'Any car, anytime, anywhere':

LeasePlan announces Strategic Update and strong Full Year 2017 results

AMSTERDAM, the Netherlands, 13 February 2018 – LeasePlan Corporation N.V. (LeasePlan; the "Company"), a global leader in fleet management and driver mobility, today reports strong Full Year 2017 results. LeasePlan also announces a Strategic Update to deliver 'any car, anytime, anywhere'.

Financial Highlights Full Year 2017

- Underlying net result[1] of EUR 532 million, up 17% year on year after EUR 40 million of incremental operating expenses to invest in long term growth
- Net result of EUR 467 million, up 10% versus 2016
- Underlying return on equity 16.7%, up 173 bps
- Serviced fleet[2] growth of 5.5% with 1.7 million cars on the road
- 'The Power of One LeasePlan' operational excellence programme delivered savings of EUR 130 million

Strategic Highlights

- Clear strategic focus on two large and growing markets in Europe[3]:
  - 'Car-as-a-Service' (CaaS) for new cars, a growing EUR 68 billion market
  - High-quality 3-4-year-old used car market, a growing EUR 65 billion market
- LeasePlan is focused on leading the megatrend from ownership to usership to subscription in both the new and high-quality used car markets, and on ultimately delivering 'any car, anytime, anywhere'
- Introducing CarNext.com: a disruptive B2C and B2B digital marketplace that enables customers to buy, lease and subscribe to high-quality used cars in Europe
- Continuing to deliver 'The Power of One LeasePlan', a programme to drive operational excellence globally by implementing best practices and leveraging LeasePlan's scale along all elements of the value chain and across all LeasePlan countries. 'The Power of One LeasePlan' is targeting a EUR 370 million underlying profit before tax uplift in the medium term compared to the 2016 baseline
- Launching LeasePlan Digital to transform the company from an analogue business into a fully digitally-enabled business, delivering digital services at digital cost levels, leveraging the latest digital intelligence technologies
- Commitment to lead the transition from internal combustion engines to alternative powertrain fleets, targeting net zero emissions from LeasePlan's fleet by 2030

[1] This press release has not been audited. Underlying net result consists of net result adjusted for unrealized results on financial instruments, one-time items related to the sale of subsidiaries, restructuring charges and consultancy costs related to 'The Power of One LeasePlan', preparation cost for potential IPO and the tax effect thereof. For the reconciliation between underlying net result and reported IFRS net result, reference is made to the table on page 20 of this press release
[2] Serviced fleet – total funded fleet plus services-only fleet
[3] Source: Embracing the Car-as-a-Service model – The European leasing and fleet management market, Roland Berger January 2018, commissioned by LeasePlan

Key Numbers[1]

	2017	Y-o-Y growth	2016	Y-o-Y growth
Profitability				
Underlying net result (EUR million)	531.6	16.8%	455.3	7.1%
Net result (EUR million)	466.6	9.7%	425.5	-3.8%
Underlying return on equity[4]	16.7%		14.9%	
Volume				
Serviced fleet (millions), as at 31 December	1.745	5.5%	1.654	7.9%
Staff				
Number of FTE's, as at 31 December	6,660		7,116	

Tex Gunning, LeasePlan CEO:

"I am delighted to announce yet another excellent set of results for LeasePlan in 2017. We have more cars on the road than ever before, and at the same time, our underlying net result and return on equity continued to increase significantly. These results underline the strong and resilient nature of our business as well as the ongoing positive impact of our 'The Power of One LeasePlan' operational excellence initiative, which was successfully launched in 2017.

Looking ahead, we can achieve so much more. There is a clear megatrend from ownership to usership and subscription models taking place in both the new and high-quality used car markets. Increasingly, our customers – whether they are corporate, SMEs or private individuals – would prefer a 'Car-as-a-Service' with no strings attached in terms of car type or duration. They just want 'any car, anytime, anywhere'.

LeasePlan will lead this trend. With 1.7 million cars on the road in 32 countries, we are already a global leader in providing our customers with Car-as-a-Service for new cars – a business we will continue to invest in. We are also in a unique position to lead the growing €65 billion Car-as-a-Service market for high-quality 3-4-year-old cars thanks to the introduction of our new CarNext.com business. CarNext.com is a disruptive B2C and B2B digital marketplace that enables customers to buy, lease and subscribe to high-quality used cars in Europe.

Our leadership position across these two markets, as well as our continuing focus on operational excellence and cost control across the company, will be further enhanced by our new LeasePlan Digital programme. The objective of LeasePlan Digital is simple: to deliver best-in-class digital services to all our customers in all areas of our business at digital cost levels, leveraging the latest digital technologies. Ultimately, this is how we provide our customers with 'any car, anytime, anywhere'. This is what's next for LeasePlan."

LeasePlan Strategy

LeasePlan's strategy is to continue to lead the megatrend from ownership to usership and subscription models taking place in both the new and high-quality used car markets, ultimately delivering 'any car, anytime, anywhere'. To support the delivery of its strategy, the company has established five pillars:

[1] This press release has not been audited. Underlying net result consists of net result adjusted for unrealized results on financial instruments, one-time items related to the sale of subsidiaries, restructuring charges and consultancy costs related to 'The Power of One LeasePlan', preparation cost for potential IPO and the tax effect thereof. For the reconciliation between underlying net result and reported IFRS net result, reference is made to the table on page 20 of this press release

[4] LTM Underlying return on equity throughout this document is defined as Last Twelve Months Underlying net result divided by the average IFRS equity (average monthly equity of the last 12 months) over the related period

1. Continue to grow our Car-as-a-Service business for new cars
We will continue to grow our Car-as-a-Service (CaaS) business which encompasses subscription-based mobility solutions with integrated services. LeasePlan is a global leader in this EUR 68 billion[3] growth market. Our approach will be to target disciplined profitable growth in the most attractive and service-intensive segments of the market: Corporate, SMEs and Mobility Platform customers. Within these segments, we will build on our current high-value offering with innovative new products and services in areas including repairs and maintenance, insurance, and low-emission vehicles. Going forward, LeasePlan's leadership position will be further enhanced by its growing digital capabilities, which will enable us to deliver a superior online and offline service to all our customers at digital cost levels. Looking further ahead, we also expect our Car-as-a-Service business to benefit significantly from other megatrends in the mobility space, such as the expected arrival of autonomous vehicles which will increase the need for the sophisticated fleet management services we provide.

The Car-as-a-Service market for new cars has grown every year for the last 15 years. Historically, CaaS penetration has been low, accounting for only 4.8% of the total European car parc in 2016[3]. However, penetration is growing and represents a significant opportunity for future market growth. According to Roland Berger[3], the CaaS market is expected to grow at approximately 5.2% CAGR from 2016 to 2025, mainly driven by the underlying megatrends of outsourcing and the general transition from ownership to usership to subscription. Forecasted CaaS market growth is expected to increase the CaaS penetration in the total car parc, reaching about 6.8% by 2025[3].

2. Launch CarNext.com and disrupt the market for high-quality used cars
The European used car market is large but ripe for disruption as it is highly fragmented and inefficient (both in comparison with other used car markets such as the US, as well as non-car retail verticals), with low levels of transparency and consumer trust. At the same time, customers are increasingly demanding convenient, transparent and flexible solutions, including the ability not only to buy, but also lease and subscribe to high quality used vehicles. As Europe's largest reseller of high quality 3-4 year-old used cars (approximately 250,000 a year) with a trusted brand, access to rich car market data and an existing pan-European network, LeasePlan is in a unique position to disrupt this market and generate significant incremental profits.

In 2017, LeasePlan launched CarNext.com with an aim to create the leading marketplace for flexible mobility solutions centred on trust, efficiency and transparency. With 1.2 million cars on the road in Europe and a guaranteed supply of 250,000 well-maintained cars returned every year out of LeasePlan's Car-as-a-Service business, CarNext.com is able to deliver 'Any used car, anytime, anywhere' to customers in Europe.

Specifically, CarNext.com provides its customers with unprecedented flexibility to buy, lease or subscribe to any used vehicle on its platform. Its proprietary Asset Control Tower data analysis tool matches vehicle supply from LeasePlan together with customers' mobility demand one to one in real time, allowing LeasePlan to maximise car lifecycle value across European geographies and products (sale, lease subscription). Ultimately, this service will be extended beyond LeasePlan to trusted 3rd party owners of high quality used cars.

CarNext.com will operate primarily through its online CarNext.com platform, supported by a Pan-European network of up to 50 delivery stores, where customers can view its high-quality used cars, receive necessary consultation services and make a final decision. All the cars on the CarNext.com platform are well maintained, can be trusted and come with the guaranteed endorsement of LeasePlan.

CarNext.com is already growing strongly. In the financial year 2017, CarNext.com grew its penetration of B2C sales in Europe from 7% to a run-rate of 15% at year-end 2017. In addition, used Car-as-a-Service was introduced at scale resulting in 3,200 used cars being leased in 2017.

Long-term, we expect CarNext.com to be a multi-hundred million Euro profit opportunity for LeasePlan, as the megatrend towards Car-as-a-Service takes place not just in the new car market, but also in the high-quality 3-4-year-old used car market.

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[3] Source: Embracing the Car-as-a-Service model – The European leasing and fleet management market, Roland Berger January 2018, commissioned by LeasePlan

3. Drive further operational excellence through 'The Power of One LeasePlan'
In 2017, we launched an operational improvement program to get the fundamentals in place for the future, implementing best practices and leveraging LeasePlan's scale along all elements of the value chain and across all LeasePlan countries. Best practices in repairs, maintenance and tyres, insurance and used car sales add a lot of value for our customers and will continue to create significant value for our shareholders. Leveraging our scale in Procurement, IT and Digital will further enable us to grow and service our customers better. Historically, LeasePlan was managed through a multi-local organisation, with LeasePlan's overall results being the aggregate of its local business activities. With 'The Power of One LeasePlan', we have created a fully integrated operating model globally, laying the foundations on which we will build our business and capitalize on the exciting opportunities we see for strong and sustainable growth in the years ahead.

In total, 'The Power of One LeasePlan' is targeting a EUR 370 million profit before tax uplift in the medium term compared to the 2016 baseline, of which EUR 130 million was realized in 2017. Nearly half of the benefits are expected to be achieved through reducing operating expenses with the balance coming from gross profit improvement. The Power of One LeasePlan will continue for the foreseeable future in line with our relentless focus on operational excellence. In parallel, LeasePlan is investing significantly to drive strong long term growth. In 2017, LeasePlan had EUR 40 million incremental operating expenses, invested primarily in the ramp-up of Marketing, LeasePlan Digital and CarNext.com operations.

4. Roll out LeasePlan Digital to deliver digital services at digital cost levels, ultimately leading to the delivery of 'any car, anytime, anywhere'
In order to deliver LeasePlan's vision of 'any car, anytime, anywhere' in both our new and used 'Car-as-a-Service' markets, we launched in 2017 our new 'LeasePlan Digital' programme. The objective of this programme is to transform LeasePlan from an analogue business into a fully digitally-enabled business, delivering digital services through digital platforms at digital cost levels, leveraging the latest digital intelligence technologies (e.g., artificial intelligence, algorithms and deep learning). Specific focus areas include enhancing digital engagement with our customers and building a digital market platform for CarNext.com. We will also leverage the latest technology to achieve digital cost levels by automating processes using machine learning, artificial intelligence and robotics. Furthermore, a fully digitized business model will put LeasePlan in an excellent position when autonomous fleet management becomes main-stream. To support the rollout of LeasePlan Digital, we established in 2017 the LeasePlan Digital Hub in Amsterdam. The LeasePlan Digital team will grow significantly in the coming years in order to develop the platforms, products, services and competencies required to deliver 'any car, anytime, anywhere'.

5. Aim to achieve net zero emissions from its total fleet by 2030
LeasePlan is taking a leadership role in the transition from internal combustion engines to alternative powertrains. We have therefore set ourselves the ambitious goal of achieving net zero emissions from our total fleet by 2030, supporting the effective implementation of the Paris Agreement and climate-related Sustainable Development Goals. Key elements of our sustainability strategy include educating customers on what's next in low-emission vehicles, facilitating the uptake of low-emission vehicles with attractive customer propositions and transitioning LeasePlan's own employee fleet to an electric vehicle fleet by 2021. To further support our sustainability ambitions, LeasePlan became a founding partner of EV100, a new global business initiative designed to fast-track the uptake of electric vehicles and infrastructure among large global corporations, launched by The Climate Group around the UN General Assembly in September 2017.

The CO_2 performance of LeasePlan's Serviced fleet is continuously improving. Throughout the period 2011-2017, the CO_2 footprint of LeasePlan's fleet of diesel vehicles improved by 4.8% per annum on average and 4% per annum on average for the company's fleet of petrol vehicles.

Group performance

Underlying Income statement

In millions of euros, unless otherwise stated	2017	Y-o-Y growth	2016	Y-o-Y growth
Serviced fleet (millions), as at 31 December	1,745	*5.5%*	1,654	*7.9%*
Lease & Additional Services Income	6.497.8		6.261.9	
Vehicles sales & end-of-contract fees	2,863.1		2,937.1	
Revenues	**9,360.9**	*1.8%*	**9,199.0**	*3.4%*
Lease & Additional Services cost	5,100.8		4,940.6	
Vehicles & disposal cost	2,706.0		2,750.6	
Underlying direct cost of revenues	**7,806.8**	*1.5%*	**7,691.2**	*3.7%*
As a % of Revenues	*83.4%*		*83.6%*	
Lease Services	565.5		543.2	
Fleet Management & other Services	286.7		286.8	
Repair & Maintenance Services	307.0		289.5	
Damage & Insurance Services	237.8		201.9	
End of Contract fees	115.8		117.4	
Profit/loss on disposal of vehicles	41.3		69.0	
Underlying gross profit	**1,554.1**	*3.1%*	**1,507.8**	*1.5%*
As a % of Revenues	*16.6%*		*16.4%*	
Staff expenses	543.0		567.8	
Other operating expenses	289.1		291.3	
Other depreciation and amortisation	47.7		55.3	
Underlying total operating expenses	**879.8**	*-3.8%*	**914.4**	*1.1%*
As a % of Revenues	*9.4%*		*9.9%*	
Share of profit of associates and jointly controlled	2.3		4.6	
Underlying profit before tax	**676.6**	*13.1%*	**598.0**	*1.9%*
As a % of Revenues	*7.2%*		*6.5%*	
Underlying tax	145.0		142.7	
Underlying net result	**531.6**	*16.8%*	**455.3**	*7.1%*
As a % of Revenues	*5.7%*		*4.9%*	
Underlying adjustments	(65.0)		(29.8)	
Reported net result	**466.6**	*9.7%*	**425.5**	*-3.8%*
As a % of Revenues	*5.0%*		*4.6%*	

LeasePlan has adapted the income statement of its Directors Report in order to provide increased transparency in our financial performance. Underlying net results are shown as an important performance measure, to adjust for impacts related to unrealized results on financial instruments, one-time items related to the sale of subsidiaries, restructuring and consultancy costs related to 'The Power of One LeasePlan,' preparation costs for a potential IPO and the related tax effect. For the reconciliation between the underlying net result and the reported IFRS net result, reference is made to the table on page 20 of this press release.

Full Year Serviced fleet growth reached 5.5%. At year-end 2017, LeasePlan had a diversified and high-quality customer base of approximately 179,000 customers, with 59% of customers being investment grade[5]. The customer mix for CaaS as a percentage of Serviced fleet was 80% Corporate, 17% SME's and 3% Private at year end 2017. Our corporate customers continued to be well-diversified across sectors and geographies. Mobility providers are currently a small but dynamic part of the customer mix, and are expected to show strong growth in the future. In 2017, LeasePlan signed a pan-European strategic partnership with Uber, and other local partnerships with leading mobility providers to provide those companies' drivers with access to our Car-as-a-Service model.

Revenues grew by 2% to EUR 9,361 million (3% excluding currency impact), driven by the increase in Lease & Additional Services Income, which in turn was largely due to the 5.5% increase in Serviced fleet but partially offset by a decrease in Vehicle sales. Whilst the Average Vehicle sales proceeds as % of MSRP[6] improved, the average sales proceeds decreased in Euro terms due to the smaller size of cars sold, on average, versus 2016.

Underlying gross profit grew by 3.1% to EUR 1,554 million for 2017. Underlying gross profit showed growth in all Lease & Additional Services income streams, most notably the Lease Services (which includes Interest Income and Depreciation), Repair & Maintenance Services and Damage & Insurance Services, driven by overall fleet growth and increased penetration of our Damage & Insurance products (insured fleet increased to 764,000 units). 'The Power of One LeasePlan' contributed to an increase in gross margins due to a reduction in repair costs, shifts in procurement spend towards LeasePlan's preferred dealer network and increased vehicle procurement discounts and bonuses.

End-of-contract fees, which includes Excessive wear and tear and Mileage variation adjustments, were EUR 116 million in 2017 versus EUR 117 million in 2016. End-of-contract fees are relatively stable year-to-year and linked to the number of vehicles sold.

Profit/Loss on Disposal of Vehicles[7] (PLDV) was EUR 41 million versus EUR 69 million in 2016. This reduction has not been the result of a change in used car prices or market conditions of late. Prices for 3-4-year-old high-quality diesel cars remained stable throughout 2017 and are expected to remain stable in the medium term according to a recent study published by Roland Berger[3]. Rather, this reduction represents a predictable normalisation of the exceptional levels of Profit on the Disposal of Vehicles generated on cars leased in the dislocated market that followed the financial crisis of 2008/09.

As stated in LeasePlan's Q3 2017 results, 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 an expectation of unusually low Vehicle Sales proceeds. As used car prices have gradually risen, returning to the more normal levels we see today, LeasePlan has (1) generated strong Profit on the Disposal of Vehicles with contracts written during the financial crisis, and (2) gradually adjusted the Contract-End Book Values[8] within new contracts to reflect this market recovery and more normalised levels of profitability on disposal of vehicles. The reduction we are currently seeing in our PLDV 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 'The Power of One LeasePlan' initiatives.

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[3] Source: Embracing the Car-as-a-Service model – The European leasing and fleet management market, Roland Berger January 2018, commissioned by LeasePlan
[5] Based on S&P ratings for top 100 customers as of June 30, 2017 investment grade defined as BBB- or above
[6] Manufacturer's suggested retail price
[7] Profit/Loss on Disposal of vehicles was formerly called Residual Value Results
[8] Contract-End Book Value: Initial Contract-End Book Value of a vehicle, modified for any Interim Contract Adjustments to book value arising between start and end of contract

Underlying Operating Expenses were down 4% versus 2016, to EUR 880 million. Our 'The Power of One LeasePlan' operational improvement program achieved a decrease in operating expenses, which was partly reinvested in Marketing, LeasePlan Digital and CarNext.com operations.

The effective tax rate decreased in 2017 versus 2016, largely driven by additional tax depreciation allowances in Italy and a revaluation of LeasePlan's deferred tax liabilities in certain countries e.g. the United States following new tax legislation in 2017.

Underlying Net result improved to EUR 532 million in 2017 versus EUR 455 million in 2016. The EUR 77 million year-on-year improvement was driven by higher Gross Profit, lower Operating Expenses and an improved effective tax rate. Underlying net results included EUR 40 million of incremental operating expenses invested in long-term growth.

Underlying adjustments to net profit totalled EUR 65 million. This includes unrealized results on financial instruments, one-time items related to the sale of subsidiaries, restructuring charges and consultancy costs related to 'The Power of One LeasePlan', preparation costs for a potential IPO and the tax effect thereof. Reported Net result improved to EUR 467 million in 2017 from EUR 426 million in 2016.

Funding and capital position
LeasePlan continued its diversified funding activities over 2017 raising a total of EUR 4.3 billion in retail deposits, secured and unsecured debt. LeasePlan concluded two public senior unsecured transactions totalling EUR 1.25 billion with a further EUR 1.3 billion placed in private placement format across nine separate currencies. LeasePlan's retail bank increased its retail deposits in the Netherlands and Germany by EUR 508 million to EUR 5.9 billion (2016: EUR 5.4 billion) while the company successfully raised EUR 1.2 billion from its Asset Backed Securities (Bumper) programme, including Bumper 8 in the UK for a total of GBP 425 million and Bumper 9 in the NL for EUR 574 million.

In addition, LeasePlan re-negotiated its existing undrawn revolving credit facility with a consortium of banks extending it for a further 5 years for a total of EUR 1.5 billion, resulting in a very robust liquidity buffer of EUR 4.5 billion.

Following the Supervisory Review and Evaluation Process (SREP) by the Dutch central bank (DNB), LeasePlan's minimum requirements for 2018 were set at 8.7% for the CET1 capital ratio and 12.2% for the total SREP capital requirement. The total SREP capital requirement excludes the combined buffer requirement (i.e. counter-cyclical buffer and capital conservation buffer). LeasePlan currently exceeds its regulatory capital requirements and its capital position remains solid, with a CET1 capital ratio and total capital ratio of 17.7%[9] as at 31 December 2017.

In November, S&P revised LeasePlan's outlook to positive from stable. The BBB-/A-3 long and short term issuer credit ratings were affirmed. The ratings and outlook from Moody's and Fitch have remained unchanged (Baa1/P-2/Stable respectively BBB+/F2/Stable).

Financial Targets and Outlook
In the medium term, LeasePlan targets low double digit underlying net result CAGR, an increase in its already strong underlying return on equity and strong dividend payout ratios on its reported results (60% p.a. over the past three years). These medium term targets include the targeted EUR 370 million impact of 'The Power of One LeasePlan' versus 2016 mentioned above, a prudent contingency of EUR 100 million before tax for decline in PLDV resulting from the expected normalisation referenced above and a targeted uplift of EUR 90 million in profit before tax resulting from CarNext.com.

Quarterly year-on-year growth might vary from one quarter to the next and not be representative of our medium term growth target because of the quarterly phasing of 'The Power of One LeasePlan' savings, incremental expenses to invest in long-term growth and the PLDV normalisation.

LeasePlan continues to explore various strategic alternatives, including an Initial Public Offering.

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[9] In determining the CET1 capital ratio, the results for the second half of the year 2017 are not included

Condensed Consolidated financial statements

Consolidated income statement

for the year ended 31 December

In thousands of euros	Note	2017	2016[10]
Operating Lease income		3,836,499	3,761,075
Finance Lease & other interest income		124,514	131,809
Additional Services income		2,536,802	2,369,121
Vehicle sales & Endof Contract fees		2,863,105	2,937,062
Revenues	**1**	**9,360,920**	**9,199,067**
Depreciation cars		3,069,892	3,006,590
Finance cost		306,170	322,917
Unrealized (gains)/losses on financial instruments		(9,378)	(4,776)
Impairment charges on loans and receivables		19,452	20,168
Lease cost		3,386,136	3,344,899
Additional Services cost		1,705,256	1,590,977
Vehicle & disposal cost		2,706,033	2,750,617
Direct cost of revenues	**1**	**7,797,425**	**7,686,493**
Lease Services		574,877	547,985
Additional Services		831,546	778,144
Vehicle Results & End of Contract fees		157,072	186,445
Gross profit	**1**	**1,563,495**	**1,512,574**
Staff expenses		570,614	640,977
Other operating expenses		357,023	310,602
Other depreciation and amortisation		55,935	56,403
Total operating expenses		**983,572**	**1,007,982**
Other income	2	5,057	39,068
Share of profit of investments accounted for using the equity method		2,301	4,596
Profit before tax		**587,281**	**548,256**
Income tax expenses		120,675	122,790
Net result attributable to owners of the parent		**466,606**	**425,466**

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

[10] Prior year figures have been adjusted for comparison purposes. For further details, please refer to the Change in presentation of the consolidated income statement under the Notes regarding financial information presented in this press release.

Consolidated statement of comprehensive income

for the year ended 31 December

In thousands of euros	**2017**	**2016**
Net result	**466,606**	**425,466**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of post-employment benefit reserve, before tax	2,505	3,736
Income tax on post-employment benefit reserve	- 998	- 1,162
Subtotal changes post-employment benefit reserve, net of income tax	**1,507**	**2,574**
Items that may be subsequently reclassified to profit or loss		
Changes in cash flow hedges, before tax	4,296	11,460
Cash flow hedges recycled from equity to profit and loss, before tax	15	- 6,863
Income tax on cash flow hedges	- 1,078	- 1,149
Subtotal changes in cash flow hedges, net of income tax	**3,233**	**3,448**
Exchange rate differences	- 46,162	- 18,848
Other comprehensive income, net of income tax	**- 41,422**	**- 12,826**
Changes in post-employment benefit plans in associates	-	398
Total comprehensive income for the year	**425,184**	**413,038**
Comprehensive income attributable to		
Owners of the parent	425,184	413,038

Consolidated balance sheet
as at 31 December

In thousands of euros	**2017**	**2016**
Assets		
Cash and balances at central banks	2,349,162	1,857,144
Receivables from financial institutions	547,296	490,448
Derivative financial instruments	103,458	224,898
Other receivables and prepayments	1,178,859	980,292
Inventories	384,775	280,519
Loans to investments accounted for using the equity method	140,500	125,275
Corporate income tax receivable	26,629	57,906
Lease receivables from clients	3,260,694	3,425,539
Property and equipment under operating lease and rental fleet	16,708,694	15,919,429
Other property and equipment	93,982	91,806
Investments accounted for using the equity method	12,983	27,394
Intangible assets	185,679	174,179
Deferred tax assets	97,052	118,178
	25,089,763	**23,773,007**
Assets classified as held-for-sale	20,107	13,763
Total assets	**25,109,870**	**23,786,770**

See continuation of this table on the next page.

Consolidated balance sheet - *continued*

as at 31 December

In thousands of euros	**2017**	**2016**
Liabilities		
Funds entrusted	6,002,501	5,480,777
Derivative financial instruments	80,369	77,584
Trade and other payables and deferred income	2,408,074	2,320,288
Corporate income tax payable	31,303	40,454
Borrowings from financial institutions	3,323,132	3,259,384
Debt securities issued	9,337,826	8,805,351
Provisions	454,057	454,507
Deferred tax liabilities	248,622	272,723
Total liabilities	**21,885,884**	**20,711,068**
Equity		
Share capital	71,586	71,586
Share premium	506,398	506,398
Other reserves	- 51,147	- 9,725
Retained earnings	2,697,149	2,507,443
Total equity	**3,223,986**	**3,075,702**
Total equity and liabilities	**25,109,870**	**23,786,770**

Consolidated 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				425,466	425,466
Other comprehensive income			- 12,826	-	- 12,826
Post-employment plans in associates				398	398
Total comprehensive income			**- 12,826**	**425,864**	**413,038**
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 31 December 2016	**71,586**	**506,398**	**- 9,725**	**2,507,443**	**3,075,702**
Net result				466,606	466,606
Other comprehensive income			- 41,422	-	- 41,422
Total comprehensive income			**- 41,422**	**466,606**	**425,184**
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 31 December 2017	**71,586**	**506,398**	**- 51,147**	**2,697,149**	**3,223,986**

Consolidated statement of cash flows

for the year ended 31 December

In thousands of euros	**2017**	**2016[10]**
Operating activities		
Net result	466,606	425,466
Adjustments:		
Interest income and expense	181,656	191,109
Impairment on receivables	19,452	20,168
Depreciation operating lease portfolio and rental fleet	3,167,014	3,098,115
Depreciation other property and equipment	26,607	26,740
Gain on Sale of Subsidiaries / Associates	- 5,057	- 40,650
Amortisation and impairment intangible assets	29,501	29,663
Share of profit of investments accounted for using the equity method	- 2,301	- 4,596
Financial instruments at fair value through profit and loss	- 9,378	- 4,776
Income tax expense	120,675	122,790
Changes in:		
Provisions	- 44,921	74,910
Derivative financial instruments	116,186	- 61,384
Trade and other payables and other receivables	- 46,564	- 154,519
Inventories	150,856	192,485
Amounts received for disposal of vehicles under operating lease	2,173,709	2,226,427
Amounts paid for acquisition of vehicles under operating lease	- 6,621,364	- 7,432,245
Acquired new finance leases	- 1,186,794	- 1,278,079
Repayment finance leases	1,205,203	1,232,580
Interest paid	- 323,939	- 313,962
Interest received	124,615	131,715
Income taxes paid	- 121,525	- 133,209
Income taxes received	35,828	20,681
Cash used in operating activities	**- 543,935**	**- 1,630,571**

See continuation of this table on the next page.

[10] Prior year figures have been adjusted for comparison purposes. For further details, please refer to the Change in presentation of the consolidated income statement under the Notes regarding financial information presented in this press release.

Consolidated statement of cash flows - *continued*

for the year ended 31 December

In thousands of euros	2017	2016[10]
Investing activities		
Purchases of other property and equipment (net)	- 30,113	- 28,004
Purchases of intangible assets (net)	- 42,590	- 33,817
Loans provided to investments accounted for using the equity method	- 71,475	- 71,950
Redemption on loans to investments accounted for using the equity method	56,250	50,000
Dividend received from investments accounted for using the equity method	1,420	720
Changes in held-for-sale investments	- 8,499	- 5,062
Proceeds from sale of subsidiaries	17,500	40,650
Cash used in investing activities	**- 77,507**	**- 47,463**
Financing activities		
Receipt of receivables from financial institutions	3,299,301	2,751,687
Balances deposited to financial institutions	- 3,349,265	- 2,923,665
Receipt of borrowings from financial institutions	3,756,794	3,469,973
Repayment of borrowings from financial institutions	- 3,672,830	- 2,112,567
Receipt of funds entrusted	2,317,780	2,187,510
Repayment of funds entrusted	- 1,795,935	- 1,793,706
Receipt of debt securities	3,602,148	2,872,668
Repayment of debt securities	- 2,774,552	- 2,209,760
Dividends paid to Company's shareholders	- 276,900	- 408,800
Cash generated from financing activities	**1,106,540**	**1,833,340**
Cash and balances with banks as at 1 January	**1,739,066**	**1,583,373**
Net movement in cash and balances with banks	485,098	155,306
Exchange gains/losses on cash and balances with banks	565	387
Cash and balances with banks as at 31 December	**2,224,729**	**1,739,066**

[10] Prior year figures have been adjusted for comparison purposes. For further details, please refer to the Change in presentation of the consolidated income statement under the Notes regarding financial information presented in this press release.

Notes regarding financial information presented in this press release

Presentation
All amounts are in thousands of euros unless otherwise stated. Due to rounding, amounts may not add up precisely to totals provided. All reported data is unaudited. Financial reporting is in accordance with the accounting policies as stated in the Annual Report 2016, unless otherwise stated. The presentation of certain prior-year information has been adjusted to conform to the current-year presentation.

These condensed consolidated financial statements do not include Company financial statements. Annual Company financial statements will be included in the Group's Annual report for the year ended 31 December 2017. The Group's Financial Statements for 2017 are in progress and may be subject to adjustments resulting from subsequent events.

The presentation of the Consolidated income statement as well as various profit streams changed per December 2017. Consequently, the comparative figures in these condensed consolidated financial statements have been adjusted.

Change in presentation of the consolidated income statement
In previous years, the Group prepared its audited consolidated financial statements in accordance with bank-specific reporting requirements, due to the fact that LeasePlan Corporation N.V. has a banking licence. This resulted in the Group reporting net interest income/expense and net finance income/expense on its reported income statement as separate line items below the gross profit line. Starting 2017, the Group changed the presentation of the income statement to allocate these line items to revenues and direct cost of revenues as reallocating these items above the gross profit line more accurately reflects the internal organisation and reporting structure, and, consequently, enhances the transparency and insight. With this change in line with IFRS, the operating lease income is presented in revenues in one line item, whereas the interest part was previously separately presented as part of net interest income. The income statement for the year ended 31 December 2016 has been restated to reflect this new presentation.

In presentation of revenues, the Group has decided to distinguish four revenue streams composing of revenues from operating leases, finance leases, additional services provided and the vehicles sales for which the contracts ended. Direct cost of revenues have also been revised in line with the abovementioned changes to the presentation of revenues. Revisions include the new way of presentation of finance costs, unrealized gains/losses on financial instruments and impairment charges on loans and receivables as part of direct cost of revenues. Consequently, gross profit streams have also been presented in categories of leases, additional services and vehicle sales. Furthermore, other income is now presented separately below the operating expenses in the income statement.

The amended presentation has been applied retrospectively to the 2016 comparative figures in the consolidated income statement and in the consolidated statement of cash flows. The comparative amounts have been adjusted as disclosed in the following table.

Consolidated income statement

for the year ended 31 December

In thousands of euros	2016 Previously reported	Reclassifications: Interest income operating lease	Interest income finance lease and other	Interest expenses and similar charges	Impairment charges on loans and receivables	Unrealized (gains)/ losses on financial instruments	Other income	2016 Adjusted
Revenues	**8,430,912**	**636,347**	**131,808**	**-**	**-**	**-**	**-**	**9,199,067**
Direct cost of revenues	**(7,348,165)**	**19**		**322,917**	**20,168**	**(4,776)**	**-**	**(7,686,493)**
Gross profit	**1,082,747**	**636,328**	**131,808**	**(322,917)**	**(20,168)**	**4,776**	**-**	**1,512,574**
Interest and similar income	768,136	(636,328)	(131,808)					-
Interest expenses and similar charges	(322,917)			322,917				-
Net interest income	**445,219**	**(636,328)**	**(131,808)**	**322,917**				**-**
Impairment charges on loans and receivables	(20,168)				(20,168)			-
Unrealized gains/(losses) on financial instruments	4,776					4,776		-
Net finance income	**429,827**	**(636,328)**	**(131,808)**	**322,917**	**20,168**	**(4,776)**		**-**
Other income	**39,068**						**(39,068)**	**-**
Total operating expenses	**(1,007,982)**							**(1,007,982)**
Other income							39,068	39,068
Share of profit of investments accounted for using the equity method	4,596							4,596
Profit before tax	**548,256**	**-**	**-**	**-**	**-**	**-**	**-**	**548,256**
Income tax expenses	(122,790)							(122,790)
Net result attributable to owners of the parent	**425,466**	**-**	**-**	**-**	**-**	**-**	**-**	**425,466**

The change in format, as described above, has impact on the presentation of items in the consolidated income statement. Due to changes in the consolidated income statement, certain line items in the consolidated statement of cash flows changed. The changes did not impact the total net cash flow from operating, investing and financing activities. There is no impact for the statements of comprehensive income and the statements of changes in equity.

Use of judgements and estimates
The preparation of the condensed consolidated 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 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.

Explanatory notes to the condensed consolidated financial statements

All amounts are in thousands of euros, unless stated otherwise

Note 1 - Revenues and cost of revenues

Revenues (lease income, additional services 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.

In thousands of euros	**2017**	**2016**
Operating Lease - fees	3,189,989	3,124,748
Operating Lease - interest income	646,510	636,327
Operating Lease income	3,836,499	3,761,075
Finance Lease & other interest income	124,514	131,809
Additional Services income	2,536,802	2,369,121
Vehicle sales & End of contract fees	2,863,105	2,937,062
Revenues	**9,360,920**	**9,199,067**

Direct cost of revenues
Direct cost of revenues comprises the costs associated with providing the above-mentioned lease and additional services, the sale of vehicles and related finance cost and impairment charges.

In thousands of euros	**2017**	**2016**
Depreciation cars	3,069,892	3,006,590
Finance cost	306,170	322,917
Unrealized (gains)/losses on financial instruments	(9,378)	(4,776)
Impairment charges on loans and receivables	19,452	20,168
Lease cost	3,386,136	3,344,899
Additional Services cost	1,705,256	1,590,977
Vehicle & disposal cost	2,706,033	2,750,617
Direct cost of revenues	**7,797,425**	**7,686,493**

Gross profit (net lease income and vehicles sales income)
The gross profit (revenues less cost of revenues) can be shown as follows:

In thousands of euros	2017	2016
Lease Services	565,499	543,209
Unrealized (gains)/losses on financial instruments	(9,378)	(4,776)
Lease Services	574,877	547,985
Fleet Management & Other Services	286,749	286,809
Repair & Maintenance Services	306,965	289,484
Damage & Insurance	237,832	201,851
Additional Services	831,546	778,144
End of Contract fees	115,770	117,407
Profit/loss on disposal of vehicles	41,302	69,038
Vehicle results & End of Contract fees	157,072	186,445
Gross profit	**1,563,495**	**1,512,574**

Net finance income

In thousands of euros	2017	2016
Operating Lease - interest income	646,510	636,327
Finance Lease & other interest income	124,514	131,809
Finance cost	306,170	322,917
Net interest income	464,854	445,219
Unrealized gains/(losses) on financial instruments	9,378	4,776
Impairment charges on loans and receivables	(19,452)	(20,168)
Net finance income	**454,780**	**429,827**

Note 2 - Other income
Other income includes the result of the sale of its 24% interest in Terberg Leasing B.V. In the financial year 2016 other income included the result of the sale of Travelcard Nederland B.V.

Note 3 - Non-GAAP measures
LeasePlan has adapted the income statement of its Directors Report in order to provide increased transparency in our financial performance. Underlying net results are shown as an important performance measure, to adjust for impacts related to unrealized results on financial instruments, one-time items related to the sale of subsidiaries, restructuring and consultancy related to the Power of One LeasePlan, preparation costs for a potential IPO and the related tax effect. The reconciliation from IFRS measures to non-GAAP measures for 2017 and 2016 is included in the tables on the next page.

In thousands of euros	IFRS results 2017	Non-recurring items				Underlying results 2017
		Power of One LP restructuring	Unrealized results on financial instruments	Gains/ lossess on the sale of investments	Tax effect	
Revenues	**9,360,920**					**9,360,920**
Direct cost of revenues	**7,797,425**		**9,378**			**7,806,803**
Gross profit	**1,563,495**		**- 9,378**			**1,554,117**
Total operating expenses	**983,572**	**- 103,707**				**879,865**
Other income	5,057			- 5,057		-
Share of profit of investments accounted for using the equity method	2,301					2,301
Profit before tax	**587,281**	**103,707**	**- 9,378**	**- 5,057**		**676,553**
Income tax expenses	120,675				24,361	145,036
Net result attributable to owners of the parent	**466,606**	**103,707**	**- 9,378**	**- 5,057**	**- 24,361**	**531,517**

In thousands of euros	IFRS results 2016	Non-recurring items				Underlying results 2016
		Power of One LP restructuring	Unrealized results on financial instruments	Gains/ lossess on the sale of investments	Tax effect	
Revenues	**9,199,067**					**9,199,067**
Direct cost of revenues	**7,686,493**		**4,776**			**7,691,269**
Gross profit	**1,512,574**		**- 4,776**			**1,507,798**
Total operating expenses	**1,007,982**	**- 93,592**				**914,390**
Other income	39,068			- 39,068		-
Share of profit of investments accounted for using the equity method	4,596					4,596
Profit before tax	**548,256**	**93,592**	**- 4,776**	**- 39,068**		**598,004**
Income tax expenses	122,790				19,892	142,682
Net result attributable to owners of the parent	**425,466**	**93,592**	**- 4,776**	**- 39,068**	**- 19,892**	**455,322**

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About LeasePlan
LeasePlan is one of the world's leading Car-as-a-Service companies, with 1.7 million vehicles under management in 32 countries. LeasePlan manages the entire vehicle life-cycle for its corporate, SME and private customers, taking care of everything from purchasing, insurance and maintenance to car resale. LeasePlan's core businesses are Car-as-a-Service, a EUR 68 billion market, and CarNext.com, an independent marketplace for flexible used-car mobility solutions, serving a EUR 65 billion market. With over 50 years' experience, LeasePlan's 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**.

Disclaimer
Financial and other information in this document may contain certain forward-looking statements (all statements other than those made solely with respect to historical facts) based upon beliefs and data currently available to management. These statements are based on a variety of assumptions that may not be realized and are subject to significant business, economic, legal and competitive risks and uncertainties. Our actual operations, financial conditions, cash flows and operating results may differ materially from those expressed or implied by any such forward-looking statements and we undertake no obligation to update or revise them.

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