AVIS EUROPE PLC
Consolidated Income Statement
for the period ended 30 June (unaudited)

			2005			
	Notes	Before exceptional and re-measurement items €m	Exceptional and re-measurement items* €m	Total €m	Before exceptional and re-measurement items €m	Exceptiona re-measure it
Revenue	1,2	582.3	-	582.3	585.8	
Cost of sales		(322.3)	-	(322.3)	(320.4)	
Gross profit		260.0	-	260.0	265.4	
Administrative expenses	3	(229.0)	(8.3)	(237.3)	(226.2)	
Operating profit	2,3,4	31.0	(8.3)	22.7	39.2	
Finance revenue	5	0.9	-	0.9	1.8	
Finance costs	5	(28.4)	(2.1)	(30.5)	(31.4)	
Foreign exchange on debt	5	-	14.1	14.1	-	
Share of loss						

of joint venture and associate		(0.2)	-	(0.2)	-
Profit before tax		3.3	3.7	7.0	9.6
Tax	6	(0.9)	(1.6)	(2.5)	(2.4)
Profit for the period		2.4	2.1	4.5	7.2
Attributable to:					
Equity holders of the Company		2.5	2.1	4.6	7.2
Minority interest		(0.1)	-	(0.1)	-
Profit for the period		2.4	2.1	4.5	7.2
Earnings per share (euro cents)					
Basic and diluted	8			0.8	

* See Significant Accounting Policies relating to exceptional and re-measurement items

The accompanying Notes form an integral part of these Interim Financial Statements.

Consolidated Statement of Recognised Income and Expense for the period ended 30 June (unaudited)

	Notes	2005 Income and expenses before exceptional and re-measurement items €m	Exceptional and re-measurement items* €m	Total €m	Income and expenses before exceptional and re-measurement items €m	Exceptional re-measurem ite
Cash flow hedges:						
Net fair value gains		-	2.1	2.1	-	
Transferred to income statement		-	7.1	7.1	-	
Exchange differences on translation of foreign operations		-	(13.8)	(13.8)	-	(2
Actuarial losses on defined benefit pension schemes		-	(6.0)	(6.0)	-	(
Tax on items						

taken directly to equity	6	-	(1.4)	(1.4)	-	
Net expense recognised directly in equity		-	(12.0)	(12.0)	-	(2
Profit for the period		2.4	2.1	4.5	7.2	1
Total recognised income and expense for the period		2.4	(9.9)	(7.5)	7.2	(
Attributable to:						
Equity holders of the Company				(7.4)		
Minority interest				(0.1)		
Total recognised income and expense for the period				(7.5)		

* See Significant Accounting Policies relating to exceptional and re-measurement items

The accompanying Notes form an integral part of these Interim Financial Statements.

Consolidated Balance Sheet
At 30 June (unaudited)

	30 June 2005 €m	30 June 2004 €m
Goodwill	7.8	47.4
Other intangible assets	3.2	27.4
Vehicles	502.0	577.7
Property, plant and equipment	89.7	93.5
Investments accounted for using the equity method	10.1	10.2
Financial assets: available for sale investments	0.6	0.8
Deferred tax assets	49.7	35.6
Non-current assets	663.1	792.6
Non-current assets held for sale	13.1	4.0
Inventories	7.7	6.6
Trade and other receivables	1,710.7	1,627.5
Current tax assets	23.4	8.0
Other financial assets:		
held for trading	20.6	60.1

derivative financial instruments	5.3	-
Cash and cash equivalents	38.8	37.3
Current assets	1,806.5	1,739.5
Total assets	2,482.7	2,536.1
Trade and other payables	1,027.8	1,113.4
Current tax liabilities	39.5	34.6
Obligations under finance leases	389.3	365.9
Other financial liabilities:		
borrowings	134.1	122.0
deferred consideration	0.3	-
derivative financial instruments	10.3	-
Current liabilities	1,601.3	1,635.9
Deferred tax liabilities	56.1	46.6
Provisions	46.5	47.1
Retirement benefit obligations	96.5	83.4
Obligations under finance leases	1.0	-
Other financial liabilities:		
borrowings	667.3	710.0
deferred consideration	33.2	33.6
derivative financial instruments	56.3	-
Non-current liabilities	956.9	920.7
Total liabilities	2,558.2	2,556.6
Net liabilities	(75.5)	(20.5)
Equity		

Share capital	8.1	8.1
Share premium	388.9	876.0
Own shares held	(0.9)	(1.4)
Retained earnings	(450.4)	(880.3)
Other reserves	(21.7)	(23.4)
Shareholders' equity	(76.0)	(21.0)
Minority interest	0.5	0.5
Total equity	(75.5)	(20.5)

The accompanying Notes form an integral part of these Interim Financial Statements, which were approved by the Board on 31 August 2005 and were signed on its behalf by:

M E Hennessy	M R Smith
Chief Executive	Group Finance Director

Consolidated Cash Flow Statement
for the period ended 30 June (unaudited)

	Notes	2005 €m	2004 €m
Operating profit		22.7	35.3
Reverse depreciation on tangible non-current assets		70.8	73.2
Reverse amortisation of other intangible assets		0.6	0.7
Reverse adjustments arising on differences between sales proceeds and depreciated amounts		(8.3)	(0.9)
Reverse operating goodwill impairment		0.6	-
Reversal of fair value losses on derivative financial instruments		2.5	-
Reverse share based payment charges		0.2	0.1
Reverse non-cash operating lease charge on			

manufacturer re-purchase contracts		88.1	83.1
Payments with respect to manufacturer re-purchase contracts		(747.2)	(496.5)
Receipts with respect to manufacturer re-purchase contracts		514.5	572.6
Increase in inventories		(1.6)	(0.9)
Increase in debtors		(70.1)	(126.1)
Increase in creditors		13.4	11.3
Increase / (decrease) in provisions		2.2	(6.7)
Increase in retirement benefit obligations		1.9	6.0
Maturity of derivative financial instruments - non-debt		(2.2)	-
Cash flow on termination of operation		-	(3.5)
Net cash (used in) / generated from operating activities before taxation		(111.9)	147.7
Tax received / (paid)		2.5	(21.4)
Net cash (used in) / generated from operating activities		(109.4)	126.3
Investing activities			
Purchase of other intangible assets	9a)	(1.7)	(12.2)
Purchase of vehicles	9a)	(82.1)	(122.7)
Sale of vehicles	9a)	113.5	230.0
Purchase of property, plant and equipment	9a)	(8.5)	(20.8)
Sale of property, plant and equipment	9a)	5.5	0.9
Sale of non-current assets held for sale	9a)	45.0	32.2
Sale of held for trading financial assets	9a)	53.6	39.8
Purchase of subsidiaries and joint venture	9a)	(0.9)	(1.5)
Net cash generated from investing activities		124.4	145.7
Financing activities			
Interest received		0.9	1.8
Interest paid		(24.6)	(31.1)
Interest element of finance lease payments		(4.6)	(4.2)

Net capital element of finance lease payments		(40.1)	(109.6)
Dividends paid - equity		-	(22.9)
Maturity of derivative financial instruments - debt		(6.8)	-
Increase / (decrease) in bank and other loans		58.6	(122.9)
Net cash used in financing activities		(16.6)	(288.9)
Effects of exchange rate changes		1.1	1.7
Net decrease in cash and cash equivalents	9b),c)	(0.5)	(15.2)
Cash and cash equivalents at 1 January	9b),c)	39.3	52.5
Cash and cash equivalents at 30 June	9b),c)	38.8	37.3

The accompanying Notes form an integral part of these Interim Financial Statements.

Significant Accounting Policies
for the period ended 30 June (unaudited)

Basis of preparation

The Interim Financial Statements comprise the interim consolidated financial statements of the Group for the six months to 30 June 2005 prepared in accordance with the Group's accounting policies.

From 1 January 2005, the Group is required to prepare consolidated financial statements in accordance with accounting standards adopted for use in the European Union ('EU'). The Group previously prepared consolidated financial statements in accordance with UK GAAP until 31 December 2004.

The basis of accounting and format of presentation is subject to change following any further interpretative guidance that may be issued by the

International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC') from time to time. The European Commission has not yet endorsed all of the recent amendments to the Standards or recent Interpretations. In particular:

a) The amendments to IAS 19, Employee Benefits dated 16 December 2004 have been applied. This accounting standard has not yet been formally endorsed by the EU, but is expected to be so by the end of 2005.

b) The potential amendments to IAS 21, The Effects Of Changes In Foreign Exchange Rates, recently discussed by the IASB have not been applied. Had these amendments been applied, the recognition of foreign exchange on foreign debt would be materially impacted.

Additionally, IFRS is being applied in the United Kingdom and in a large number of countries simultaneously for the first time. Furthermore, due to a number of new and revised standards included within the body of standards that comprise IFRS, there is not yet a significant body of established practice on which to draw in forming options regarding interpretation and application. Accordingly, practice is continuing to evolve. At this preliminary stage, therefore, the full effect of reporting under IFRS as it will be applied and reported on in the Company's first IFRS Financial Statements for the year ended 31 December 2005 may be subject to change.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The significant accounting policies are set out in the full Interim Financial Statements as described below.

These policies have been consistently applied to all the periods presented except for those relating to the classification and measurement of financial instruments. The Group has made use of the exemption under IFRS 1 'First time adoption of International Financial Reporting Standards' to only apply IAS 32 'Financial Instruments: Disclosure and Presentation', and IAS 39 'Financial

Instruments: Recognition and Measurement', with effect from 1 January 2005. The policies applied to Financial Statements for 2004 and 2005 are disclosed separately in the full Interim Financial Statements.

These Interim Financial Statements do not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985. The statutory accounts for the year ended 31 December 2004 have been delivered to the Registrar of Companies and include an audit report which was unqualified and did not contain a statement under either Section 237(2) or 237(3) of the Companies Act 1985.

The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosure of contingencies at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Exceptional and re-measurement items

Items which are material by size and incidence or by nature and are non-recurring are presented as exceptional items. Items that represent the re-measurement of underlying assets or liabilities (for example due to interest rate or exchange rate changes) are presented as re-measurement items. Items that management consider that fall into these categories are presented separately in the consolidated income statement under the column 'Exceptional and re-measurement items'. Events which may give rise to the classification of these items include the following:

a) Exceptional items are material items that derive from events or transactions that fall within the ordinary activities of the Group, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

b) Recognised fair value gains and losses on derivatives in accordance with the financial instruments and hedge accounting policy.

c) Exchange gains/losses arising upon the translation of foreign currency borrowings at the closing rate.

d) Actuarial gains and losses on defined benefit pension plans.

All other items are recognised as part of income and expenses prior to exceptional and re-measurement items.

Additional disclosures

Certain additional disclosures have been excluded from this document. The full Interim Financial Statements can be obtained by visiting the website of Avis Europe plc,
www.avis-europe.com,
which contains the following additional information:

a) Group accounting policies;
b) Additional balance sheet notes;
c) IFRS transition note;
d) IFRS reconciliations for 1 January 2004, 30 June 2004 and 31 December 2004;
e) IAS 32/39 introduction explanatory information;
f) Sterling primary statements

Notes to the Consolidated Financial Statements
for the period ended 30 June
(unaudited)

1 Revenue

The Group experiences a natural increase in demand from leisure customers over the European summer holiday months. This seasonality generally results in lower revenue recognition in the first half as compared to the second half of each year, plus an increase in the number of vehicles acquired in the period leading up to the summer months.

2 Business and geographical segments

The dominant source and nature of the Group's risks and returns govern whether its primary segment reporting is by business segment or geographical segment. The Group is subject to significant variations in risks and rewards between undertaking its operations through owned businesses, as compared to the licensing of such operations to third parties. The Group is also subject to significant variations in risks and rewards between its Avis branded businesses and its Budget branded businesses. These variations contrast with more limited differentials between the risk and reward profile of operations in different geographical locations. The Group's primary reporting format is therefore by business segment. The Group's secondary reporting format is geographical.

Business Segments

Revenue

	2005	2004
	€m	€m
Avis Corporate	552.9	559.5
Avis Licensees	11.4	10.4
Avis sub-total	564.3	569.9
Budget Corporate	14.4	12.9
Budget Licensees	3.6	3.0
Budget sub-total	18.0	15.9

Total Group	582.3	585.8

There are immaterial sales between the business segments.

3 Operating profit

	2005 €m	2004 €m
Operating profit is stated after charging:		
Net exceptional and re-measurement items*:		
Total net exceptional charges (see Note 4)	5.8	3.9
Re-measurement gains on non-debt related derivative financial instruments	(2.5)	-
Re-measurement losses on non-debt related derivative financial instruments	5.0	-
Total net exceptional charges and re-measurement items	8.3	3.9

* See Significant Accounting Policies relating to exceptional and re-measurement items

Under IAS 39, the Group seeks to apply hedge accounting to hedge relationships (primarily forward exchange contracts, cross currency interest rate swaps, interest rate swaps and forward exchange contracts) where it is permissible, practical to do so and reduces overall volatility. Due to the nature of its economic hedging relationships, in a number of circumstances the Group is unable to apply hedge accounting to these derivatives. The Group continues, however, to enter into these arrangements as they provide certainty of the exchange rates applying to the foreign currency transactions entered into by the Group and the interest rate on the Group's debt. These arrangements result in fixed and determined cash flows. The Group believes that these arrangements remain effective, economic and commercial hedges.

To the extent that IAS 39 does not permit hedge accounting, results in the reported operating profit before exceptional and re-measurement items, reflect the actual rate of exchange ruling at the date of the transaction, regardless of the accrued cash flow paid by the Group at the contracted rate of exchange per any hedging derivative. If hedge accounting were permitted for all transactions, operating profit before exceptional and re-measurement items for the period would be increased by €1.7million (30 June 2004 - nil) to €32.7 million (30 June 2004 - €39.2 million).

4 Net exceptional items

	2005 €m	2004 €m
Exceptional administrative expenses:		
a) Restructuring costs	1.7	3.9
b) Project termination costs	1.9	-
c) Centrus receivables	(1.3)	-
d) Capital restructuring costs	3.5	-
	5.8	3.9
Net exceptional items before tax	5.8	3.9
Tax credit on net exceptional items	(1.1)	(0.8)
Net exceptional items after tax	4.7	3.1

a) Restructuring costs of €1.7 million were incurred in the period in connection with t back-office functions to the Group's shared service centre in Budapest. Restructurin million were incurred in the prior period to June 2004 in connection with the projec Group's back-office and information technology activities.

b) Following the Group's decision in 2004 to terminate the agreement with the principal back-office project, additional termination costs of €1.9 million have been recognis arising from the mitigating action being taken against the termination costs, which credit in future accounting periods.

c) In 2005, the collection of credit hire receivable balances in the Centrus business c successful than previously anticipated. Exceptional income of €1.3 million has been a partial reversal of the receivable provisions made in previous periods.

d) Various professional, legal and consultancy costs have been incurred in the period i Company's capital restructuring, and the Rights Issue (see Note 11). Where such cost attributable to the issue of new shares, or the drawing down of new debt facilities, recognised immediately in the income statement as exceptional items.

5 Finance revenue, finance costs and foreign exchange on debt

		2005			
	Before exceptional and re-measurement items €m	Exceptional and re-measurement items* €m	Total €m	Before exceptional and re-measurement items €m	Excep re-m
Finance revenue:					
Interest receivable	0.9	-	0.9	1.8	
Finance costs:					
Interest payable under finance lease obligations	(4.6)	-	(4.6)	(4.2)	
Interest payable on bank loans and overdrafts	(22.5)	-	(22.5)	(25.8)	
Interest payable on deferred consideration	(1.3)	-	(1.3)	(1.4)	
Re-measurement losses on debt					

related derivative financial instruments	-	(2.1)	(2.1)	-
	(28.4)	(2.1)	(30.5)	(31.4)
Foreign exchange gain on net debt	-	14.1	14.1	-
Net finance costs	(27.5)	12.0	(15.5)	(29.6)

* See Significant Accounting Policies relating to exceptional and re-measurement items

As described in Note 3, the Group has entered into economic hedging arrangements for which
to apply hedge accounting under IAS 39.

To the extent that IAS 39 does not permit hedge accounting, results in interest payable on
overdrafts, reflect the actual interest rate applicable to the debt, regardless of the acc
the Group at the contracted rate of interest per any hedging derivative. If hedge accounti
all transactions, net finance costs before exceptional and re-measurement items for the pe
increased by €1.8million (30 June 2004 - nil) to €29.3 million (30 June 2004 - €29.6 milli

6 Tax

a) Analysis of tax charge

	2005				
	Before exceptional and re-measurement items €m	Exceptional and re-measurement items* €m	Total €m	Before exceptional and re-measurement items €m	Excep re-m
Current UK tax:	0.2	-	0.2	0.2	

Current foreign tax:	(3.7)	-	(3.7)	5.5
Total current tax:	(3.5)	-	(3.5)	5.7
Total deferred tax	4.4	1.6	6.0	(3.3)
Total tax	0.9	1.6	2.5	2.4

b) Tax charge/(credit) taken directly to the Statement of Recognised Income and Expense

			2005		
	Before exceptional and re-measurement items €m	Exceptional and re-measurement items* €m	Total €m	Before exceptional and re-measurement items €m	Excep re-m
Deferred tax charge on cash flow hedges	-	2.8	2.8	-	
Current tax charge / (credit) on exchange movements offset in reserves	-	0.4	0.4	-	
Deferred tax credit on actuarial losses	-	(1.8)	(1.8)	-	
	-	1.4	1.4	-	

* See Significant Accounting Policies relating to exceptional and re-measurement items

7 Dividends

Amounts recognised as distributions to equity holders in the period	2005 £m	2004 £m
Final dividend for the year ended 31 December 2004 of nil pence; nil euro cents (2003: 2.6 pence; 3.7 euro cents)	-	15.2
Proposed interim dividend of nil pence; nil euro cents (2004: 1.3 pence; 1.9 euro cents)	-	7.6

8 Earnings per share

Basic and diluted earnings per share are based on the profit for the period attributable t
the Company.

Earnings	2005 £m	2004 £m
Profit for the period attributable to equity holders of the Company	3.0	15.0

Earnings per share	2005 Sterling pence	2004 Sterling pence
Basic and diluted earnings per share	0.5	2.6

The weighted average number of shares in issue for the year was 585,286,293 (2004: 585,113
Options have been granted to certain Directors and employees over ordinary shares of Avis
These options constitute the only category of potentially dilutive ordinary shares and the
the weighted average number of shares in either 2004 or 2005 as the option exercise prices
market share price. Since these options were not dilutive they had no impact upon the Inte
Income Statement in either period.

9 Notes to the consolidated cash flow statement

a) Reconciliation of net cash generated in investing activities

	2005
Purchase of vehicles accounted for as fixed assets	€m
Vehicle additions	(382.6)
New vehicle finance leases	114.8
Increase in vehicle creditors	185.7
	(82.1)
Sale of vehicles accounted for as fixed assets	
Vehicle sales	207.8
Adjustments arising on differences between sales proceeds and depreciated amounts	5.4
(Increase) / decrease in vehicle debtors	(27.6)
Disposal of finance leased assets	(72.2)
Exchange movements on vehicle debtors	0.1
	113.5
Net cash movement in vehicles accounted for as fixed assets	31.4
Purchase of other intangible assets	(1.7)
Purchase of property, plant and equipment	(8.5)
Sale of property, plant and equipment	5.5
Sale of non-current assets held for sale	45.0
Sale of held for trading financial assets	53.6
Purchase of subsidiaries and joint venture	(0.9)
Net cash invested in other assets	93.0
Net cash generated from investing activities	124.4

b) Analysis of changes in net debt

	At 31 December 2004 as	Impact of adoption of IAS

	reported	32 and IAS 39
	€m	€m
Current financial assets	75.0	-
Cash and cash equivalents	39.3	-
Obligations under finance leases	(270.6)	-
Borrowings	(809.4)	86.3
Derivative debt instruments	-	(101.2)
Net debt	(965.7)	(14.9)

	At 1 January 2005 as restated	Cash flow	Other non-cash	Exchange movement	At 30
	€m	€m	€m	€m	
Current financial assets	75.0	(53.6)	-	(0.8)	
Cash and cash equivalents	39.3	(1.6)	-	1.1	
Obligations under finance leases	(270.6)	40.1	(157.3)	(2.5)	
Borrowings	(723.1)	(58.6)	(31.7)	12.0	
Derivative debt instruments	(101.2)	6.8	33.2	-	
Net debt	(980.6)	(66.9)	(155.8)	9.8	

Other non-cash movements represent the effect of the inception and cessation of certain fi period, the conversion of debt from long-term to short-term, and recognition of changes in and hedged items.

10 Exchange rates

Monthly income statement and other period statements of overseas operations are translated at the relevant rate of exchange for that month. Except for the balance sheet which is translated at the closing rate, each line item in these Interim Financial Statements represents a weighted average rate.

The rates of exchange between the euro (the main currency that principally affects the Group) and sterling were as follows:

	Sterling to Euro Six months ended 30 June		Euro to Sterling Six months ended 30 June	
	2005	2004	2005	2004
Weighted average reported rate for revenue	1.449	1.472	0.690	0.679
Weighted average reported rate for operating profit before exceptional and re-measurement items	1.455	1.490	0.687	0.671
Period end rate	1.500	1.509	0.666	0.663

11 Subsequent events

On 16 June 2005, the Board announced that the Group proposed to raise approximately £110.5 million (net of estimated expenses), by way of a 4 for 7 Rights Issue of new shares at 35 pence per share. To enable the Rights Issue, the shareholders approved, at an Extraordinary General Meeting on 4 July 2005, an increase in the Company's authorised share capital and authorised the Directors to allot the new shares. The authorised share capital immediately following the Extraordinary General Meeting was £9,400,000 divided into 940,000,000 shares.

A total of 334,736,017 new shares were issued on 4 July 2005 pursuant to the Rights Issue. The new shares issued rank equally in all respects with the existing shares, including the right to receive all dividends or distributions made, paid or declared.

The proceeds of the Rights Issue were received on 27 July 2005 and 1 August 2005 and have initially been used to pay down short-term uncommitted borrowings and to reduce the amounts drawn on the Group's revolving lines of credit.

Independent Review Report by the Auditors to the Board Of Directors of Avis Europe plc

Introduction
We have been instructed by the Company to review the financial information for the six months ended 30 June 2005 which comprise the consolidated interim balance sheet as at 30 June 2005 and the related consolidated interim income statement, consolidated statement of recognised income and expense, consolidated cash flow statement, and the related notes for the six months then ended. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities
The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority.

As disclosed in the Statement of Significant Accounting Policies - Basis of Preparation, the next Annual Financial Statements of the Group will be prepared in accordance with accounting standards adopted for use in the European Union. This interim report has been prepared in accordance with the basis set out in the Basis of Preparation.

The accounting policies are consistent with those that the Directors intend to use in the next annual financial statements. As explained in the Basis of Preparation, there is, however, a possibility that the Directors may determine that some changes are necessary when preparing the full Annual Financial Statements for the first time in accordance with accounting standards adopted for use in the European Union. The International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations that will be applicable and adopted for use in the European Union at 31 December 2005 are not known with certainty at the time of preparing this interim financial information.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly, we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2005.

PricewaterhouseCoopers LLP
Chartered Accountants
London
31 August 2005

Notes

(a) The maintenance and integrity of the Avis Europe plc web site is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Underlying Profit And Earnings Per Share

In addition to the reported profit and earnings per share, the Group has calculated an underlying profit and underlying earnings per share. Underlying measures are calculated based on reported profit before exceptional and re-measurement items, with adjustment to reflect the realised gains and losses on foreign exchange forward contracts and accrued interest cash flows on any financial instruments (economic hedges).

The Group believes that these underlying performance measures provide additional useful information on underlying trends to shareholders. The term 'underlying' is not a defined term under IFRS, and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to IFRS measures of profit.

Reconciliations from reported performance measures to underlying performance measures are set out below:

Six months ended 30 June 2005

	Operating profit	Profit before taxation	Profit for the period Total	Profit for the period Attributable to equity	Earnings per share Euro
	€m	€m	€m	€m	cents

Total - as reported	22.7	7.0	4.5	4.6	0.8
Exceptional and re-measurement items	8.3	(3.7)	(2.1)	(2.1)	(0.4)
Before exceptional and re-measurement items	31.0	3.3	2.4	2.5	0.4
Economic hedging adjustments:					
- foreign exchange (see Note 3)	1.7	1.7	1.7	1.7	0.3
- interest payable (see Note 5)	-	(1.8)	(1.8)	(1.8)	(0.3)
- taxation on the above	-	-	-	-	-
Underlying	32.7	3.2	2.3	2.4	0.4

Six months ended 30 June 2004

	Operating profit €m	Profit before taxation €m	Profit for the period Total €m	Attributable to equity €m	Earnings per share Euro cents
Total - as reported	35.3	23.8	22.2	22.2	3.8
Exceptional and re-measurement					

items	3.9	(14.2)	(15.0)	(15.0)	(2.6)
Before exceptional and re-measurement items	39.2	9.6	7.2	7.2	1.2
Economic hedging adjustments:					
- foreign exchange (see Note 3)	-	-	-	-	-
- interest payable (see Note 5)	-	-	-	-	-
- taxation on the above	-	-	-	-	-
Underlying	39.2	9.6	7.2	7.2	1.2