It's easier to leaseplan

Half-year 2016 **results**

30 August 2016

LeasePlan maintains momentum whilst investing for the future

Almere, the Netherlands, 30 August 2016 – LeasePlan Corporation N.V., the world's leading fleet management and driver mobility company, today publishes its results for the first half year of 2016.

Highlights first half-year

- Acceleration of fleet growth: 1.62 million vehicles under management at the end of June, up 8% compared to end of June 2015.
- LeasePlan's performance continues to be strong, reflecting growth of the global fleet, increased margins on lease services as well as strong contributions from vehicles sold and damage risk retention.
- Half year net profit of EUR 239.0 million includes an unrealised loss on derivative financial instruments (EUR 8 million net). In the first half year of 2015 LeasePlan benefited from positive one-time items (EUR 10 million net) and unrealised gains on derivative financial instruments (EUR 5 million net). Excluding these items, net profit for the first six months of 2016 increased by 6% compared to half-year 2015.
- Higher regulatory and liquidity requirements also impacted net profit, as did investments to strengthen the company's position in new segments, M&A activities and IT solutions.
- Strong capital and liquidity position: Common equity tier 1 capital ratio of 18.1% at 30 June 2016 (17.0% at 31 December 2015), liquidity buffer at EUR 5.3 billion.
- SME and Private Lease segment continues to show the fastest business increase with a year-on-year portfolio growth of 14.2%.

Key numbers*

	6M 2016	6M 2015
Profitability		
Net profit (EUR million)	239.0	245.7
Return on equity	15.9%	17.4%
	30 June 2016	**31 December 2015**
Volume		
Total assets (EUR billion)	23.4	21.4
Number of vehicles (millions)	1.62	1.55
Number of staff (nominal)	7,440	7,275
Solvency		
Common equity tier 1 ratio	18.1%	17.0%

** Numbers have neither been audited nor reviewed, except for Net profit and Total assets.*

Vahid Daemi, CEO of LeasePlan:

"LeasePlan continues to invest in the future. This was evidenced by the further increase of our fleet size with an additional 130,000 vehicles under management over the last twelve months. Our clients clearly appreciate our new service offerings for small and medium-sized enterprises and private leasing leading to rapid growth in this client segment.
Profit continues to be strong as a result of improved operating efficiencies and economies of scale, which were partly offset by higher regulatory and liquidity requirements, and our investments to strengthen the company's position as the leading global fleet management and driver mobility company. In that respect, we are strengthening our IT organisation, stepping up our marketing efforts in SME and private lease and expanding our global presence, particularly in Asia. We plan to become operational in the Malaysian market in the third quarter of 2016, which will be LeasePlan's 33rd country of presence and our base for further expansion in the Far East region. All in all, we are pleased with our performance and our further progress in executing the LeasePlan strategy."

Financial performance

Gross profit for the first six months of 2016 increased to EUR 558.3 million, compared to EUR 539.1 million for the same period a year earlier. This was driven by the growth of the fleet under management over the past 12 months and the continuing strong margins on lease services, damage risk retention and results of vehicles sold. Net profit for the first six months of 2016 amounted to EUR 239.0 million, compared to EUR 245.7 million for the first six months of 2015. The comparison is influenced by positive one-off items of EUR 10 million net in the first half year of 2015 and the impact on the 2016 result of an unrealised fair value loss on derivative financial instruments (EUR 8 million net) compared to an unrealised gain (EUR 5 million net) in the first half of 2015. Furthermore, net profit was impacted by higher regulatory and liquidity requirements. In addition, LeasePlan stepped up its investments for the future, leading to relatively higher expenses for group-related IT harmonisation, marketing and consultancy services in the first six months of 2016.

LeasePlan's capital and liquidity position remained solid. The Common equity tier 1 capital ratio increased to 18.1% at the end of June 2016 compared to 17.0% at year-end 2015. Furthermore, the company concluded two public senior unsecured transactions in the second quarter of 2016 (EUR 750 million in April 2016 and EUR 750 million in May 2016). In the first six months of 2016 LeasePlan Bank retail deposits in the Netherlands and Germany increased by EUR 500 million to a level of EUR 5.5 billion.

Operational performance

LeasePlan's fleet grew 4.5% between 31 December 2015 and 30 June 2016 to 1.62 million vehicles, compared to 1.55 million vehicles at the end of December 2015. This positive development in fleet size was also reflected in total assets which increased to EUR 23.4 billion at 30 June 2016 compared to EUR 21.4 billion at 31 December 2015.

The positive developments were spread across all regions, including mature leasing markets. Despite strong competition we saw substantial fleet growth in the Netherlands, France, Italy, the UK and the US. In Germany the LeasePlan fleet passed the 100,000 vehicles threshold. Encouraging levels of growth have also been seen in emerging and developing markets such as Turkey, Greece, Mexico and Brazil, reflecting the broad geographical coverage of LeasePlan's growth success. LeasePlan's global approach is driven by the needs of its multinational fleet clients, economies of scale and the opportunities local markets present. The company has made further progress on its journey to become the 'one-stop shop' for business mobility. A good example is the launch, at the beginning of this year, of the new flexible leasing solution FlexiPlan, which is designed to deliver flexibility in contract duration and mileage for companies with changing, fluctuating or short term mobility needs.

SME and private lease remains LeasePlan's fastest growing client segment, with year-on-year growth of 14.2%. In addition to this, LeasePlan International shows year-on-year growth of 8.9%, with the Corporate segment showing year-on-year growth of 6.9%.

As an integral part of the company's aim to be a 'one-stop shop' for mobility solutions, LeasePlan Insurance has also shown good progress in the first six months of 2016. As a result of increased marketing efforts and an integrated commercial approach, our insured fleet grew by 17% compared to the first six months of 2015.

Subsequent events

On 5 August 2016, LeasePlan announced the divestment of its Dutch fuel card business Travelcard Nederland B.V. As part of the LeasePlan portfolio, Travelcard grew successfully to reach its current #2 position in the Netherlands. The new owner is a specialised independent global provider of payment products and services and aims to unlock the further potential of Travelcard.

Outlook 2016

LeasePlan is on track with the execution of its strategic roadmap and believes that it is well positioned to further shape and grow its business, strengthen its leading market position globally and realise economies of scale.
The company is optimistic that, barring unforeseen economic circumstances, it will continue to reap the rewards of its strategic path. LeasePlan will also continue to invest in the future in order to retain its competitive position and to deliver a 'one-stop shop' for business mobility. The company will do this by further harmonising its operations, creating operational efficiencies and expanding its global presence, always with a keen eye for innovative solutions that add value for clients.

For further information:

Media:

Eveline Rogier	T: +31 (0)36 529 3578	M: +31 (0)6 125 84 309
Herbert van Zijl	T: +31 (0)36 529 3091	M: +31 (0)6 1138 5613

E: media@leaseplancorp.com

Investors:

Paul Benson	T: +35 31 680 4005	M: +353 868175152

E: paul.benson@leaseplancorp.com

About LeasePlan

LeasePlan is a global fleet management and driver mobility company of Dutch origin. Our full service offering consists of financing and operational fleet management services to meet the needs of a diverse client base. Established in 1963, we have grown to become the world's leading global fleet management and driver mobility company with more than 85% of our 7,400 strong workforce now operating outside the Netherlands. Our global franchise manages over 1.6 million multi-brand vehicles and provides global fleet management and driver mobility services in 32 countries. We have a proven track record in enhancing our presence in traditional mature fleet markets, as well as expanding into new markets and growing our business to market leading positions. We are able to capitalise on our global presence and international network by providing innovative products and high quality service to meet the needs of our clients globally. We aim to do this by using our expertise to make running a fleet easier for our clients. This is reflected in our universal promise to all our clients: "It's easier to leaseplan".

Financial review

Profitability

Summary income statement

in millions of euros	**Q2 2016**	**Q2 2015**	**Delta**	**6M 2016**	**6M 2015**	**Delta**
Depreciation	11.1	10.7	0.4	21.9	25.8	- 3.9
Lease services	49.5	40.1	9.4	90.8	76.8	14.0
Damage risk retention	46.9	45.1	1.8	94.9	89.8	5.1
Rental	5.8	5.2	0.6	9.7	9.9	- 0.2
Management fees	52.4	53.0	- 0.6	105.1	105.9	- 0.8
Results of vehicles sold (results of terminated contracts)	95.7	89.2	6.5	185.7	168.7	17.0
Other	23.5	27.2	- 3.7	50.2	62.2	- 12.0
Gross profit (revenues minus cost of revenues)	**284.9**	**270.5**	**14.4**	**558.3**	**539.1**	**19.2**
Net interest income (excluding unrealised gains/losses)	105.5	110.9	- 5.4	215.9	223.7	- 7.8
Impairment charges on loans/receivables	- 3.4	- 5.5	2.1	- 7.2	- 10.5	3.3
Unrealised gains/losses on financial instruments	- 5.5	5.5	- 11.0	- 10.1	6.5	- 16.6
Net finance income	**96.6**	**110.9**	**- 14.3**	**198.6**	**219.7**	**- 21.1**
Total operating and net finance income	**381.5**	**381.4**	**0.1**	**756.9**	**758.8**	**- 1.9**
Total operating expenses	227.1	211.8	15.3	443.9	423.4	20.5
Share of profit of associates and jointly controlled entities	1.6	1.4	0.2	3.0	2.4	0.6
Profit before tax	**156.0**	**171.0**	**- 15.0**	**316.0**	**337.8**	**- 21.8**
Income tax expenses	34.4	48.4	- 14.0	77.0	92.1	- 15.1
Profit for the period	**121.6**	**122.6**	**- 1.0**	**239.0**	**245.7**	**- 6.7**

Gross profit

The increase of gross profit is mainly driven by the growth of the fleet under management over the past 12 months. Margins on lease services continue to be strong, especially with respect to rebates and bonuses relating to maintenance of the vehicles. Also the results of vehicles sold increased compared to the same period last year. As a result of increased focus on selling and managing fleet insurance, the damage risk retention results increased. The line “other” of the gross profit for the first six months of 2015 is positively impacted by two one-time items in the first quarter of 2015, specifically the bargain purchase gain of LeasePlan Turkey (EUR 5 million) and the release of a provision (EUR 8 million).

Net finance income

Net interest income for the first half year of 2016 declined by EUR 8 million due to higher liquidity requirements and buffers. Unrealised fair value losses on derivative financial instruments had a negative impact on the profit for the period, due to declining interest rates, in particular the British pound sterling rates, which result in a loss under IFRS as no hedge accounting is applied although the exposures form part of the economic hedges which are not reported at fair value.

Operating expenses

Operating expenses increased to EUR 443.9 million for the first half year of 2016, driven by higher expenses to comply with regulatory banking requirements and investments to strengthen our leading position as a global fleet management and driver mobility company, including investments in new segments, M&A activities and IT solutions.

Income tax expenses

The decrease in the effective tax rate from 27% in the first half year of 2015 to 24% in the same period of 2016 is contributing positively to the net profit. This decrease is due to the mix in effective tax rates in the various countries where we operate.

Profit for the period

EUR 239.0 million net profit for the first six months of 2016 includes an unrealised loss on derivative financial instruments (EUR 8 million net). In the first half year of 2015 LeasePlan benefited from positive one-time items (EUR 10 million net) and unrealised gains on derivative financial instruments (EUR 5 million net). Excluding these items, net profit for the first six months of 2016 increased by 6% compared to the first half of 2015.

Capital adequacy*

Composition of capital and risk exposure amounts

In millions of euros	30 June 2016	31 December 2015	Delta
Share capital and share premium	578.0	578.0	-
Other reserves	- 24.4	3.1	- 27.5
Retained earnings	2,464.3	2,490.4	- 26.1
Total equity	**3,017.9**	**3,071.5**	**- 53.6**
Exclude profit for the year	-	- 442.5	442.5
Foreseeable dividend	- 143.4	-	- 143.4
Prudential filter m-t-m derivatives	8.2	7.5	0.7
Deduction of intangible assets	- 162.3	- 171.9	9.6
Deduction of deferred tax assets	- 31.3	- 42.8	11.5
AIRB provision shortfall	- 41.8	- 42.8	1.0
Prudential valuation adjustment	- 0.3	- 0.1	- 0.2
Common equity tier 1 capital	**2,647.0**	**2,378.9**	**268.1**
			-
Risk-weighted leasecontract portfolio	8,832.4	8,506.0	326.4
Risk-weighted other assets	2,175.8	1,978.9	196.9
On balance risk-weighted assets	**11,008.2**	**10,484.9**	**523.3**
Other risk exposure amounts	3,625.5	3,498.7	126.8
Total risk exposure amount	**14,633.7**	**13,983.6**	**650.1**
Common equity tier 1 capital ratio	**18.1%**	**17.0%**	

** Numbers have neither been audited nor reviewed*

In line with the growth of the fleet by 70,000 (+4.5%) in the first six months of 2016, the Total risk exposure amount increased by EUR 650.1 million (+4.6%). At the same time the Common equity tier 1 capital increased by EUR 268.1 million, predominantly caused by inclusion of the retained profit 2015 and the six months 2016 net profit under deduction of a foreseeable dividend of 60%.

The combined impact of both increases is a rise in the Common equity tier 1 capital ratio from 17.0% at year end 2015 to 18.1% at the end of Q2 2016. This large increase is typical for the first half of the year because of the adoption of the prior year Financial Statements in that period, formalising the decision on retained profits. However, as of Q1 2016 LeasePlan pursues inclusion of quarterly interim results under deduction of a foreseeable dividend during the year, as opposed to doing this once a year after adoption of the Financial Statements. This way the growth in the tier 1 capital base is more aligned with the gradual increase in the total risk exposure amount. This is illustrated by the 18.3% ratio that was reported end of Q1 2016. The limited drop in the ratio in Q2 from 18.3% to 18.1% is mainly caused by a significant increase in solvency requirements for derivatives' valuations. This increase will be offset in the coming months by the increase of collateral received from relevant derivative counterparties.

The current level is in excess of the minimum requirements from the Dutch Central Bank.

Condensed consolidated interim **financial statements**

Condensed consolidated income statement

for the six months period ended 30 June

In thousands of euros	Note	Q2 2016	Q2 2015	6M 2016	6M 2015
Revenues	2	2,146,210	2,043,499	4,257,533	4,118,212
Cost of revenues	2	1,861,289	1,772,963	3,699,222	3,579,088
Gross profit		**284,921**	**270,536**	**558,311**	**539,124**
Interest and similar income		190,613	197,074	379,766	393,793
Interest expenses and similar charges		85,062	86,191	163,840	170,079
Net interest income		**105,551**	**110,883**	**215,926**	**223,714**
Impairment charges on loans and receivables		3,473	5,573	7,237	10,570
Unrealised gains/losses on financial instruments	6	- 5,483	5,498	- 10,125	6,529
Net finance income		**96,595**	**110,808**	**198,564**	**219,673**
Total operating and net finance income		**381,516**	**381,344**	**756,875**	**758,797**
Staff expenses		139,877	134,490	277,373	265,161
General and administrative expenses		73,605	63,359	139,355	130,693
Depreciation and amortisation		13,611	13,979	27,157	27,568
Total operating expenses		**227,093**	**211,828**	**443,885**	**423,422**
Share of profit of investments accounted for using the equity method		1,570	1,407	2,959	2,441
Profit before tax		**155,993**	**170,923**	**315,949**	**337,816**
Income tax expenses		34,436	48,375	76,959	92,123
Profit for the period		**121,557**	**122,548**	**238,990**	**245,693**
Profit attributable to					
Owners of the parent		121,557	122,548	238,990	245,693

The notes to the condensed consolidated financial statements are an integral part of these statements.

Condensed consolidated statement of comprehensive income
for the six months period ended 30 June

In thousands of euros	Note	Q2 2016	Q2 2015	6M 2016	6M 2015
Profit for the period		**121,557**	**122,548**	**238,990**	**245,693**
Other comprehensive income		-	-	-	-
Items that will not be reclassified to profit or loss					
Remeasurement of post-employment benefit reserve, before tax		11	14	30	- 213
Income tax on post-employment benefit reserve		- 4	- 4	- 10	49
Subtotal changes post-employment benefit reserve, net of income tax		**7**	**10**	**20**	**- 164**
Items that may be subsequently reclassified to profit or loss					
Changes in cash flow hedges, before tax		2,391	6,695	2,617	9,469
Cash flow hedges recycled from equity to profit and loss, before tax		- 1,946	- 3,042	- 3,572	- 6,059
Income tax on cash flow hedges		- 111	- 914	239	- 853
Subtotal changes in cash flow hedges, net of income tax		**334**	**2,739**	**- 716**	**2,557**
Exchange rate differences	3	- 5,422	- 12,970	- 26,771	36,932
Other comprehensive income, net of income tax		**- 5,081**	**- 10,221**	**- 27,467**	**39,325**
Total comprehensive income for the period		**116,476**	**112,327**	**211,523**	**285,018**
Comprehensive income attributable to					
Owners of the parent		116,476	112,327	211,523	285,018

The notes to the condensed consolidated financial statements are an integral part of these statements.

Condensed consolidated balance sheet

In thousands of euros	Note	30 June 2016	31 December 2015
Assets			
Cash and balances at central banks	4	2,501,175	1,605,437
Receivables from financial institutions	5	539,354	368,930
Derivative financial instruments	6	306,713	166,085
Other receivables and prepayments	7	888,831	837,361
Inventories		234,882	261,325
Receivables from clients	8	3,429,191	3,309,512
Property and equipment under operating lease and rental fleet	9	14,833,383	14,261,517
Other property and equipment		90,942	90,673
Loans to investments accounted for using the equity method		115,275	103,325
Investments accounted for using the equity method		25,083	24,211
Intangible assets		161,544	171,267
Corporate income tax receivable		49,701	37,441
Deferred tax assets		124,450	141,372
		23,300,524	**21,378,456**
Assets classified as held-for-sale	10	56,851	36,790
Total assets		**23,357,375**	**21,415,246**
Equity			
Share capital		71,586	71,586
Share premium		506,398	506,398
Other reserves	3	- 24,366	3,101
Retained earnings		2,464,267	2,490,379
Total equity		**3,017,885**	**3,071,464**
Liabilities			
Trade and other payables and deferred income	11	2,233,778	2,255,271
Borrowings from financial institutions	12	1,983,100	2,073,118
Derivative financial instruments	6	98,881	88,379
Funds entrusted	13	5,608,041	5,086,974
Debt securities issued	14	9,682,302	8,142,443
Provisions	15	390,123	378,333
Corporate income tax payable		48,743	37,315
Deferred tax liabilities		258,823	253,860
		20,303,791	**18,315,693**
Liabilities classified as held-for-sale	10	35,699	28,089
Total liabilities		**20,339,490**	**18,343,782**
Total equity and liabilities		**23,357,375**	**21,415,246**

The notes to the condensed consolidated financial statements are an integral part of these statements.

Consolidated statement of changes in equity

In thousands of euros		Attributable to the owners of the parent				
	Note	**Share capital**	**Share premium**	**Other reserves**	**Retained earnings**	**Total equity**
Balance as at 1 January 2015		**71,586**	**506,398**	**- 13,178**	**2,278,120**	**2,842,926**
Profit for the period		-	-	-	245,693	245,693
Other comprehensive income	3	-	-	39,325	-	39,325
Total comprehensive income		**-**	**-**	**39,325**	**245,693**	**285,018**
Dividend relating to 2014		-	-	-	- 230,000	- 230,000
Total transactions with owners of the parent		**-**	**-**	**-**	**- 230,000**	**- 230,000**
Balance as at 30 June 2015		**71,586**	**506,398**	**26,147**	**2,293,813**	**2,897,944**
Profit for the period		-	-	-	196,782	196,782
Other comprehensive income	3	-	-	- 23,046	- 216	- 23,262
Total comprehensive income		**-**	**-**	**- 23,046**	**196,566**	**173,520**
Balance as at 1 January 2016		**71,586**	**506,398**	**3,101**	**2,490,379**	**3,071,464**
Profit for the period		-	-	-	238,990	238,990
Other comprehensive income	3	-	-	- 27,467	398	- 27,069
Total comprehensive income		**-**	**-**	**- 27,467**	**239,388**	**211,921**
Dividend relating to 2015		-	-	-	- 265,500	- 265,500
Total transactions with owners of the parent		**-**	**-**	**-**	**- 265,500**	**- 265,500**
Balance as at 30 June 2016		**71,586**	**506,398**	**- 24,366**	**2,464,267**	**3,017,885**

The notes to the condensed consolidated financial statements are an integral part of these statements.

Condensed consolidated statement of cash flows
for the six months period ended 30 June

In thousands of euros	Note	2016	2015
Operating activities			
Profit before tax		315,949	337,816
Adjustments			
Interest income		- 379,766	- 393,793
Interest expense		163,840	170,079
Impairment on receivables		7,237	10,570
Bargain purchase gain		-	- 4,669
Valuation allowance on inventory		- 1,264	- 1,195
Depreciation operating lease portfolio and rental fleet	9	1,502,353	1,495,209
Depreciation other property and equipment		12,475	11,994
Amortisation and impairment intangible assets		14,682	15,574
Share of profit of investments accounted for using the equity method		- 2,959	- 2,441
Financial instruments at fair value through profit and loss		10,125	- 6,529
Changes in			
Provisions		11,790	23,478
Derivative financial instruments		- 140,967	24,890
Trade and other payables and other receivables		- 111,768	28,794
Inventories		192,194	180,648
Amounts received for disposal of objects under operating lease	9	1,008,556	1,022,276
Amounts paid for acquisition of objects under operating lease	9	- 3,491,921	- 3,001,930
Acquired new finance leases and other increases of receivables from clients		- 681,808	- 668,359
Repayment finance leases		596,101	397,665
Cash generated from operating activities		**- 975,151**	**- 359,923**
Interest paid		- 165,465	- 188,219
Interest received		379,745	393,774
Income taxes paid		- 61,583	- 64,307
Income taxes received		6,476	3,243
Net cash flows from operating activities		**- 815,978**	**- 215,432**
Investing activities			
Acquisition of subsidiary, net of cash acquired		-	- 30,625
Proceeds from sale of other property and equipment		8,634	8,413
Purchases of other property and equipment		- 21,949	- 19,480
Purchases of intangible assets		- 6,734	- 15,547
Divestments of intangible assets		- 35	1,835
Capital movement in investments accounted for using the equity method		-	775
Loans provided to investments accounted for using the equity method		- 35,200	- 313,966
Redemption on loans to investments accounted for using the equity method		23,250	483,322
Dividend received from investments accounted for using the equity method		720	480
Changes in held-for-sale investments		- 12.452	-
Net cash flows from investing activities		**- 43,766**	**115,207**

See continuation of this chart on the next page.

	Note	2016	2015
Financing activities			
Receipt of receivables from financial institutions		1,587,676	1,757,315
Balances deposited to financial institutions		- 1,765,218	- 1,178,317
Receipt of borrowings from financial institutions		1,182,070	2,303,023
Repayment of borrowings from financial institutions		- 1,067,753	- 2,910,881
Receipt of funds entrusted		1,327,657	1,433,108
Repayment of funds entrusted		- 806,590	- 691,525
Receipt of debt securities		2,499,545	1,025,902
Repayment of debt securities		- 959,686	- 1,022,671
Dividends paid to Company's shareholders		- 265,500	- 230,000
Net cash flows from financing activities		**1,732,201**	**485,954**
Cash and cash equivalents as at 1 January		**1,583,374**	**919,688**
Net movement in cash and cash equivalents		872,457	385,729
Exchange gains/losses on cash and cash equivalents		2,149	- 1,392
Cash and cash equivalents as at 30 June	4	**2,457,980**	**1,304,025**

The notes to the consolidated financial statements are an integral part of these statements.

General **notes**

1. General information

LeasePlan Corporation N.V.
LeasePlan Corporation N.V. (the "Company") is a company domiciled in and operating from Almere, the Netherlands and having its statutory seat in Amsterdam, the Netherlands. The address of its registered office is P.J. Oudweg 41, 1314 CJ Almere. The condensed consolidated interim financial statements of the Company as at 30 June 2016 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in investments accounted for using the equity method. The Group consists of a growing international network of companies engaged in fleet management and mobility services, mainly through operating leasing. At 30 June 2016, the Group employed over 7,400 people worldwide and had offices in 32 countries.
The Company has held a banking licence in the Netherlands since 1993 and is regulated by the Dutch Central Bank.
The condensed consolidated interim financial statements have been reviewed, not audited.

Ownership of the Company
On 21 March 2016 LP Group B.V. acquired 100% of the shares of the Company from Global Mobility Holding B.V.

LP Group B.V. represents a consortium composed of a group of long-term responsible investors. None of these investors has a controlling interest in the Company:

- **ADIA:** Since 1976, the Abu Dhabi Investment Authority (ADIA) has been prudently investing funds on behalf of the Government of Abu Dhabi, with a focus on long-term value creation. ADIA manages a global investment portfolio that is diversified across more than two dozen asset classes and sub categories, including quoted equities, fixed income, real estate, private equity, alternatives and infrastructure.
- **ATP:** ATP was established in 1964 and is Denmark's largest pension fund and one of Europe's largest pension funds.
- **GIC:** GIC is a leading global investment firm with well over US$ 100 billion in assets under management. Established in 1981, the firm manages Singapore's foreign reserves and is positioned for long-term and flexible investments across a wide range of asset classes, including public equities, fixed income, real estate, and private equity. In private equity, GIC invests through funds as well as directly in companies, partnering with fund managers and management teams to help businesses achieve their objectives. GIC employs more than 1,200 people.
- **PGGM:** PGGM is a cooperative Dutch pension fund service provider. Institutional clients are offered: asset management, pension fund management, policy advice and management support. Either alone or together with strategic partners, PGGM develops innovative future provisions by linking together pension, care, housing and work.
- **TDR Capital:** TDR Capital LLP is a highly selective private equity firm with a track record of investing in businesses. TDR Capital LLP was founded in 2002 and currently manages funds totalling over EUR 5.0 billion on behalf of a range of sophisticated investors.

2. Basis of preparation

The condensed consolidated interim financial statements for the six months period ended 30 June 2016 have been prepared in accordance with IAS 34, "Interim financial reporting" as adopted by the European Union. The condensed consolidated interim financial statements have been prepared on the same basis as, and should be read in conjunction with, the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRSs and its interpretations as adopted by the European Union. These condensed consolidated interim financial statements do not include Company financial statements. Annual Company financial statements are included in the Group's financial statements for the year ended 31 December 2015.

3. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
New and amended standards and interpretations need to be adopted in the first (interim) financial statements issued after their effective date (or date of early adoption). There are no new or amended IFRSs or IFRICs that are effective for the first time for this interim period that would be expected to have a material impact on the Group.

The following new standards are not yet effective and have not been early adopted:

- IFRS 9 “Financial instruments” addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. There is a new expected credit losses model that replaces the incurred impairment model of IAS 39. The Group is in the process of assessing the full impact of IFRS 9, which is effective for accounting periods beginning on or after 1 January 2018.
- IFRS 15 “Revenue from contracts with customers’ deals with revenue recognition and establishes principles for disclosing information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s control of a good or service. The effective date of the standard is 1 January 2018 and the Group will assess the impact of IFRS 15.
- IFRS 16 “Leases” was issued in January 2016 and includes a new approach to lease accounting that requires a lessee to recognise assets and liabilities for the rights and obligations creased by leases. For lessors, the accounting stays almost the same. IFRS 16 is effective for accounting periods beginning on or after 1 January 2019. The Group is in the process of assessing the full impact and is investigating how it can support its lessees in calculating the right of use asset and corresponding liability.

4. Use of judgements and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2015.

5. Seasonality and cyclicality

As the Group leases assets to its clients for durations that normally range between 3-4 years, the impact of seasonality and cyclicality is relatively limited.

6. Comparatives

No adjustments have been made in comparative figures in the current period.

Financial **risk management**

All amounts are in thousands of euros, unless stated otherwise

Introduction

The Group's activities expose it to a variety of financial risks: credit risk, asset risk, motor insurance risk and treasury risk (including liquidity risk, interest rate risk and currency risk). The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required for the annual financial statements; these disclosures should be read in conjunction with the Group's financial statements as at 31 December 2015. There have been no material changes to the financial risk profile of the Group since year-end 2015. Credit risk, asset risk and liquidity risk are further described below as these are considered to be the primary risk management areas.

Credit risk

The Group uses an internally developed risk measurement system to measure the probability of default and the exposure to potential defaults for the corporate lease portfolio and the retail lease portfolio of the United Kingdom and the Netherlands. For the other portfolios the standardized approach is applied. The Group uses this measurement system to be able to report on such credit risk to external regulators.

Asset risk

Asset risk is analysed throughout the term of the lease contracts: starting at lease inception, following it through its term up to lease termination. On a quarterly basis all Group companies assess the exposures in the existing lease portfolios for future years and inter alia compare contracted residual values to the latest expectations of future market prices. The positive termination results in the second quarter of 2016 continued to benefit from prudent setting of residual values, continued focus on mitigating measures during the lifetimes of the lease contracts and favourable market conditions. The exposure to residual values as at the end of June 2016 amounted to EUR 10.1 billion (31 December 2015: 9.6 billion[1]).

Liquidity risk

Liquidity risk is managed by pursuing a diversified funding strategy, seeking to conclude funding that matches the estimated run-off profile of the leased assets and maintaining an adequate liquidity buffer. The matched funding principle is applied both at a consolidated group and at subsidiary level taking into account specific mismatch tolerance levels. The Group maintains a liquidity buffer that includes cash balances and committed (standby) credit facilities to safeguard its ability to continue to write new business also when under stress temporarily no new funding could be obtained from the financial markets. The overall liquidity buffer is intended to be sufficient to make sure that under stress at least 9 months can be survived.

Fair value of financial instruments

The next table summarises the Group's financial assets and financial liabilities of which the derivatives are measured at fair value and the other financial assets and other financial liabilities are measured at amortised costs on the balance sheet as at 30 June 2016 and 31 December 2015.

[1] In addition to this amount the Group has also provided off-balance residual value commitments for non-funded vehicles up to an amount of EUR 364 million (year-end 2015: EUR 346 million).

Fair value of financial instruments
as at 30 June 2016

In thousands of euros	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivatives financial instruments in hedge	114,557	-	114,557	-	114,557
Derivatives financial instruments not in hedge	192,156	-	192,156	-	192,156
Financial assets not measured at fair value					
Cash and balances at central banks	2,501,175	2,501,175	-	-	2,501,175
Receivables from financial institutions	539,354	-	539,399	-	539,399
Receivables from clients	3,429,191	-	-	3,471,800	3,471,800
Loans to investments using the equity method	115,275	-	118,414	-	118,414
Other receivables and prepayments[1]	265,529	-	266,109	-	266,109
Assets held-for-sale	28,939	-	-	29,407	29,407
Total financial assets	**7,186,176**	**2,501,175**	**1,230,635**	**3.501.207**	**7.233.017**
Financial liabilities measured at fair value					
Derivatives financial instruments in hedge	13,197	-	13,197	-	13,197
Derivatives financial instruments not in hedge	85,684	-	85,684	-	85,684
Financial liabilities not measured at fair value					
Trade and other payables and deferred income[2]	901,155	-	901,155	-	901,155
Borrowings from financial institutions	1,983,100	-	2,013,323	-	2,013,232
Funds entrusted	5,608,041	-	5,690,315	-	5,690,315
Debt securities issued	9,682,302	-	9,807,079	-	9,807,079
Total financial liabilities	**18,273,479**	**-**	**18,510,753**	**-**	**18,510,753**

[1] Other receivables that are not financial assets are not included
[2] Other payables that are not financial liabilities are not included

Fair value of financial instruments
as at 31 December 2015

In thousands of euros	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivatives financial instruments in hedge	83,799	-	83,799	-	83,799
Derivatives financial instruments not in hedge	82,286	-	82,286	-	82,286
Financial assets not measured at fair value					
Cash and balances at central banks	1,605,437	1,605,437	-	-	1,605,437
Receivables from financial institutions	368,930	-	369,212	-	369,212
Receivables from clients	3,309,512	-	-	3,354,887	3,354,887
Loans to investments using the equity method	103,325	-	106,401	-	106,401
Other receivables and prepayments[1]	267,708	-	267,708	-	267,708
Assets held-for-sale	13,065	-	-	13,274	13,274
Total financial assets	**5,834,062**	**1,605,437**	**909,406**	**3,368,161**	**5,883,004**
Financial liabilities measured at fair value					
Derivatives financial instruments in hedge	29,184	-	29,184	-	29,184
Derivatives financial instruments not in hedge	59,195	-	59,195	-	59,195
Financial liabilities not measured at fair value					
Trade and other payables and deferred income[2]	855,083	-	855,083	-	855,083
Borrowings from financial institutions	2,073,118	-	2,099,092	-	2,099,092
Funds entrusted	5,086,974	-	5,184,833	-	5,184,833
Debt securities issued	8,142,443	-	8,235,543	-	8,235,543
Total financial liabilities	**16,245,997**	**-**	**16,462,930**	**-**	**16,462,930**

[1] Other receivables that are not financial assets are not included
[2] Other payables that are not financial liabilities are not included

There were no transfers between levels 1, 2 and 3 during the year. There were also no changes in valuation techniques during the year.

Financial instruments in level 1

The fair value of financial instruments that are traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. Cash and balances with central banks are the only financial instruments held by the Group that are included in level 1.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of the interest rate swaps and cross currency swaps calculated as the present value of the estimated future cash flows based on observable yield curves at commonly quoted intervals, while taking into account the current creditworthiness of the counterparties.
- The yield curve for all collateralised derivatives is based on the overnight index swap (OIS) rate (the vast majority of the Group's derivatives is collateralised).
- The valuation methodology of the cross currency swaps includes a liquidity premium (which swaps less liquid currencies into those that are considered more liquid in the market and vice versa).
- The counterparty's probability of default is estimated using market CDS spreads resulting in credit valuation adjustments.
- The Group's own creditworthiness and probability of default is estimated using input such as secondary spreads and cost of funding curve as well as information from counterparties resulting in a debit valuation adjustment.
- Other techniques such as discounted cash flow analysis based on observable yield curves at commonly quoted intervals, are used to determine the fair value for the remaining financial instruments.
- For certain other receivables and payables with a remaining term well below one year, the carrying value is deemed to reflect the fair value.

The derivative financial instruments not in hedge are derivatives that mitigate interest rate risk and currency risk from an economic perspective but do not qualify for hedge accounting from an accounting perspective. The Group is not involved in active trading of derivatives.

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the financial instrument is included in level 3. Receivables from clients are included in level 3 as well as the finance leases included in Assets classified as held-for-sale as the pricing is not based on observable market data. The fair value of the receivables to clients and the finance leases included in Assets classified as held-for-sale are calculated as the present value of the (estimated) future cash flows based on yield curves that next to observable market data also include client specific pricing considerations, while also taking into account the current creditworthiness of the client.

Explanatory notes to the condensed consolidated **financial statements**

Note 1 - Segment information

Operating segments are reported in accordance with the internal reporting provided to the Group's key management (the chief operating decision-maker). The Group's key management is responsible for allocating resources to the reportable segments and assesses its performance. Segment information is presented in the condensed consolidated interim financial statements in respect of the Group's leasing activities and Group activities, which are the basis of segment reporting. Inter-segment pricing is determined on an arm's length basis. Internal segment revenues are not presented separately given their insignificance.

Leasing activities

Leasing activities comprise the main activity of the Group which is providing fleet management and mobility services including the purchase, financing, maintenance and remarketing of vehicles.

The Group offers a mono-line product through all of its LeasePlan subsidiaries allowing for some differentiation based on the maturity of local markets. As a result the subsidiaries are grouped in categories based on maturity of the market and to a lesser extent maturity of the subsidiary. Segmentation is presented as follows:

- Mature

The focus in this segment is on innovation of services and products as well as cost excellence by means of harmonisation and standardisation. Also expansion in the SME and private lease market is focused upon. Geographies in these segments are: Australia, Belgium, France, Germany, Italy, the Netherlands, Norway, Portugal, Spain, United Kingdom and United States.

- Developing

The focus in this segment is on a seamless and efficient organisational structure facilitating a further development of the business. Geographies in this segment are: Austria, Czech Republic, Denmark, Finland, Ireland, Luxembourg, New Zealand, Poland, Sweden and Switzerland.

- Emerging

The focus in this segment is on client segmentation and differentiation of services from competitors as well as on a high quality management and service excellence while investing in sales force. Geographies in this segment are: Brazil, Greece, Hungary, India, Mexico, Romania, Russia, Slovakia, Turkey, United Arab Emirates and Malaysia.
There were no changes made in the segmentation during the first six months period of 2016, except for Malaysia which has been added to the emerging markets.

Group activities

These activities provide services in the area of treasury, damage risk retention, procurement and infrastructure to support the leasing activities.

The segment information for the period ended 30 June is presented in the table below.

Segment	**Leasing activities**									
In millions of euros	**Mature**		**Developing**		**Emerging**		**Group activities**		**Total**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Volume										
Total assets	15,701	14,384	2,954	2,772	1,399	1,160	3,303	2,154	**23,357**	**20,470**
Total equity and liabilities	6,567	6,537	1,701	1,545	628	560	14,461	11,828	**23,357**	**20,470**
Profitability										
Revenues	3,294	3,186	679	641	255	230	29	61	**4,257**	**4,118**
Cost of revenues	2,860	2,770	584	551	219	199	36	59	**3,699**	**3,579**
Gross profit	**434**	**416**	**95**	**90**	**36**	**31**	**- 7**	**2**	**558**	**539**
Net finance income	**143**	**127**	**25**	**23**	**15**	**11**	**16**	**59**	**199**	**220**
Total operating and net finance income	**577**	**543**	**120**	**113**	**51**	**42**	**9**	**61**	**757**	**759**
Staff expenses	180	174	38	38	16	14	43	39	**277**	**265**
General and administrative expenses	123	121	25	24	14	13	- 22	- 27	**140**	**131**
Depreciation and amortisation	18	20	3	3	1	1	5	3	**27**	**27**
Total operating expenses	**321**	**315**	**66**	**65**	**31**	**28**	**26**	**15**	**444**	**423**
Share of profit investments accounted for using the equity method	1	-	-	-	1	2	1	-	**3**	**2**
Profit before tax	**257**	**228**	**54**	**48**	**21**	**16**	**- 16**	**46**	**316**	**338**
Income tax expenses	75	71	10	10	5	3	- 13	8	**77**	**92**
Profit for the period from continuing operations	**182**	**157**	**44**	**38**	**16**	**13**	**- 3**	**38**	**239**	**246**
Profit for the period from discontinued operations	-	-	-	-	-	-	-	-	**-**	**-**
Profit for the period	**182**	**157**	**44**	**38**	**16**	**13**	**- 3**	**38**	**239**	**246**
Net finance income details										
Interest and similar income	288	300	50	55	41	37	1	2	**380**	**394**
Interest expenses and similar charges	139	164	25	32	25	24	- 25	- 50	**164**	**170**
Impairment charges	19	19	1	1	2	2	-	-	**22**	**22**
Reversal of impairment	- 13	- 10	- 1	- 1	- 1	-	-	-	**- 15**	**- 11**
Net interest income after impairment charges	**143**	**127**	**25**	**23**	**15**	**11**	**26**	**52**	**209**	**213**
Unrealised gains/losses on financial instruments	-	-	-	-	-	-	- 10	7	**- 10**	**7**
Net finance income	**143**	**127**	**25**	**23**	**15**	**11**	**16**	**59**	**199**	**220**

Revenues and other key figures are distributed relatively evenly over the subsidiaries and in principle there are no individual subsidiaries that contribute more than 10% to the overall revenues except for LeasePlan in the Netherlands and in the United Kingdom. The Netherlands is the domicile country of the Group. Key figures for the Netherlands for the period ended 30 June 2016 are: Revenues EUR 533 million (30 June 2015: EUR 491 million) and Lease contracts EUR 2.0 billion (30 June 2015: EUR 1.8 billion). Key figures for the United Kingdom for the period ended 30 June 2016 are: Revenues EUR 511 million (30 June 2015: EUR 525 million) and Lease contracts EUR 2.5 billion (30 June 2015: EUR 2.4 billion).

Note 2 - Revenues and cost of revenues

Revenues and cost of revenues comprise the various service components as included in the lease instalment, such as repair, maintenance and tyres, damage risk retention and depreciation, as well as the proceeds and costs of the sale of vehicles sold.

(i) Revenues

	Q2 2016	Q2 2015	6M 2016	6M 2015
Depreciation	763,322	738,401	1,516,513	1,513,688
Lease services	239,496	237,418	479,779	475,749
Damage risk retention	153,134	141,206	302,381	278,971
Rental	48,641	45,774	94,179	91,408
Management fees	52,421	52,935	105,120	105,877
Result of vehicles sold (results terminated cars)	807,510	754,129	1,613,160	1,493,999
Other	81,686	73,636	146,401	158,520
Total	**2,146,210**	**2,043,499**	**4,257,533**	**4,118,212**

The caption 'Other' mainly includes bonuses earned in connection with costs recharged to clients and income related to various non-leasing activities. In 6M the caption 'Other' includes a bargain purchase gain of EUR 4.7 million arising from the acquisition of the remaining 49% of the share capital of LPD Holding A.Ș (Turkey), the holding company of LeasePlan Turkey.

(ii) Cost of revenues

	Note	Q2 2016	Q2 2015	6M 2016	6M 2015
Depreciation	9	752,175	727,678	1,494,598	1,487,909
Lease services		190,040	197,228	389,011	398,901
Damage risk retention		106,257	96,113	207,487	189,167
Rental		42,780	40,555	84,438	81,464
Result of vehicles sold (results terminated cars)		711,842	664,990	1,427,500	1,325,351
Other		58,195	46,399	96,188	96,296
Total		**1,861,289**	**1,772,963**	**3,699,222**	**3,579,088**

(iii) Gross profit

The gross profit (revenues -/- cost of revenues) can be shown as follows:

	Q2 2016	Q2 2015	6M 2016	6M 2015
Depreciation	11,146	10,723	21,915	25,779
Lease services	49,456	40,190	90,768	76,848
Damage risk retention	46,877	45,093	94,894	89,804
Rental	5,861	5,219	9,741	9,944
Management fees	52,421	52,935	105,120	105,877
Result of vehicles sold (results terminated cars)	95,668	89,139	185,660	168,648
Other	23,492	27,237	50,213	62,224
Total	**284,921**	**270,536**	**558,311**	**539,124**

The results of vehicles sold increased by EUR 17.0 million. This positive development is caused by improved prices on the second hand car markets as well as efficiencies in our disposal processes.

The results of Lease services increased by EUR 13.9 million. This increase can be explained by the continuing strong margins on lease services especially with respect to rebates and bonuses relating to maintenance of the vehicles.

Note 3 - Translation reserve

The translation reserve comprises of exchange rate differences arising from the translation of the assets, liabilities income and expenses of subsidiaries with other functional currencies than the group reporting currency. The significant movements in relation to exchange rate differences in Other Comprehensive Income in 2016 and 2015 are mainly caused by decrease of the euro against the Pound sterling and United States dollar.

Note 4 - Cash flow statement - cash and cash equivalents

	Note	30 June 2016	30 June 2015
Cash and balances at central banks		2,501,175	1,288,184
Call money, cash at banks	5	105,966	129,897
Call money and bank overdrafts	12	- 149,161	- 114,056
Balance as at 30 June for the purposes of the statement of cash flows		**2,457,980**	**1,304,025**

All cash and balances at (central) banks are available at call except for the mandatory reserve deposits at the Dutch Central Bank. The mandatory reserve deposits amounting to EUR 50.4 million (30 June 2015: EUR 47.6 million) are not used in the Group's day-to-day operations and form part of the 'Cash and balances at central banks'.

Note 5 - Receivables from financial institutions

This caption includes amounts receivable from Dutch and foreign banks. Amounts receivable from financial institutions includes call money and current account bank balances that form part of the cash and balances with banks in the cash flow statement.

	Note	30 June 2016	31 December 2015
Amounts receivable from banks		225,314	216,953
Call money, cash at banks	4	105,966	113,083
Cash collateral deposited for securitisation transactions		179,626	15,794
Cash collateral deposited for derivative financial instruments		17,500	19,606
Other cash collateral deposited		10,948	3,494
Balance		**539,354**	**368,930**

The cash collateral deposited for securitisation transactions relates to the Bumper securitisation transactions. Reference is made to note 14. The cash collateral deposited for derivative financial instruments originates from Credit Support Annexes (CSAs) to International Swaps and Derivatives Association (ISDA) master agreements.

The maturity analysis is as follows:

	30 June 2016	31 December 2015
Three months or less	322,398	333,109
Longer than three months, less than a year	52,334	10,664
Longer than a year, less than five years	164,251	24,934
Longer than five years	371	223
Balance	**539,354**	**368,930**

Note 6 - Derivative financial instruments

Derivative financial instruments are carried at fair value and are made up as follows:

	30 June 2016			31 December 2015		
	Notional amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
Fair value hedge						
Interest rate swaps	5,547,477	112,988	229	4,057,309	80,456	15,953
Currency swaps	85,948	1,569	454	85,948	3,343	1,053
Cash flow hedge						
Interest rate swaps	1,625,000	-	12,514	1,805,000	-	12,178
Total derivatives in hedge	**7,258,425**	**114,557**	**13,197**	**5,948,257**	**83,799**	**29,184**
Interest rate swaps	13,687,232	11,846	54,116	12,196,989	13,022	38,939
Currency swaps/ currency forwards	4,016,351	180,310	31,568	4,111,929	69,264	20,256
Total derivatives not in hedge	**17,703,583**	**192,156**	**85,684**	**16,308,918**	**82,286**	**59,195**
Total	**24,962,008**	**306,713**	**98,881**	**22,257,175**	**166,085**	**88,379**

The fair value is based on the price including accrued interest (dirty price). The unrealised gains/losses on financial instruments recognised in the income statement break down as follows:

	Q2 2016	Q2 2015	6M 2016	6M 2015
Derivatives not in hedges	- 8,021	8,042	- 15,962	7,635
Hedge ineffectiveness cash flow hedges	30	22	26	13
Derivatives fair value hedging instruments	15,585	- 32,340	51,552	- 15,575
Financial liabilities fair value hedged items	- 13,077	29,774	- 45,741	14,456
Hedge ineffectiveness fair value hedges	**2,508**	**-2,566**	**5,811**	**-1,119**
Unrealised gains/losses on financial instruments	**- 5,483**	**5,498**	**- 10,125**	**6,529**

A number of fixed rate bonds are included in fair value hedges whereby the bonds (the hedged items) are measured at amortised cost and are constantly being adjusted for gains/losses attributable to the risk being hedged. This adjustment is recognised in the income statement, where it offsets the re-measurement of the fair value of the hedging instruments that is also recognised in the income statement.

Certain derivative contracts are used by the Group as part of its Interest and Liquidity Risk Management Strategy. These economic hedges do not qualify for hedge accounting under the Group's accounting policy which is driven by the strict requirements as set under IAS39. These derivatives are therefore deemed as not in hedge.

Note 7 - Other receivables and prepayments

This item includes prepayments in respect of expenses attributable to a subsequent period and amounts still to be received, as well as to amounts that are not classified under any other asset. The majority of the other receivables and prepayments has a remaining maturity of less than one year and consists of prepaid lease related expenses and commissions and rebates and bonuses receivable.

Note 8 - Receivables from clients

This item includes amounts receivable under lease contracts and trade receivables, after deduction of allowances for impairment, where necessary.

	30 June 2016	31 December 2015
Amounts receivable under finance lease contracts	2,872,843	2,787,137
Trade receivables	556,348	522,375
Balance	**3,429,191**	**3,309,512**

The maturity analysis is as follows:

	30 June 2016	31 December 2015
Three months or less	725,582	704,191
Longer than three months, less than a year	397,537	387,175
Longer than a year, less than five years	2,194,853	2,137,148
Longer than five years	111,219	80,998
Balance	**3,429,191**	**3,309,512**

A part of the financial leased assets is encumbered as a result of the asset backed securitisation transactions concluded by the Group. The total value of the securitised financial leased assets amounts to EUR 60.9 million (year-end 2015: EUR 54.9 million). The increase in these securitised financial lease contracts is due to the new Bumper 7 deal.

Note 9 - Property and equipment under operating lease and rental fleet

	Note	Operating lease	Rental fleet	Total
Cost		18,126,213	82,880	18,209,093
Accumulated depreciation and impairment		- 5,513,386	- 14,395	- 5,527,781
Carrying amount as at 1 January 2015		**12,612,827**	**68,485**	**12,681,312**
Carrying amount as at 1 January 2015		**12,612,827**	**68,485**	**12,681,312**
Purchases		2,965,387	36,543	3,001,930
Acquisition of subsidiary		269,147	-	269,147
Transfer from inventories		25,434	-	25,434
Transfer to inventories		- 166,234	-	- 166,234
Disposals		- 999,207	- 23,069	- 1,022,276
Depreciation	2	- 1,487,909	- 7,300	- 1,495,209
Exchange rate differences		248,743	97	248,840
Carrying amount as at 30 June 2015		**13,468,188**	**74,756**	**13,542,944**
Cost		19,043,127	88,632	19,131,759
Accumulated depreciation and impairment		- 5,574,939	- 13,876	- 5,588,815
Carrying amount as at 30 June 2015		**13,468,188**	**74,756**	**13,542,944**
Purchases		3,432,635	41,143	3,473,778
Acquisition of subsidiary		36,180	-	36,180
Transfer from inventories		-	-	-
Transfer to inventories		- 60,870	-	- 60,870
Disposals		- 1,075,086	- 16,646	- 1,091,732
Depreciation		- 1,470,554	- 8,085	- 1,478,639
Exchange rate differences		- 159,980	- 164	- 160,144
Carrying amount as at 31 December 2015		**14,170,513**	**91,004**	**14,261,517**
Cost		19,673,152	106,389	19,779,541
Accumulated depreciation and impairment		- 5,502,639	- 15,385	- 5,518,024
Carrying amount as at 31 December 2015		**14,170,513**	**91,004**	**14,261,517**
Purchases		3,459,315	32,606	3,491,921
Acquisition of subsidiary		-	-	-
Transfer from inventories		35,485	-	35,485
Transfer to inventories		- 199,971	-	- 199,971
Disposals		- 976,607	- 31,949	- 1,008,556
Depreciation	2	-1,494,598	- 7,755	-1,502,353
Exchange rate differences		- 244,401	- 259	- 244,660
Carrying amount as at 30 June 2016		**14,749,736**	**83,647**	**14,833,383**
Cost		20,158,081	98,296	20,256,377
Accumulated depreciation and impairment		- 5,408,345	- 14,649	- 5,422,993
Carrying amount as at 30 June 2016		**14,749,736**	**83,647**	**14,833,383**

The Group concluded a number of asset backed securitisation transactions under the names of Bumper France (2013 extended to June 2016), Bumper 6 (2014), Bumper NL (2014) and Bumper 7 (2016). These transactions involve the sale of future lease instalment receivables and related residual value receivables originated by various LeasePlan subsidiaries to special purpose companies (which are included in the consolidated financial statements of the Company). As a result of this sale this caption includes encumbered (securitised) operating lease assets amounting to EUR 2.4 billion (year-end 2015: EUR 2.5 billion).

Note 10 - Assets and liabilities classified as held-for-sale

Assets and liabilities held-for-sale include parts of the business expected to be sold within a year whose carrying amount will be recovered principally through a sale transaction rather than through continuing operations.

The assets and liabilities of Travelcard Nederland B.V., a subsidiary in the mature operating segment have been presented as held for sale following the approval of the Group's Managing Board and Supervisory Board in November 2015 to sell this part of the business. This includes lease related services which the Group no longer considers part of its core activities and for which a sale is highly probable at the balance sheet date, but for which the transaction has not yet been concluded. The fair value of the assets and liabilities is higher than the carrying value of the subsidiary and therefore the assets of EUR 37.0 million (including intercompany assets of EUR 9.1 million) and liabilities of EUR 35.8 million have not be revalued.

This category also includes finance leases that the Group entered into in the United States with the aim to sell onward to debt investors for an amount of EUR 28.9 million (year-end 2015: EUR 13.1 million).

Travelcard Nederland B.V. has been sold on 1 August 2016, refer to note 19 for further details. The related gain will be recorded in the third quarter of 2016.

Note 11 - Trade and other payables and deferred income

The majority of the trade and other payables and deferred income consist of trade payables, deferred leasing income, lease related accruals and other accruals and other deferred amounts owed.

Note 12 - Borrowings from financial institutions

This item includes amounts owed to banks under government supervision.

The maturity analysis of these loans is as follows:

	Note	30 June 2016	31 December 2015
On demand	4	149,161	135,147
Three months or less		258,872	218,566
Longer than three months, less than a year		580,186	518,971
Longer than a year, less than five years		988,425	1,189,054
Longer than five years		6,456	11,380
Balance		**1,983,100**	**2,073,118**

On demand amounts owed to financial institutions relating to call money and bank overdraft balances form part of the cash and balances with banks in the cash flow statement. Borrowings from financial institutions include an outstanding balance of EUR 1.2 billion (year-end 2015: EUR 1.0 billion) which is non-euro currency denominated. The remainder of the borrowings from financial institutions is denominated in euro.

In June 2015 the Company renewed a committed revolving credit facility with a consortium of 12 banks (EUR 1.25 billion) maturing in December 2018. Following the completion of the change in ownership on 21 March 2016, the Company acceded to a second committed revolving credit facility with a consortium of 12 banks (EUR 1.25 billion) also maturing in December 2018. The 12 banks in this consortium largely consist of the banks that also participate in the committed revolving credit facility concluded in June 2015. This second revolving credit facility has replaced the credit facility from Volkswagen AG. During 2015 and the first six months period of 2016 no amounts were drawn under these facilities. In March 2015 the Company concluded a term loan of EUR 1.0 billion with two banks maturing in September 2017 which has been fully repaid and cancelled on 31 May 2016. The Company entered into a new term loan facility with three banks on 31 May 2016 for an amount of EUR 1,050 million and initially maturing in May 2019. In addition to centrally arranged credit facilities at a Group level, the Group also has credit facilities in place at the level of some of its subsidiaries.

In December 2014 Bumper NL concluded an asset backed securitisation warehousing facility of EUR 250 million with a bank. This facility is committed for two years. At 30 June 2016 the facility is fully drawn.

Note 13 - Funds entrusted

This item includes all non-subordinated loans not included in the caption 'Borrowings from financial institutions' or 'Debt securities issued'.

The maturity analysis of these loans is as follows:

	30 June 2016	31 December 2015
Three months or less	3,148,209	3,013,292
Longer than three months, less than a year	1,958,406	1,167,209
Longer than a year, less than five years	501,310	906,300
Longer than five years	116	173
Balance	**5,608,041**	**5,086,974**

This caption includes savings deposits raised by LeasePlan Bank amounting to EUR 5.514 billion (year-end 2015: EUR 4.994 billion) of which 52.4% (year-end 2015:51.0%) is deposited for a fixed term. LeasePlan Bank is the brand name under which savings deposits are raised by LeasePlan Corporation N.V. which holds a banking licence in the Netherlands. As of September 2015 LeasePlan Bank is also operating on the German banking market with a cross border offering from the Almere office.

The average interest rates on the outstanding balances of the fixed term savings deposits in original maturity terms are as follows:

	30 June 2016	31 December 2015
Three months or less	0.97%	1.10%
Longer than three months, less than a year	1.30%	1.60%
Longer than a year, less than five years	2.20%	2.05%
Longer than five years	n/a	2.93%

The interest rate of the on demand accounts is set on a monthly basis.

Note 14 - Debt securities issued

This item includes negotiable, interest bearing securities.

	30 June 2016	31 December 2015
Bonds and notes - originated from securitisation transactions	1,524,606	1,610,820
Bonds and notes - other	8,064,325	6,483,993
Bonds and notes - fair value adjustment on hedged risk	93,371	47,630
Balance	**9,682,302**	**8,142,443**

There is no pledge or security for these debt securities except for the bonds and notes which are originated from the Bumper asset backed securitisation transactions.

The average interest rate applicable to the outstanding bonds and notes is 1.6% (year-end 2015: 1.7%).

The maturity analysis of these debt securities issued is as follows:

	30 June 2016	31 December 2015
Three months or less	893,695	102,010
Longer than three months, less than a year	1,672,255	1,402,959
Longer than a year, less than five years	6,704,766	6,254,451
Longer than five years	411,586	383,023
Balance	**9,682,302**	**8,142,443**

The caption 'Bonds and notes – originated from securitisation transactions' include notes from Bumper 6 (the Netherlands), Bumper France (France) and Bumper 7 (Germany) securitisation transactions.

In April and May 2016 two Euro medium term notes were issued for both EUR 750 million with a maturity term of four and five years respectively.

Note 15 - Provisions

The majority of provisions is related to damage risk retention provision, provision for post-employment benefits and other provisions. All amounts are to be expected to be recovered or settled after more than 12 months.

Note 16 - Commitments

The Group has entered into commitments in connection with the forward purchase of property and equipment under operating lease and rental fleet amounting to EUR 2.1 billion (year-end 2015: EUR 1.9 billion) as at the balance sheet date. These commitments are entered into in the ordinary course of business and the majority is back-to-back matched with lease contracts entered into with customers.

Furthermore, the Group has entered into commitments in connection with long-term rental and lease contracts of which the future aggregate minimum lease payments amount to EUR 171 million (year-end 2015: EUR 164 million).

Note 17 - Related parties

Identity of related parties

Related parties and enterprises, as defined by IAS 24, are parties and enterprises which can be influenced by the Company or which can influence the Company.

Global Mobility Holding B.V., a joint venture company between Volkswagen AG and Fleet Investments, was shareholder of the Company till 21 March 2016. Any business relations with the former indirect shareholders are handled on normal market terms.

The Group purchases cars and trucks manufactured amongst others by the Volkswagen Group. These purchases are entered into in the ordinary course of business and are handled on normal market conditions. These cars and trucks are not directly obtained from the Volkswagen Group but indirectly through importers and dealers in these brands and are purchased based on the price lists and terms that are available to third parties.

As per 21 March 2016, LP Group B.V. became the shareholder of the Company. LP Group B.V. represents a consortium composed of a group of long-term responsible investors and includes leading Dutch pension fund service provider PGGM, Denmark's largest pension fund ATP, GIC, Luxinva S.A., a wholly owned subsidiary of the Abu Dhabi Investment Authority (ADIA) and investment funds managed by TDR Capital LLP. None of the these investors has a controlling interest in the Company. The business relations between the Company, LP Group B.V. and their indirect shareholders are handled on normal market terms. Apart from the transaction related to the change of shareholder no other transactions occurred in the first six months of 2016.

In December 2014 Bumper NL concluded an asset backed securitisation warehousing facility of EUR 250 million with a bank. This facility is committed for two years. At 30 June 2016 the facility is fully drawn (as at 31 December 2015). All business relations with investments accounted for using the equity method are in the ordinary course of business and handled on normal market terms. An amount of EUR 123 million (year-end 2015: EUR 111 million) is provided as loans to investments accounted for using the equity method.

Note 18 - Contingent assets and liabilities

As at 30 June 2016, guarantees had been provided on behalf of the consolidated subsidiaries in respect of commitments entered into by those companies with an equivalent value of EUR 2.0 billion (year-end 2015: EUR 2.3 billion). The Company charges a guarantee fee to the respective subsidiaries based on normal market terms.

In July 2015, the Italian competition authority AGCM started an investigation related to a possible infringement of the EU competition law by the biggest companies operating in the Italian rent car market, including LeasePlan Italy. At this stage, the investigation is ongoing and an assessment on the outcome is not yet possible. There can be no assurance that ultimately the outcome may not have a material adverse effect on LeasePlan's results of operations or financial position.

In respect of the widely-publicized vehicle emissions controversy affecting our former co-shareholder Volkswagen AG, to date the Group has not seen any significant impact on the residual values of our vehicles or on the demand for certain types of our vehicles in the second-hand vehicle market. As this is a developing issue, the full scope of any impact on the residual values of our vehicles might not yet be fully apparent. Accordingly, we continue to monitor closely all developments with respect to this issue.

Note 19 - Events occurring after balance sheet date

On 1 August 2016 LeasePlan Corporation N.V. entered into a share purchase agreement with FleetCor Technologies Inc. and sold its subsidiary Travelcard Nederland B.V. for an amount of EUR 40.65 million. The assets and liabilities of Travelcard were classified as held-for-sale as per 30 June, 2016 as well as 31 December, 2015. The related gain will be recorded in the third quarter of 2016.

Responsibility statement

Managing Board responsibility for financial reporting

The Managing Board is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and responsible. It is also responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the Managing Board, so that timeliness, completeness and correctness of external financial reporting are assured.

Each member of the Managing Board hereby confirms that to the best of his knowledge:

The LeasePlan 30 June 2016 condensed consolidated interim financial statements, which have been prepared in accordance with IAS34 Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit and loss of LeasePlan and the subsidiaries included in the consolidation as a whole.

Almere, 30 August 2016

Vahid Daemi
Chairman of the Managing Board and CEO

Guus Stoelinga
CFO

Sven-Torsten Huster
COO

Nick Salkeld
CCO

Independent auditor's report

KPMG

Review report

To: the Managing Board and the Supervisory Board of LeasePlan Corporation N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements as at 30 June 2016 of LeasePlan Corporation N.V., Almere, as set out on pages 7 to 29, which comprises the condensed consolidated balance sheet as at 30 June 2016, the condensed consolidated income statement and condensed consolidated statements of comprehensive income for the three-month and six-month period ended 30 June 2016, the statement of changes in equity, and the statement of cash flows for the six-months period ended 30 June 2016, and the notes to the interim financial statements. The Managing Board of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 30 August 2016

KPMG Accountants N.V.

D. Korf RA

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