

**CAR** 神州租车

***CAR Inc.***

**2016 First Quarter Results**

May 2016

# 1Q'16 results summary

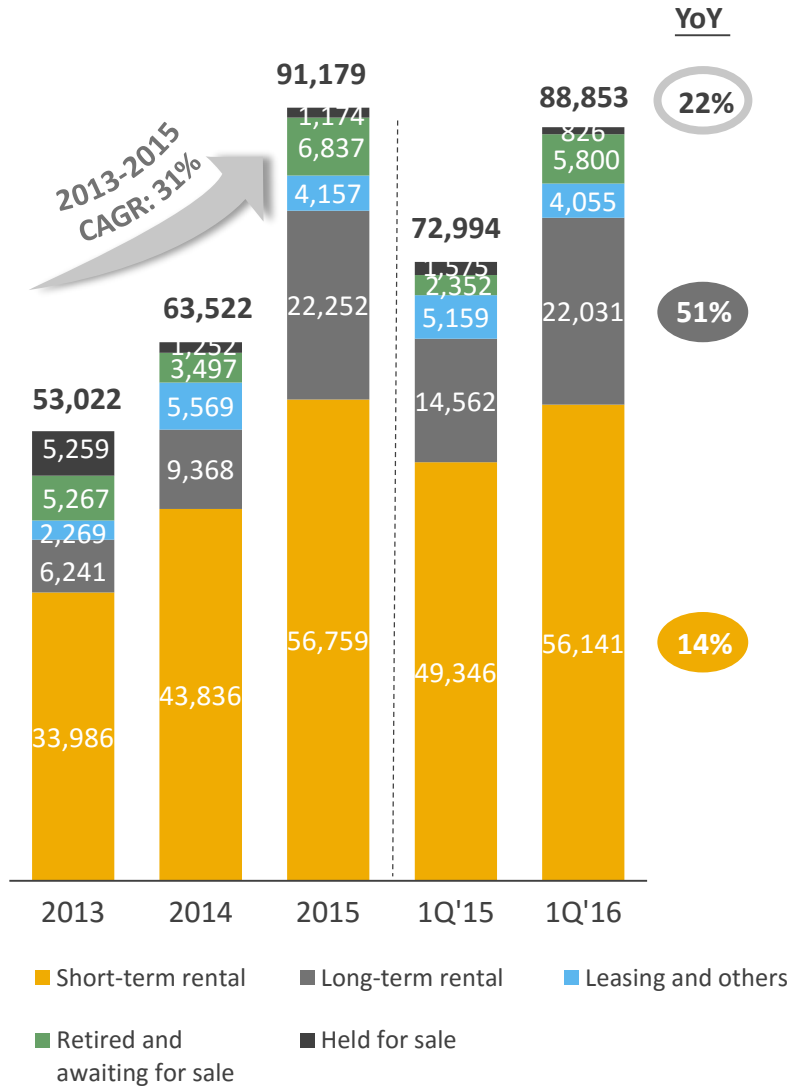
(RMB in millions, unless otherwise noted)	1Q'16	1Q'15	YoY
Rental revenue	1,255	926	36%
Total revenue	1,614	1,035	56%
Gross profit	608	458	33%
Margin <sup>(1)</sup>	48.5%	49.5%	-1.0pp
Net profit <sup>(2)</sup>	274	177	55%
Adj. EBITDA <sup>(3)</sup>	798	577	38%
Margin <sup>(1)</sup>	63.6%	62.3%	+1.3pp
Adj. net profit <sup>(4)</sup>	251	209	20%
Margin <sup>(1)</sup>	20.0%	22.6%	-2.6pp
Basic EPS (RMB)	0.114	0.075	52%
	<b>Mar-16</b>	<b>Dec-15</b>	<b>YoY</b>
Total assets	16,725	16,342	2%
Total debt <sup>(5)</sup>	8,572	8,514	flat
Cash <sup>(5)</sup>	2,569	2,041	26%
Total debt <sup>(5)(6)</sup> / LTM Adj. EBITDA <sup>(7)</sup>	2.9x	3.1x	-0.2x
Net debt <sup>(5)(6)</sup> / LTM Adj. EBITDA <sup>(7)</sup>	2.0x	2.3x	-0.3x

Notes:

- (1) As a percentage of rental revenue
- (2) Includes share-based compensation and unrealized foreign exchange gain/loss on USD-dominated liabilities
- (3) Adjusted EBITDA is defined as profit before income taxes, net finance income/costs, depreciation, amortization and impairment, excluding share-based compensation, and unrealized foreign exchange loss related to USD denominated liabilities
- (4) Adjusted net profit is defined as profit excluding share-based compensation, and unrealized foreign exchange gain/loss related to USD denominated liabilities
- (5) Includes senior notes of RMB5,092 million as of Mar. 31, 2016 and RMB5,191 million as of Dec. 31, 2015
- (6) Includes restricted cash of RMB1.3 million and RMB53.1 million, respectively for 1Q'16 and 2015
- (7) LTM adj. EBITDA is calculated based on the total of the most recent four quarters

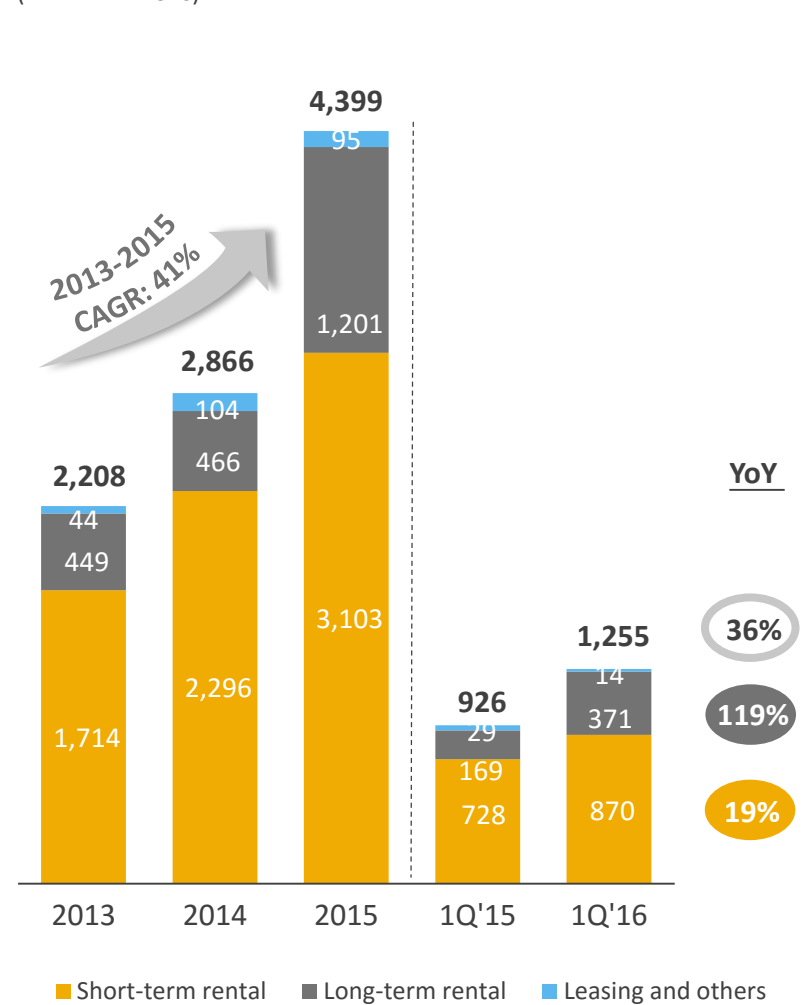
# Strong and steady business growth

## Fleet size



## Rental revenue

(RMB in millions)

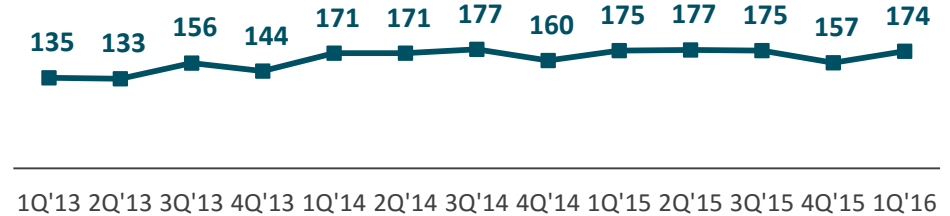


# Solid short-term rental performance

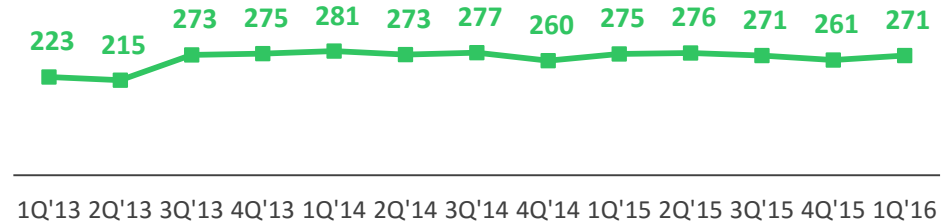
(RMB in millions)

	1Q'16	1Q'15	YoY
<b>ST rental revenue</b>	<b>870</b>	<b>728</b>	<b>19%</b>
=			
<b>days in quarter</b>			
x			
<b>Avg. daily rental fleet<sup>(1)</sup></b>	<b>55,719</b>	<b>47,099</b>	<b>18%</b>
x			
<b>RevPAC<sup>(2)</sup></b>	<b>174</b>	<b>175</b>	<b>stable</b>
=			
<b>ADRR<sup>(3)</sup></b>	<b>271</b>	<b>275</b>	<b>stable</b>
x			
<b>Utilization<sup>(4)</sup></b>	<b>64.2%</b>	<b>63.7%</b>	<b>+0.5pp</b>

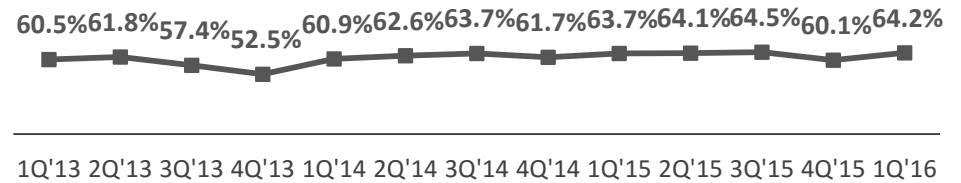
RevPAC<sup>(2)</sup>



ADRR<sup>(3)</sup>



Utilization<sup>(4)</sup>

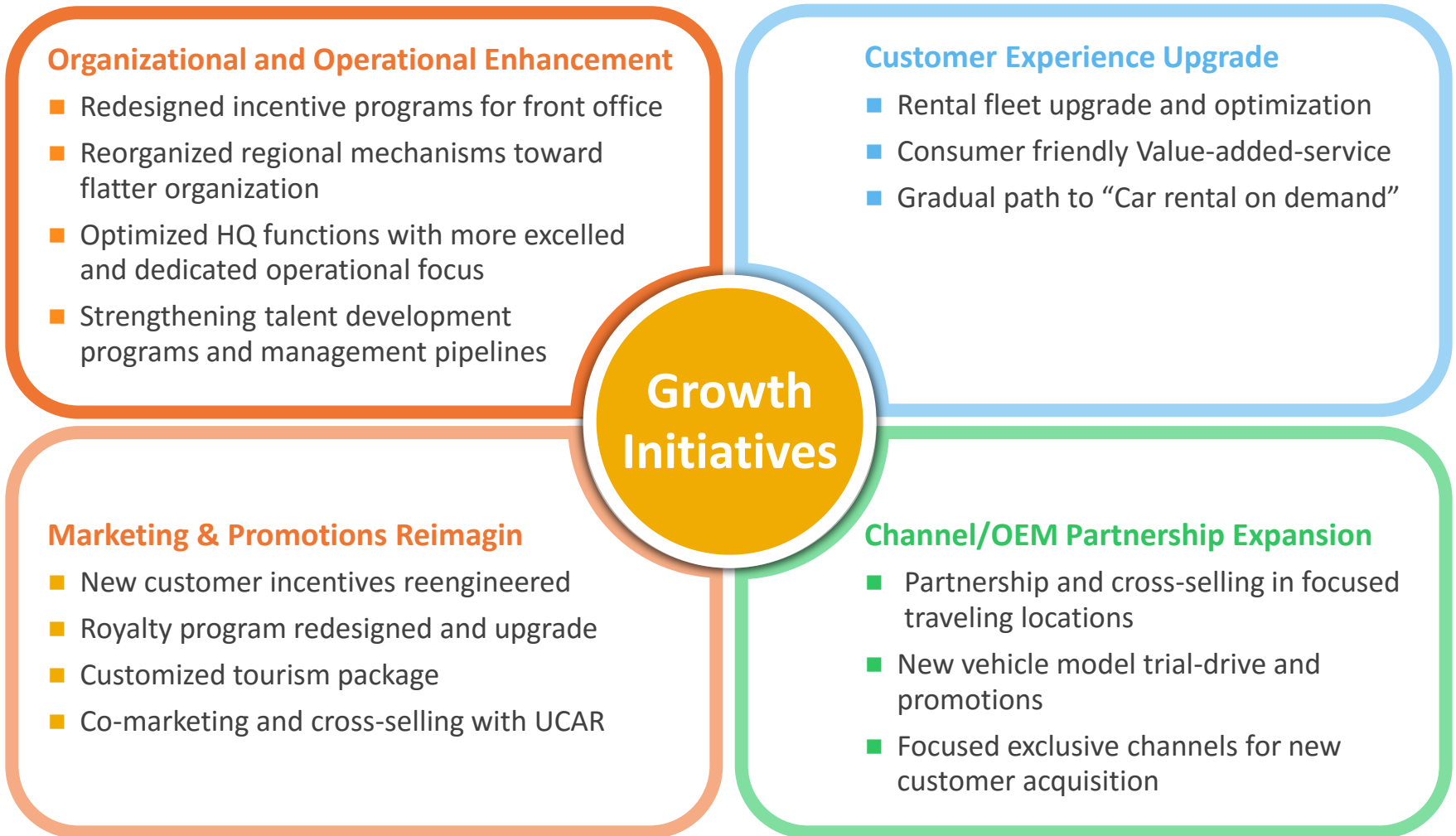


**Continue to increase Utilization via efficient demand forecasting and fleet supply management**

Notes:

- (1) Average daily short-term rental fleet is calculated by dividing the aggregate days of short-term rental vehicles in operation in a given period by the aggregate days of that period
- (2) RevPAC refers to average daily rental revenue per short-term rental vehicle, which is calculated by multiplying the average daily rental rate in a given period by the fleet utilization rate in that same period
- (3) Average daily rental rate is calculated by dividing short-term rental revenue in a given period by the fleet rental days in that period. Fleet rental days are the total rental days for all vehicles in short-term rental fleet in a given period
- (4) Fleet utilization rate is calculated by dividing the aggregate days that vehicles are rented out for short term rentals by the aggregate days that short-term rental vehicles are in operation

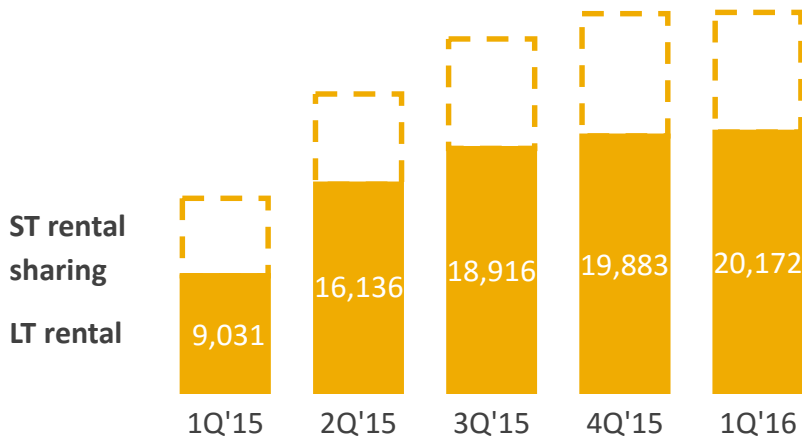
# Growth initiatives in short-term rentals



# Continue to benefit from UCAR Collaboration

## Collaboration and investment update

### Fleet Size



- Efficient **fleet sharing** during the seasonalities
- **Corporate governance** rigor to ensure arms-length
- **Credit positive** as UCAR strengthens its business operations and fund raising capabilities
- Current stake in UCAR **8.15%**

## UCAR update

- Solid customer experience / operating efficiency
- Extending its strategy / business **along the auto value chain** beyond mobility platform
- MAR 2016: UCAR raised **RMB3.68 B** in series C, post-money valuation at RMB28.7 B
- APR 2016: UCAR filed for **NEEQ listing**
- Strategic collaboration with Alibaba in business development and innovations

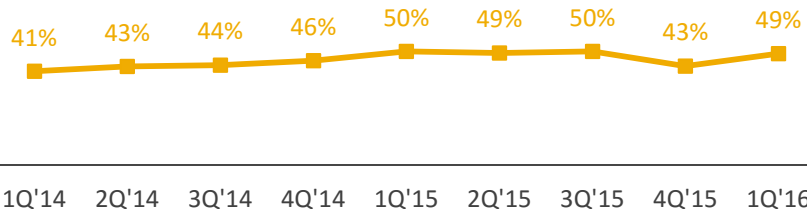
## Clear competitive advantages of mobility B2C model

- **Regulatory compliance**
- Premium pricing through better **customer experience**
- Fixed **cost structure** with limited influence from competitions

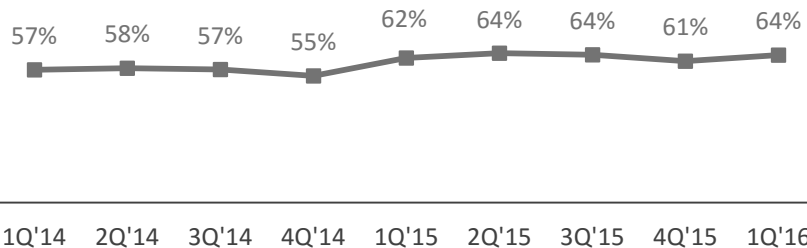
# Sustainable profitability profile

## Profit margins

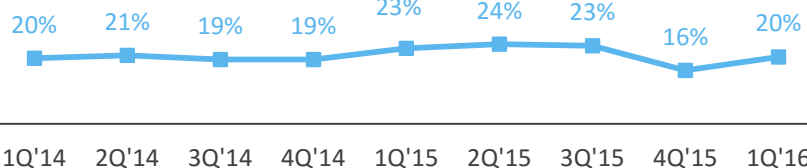
### Gross margin<sup>(1)</sup>



### Adj. EBITDA margin<sup>(1)(2)</sup>

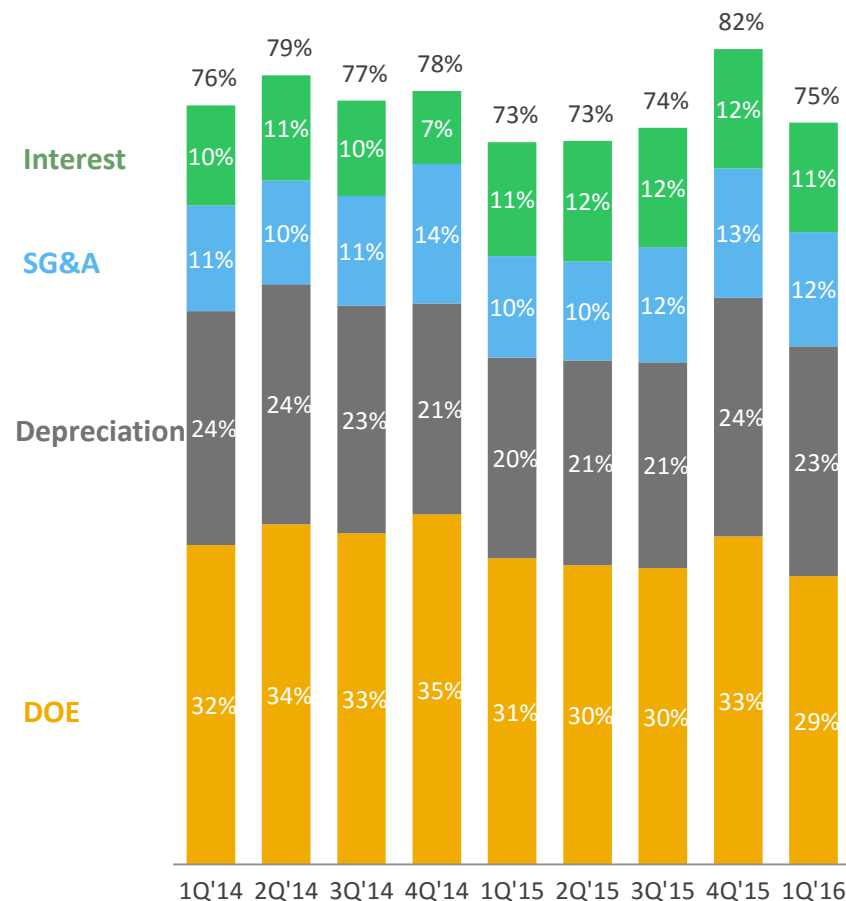


### Adj. net profit margin<sup>(1)(3)</sup>



## Cost structure

### Major cost items as % of rental revenue<sup>(4)</sup>



Notes:

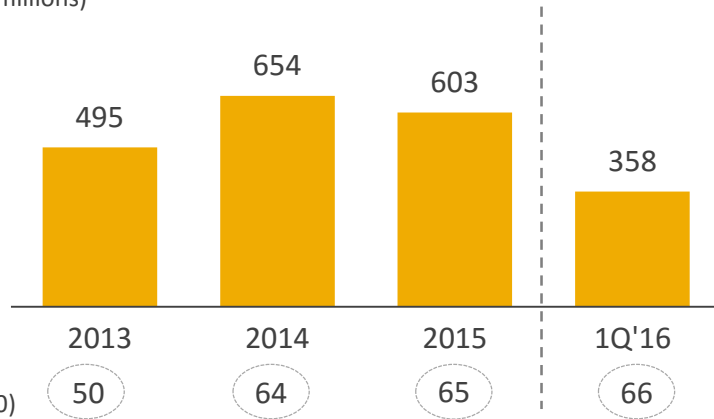
- (1) As percentage of rental revenue
- (2) Adjusted EBITDA is defined as profit before income taxes, net finance income/costs, depreciation, amortization and impairment, excluding share-based compensation, foreign exchange loss related to corporate reorganization, IPO-related expenses, and unrealized foreign exchange loss related to USD denominated liabilities
- (3) Adjusted net profit is defined as profit excluding share-based compensation, foreign exchange loss related to corporate reorganization, IPO-related expenses, and unrealized foreign exchange loss related to USD denominated liabilities
- (4) Expenses figures have been adjusted for share-based compensation, reorganization related expenses as well as costs related to suspended fleet. Interest expenses are net of interest income

# Used car disposal and residual risk

## Proven capabilities in used car disposal

### Sales of used vehicles

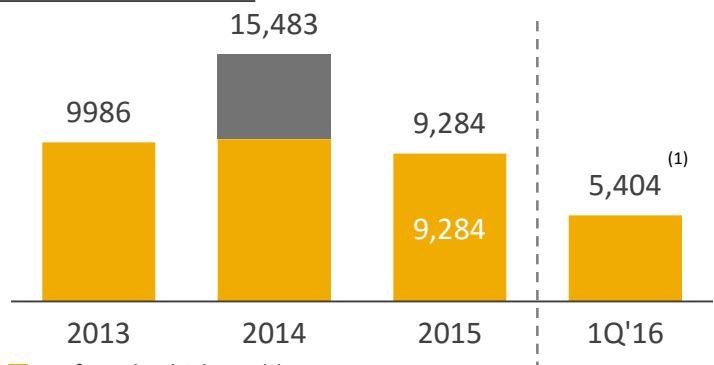
(RMB in millions)



Avg. selling price (RMB'000)



### # of used vehicles disposed

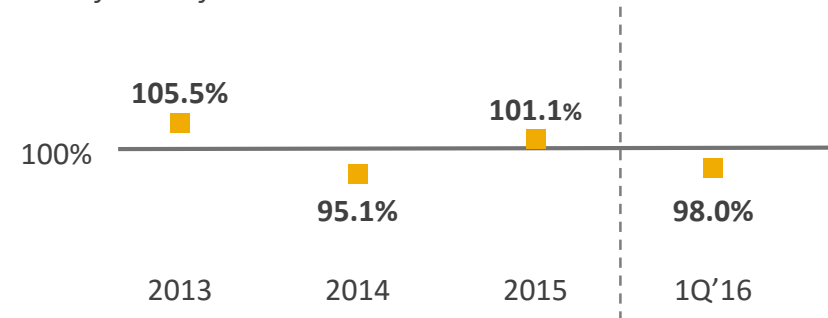


■ # of used vehicles sold  
■ # of used vehicles disposed to franchisees through leasing

## Proven residual risk management

### Cost of sales of used vehicles

As % of sales of used vehicles



## Risk mitigants

- Continue to execute used car B2C pilot program; concluding with 14 stores in T-3 cities, ramping up
- UCAR preparing to launch a B2C auto e-commerce platform with a broad national offline network
- 2,995 vehicles sold to Maimaiche in March, which became a subsidiary of UCAR in April
- Better manage seasonality through fleet sharing

**Solid track record of mitigating residual risks and estimating residual values**

Note:

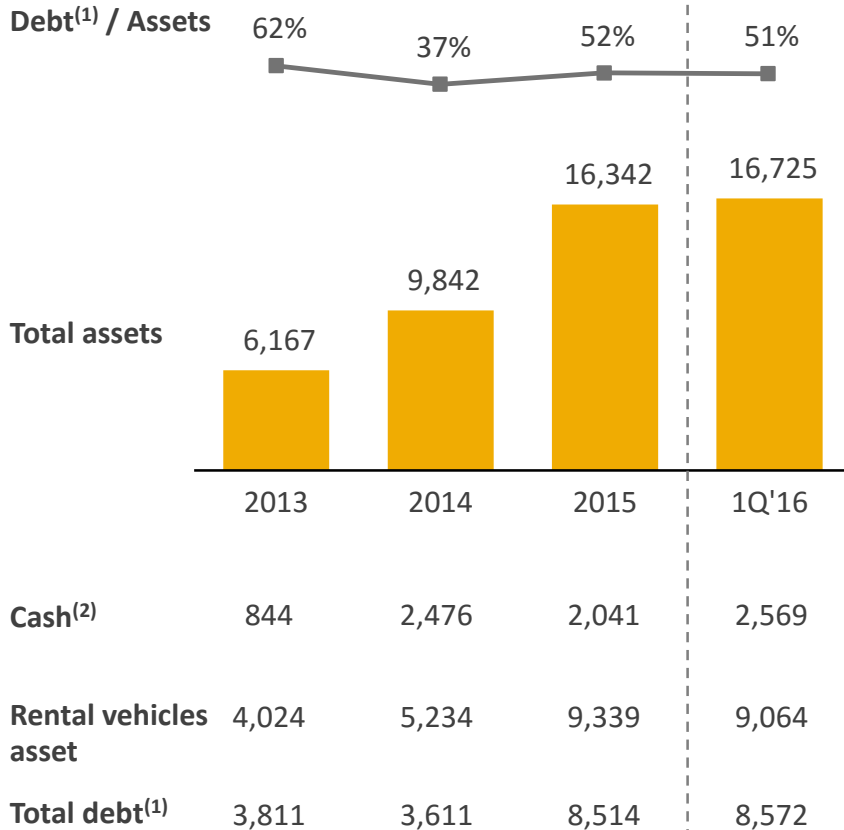
(1) Among which 444 used vehicles were sold to franchisees through one-year installment payments



# Strong financial positions

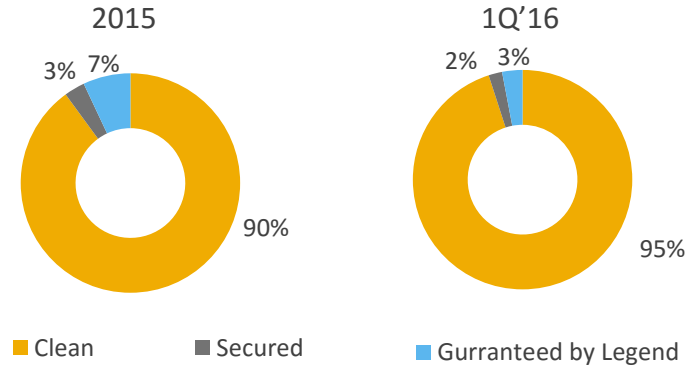
## Strong balance sheet

(RMB in millions)

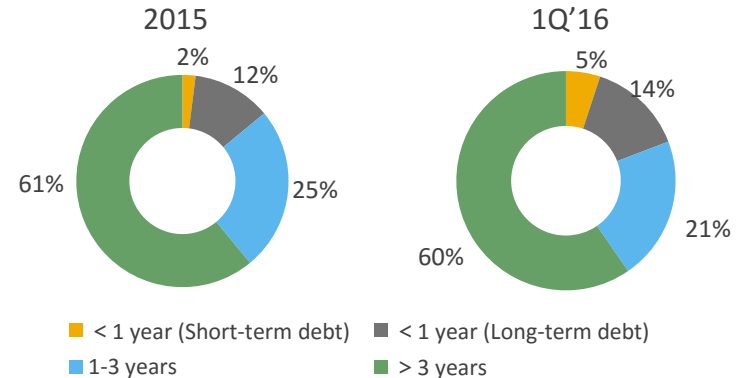


## Diversified funding structure

### Debt structure



### Maturity profile



**We pay close attention to asset and liability management, monitoring FX exposures and analyzing market conditions... Continue to assess Hedging or Liability Management options**

Notes:

(1) 2012 debt amounts include amounts due to Legend Holdings; 2015 debt amounts include senior notes of RMB5,191 million as of Dec. 31, 2015; 1Q'16 debt amounts include senior notes of RMB5,092 million as of Mar.31,2016.  
 (2) Includes restricted cash of RMB9million, RMB2 million, RMB53 million, RMB53 million and RMB1 million and available-for-sale investments of nil, nil, RMB1,070 million and nil, nil respectively for 2012-2015, 1Q'16