sixt SE up until that time. Sixt SE in turn had to settle all and any losses accrued by the Company pursuant to German accounting principles. According to commercial provisions Sixt Leasing AG recognised a loss of EUR 5.4 million as at 30 April 2015. This loss was settled by Sixt SE on termination of the profit and loss transfer agreement.

As at reporting date 31 December 2015 the Sixt Leasing AG's significant assets consisted of lease assets in the amount of EUR 834.8 million (2014: EUR 782.3 million). Receivables from customers amounted to EUR 28.3 million (2014: EUR 26.9 million) and receivables from banks to EUR 11.7 million (2014: EUR 5.2 million). In addition to these, the Company recognises other assets that are essentially receivables from affiliated companies and shareholdings in the amount of EUR 196.3 million (2014: EUR 203.0 million).

The share capital of Sixt Leasing AG increased following the issue of new shares as part of the IPO to EUR 20.6 million (2014: EUR 15.0 million). All in all, equity is reported at EUR 169.9 million (2014: EUR 18.5 million).

Significant liabilities are the other liabilities in the amount of EUR 770.4 million (2014: EUR 746.7 million). These include in particular the financing agreements concluded with Sixt SE. Further to these, the Company has liabilities to banks of EUR 69.1 million (2014: EUR 204.4 million).

Opportunities, risks and outlook
As parent company and the operative leasing company, Sixt Leasing AG essentially determines the opportunities and risks of the Sixt Leasing Group. To this extent, the overall assessment in the risk and opportunities report of the Sixt Leasing Group serves a reference. The economic development of the Sixt Leasing Group is likewise significantly determined by Sixt Leasing AG. In line with expectations regarding the development of the Group, Sixt Leasing expects fiscal year 2016 to see a slight increase in earnings before taxes for the Sixt Leasing AG.

Investments

As the operative leasing company, Sixt Leasing AG oversees as part of its normal business activities the investments in lease assets, intangible asset and property and equipment. As part of its financing function within the Sixt Leasing Group, Sixt Leasing AG will provide consolidated companies with loans and funds in the form of equity if so required. Potential company startups or acquisitions could require investments to be made by Sixt Leasing AG.

Pullach, 29 March 2016

Sixt Leasing AG

The Managing Board

DR. RUDOLF RIZZOLLI (CEO)	BJÖRN WALDOW (CFO)

CONSOLIDATED FINANCIAL STATEMENTS

C \\ CONSOLIDATED FINANCIAL STATEMENTS

C.1 \\ CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

of Sixt Leasing AG, Pullach, for the year ended 31 December 2015

Consolidated Income Statement					
in EUR thou.	Notes		**2015**		2014
Revenue	/4.1/		665,378		575,040
Other operating income	/4.2/		10,845		4,982
Fleet expenses and cost of lease assets	/4.3/		401,405		337,717
Personnel expenses	/4.4/		20,224		17,641
a) Wages and salaries		17,574		15,021	
b) Social security contributions		2,650		2,620	
Depreciation and amortisation expense	/4.5/		178,551		158,287
a) Depreciation of lease assets		178,258		158,140	
b) Depreciation of equipment		137		83	
c) Amortisation of intangible assets		156		64	
Other operating expenses	/4.6/		24,462		17,630
Earnings before interest and taxes (EBIT)			**51,581**		**48,745**
Net finance costs	/4.7/		-21,302		-23,128
a) Interest income		600		1,900	
b) Interest expense		22,019		25,028	
c) Result from at-equity measured investments		117		-	
Earnings before taxes (EBT)			**30,279**		**25,617**
Income tax expense	/4.8/		7,740		6,585
Consolidated profit	/4.9/		**22,539**		**19,032**
Of which attributable to shareholders of Sixt Leasing AG			22,539		19,032
Earnings per share – basic (in Euro)	/4.10/		1.20		1.27

Consolidated statement of comprehensive income		
in EUR thou.	**2015**	2014
Consolidated profit	22,539	19,032
Other comprehensive income (not recognised in the income statement)		
Components that could be recognised in the income statement in future		
Currency translation gains/losses	601	100
Total comprehensive income	**23,140**	**19,133**
Of which attributable to shareholders of Sixt Leasing AG	23,140	19,133

C.2 \\ CONSOLIDATED BALANCE SHEET

of Sixt Leasing AG, Pullach, as at 31 December 2015

Assets			
in EUR thou.	Notes	**31 Dec. 2015**	31 Dec. 2014
Non-current assets			
Intangible assets	/4.11/	2,133	774
Equipment	/4.12/	371	311
Lease assets	/4.13/	957,779	902,366
At-equity measured investments	/4.14/	161	-
Financial assets		42	35
Other receivables and assets	/4.15/	1,429	1,629
Deferred tax assets	/4.8/	81	54
Total non-current assets		**961,996**	**905,168**
Current assets			
Inventories	/4.16/	33,141	19,979
Trade receivables	/4.17/	56,607	57,805
Receivables from related parties		1,989	52,745
Other receivables and assets	/4.18/	37,395	31,329
Income tax receivables	/4.18/	3,057	-
Bank balances	/4.19/	18,712	13,839
Total current assets		**150,900**	**175,697**
Total assets		**1,112,896**	**1,080,865**

Equity and liabilities			
in EUR thou.	Notes	**31 Dec. 2015**	31 Dec. 2014
Equity			
Subscribed capital	/4.20/	20,612	15,025
Capital reserves	/4.21/	135,045	2,923
Other reserves	/4.22/	22,692	-5,695
Total equity		**178,348**	**12,253**
Non-current liabilities and provisions			
Financial liabilities	/4.23/	68,970	81,783
Liabilities to related parties	/4.24/	699,000	20,000
Other liabilities		38	124
Deferred tax liabilities	/4.8/	13,036	11,421
Total non-current liabilities and provisions		**781,044**	**113,328**
Current liabilities and provisions			
Other provisions	/4.25/	4,772	3,381
Income tax provisions	/4.25/	986	513
Financial liabilities	/4.26/	28,308	177,348
Trade payables	/4.27/	69,008	76,572
Liabilities to related parties		4,043	659,772
Other liabilities	/4.28/	46,386	37,698
Total current liabilities and provisions		**153,504**	**955,284**
Total equity and liabilities		**1,112,896**	**1,080,865**

C.3 \\ CONSOLIDATED CASH FLOW STATEMENT

of Sixt Leasing AG, Pullach, for the year ended 31 December 2015

Consolidated cash flow statement		
in EUR thou.	**2015**	2014
Cash flow from operating activities		
Consolidated profit	22,539	19,032
Income taxes recognised in income statement	6,152	3,286
Income taxes paid	-7,394	-3,005
Financial income recognised in income statement[1]	21,419	23,128
Interest received	38	16
Interest paid[2]	-15,467	-4,192
Depreciation and amortisation[3]	178,551	158,287
Income from disposal of fixed assets	-7,173	-2,236
Other (non-)cash expenses and income	3,330	9,297
Cash flow	**201,994**	**203,614**
Proceeds from disposal of lease assets	196,170	130,633
Payments for investments in lease assets	-424,053	-420,187
Change in inventories	-13,161	-10,415
Change in trade receivables	1,198	3,064
Change in trade payables	-7,564	-1,835
Change in other net assets	49,633	-46,956
Net cash flows from/used in operating activities	**4,217**	**-142,082**
Investing activities		
Payments for investments in intangible assets and equipment	-1,737	-812
Payments for investments in financial assets	-54	-35
Payments for investments in short-term financial assets	-79,973	-
Proceeds from disposal of short-term financial assets	80,000	-
Net cash flows used in investing activities	**-1,763**	**-847**
Financing activities		
Increase in subscribed capital	5,587	25
Payments received into capital reserves[4]	136,145	25
Payments made due to the issue of new shares, set off from capital reserves	-5,364	-
Other change of net assets due to shareholder transactions	-	30
Compensation according to the profit and loss transfer agreement	5,355	-22,553
Proceeds from borrower's note loans, bonds and long-term bank loans	-	60,000
Payments made for redemption of financial liabilities	-110,853	-38,903
Proceeds from long-term financing through related parties	679,000	-
Payments made for redemption of borrower's note loan[5]	-51,000	-
Change in short-term financing from related parties	-656,496	145,365
Net cash flows from financing activities	**2,373**	**143,989**
Net change in cash and cash equivalents	**4,827**	**1,060**
Effect of exchange rate changes on cash and cash equivalents	47	8
Cash and cash equivalents at 1 Jan.	**13,839**	**12,770**
Cash and cash equivalents at 31 Dec.	**18,712**	**13,839**

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*
4 *Tax effects included in the increase of capital reserves are presented in the cash flow from operating activities*
5 *The borrower's note loan has been taken over by Sixt SE as part of the financing agreement and has been repaid to Sixt SE*

C.4 \\ CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of Sixt Leasing AG, Pullach, as at 31 December 2015

Consolidated statement of changes in equity in EUR thou.	Subscribed capital	Capital reserves	Other reserves: Retained earnings	Other reserves: Currency translation reserve	Other reserves: Other equity	Equity attributable to shareholders of Sixt Leasing AG	Minority interests	Total equity
1 Jan. 2015	**15,025**	**2,923**	**561**	**1,277**	**-7,534**	**12,253**	**-**	**12,253**
Consolidated profit	-	-	-	-	22,539	22,539	-	22,539
Other comprehensive income	-	-	-	601	-	601	-	601
Compensation according to profit and loss transfer agreement	-	-	-	-	5,355	5,355	-	5,355
Capital contribution by Sixt SE	-	30,000	-	-	-	30,000	-	30,000
Issue of new shares (IPO)	5,587	106,145	-	-	-	111,732	-	111,732
Expenses recognised in equity from the issue of new shares	-	-5,364	-	-	-	-5,364	-	-5,364
Tax effects recognised in equity from the issue of new shares	-	1,341	-	-	-	1,341	-	1,341
Other changes	-	-	188	-	-296	-108	-	-108
31 Dec. 2015	**20,612**	**135,045**	**750**	**1,878**	**20,064**	**178,348**	**-**	**178,348**
1 Jan. 2014	**15,000**	**2,898**	**5**	**1,177**	**-3,487**	**15,593**	**-**	**15,593**
Consolidated profit	-	-	-	-	19,032	19,032	-	19,032
Other comprehensive income	-	-	-	100	-	100	-	100
Profit and loss transfer	-	-	-	-	-22,553	-22,553	-	-22,553
Other change of net assets due to shareholder transactions	25	25	30	-	-	80	-	80
Other changes	-	-	525	-	-525	-	-	-
31 Dec. 2014	**15,025**	**2,923**	**561**	**1,277**	**-7,534**	**12,253**	**-**	**12,253**

See also Notes \4.20\ to \4.22

C.5 \\ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Sixt Leasing AG, Pullach, for the year ended 31 December 2015

1. GENERAL DISCLOSURES

1.1 INFORMATION ABOUT THE COMPANY

Sixt Leasing AG, domiciled in Zugspitzstrasse 1, 82049 Pullach, Germany, is registered in section B of the commercial register at the Munich Local Court (Amtsgericht), under the docket number 155501. The company was founded 1975 in Munich as “Central Garagen CG GmbH” and has been trading since 2003 under the name “Sixt Autoland GmbH” with its registered offices in Garching close to Munich. Sixt Group's operative leasing business has been overseen by the "Sixt Leasing GmbH” since 1988 and after its change of legal form into a stock corporation by the name “Sixt Leasing AG”. In 2004 "Sixt Leasing AG” merged with the previous “Sixt Autoland GmbH”. In the following “Sixt Autoland GmbH” changed its legal form to a stock corporation and continued under the name “Sixt Leasing AG”. The Company floated on the stock market in May 2015. The Company has been established for an indefinite period.

In accordance with its Articles of Association, the purpose of the company is: (a) the conduct of leasing operations with regard to motor vehicles and motor vehicle accessories as lessor with a regular contractual term of at least eleven months; (b) the management of motor vehicle fleets and motor vehicle accessories (fleet management); and (c) in connection with leasing operations pursuant to (a) and/or fleet management operations pursuant to (b), any of the following: (i) the brokerage of insurances, (ii) the trading of goods and the provision and brokerage of goods and services related to motor vehicles except for renting of motor vehicles as well as the brokerage of rent agreements in respect of motor vehicles unless included in (v) below, (iii) the trading of fuel and lubricants for motor vehicles, (iv) the utilisation and trading of motor vehicles, motor vehicle repair parts and motor vehicle accessories and (v) the brokerage of short-term renting agreements in respect of motor vehicles as replacement vehicles for vehicles in repair shops or damaged vehicles or for leased vehicles which have not been delivered after the lease term commenced (Leasingvorabfahrzeuge).

The Company can also establish branches and business premises in Germany and in other countries; establish, acquire or participate in other companies in Germany and in other countries; and manage such companies. The restrictions regarding the Company’s business activities also apply to the business activities of subsidiaries and associated companies.

The Company may furthermore pursue its operations fully or partially through subsidiaries or associated companies. The Company is especially entitled to transfer or assign partially or fully its operations to subsidiaries or associated companies. The Company can limit its business activities to one or specific purpose 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 20,611,593.00. It is divided into 20,611,593 bearer shares with no-par value. All bearer shares are ordinary shares. All shares have been fully paid up.

The largest shareholder is Sixt SE, Pullach, which holds 41.9% of the ordinary shares and voting rights of the subscribed capital as at reporting date. Sixt SE, Pullach, is the parent company of Sixt Leasing AG, Pullach.

1.2 GENERAL DISCLOSURES ON THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Sixt Leasing AG as at 31 December 2015 were prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU and the applicable commercial law regulations according to § 315a (1) HGB (German Commercial Code).

The consolidated financial statements are carried forward from the first IFRS financial statements, which the Sixt Leasing Group published as part of the prospectus for public offering from 24 April 2015 for the fiscal year ended on 31 December 2014, 31 December 2013 and 31 December 2012. The comparative financial period of the previous fiscal year contained in these consolidated financial statements has been taken from this first IFRS financial statements, which were prepared on basis of combined financial accounts and consideration of all consolidated companies.

The first IFRS financial statements which are the comparative financial information of these consolidated financial statements, present the historical financial information of the entities included in the Sixt Leasing Group as at 31 December 2014 and reflect the results of the Sixt Leasing Group as if it had been consolidated for all fiscal years. This takes due account of the fact that the individual entities within the Sixt Leasing Group were controlled in previous fiscal years by the sole shareholder of Sixt Leasing AG prior to its public listing, Sixt SE, Pullach, and were not owned by Sixt Leasing AG. Only in preparation of the IPO were the operative activities of the business divisions Leasing and Fleet Management of Sixt SE reorganised so that they were legally combined under Sixt Leasing AG. The IFRS financial statements recognise transactions from the reorganisation on the basis that the transactions conducted under common control are not within the scope of IFRS 3 and therefore can be recognised by measuring assets and liabilities at the carrying amounts and adjusting the comparative financial information of previous fiscal years in the IFRS financial statements. Financial interests and the corresponding equity portion of the parent company regarding the consolidated entities as well as receivables and liabilities, intercompany profit and losses were eliminated. Intra-group income is offset against the corresponding expenses. In addition, these first IFRS financial statements have been prepared under the assumption that the profit and loss transfer agreement between Sixt Leasing AG and Sixt SE would be terminated, as happened on 30 April 2015. Thereby it was assumed that no German tax group was ever existent and that the Company would have been obliged to settle all income tax related obligations itself. As a result the dividend payments disclosed in the first IFRS financial statements differ from the profits transferred to Sixt SE under the previously valid profit and loss transfer agreement. Significant transactions with other companies controlled by Sixt SE were presented in section “Related party disclosures” in this notes.

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 notes on “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:

IFRIC 21 – Levies:

IFRIC 21 provides guidelines when a liability should be recognized for a levy, which is imposed by legal stipulations from public authorities.

This had no material impact on the consolidated financial statements.

The annual improvements project to the IFRS – Cycle 2011 – 2013 resulted in changes to numerous standards. These relate to IFRS 1, IFRS 3, IFRS 13 and IAS 40. The application of these changes do not have a significant influence on the consolidated financial statements.

The following new and/or amended standards/interpretations 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	No	1 Jan. 2018
IFRS 14	Regulatory deferral accounts	No	1 Jan. 2016
IFRS 15	Revenue from contracts with customers	No	1 Jan. 2018
IFRS 16	Leases	No	1 Jan. 2019
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: applying the consolidation exception	No	1 Jan. 2016
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	No	Deferred indefinitely
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations	24 Nov. 2015	1 Jan. 2016
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses	No	1 Jan. 2017
Amendments to IAS 1	Disclosure initiative	18 Dec. 2015	1 Jan. 2016
Amendments to IAS 7	Disclosure initiative	No	1 Jan. 2017
Amendments to IAS 19	Employee benefits	17 Dec. 2014	1 Feb. 2015
Amendments to IAS 27	Equity method in separate financial statements	18 Dec. 2015	1 Jan. 2016
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	2 Dec. 2015	1 Jan. 2016
Amendments to IAS 16 and IAS 41	Agriculture: bearer plants	23 Nov. 2015	1 Jan. 2016
	Annual improvement project 2010-2012	17 Dec. 2014	1 Feb. 2015
	Annual improvement project 2012-2014	15 Dec. 2015	1 Jan. 2016

The effects of these standards and interpretations, especially IFRS 15, are presently still being investigated. However, the application of IFRS 15 is, according to current knowledge, not expected to have any material effects. Effects of the application of IFRS 16 are presently still being examined.

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

The Group currency of Sixt Leasing AG is the Euro (EUR). Unless specified otherwise the amounts listed in the consolidated financial statements are given in “EUR thousand”. Due to rounding it is possible that individual figures in these consolidated financial statements do not add up exactly to the totals shown. For the same reason, the percentage figures presented may not always exactly reflect the absolute figures they relate to.

The annual financial statements of Sixt Leasing AG, 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

2.1 CONSOLIDATED COMPANIES

The scope of consolidated companies derives from the application of IFRS 10 (Consolidated financial statements) and IFRS 11 (Joint arrangements).

Sixt Leasing AG acts as an operative leasing company and as parent company of the Sixt Leasing Group. As already on 31 December 2014 Sixt Leasing AG holds 100% shareholdings in the following subsidiaries, each of which in their respective countries is also operative in the leasing and/or fleet management business and consolidated in the consolidated financial statements:

- Sixt Mobility Consulting GmbH, Pullach/Germany
- Sixt Leasing (Schweiz) AG, Urdorf/Switzerland
- Sixt Location Longue Durée SARL, Paris/France
- Sixt Leasing G.m.b.H., Vösendorf/Austria
- Sixt Mobility Consulting B.V., Hoofddorp/Netherlands (formerly Sixt Leasing B.V.)

In addition to these, the newly founded joint venture Managed Mobility AG, Urdorf/Switzerland (equity interest 50%) is recognised in accordance with the at-equity method.

The Sixt Leasing Group furthermore holds interests in the following companies, which due to their low 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 as well as the cash flows of Sixt Leasing Group. The combined revenue of these companies amounts to less than 1% of consolidated revenue.

List of shareholdings pursuant to section 313 (2) no. 4 of the HGB (German Commercial Code):

Name	Domicile	Equity	Equity interest	Annual result
Sixt Mobility Consulting Österreich GmbH	Vösendorf	9,803 EUR	100.0%	-19,723 EUR
Sixt Mobility Consulting Sarl	Paris	7,000 EUR	100.0%	0 EUR

In fiscal year 2015, the domestic subsidiary Sixt Mobility Consulting GmbH, Pullach, makes use of the simplification provisions with regard to publication provided for in section 264 (3) of the HGB.

2.2 CHANGES IN THE SCOPE OF CONSOLIDATION

In the second quarter of 2015 the joint venture Managed Mobility AG, Urdorf/Switzerland, was newly consolidated in accordance with the at-equity method. Sixt Leasing (Schweiz) AG and BFM Business Fleet Management AG each hold 50% of the company's shares. The initial consolidation had no noteworthy effects on the Group's net assets, financial position and results of operations.

2.3 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 Leasing Group as at the balance sheet date, in this case 31 December 2015. 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.

Subsidiaries are those companies in which the Group has existing rights that give it the ability to direct their main activities. The main activities are the activities that have a material impact on the profitability of the company. Control thus exists if the Group is exposed to variable returns from the relationship with a company and its power over the relevant activities gives it the opportunity to influence these returns. Generally, the possibility of control is based on a direct or indirect majority of the voting rights by Sixt Leasing AG. Subsidiaries are consolidated from the date on which the possibility of control exists. They are no longer consolidated when this possibility exists any more.

Acquisition accounting is performed in accordance with IFRS 3, which requires business combinations to be accounted for using the acquisition 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.

Joint ventures are recognised in accordance with the at-equity method pursuant to the regulations in IFRS 11 as well as IAS 28.

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.

2.4 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 currency translation reserve.

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

Exchange rates		Closing rate		Average rate
	31 Dec. 2015	31 Dec. 2014	**2015**	2014
Swiss Francs	1.08205	1.20230	1.06409	1.21277

3. REPORTING AND VALUATION METHODS

3.1 INCOME STATEMENT

Revenue

Towards its customers the Sixt Leasing Group acts essentially as lessor for leasing transactions classified as operating leases. At the start of the leasing relationship Sixt Leasing Group checks all necessary criteria under IAS 17 to classify the leasing relationship accordingly. Leasing revenues are recognised ratably over the term of the respective leasing relation. 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 amounts generated at the start of the lease as special lease payment, are deferred and recognised in profit and loss over the period of the leasing contract's term.

Revenue from services is recognised as soon as the service is rendered and the amount of the revenue can be determined reliably.

If during the term of the lease lump sum payments for services are agreed with the lessee the income is recognised only to the amount of expenses incurred plus a calculatory margin. Proceeds from services and their corresponding expenses are recorded on a gross basis within revenue and fleet expenses and cost of lease assets.

Discounts, bonuses and VAT/sales or other taxes relating to the goods or services provided are deducted from the revenue.

Although most leases are classified as operating leases, the Group also concludes leasing agreements that are classified as finance leases as substantially all risks and rewards incidental to the ownership are essentially transferred to the lessee. Amounts due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases and are subsequently measured applying the effective interest method. Finance lease income is split up into an interest portion and redemption payments on the receivable. Only the interest portion is recognised through profit and loss. The finance income is allocated over the term of the lease on a systematic and rational basis. Lease payments relating to the period are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

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.

Net finance costs

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.

Dividend income is recognised on the date from which the shareholder is entitled to receive payment thereof.

Income tax expense

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. Taxable profit differs from the profit reported in the Group's income statement because it excludes items of income or expense that are taxable or deductible only in later years or that are never taxable or deductible.

Deferred taxes are the tax charges and tax reliefs expected to result from differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax base.

In accordance with the balance sheet liability method as defined by IAS 12 (Income taxes), deferred taxes are recognised for all temporary taxable differences arising from the deviations in the valuation of assets and liabilities as against the corresponding tax base. Deferred tax assets can only be recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates and taxation laws 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.

Deferred taxes are recognised in the Group's income statement. Deferred tax assets and liabilities are offset only where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and when the Group intends to settle its current tax assets and liabilities on a net basis.

Earnings per share

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 previous year's earnings per share were calculated for comparative purposes on the assumption that a total of 15,025,000 shares had already been issued and were outstanding over the entire course of the previous fiscal year. Diluted earnings per share are reported separately, if applicable.

3.2 ASSETS

Intangible assets

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

Property and equipment are carried at cost less straight-line depreciation and recognised impairment. Depreciation is taken so that the acquisition costs of assets are depreciated on a straight-line basis over their expected 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	
Operating and office equipment	3 to 11 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 or equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Lease assets
Among the non-current assets it is above all lease assets that are recognised. The Sixt Leasing Group acts both as lessor and as lessee. In accordance with IAS 17, lease assets are assigned to the lessor (operating leases) or the lessee (finance leases).

Leasing transactions are classified as finance leases, 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 operating leases.

Assets leased out by the Sixt Leasing Group as lessor under operating leases are carried in the balance sheet at cost less straight-line depreciation to their calculated 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. Estimating the residual values necessitates assumptions regarding the age and mileage of the vehicle at the time of its disposal as well as the expected conditions on the used vehicle market. This results in a market price risk exposure, which is evaluated by the Group periodically by estimating residual values and adjusting depreciation rates. Any adjustments to depreciation are made prospectively. Impairment losses are recognised in individual cases, if the carrying amount, which is based on the originally calculated residual value, exceeds the carrying amount expected prospectively at disposal.

Lease assets that the Sixt Leasing Group has leased out as finance leases are capitalised at the present value of the contractually agreed payments as assets 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 portion is recognised through profit and loss.

In accordance with IAS 17, assets leased by the Sixt Leasing Group as lessee under finance leases are recorded in the balance sheet at inception of the lease at the lower of the present value of the minimum lease payments and 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 financial liabilities. Leasing payments to the lessor are divided up into an interest rate portion and a redemption portion. Only the interest rate portion is recognised in the income statement.

The Group reviews the carrying amounts of property and equipment and intangible assets as well as the lease 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.

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

Financial assets, other receivables and assets
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.

Financial assets are composed of 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 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 financial 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 at 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. Objective indications that financial assets are considered impaired are for example default by a debtor, indications that a debtor will enter bankruptcy or his creditworthiness worsens or any other observable data indicating that there is a measurable decrease in the expected future cash flows.

The Sixt Leasing Group considers such indicators of impairment for financial assets carried at amortised cost at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Impairment is measured on a collective basis for financial assets that are not individually significant. Collective assessment is carried out by grouping together assets with similar risk characteristics, such as customer group, customer creditworthiness, transaction type and age of the receivable, for calculating an incurred but unreported impairment provision reflecting the historical loss experience of the portfolio.

In addition to management expectations, when assessing collective impairment, the Sixt Leasing Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

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.

An impairment leads to a direct reduction in the carrying amount of the affected financial assets, with the exception of trade receivables and receivables from insurances recognised in the other assets, whose carrying amount is reduced by an impairment account. Changes in the carrying amount of the impairment account are recognised in the income statement. When the Sixt Leasing Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

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.

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.

3.3 EQUITY AND LIABILITIES

Equity
Equity includes other comprehensive income resulting from exchange rate differences of consolidated entities, for which the functional currency differs from the currency of the Group. No other comprehensive income is recognised from other transactions or events.

Share-based payments
The Sixt Leasing Group grants its employees an equity participation programme for settlement with equity instruments (Matching Stock Programme – MSP). Under the MSP, Sixt Leasing Group is obliged towards its employees to settle the share-based payments with equity instruments of Sixt SE once the underlying vesting and market conditions are met. Consequently, the MSP is classified as cash-settled share-based payment transaction in the consolidated financial statements of Sixt Leasing Group.

For cash-settled share-based payment transactions a liability is recognised and when incurred measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the income statement.

Provisions
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
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.

3.4 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: Property and equipment is measured on the basis of the estimated useful lives of the assets. Lease assets 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. The need for 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

\4.1\ *Revenue* is broken down as follows:

Revenue	Germany		Abroad		Total		Change
in EUR thou.	2015	2014	2015	2014	2015	2014	in %
Leasing business unit							
Leasing revenue	334,364	327,239	62,714	60,242	397,079	387,481	2.5
Sales revenue	172,909	113,444	23,533	17,476	196,442	130,920	50.0
Total	**507,273**	**440,683**	**86,247**	**77,718**	**593,521**	**518,401**	**14.5**
Fleet Management business unit							
Fleet management revenue	32,696	40,438	-	-	32,696	40,438	-19.1
Sales revenue	39,161	16,200	-	-	39,161	16,200	>100
Total	**71,857**	**56,639**	**-**	**-**	**71,857**	**56,639**	**26.9**
Group total	**579,131**	**497,322**	**86,247**	**77,718**	**665,378**	**575,040**	**15.7**

The Sixt Leasing Group is divided into two segments, Leasing and Fleet Management. These business units form the basis of segment reporting. The main activities are broken down as follows:

Business segments	
Leasing	Vehicle leasing including additional services for companies as well as for private individuals and sale of lease assets
Fleet Management	Fleet management services and sale of used customer vehicles

The leasing and fleet management revenue are together described as “operating revenue”.

In the Leasing business unit, operating leasing revenue comprises income from contractually agreed lease instalments (EUR 212,039 thousand, 2014: EUR 194,091 thousand) as well as revenue relating to service components such as repairs, fuel, tires, etc, revenue from the settlement of accident claims and franchise fees (EUR 185,039 thousand, 2014: EUR 193,390 thousand).

The leasing segment sells a significant proportion of vehicles directly and therefore reports all proceeds from the sale of used lease vehicles under sales revenue.

In the Fleet Management business unit fleet management revenue comprises revenue relating to service components, contractual service fees and revenue from the settlement of accident claims. Additionally, the fleet management segment reports revenue from the sale of used vehicles bought from customers.

Revenues of the Sixt Leasing Group include compensation payments from third parties totalling EUR 6,027 thousand (2014: EUR 5,023 thousand).

\4.2\ *Other operating income* in the amount of EUR 10,845 thousand (2014: EUR 4,982 thousand) includes income of EUR 5,770 thousand (2014: EUR 592 thousand) from currency translation. The corresponding expenses from currency translation are included in miscellaneous operating expenses. The item also includes income of EUR 84 thousand (2014: EUR 918 thousand) from payments on previously derecognised receivables, income of EUR 666 thousand (2014: EUR 367 thousand) from forwarding costs to third parties and income of EUR 314 thousand (2014: EUR 746 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 in EUR thou.	2015	2014	Change in %
Selling expenses	226,161	144,322	56.7
Fuel	73,420	86,428	-15.1
Repair, maintenance and reconditioning	64,282	70,972	-9.4
Insurance	11,175	10,571	5.7
External rent expenses	5,906	5,806	1.7
Vehicle licenses	3,434	5,269	-34.8
Transportation	3,788	3,716	2.0
Taxes and charges	3,553	4,413	-19.5
Radio license fees	1,756	2,121	-17.2
Vehicle return expenses	1,717	1,306	31.5
Other expenses	6,212	2,794	>100
Group total	**401,405**	**337,717**	**18.9**

Fleet expenses and cost of lease assets by segment in EUR thou.	2015	2014	Change in %
Leasing business unit	335,402	286,734	17.0
Fleet Management business unit	66,003	50,983	29.5
Group total	**401,405**	**337,717**	**18.9**

\4.4\ ***Personnel expenses*** increased from EUR 17,641 thousand the year before to EUR 20,224 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 Leasing Group contributes the currently applicable rate of 9.35% (employer's share) of the remuneration liable to pension contribution.

Personnel expenses in EUR thou.	2015	2014	Change in %
Wages and salaries	17,574	15,021	17.0
Social security contributions	2,650	2,620	1.1
Group total	**20,224**	**17,641**	**14.6**

Average number of employees during the year:

Employees in the Group	2015	2014
Female employees	133	123
Male employees	147	152
Group total	**280**	**275**

The Leasing business unit employed 258 (2014: 248) members of staff and the Fleet Management business unit 22 (2014: 27) members of staff.

\4.5\ ***Expenses for depreciation and amortisation*** in the financial year are explained in more detail below:

Depreciation and amortisation expense			Change
in EUR thou.	**2015**	2014	in %
Lease assets and lease vehicles intended for sale	178,258	158,140	12.7
Equipment	137	83	65.3
Intangible assets	156	64	>100
Group total	**178,551**	**158,287**	**12.8**

Depreciation of lease assets increased year-on-year to EUR 178,258 thousand (2014: EUR 158,140 thousand). No impairment losses were charged (2014: EUR 205 thousand). Impairment losses are based on assumed future prices on the used vehicle market. The depreciation and amortisation expense includes write-downs of EUR 7.1 million (2014: EUR 3.6 million) on lease vehicles intended for sale.

\4.6\ The following table contains a breakdown of ***other operating expenses***:

Other operating expenses			Change
in EUR thou.	**2015**	2014	in %
Commissions	258	276	-6.5
Rental expenses for business premises	1,365	1,201	13.7
Other selling and marketing expenses	2,276	1,797	26.6
Expenses from write-downs of receivables	2,022	1,673	20.9
Audit, legal, advisory costs, and investor relations expenses	1,974	1,859	6.1
Other personnel services	8,676	7,593	14.3
IT expenses	2,533	2,073	22.2
Miscellaneous expenses	5,358	1,159	>100
Group total	**24,462**	**17,630**	**38.7**

Miscellaneous expenses include expenses for foreign currency translation of EUR 3,087 thousand (2014: EUR 1 thousand), the corresponding gains from currency translation are recognised under the other operating income.

The consolidated financial statements of Sixt Leasing AG registered fees for the auditors of the consolidated financial statements in the amount of EUR 376 thousand (2014: EUR 45 thousand). The fees are recognised as operating expenses or within equity for fees directly attributable to the issue of new shares. The fees break down into audit costs (EUR 182 thousand, 2014: EUR 36 thousand), other assurance services (EUR 186 thousand, 2014: EUR 2 thousand) and tax consultant services (EUR 8 thousand, 2014: EUR 7 thousand) that were provided for the parent or subsidiary companies.

\4.7\ ***Net finance costs*** have improved year-on-year from EUR -23,128 thousand to EUR -21,302 thousand. The positive development was aided by the interest rate conditions having improved from last year, as well as the redemption of current liabilities available through the proceeds from the public offering. The following table contains a breakdown of the net finance costs:

Net finance costs		
in EUR thou.	**2015**	2014
Other interest and similar income	330	360
Other interest and similar income from related parties	270	1,540
Interest and similar expenses	-2,612	-4,441
Interest and similar expenses for related parties	-19,408	-20,587
Result from at-equity measured investments	117	-
Group total	**-21,302**	**-23,128**

\4.8\ ***Income tax expense*** comprises the following:

Income tax expense			Change
in EUR thou.	**2015**	2014	in %
Current income tax for the reporting period	6,152	3,286	87.2
Deferred taxes	1,589	3,300	-51.9
Group total	**7,740**	**6,585**	**17.5**

The reconciliation of taxes explains the relationship between the expected and effective tax expense reported. The expected tax expense results from the application of an income tax rate of 24.93% (2014: 24.93%) to consolidated profit for the period (before taxes) in accordance with IFRS. The income tax rate is made up of corporation tax at 15% (2014: 15%), a solidarity surcharge of 5.5% (2014: 5.5%) as well as trade tax at 9.1% (2014: 9.1%).

Reconciliation of taxes		
in EUR thou.	**2015**	2014
Consolidated profit before taxes in accordance with IFRS	30,279	25,617
Expected income tax expense	7,549	6,385
Effect of different tax rates outside Germany	237	-
Non-deductible operating expenses	1,343	-
Tax-exempt income	-360	-
Income taxes from other periods	26	-
Other effects	-1,055	200
Reported tax expense	**7,740**	**6,585**

As in the previous year deferred tax without impact on the income statement have not been recognised.

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

Deferred taxes	Deferred tax assets		Deferred tax liabilities	
in EUR thou.	**31 Dec. 2015**	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
Lease assets	433	552	12,245	10,775
Receivables	57	30	169	235
Other assets	49	88	372	331
Other liabilities	652	617	1,437	1,481
Tax loss carryforwards	77	166	-	-
	1,268	**1,454**	**14,223**	**12,821**
Offsetting	1,187	1,400	1,187	1,400
Group total	**81**	**54**	**13,036**	**11,421**

At the balance sheet date, the Group has unused tax loss carryforwards of EUR 2.379 thousand (2014: EUR 2.613 thousand) available for offset against future profits. No deferred tax asset has been recognised in respect of EUR 2.073 thousand (2014: EUR 1.948 thousand) of such losses. The loss carryforwards for which deferred tax assets were recognised are expected to be used during the five-year planning period. The losses may be carried forward indefinitely.

For deductible temporary differences in the amount of EUR 698 thousand (2014: EUR - thousand) deferred taxes were not recognised.

\4.9\ The ***consolidated profit*** amounts to EUR 22,539 thousand (2014: EUR 19,032 thousand). As in the previous year minority interests are not to be considered.

The proposal is to pay for the financial year 2015 a dividend of EUR 0.40 per ordinary share. This corresponds to an estimated total distribution of EUR 8,245 thousand for the year under review. The proposed 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.

\4.10\ ***Earnings per share*** are as follows:

Earnings per share

		2015	2014
Consolidated profit	in EUR thou.	22,539	19,032
Profit attributable to shareholders of Sixt Leasing AG	in EUR thou.	22,539	19,032
Weighted average number of shares		18,749,395	15,025,000
Earnings per share – basic	in EUR	1.20	1.27

Earnings per share for the previous year have been calculated based on the assumption that 15,025,000 shares had already been issued and outstanding as of 1 January 2014. The weighted average number of shares is calculated on the basis of the proportionate number of shares per month.

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

4.2 BALANCE SHEET

Assets

\4.11\ to \4.13\ The changes in the Group's *non-current assets* (without financial assets) are shown below:

Consolidated statement of changes in non-current assets	Acquisition and production costs					
in EUR thou.	1 Jan. 2015	Foreign exchange differences	Additions	Disposals	Transfers	**31 Dec. 2015**
Purchased software	627	-	18	-	264	909
Internally developed software	322	-	200	-	-	521
Payments on account of software	384	-	1,297	-	-264	1,417
Intangible assets	**1,332**	**-**	**1,515**	**-**	**-**	**2,847**
Operating and office equipment	973	8	221	78	-	1,124
Equipment	**973**	**8**	**221**	**78**	**-**	**1,124**
Lease assets	**1,071,164**	**11,082**	**424,053**	**362,308**	**-**	**1,143,990**
Total	**1,073,469**	**11,090**	**425,789**	**362,386**	**-**	**1,147,962**

Consolidated statement of changes in non-current assets	Acquisition and production costs					
in EUR thou.	1 Jan. 2014	Foreign exchange differences	Additions	Disposals	Transfers	31 Dec. 2014
Purchased software	587	-	-	-	40	627
Internally developed software	-	-	322	-	-	322
Payments on account of software	40	-	384	-	-40	384
Intangible assets	**627**	**-**	**705**	**-**	**-**	**1,332**
Operating and office equipment	865	1	107	1	-	973
Equipment	**865**	**1**	**107**	**1**	**-**	**973**
Lease assets	**914,666**	**1,938**	**420,187**	**265,627**	**-**	**1,071,164**
Total	**916,159**	**1,939**	**420,999**	**265,628**	**-**	**1,073,469**

Depreciation/Amortisation					Carrying amounts	
1 Jan. 2015	Foreign exchange differences	Depreciation/ Amortisation in the financial year	Disposals	**31 Dec. 2015**	**31 Dec. 2015**	31 Dec. 2014
532	-	48	-	580	329	95
27	-	108	-	135	387	295
-	-	-	-	-	1,417	384
559	**-**	**156**	**-**	**714**	**2,133**	**774**
661	5	137	51	753	371	311
661	**5**	**137**	**51**	**753**	**371**	**311**
168,798	**3,310**	**171,184**	**157,081**	**186,211**	**957,779**	**902,366**
170,018	**3,315**	**171,477**	**157,132**	**187,678**	**960,284**	**903,451**

Depreciation/Amortisation					Carrying amounts	
1 Jan. 2014	Foreign exchange differences	Depreciation/ Amortisation in the financial year	Disposals	31 Dec. 2014	31 Dec. 2014	31.12.2013
495	-	37	-	532	95	93
-	-	27	-	27	295	-
-	-	-	-	-	384	40
495	**-**	**64**	**-**	**559**	**774**	**132**
579	1	83	1	661	311	287
579	**1**	**83**	**1**	**661**	**311**	**287**
140,044	**585**	**154,539**	**126,370**	**168,798**	**902,366**	**774,622**
141,117	**586**	**154,686**	**126,372**	**170,018**	**903,451**	**775,041**

\4.11\ ***Intangible assets*** include internally developed software amounting to EUR 387 thousand (2014: EUR 295 thousand) and purchased software amounting to EUR 329 thousand (2014: EUR 95 thousand). The item also includes payments on account in respect of software amounting to EUR 1,417 thousand (2014: EUR 384 thousand).

\4.12\ The item ***equipment*** includes operating and office equipment (mainly IT systems, fixtures and fittings and office equipment) in the amount of EUR 371 thousand (2014: EUR 311 thousand). No impairment losses were recognised in the year under review.

\4.13\ ***Lease assets*** increased to EUR 957.8 million (2014: EUR 902.4 million). As lessor the Sixt Leasing Group primarily leases out vehicles of various brands, mainly under full-service lease agreements. Of the future minimum lease payments under operating leases totalling EUR 363 million (2014: EUR 350 million) payments of EUR 179 million (2014: EUR 172 million) are due within one year, payments of EUR 184 million (2014: EUR 177 million) are due in one to five years and payments of EUR 0.1 million (2014: EUR 0.1 million) are due in more than five years. The amounts stated contain only the lease instalments without service components, prior-year figures were adjusted accordingly. The fixed-term agreements usually contain agreements on the vehicles' mileage. The resulting contingent lease payments recognised as income in the period under review amount to EUR 1.2 million (2014: EUR 0.4 million). In addition to these, the Group estimates calculated residual values covered by buy-back agreements in the amount of EUR 324 million (2014: EUR 377 million) and further calculated residual values not covered by third parties in the amount of EUR 383 million (2014: EUR 276 million).

Lease assets of EUR 69.0 million (2014: EUR 162.2 million) are pledged as collateral for liabilities to banks.

Certain other lease vehicles are refinanced under finance lease agreements having the same maturities as the lease vehicles. These agreements are structured such that the refinanced vehicles remain attributable to the Group in the amount of EUR 25.6 million (2014: EUR 41.3 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 financial liabilities.

\4.14\ The carrying amount of ***at-equity measured investments*** totals EUR 161 thousand (2014: EUR - thousand).

At-equity measured investments comprise exclusively the interest in the joint venture Managed Mobility AG, Urdorf/Switzerland. Managed Mobility AG is a provider for fleet management in Switzerland.

Financial information regarding the at-equity measured investments are summarised in the following table:

At-equity measured investments

in EUR thou.	**2015**	2014
Revenue	11,661	-
Net income	233	-
Group's proportion of the net income	117	-
Current and non-current assets	2,334	-
Current and non-current provisions and liabilities	2,012	-
Equity	322	-
Group's proportion of the net assets	161	-
Carrying amount	161	-

\4.15\ ***Non-current other receivables and assets*** mainly include the non-current portion of finance lease receivables resulting from lease agreements with customers that are classified as finance leases. The details of the agreements are as follows:

Non-current finance lease receivables	Gross investment		Present value of outstanding minimum lease payments	
in EUR million	**31 Dec. 2015**	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
Due in one to five years	1.6	1.8	1.4	1.7
Unrealised finance income	0.1	0.1	-	-

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 amount to EUR 0.1 million in total.

\4.16\ ***Inventories*** consist mainly of lease vehicles intended for sale in the amount of EUR 33,141 thousand (2014: EUR 19,979 thousand). Impairment losses on the vehicles amount to EUR 23,934 thousand (2014: EUR 15,666 thousand).

\4.17\ ***Trade receivables*** result almost exclusively from services invoiced in the course of leasing and fleet management business and from vehicle deliveries. Valuation allowances were recognised for identifiable risks.

\4.18\ ***Current other receivables and assets*** falling due within one year can be broken down as follows:

Current other receivables and assets		
in EUR thou.	**31 Dec. 2015**	31 Dec. 2014
Financial other receivables and assets		
Finance lease receivables	1,448	1,760
Miscellaneous assets	10,746	7,863
Non-financial other receivables and assets		
Recoverable income taxes	3,057	-
Other recoverable taxes	997	4,990
Insurance claims	3,785	1,784
Deferred income	5,002	3,892
Claims for vehicle deliveries	15,416	11,041
Group total	**40,452**	**31,329**

Finance lease receivables correspond to the current portion (due within one year) of receivables relating to lease agreements with customers that are classified as finance lease. 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. Further details are shown below:

Current finance lease receivables	Gross investment		Present value of outstanding minimum lease payments	
in EUR million	**31 Dec. 2015**	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
Due within one year	1.6	1.9	1.5	1.8
Unrealised finance income	0.2	0.2	-	-

\4.19\ ***Bank balances*** of EUR 18,712 thousand (2014: EUR 13,839 thousand) include short-term deposits at banks with terms of up to one month. The item corresponds to the cash and cash equivalents item in the consolidated cash flow statement.

Equity and liabilities

The Sixt Leasing Group's *equity* increased year-on-year to a total of EUR 178,348 thousand (2014: EUR 12,253 thousand). The subscribed capital of Sixt Leasing AG contained in this total amounted to EUR 20,612 thousand (2014: EUR 15,025 thousand).

\4.20\ Subscribed capital of Sixt Leasing AG

The share capital is composed of:	No-par value shares	Nominal Value in EUR
Ordinary shares	20,611,593	20,611,593
Balance as at 31 Dec.	**20,611,593**	**20,611,593**

The subscribed capital is composed of ordinary bearer shares. The shares are no-par value shares with a notional interest in the share capital of EUR 1.00 per share. The share capital is fully paid up.

Authorised capital

The Managing Board is authorised to increase the share capital on one or more occasions in the period up to and including 4 May 2020, with the consent of the Supervisory Board, by up to a maximum of EUR 10,305,796 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital 2015/II). The authorisation also includes the power to issue non-voting preference shares up to the legally permitted limit. For the distribution of profits and/or company assets, newly issued non-voting preference shares may be ranked equal to the non-voting preference shares previously issued. 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 new share dividend rights can also be arranged otherwise than stipulated in section 60 (2) AktG. In particular, the new shares can 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.

In general, shareholders are granted statutory subscription rights to the new shares. The subscription right can also be arranged in full or in part as indirect subscription right in accordance with section 186 (5) AktG.

However, the Managing Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of the shareholders, in full or in part, in accordance with the following provisions:

a) If at the time of issue of the new shares the company also has both ordinary and non-voting preference shares, the Managing Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of holders of one category of shares for shares of the other category, in case both ordinary and non-voting preference shares are issued and the subscription ratio is set at the same level for both categories (cross-exclusion of subscription rights). Such a cross-exclusion of subscription rights may also be combined with a wider exclusion of subscription rights in accordance with the following lit. b) to d).

b) The Managing Board is furthermore authorised, with the consent of the Supervisory Board, to exclude fractional amounts from the subscription right of shareholders and also to exclude the subscription right of shareholders if necessary, in order to grant holders and/or creditors of conversion or option rights and/or holders and/or creditors of bonds with conversion exercise obligations which have been or will be issued by the company or a domestic or foreign enterprise, in which the company directly or indirectly has a majority of voting rights and capital interest, a subscription right to the extent they would be entitled to after exercising the conversion or option rights and/or after meeting their conversion or option obligations.

c) In the event of a capital increase against cash contributions, the Managing Board is furthermore authorised, with the consent of the Supervisory Board, to exclude the subscription right of shareholders in accordance with section 186 (3), sentence 4 AktG, if the issue price of the new shares is not materially lower than the quoted stock exchange price of existing listed shares of the relevant class and the shares issued on the basis of this authorisation to exclude the subscription right 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. This limitation also applies to own shares sold during the term of this authorisation pursuant to section 186 (3) sentence 4 AktG under exclusion of the subscription right; furthermore it applies to shares that are issued and/or are to be issued so as to serve conversion or option rights and/or to meet conversion or option obligations from conversion or option bonds, to the extent that the bonds are issued during the term of this authorisation in corresponding application of section 186 (3) sentence 4 AktG and under exclusion of the subscription right.

d) The Managing Board is finally authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in case of capital increases against non-cash contributions in kind, in particular for the purpose of acquiring companies, parts of companies, or investments in companies, as part of business combinations and/or to acquire other assets including rights and claims.

On the basis of the Authorised Capital 2015/II, the Managing Board is also authorised, with the consent of the Supervisory Board, to issue new shares against non-cash contributions in kind for the purpose of (directly or indirectly) acquiring loan repayment and/or interest claims against the company arising from shareholder loans that have been or will be granted to the company by Sixt SE (Munich Local Court; HRB 206738) (in each case "Shareholder Loan Claims"). In this case shareholders are generally granted the statutory subscription right to the new shares. The subscription right is to be granted in such form, that the new shares are offered to the shareholders for subscription against cash payment of the subscription price, while Sixt SE (or a third party who acquired the Shareholder Loan Claims) shall be entitled to pay all or part of the subscription price for the new subscribed shares, either against cash payment or through a contribution in kind of the Shareholder Loan Claims. This shall not affect the authorisation to a partial exclusion of subscription rights in accordance with lit. a) and/or b). Details hereof are to be determined by the Managing Board with the consent of the Supervisory Board. The non-cash contribution in kind may also be effected in full or in part by transferring to the company all ownership interests in a German or foreign special purpose company, all of the assets of which are substantially the Shareholder Loan Claims. To the extent that the subscription price is paid as a non-cash contribution in kind pursuant to the aforelisted provisions, the value of the contribution in kind must be at least equal to the subscription price. The value of the contribution in kind must be assessed by a valuation report by an audit firm fulfilling the legal requirements of section 205 (5) in combination with section 33 (4) no. 2 and (5) of the AktG.

Conditional capital

By resolution of the Annual General Meeting of 8 April 2015, the company's share capital is conditionally increased by up to EUR 7,512,500 (Conditional capital 2015). The conditional capital increase serves to grant shares to the holders or creditors of convertible bonds and holders of option rights from option bonds, which were issued up to and including 7 April 2020 on the basis of the resolution passed by the Annual General Meeting of 8 April 2015 (authorisation 2015), by the company or a German or foreign subsidiary in which the company directly or indirectly holds a majority of voting rights and capital. The conditional capital increase is only to be effected insofar as the conversion or option rights from the aforelisted bonds are actually exercised or the conversion obligations from such bonds are fulfilled and no other form of settlement is being used. The new shares will be issued at the option and/or conversion price to be determined in accordance with the authorisation 2015. The new shares are entitled to take part in the company's profit as of the beginning of the fiscal year in which the conversion and/or option rights were exercised or in which the conversion obligations were fulfilled. The Managing Board is authorised to determine further details for implementing the conditional capital increase.

Treasury shares

By resolution of the Annual General Meeting of 8 April 2015 the Managing Board, with the consent of the Supervisory Board, was authorised to purchase the Company's own shares through 7 April 2020, up to a total of 10% of the Company's share capital at the time of the adoption or, if the respective amount is lower, of the utilisation of this authorisation. This authorisation has not yet been exercised as of the reporting date.

Authorisation to issue convertible and/or bonds with warrants

By resolution of the Annual General Meeting of 8 April 2015 the Managing Board is authorised, on one or more occasions in the period up to and including 7 April 2020 and with the consent of the Supervisory Board, to issue convertible and/or bonds with warrants registered in the name of the holder and/or bearer of up to a maximum of EUR 250,000,000 with a fixed or open-ended term and grant conversion or option rights to the holder and/or creditor of convertible bonds to acquire a total of up to 7,512,500 new ordinary bearer shares in Sixt

Leasing AG. The bonds are to be issued against cash contributions. The issue can be effected by a German or foreign company in which Sixt Leasing AG is directly or indirectly invested with a majority of votes and capital. In this case, the Managing Board is authorised on behalf of the issuing company, in which it has a majority interest, to take on the guarantee for repayment of the convertible and/or bond with warrants and the other payment obligations associated with the convertible and/or bond with warrants and to grant the bearers and/or creditors of such convertible and/or bond with warrants conversion or option rights for shares in Sixt Leasing AG.

\4.21\ Capital reserves

Capital reserves		
in EUR thou.	**2015**	2014
Balance as at 1 Jan.	2,923	2,898
Capital contribution by Sixt SE	30,000	-
Issue of new shares (IPO)	106,145	-
Expenses recognised in equity from the issue of new shares	-5,364	-
Tax effects recognised in equity from the issue of new shares	1,341	-
Other change of net assets due to shareholder transactions	-	25
Balance as at 31 Dec.	**135,045**	**2,923**

The change in the capital reserves to EUR 135.0 million (2014: EUR 2.9 million) result from the cash contribution of EUR 30.0 million from Sixt SE prior to the public offering and the contribution of the premium from the issued new shares. Expenses directly attributable to the issue of the new shares have been deducted from the capital reserves, adjusted for tax effects.

\4.22\ Retained earnings

Retained earnings		
in EUR thou.	**2015**	2014
Balance as at 1 Jan.	561	5
Other change of net assets due to shareholder transactions	-	30
Other changes	188	525
Balance as at 31 Dec.	**750**	**561**

\4.22\ Currency translation reserve

Currency translation reserve		
in EUR thou.	**2015**	2014
Balance as at 1 Jan.	1,277	1,177
Differences arising from the translation of the financial statements of foreign subsidiaries	601	100
Balance as at 31 Dec.	**1,878**	**1,277**

\4.22\ Other equity

Other equity in EUR thou.	2015	2014
Balance as at 1 Jan.	-7,534	-3,487
Consolidated profit	22,539	19,032
Profit and loss transfer	5,355	-22,553
Other changes	-296	-525
Balance as at 31 Dec.	**20,064**	**-7,534**

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

The Sixt Leasing AG, as transferor, and the Sixt SE, as transferee, have been parties to a profit and loss transfer agreement that has been terminated on 17 April 2015 per 30 April 2015. The result occurred up to the termination of the profit and loss transfer agreement has been settled and is shown as compensation according to the profit and loss transfer agreement.

Non-current liabilities and provisions

\4.23\ *Non-current financial liabilities* comprise liabilities to banks as well as finance lease liabilities falling due in more than one year.

Non-current financial liabilities	Residual term of 1 to 5 years		Residual term of more than 5 years	
in EUR thou.	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Liabilities to banks	60,000	60,000	-	-
Finance lease liabilities	8,970	21,783	-	-
Group total	**68,970**	**81,783**	**-**	**-**

Assets have been pledged as collateral for liabilities to banks.

The following table shows non-current finance lease liabilities entered into to refinance lease assets:

Non-current finance lease liabilities	Gross investment		Present value of outstanding minimum lease payments	
in EUR thou.	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Due in one to five years	9,224	22,704	8,970	21,783
Unrealised finance portions	254	921	-	-

The interest rate underlying the contracts is fixed at inception of the contract for the entire term. The agreements feature fixed final instalments and provide for full amortisation. The Sixt Leasing 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 covered by corresponding payments from customers under subleases.

\4.24\ The *non-current liabilities to related parties* result from the Core Loan provided by Sixt SE under the financing agreement. The Core Loan provides for fixed interest rates for the entire term and is to be repaid in partial payments until 2018. Assets have been pledged as collateral for the Core Loan.

Current liabilities and provisions

\4.25\ Obligations included in *current provisions* are expected to be settled within one year. They mainly consist of provisions for taxes and staff provisions.

Current provisions	Income tax	Other		
in EUR thou.		Personnel	Miscellaneous	Total
Balance as at 1 Jan.	513	2,748	634	3,381
Additions	1,041	5,316	50	5,366
Reversals	-	-314	-	-314
Utilised	-599	-3,039	-634	-3,672
Foreign exchange differences	32	11	-	11
Balance as at 31 Dec.	**986**	**4,722**	**50**	**4,772**

\4.26\ ***Current financial liabilities*** include in particular liabilities to banks falling due within one year and finance lease liabilities. They can be broken down as follows:

Current financial liabilities		
in EUR thou.	**31 Dec. 2015**	31 Dec. 2014
Borrower's note loans	-	50,976
Liabilities to banks	9,000	102,287
Finance lease liabilities	19,042	22,893
Other liabilities	267	1,192
Group total	**28,308**	**177,348**

The borrower's note loan, outstanding as of 31 December 2014, has been taken over by Sixt SE as part of the financing agreement and has been repaid to Sixt SE.

Liabilities to banks include short-term borrowings at variable interest taken out by utilising the credit lines available to the Group. Assets have been pledged as collateral for liabilities to banks. Other liabilities consist mainly of accrued interests.

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

Current finance lease liabilities	Gross investment		Present value of outstanding minimum lease payments	
in EUR thou.	**31 Dec. 2015**	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
Due within one year	19,251	23,196	19,042	22,893
Unrealised finance portions	210	303	-	-

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 Sixt Leasing 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 covered by corresponding payments from customers under subleases.

\4.27\ ***Trade payables*** comprise current liabilities arising from deliveries to the Group, mainly from the purchase of vehicles for the lease fleet, and other purchases in the course of operating activities.

\4.28\ *Current other liabilities* falling due within one year are broken down as follows:

Current other liabilities in EUR thou.	31 Dec. 2015	31 Dec. 2014
Financial other liabilities		
Payroll liabilities	96	111
Miscellaneous liabilities	9,863	8,832
Non-financial other liabilities		
Deferred income	34,697	28,042
Tax liabilities	1,731	713
Group total	**46,386**	**37,698**

Miscellaneous liabilities include among others customer-security deposits in the amount of EUR 4,678 thousand (2014: EUR 6,128 thousand).

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:

Financial instruments in EUR thou.	IAS 39 measurement category	Measurement basis for fair value	Carrying amount 31 Dec. 2015	 31 Dec. 2014	Fair value 31 Dec. 2015	 31 Dec. 2014
Non-current assets						
Financial assets	AfS	Level 3	42	35	42	35
Finance lease receivables	IAS 17		1,392	1,629	1,419	1,669
Other receivables	LaR		37	1		
Total			**1,471**	**1,665**	**1,461**	**1,704**
Current assets						
Finance lease receivables	IAS 17		1,448	1,760	1,509	1,838
Currency derivatives	FAHfT	Level 2	49	10	49	10
Trade receivables	LaR		56,607	57,805		
Other receivables	LaR		10,697	7,853		
Total			**68,801**	**67,427**	**1,558**	**1,848**
Non-current liabilities						
Liabilities to banks	FLAC	Level 2	60,000	60,000	60,508	60,574
Finance lease liabilities	IAS 17		8,970	21,783	9,150	22,408
Liabilities to related parties	FLAC	Level 2	699,000	20,000	735,793	20,468
Other liabilities	FLAC		38	124		
Total			**768,008**	**101,908**	**805,451**	**103,450**
Current liabilities						
Borrower's note loans	FLAC	Level 2	-	50,976	-	52,924
Liabilities to banks	FLAC	Level 2	9,000	102,287	9,000	102,287
Finance lease liabilities	IAS 17		19,042	22,893	19,607	23,119
Liabilities to related parties	FLAC	Level 2	4,043	659,772	4,043	659,772
Currency derivatives	FAHfT	Level 2	79	-	79	-
Other financial liabilities	FLAC		267	1,192		
Trade payables	FLAC		69,008	76,572		
Financial other liabilities	FLAC		9,880	8,943		
Total			**111,317**	**922,635**	**32,729**	**838,102**
Of which aggregated by IAS 39 measurement category						
Available for Sale	AfS		42	35	42	35
Loans and Receivables	LaR		67,341	65,658		
Financial Liabilities Measured at Amortised Costs	FLAC		851,235	979,866	809,344	896,025
Financial Assets Held for Trade	FAHfT		30	10	30	10

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.

For all current financial instruments it was assumed that the carrying amount (amortised cost) is a reasonable approximation of fair value unless not specified otherwise in the table.

The fair values of the finance lease receivables, finance lease liabilities, non-current liabilities to banks and liabilities to related parties were calculated as the present values of the future expected cash flows. Standard market rates of interest of between 0.5% p.a. and 0.9% p.a. (2014: between 0.9% p.a. and 1.2% 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 previous year, there were no net gains or losses in the financial year from the available-for-sale financial assets (AfS measurement category). The change in the reported carrying amounts and fair values of financial assets resulted from additions to equity investments. At present there is no intention to dispose these equity investments.

Net gains in the LaR measurement category (measured at amortised costs) amount to EUR 84 thousand in the fiscal year (2014: EUR 918 thousand) and relate to income from payments on previously derecognised receivables.

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

Total interest income from financial assets not measured at fair value through profit and loss amount to EUR 600 thousand (2014: EUR 1,900 thousand). This includes interest income from finance lease in the amount of EUR 258 thousand (2014: EUR 344 thousand). Total interest expense on financial liabilities not measured at fair value through profit and loss amounts to EUR 22,019 thousand in the financial year (2014: EUR 25,028 thousand).

Financial risk management and hedging

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

Due to an outsourcing agreement between Sixt Leasing AG and Sixt SE respectively Sixt SE subsidiaries, besides other functions, treasury, risk management, credit worthiness checks and responsibility for the prevention of money laundering are outsourced to Sixt SE respectively its subsidiaries.

Sixt SE has installed an internal control and risk management system throughout the group 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 SE's risk management system covers all activities for the systematic handling of potential risks in the different Sixt SE Group Companies, 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 Sixt divisions and segments. The risk management system installed with Sixt SE Group thereby registers the relevant individual risks.

Moreover, risk management is handled in accordance with the principle of segregation of duties and monitoring. Financial risks are thereby identified, evaluated and secured in collaboration with the operating units. Management has prepared written risk management rules and has defined guidelines for certain areas such as interest rate risks, counterparty default risks, residual value risks and liquidity risks.

Interest rate risk

Interest rate risk arises from the Group's operating activities. Changes in prevailing interest rates impact the profitability of the Group's leasing business, as lease instalments are set for the term of the lease at the beginning of the lease agreement. In its dealings with corporate customers, the Group generally tries to counter such interest rate risk by including interest escalation clauses in individual framework agreements that apply to all new contracts concluded under such framework agreements. In addition, this interest rate risk is partly mitigated by refinancing assets with matching maturities.

The Group is also exposed to risk arising from variable interest rate liabilities. The Group is exposed to the interest rate risk resulting from lease contracts being based on fixed interest rates and external financing partly being based on floating interest rates. Differences between fixed interest rates under lease contracts and floating interest rates paid for borrowed funds create a risk of wider spreads between financial revenues and financial costs which, if negative, may lead to losses on the Group's leasing contracts.

While the Group may from time to time enter into some derivative contracts to hedge some of its interest rate exposure, there can be no guarantee that such hedge will be effective or that losses will be completely avoided.

Increased costs of borrowings have a material impact on the Group's cost base, which the Group may not be able to pass on to the same degree to the Group's customers.

With regard to debt financing opportunities, it needs to be considered that the financing behaviour of financial institutions may change significantly due to ongoing structural changes in the credit industry, for example higher capital requirements or changes in the weighting of risks. Depending on the development of Sixt Leasing Group's own credit standing, external financing might therefore be more difficult to obtain and might become more costly. This is particularly important as the Sixt Leasing Group also enters into variable interest liabilities.

Residual value risk
To guard against the risks of reselling returned vehicles, the Sixt Leasing Group covers the residual values, which are calculated according to market conditions, to some extent through buy-back agreements with dealers but also manufactures. This applies to the majority of vehicles in the business with corporate customers, where the residual values are covered by such agreements. In the event that used leasing vehicles are to be sold in the open market Sixt Leasing Group is dependent on the developments on the used car market, particularly in Germany. These market price risks are closely monitored and analysed on a regular basis.

Nonetheless, the risk that contractual partners may not be able to meet their repurchase commitments cannot be excluded. When selecting vehicle dealers, Sixt Leasing Group therefore pays great attention to their economic stability. Sixt Leasing Group conducts regular and strict creditworthiness reviews of vehicle suppliers. Should contractual partners not be able to meet their repurchase commitments, Sixt Leasing Group would be forced to sell the vehicles directly in the used car market.

Counterparty default risk
To reduce counterparty default risk, Sixt Leasing Group 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).

In the event of a concrete default risk, a valuation allowance is recognised or the receivable in question is derecognised.

Analysis of trade receivables
The business units' trade receivables are classified in the following table:

Trade receivables			
in EUR thou.	Leasing	Fleet Management	Group
Receivables not impaired			
Not past due	32,343	9,833	42,176
Less than 30 days	8,464	3,676	12,140
30-90 days	-	55	55
91-360 days	-	-	-
More than 360 days	-	-	-
Total receivables	**40,806**	**13,564**	**54,371**
Impaired receivables			
Gross receivables	3,922	760	4,681
Allowances	2,163	282	2,445
Net receivables	**1,759**	**477**	**2,236**
Group total as at 31 Dec. 2015	**42,565**	**14,042**	**56,607**

Trade receivables			
in EUR thou.	Leasing	Fleet Management	Group
Receivables not impaired			
Not past due	30,109	9,442	39,551
Less than 30 days	9,364	3,651	13,015
30-90 days	-	-	-
91-360 days	-	-	-
More than 360 days	-	-	-
Total receivables	**39,472**	**13,094**	**52,566**
Impaired receivables			
Gross receivables	5,610	3,047	8,657
Allowances	3,012	407	3,418
Net receivables	**2,599**	**2,640**	**5,239**
Group total as at 31 Dec. 2014	**42,071**	**15,734**	**57,805**

Trade receivables predominantly comprise receivables from leasing and fleet management 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 the sale on the open market.

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.

The maximum default amount is the reported carrying amount of the net receivable less collected collaterals (customer-security deposits). No credit derivatives or similar hedging instruments were used to cover credit risk in the period under review.

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 as follows. For individual combinations of the mentioned parameters different rates in determining allowances are applied according to the management's expectations. Due to the use of the method of a collective valuation allowance the statement of change in the allowance account is solely displayed as net amount. In the event of concrete indications of default, for example the insolvency of the debtor, the relevant receivables are fully derecognised regardless of collective valuation allowances, which may have been made.

In the fiscal year the allowance account for trade receivables developed as follows:

Change in the allowance account for trade receivables	Balance as at	Change	Balance as at
in EUR thou.	1 Jan. 2015		**31 Dec. 2015**
Allowances	3,418	-973	2,445

Change in the allowance account for trade receivables	Balance as at	Change	Balance as at
in EUR thou.	1 Jan. 2014		31 Dec. 2014
Allowances	4,268	-850	3,418

Analysis of receivables from insurances in the other assets

All the receivables are impaired. In the Leasing business unit the gross receivables amounted to EUR 5,051 thousand (2014: EUR 2,926 thousand), the allowances to EUR 2,106 thousand (2014: EUR 1,521 thousand), so that the resulting net receivables came to EUR 2,945 thousand (2014: EUR 1,405 thousand). In the Fleet Management business unit the gross receivables amounted to EUR 1,133 thousand (2014: EUR 555 thousand), the allowances to EUR 292 thousand (2014: EUR 176 thousand), so that the resulting net receivables came to EUR 841 thousand (2014: EUR 379 thousand).

The maximum default amount is the reported carrying amount of the net receivable.

Change in the allowance account for other assets	Balance as at	Change	Balance as at
in EUR thou.	1 Jan. 2015		**31 Dec. 2015**
Allowances	1,697	702	2,399

Change in the allowance account for other assets	Balance as at	Change	Balance as at
in EUR thou.	1 Jan. 2014		31 Dec. 2014
Allowances	1,588	108	1,697

In the fiscal year under review the expenses from derecognised trade receivables and derecognised receivables from insurances amounted to EUR 2,022 thousand (2014: EUR 1,673 thousand).

Liquidity risk

Liquidity risk is the risk that existing liquidity reserves are not sufficient to meet the Group's financial obligations as they fall due. The Group's approach to managing liquidity is to ensure by liquidity planning that the Group always has sufficient liquidity to meet its obligations when due, under both normal and stressed conditions. The Sixt Leasing Group manages its liquidity in close coordination with Sixt SE, although the Group intends to progressively increase its external funding. Liquidity risk is managed via financial planning performed in accordance with internal guidelines.

Analysis of the repayment amounts of financial liabilities and liabilities to related parties

The following table incudes the repayment amounts (including expected future interest payable) at their respective maturities:

Repayment amounts by maturity in EUR thou.	Borrower's note loans	Liabilities to banks	Finance lease liabilities	Liabilities to related parties	Total
2016	-	9,519	19,251	26,525	55,295
2017	-	60,260	8,508	230,827	299,594
2018	-	-	716	499,750	500,466
2019	-	-	-	-	-
2020	-	-	-	-	-
2021 and later	-	-	-	-	-
31 Dec. 2015	**-**	**69,779**	**28,475**	**757,102**	**855,356**

Repayment amounts by maturity in EUR thou.	Borrower's note loans	Liabilities to banks	Finance lease liabilities	Liabilities to related parties	Total
2015	53,096	102,898	23,196	660,216	839,405
2016	-	656	14,843	444	15,943
2017	-	60,353	7,250	20,444	88,047
2018	-	-	610	-	610
2019	-	-	-	-	-
2020 and later	-	-	-	-	-
31 Dec. 2014	**53,096**	**163,906**	**45,900**	**681,104**	**944,006**

The financial liabilities, finance lease liabilities and liabilities to related parties maturing in 2016 will largely be repaid from lending of funds on the capital market and the usage of bank credit lines and/or by usage of asset backed security transactions.

Exchange rate and country risk

Exchange rate risk is of only minor significance in the Sixt Leasing 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.

Sensitivity analysis

The sensitivity analysis assumes a parallel shift in the yield curves of +100/-100 basis points for variable-rate financial liabilities and/or a change in the EUR exchange rates of +10/ -10 percentage points for the reported currency derivatives. This would result in the increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant and does not include any tax effects.

Interest rate sensitivity	Effect on profit and loss Change in the yield curves		Effect on equity Change in the yield curves	
in EUR thou.	+100 basis points	-100 basis points	+100 basis points	-100 basis points
31 Dec. 2015	-690	690	-690	690
31 Dec. 2014	-1,623	1,623	-1,623	1,623

Sensitivity of currency derivatives	Effect on profit and loss Change in exchange rates		Effect on equity Change in exchange rates	
in EUR thou.	+10 percentage points	-10 percentage points	+10 percentage points	-10 percentage points
31 Dec. 2015	5,467	-6,683	5,467	-6,683
31 Dec. 2014	4,371	-4,416	4,371	-4,416

Capital management

The Sixt Leasing 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 14%. Thereby it is ensured that all Group companies can operate on the basis of the going concern assumption.

The basis of the Group's financial profile is the equity provided by the parent's investors. As at the balance sheet date, the Group's equity ratio was 16.0% (2014: 1.1%). 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 71.6% at the balance sheet date (2014: 86.6%).

5. OTHER DISCLOSURES

5.1 SEGMENT REPORTING

By business unit		Leasing		Fleet Management		Reconciliation		Group
in EUR million	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
External revenue	593.5	518.4	71.9	56.6	-	-	665.4	575.0
Internal revenue	0.0	0.0	0.0	0.0	-0.0	-0.0	-	-
Total revenue	593.5	518.4	71.9	56.6	-0.0	-0.0	665.4	575.0
Depreciation and amortisation expense	178.5	158.3	0.0	0.0	-	-	178.6	158.3
EBIT[1]	48.4	46.3	3.1	2.5	-	-	51.6	48.7
Interest income	0.9	2.1	0.0	0.1	-0.3	-0.3	0.6	1.9
Interest expenses	-21.9	-24.9	-0.4	-0.5	0.3	0.3	-22.0	-25.0
Result from at-equity measured investments	-	-	0.1	-	-	-	0.1	-
EBT[2]	27.4	23.5	2.8	2.2	-	-	30.3	25.6
Investments	425.8	421.0	0.0	0.0	-	-	425.8	421.0
Assets	1,101.4	1,052.5	31.9	29.0	-23.5	-0.7	1,109.8	1,080.8
Liabilities	913.1	1,029.4	30.9	28.0	-23.5	-0.7	920.5	1,056.7
Employees[3]	258	248	22	27	-	-	280	275

By region		Germany		International		Reconciliation		Group
in EUR million	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Total revenue	580.0	497.4	86.3	77.8	-1.0	-0.2	665.4	575.0
Investments	375.5	378.9	50.3	42.1	-	-0.0	425.8	421.0
Assets	1,083.1	1,006.0	139.8	134.0	-113.2	-59.1	1,109.8	1,080.8

1 *Corresponds to earnings before interest and taxes (EBIT)*
2 *Corresponds to earnings before taxes (EBT)*
3 *Annual average*

The Sixt Leasing Group is active in the two business areas Leasing and Fleet Management. Resources are allocated and the Group's performance is assessed by the Managing Board on the basis of these segments (management approach). The key parameter for the assessment of the performance by the Managing Board are the earnings before taxes (EBT) of the segments.

The geographic information analyses the Group's revenue and the Group's assets by Group Company's country of domicile.

Segment reporting is based on the accounting and valuation principles in the consolidated financial statements. Receivables, liabilities, income and expenses between the segments are eliminated in the reconciliation to the Group figures. Group assets and liabilities do not recognise any tax positions.

5.2 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Contingent liabilities

As in the previous year, there were no contingencies from guarantees or similar obligations.

Other financial obligations

In addition to provisions and liabilities, the Group has other financial obligations that result mainly from obligations under rental agreements on buildings, which are accounted for as operating leases.

Other financial obligations		
in EUR million	**31 Dec. 2015**	31 Dec. 2014
Due within one year	1.0	0.7
Due in one to five years	2.7	2.3
Due in more than five years	0.8	0.0
Group total	**4.5**	**3.0**

Purchase commitments resulting from concluded agreements at the respective balance sheet date concerning vehicle deliveries for the lease fleet in the coming year amount to around EUR 139.7 million (2014: EUR 128.0 million).

5.3 SHARE-BASED PAYMENT

In the year under review, the Sixt SE Group had implemented an employee equity participation programme (Matching Stock Programme – MSP 2012), which had also been open for the participation of employees of Sixt Leasing Group. From the perspective of Sixt Leasing Group the programme classifies as cash-settled share-based payment programme.

On each 1st of December every year from 2012 (first time) to 2016 (last time) one tranche of stock options will be allocated (a total of five tranches). The personnel expenses for the programmes were measured at each measurement date by means of a Monte Carlo simulation model based on the random walk of the price performance of Sixt preference shares with a log-normal distribution of the relative price changes. Assuming that the price of the 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.

In 2015, the Sixt Leasing Group recognised personnel expenses of EUR 73 thousand (2014: EUR 101 thousand) in connection with share-based payments and presented this amount under the personnel provisions (31 December 2015: EUR 330 thousand, 2014: EUR 257 thousand).

5.4 RELATED PARTY DISCLOSURES

Related party transactions include transactions between Sixt Leasing Group and Sixt SE and its direct and indirect subsidiaries, Sixt SE Group's associated companies and joint ventures.

The parent company of Sixt Leasing AG is Sixt SE. DriveNow GmbH & Co. KG, as well as autohaus24 GmbH are direct respectively indirect 50% joint ventures of Sixt SE. Managed Mobility AG is a joint venture of Sixt Leasing Group and Sixt Mobility Consulting Österreich GmbH is an indirect, non-consolidated subsidiary of Sixt Leasing AG. All other related parties are subsidiaries of Sixt SE and therefore sister companies to Sixt Leasing AG.

The following provides an overview of significant transactions and account balances arising from such relationships:

Related parties	Services rendered		Services used		Receivables from related parties		Liabilities to related parties	
in EUR million	**2015**	2014	**2015**	2014	**31 Dec. 2015**	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
Sixt GmbH & Co. Autovermietung KG	9.8	12.5	8.9	9.5	1.6	52.5	1.6	1.1
e-Sixt GmbH & Co. KG	[1]	0.1	[1]	-	[1]	-	[1]	-
Sixt European Holding GmbH & Co. KG	-	-	0.2	-	-	-	[1]	-
Sixt SE	1.6	0.2	20.1	20.4	-	-	700.3	676.5
Sixt Reservierungs- und Vertriebs- GmbH	0.2	0.4	0.1	1.8	[1]	-	-	[1]
Sixt B.V., Hoofddorp	-	[1]	1.0	0.3	[1]	0.1	[1]	[1]
Sixt College GmbH	0.1	0.1	0.2	0.2	[1]	0.1	[1]	[1]
autohaus24 GmbH	[1]	[1]	0.2	0.2	[1]	-	[1]	0.1
Sixt Autoland GmbH	0.1	[1]	0.6	0.2	[1]	[1]	0.1	[1]
Sixt S.A.S., Avrigny	[1]	-	0.4	0.2	[1]	-	0.1	1.2
Sixt rent-a-car AG, Basel	[1]	-	0.1	0.2	[1]	-	[1]	0.1
Sixt G.m.b.H., Vösendorf	-	-	0.1	0.2	-	-	[1]	0.1
DriveNow GmbH & Co. KG	1.2	2.3	-	-	0.1	-	-	-
Sixt Mobility Consulting Österreich GmbH, Vösendorf	[1]	-	-	-	0.1	-	-	-
Managed Mobility AG, Urdorf	0.4	-	1.6	-	0.2	-	0.1	-
Sixt Reparatur & Service GmbH	[1]	[1]	0.4	0.3	[1]	[1]	[1]	[1]
SXT Dienstleistungen GmbH & Co. KG	0.2	0.1	5.5	2.9	[1]	[1]	0.8	0.7

[1] *Amount less than EUR 0.1 million*

The Sixt Leasing Group has entered into various outsourcing agreements with related parties. Sixt GmbH & Co. Autovermietung KG as well as other subsidiaries of the Sixt SE Group provide Sixt Leasing Group with rental vehicles in terms of replacement vehicles. Additionally Sixt Leasing Group has outsourced various operative and administrative support services to Sixt GmbH & Co. Autovermietung KG and other subsidiaries of the Sixt SE Group. Concerned are operative and administrative support services, such as accounts receivables management, accounts payable and receivables accounting, damage management, treasury, internal revision, risk management, marketing, sales, personnel as well as IT support services. Furthermore the Sixt Leasing Group rents business premises from subsidiaries of the Sixt SE Group.

Sixt Leasing AG and Sixt SE concluded the License Agreement, which grants Sixt Leasing AG determined use of trademarks licenses for the use of “Sixt” as part of the commercial names (Firmenbestandteile) of the company and its subsidiaries and as trademark for products provided by Sixt Leasing Group.

An agency and service agreement covering the sale of used lease vehicles on behalf of Sixt Leasing Group, as well as the rendering of additional associated services was concluded with Sixt Autoland GmbH.

Sixt Leasing Group provides Sixt GmbH & Co. Autovermietung KG and other Sixt SE Group companies with lease vehicles, petrol cards and other services for its employees and petrol cards for its station network.

On 17 April 2015 Sixt SE and Sixt Leasing AG entered into the Financing Agreement providing for an amortisable loan facility (the “Core Loan”) in the amount of up to EUR 750 million and a bullet loan facility (the ‘‘Growth Loan’’) of up to EUR 400 million. Pursuant to the Financing Agreement, Sixt SE provides the Core Loan until 2018. As at 31 December 2015 Sixt Leasing Group reports liabilities of EUR 699 million under the Financing Agreement.

In cases of providing a guarantee for the benefit of Sixt Leasing AG, Sixt SE receives a guarantee commission from Sixt Leasing AG. The commission fee is calculated based on the corresponding amount guaranteed by Sixt SE pro rata temporis.

All outstanding balances with related parties concerning Intra-Group transactions, which are separately disclosed, are priced based on contractual agreements. Besides the loan granted from Sixt SE amounting to EUR 699 million, none of the balances are collateralised. No expense has been recognised in the current or previous year for default risks of amounts owed by related parties.

The presented business relations are conducted at arm's length terms.

The Sixt Leasing Group rents a property belonging to the Sixt family for its operations. In the financial year 2015, as in the previous year, the rental expenses amounted to less than EUR 0.1 million.

In addition to his role as chairman of the Supervisory Board of Sixt Leasing AG, Mr Erich Sixt is also member of the Advisory Board, which acts as Risk Management Committee. There is no compensation granted for this function.

The Supervisory Board and Managing Board of Sixt Leasing AG

Supervisory Board	Membership of supervisory boards and other comparable supervisory bodies of business enterprises
Erich Sixt Chairman Chairman of the Managing Board of Sixt SE Pullach	Chairman of the Supervisory Board of e-Sixt GmbH & Co. KG[1]
Dr. Julian zu Putlitz (until 16 April 2015) Member of the Managing Board of Sixt SE Pullach	Member of the Supervisory Board of e-Sixt GmbH & Co. KG[1] President of the Administrative Board of Sixt AG[1]
Detlev Pätsch (until 16 April 2015) Member of the Managing Board of Sixt SE Oberhaching	
Georg Bauer (from 17 April 2015) Managing Director of Tesla Financial Services GmbH Munich	
Prof. Dr. Marcus Englert (from 17 April 2015) Management Consultant and Associate Partner and Managing Director of Solon Management Consulting GmbH & Co. KG Munich	Chairman of the Supervisory Board of Rocket Internet SE Chairman of the Supervisory Board of Media Broadcast GmbH

Managing Board	Membership of supervisory boards and other comparable supervisory bodies of business enterprises
Dr. Rudolf Rizzolli Chairman Munich	President of the Administrative Board of Sixt Leasing (Schweiz) AG[1] Member the Administrative Board of Nummum AG President of the Administrative Board of Managed Mobility AG[1]
Björn Waldow (from 1 April 2015) Ulm	Member of the Advisory Board of DriveNow GmbH & Co. KG

1 *Membership in Group bodies*

Total remuneration of the Supervisory Board and Managing Board of Sixt Leasing AG

Total remuneration in EUR thou.	**2015**	2014
Remuneration of the Managing Board	1,198	534
Of which variable remuneration	279	103
Supervisory Board remuneration	98	-

Prior-year figures were adjusted in scope and dimension to the year under review.

The total remuneration of the Managing Board includes the fair value at initial date of issue of the tranche of stock options granted in the fiscal year 2015 to members of the Managing Board under the Matching Stock Programme 2012 in the amount of EUR 65 thousand (2014: EUR 65 thousand).

In the fiscal year under review a commitment in the amount of EUR 1,565 thousand (2014: EUR 512 thousand) was made for performance-related remuneration components that will be paid within the next three years.

In accordance with the resolution adopted by the Annual General Meeting on 8 April 2015, the total remuneration disclosed is not broken down by individual Managing Board member.

At the end of the reporting year members of the Supervisory Board and the Managing Board were granted 267,500 stock options under the employee equity participation programme MSP, and on the basis of their personal investments (2014: 750,000).

In addition, there are entitlements to acquire a further total of 70,000 stock options (2014: 500,000) in one tranche to be issued in future in accordance with the terms and conditions of the MSP.

In the previous year there was no remuneration granted to members of the Supervisory Board, however a management fee in the amount of EUR 223 thousand was charged by Sixt SE.

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

5.5 PROPOSAL FOR ALLOCATION OF UNAPPROPRIATED PROFIT

Sixt Leasing AG reported an unappropriated profit for the fiscal year 2015 in accordance with German commercial law of EUR 9,558 thousand. Subject to the approval of the Supervisory Board, the Managing Board proposes utilising this unappropriated profit as follows:

Proposal of the allocation of the unappropriated profit

in EUR thou.	2015
Payment of a dividend of EUR 0.40 (2014: EUR -) per ordinary share entitled to a dividend	8,245
Carryforward to new account	1,314

As at 31 December 2015, 20,611,593 ordinary shares entitled to a dividend are issued. This would result in a total distribution of EUR 8,245 thousand and appropriately reflects the earnings trend of the Sixt Leasing Group in the year under review.

In the previous year the profit of Sixt Leasing AG has been transferred to Sixt SE, due to a profit and loss transfer agreement, which has been terminated in the course of the IPO.

5.6 SUBSTANTIAL EVENTS AFTER THE REPORTING DATE

No events of special significance for the net assets, financial position and results of operations of the Sixt Leasing Group occurred after the end of the financial year 2015.

5.7 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 Leasing AG's website under *ir.sixt-leasing.com* under the section "Corporate Governance".

5.8 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 29 March 2016.

Pullach, 29 March 2016

Sixt Leasing AG

The Managing Board

DR. RUDOLF RIZZOLLI	BJÖRN WALDOW

FURTHER INFORMATION

SIXT LEASING
– WIKI –

DID YOU KNOW THAT

in 2015 Sixt Leasing bought more than

70,000

tyres
for its clients?

D \\ FURTHER INFORMATION

D.1 \\ RESPONSIBILITY STATEMENT

by Sixt Leasing AG, Pullach, for financial year 2015

in accordance with sections 297 (2) sentence 4 and 315 (1) sentence 6 of the 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, 29 March 2016

Sixt Leasing AG

The Managing Board

DR. RUDOLF RIZZOLLI

BJÖRN WALDOW

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 2015, which were prepared in the German language. The translation of the independent auditors' report ("Bestätigungsvermerk") is as follows:

D.2 \\ INDEPENDENT AUDITORS' REPORT

We have audited the consolidated financial statements prepared by Sixt Leasing AG, 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 1 January to 31 December 2015. 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 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 Leasing AG, 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, 29 March 2016

Deloitte & Touche GmbH	(Löffler)	(Stadter)
Wirtschaftsprüfungsgesellschaft	Auditor	Auditor

D.3 \\ BALANCE SHEET

of Sixt Leasing AG, Pullach, as at 31 December 2015 (HGB/RechKredV)

Assets			
in EUR thou.		**31 Dec. 2015**	31 Dec. 2014
1. Cash reserve			
Cash on hand		-	0
2. Receivables from banks			
a) Payable on demand	11,692		5,152
b) Other receivables	1		1
		11,693	**5,153**
3. Receivables from customers		**28,340**	**26,946**
Of which: From financial institutions EUR 746.88 (previous year: EUR 1 thousand)			
4. Shareholdings in affiliated companies		**132**	**150**
5. Lease assets		**834,806**	**782,329**
6. Intangible assets			
a) Proprietary intellectual property rights and similar rights and assets	647		505
b) Purchased concessions, intellectual property rights and similar rights and assets as well as licenses relating to such rights and assets	1,486		268
		2,133	**774**
7. Equipment		**273**	**269**
8. Other assets		**196,307**	**202,973**
9. Prepaid expenses		**4,372**	**3,388**
		1,078,056	**1,021,982**

Equity and liabilities			
in EUR thou.		**31 Dec. 2015**	31 Dec. 2014
1. Liabilities to banks			
a) Payable on demand	-		0
b) with agreed term or notice period	69,125		204,375
		69,125	**204,376**
2. Liabilities to customers			
Other liabilities			
a) Payable on demand	1,277		1,500
b) With agreed term or notice period	2,205		3,734
		3,482	**5,234**
3. Other liabilities		**770,432**	**746,679**
4. Deferred income		**32,092**	**25,614**
5. Deferred tax liabilities		**12,670**	**-**
6. Provisions			
Other provisions		20,371	21,626
7. Equity			
a) Subscribed capital	20,612		15,025
b) Capital reserve	139,068		2,923
c) Retained earnings			
Other retained earnings	647		505
d) Unappropriated profit	9,558		-
		169,885	**18,453**
		1,078,056	**1,021,982**

D.4 \\ INCOME STATEMENT

of Sixt Leasing AG, Pullach, for the year ended 31 December 2015 (HGB/RechKredV)

in EUR thou.			2015	2014
1. Leasing revenue		509,923		446,043
2. Leasing expenses		294,260		247,679
			215,664	**198,364**
3. Interest income from lending and money-market transactions		3,662		5,065
4. Interest expense		21,861		24,435
			-18,198	**-19,370**
5. Income from profit pooling and from partial or full profit transfer agreements			2,666	-
6. Commission revenue			708	565
7. Other operating income			9,917	3,952
8. General operating expenses				
a) Personnel expenses				
aa) Wages and salaries	14,531			11,616
ab) Social security contributions, pension expenses and other employee benefits thereof pension expenses: EUR 0 (2014: EUR 0)	1,967			1,942
		16,498		**13,558**
b) Other administrative expenses		23,775		14,235
			40,273	**27,793**
9. Depreciation and valuation allowances				
a) On lease assets		142,417		126,697
b) On intangible assets and fixed assets		239		136
			142,655	**126,832**
10. Other operating expenses			357	269
11. Write-downs and valuation allowances on receivables and certain securities and allocations to provisions in lending business			6,927	4,197
12. Income from write-ups on receivables and certain securities and from the release of provisions in the lending business			84	1,306
13. Result from ordinary activities			**20,628**	**25,725**
14. Taxes on income Thereof expense from the change of deferred taxes EUR 12,669,594 (2014: EUR 0)			16,283	-
15. Income from assumption of losses			5,355	-
16. Profits transferred pursuant to a profit pooling and to partial or full profit transfer agreements			-	-25,246
17. Net income			**9,700**	**479**
18. Transfer to other retained earnings			-141	-479
19. Unappropriated profit			**9,558**	**0**

D.5 \\ FINANCIAL CALENDAR

Financial calendar of Sixt Leasing AG	
Annual press conference for financial year 2015 in Munich	14 March 2016
Publication of the Annual Report 2015	18 April 2016
Analyst conference in Frankfurt am Main	19 April 2016
Publication of the quarterly statement as at 31 March 2016	12 May 2016
Annual General Meeting for financial year 2015 in Munich	1 June 2016
Publication of the half-year financial report as at 30 June 2016	17 August 2016
Publication of the quarterly statement as at 30 September 2016	16 November 2016

Dates and event locations subject to change

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