First nine months of 2017 results

LeasePlan reports first nine months results with underlying net result up 19.2%

AMSTERDAM, the Netherlands, 16 November 2017 – LeasePlan Corporation N.V. (LeasePlan; the "Company"), a global leader in fleet management and driver mobility, today reports strong third quarter (Q3) and first nine months (9M) 2017 results[1].

Recent highlights[2]

- Underlying net result is up 19.2% to EUR 430.5 million and underlying return on equity is up 2.1% to 16.6% driven by an increase in services income and cost savings from efficiency gains as a result of the Power of One LeasePlan operational improvement programme.
- Completed the new Management Board with the appointment of Gijsbert de Zoeten as Chief Financial Officer (CFO) and Franca Vossen as Chief Risk Officer (CRO).

Key numbers

	Q3 2017	Q3 2016	9M 2017	9M 2016
Profitability				
Underlying net result (EUR million)[3]	138.8	114.2	430.5	361.1
LTM Underlying return on equity[4]			16.6%	14.5%
			30 September 2017	**30 September 2016**
Volume				
Number of vehicles (millions)			1.725	1.644

[1] The information in this press release has neither been audited nor reviewed. The condensed consolidated interim financial statements for the period ended 30 September 2017 have been reviewed.
[2] % refer to year-on-year growth unless otherwise stated.
[3] Underlying net result consists of net result adjusted for unrealized result on financial instruments, one-time items related to the sale of subsidiaries, the Power of One LeasePlan initiative and the tax effect thereof. For the reconciliation between the underlying net result and the reported IFRS net result, reference is made to the table on page 2 of this press release.
[4] LTM Underlying return on equity throughout this document is defined as Last Twelve Months Underlying net result (last 12 months) divided by the average equity (average monthly equity of the last 12 months) over the related period. In previous reports, Underlying return on equity was calculated based on the Underlying net result (annualized) divided by the average equity over the related period. The Underlying return on equity (annualized) for YTD September 2017 amounts to 18.1% (YTD September 2016 15.9%)

Tex Gunning, CEO of LeasePlan:

"LeasePlan delivered yet another strong set of results in the first nine months of 2017, highlighting the strong growth and resilient nature of our business. These excellent results further demonstrate the positive impact of our 'Power of One LeasePlan' operational excellence initiative.

During Q3, we were very proud to launch our first ever global marketing campaign, featuring Top Gear and The Grand Tour presenter Richard Hammond, highlighting LeasePlan's commitment to offering 'What's next' in mobility to its customers via an 'Any car, Anytime, Anywhere' service.

We also made important steps in our ambition to achieve net zero emissions from our total fleet by 2030, including becoming a founding partner of the global EV100 initiative."

Financial performance

LeasePlan recorded strong financial results in the third quarter and 9 months of 2017 with underlying net income growing at 19.2% year-on-year driven by services income growth and significant cost savings, reflecting the strength and resilience of our business and diversified income streams.

Underlying income statement

in millions of euros	**Q3 2017**	**Q3 2016**	**9M 2017**	**9M 2016**
Lease revenues	1,620.4	1,556.1	4,828.7	4,574.3
Vehicles sales revenues	698.0	726.6	2,178.3	2,243.9
Total underlying revenues	**2,318.4**	**2,282.7**	**7,007.0**	**6,818.2**
% Y-o-Y growth	***1.6%***		***2.8%***	
Total underlying cost of revenues	**1,935.0**	**1,906.5**	**5,823.9**	**5,675.0**
Fees and interest margin	160.9	156.2	488.7	472.8
Lease services	119.1	120.4	374.6	363.6
Insurance	60.4	53.7	180.3	148.6
Vehicle sales	43.0	45.9	139.5	158.2
Underlying gross profit	**383.4**	**376.2**	**1,183.1**	**1,143.2**
% Y-o-Y growth	***1.9%***		***3.5%***	
Underlying overheads	207.4	221.9	626.5	665.8
Underlying operating profit	**176.0**	**154.3**	**556.6**	**477.4**
Share of profit of associates and JV's	0.2	0.8	1.7	3.8
Underlying profit before tax	**175.8**	**155.1**	**558.3**	**481.2**
% Y-o-Y growth	***13.4%***		***16.0%***	
Tax	37.0	40.9	127.8	120.1
Underlying net result	**138.8**	**114.2**	**430.5**	**361.1**
% Y-o-Y growth	***21.5%***		***19.2%***	
Underlying adjustments	-9.7	42.0	-26.6	34.1
Reported net result	**129.1**	**156.2**	**403.9**	**395.2**
% Y-o-Y growth	***17.3%***		***2.2%***	

The increase in **total underlying revenue**s in the first 9 months of 2017 was driven by the increase in lease revenues by 5.6% to EUR 4,828.7 million, which in turn was largely due to the 5.0% increase in the number of vehicles under management and increased service penetration.

Underlying gross profit in the first 9 months of 2017 grew by 3.5% or EUR 39.9 million to EUR 1,183.1 million with higher profit contributions from our Services income streams of Fees and Interest margin, Lease services and especially Insurance, which continued its strong trajectory of increasing penetration (insured fleet increased to 700,000 units, +8.4%). The Power of One LeasePlan contributed to an increase in gross margins from lease services due to a reduction in damage repair costs, shifts in procurement spend towards LeasePlan's preferred dealer network and increased vehicle procurement discounts and bonuses.

This growth was partly offset by a lower contribution from Vehicle sales. The decline in the Vehicle sales result was driven by 1) the termination of a large contract with one specific customer which had an over indexation of smaller vehicles in their fleet, which inherently have lower list prices and therefore sales proceeds and 2) an anticipated gradual normalisation in our residual value income (see further below).

Underlying overheads decreased by 5.9% to EUR 626.5 million due to the implementation of Power of One LeasePlan initiatives. The number of employees at end-September 2017 is 9.2% lower than a year ago. In addition, the initiatives led to year-on-year reductions in IT costs and finance overheads.

The **underlying net result** grew strongly by 19.2% (or EUR 69.4 million) to EUR 430.5 million. The **reported net result** of EUR 403.9 million includes one-off items and normalisations amounting to EUR 26.6 million[5] after tax (EUR 36.7 million before tax). These items consist of restructuring and other one-time charges relating to the Power of One LeasePlan initiative of EUR 53.9 million[6] which were partially offset by a gain on the sale of our 24% stake in Terberg Leasing of EUR 5.1 million and unrealised gains of EUR 12.1 million on derivative financial instruments.

Underlying Return on Equity[7] (LTM)	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**
	16.6%	16.1%	15.7%	15.0%

As a result of the rapid success of the Power of One LeasePlan and the growth in the business, **Underlying Return on Equity**[7] has improved significantly over the year to date period, increasing by 1.6 percentage points to 16.6%.

[5] Comparable first nine months of 2016: Normalisations of EUR 34.1 million after tax (EUR 32.6 million before tax) related to unrealized losses of EUR 6.5 million and the sales of Travelcard of EUR 39.1 million
[6] One off costs resulting from consultancy fees and headcount reductions
[7] LTM Underlying return on equity throughout this document is defined as Last Twelve Months Underlying net result (last 12 months) divided by the average equity (average monthly equity of the last 12 months) over the related period. In previous reports, Underlying return on equity was calculated based on the Underlying net result (annualized) divided by the average equity over the related period. The Underlying return on equity (annualized) for YTD September 2017 amounts to 18.1% (YTD September 2016 15.9%)

Business and operational highlights

Underlying Growth
LeasePlan's fleet grew organically by 5.0% between end-September 2016 and end-September 2017 to 1.725 million vehicles under management. In line with our strategy, LeasePlan continues to prioritise disciplined profitable fleet growth ahead of more marginal growth opportunities that would dilute the company's return on equity. In the third quarter, we rolled out a number of targeted initiatives seeking to improve and grow our commercial offering across our various customer segments. Growth continued to be driven by all regions and customer segments. Major contributors of the growth include Portugal, France, the Netherlands, Spain and Germany with a balanced contribution of large international customers, SME and private lease. The Eastern European region continued its strong growth path reporting double digit fleet growth versus the previous year.

Residual Value and Diesel
LeasePlan has seen stable prices for its vehicles across Europe throughout the year, with no discernible impact from diesel regulations, which are very localised and focused on older models. Given LeasePlan's fleet turns over every 3-4 years, the company retains exposure to only the latest and cleanest diesel models. More than 99% of LeasePlan's diesel fleet is Euro 5/6. LeasePlan is therefore well positioned to adapt to any changes in regulation which can take significant time to be implemented. LeasePlan also benefits from a pan-European network and can mitigate localised declines in the pricing of 3-4 year old cars by leveraging cross-country pricing arbitrage opportunities. In addition to providing a source of risk mitigation, better exploitation of these cross-country arbitrage opportunities within Europe has the potential to drive meaningful profit enhancements across a significant portion of the vehicles sold by LeasePlan each year.

We expect these stable prices across our key markets to continue. This expectation is based on an extensive analysis of the supply/demand dynamics across our key used car markets, which indicates that prices should remain stable or grow across our markets generally.

The reduction in LeasePlan's vehicle sales results highlighted above has therefore not been the result of a change in used car prices or market conditions of late. Rather, this represents a predictable normalisation of the exceptional levels of RV profitability generated on cars leased in the dislocated market that followed the financial crisis of 2008/09.

The financial crisis led to exceptional pressure on used car prices from 2009 to 2014. During this period, LeasePlan was able to write contracts based on unusually low residual value expectations. As used car prices have gradually returned to the more normal levels we see today, LeasePlan has (1) generated strong residual value profits on the sale of cars with contracts written during the financial crisis and (2) gradually adjusted the residual values within new contracts to reflect this market recovery and more normalised levels of RV profitability. The reduction we are currently seeing in our vehicle sales results is simply the result of this predictable, gradual normalisation in the book value of contracts written in the post crisis period and is more than offset by the strong underlying growth of our business and Power of One LeasePlan initiatives.

Completion of new Management Board
On 29 September, LeasePlan strengthened its Management Board with the appointment of Gijsbert de Zoeten as the company's new Chief Financial Officer (CFO) and Franca Vossen as LeasePlan's new Chief Risk Officer (CRO), responsible for Risk, Compliance, Privacy, Regulatory Affairs and Corporate Social Responsibility. Gijsbert de Zoeten was SVP Finance of LeasePlan's European leasing business and Franca Vossen joined from DLL, the leasing division of the Rabobank Group, where she was CRO. The Management Board now consists of Tex Gunning Chief Executive Officer (CEO), Gijsbert de Zoeten (CFO), Marco van Kalleveen Chief Operating Officer Europe (COO), Yolanda Paulissen Chief Strategic Finance and Investor Relations Officer (CSFIRO) and Franca Vossen (CRO).

Funding and capital position

In the first nine months of 2017, LeasePlan continued to benefit from its diversified funding platform. The company successfully issued 2 public transactions of its Asset Backed Securities (ABS) programme, Bumper 8 in the UK for a total of GBP 425 million and Bumper 9 in the NL for EUR 574 million. Senior unsecured private placement volume amounted to EUR 1,034 million in the period with a further EUR 500 million placed in public benchmark format.

In addition, LeasePlan saw an increase in LeasePlan Bank retail deposits of EUR 508 million to EUR 5.9 billion. LeasePlan's capital position remains solid, with a CET 1 capital ratio of 18.4%, unchanged versus the end of September 2016.

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About LeasePlan

LeasePlan is one of the world's leading fleet management companies, with 1.7 million vehicles under management in over 30 countries. Our core business involves managing the entire vehicle life-cycle for our clients, taking care of everything from purchasing, insurance and maintenance to car re-marketing. With over 50 years' experience, we are a trusted partner for our corporate, SME, private and mobility service clients. Our mission is to provide what's next in mobility via an 'Any car, Anytime, Anywhere' service - so you can focus on what's next for you. Find out more at **www.leaseplan.com.**

Consolidated financial statements

Condensed consolidated interim income statement

for the period ended 30 September

In thousands of euros	Note	Q3 2017	Q3 2016[1]	9M 2017	9M 2016[1]
Revenues (lease income and vehicles sales)	2	2,130,545	2,095,050	6,440,416	6,252,385
Cost of revenues	2	1,861,037	1,825,908	5,594,031	5,430,551
Gross profit (net lease and vehicles sales income)		**269,508**	**269,142**	**846,385**	**821,834**
Interest and similar income		192,205	191,507	580,888	576,892
Interest expenses and similar charges		73,871	80,652	229,821	244,492
Net interest income		**118,334**	**110,855**	**351,067**	**332,400**
Impairment charges on loans and receivables		4,319	3,854	14,273	11,091
Unrealised gains/losses on financial instruments	7	- 93	3,697	12,028	- 6,428
Net finance income		**113,922**	**110,698**	**348,822**	**314,881**
Other income	3	**5,100**	**39,068**	**5,100**	**39,068**
Total operating income		**388,530**	**418,908**	**1,200,307**	**1,175,783**
Staff expenses		126,738	138,860	403,020	416,233
General and administrative expenses		88,243	70,217	242,500	209,572
Depreciation and amortisation		11,621	12,850	34,859	40,007
Total operating expenses		**226,602**	**221,927**	**680,379**	**665,812**
Share of profit of investments accounted for under the equity method		- 191	798	1,681	3,757
Profit before tax		**161,737**	**197,779**	**521,609**	**513,728**
Income tax expenses		32,601	41,598	117,691	118,557
Net result attributable to owners of the parent		**129,136**	**156,181**	**403,918**	**395,171**

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

[1] Prior year figures have been adjusted for comparison purposes. Please refer to the Group's financial statements 2016 (Basis of preparation) for further details.

Condensed consolidated interim statement of comprehensive income

for the period ended 30 September

In thousands of euros	Note	Q3 2017	Q3 2016	9M 2017	9M 2016
Net result		**129,136**	**156,181**	**403,918**	**395,171**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of post-employment benefit reserve, before tax		15	23	11	53
Income tax on post-employment benefit reserve		- 4	- 7	- 2	- 17
Subtotal changes post-employment benefit reserve, net of income tax		**11**	**16**	**9**	**36**
Items that may be subsequently reclassified to profit or loss					
Changes in cash flow hedges, before tax		369	4,068	8,220	6,685
Cash flow hedges recycled from equity to profit and loss, before tax		- 1,149	- 1,679	- 5,078	- 5,251
Income tax on cash flow hedges		196	- 598	- 785	- 359
Subtotal changes in cash flow hedges, net of income tax		**- 584**	**1,791**	**2,357**	**1,075**
Exchange rate differences	4	- 10,498	- 3,633	- 34,271	- 30,404
Other comprehensive income, net of income tax		**- 11,071**	**- 1,826**	**- 31,905**	**- 29,293**
Changes in post-employment plans in associates		-	-	-	398
Total comprehensive income for the year attributable to owners of the parent		**118,065**	**154,355**	**372,013**	**366,276**

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

Condensed consolidated interim balance sheet

In thousands of euros	Note	30 September 2017	31 December 2016
Assets			
Cash and balances at central banks		2,464,269	1,857,144
Receivables from financial institutions	6	534,525	490,448
Derivative financial instruments	7	96,663	224,898
Other receivables and prepayments	8	976,062	980,292
Inventories		294,685	280,519
Loans to investments accounted for using the equity method		135,000	125,275
Corporate income tax receivable		26,338	57,906
Lease receivables from clients	9	3,246,633	3,425,539
Property and equipment under operating lease and rental fleet	10	16,361,555	15,919,429
Other property and equipment		91,031	91,806
Investments accounted for under the equity method		12,520	27,394
Intangible assets		172,257	174,179
Deferred tax assets		104,625	118,178
		24,516,163	**23,773,007**
Assets classified as held-for-sale	11	27,750	13,763
Total assets		**24,543,913**	**23,786,770**

See continuation of this table on the next page.

Condensed consolidated interim balance sheet
- continued

In thousands of euros	Note	30 September 2017	31 December 2016
Liabilities			
Funds entrusted	12	6,000,835	5,480,777
Derivative financial instruments	7	65,212	77,584
Trade and other payables and deferred income	13	2,319,612	2,320,288
Corporate income tax payable		48,044	40,454
Borrowings from financial institutions	14	3,232,404	3,259,384
Debt securities issued	15	8,976,050	8,805,351
Provisions	16	442,526	454,507
Deferred tax liabilities		288,415	272,723
Total liabilities		**21,373,098**	**20,711,068**
Equity			
Share capital		71,586	71,586
Share premium		506,398	506,398
Other reserves	4	- 41,630	- 9,725
Retained earnings		2,634,461	2,507,443
Total equity		**3,170,815**	**3,075,702**
Total equity and liabilities		**24,543,913**	**23,786,770**

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

Condensed consolidated interim statement of changes in equity

In thousands of euros	Attributable to the owners of the parent				
	Share capital	**Share premium**	**Other reserves**	**Retained earnings**	**Total equity**
Balance as at 1 January 2016	**71,586**	**506,398**	**3,101**	**2,490,379**	**3,071,464**
Net result	-	-	-	395,171	395,171
Other comprehensive income	-	-	- 29,293	-	- 29,293
Post employment plans in associates	-	-	-	398	398
Total comprehensive income	**-**	**-**	**- 29,293**	**395,569**	**366,276**
Dividend relating to 2015	-	-	-	- 265,500	- 265,500
Dividend relating to 2016	-	-	-	- 143,300	- 143,300
Total transactions with owners of the parent	**-**	**-**	**-**	**- 408,800**	**- 408,800**
Balance as at 30 September 2016	**71,586**	**506,398**	**- 26,192**	**2,477,148**	**3,028,940**
Net result	-	-	-	30,295	30,295
Other comprehensive income	-	-	16,467	-	16,467
Total comprehensive income	**-**	**-**	**16,467**	**30,295**	**46,762**
Balance as at 1 January 2017	**71,586**	**506,398**	**- 9,725**	**2,507,443**	**3,075,702**
Net result	-	-	-	403,918	403,918
Other comprehensive income	-	-	- 31,905	-	- 31,905
Total comprehensive income	**-**	**-**	**- 31,905**	**403,918**	**372,013**
Dividend relating to 2016	-	-	-	- 112,000	- 112,000
Dividend relating to 2017	-	-	-	- 164,900	- 164,900
Total transactions with owners of the parent	**-**	**-**	**-**	**- 276,900**	**- 276,900**
Balance as at 30 September 2017	**71,586**	**506,398**	**- 41,630**	**2,634,461**	**3,170,815**

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

Condensed consolidated interim statement of cash flows

for the nine months period ended 30 September

In thousands of euros	Note	2017	2016[1]
Operating activities			
Net result		403,918	395,171
Adjustments			
Interest income		- 580,888	- 569,155
Interest expense		229,821	244,492
Impairment on receivables		14,273	11,091
Valuation allowance on inventory		-	- 1,264
Depreciation operating lease portfolio and rental fleet	10	2,366,796	2,255,814
Depreciation other property and equipment		19,175	18,673
Amortisation and impairment intangible assets		16,090	21,334
Share of profit of investments accounted for using the equity method		- 1,681	- 3,757
Gain on sale investments accounted for using the equity method		- 5,100	-
Financial instruments at fair value through profit and loss		- 12,028	6,428
Income tax expense		117,691	118,557
Changes in			
Provisions		- 11,981	16,374
Derivative financial instruments		130,246	- 86,872
Trade and other payables and other receivables		- 186,534	- 168,022
Inventories		200,378	201,121
Amounts received for sale of subsidiary		-	- 40,650
Amounts received for disposal of vehicles under operating lease	10	1,611,836	1,636,301
Amounts paid for acquisition of vehicles under operating lease	10	- 4,812,823	- 5,252,840
Acquired new finance leases and other increases of receivables from clients		- 604,973	- 970,692
Repayment finance leases		805,947	837,676
Cash generated from operating activities		**- 299,837**	**- 1,330,220**
Interest paid		- 252,449	- 244,549
Interest received		580,838	569,102
Income taxes paid		- 73,568	- 81,054
Income taxes received		35,551	11,993
Net cash flows used in operating activities		**- 9,465**	**- 1,074,728**

See continuation of this table on the next page.

[1] Prior year figures have been adjusted for comparison purposes. Please refer to the Group's financial statements 2016 (Basis of preparation) for further details.

Condensed consolidated interim statement of cash flows
- continued

for the nine months period ended 30 September

In thousands of euros	Note	2017	2016[1]
Investing activities			
Proceeds from sale of other property and equipment		20,496	15,107
Purchases of other property and equipment		- 39,021	- 32,377
Purchases of intangible assets		- 17,016	- 12,223
Divestments of intangible assets		953	1,057
Loans provided to investments accounted for using the equity method		- 51,750	- 56,950
Redemption on loans to investments accounted for using the equity method		42,025	38,500
Dividend received from investments accounted for using the equity method		2,625	720
Changes in held-for-sale investments		- 13,987	- 10,464
Proceeds from sale of subsidiaries and associates		17,500	41,324
Net cash flows used in investing activities		**- 38,175**	**- 15,306**
Financing activities			
Receipt of receivables from financial institutions		359,965	1,975,460
Balances deposited to financial institutions		- 352,680	- 2,125,264
Receipt of borrowings from financial institutions		2,640,121	1,178,184
Repayment of borrowings from financial institutions		- 2,457,385	- 800,748
Receipt of funds entrusted		1,709,647	1,706,797
Repayment of funds entrusted		- 1,189,587	- 1,238,064
Receipt of debt securities		2,919,979	- 670,917
Repayment of debt securities		- 2,750,454	1,357,529
Dividends paid to Company's shareholders		- 112,000	- 265,500
Net cash flows from financing activities		**767,606**	**1,117,477**
Cash and cash equivalents as at 1 January		**1,739,066**	**1,583,373**
Net movement in cash and balances with banks		719,966	27,443
Exchange gains/losses on cash and balances with banks		2,015	1,256
Cash and cash equivalents as at 30 September	**5**	**2,461,047**	**1,612,072**

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

[1] Prior year figures have been adjusted for comparison purposes. Please refer to the Group's financial statements 2016 (Basis of preparation) for further details.

General notes

General information

LeasePlan Corporation N.V.
LeasePlan Corporation N.V. (the "Company") is a company domiciled in and operating from Amsterdam, the Netherlands and having its statutory seat in Amsterdam, the Netherlands. The address of its registered office is Gustav Mahlerlaan 360, 1082 ME Amsterdam. The condensed consolidated interim financial statements of the Company as at 30 September 2017 comprise the financial statements of 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 September 2017, the Group employed over 6,700 people worldwide and had offices in 32 countries. There were no major changes in the Groups' composition during the reporting period.

The Company holds a banking licence in the Netherlands since 1993 and is regulated by the Dutch central bank. Therefore, specific additional (IFRS) disclosures are included that focus on the Company's liquidity and solvency and on the risks associated with the assets and liabilities recognised on its balance sheet and with its off-balance sheet exposures. The condensed consolidated interim financial statements have been reviewed, not audited.

Ownership of the Company
LP Group B.V. holds 100% of the Company's shares. LP Group B.V. represents a group of long-term responsible investors. None of these investors has a(n indirect) 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.
- **Broad Street Investments:** A Singapore based Holding company.
- **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 1,300 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.

Basis of preparation

The condensed consolidated interim financial statements for the period ended 30 September 2017 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 consolidated financial statements for the year ended 31 December 2016, which have been prepared in accordance with IFRS 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 Annual report for the year ended 31 December 2016.

The presentation of the Consolidated income statement, the operating segments as well as various profit streams changed per December 2016. Consequently the comparative figures in these condensed consolidated interim financial statements have been adjusted for comparison purposes. For further details refer to note 2 "Basis of preparation" of the Group's financial statements for the year ended 31 December 2016.

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 the 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. The standard replaces the incurred loss model with the expected credit loss model which is designed to be more forward looking. The Group plans to adopt IFRS 9 by the required effective date of 1 January 2018 with no early adoption and no restatement of comparative information as permitted by the standard. Furthermore, it is expected that the Group will apply the accounting policy choice to defer the application of the new general hedging model and continue to apply the hedge accounting requirements of IAS 39 in their entirety until the standard resulting from the IASB's separate project on macro hedge accounting is effective.
  At initial application of IFRS 9, the impact of IFRS 9 for the Group will arise from the introduction of the new expected credit loss model which results in a decrease in equity, although this is not expected to be significant. No changes are expected in the measurement of the Group's financial assets and liabilities as a result of the new classification and measurement criteria. Post initial application, expected credit losses due to the adoption of the new expected credit loss model will lead to earlier recognition of credit losses and it is expected that these will be more volatile due to the use of forward looking information and future economic scenarios. This volatility is expected to have a limited impact on net profit.
- IFRS 15 'Revenue from contracts with customers' establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer, and replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' (along with related interpretations). The Group is continuing its assessment as to the impact of IFRS 15, with a focus on the additional guidance provided within IFRS 15 regarding the accounting for multiple element arrangements. As a full service provider, the Group's arrangements often contain lease, service and insurance elements (i.e. reflects a multiple element arrangement). For the service components and in particular those related to repairs, maintenance and tyres, the Group is analysing data in order to determine a pattern for the timing of recognition of income based on the performance obligations under the contracts with customers. The Group intends to adopt IFRS 15 as of 1 January 2018, utilizing the modified retrospective approach, meaning that comparative figures will not be restated but will be presented in accordance with current accounting standards.
- IFRS 16 'Leases', issued in January 2016, includes a new approach to lease accounting that requires a lessee to recognise assets and liabilities for the rights and obligations created by leases. The model reflects that, at the start of a lease, the lessee obtains a right to use the underlying asset for a period of time, and the lessor has provided or delivered that right. Both the asset and the liability are initially measured at the present value of lease payments. The approach in IFRS 16 for lessor accounting remains substantially unchanged compared to IAS 17. Lessors continue to classify leases as operating or finance leases. IFRS 16 is effective for periods beginning on or after 1January 2019, with earlier adoption permitted if IFRS 15 Revenue from contracts with customers has also been applied. The Group is currently assessing the full impact of IFRS 16. Furthermore, the Group is investigating how it can support its lessees in calculating the right of use asset and corresponding liability.

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 2016.

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.

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 consolidated financial statements for the year ended 31 December 2016.

There have been no material changes to the financial risk profile of the Group since year-end 2016. Credit risk, asset risk and liquidity risk are further described below as these are considered to be the primary risk management areas.

A. 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.

B. Asset risk

Asset risk is analysed throughout the term of the lease contracts: starting at lease inception, following it through its term up to the 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 first nine months of 2017 continued to benefit from prudent setting of residual values in the past, continued focus on risk mitigating measures during the lifetime of the lease contracts and favourable market conditions. The exposure to residual values as at the end of September 2017 amounted to EUR 11.1 billion[2] (year-end 2016: EUR 10.7 billion).

C. 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.

[2] 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 361 million (year-end 2016: EUR 363 million).

D. 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 September 2017 and 31 December 2016.

as at 30 September 2017	**Carrying value**	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value					
Derivatives financial instruments in hedge	57,329	-	57,329	-	57,329
Derivatives financial instruments not in hedge	39,334	-	39,334	-	39,334
Financial assets not measured at fair value					
Cash and balances at central banks	2,464,269	2,464,269		-	2,464,269
Receivables from financial institutions	534,525		520,491	-	520,491
Lease receivables from clients	3,246,633			3,295,397	3,295,397
Loans to investments using the equity method	135,000		128,177	-	128,177
Other receivables and prepayments[1]	321,368		314,753	-	314,753
Assets held-for-sale	27,750			28,474	28,474
Total financial assets	**6,826,208**	**2,464,269**	**1,060,084**	**3,323,871**	**6,848,224**
Financial liabilities measured at fair value					
Derivatives financial instruments in hedge	15,996	-	15,996	-	15,996
Derivatives financial instruments not in hedge	49,216	-	49,216	-	49,216
Financial liabilities not measured at fair value					
Funds entrusted	6,000,835	-	5,556,367	-	5,556,367
Trade and other payables and deferred income[2]	733,199	-	733,199	-	733,199
Borrowings from financial institutions	3,232,404	-	3,314,513	-	3,314,513
Debt securities issued	8,976,050	-	8,870,422	-	8,870,422
Total financial liabilities	**19,007,700**	**-**	**18,539,713**	**-**	**18,539,713**

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

as at 31 December 2016	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivatives financial instruments in hedge	78,336	-	78,336	-	78,336
Derivatives financial instruments not in hedge	146,562	-	146,562	-	146,562
Financial assets not measured at fair value					
Cash and balances at central banks	1,857,144	1,857,144	-	-	1,857,144
Receivables from financial institutions	490,448	-	490,452	-	490,452
Lease receivables from clients	3,425,539	-	-	3,472,005	3,472,005
Loans to investments using the equity method	125,275	-	128,452	-	128,452
Receivables and prepayments[1]	344,063	-	344,921	-	344,921
Assets held-for-sale	13,763	-	-	14,003	14,003
Total financial assets	**6,481,130**	**1,857,144**	**1,188,723**	**3,486,008**	**6,531,875**
Financial liabilities measured at fair value					
Derivatives financial instruments in hedge	18,750	-	18,750	-	18,750
Derivatives financial instruments not in hedge	58,834	-	58,834	-	58,834
Financial liabilities not measured at fair value					
Funds entrusted	5,480,777	-	5,556,367	-	5,556,367
Trade and other payables and deferred income[2]	890,502	-	890,502	-	890,502
Borrowings from financial institutions	3,259,384	-	3,314,513	-	3,314,513
Debt securities issued	8,805,351	-	8,870,422	-	8,870,422
Total financial liabilities	**18,513,598**	**-**	**18,709,388**	**-**	**18,709,388**

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

During the reporting period there were no changes in valuation techniques or transfers between levels 1, 2 and 3.

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 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 credit default swap ('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 (Rebates and bonuses and commissions receivable, Reclaimable damages and Interest to be received) and payables (Trade payables and Interest payable) 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 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 from 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.

Specific notes

All amounts are in thousands of euros, unless stated otherwise

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 consolidated financial statements in respect of the Group's leasing activities (LeasePlan) and Group activities, which are the basis of segment reporting.

Leasing activities
Leasing activities comprise the main activity of the Group which is providing fleet management services including the purchase, financing, insurance, 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. In the course of 2016 the operating segments as provided for internal reporting to the Group's key management have been revised. The segmentation is presented based upon the revised operating segments as also included in the 2016 consolidated financial statements:

- Europe
  Geographies in this segment are all European countries where the Group operates including Turkey, Russia and United Arab Emirates.

- Rest of the World
  Geographies in this segment are Australia, Brazil, India, Mexico, New Zealand and the United States.

The segment reporting of the first nine months of 2016 has been adjusted accordingly.

Group activities
These activities provide services in the area of treasury, insurance, procurement and infrastructure to support the leasing activities. Companies included are: LeasePlan Supply Services, LeasePlan Information Services, LeasePlan International, LeasePlan Insurances as well as the Group's central Treasury (including LeasePlan Bank) and other support activities.

The segment reporting format reflects the Group's management and internal reporting structure and is based on the internal system of management accounting. The main purpose of the management accounting is to enable a comparison between leasing subsidiaries. This results in an allocation of income and expense from Group activities to the leasing activities in order to facilitate this comparison. There are no asymmetrical allocations as both the leasing activities and the Group activities are measured on the basis of the same internal system of management accounting. The Group activities allocate all relevant revenues and related costs to the leasing activities.

Segment revenues, cost of revenues, gross profit and underlying profit before tax include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment pricing is determined on an arm's length basis. Internal segment revenues are not presented separately given their insignificance.

The segment information is presented in the table below.

In millions of euros	Leasing activities							
	Europe		Rest of World		Group activities		Total	
	9M 2017	**9M 2016**	**9M 2017**	**9M 2016**	**9M 2017**	**9M 2016**	**9M 2017**	**9M 2016**
Total revenues	6,201.8	6,036.7	778.0	748.0	27.2	33.5	7,007.0	6,818.2
Total cost of revenues	5,175.7	5,042.0	627.3	587.9	20.9	45.1	5,823.9	5,675.0
Gross profit	**1,026.1**	**994.7**	**150.7**	**160.1**	**6.3**	**- 11.6**	**1,183.1**	**1,143.2**
Underlying profit before tax	**576.5**	**492.8**	**43.1**	**25.5**	**- 61.3**	**- 37.1**	**558.3**	**481.2**
Interest income	455.3	464.8	123.8	110.2	1.9	1.9	581.0	576.9
Interest expense	161.4	174.4	76.5	64.0	- 8.0	6.0	229.9	244.4
Other depreciation and amortisation	18.8	19.9	6.2	13.2	9.7	6.9	34.7	40.0
Impairment charges	28.9	27.7	3.0	1.8	-	-	31.9	29.5
Reversal of impairment	- 16.8	- 17.2	- 0.9	- 1.2	- 0.4	-	- 18.1	- 18.4
Income tax expenses	129.4	133.9	14.2	11.5	- 15.8	- 25.3	127.8	120.1
Period ended 30 September								
Segment assets	18,278.8	17,294.9	3,116.9	3,046.2	3,148.2	2,402.7	24,543.9	22,743.8
Segment liabilities	5,528.0	5,322.0	834.2	916.0	15,010.9	13,476.8	21,373.1	19,714.8

The table below presents the reconciliation of the key line-items from the Underlying income statement and consolidated income statement over the nine months period ended 30 September 2017, including comparatives.

In millions of euros	Total underlying results		Underlying adjustments		Finance income		Reported results	
	9M 2017	**9M 2016**	**9M 2017**	**9M 2016**	**9M 2017**	**9M 2016**	**9M 2017**	**9M 2016**
Revenues (lease income and vehicles sales)							6,440,4	6,252,4
Revenues	**7,007.0**	**6,818.2**	**-**	**-**	**- 566.6**	**- 565.8**		
Cost of revenues							5,594.0	5,430.6
Cost of revenues	**5,823.9**	**5,675.0**	**-**	**-**	**-229.9**	**-244.4**		
Gross profit (net lease income and vehicles sales income)							846.4	821.8
Gross profit	**1,183.1**	**1,143.2**	**-**	**-**	**-336.7**	**- 321.4**		
Net finance income	-	-	12.1	-6.5	336.7	321.4	348.8	314.9
Other income			5.1	39.1			5.1	39.1
Overheads (operating expenses)	626.5	665.8	53.9				680.4	665.8
Operating profit	**556.6**	**477.4**	**-36.7**	**32.6**	**-**	**-**	**519.9**	**510.0**
Share of profit of joint ventures and associates	1.7	3.8	-	-	-	-	1.7	3.8
Profit before tax	**558.3**	**481.2**	**-36.7**	**32.6**	**-**	**-**	**521.6**	**513.8**
Tax	127.8	120.1	-10.1	-1.5	-	-	117.7	118.6
Net result	**430.5**	**361.1**	**-26.6**	**34.1**	**-**	**-**	**403.9**	**395.2**

In millions of euros	**Unrealised results on financial instruments**		**Other income**		**Overheads**		**Tax**	
	9M 2017	**9M 2016**	**9M 2017**	**9M 2016**	**9M 2017**	**9M 2016**	**9M 2017**	**9M 2016**
Underlying performance	**-**	**-**	**-**	**-**	**626.5**	**665.8**	**127.8**	**120.1**
Unrealised results on financial instruments	12.1	-6.5	-	-	-	-	-3.0	-1.5
Normalisations	**12.1**	**-6.5**	**-**	**-**	**-**	**-**	**-3.0**	**-1.5**
Gains/losses on the sale of subsidiaries	-	-	5.1	39.1	-	-	-	-
Power of One LeasePlan	-	-	-	-	53.9	-	-7.1	-
One-time items	**-**	**-**	**5.1**	**39.1**	**53.9**	**-**	**-7.1**	**-**
Reported per consolidated income statement	**12.1**	**-6.5**	**5.1**	**39.1**	**680.4**	**665.8**	**117.7**	**118.6**

One-time items are unique events that are outside the normal course of business of the Group. Power of One LeasePlan includes restructuring expenses related to shifting the Group from a multi-local organisation to become a fully integrated organisation. These expenses include mainly general and administrative expenses amounting to EUR 54 million, relating to professional services.

The reported net result over the third quarter in 2017 at EUR 129.1 million, including one-time items of on balance EUR 9.7 million after tax (EUR 14.1 million before tax). These items mainly consist of restructuring charges relating to the Power of One LeasePlan of EUR 19.2 million.

Revenues and other key figures of the subsidiaries are distributed relatively evenly over the segments 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 also the domicile country of the Group.

	FTEs		**Underlying revenues**		**Lease contracts**	
Country of activity	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Netherlands	633	638	1,128	1,164	2,160	2,047
United Kingdom	519	584	839	860	2,345	2,500
Other	5,428	5,951	5,040	4,794	14,516	13,580
Total as at 30 September	**6,580**	**7,173**	**7,007**	**6,818**	**19,021**	**18,127**

Note 2 - Revenues and cost of revenues

(i) Revenues (lease income and vehicle sales)

Revenues comprise the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

	Q3 2017	Q3 2016	9M 2017	9M 2016
Fees	57,633	60,100	183,660	182,384
Lease revenues	1,196,749	1,148,744	3,562,821	3,364,082
Insurance income	178,181	159,681	515,649	462,062
Vehicles sales revenues	697,982	726,525	2,178,286	2,243,857
Total	**2,130,545**	**2,095,050**	**6,440,416**	**6,252,385**

Insurance income includes EUR 77.7 million (9M 2016: EUR 72.6 million) for third party liability risk retained by LeasePlan Insurances, the Group's captive internal insurance company.

(ii) Cost of revenues

Cost of revenues comprises the cost associated with providing the above-mentioned service components of the lease instalment.

	Q3 2017	Q3 2016	9M 2017	9M 2016
Fees	14,994	14,829	46,006	42,040
Lease service expenses	1,073,251	1,024,476	3,173,886	2,989,406
Insurance expenses	117,797	106,003	335,326	313,490
Cost of vehicles sold	654,995	680,600	2,038,813	2,085,615
Total	**1,861,037**	**1,825,908**	**5,594,031**	**5,430,551**

(iii) Gross profit (net lease income and vehicles sales income)

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

	Q3 2017	Q3 2016	9M 2017	9M 2016
Fees	42,639	45,271	137,654	140,344
Lease services	123,498	124,268	388,935	374,676
Insurance	60,384	53,678	180,323	148,572
Vehicle sales	42,987	45,925	139,473	158,242
Total	**269,508**	**269,142**	**846,385**	**821,834**

Note 3 - Other income

Other income includes the result of the sale of its 24% interest in Terberg Leasing B.V. In financial year 2016 other income included the result of the sale of Travelcard Nederland B.V.

Note 4 - Other reserves

The other reserves comprise of the translation reserve, post-employment benefit reserve and the hedging 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 presentation currency. The significant movement in relation to exchange rate differences in other comprehensive income in the first nine months of 2017 is mainly caused by decrease of the British pound sterling and US dollar against the Euro.

Note 5 - Cashflow statement - cash and cash equivalents

	Note	30 September 2017	30 September 2016
Cash and balances at central banks		2,464,269	1,685,173
Call money, cash at banks	6	116,980	64,802
Call money and bank overdrafts	14	- 120,202	- 137,903
Balance as at 30 September for the purposes of the statement of cash flows		**2,461,047**	**1,612,072**

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 58.7 million (30 September 2016: EUR 52.8 million) are not used in the Group's day-to-day operations and form part of the 'Cash and balances at central banks'.

Note 6 - 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 September 2017	31 December 2016
Deposits with banks		199,388	206,542
Call money, cash at banks	5	116,980	66,998
Cash collateral deposited for securitisation transactions		183,257	158,753
Cash collateral deposited for derivative financial instruments		18,850	16,300
Other cash collateral deposited		16,050	14,855
Total		**534,525**	**490,448**

The cash collateral deposited for securitisation transactions relates to the Bumper securitisation transactions, Reference is made to note 15.

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 September 2017	31 December 2016
Three months or less	335,558	292,393
Longer than three months, less than a year	64,879	58,264
Longer than a year, less than five years	133,835	139,136
Longer than five years	263	655
Total	**534,525**	**490,448**

Note 7 - Derivative financial instruments

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

	30 September 2017			31 December 2016		
	Notional amounts	Fair value		Notional amounts	Fair value	
		Assets	Liabilities		Assets	Liabilities
Fair value hedge						
Interest rate swaps	5,563,107	56,212	10,962	4,923,053	78,131	10,981
Currency swaps	434,434	1,067	2,867	44,297	-	337
Cash flow hedge						
Interest rate swaps	1,240,000	50	2,167	1,595,000	205	7,432
Total derivatives in hedge	**7,237,541**	**57,329**	**15,996**	**6,562,350**	**78,336**	**18,750**
Interest rate swaps	16,513,463	15,716	22,649	13,781,558	14,529	35,147
Currency swaps/currency forwards	2,866,146	23,618	26,567	4,050,937	132,033	23,687
Total derivatives not in hedge	**19,379,609**	**39,334**	**49,216**	**17,832,495**	**146,562**	**58,834**
Total	**26,617,150**	**96,663**	**65,212**	**24,394,845**	**224,898**	**77.584**

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 are as follows:

	Q3 2017	Q3 2016	9M 2017	9M 2016
Derivatives not in hedges	379	4,750	15,317	- 11,212
Hedge ineffectiveness cash flow hedges	-	- 6	- 15	20
Derivatives fair value hedging instruments	634	- 8,874	- 17,985	42,678
Financial liabilities fair value hedged items	- 1,106	7,827	14,711	- 37,914
Hedge ineffectiveness fair value hedges	**- 472**	**- 1,047**	**- 3,274**	**4,764**
Unrealised gains/losses on derivative financial instruments	**- 93**	**3,697**	**12,028**	**- 6,428**

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 requirements as set under IAS 39. These derivatives are therefore deemed not in hedge.

Note 8 - 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 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 rebates and bonuses receivable.

Note 9 - Lease receivables from clients

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

	30 September 2017	31 December 2016
Amounts receivable under finance lease contracts	2,631,616	2,832,636
Trade receivables	654,359	632,936
Impairment	- 39,342	- 40,033
Total	**3,246,633**	**3,425,539**

The maturity analysis is as follows:

	30 September 2017	31 December 2016
Three months or less	821,197	581,074
Longer than three months, less than a year	323,626	396,515
Longer than a year, less than five years	2,031,953	2,357,649
Longer than five years	109,199	130,334
Impairment	- 39,342	- 40,033
Total	**3,246,633**	**3,425,539**

A part of the amounts receivable under finance lease contracts 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 47.1 million (year-end 2016: EUR 56.3 million). The decrease in this value is explained by the usual repayment of lease contracts securitised by two live transactions Bumper 6 and Bumper 7 that are no longer replenishing.

Note 10 - Property and equipment under operating lease and rental fleet[3]

	Note	Operating lease	Rental fleet	Total
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 1 January 2016		**14,170,513**	**91,004**	**14,261,517**
Carrying amount as at 1 January 2016		**14,170,513**	**91,004**	**14,261,517**
Purchases		5,207,237	45,603	5,252,840
Transfer from inventories		35,485	-	35,485
Transfer to inventories		- 180,127	-	- 180,127
Disposals		- 1,597,870	- 38,431	- 1,636,301
Depreciation		- 2,244,203	- 11,611	- 2,255,814
Exchange rate differences		- 293,975	- 41	- 294,016
Carrying amount as at 30 September 2016		**15,097,060**	**86,524**	**15,183,584**
Cost		20,517,701	102,024	20,619,725
Accumulated depreciation and impairment		- 5,420,641	- 15,500	- 5,436,141
Carrying amount as at 30 September 2016		**15,097,060**	**86,524**	**15,183,584**
Purchases		2,004,259	18,670	2,022,929
Transfer to inventories		- 65,773	-	- 65,773
Disposals		- 581,233	- 8,893	- 590,126
Depreciation		- 838,927	- 3,374	- 842,301
Exchange rate differences		54,854	- 214	54,640
Reclassification[3]		156,476	-	156,476
Carrying amount as at 31 December 2016		**15,826,716**	**92,713**	**15,919,429**
Cost		21,343,482	108,897	21,452,379
Accumulated depreciation and impairment		- 5,516,766	- 16,184	- 5,532,950
Carrying amount as at 31 December 2016		**15,826,716**	**92,713**	**15,919,429**
Purchases		4,737,112	75,762	4,812,874
Transfer from inventories		34,619		34,619
Transfer to inventories		- 249,163		- 249,163
Disposals		- 1,579,402	- 32,434	- 1,611,836
Depreciation		- 2,348,622	- 18,174	- 2,366,796
Exchange rate differences		- 177,830	258	- 177,572
Carrying amount as at 30 September 2017		**16,243,430**	**118,125**	**16,361,555**
Cost		21,958,064	140,173	22,098,237
Accumulated depreciation and impairment		- 5,714,634	- 22,048	- 5,736,682
Carrying amount as at 30 September 2017		**16,243,430**	**118,125**	**16,361,555**

[3] Certain comparative amounts in the Consolidated balance sheet have been adjusted as per December 2016, as a result of a revised interpretation of lease contract classification for a small part of the lease portfolio. Please refer to the Group's financial statements 2016 (Basis of preparation) for further details.

The Group concluded a number of asset backed securitisation transactions under the names of Bumper France (2013 repaid 20 June 2017), Bumper 6 (2014), Bumper NL (2014), Bumper 7 (2016) and Bumper 8 & 9 (2017). 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 2.2 billion (year-end 2016: EUR 2.3 billion).

Note 11 - Assets classified as held-for-sale

Assets 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.

This category includes finance leases that the Group entered into in the United States with the aim to sell onward to debt investors.

Note 12 - Funds entrusted

This item includes all deposits.

The maturity analysis of these deposits is as follows:

	30 September 2017	31 December 2016
Three months or less	3,781,751	3,809,864
Longer than three months, less than a year	1,640,549	1,125,902
Longer than a year, less than five years	578,383	544,858
Longer than five years	152	153
Total	**6,000,835**	**5,480,777**

This caption includes savings deposits raised by LeasePlan Bank amounting to EUR 5.894 billion (year-end 2016: EUR 5.386 billion) of which 46.7% (year-end 2016: 48.8%) 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. LeasePlan Bank is also operating on the German banking market with a cross border offering from the Amsterdam office.

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

	30 September 2017	31 December 2016
Three months or less	0.56%	0.75%
Longer than three months, less than a year	0.82%	1.10%
Longer than a year, less than five years	1.49%	2.00%
Longer than five years	n/a	n/a

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

Note 13 - 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, other accruals and other deferred amounts owed.

Note 14 - Borrowings from financial institutions

This item includes amounts owed to banks under government supervision.

The maturity analysis of these loans is as follows:

		30 September 2017	31 December 2016
On demand	5	120,202	185,076
Three months or less		388,455	368,545
Longer than three months, less than a year		910,950	727,810
Longer than a year, less than five years		1,806,137	1,965,909
Longer than five years		6,660	12,044
Total		**3,232,404**	**3,259,384**

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 2016: EUR 1.3 billion) which is non-euro currency denominated. The remainder of the borrowings from financial institutions is denominated in euro.

In May 2016 the Company concluded a term loan with three banks amounting to EUR 1,050 million. As of 30 September 2017 this term loan was fully drawn.

In December 2014 Bumper NL concluded an asset backed securitisation warehousing facility of EUR 250 million with a bank. In December 2016, the revolving period of this committed facility has been extended until December 2017 and increased to EUR 400 million. This facility was fully drawn since January 2017 for an amount of EUR 400 million (year end 2016: EUR 250 million). In the third quarter of 2017, this amount was fully redeemed.

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. During 2016 and the first nine months of 2017 no amounts were drawn under these facilities.

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.

Note 15 - Debt securities issued

This item includes negotiable, interest bearing securities.

	30 September 2017	31 December 2016
Bonds and notes - originated from securitisation transactions	1,606,424	1,435,997
Bonds and notes - other	7,334,893	7,319,911
Bonds and notes - fair value adjustment on hedged risk	34,733	49,443
Total	**8,976,050**	**8,805,351**

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

The average interest rate applicable to the outstanding bonds and notes is 1.4% as of 30 September 2017 (year-end 2016: 1.5%).

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

	30 September 2017	31 December 2016
Three months or less	567,853	316,053
Longer than three months, less than a year	1,944,725	2,045,359
Longer than a year, less than five years	6,168,997	6,141,912
Longer than five years	294,475	302,027
Total	**8,976,050**	**8,805.351**

The caption 'Bonds and notes – originated from securitisation transactions' include notes from Bumper 6 (the Netherlands), Bumper 7 (Germany) Bumper 8 (United Kingdom) and Bumper 9 (the Netherlands) securitisation transactions.

Note 16 - Provisions

This item includes the damage risk retention provision, provision for post-employment benefits and other provisions. The majority of provisions are expected to be recovered or settled after more than 12 months.

Note 17 - 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 2.0 billion as at the balance sheet date (year-end 2016: EUR 1.9 billion). 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 177 million (year-end 2016: EUR 200 million).

For a number of clients, residual value guarantees have been given for a total of EUR 361 million (year-end 2016: EUR 363 million).

Note 18 - 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.

LP Group B.V. is the shareholder of the Company. LP Group B.V. represents a consortium of long-term responsible investors and includes ADIA, ATP, Broad Street Investments, GIC, PGGM and TDR Capital. None of these investors has a(n indirect) 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.

Transactions between the Company and its subsidiaries mainly comprise of long-term funding and cost allocation of group activities as described in Note 1. All business relations with its subsidiaries are in the ordinary course of business and at arm's length.

All business relations with investments accounted for using the equity method are in the ordinary course of business and handled on normal market terms. As of 30 September 2017 an amount of EUR 135 million (year-end 2016: EUR 133 million) is provided as loans to investments accounted for using the equity method.

In 2016 certain members of the Supervisory Board were granted rights by the Consortium to indirectly participate in the share capital of LeasePlan at fair market value and subject to several conditions precedent. This arrangement was never effected and was terminated in 2017 without any participation being made. There was no impact on the group's results or its financial position.

Note 19 - Contingent assets and liabilities

As at 30 September 2017, 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 billion (year-end 2016: EUR 1.8 billion). The Company charges a guarantee fee to the respective subsidiaries based on normal market terms.

On 1 August 2016 the Group entered into a share purchase agreement ('SPA') with FleetCor Technologies Inc. and sold its subsidiary Travelcard Nederland B.V. As part of this SPA the Group has a contingent liability for a specifically agreed period. Based on current knowledge the Group assesses the probability of any economic outflow to be limited.

Note 20 - Events occurring after balance sheet date

No material events occurred after 30 September 2017, that require disclosure in accordance with IFRS, nor events affecting the financial position of the Group as at 30 September 2017 or the result for the period ended 30 September 2017.

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 Company's 30 September 2017 condensed consolidated interim financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and results of the Company and the subsidiaries included in the consolidation as a whole.

Amsterdam, 16 November 2017

Tex Gunning - Chairman of the Managing Board and CEO
Gijsbert de Zoeten - CFO
Marco van Kalleveen - COO
Yolanda Paulissen- CSFIRO
Franca Vossen - CRO

Independent auditor's report

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 September 2017 of LeasePlan Corporation N.V. (the Company), Amsterdam, as set out on the pages 7 to 34, which comprises the condensed consolidated interim balance sheet as at 30 September 2017, the condensed consolidated interim income statement and statement of comprehensive income for the three-month and nine-month periods ended 30 September 2017, the condensed consolidated interim statements of changes in equity, and cash flows for the nine-month period ended 30 September 2017, and the notes to the condensed consolidated 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 these 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 September 2017 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 16 November 2017

KPMG Accountants N.V.

D. Korf RA