



Interim Report as at 30 June 2018

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Due to rounding it is possible that individual figures presented in this Interim Report may not add up exactly to the totals shown and that the half-year figures listed may not follow from adding up the individual quarterly figures. Furthermore, the percentage figures presented may not exactly reflect the absolute figures they relate to.

1. INTERIM REPORT OF THE GROUP

1.1 BUSINESS MODEL OF THE GROUP

1.1.1 GENERAL DISCLOSURES

Sixt SE domiciled in Zugspitzstrasse 1, 82049 Pullach, Germany, is registered in section B of the commercial register at the Munich Local Court, under the docket number 206738. The Company was formed in 1986 as a result of a reorganisation of "Sixt Autovermietung GmbH", established in 1979, and has traded since then as "Sixt Aktiengesellschaft", which in 2013 was transferred into "Sixt SE". The Company floated on the stock market in 1986. It has registered branches in Leipzig and at Munich airport. The Company has been established for an indefinite period.

At the reporting date 30 June 2018, the Company's subscribed capital amounted to EUR 120,174,996.48. Both ordinary shares and non-voting preference shares have been issued, both categories as no-par value shares with a notional amount of EUR 2.56 per share. All shares have been fully paid up. The largest shareholder is Erich Sixt Vermögensverwaltung GmbH, Pullach, which holds 58.3% of the ordinary shares and voting rights of the subscribed capital as at reporting date. Erich Sixt Vermögensverwaltung GmbH, Pullach, is the parent of Sixt SE, Pullach.

1.1.2 VEHICLE RENTAL BUSINESS UNIT

Sixt is represented through its subsidiaries in the core European countries of Germany, France, Spain, the UK, the Netherlands, Austria, Switzerland, Italy, Belgium, Luxembourg and Monaco (Sixt corporate countries) and thus covers the largest part of the European rental market, making it one of the continent's leading vehicle rental companies. Sixt also operates a subsidiary on the US-American rental market. In many other European and non-European countries, the Company is additionally represented by franchise and cooperation partners (Sixt franchise countries).

1.1.3 LEASING BUSINESS UNIT

Sixt Leasing SE, which bundles together all of the Sixt Group's activities in fleet leasing (full-service leasing), online retail leasing (private and commercial customer leasing) and fleet management, is one of Germany's leading bank and vendor-neutral leasing companies. The Fleet Management business field is handled by the subsidiary Sixt Mobility Consulting GmbH. Outside Germany, Sixt Leasing is represented by subsidiaries in Switzerland, France, Austria and the Netherlands. Alongside the classic finance leasing, the full-service leasing for corporate and business customers comprises a wide range of other services. Fleet Management offers these services also to customers that have financed their vehicles themselves or through third parties. Sixt develops and implements tailor-made mobility concepts that allow customers to bring their fleet costs down over the long term. One important growth field are leasing and service offers for private and commercial clients, as these target groups are increasingly looking for alternatives to vehicle ownership. Sixt Leasing addresses these target groups with the online platforms sixt-neuwagen.de and autohaus24.de.

1.2 BUSINESS REPORT

1.2.1 GENERAL DEVELOPMENT IN THE GROUP

The Sixt Group recorded a very successful first half-year 2018, which significantly outperformed the previous year's revenue and earnings. This is due to the ongoing dynamic development in the Vehicle Rental Business Unit, which saw double-digit percentage revenue growth, above all driven by the continued expansion abroad. Consolidated operating revenue from rental and leasing activities (excluding revenue from the sale of used leasing vehicles) climbed 11.1% in the first six months of 2018 to EUR 1.18 billion (H1 2017: EUR 1.07 billion). The share generated abroad continued to increase to 47.5% (H1 2017: 45.5%).

The Sixt Group's total revenue (including revenue from vehicle sales in the Leasing Business Unit) for the period January to June 2018 came to EUR 1.35 billion, a plus of 10.8% over the same period the year before (H1 2017: EUR 1.21 billion).

Earnings before taxes (EBT), the Sixt Group's key indicator for measuring business success, came to EUR 326.9 million for the first six months of the year. This figure includes a pre-tax profit from the sale of the 50% stake in the carsharing joint venture DriveNow in the amount of EUR 196.1 million in the first quarter 2018. Without this non-recurring effect the EBT recognised for the first six months amounted to EUR 130.8 million, a plus of 27.5% after the EUR 102.6 million recorded for the same period of 2017. This means that Group earnings clearly outperformed revenue growth. While the improvement in earnings is due to the Vehicle Rental Business Unit, the Leasing Business Unit's EBT remained slightly below the corresponding figure of the year before.

For the second quarter of 2018 the Group recorded an 11.9% increase in consolidated operating revenue to EUR 641.8 million (Q2 2017: EUR 573.6 million). The Group's total revenue climbed by 11.6% to EUR 719.5 million after it had reached EUR 644.5 million the year before.

The Group's EBT for the second quarter came to EUR 82.7 million, some 25.6% higher than the previous year's figure of EUR 65.8 million.

Against the background of the first six months' dynamic business performance the Managing Board maintains its outlook for the full fiscal year 2018, expecting to see a significant increase in consolidated operating revenue combined with a significant growth in Group EBT compared to 2017.

1.2.2 VEHICLE RENTAL BUSINESS UNIT

In the Vehicle Rental Business Unit the operative highlights of the first six months of 2018 were, among others, as follows:

- ∥ **New division "Sixt X":** The newly created "Sixt X" division kicked off in the second quarter. It will ensure cross-departmental management of all new mobility topics for the Sixt Group. Initially the division will focus above all on the digitisation of the vehicle rental process as a precondition for the scheduled integrated mobility offer, which will then serve to offer the entire Sixt product world out of one hand.
- ∥ **Record-number of prizes at World Travel Awards:** Sixt picked up the winning award in a total of 14 categories during this year's World Travel Awards. Since 25 years these are given to companies in the travel and tourism industry for their outstanding achievements. During the European award ceremony in Athens on 30 June the mobility service provider was picked, among other things, as best vehicle rental provider in Germany, Austria, the Netherlands, Switzerland, Italy, Spain and France. On top, the exclusive Sixt Limousine Service as well as Sixt Luxury Cars also came first in the European categories.
- ∥ **Expansion of cross-border sales:** In the second quarter Sixt extended its sales activities for globally active corporations to offer them a specialised international contact partner for their worldwide mobility requirements. To this end, the Company allocated international and decentralised sales teams with seasoned industry experts in Munich, London and Paris, which are offering cross-country solutions for deployment in 60 different markets and assist the national sales teams. The background to this step is that globally active corporations are counting more and more on flexible mobility solutions that no longer distinguish between rental and leasing vehicles and ideally are all offered as a single-stop solution.

As at 30 June 2018 the number of Sixt rental stations stood at 2,177 worldwide (corporate and franchise stations) against the 2,211 stations recorded at 31 December 2017. The number of stations in the Sixt corporate countries expanded slightly to 1,039 (31 December 2017: 1,036 stations). In Germany the network of stations at the end of the first half-year came to 520 stations (31 December 2017: 517 stations). The international franchise network recorded a decrease of stations by 37 to 1,138 (31 December 2017: 1,175 stations).

The average number of vehicles in Germany and other countries (excluding franchisees) for the first six months of 2018 rose to 121,100 compared to an average of 107,400 for the same period of 2017. This is an increase of 12.8% and reflects the Group's larger business volume.

Key figures for the Vehicle Rental Business Unit	H1	H1	Change
in EUR million	2018	2017	in %
Operating revenue	954.5	848.3	12.5
Thereof rental revenue	869.3	766.1	13.5
Thereof other revenue from rental business	85.2	82.3	3.6
Thereof abroad	534.8	453.1	18.0
Earnings before interest and taxes (EBIT)	127.6	94.7	34.8
Earnings before taxes (EBT)	111.5	80.3	38.8
Operating return on revenue (EBT/operating revenue) in %	11.7	9.5	2.2 points

The Vehicle Rental Business Unit continued its dynamic growth course from the previous years uninterrupted also during the first half of 2018. This development is the result of significantly higher demand coming from all customer segments. In the second quarter, which is usually strong in the seasonal course of business, the accelerated expansion in the retail and tourism business in recent years had a particularly positive effect. Foreign operations continued to be growth drivers. Sixt recorded gratifying uptake in demand above all in such holiday destinations as France, Spain and Italy, but also gained in the UK and the USA. In Germany where Sixt is by far the largest vehicle rental company, the Company likewise managed to generate still further growth from an already high level.

Rental revenue increased by 13.5% in the first six months to EUR 869.3 million (H1 2017: EUR 766.1 million). Rental revenue generated abroad climbed 19.5% to EUR 499.6 million (H1 2017: EUR 417.9 million). The share of foreign business came to 57.5% after 54.6% in the same period the year before. In Germany rental revenues increased by another 6.2% from their already high level and came to EUR 369.7 million (H1 2017: EUR 348.2 million).

Other revenue from rental business after the first six months of 2018 came to EUR 85.2 million, some 3.6% more than the corresponding prior-year figure (EUR 82.3 million).

The Business Unit's total revenue amounted to EUR 954.5 million, compared to EUR 848.3 million for the same period in 2017, a gain of 12.5%. The share of foreign operations came to EUR 534.8 million, this corresponds to 56.0%, and thus 18.0% higher than in the first half of 2017 (H1 2017: EUR 453.1 million, resp. 53.4%)

The Business Unit's half-year EBT increased 38.8% to EUR 111.5 million, and thus significantly outperformed revenue growth (H1 2017: EUR 80.3 million). The strong uptake in demand clearly overcompensated the extra expenses for the various growth measures, such as the ongoing expansion abroad and the development of new mobility products. The Business Unit's return on revenue for the first six months (in relation to operating revenue) gained 2.2 percentage points to 11.7% (H1 2017: 9.5%).

Rental revenues for the second quarter were up 14.1% to EUR 484.8 million after EUR 424.7 million in the second quarter of 2017. Including other revenue from rental business, total revenue for the quarter came to EUR 529.2 million, a gain of 13.8% on the second quarter of the last year (EUR 465.1 million).

Second quarter EBT for the Business Unit came to EUR 71.8 million, 31.2% more than in the same quarter of 2017 (Q2 2017: EUR 54.7 million).

1.2.3 LEASING BUSINESS UNIT

In the Leasing Business Unit, the financial highlight of the first half of 2018 was, among others, as follows:

|| **Restructuring of the Group financing completed:** Sixt Leasing SE has fully repaid the loan provided to it by Sixt SE as part of its IPO in 2015. The original EUR 750 million core facility loan was completely redeemed to achieve a Group financing structure for Sixt Leasing SE that is entirely independent of Sixt SE. The remaining instalment under the core facility loan in the amount of EUR 190 million was repaid to Sixt SE as of 30 June 2018 and thus at the earliest possible date. The funds for the repayment are essentially the proceeds from a bond over EUR 250 million placed on the capital market in the second quarter for this purpose and for general Group financing. The bond has a term of four years and carries an interest rate coupon of 1.5% p.a.

The Leasing Business Unit's total number of lease contracts in and outside Germany (excluding franchise and cooperation partners) as at 30 June 2018 was around 133,800 contracts, some 0.7% up on the number at the end of the year 2017 (around 132,900 contracts). In the second quarter, the limited availability of some vehicle models from manufacturers and dealers due to delays in the type-approval procedure according to WLTP impacted new business, particularly in the online retail business field. Measured by contract portfolio the Online Retail business field with the online platforms *sixt-neuwagen.de* and *autohaus24.de* became the Sixt Leasing Group's biggest business field already in the first quarter of 2018. As of 30 June 2018 the number of contracts held in the private and commercial customer business climbed further to 47,000 contracts (31 December 2017: approx. 45,400 contracts; +3.6%). For the Fleet Leasing business field the number of contracts at the end of the first six months of 2018 totalled approx. 45,600, some 5.2% below the number at the end of the preceding year (around 48,100 contracts). This decrease is primarily a consequence of the strategy to only conclude on a selective basis contracts with diesel vehicles without purchase agreement. The number of contracts held by the Fleet Management business field expanded by 4.6% to around 41,200 contracts (31 December 2017: approx. 39,400 contracts).

Key figures for the Leasing Business Unit	H1	H1	Change
in EUR million	2018	2017	in %
Operating revenue	230.3	218.4	5.4
Thereof leasing revenue	116.9	112.6	3.8
Thereof other revenue from leasing business	113.4	105.9	7.1
Thereof abroad	28.0	31.8	-12.1
Sales revenue	158.2	145.1	9.0
Total revenue	388.5	363.5	6.9
Earnings before interest and taxes (EBIT)	22.9	26.3	-12.8
Earnings before taxes (EBT)	15.8	16.8	-5.6
Operating return on revenue (EBT/operating revenue) in %	6.9	7.7	-0.8 points

For the first half of 2018 the Leasing Business Unit reported operating revenue of EUR 230.3 million, 5.4% more than in the same period the year before (EUR 218.4 million). While revenue in Germany climbed 8.4% to EUR 202.3 million (H1 2017: EUR 186.6 million), operating revenue outside of Germany dropped to EUR 28.0 million (H1 2017: EUR 31.8 million; -12.1%).

The sale of used leasing vehicles as well as customer cars in Fleet Management yielded proceeds for the Business Unit of EUR 158.2 million, a gain of 9.0% (H1 2017: EUR 145.1 million).

Total revenue for the Business Unit rose 6.9% during the first half of 2018 to EUR 388.5 million (H1 2017: EUR 363.5 million).

EBT for the leasing business came to EUR 15.8 million, some 5.6% down on the corresponding figure the year before (EUR 16.8 million). The operating return on revenue for the first six months of 2018 was 6.9%. Though this was 0.8 percentage points below the corresponding figure of 7.7% the year before, it still remained clearly above the long-term targeted ratio of 6%.

During the second quarter 2018 the operating revenue climbed 3.8% to EUR 112.6 million (Q2 2017: EUR 108.5 million). Sales revenue increased 9.4% to EUR 76.6 million (Q2 2017: EUR 70.0 million). As a result, total revenue for the Business Unit was EUR 189.2 million (Q2 2017: EUR 178.4 million; +6.0%).

The quarterly EBT came to EUR 7.8 million, some 6.0% down on the previous year's figure (EUR 8.3 million).

1.2.4 EARNINGS DEVELOPMENT

From January to June 2018 other operating income amounted to EUR 106.0 million and thus significantly above the previous year's level (H1 2017: EUR 42.0 million). The reason for this were the higher gains from foreign currency translation. A corresponding increase is also recorded in other operating expenses.

Fleet expenses and cost of lease assets increased by 12.0% to EUR 475.7 million (H1 2017: EUR 424.8 million). Especially costs for reconditioning, insurance as well as taxes and charges increased above average.

Hand in hand with the intake of new personnel in foreign operations due to expansion, personnel expenditures amounted to EUR 196.0 million, an increase by 14.8% compared to the previous year's figure (H1 2017: EUR 170.7 million).

At EUR 259.1 million depreciation and amortisation expenses for the first half of 2018 slightly increased by 2.0% (H1 2017: EUR 253.9 million) The growth is mainly attributable to the increased depreciation of lease assets, that amounted to EUR 97.8 million (H1 2017: EUR 90.3 million; +8.2%).

At EUR 370.2 million, other operating expenses for the first half of 2018 were 28.9% above the figure for the same period of the previous year (H1 2017: EUR 287.3 million). While commissions, leasing as well as marketing expenses, and in particular expenses for currency translation rose, lower risk expenses had a slightly positive effect.

For the first half of the year the Sixt Group recorded earnings before net finance costs and taxes (EBIT) of EUR 150.2 million (H1 2017: EUR 119.1 million; +26.1%). At EUR 90.9 million the second quarter's EBIT was 24.1% above the prior-year level (Q2 2017: EUR 73.3 million).

Net finance costs for the first six months compared to the previous year's figure improved from EUR -16.5 million to EUR 176.8 million (>+100%). The main reason for this was the positive result from the disposal of the DriveNow stake. By contrast, net interest income deteriorated slightly due to the higher financing volume.

As a result, the Group reports an EBT of EUR 326.9 million. This figure includes the pre-tax income of EUR 196.1 million from the sale of the stake in the DriveNow joint venture in the first quarter. Without this non-recurring effect, reported EBT for the first six months amounts to EUR 130.8 million (H1 2017: EUR 102.6 million; +27.5%). EBT for the second quarter was EUR 82.7 million, or 25.6% more than in the same quarter the year before (Q2 2017: EUR 65.8 million).

The consolidated profit after taxes and before minority interests for the period amounted to EUR 280.7 million (H1 2017: EUR 72.9 million; >+100%). For the second quarter 2018 the Group reported a profit after taxes and before minority interests of EUR 66.1 million (Q2 2017: EUR 47.3 million; +39.8%).

After allowing for earnings attributable to minority interests – which are almost exclusively the free float shareholders of Sixt Leasing SE – the consolidated profit after taxes came to EUR 274.0 million (H1 2017: EUR 65.6 million).

On the basis of 46.94 million outstanding shares (weighted average for the first six months for ordinary and preference shares taking due account of treasury shares; previous year: 46.94 million shares outstanding) earnings per share (basic) for the first six months amounted to EUR 5.84, after EUR 1.40 in the prior-year period. The potential dilutive effect of stock options issued as part of the employee participation programme (Matching Stock Programme MSP 2012) is insignificant, so that no adjustment is made.

1.2.5 NET ASSETS

As at reporting date on 30 June 2018, the Group's total assets, at EUR 5.63 billion, were EUR 1.14 billion higher than at 31 December 2017 (EUR 4.49 billion).

Within the non-current assets the lease assets continue to be the most significant item. At EUR 1.26 billion as per 30 June 2018 they were EUR 45.8 million higher than the figure reported at the end of 2017 (EUR 1.22 billion). All in all, non-current assets were up EUR 82.0 million to EUR 1.55 billion (31 December 2017: EUR 1.47 billion).

Current assets increased from EUR 3.02 billion in December 2017 by EUR 1.06 billion to EUR 4.08 billion at reporting date. This was essentially due to higher totals reported for rental assets of EUR 3.04 billion (31 December 2017: EUR 2.08 billion) and other receivables and assets of EUR 386.9 million (31 December 2017: EUR 275.2 million). As at reporting date the Group's cash and bank balances came to EUR 100.5 million (31 December 2017: EUR 87.6 million).

1.2.6 FINANCIAL POSITION

Equity

Despite the record distribution of the annual dividends of Sixt SE and Sixt Leasing SE of EUR 193.8 million, the equity of the Sixt Group was EUR 105.6 million above the level at the end of 2017 (EUR 1.18 billion) at EUR 1.28 billion. Given the growth and seasonal driven expansion of total assets, the equity ratio decreased to 22.8% (31 December 2017: 26.2%). Nonetheless, it remains above the specified minimum level of 20% and on a level far above the average for the rental and leasing industry.

Liabilities

Non-current liabilities and provisions rose as per reporting date, 30 June 2018, by EUR 469.6 million to EUR 2.20 billion (31 December 2017: EUR 1.73 billion). This was mainly due to additional funds from the bonds issued by Sixt SE and Sixt Leasing SE in the first half of the year totalling EUR 500 million and a slight increase in ABS financing.

Current financial liabilities and provisions as at 30 June 2018 totalled EUR 2.15 billion, and were thus EUR 567.0 million above the figure at the end of 2017 (EUR 1.58 billion). This is the result of higher financial liabilities, which grew by EUR 406.2 million to EUR 997.2 million (31 December 2017: EUR 591.0 million) due to the expansion of the commercial paper financing as well as the reporting date related increased trade payables, which rose by EUR 99.0 million to EUR 790.0 million (31 December 2017: EUR 691.0 million).

1.2.7 LIQUIDITY POSITION

As at the end of the first half of 2018, the Sixt Group reported gross cash flows of EUR 371.0 million (H1 2017: EUR 312.7 million). Adjusted for changes in working capital this results in a cash outflow from operating activities of EUR 841.7 million for the first six months, which is primarily the result of the seasonal increase in the rental vehicles and further expansion of the leasing fleet (H1 2017: cash outflow of EUR 280.5 million).

Investing activities led to a cash inflow of EUR 167.2 million (H1 2017: cash outflow of EUR 15.6 million), mainly due to the divestment of the DriveNow stake. This was offset by investments in intangible assets and property and equipment.

Financing activities led to a cash inflow of EUR 687.4 million (H1 2017: cash inflow of EUR 290.6 million), primarily due to taking out commercial papers as well as payments received related to the bonds issued by Sixt SE and Sixt Leasing SE.

After changes relating to exchange rates and other factors, total cash flows resulted in an increase in cash and cash equivalents as at 30 June 2018 of EUR 12.9 million (H1 2017: decrease of EUR 6.1 million). Cash and cash equivalents correspond to the balance sheet item "cash and bank balances".

1.2.8 INVESTMENTS

In the period from January to June 2018 Sixt added around 148,800 vehicles to the rental and leasing fleets (H1 2017: approx. 121,400 vehicles) with a total value of EUR 4.02 billion (H1 2017: EUR 3.43 billion). This corresponds to an increase of around 22.6% in the number of vehicles and 17.2% in the volume of investments.

1.3 EVENTS SUBSEQUENT TO REPORTING DATE

No events of special significance for the net assets, financial position and results of operations of the Sixt Group occurred after the reporting date as at 30 June 2018.

1.4 REPORT ON OUTLOOK

Following the encouraging performance in the first quarter, the Managing Board of Sixt SE had already upgraded its earnings expectations for the full fiscal year 2018 and confirmed its previous revenue projections in its notification dated 25 April 2018. This expectation is confirmed after the equally pleasing second quarter.

Sixt therefore continues to expect that the consolidated EBT for 2018 will be significantly higher than in the previous year (2017: EUR 287.3 million). This statement does not take into account the earnings contribution of around EUR 196 million from the sale of the stake in DriveNow. Consolidated operating revenue is also expected to increase significantly compared to the previous year (EUR 2,309.3 million).

1.5 REPORT ON RISKS AND OPPORTUNITIES

The risk and opportunity profile of the Sixt Group in the first six months of 2018 has not changed significantly as against the information provided in the Group Management Report in the Annual Report 2017. The Annual Report 2017 contains extensive details of the risks the Company faces, its risk management system, and its internal control and risk management system relating to its accounting procedures.

1.6 SIGNIFICANT BUSINESS TRANSACTIONS WITH RELATED PARTIES

For further information on significant business transactions with related parties please refer to the section "Related party disclosures" in the condensed notes to the interim consolidated financial statements for the period from 1 January to 30 June 2018.

2. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2018

2.1 CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement in EUR thou.	H1	H1	Q2	Q2
	2018	2017	2018	2017
Revenue	1,345,219	1,213,773	719,531	644,484
Other operating income	106,006	41,965	58,881	22,535
Fleet expenses and cost of lease assets	475,730	424,765	238,573	219,630
Personnel expenses	195,971	170,716	104,490	89,400
Depreciation and amortisation expense	259,137	253,944	136,048	138,275
Other operating expenses	370,234	287,254	208,402	146,453
Earnings before interest and taxes (EBIT)	150,153	119,059	90,899	73,262
Net finance costs	176,752	-16,457	-8,231	-7,453
Thereof result from at-equity measured investments	-1,970	-2,862	-	-1,120
Earnings before taxes (EBT)	326,904	102,602	82,668	65,809
Income tax expense	46,188	29,733	16,545	18,498
Consolidated profit	280,717	72,869	66,122	47,311
Of which attributable to minority interests	6,686	7,263	3,271	3,750
Of which attributable to shareholders of Sixt SE	274,031	65,606	62,851	43,560
Earnings per share - basic (in EUR)	5.84	1.40	1.34	0.93
Earnings per share - diluted (in EUR)	5.84	1.40	1.34	0.93

Consolidated statement of comprehensive income in EUR thou.	H1	H1
	2018	2017
Consolidated profit	280,717	72,869
Other comprehensive income (not recognised in the income statement)	4,545	-10,505
Components that could be recognised in the income statement in future		
Currency translation gains/losses	5,218	-10,505
Changes in the fair value of derivative financial instruments in hedge relationship	-673	-
Total comprehensive income	285,262	62,364
Of which attributable to minority interests	6,076	7,160
Of which attributable to shareholders of Sixt SE	279,185	55,204

2.2 CONSOLIDATED BALANCE SHEET

Assets		
in EUR thou.	30 Jun. 2018	31 Dec. 2017
Non-current assets		
Goodwill	27,837	20,188
Intangible assets	29,377	25,408
Property and equipment	199,975	180,292
Lease assets	1,264,994	1,219,209
At-equity measured investments	-	1,973
Financial assets	3,048	915
Other receivables and assets	5,522	6,098
Deferred tax assets	23,575	18,260
Total non-current assets	1,554,328	1,472,344
Current assets		
Rental vehicles	3,039,723	2,075,995
Inventories	68,649	75,829
Trade receivables	469,140	493,875
Other receivables and assets	386,940	275,213
Income tax receivables	13,882	10,136
Cash and bank balances	100,498	87,585
Total current assets	4,078,832	3,018,633
Total assets	5,633,159	4,490,978
Equity and liabilities		
in EUR thou.	30 Jun. 2018	31 Dec. 2017
Equity		
Subscribed capital	120,175	120,175
Capital reserves	243,081	242,512
Other reserves	800,791	696,148
Minority interests	119,373	119,020
Total equity	1,283,421	1,177,854
Non-current liabilities and provisions		
Provisions for pensions and similar obligations	2,115	1,922
Other provisions	1,352	1,814
Financial liabilities	2,166,129	1,700,080
Other liabilities	900	240
Deferred tax liabilities	28,132	24,928
Total non-current liabilities and provisions	2,198,628	1,728,984
Current liabilities and provisions		
Other provisions	108,636	122,895
Income tax liabilities	61,953	47,933
Financial liabilities	997,240	591,027
Trade payables	789,952	690,998
Other liabilities	193,329	131,286
Total current liabilities and provisions	2,151,111	1,584,140
Total equity and liabilities	5,633,159	4,490,978

2.3 CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	H1	H1
in EUR thou.	2018	2017
Operating activities		
Consolidated profit	280,717	72,869
Income taxes recognised in income statement	52,412	28,435
Income taxes paid	-41,710	-34,781
Financial result recognised in income statement ¹	17,583	15,669
Interest received	398	566
Interest paid	-22,047	-22,459
Dividends received	300	325
Depreciation and amortisation	259,137	253,944
Income from disposal of fixed assets	-4,398	-5,110
Income from disposal of financial assets	-196,085	-1,750
Other (non-)cash expenses and income	24,744	4,963
Gross cash flow	371,049	312,673
Proceeds from disposal of lease assets	134,419	118,672
Payments for investments in lease assets	-280,906	-281,266
Change in rental vehicles, net	-1,112,983	-565,827
Change in inventories	7,179	398
Change in trade receivables	24,736	-1,383
Change in trade payables	98,954	169,830
Change in other net assets	-84,188	-33,585
Net cash flows used in operating activities	-841,739	-280,487
Investing activities		
Proceeds from disposal of intangible assets, property and equipment	1	1,605
Proceeds from disposal of financial assets	209,000	1,823
Payments for investments in intangible assets, property and equipment	-35,761	-19,008
Payments for investments in financial assets	-79	-60
Payments for acquisitions less acquired cash and cash equivalents	-5,982	-
Payments for investments in short-term financial assets	-	-84,998
Proceeds from disposal of short-term financial assets	-	85,000
Net cash flows from/used in investing activities	167,179	-15,638
Financing activities		
Payments made due to the purchase of treasury shares	-2,570	-1,083
Payments made for the purchase of minority interests	-	-665
Dividends paid	-193,849	-
Payments received from taken out borrower's note loans, bonds and bank loans	603,282	489,176
Payments made for redemption of borrower's note loans, bonds and bank loans	-328,550	-351,933
Payments made for redemption of/payments received from taken out short-term financial liabilities ²	609,082	155,151
Net cash flows from financing activities	687,395	290,645
Net change in cash and cash equivalents	12,835	-5,479
Effect of exchange rate changes on cash and cash equivalents	78	-659
Changes in the scope of consolidation	-	4
Cash and cash equivalents at 1 Jan.	87,585	47,028
Cash and cash equivalents at 30 Jun.	100,498	40,893

¹ Excluding income from investments

² Short-term borrowings with terms of up to three months and quick turnover

2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity	Subscribed capital	Capital reserves	Other reserves ¹	Treasury shares	Equity attributable to shareholders of Sixt SE	Minority interests	Total equity
in EUR thou.							
31 Dec. 2017	120,175	242,512	696,148	-	1,058,834	119,020	1,177,854
Adjustment on adoption of IFRS 9	-	-	13,563	-	13,563	11	13,574
1 Jan. 2018	120,175	242,512	709,710	-	1,072,397	119,031	1,191,428
Consolidated profit	-	-	274,031	-	274,031	6,686	280,717
Dividend payments 2017	-	-	-188,105	-	-188,105	-5,744	-193,849
Other comprehensive income	-	-	5,155	-	5,155	-610	4,545
Purchase of treasury shares	-	-	-	-2,570	-2,570	-	-2,570
Re-issuance of treasury shares	-	-	-	2,570	2,570	-	2,570
Increase due to the employee participation programme	-	570	-	-	570	12	582
Other changes	-	-	-	-	-	-2	-2
30 Jun. 2018	120,175	243,081	800,791	-	1,164,047	119,373	1,283,421
1 Jan. 2017	120,175	240,625	607,226	-1,352	966,674	112,990	1,079,665
Consolidated profit	-	-	65,606	-	65,606	7,263	72,869
Dividend payments 2016	-	-	-77,788	-	-77,788	-5,744	-83,532
Other comprehensive income	-	-	-10,402	-	-10,402	-103	-10,505
Purchase of treasury shares	-	-	-	-1,083	-1,083	-	-1,083
Re-issuance of treasury shares	-	-	-	2,435	2,435	-	2,435
Increase due to the employee participation programme	-	466	-	-	466	19	485
Changes in the scope of consolidation	-	-	60	-	60	-	60
Transfer to capital reserves	-	2,854	-2,854	-	-	-	-
Other changes	-	-	220	-	220	-19	201
30 Jun. 2017	120,175	243,946	582,068	-	946,189	114,406	1,060,594

¹ Including retained earnings

3. CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018

3.1 GENERAL DISCLOSURES

Fundamentals of the interim consolidated financial statements/Accounting and valuation methods

The consolidated financial statements of Sixt SE as at 31 December 2017 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and effective at the closing date.

The same accounting policies as in the 2017 consolidated financial statements are principally applied in the interim consolidated financial statements as at 30 June 2018, which were prepared on the basis of International Accounting Standard (IAS) 34 (Interim Financial Reporting). A detailed description of the accounting principles, consolidation methods and accounting policies used is published in the notes to the consolidated financial statements in the Annual Report 2017. Changes resulting from the first-time adoption of IFRS 9 and IFRS 15 are presented in the section "Standards and interpretations applied for the first time in the current financial year". In addition, in the financial year 2018 some financial instruments have been designated in hedging relationships and were presented in accordance with hedge accounting provisions.

The Group uses individual financial instruments, including derivatives, as part of cash flow hedges. The details of the hedging relationship between underlying and hedging transaction as well as the relevant risk management objectives and strategies are documented at the start of the hedge accounting. In addition, both at the inception of the hedging relationship and over the course of the relationship, it is regularly documented whether the hedging instrument designated in the hedging relationship meets the requirements for hedge effectiveness.

The effective portion of a change in the fair value of derivatives, which are suitable for cash flow hedges and which have been designated as such, is recognised in other comprehensive income under the item "Changes in the fair value of derivative financial instruments in hedge relationship". The gain or loss from the ineffective portion is recognised immediately in net finance costs. Amounts recognised in other comprehensive income are transferred to the income statement during the period in which the hedged underlying transaction is also carried through profit or loss. They are recognised in the same item of the income statement that also lists the underlying transaction.

Preparation of interim consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of assets, liabilities and provisions, as well as of income and expenses. Actual amounts may differ from these estimates. The results presented in the interim financial statements are not necessarily indicative of the results of future reporting periods or of the full financial year.

Due to rounding it is possible that individual figures presented in these interim financial statements may not add up exactly to the totals shown and that the half-year figures listed may not follow from adding up the individual quarterly figures. Furthermore, the percentage figures presented may not exactly reflect the absolute figures they relate to.

The interim consolidated financial statements were prepared and published in euros.

The accompanying interim consolidated financial statements as at 30 June 2018 have not been audited or reviewed by the Company's auditors, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich.

Standards and interpretations applied for the first time in the current financial year

IFRS 15 (Revenue from contracts with customers) as well as the clarification to IFRS 15 and IFRS 9 (Financial instruments) have been applied for the first time as of 1 January 2018. The resulting changes are described below.

IFRS 15 (Revenue from contracts with customers) includes stipulations on the amount, timing and/or period during which revenue from contracts with customers is to be recognised. In accordance with the transition approach of IFRS 15, the Group has applied the new requirements retrospectively as of 1 January 2018. Comparative information for prior periods has not been restated.

In the Vehicle Rental Business Unit, the Group generates revenue from short-term rentals of vehicles and other revenue from rental business above all from insurance recoveries as well as licence and franchise fees. The adoption of IFRS 15 does not result in changes in the Vehicle Rental Business Unit, neither in the amount of revenue, nor in the timing and/or period during which revenue is realised. Prepayments received from customers for the rental of vehicles are contract liabilities; these continue to be included in the other liabilities position.

In the Leasing Business Unit the Group generates leasing revenue from contractually agreed lease instalments and revenue from contractually agreed service components as well as revenue from sale of used leasing vehicles. Leasing revenues do not fall within the scope of IFRS 15 but continue to be recognised according to IAS 17. According to contractual agreements individual service components may constitute a separate service commitment or several service components together as a bundle of services can form a joint service commitment. The related revenues are recognised as soon as the service is rendered and the amount of the revenue can be determined reliably. The application of IFRS 15 did not result in any changes from the previous accounting procedures.

In accordance with the transitional provisions contained in IFRS 9, the Group has applied retrospectively the new requirements relating to classification and measurement of financial instruments, from 1 January 2018. The comparative information for previous periods has not been restated.

Pursuant to IFRS 9, the Group classifies financial instruments in the following three categories: at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income. Following the adoption of IFRS 9, trade receivables, other current as well as other non-current receivables will continue to be measured at amortised cost. Investments, that were previously classified as available for sale financial assets, are classified at fair value through profit or loss. The following table presents the changes from the classification of financial instruments:

Classification of financial instruments as at 1 January 2018	IAS 39 measurement category	IFRS 9 measurement category
Financial assets		
Financial assets	Available for Sale (AFS)	Fair value through profit or loss
Interest rate and currency derivatives	Financial Assets Held for Trade (FAHFT)	Fair value through profit or loss
Trade receivables, Other receivables	Loans and Receivables (LaR)	At amortised cost
Financial liabilities		
Bonds, Borrower's note loans/Commercial paper, Liabilities to banks, Trade payables, Other financial liabilities, Financial other liabilities	Financial Liabilities Measured at Amortised Cost (FLAC)	At amortised cost
Interest rate and currency derivatives	Financial Assets Held for Trade (FAHFT)	Fair value through profit or loss

IFRS 9 introduces for the first time a model for determining impairments based on expected credit losses. The impairment model applies to financial assets classified at amortised cost and finance lease receivables. The Group applies the simplified approach described in IFRS 9 to trade receivables, receivables from insurances and finance lease receivables, whereby an impairment allowance in the amount of expected credit losses over the lifetime of the receivable is recognised for all instruments irrespective of their credit quality. Upon the first-time adoption of IFRS 9, the Group has recognised the change in valuation allowance as of 1 January 2018 on trade receivables and receivables from insurances in equity under other reserves.

The application of IFRS 9 had no material impact on the balance sheet. The effects of first-time application of IFRS 9 on the carrying amounts as of 1 January 2018 relate to financial assets (carrying amount under IAS 39: EUR 915 thousand; carrying amount under IFRS 9: EUR 2,863 thousand), trade receivables (carrying amount under IAS 39: EUR 494 million; carrying amount under IFRS 9: EUR 506 million) and receivables from insurances (carrying amount under IAS 39: EUR 26 million; carrying amount under IFRS 9: EUR 30 million). These changes from first-time adoption of IFRS 9 have been recognised in equity under other reserves. The application of IFRS 9 had no further impact on the carrying amounts of financial instruments. The comparative prior-year figures were not adjusted.

Adjustment of opening balances

As a result of the changes in the Group's relevant accounting policies from the first-time application of IFRS 9, the opening balances as at 1 January 2018 have been adjusted. The prior-year comparative figures were not adjusted. The effects of the transition have been recognised in equity under other reserves.

Adjusted opening balances as at 1 January 2018		Adjustments	
in EUR thou.	31 Dec. 2017	IFRS 9	1 Jan. 2018
Non-current assets			
Financial assets	915	1,948	2,863
Deferred tax assets	18,260	-3,946	14,314
Current assets			
Trade receivables	493,875	11,749	505,624
Other receivables and assets	275,213	4,310	279,523
Equity			
Other reserves	696,148	13,563	709,710
Minority interests	119,020	11	119,031
Non-current liabilities and provisions			
Deferred tax liabilities	24,928	487	25,415

New standards and interpretations

The following new and/or amended standards have been ratified by the IASB but are not yet mandatory. The Company has not applied these regulations prematurely.

Standard/ Interpretation		Adoption by European Commission	Applicable as at
IFRS 14	Regulatory deferral accounts	No	1 Jan. 2016
IFRS 16	Leases	31 Oct. 2017	1 Jan. 2019
IFRS 17	Insurance contracts	No	1 Jan. 2021
Amendments to IFRS 9	Prepayment features with negative compensation	22 Mar. 2018	1 Jan. 2019
Amendments to IFRS 10 and IAS 28	Sale and contribution of assets between an investor and its associate or joint venture	No	Deferred indefinitely
Amendments to IAS 19	Plan amendments, curtailment or settlement	No	1 Jan. 2019
Amendments to IAS 28	Long-term interests in associates and joint ventures	No	1 Jan. 2019
IFRIC Interpretation 23	Uncertainty over income tax treatments	No	1 Jan. 2019
	Annual improvement project 2015-2017	No	1 Jan. 2019
	Amendments to References to the Conceptual Framework in IFRS Standards	No	1 Jan. 2020

The effects of the application of IFRS 16 are presently still being investigated. The Group continues to assume that for operate lease agreements used to refinance the rental fleet, which are according to IAS 17 not recognised under the Group's assets, as well as for part of the rental agreements for business premises, e.g. rental offices, the corresponding right of use assets and lease liabilities need to be recognised under IFRS 16 insofar as the exemptions for short-term leases or low-value assets are not applicable. For further information please refer to the consolidated financial statements of Sixt SE as of 31 December 2017 in the Annual Report 2017 (Notes to the consolidated financial statements "1.2 General disclosures on the consolidated financial statements – IFRS 16 – Leases").

3.2 SCOPE OF CONSOLIDATED ENTITIES

Sixt SE, domiciled in Zugspitzstrasse 1, 82049 Pullach, Germany, is entered in section B of the commercial register at the Munich Local Court, under docket number 206738.

Compared to reporting date as at 31 December 2017 SXT DR Services GmbH, Pullach, a company founded by the Group, has been consolidated for the first time. Furthermore, in April 2018 the Group has acquired 100% of the shares of Mile Fleet, LLC, Florida, for a cash payment of EUR 6.0 million and a contingent consideration in the amount of EUR 0.6 million. As a result of the transaction, a goodwill in the amount of EUR 6.6 million has been recorded.

3.3 EXPLANATIONS OF SELECTED ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Revenue

Revenue is broken down as follows:

Revenue in EUR million	H1 2018	Germany H1 2017	H1 2018	Abroad H1 2017	H1 2018	Total H1 2017	Change in %
Vehicle Rental Business Unit							
Rental revenue	369.7	348.2	499.6	417.9	869.3	766.1	13.5
Other revenue from rental business	50.0	47.1	35.3	35.2	85.2	82.3	3.6
Total	419.7	395.3	534.8	453.1	954.5	848.3	12.5
Leasing Business Unit							
Leasing revenue	104.3	97.0	12.6	15.5	116.9	112.6	3.8
Other revenue from leasing business	98.1	89.6	15.3	16.3	113.4	105.9	7.1
Sales revenue	148.6	131.0	9.6	14.1	158.2	145.1	9.0
Total	351.0	317.6	37.5	45.9	388.5	363.5	6.9
Other revenue	2.0	1.9	0.2	-	2.2	1.9	16.3
Group total	772.7	714.8	572.5	499.0	1,345.2	1,213.8	10.8

Revenue in EUR million	Q2 2018	Germany Q2 2017	Q2 2018	Abroad Q2 2017	Q2 2018	Total Q2 2017	Change in %
Vehicle Rental Business Unit							
Rental revenue	195.4	185.5	289.4	239.3	484.8	424.7	14.1
Other revenue from rental business	25.4	23.2	19.0	17.2	44.4	40.4	9.9
Total	220.8	208.6	308.4	256.5	529.2	465.1	13.8
Leasing Business Unit							
Leasing revenue	52.5	48.9	6.3	7.1	58.8	56.0	5.0
Other revenue from leasing business	46.3	44.4	7.6	8.1	53.9	52.5	2.6
Sales revenue	71.6	63.0	4.9	7.0	76.6	70.0	9.4
Total	170.4	156.3	18.8	22.2	189.2	178.4	6.0
Other revenue	1.1	0.9	0.1	-	1.2	0.9	26.8
Group total	392.3	365.8	327.3	278.7	719.5	644.5	11.6

Other operating income

In the first half of 2018 other operating income increased significantly to EUR 106.0 million (H1 2017: EUR 42.0 million), in particular due to higher gains from foreign currency translation. A corresponding increase is also recorded in other operating expenses.

Fleet expenses and cost of lease assets

Fleet expenses and cost of lease assets split up as follows:

Fleet expenses and cost of lease assets	H1	H1	Change
in EUR million	2018	2017	in %
Repairs, maintenance and reconditioning	144.2	137.0	5.3
Fuel	53.8	48.4	11.0
Insurance	45.3	30.5	48.6
Transportation	24.0	21.9	9.8
Taxes and charges	12.4	10.0	23.4
Expenses from write-downs on lease assets intended for sale	3.1	2.8	8.1
Other, including selling expenses	193.0	174.2	10.8
Group total	475.7	424.8	12.0

Depreciation and amortisation expense

Expenses for depreciation and amortisation are explained in more detail below:

Depreciation and amortisation expense	H1	H1	Change
in EUR million	2018	2017	in %
Rental vehicles	149.3	152.5	-2.1
Lease assets	97.8	90.3	8.2
Property and equipment	7.9	7.2	10.3
Intangible assets	4.2	3.9	7.4
Group total	259.1	253.9	2.0

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	H1	H1	Change
in EUR million	2018	2017	in %
Leasing expenses	33.6	28.9	16.2
Commissions	95.9	81.5	17.7
Expenses for buildings	37.0	35.4	4.4
Other selling and marketing expenses	35.8	30.7	16.8
Expenses from write-downs of receivables	17.5	18.7	-6.6
Audit, legal, advisory costs, and investor relations expenses	10.4	11.1	-6.2
Other personnel services	32.5	32.8	-1.1
Expenses for IT and communication services	11.8	9.7	21.2
Currency translation/consolidation	74.7	16.6	>100
Miscellaneous expenses	21.0	21.7	-3.2
Group total	370.2	287.3	28.9

Net finance costs

Net finance costs of EUR 176.8 million (H1 2017: EUR -16.5 million) contain net interest expense of EUR -17.2 million (H1 2017: EUR -16.0 million). Net finance costs also include the income from the sale of the stake in the joint venture DriveNow in the amount of EUR 196.1 million (H1 2017: disposal of a financial asset EUR 1.8 million), a result from interest rate hedging transactions in the amount of EUR -0.4 million (H1 2017: EUR 0.3 million) as well as the result of at-equity-measured investments at EUR -2.0 million (H1 2017: EUR -2.9 million).

Income tax expense

The income tax expense is composed of current income tax of EUR 52.4 million (H1 2017: EUR 28.4 million), as well as deferred taxes of EUR -6.2 million (H1 2017: EUR 1.3 million). Based on its earnings before taxes (EBT), the Sixt Group's tax rate was 14% in the period under review (H1 2017: 29%).

Earnings per share

Earnings per share are as follows:

Earnings per share - basic		H1 2018	H1 2017
Consolidated profit for the period after minority interests	in EUR thou.	274,031	65,606
Profit attributable to ordinary shares	in EUR thou.	177,061	42,225
Profit attributable to preference shares	in EUR thou.	96,969	23,381
Weighted average number of ordinary shares		30,367,112	30,367,112
Weighted average number of preference shares		16,573,958	16,576,246
Earnings per ordinary share	in EUR	5.83	1.39
Earnings per preference share	in EUR	5.85	1.41

The profit/loss attributable to preference shares considers the additional dividend of EUR 0.02 per preference share payable in accordance with the Articles of Association for preference shares carrying dividend rights in the financial year. The weighted average number of shares is calculated on the basis of the proportionate number of shares per month for each category of shares, taking due account of the respective number of treasury shares. Earnings per share are calculated by dividing the profit or loss attributable to each class of shares by the weighted average number of shares per class of shares. The potential dilutive effect of stock options issued as part of the Matching Stock Programme MSP 2012 is insignificant, so that no adjustment is made.

Dividends

The proposal to pay out a dividend of EUR 1.95 per ordinary share and EUR 1.97 per preference share as well as a special dividend of EUR 2.05 for each ordinary and preference share was resolved unchanged by the Annual General Meeting on 21 June 2018. This corresponds to a total distribution of EUR 188,105 thousand.

3.4 EXPLANATIONS OF SELECTED ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Lease assets

Lease assets increased by EUR 45.8 million to EUR 1.26 billion as at reporting date (31 December 2017: EUR 1.22 billion). The increase is primarily the result of an increased volume of contracts in the Online Retail business field.

Rental vehicles

The rental vehicles item increased for seasonal reasons by EUR 963.7 million as against 31 December 2017, up from EUR 2.08 billion to EUR 3.04 billion.

Other receivables and assets

Other receivables and assets can be broken down as follows:

Other receivables and assets	30 Jun. 2018	31 Dec. 2017
in EUR million		
Financial other receivables and assets		
Finance lease receivables	4.3	4.4
Receivables from affiliated companies	1.3	0.9
Receivables from other investees	0.0	0.7
Miscellaneous assets	58.0	57.3
Non-financial other receivables and assets		
Other recoverable taxes	105.2	23.8
Insurance claims	31.8	25.8
Deferred income	28.7	19.2
Delivery claims for vehicles of the rental and lease fleets	163.1	149.1
Group total	392.5	281.3
Thereof current	386.9	275.2
Thereof non-current	5.5	6.1

Equity

The share capital of Sixt SE as at 30 June 2018 amounts unchanged to EUR 120,174,996 (31 December 2017: EUR 120,174,996).

The share capital is composed of:

Composition of the share capital	No-par value shares	Nominal value in EUR	No-par value shares	Nominal value in EUR
		30 Jun. 2018		31 Dec. 2017
Ordinary shares	30,367,112	77,739,807	30,367,112	77,739,807
Non-voting preference shares	16,576,246	42,435,190	16,576,246	42,435,190
Total	46,943,358	120,174,996	46,943,358	120,174,996

Treasury shares

By resolution of the Annual General Meeting of 2 June 2016 the Managing Board, with consent of the Supervisory Board, is authorised, as specified in the proposed resolution, to acquire in the period up to and including 1 June 2021 ordinary bearer shares and/or preference bearer shares of the Company in the amount of up to 10% of the Company's share capital at the time of the authorisation or, if lower, at the time of the exercise – including with the use of derivatives in the amount of up to 5% of the share capital. The authorisation can be exercised wholly or partially, on one or more occasions for any purpose permitted by law. Acquisitions for the purpose of trading in treasury shares are excluded. On the basis of the aforementioned authorisation the Managing Board decided in February 2018, with the consent of the Supervisory Board, for a share buyback programme, which serves to meet the Company's obligations to grant preference shares to employees and members of the Company's administrative and management bodies and their affiliated companies under the Matching Stock Programme (MSP 2012). The share buyback programme was completed on 21 February 2018. At that time, Sixt SE repurchased in total 43,685 preference shares with a total value of EUR 2.6 million (excluding incidental purchase expenses). As at reporting date the authorisation has not yet been fully exercised.

Minority interests

Minority interests are related entirely to the Leasing Business Unit. Since the IPO of Sixt Leasing SE in May 2015 the interest Sixt SE holds in Sixt Leasing SE and its subsidiaries is unchanged at 41.9%.

Authorised capital

By resolution of the Annual General Meeting of 2 June 2016 the Managing Board was authorised, as specified in the proposed resolution, to increase the share capital on one or more occasions in the period up to and including 1 June 2021, with the consent of the Supervisory Board, by up to a maximum of EUR 35,840,000 by issuing new no-par value bearer shares against cash and/or non-cash contributions, whereby the shareholders' pre-emptive rights may be excluded under certain conditions (Authorised capital 2016).

Conditional capital

By resolution of the Annual General Meeting of 2 June 2016 the Managing Board, with the consent of the Supervisory Board, was authorised, as specified in the proposed resolution, to issue on one or more occasions in the period up to and including 1 June 2021 convertible and/or bonds with warrants registered in the name of the holder and/or bearer of up to a maximum of EUR 350,000,000 with a fixed or open-ended term and to grant conversion or option rights to the holder and/or creditor of convertible bonds to acquire a total of up to 6,000,000 new ordinary bearer shares in Sixt SE and/or to provide corresponding conversion rights for the Company.

In this context the company's share capital has been conditionally increased strength of the resolution taken by the Annual General Meeting on 2 June 2016 by up to EUR 15,360,000 (Conditional capital 2016). The conditional capital increase serves to grant shares to the holders or creditors of convertible bonds and holders of option rights from bonds with warrants, insofar as the conversion or option rights from the aforementioned bonds are actually exercised or the conversion obligations from such bonds are fulfilled and provided that no other form of settlement is being used.

Profit participation bonds and rights

By resolution of the Annual General Meeting of 30 June 2017 the Managing Board, with the consent of the Supervisory Board, is authorised, to issue on one or more occasions in the period up to and including 29 June 2022 profit participation bonds and/or rights registered in the name of the holder and/or bearer by up to a maximum of EUR 350,000,000 with a fixed or open-ended term against cash and/or non-cash contributions. The profit participation bonds and/or rights issued under this authorisation may not provide for conversion or subscription rights to shares of the Company.

Financial liabilities

Financial liabilities are broken down as follows:

Financial liabilities in EUR million	Residual term of up to 1 year		Residual term of 1 to 5 years		Residual term of more than 5 years	
	30 Jun. 2018	31 Dec. 2017	30 Jun. 2018	31 Dec. 2017	30 Jun. 2018	31 Dec. 2017
Borrower's note loans	43.0	-	344.8	387.7	179.1	179.1
Bonds	-	249.9	996.2	748.7	246.5	-
Commercial paper	514.5	25.0	-	-	-	-
Liabilities to banks	429.5	299.3	327.6	310.4	61.3	62.8
Finance lease liabilities	1.8	2.4	10.5	11.3	-	-
Other liabilities	8.4	14.4	-	-	-	-
Group total	997.2	591.0	1,679.2	1,458.2	487.0	241.9

Borrower's note loans were raised in several tranches, with nominal terms between four and seven years. The borrower's note loans reported with short-term residual maturity are due for repayment in the first half of 2019.

The bonds relate mainly to the 2014/2020 bond issued in 2014 and the 2016/2022 bond issued in 2016 by Sixt SE as well as the 2017/2021 bond issued in 2017 by Sixt Leasing SE (each with a nominal value of EUR 250 million). Furthermore Sixt SE and Sixt Leasing SE each placed a bond with a nominal value of EUR 250 million in the period under review. The bond of Sixt SE was issued with a coupon of 1.5% p.a. and has a maturity until 2024, the bond of Sixt Leasing SE was issued with a coupon of 1.5% p.a. and has a maturity until 2022.

The liabilities to banks result mainly from the ABS programme launched by Sixt Leasing SE and a long-term real estate loan.

Current other provisions

As was the case at year-end 2017, current other provisions primarily comprise provisions for taxes, legal costs and the operating rental business (fleet related costs), and employee-related provisions.

Additional disclosures on financial instruments

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each category of financial instruments. The fair value of financial assets and liabilities that are not regularly measured at fair value, but for which the fair value is to be specified, are assigned in the following table to the measurement levels of the fair value hierarchy.

Carrying amounts and fair values by IFRS 9 measurement category:

Financial instruments in EUR thou.	IFRS 9 measurement category ¹	Measurement basis for fair value	Carrying amount		Fair value	
			30 Jun. 2018	31 Dec. 2017	30 Jun. 2018	31 Dec. 2017
Non-current assets						
Financial assets	FVTPL	Level 3	3,048	915	3,048	915
Finance lease receivables	IAS 17		2,318	2,743	2,398	2,833
Interest rate derivatives	FVTPL	Level 2	11	399	11	399
Other receivables	AC		3,193	2,956		
Total			8,570	7,013	5,456	4,146
Current assets						
Finance lease receivables	IAS 17		1,975	1,682	2,054	1,748
Currency derivatives	FVTPL	Level 2	167	3,321	167	3,321
Trade receivables	AC		469,140	493,875		
Other receivables	AC		55,907	52,264		
Total			527,188	551,142	2,221	5,069
Non-current liabilities						
Bonds	AC	Level 2	1,242,745	748,738	1,284,945	782,522
Borrower's note loans	AC	Level 2	523,968	566,780	531,028	579,772
Liabilities to banks	AC	Level 2	388,924	373,246	381,695	369,649
Financial other liabilities	AC		172	103		
Financial other liabilities	FVTPL	Level 3	341	-	341	-
Finance lease liabilities	IAS 17		10,491	11,317	10,566	11,429
Interest rate derivatives	Hedge Accounting	Level 2	387	-	387	-
Interest rate derivatives	FVTPL	Level 2	-	137	-	137
Total			2,167,029	1,700,320	2,208,961	1,743,508
Current liabilities						
Bonds	AC	Level 2	-	249,904	-	259,701
Borrower's note loans/Commercial paper	AC	Level 2	557,480	25,000	559,032	25,000
Liabilities to banks	AC	Level 2	429,502	299,304	431,496	302,507
Finance lease liabilities	IAS 17		1,819	2,415	1,824	2,432
Trade payables	AC		789,952	690,998		
Other financial liabilities	AC		8,439	14,405		
Currency derivatives	FVTPL	Level 2	12,340	230	12,340	230
Interest rate derivatives	FVTPL	Level 2	78	-	78	-
Financial other liabilities	AC		68,902	26,656		
Financial other liabilities	FVTPL	Level 3	275	-	275	-
Total			1,868,788	1,308,913	1,005,045	589,872

¹ FVTPL - Fair value through profit or loss, AC - At amortised cost

The financial instruments in above table are classified into three levels depending on the measurement basis. Level 1 measurements are based on prices quoted in active markets. Level 2 measurements are based on parameters other than quoted prices that are observable either directly as prices or are indirectly derived from prices. Level 3 measurements are based on models that use parameters that are not based on observable market data, but rather on assumptions. There have been no transfers between the individual measurement levels at the reporting date.

Due to factors that change in the course of time, the reported fair values can only be regarded as indicative of the values actually realisable on the market. The fair values of the financial instruments were calculated on the basis of market data available at the balance sheet date and the methods and assumptions described below.

For current financial instruments it was assumed that the fair values correspond to the carrying amounts (amortised cost) unless specified otherwise in the table.

The fair values of the finance lease receivables reported under non-current and current assets and the bonds, borrower's note loans, finance lease liabilities and liabilities to banks reported as non-current and current liabilities were calculated as the present values of the future expected cash flows. Standard market interest rates between -0.2% p.a. and 2.2% p.a. (2017: between -0.3% p.a. and 1.7% p.a.) based on the respective maturities were used for discounting. Finance lease receivables and liabilities are measured in accordance with IAS 17. The fair values of derivatives are measured on the basis of estimated market yield curves calculated by the relevant transaction partners (banks).

The fair values determined on the basis of unobservable market data relate to equity investments and obligations for contingent consideration associated with an entity acquired in the current year. The equity investments are valued on the basis of their net assets value. The fair value of contingent consideration was determined as the present value of the expected future cash flows. A discount rate of 5.5% was applied for discounting. The estimated fair value would increase (decrease) if the expected future cash flows were higher (lower) and/or the discount rate was lower (higher).

The change in the reported carrying amounts and fair values of financial assets has resulted from additions of equity investments in the amount of EUR 278 thousand, disposals of equity investments in the amount of EUR 13 thousand, gains recognised in other reserves resulted from the first-time application of IFRS 9 in the amount of EUR 1,948 thousand and results recognised in profit or loss in the amount of EUR -81 thousand. The change in the reported carrying amounts and fair values of non-current and current financial other liabilities (level 3) has resulted from additions in the amount of EUR 581 thousand, results recognised in profit or loss in the amount of EUR 39 thousand and currency translation differences in the amount of EUR -4 thousand.

From 1 January 2018 on, hedge accounting was introduced for certain interest rate derivatives. The Group uses these financial instruments to hedge cash flows from variable interest liabilities under the asset backed securities programme. The carrying amount of the hedged underlying transaction amounted to EUR 459 million as of 30 June 2018 and is included in liabilities to banks.

3.5 GROUP SEGMENT REPORTING

The Sixt Group is active in the two main business areas of Vehicle Rental and Leasing. Activities that cannot be allocated to these segments, such as financing, holding company activities, real estate leasing, or e-commerce transactions, are combined in the Other segment. So far as results from at-equity measured investments can be directly attributed to a segment, these are displayed in the respective segment.

The segment information for the first six months of 2018 (compared with the first six months of 2017) is as follows:

By Business Unit in EUR million	Rental		Leasing		Other		Reconciliation		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
External revenue	954.5	848.3	388.5	363.5	2.2	1.9	-	-	1,345.2	1,213.8
Internal revenue	1.8	2.0	5.8	5.2	19.8	16.4	-27.4	-23.6	-	-
Total revenue	956.3	850.3	394.3	368.7	22.0	18.3	-27.4	-23.6	1,345.2	1,213.8
Fleet expenses and cost of lease assets	236.8	204.0	246.3	227.5	0.0	0.0	-7.4	-6.8	475.7	424.8
Depreciation and amortisation expense	159.1	162.0	98.1	90.7	1.9	1.2	-	-	259.1	253.9
EBIT ¹	127.6	94.7	22.9	26.3	-0.4	-1.9	-0.0	-0.1	150.2	119.1
Net finance costs	-16.1	-14.3	-7.1	-9.6	200.0	7.4	0.0	0.1	176.8	-16.5
Thereof result from at-equity measured investments	-2.0	-2.9	-	-	-	-	-	-	-2.0	-2.9
EBT ²	111.5	80.3	15.8	16.8	199.6	5.5	-	-	326.9	102.6
Investments ³	19.1	11.4	283.2	282.4	14.7	11.5	-	-5.0	316.9	300.3
Segment assets	4,067.1	3,174.3	1,431.1	1,262.4	2,601.7	2,309.8	-2,504.2	-2,216.0	5,595.7	4,530.5
Segment liabilities	2,972.6	2,255.9	1,209.4	1,054.6	1,967.4	1,727.4	-1,889.8	-1,602.4	4,259.7	3,435.5

By Region in EUR million	Germany		Europe		North America		Reconciliation		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	778.1	719.0	401.9	342.4	172.7	158.6	-7.6	-6.2	1,345.2	1,213.8
Investments ³	287.3	275.6	32.7	28.5	3.5	1.3	-6.6	-5.0	316.9	300.3
Segment assets	4,761.8	3,773.2	2,523.6	1,917.5	919.8	648.4	-2,609.6	-1,808.6	5,595.7	4,530.5

¹ Corresponds to earnings before interest and taxes (EBIT)

² Corresponds to earnings before taxes (EBT)

³ Excluding rental assets

3.6 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities resulting from guarantees or similar obligations in the period under review as against the 2017 consolidated financial statements.

3.7 RELATED PARTY DISCLOSURES

There have been no material changes in the nature and amount of Sixt Group's transactions with related parties as of 30 June 2018 compared to those reported as of 31 December 2017. For further details please refer to the consolidated financial statements of Sixt SE as of 31 December 2017 in the Annual Report 2017 (Notes to the consolidated financial statements "5.4 Related party disclosures").

For their services as members of the Managing Board, Erich Sixt, Alexander Sixt and Konstantin Sixt receive remuneration, which in accordance with the resolution adopted by the Annual General Meeting on 3 June 2014, is not published individually. In the reporting period, other members of the Sixt family received remuneration amounting to EUR 0.2 million (H1 2017: EUR 0.2 million) for activities in the Group.

As at 30 June 2018, Erich Sixt Vermögensverwaltung GmbH, all shares of which are held directly and indirectly by the Sixt family, held 17,701,822 shares of the ordinary shares of Sixt SE (31 December 2017: 18,711,822 shares of the ordinary shares). On 6 June 2018, Erich Sixt Vermögensverwaltung GmbH, Pullach, sold 1,010,000 ordinary shares in Sixt SE at a share price of EUR 102.00 and now holds 58.3% of the ordinary shares and voting rights of the subscribed capital as at reporting date.

The notifications received by Sixt SE during the reporting period concerning transactions pursuant to article 19 of the European Market Abuse Directive were duly published and can be retrieved on the website of Sixt SE at ir.sixt.eu under the tab "Investor Relations – Corporate Governance – Directors' Dealings".

3.8 EVENTS SUBSEQUENT TO REPORTING DATE

No events of special significance for the net assets, financial position and result of operations of the Sixt Group occurred after the reporting date as of 30 June 2018.

4. RESPONSIBILITY STATEMENT

Responsibility statement in accordance with section 117 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with section 115 (2) no. 3 of the WpHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Pullach, 16 August 2018

Sixt SE

The Managing Board

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