

Consolidated Income Statement

for the period to 30 June (unaudited)

	Notes	2007			2006		
		Underlying ¹ €m	Amounts excluded from underlying €m	Total €m	Underlying ¹ as restated ² €m	Amounts excluded from underlying €m	Total as restated ² €m
Continuing operations							
Revenue	1,2	604.1	–	604.1	576.9	–	576.9
Cost of sales		(347.3)	–	(347.3)	(323.7)	–	(323.7)
Gross profit		256.8	–	256.8	253.2	–	253.2
Administrative expenses		(228.2)	(9.4)	(237.6)	(232.4)	(11.2)	(243.6)
Operating profit/(loss)	2,3	28.6	(9.4)	19.2	20.8	(11.2)	9.6
Finance income	5	4.4	2.2	6.6	1.3	1.6	2.9
Finance costs	5	(35.2)	1.2	(34.0)	(26.7)	0.9	(25.8)
Share of profit of joint venture and associate		0.3	–	0.3	0.1	–	0.1
Loss before taxation		(1.9)	(6.0)	(7.9)	(4.5)	(8.7)	(13.2)
Taxation	6	(1.1)	0.6	(0.5)	1.3	2.4	3.7
Loss after taxation		(3.0)	(5.4)	(8.4)	(3.2)	(6.3)	(9.5)
Discontinued operation							
Profit/(loss) for the period – Greece	9	2.7	(7.1)	(4.4)	0.9	–	0.9
Loss for the period		(0.3)	(12.5)	(12.8)	(2.3)	(6.3)	(8.6)
Attributable to:							
– equity holders of the Company	14	(0.3)	(12.5)	(12.8)	(2.3)	(6.3)	(8.6)
– minority interest		–	–	–	–	–	–
Loss for the period		(0.3)	(12.5)	(12.8)	(2.3)	(6.3)	(8.6)
Loss per share (euro cents)							
Basic and diluted	8			(1.4)			(0.9)
Basic and diluted – continuing	8			(0.9)			(1.0)

1 Underlying excludes exceptional items, certain re-measurement items and economic hedges – see Basis of Preparation.

2 Restated following the reclassification of the discontinued operation (see Note 9) and the prior year adjustment concerning Avis Portugal (see Note 15).

The accompanying Notes form an integral part of these Interim Financial Statements.

Consolidated Statement of Recognised Income and Expense

for the period to 30 June (unaudited)

	Notes	2007			2006		
		Underlying ¹ €m	Amounts excluded from underlying €m	Total €m	Underlying ¹ €m	Amounts excluded from underlying €m	Total €m
Actuarial gains on retirement benefit obligations	14	–	21.9	21.9	–	18.4	18.4
Cash flow hedges:							
– net fair value gains/(losses)	16	–	1.9	1.9	–	(6.9)	(6.9)
– transferred to income statement	16	–	4.5	4.5	–	1.8	1.8
Exchange differences on translation of foreign operations	16	–	(0.9)	(0.9)	–	(0.7)	(0.7)
Tax on net items taken to equity	6	–	(10.0)	(10.0)	–	(1.6)	(1.6)
Net income recognised directly in equity	17	–	17.4	17.4	–	11.0	11.0
Loss for the period		(0.3)	(12.5)	(12.8)	(2.3)	(6.3)	(8.6)
Total recognised income and expense for the period		(0.3)	4.9	4.6	(2.3)	4.7	2.4
Total recognised income and expense for the period is attributable to:							
– equity holders of the Company		(0.3)	4.9	4.6	(2.3)	4.7	2.4
– minority interest		–	–	–	–	–	–
Total recognised income and expense for the period		(0.3)	4.9	4.6	(2.3)	4.7	2.4

¹ Underlying excludes exceptional items, certain re-measurement items and economic hedges – see Basis of Preparation.

The accompanying Notes form an integral part of these Interim Financial Statements.

Consolidated Balance Sheet

at 30 June (unaudited)

	Notes	2007 €m	2006 as restated ¹ €m
Goodwill		–	7.7
Other intangible assets		10.7	7.6
Property, plant and equipment:			
– vehicles	10	568.7	628.8
– other property, plant and equipment		82.5	88.1
Investments accounted for using the equity method		10.6	10.1
Other financial assets:			
– available for sale investments		0.7	0.7
– derivative financial instruments		12.3	–
Deferred tax assets		57.6	56.2
Non-current assets		743.1	799.2
Non-current assets held for sale	10	6.9	6.4
Assets of discontinued operation held for sale	9	255.0	–
Inventories		8.7	8.8
Trade and other receivables		1,578.1	1,572.1
Current tax assets		7.4	5.9
Other financial assets:			
– held for trading		7.4	28.4
– derivative financial instruments		5.0	3.1
Cash and short-term deposits		61.9	50.6
Current assets		1,668.5	1,668.9
Total assets		2,673.5	2,474.5
Trade and other payables		892.4	898.7
Current tax liabilities		30.8	26.3
Obligations under finance leases		396.2	398.4
Other financial liabilities:			
– borrowings	11	62.9	139.2
– deferred consideration	11	0.3	0.3
– derivative financial instruments		31.8	2.5
Current liabilities		1,414.4	1,465.4
Liabilities of discontinued operation held for sale	9	232.4	–
Deferred tax liabilities		41.8	44.8
Provisions		62.5	60.5
Retirement benefit obligations		97.2	106.5
Obligations under finance leases		1.0	1.6
Other financial liabilities:			
– borrowings	11	661.3	608.3
– deferred consideration	11	32.1	32.0
– derivative financial instruments		43.5	67.0
Non-current liabilities		939.4	920.7
Total liabilities		2,586.2	2,386.1
Net assets		87.3	88.4
Equity			
Called-up share capital	12	13.1	13.1
Share premium	13	381.5	381.5
Own shares held	13	(3.2)	(0.7)
Retained earnings	14	(293.9)	(294.3)
Other reserves	16	(11.0)	(12.0)
Shareholders' equity	17	86.5	87.6
Minority interest		0.8	0.8
Total equity		87.3	88.4

1 Restated following the prior year adjustment concerning Avis Portugal (see Note 15).

The accompanying Notes form an integral part of these Interim Financial Statements.

The Interim Financial Statements, including accompanying Notes, were approved by the Board on 24 August 2007 and were signed on its behalf by:

M E Hennessy
Chief Executive

M R Smith
Finance Director

Consolidated Cash Flow Statement

for the period to 30 June (unaudited)

	Notes	2007 €m	2006 as restated ¹ €m
Operating profit – continuing operations		19.2	9.6
Discontinued operation	9	(1.1)	4.2
Operating profit – all operations		18.1	13.8
Reverse depreciation on property, plant and equipment	3	79.0	87.3
Reverse amortisation of other intangible assets	3	2.2	1.1
Reverse adjustments arising on differences between sales proceeds and depreciated amounts	3	(10.0)	(10.6)
Reverse exceptional goodwill impairment	4	11.1	–
Reverse non-cash operating lease charge on manufacturer repurchase contracts		84.6	76.7
Payments with respect to manufacturer repurchase contracts		(761.1)	(678.1)
Receipts with respect to manufacturer repurchase contracts		524.0	566.7
Reverse share-based payment charges		0.1	0.1
Increase in inventories		(1.5)	(1.8)
Increase in receivables		(49.6)	(71.2)
(Decrease)/increase in payables		(22.6)	48.3
(Decrease)/increase in provisions		(1.4)	8.4
Decrease in retirement benefit obligations		(0.8)	(3.5)
Reverse net re-measurement losses/(gains) on non-debt related derivative financial instruments		0.6	(1.9)
Cash flow on derivative financial instruments – non-debt		(0.4)	1.0
Net cash (used in)/generated from operating activities before taxation		(127.7)	36.3
Tax paid		(6.2)	(7.6)
Net cash (used in)/generated from operating activities		(133.9)	28.7
Investing activities			
Purchase of other intangible assets		(4.8)	(3.7)
Purchase of vehicles		(144.0)	(148.8)
Proceeds on disposal of vehicles		140.6	108.8
Purchase of other property, plant and equipment		(10.6)	(13.3)
Proceeds on disposal of other property, plant and equipment		4.0	1.4
Proceeds on disposal of non-current assets held for sale		36.7	43.2
Proceeds on disposal/(purchase) of financial assets held for trading	18a)	18.6	(13.3)
Purchase of own shares		(2.7)	–
Acquisition of licensee	19	(4.6)	–
Net cash generated from/(used in) investing activities		33.2	(25.7)
Financing activities			
Finance revenue received		4.4	1.3
Finance costs paid		(35.4)	(26.1)
Finance cost element of finance lease payments		(6.8)	(4.0)
Net capital element of finance lease payments	18a)	(33.5)	(53.7)
Cash flow on derivative financial instruments – debt	18a)	(1.5)	(1.2)
Increase in bank and other loans	18a)	92.2	27.6
Net cash generated from/(used in) financing activities		19.4	(56.1)
Decrease in cash and cash equivalents (excluding exchange rate changes)		(81.3)	(53.1)
Effects of exchange rate changes	18a)	(3.5)	(0.5)
Net decrease in cash and cash equivalents		(84.8)	(53.6)
Cash and cash equivalents at 1 January	18a)	113.3	86.4
Cash and cash equivalents at 30 June		28.5	32.8
Included within “cash and short-term deposits”	18a)	24.9	32.8
Included within “assets of discontinued operation held for sale”	9	3.6	–
Cash and cash equivalents as at 30 June		28.5	32.8

¹ Restated following the reclassification of the discontinued operation (see Note 9) and the prior year adjustment concerning Avis Portugal (see Note 15).

The accompanying Notes form an integral part of these Interim Financial Statements.