

Autohellas Hertz ATEE

FIRST SEMESTER RESULTS 2013

INCREASED INBOUND TOURISM LEADS TO IMPROVED PROFITABILITY

The substantial increase in short term rentals, as a result of increased tourist arrivals, has kept consolidated turnover to last year's levels at €68.6mill despite the continuous slowdown in the operating leasing market.

As a result, consolidated earnings before tax for the first semester reported profits of €3mill from €0.5mill losses in 2012, despite the fact that traditionally the biggest part of turnover is made on the third quarter of the year due to short-term renting seasonality, giving positive signs for the future.

The increase in corporate tax percentage to 26% from 20% as from 1st Jan 2013 has increased substantially the company's deferred tax liability by €4.5 mill (during Q1). As a result consolidated turnover after tax and minority rights showed losses of €2.4mill despite the fact that before-tax earnings showed substantial improvement.

The positive profitability momentum is reflected as well in the second quarter after-tax earnings which reached €2.4mill from €323thousands in last year's respective period.

It must be said that consolidated earnings before tax, depreciation and financial results were €30.2mill while at the same time cash flows were positive by €6.4mill allowing consolidated cash reserves to remain at €71.4mill despite doubling the investment for new vehicles to €22mill from €11mill (in last year's 1st semester), but also the reduction of loans by €37.4 mil.

Following this loan repayment, net borrowing (loans minus cash reserves) is now €115.4mill and as a result relation between net debt and equity is below 1/1, at 0.82/1, which is substantially stronger even from the largest European multinationals operating in this market, showing net debt to equity ratios of at least 4/1.

The company is foreseeing that the slow down for operating leasing will continue throughout 2013 as well, as a result of the economic recession. On the other hand, increase in tourist arrivals is expected to result in higher short term rental revenues during the May-October period allowing the company to retain its profitability at the same levels.

The regular General Shareholders meeting has approved in June 2013 a capital return with the respective cash paid to shareholders, for a total amount of €7.8mill, which will take place as soon as the approval of the relevant authorities is given.

The company, and following the Hertz licensee agreement given to Autohellas for Romania's short term in May 2012, now fully operates in 5 foreign countries, Bulgaria, Cyprus, Romania, Serbia and Montenegro, following a steady and moderate growth policy, strengthening its position to these countries.