



avis budget group

Acquisition of Avis Europe

June 14, 2011



FORWARD- LOOKING STATEMENTS

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on Avis Budget's and Avis Europe's current plans, estimates and expectations, and include statements about expected synergies and benefits of a potential combination of Avis Budget and Avis Europe, future expected accretion to earnings, geographic changes, and the ability to obtain the necessary financing and the terms thereof. There is no assurance that the transaction between Avis Budget and Avis Europe will be consummated, and there are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. These risks and uncertainties include the timing to consummate the transaction between Avis Budget and Avis Europe and the ability and timing to obtain required regulatory approvals, Avis Budget's ability to realize the synergies contemplated by the transaction, Avis Budget's ability to promptly and effectively integrate the businesses of Avis Europe and Avis Budget and the ability to complete and the timing and terms of any financing required to consummate the transaction. In addition, investors should take into consideration, with respect to Avis Budget, those risks and uncertainties discussed in Avis Budget's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and Quarterly Report for the quarterly period ended March 31, 2011, including under headings such as "Forward-Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other factors discussed in Avis Budget's filings and furnishings with the SEC. Investors and security holders are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. Neither Avis Budget nor Avis Europe undertakes any obligation to update its forward-looking statements to reflect events or circumstances after the date of this presentation.

Certain information in this Presentation on the Car Rental market is from independent market research carried out by Euromonitor International Limited but should not be relied upon in making, or refraining from making, any investment decision.

TRANSACTION OVERVIEW

Background: Avis Europe has been an independent company, operating the Avis brand in Europe and Asia under license since 1986

Avis Europe trades on London Stock Exchange – ticker 'AVE'

Purchase Price

315p per share, all cash

Equity value of approximately \$1.0 billion

60% premium to pre-announcement stock price

Transaction value represents less than 7.5x Avis Europe 2010 Corporate EBITDA, after adjusting for estimated transaction synergies^(a)

Transaction Structure

Unconditional offer to acquire all outstanding shares via a scheme of arrangement

Transaction is recommended by Avis Europe's Board of Directors

Majority shareholder owning approximately 60% of the share capital of Avis Europe has made irrevocable commitment to the transaction

No financing contingency

Closing

Avis Europe shareholder meeting to approve scheme in late July

Closing expected to occur in October 2011

No antitrust issues anticipated

(a) Explanation of corporate EBITDA calculation in Appendix. Includes expected run-rate synergies of \$30 million per annum

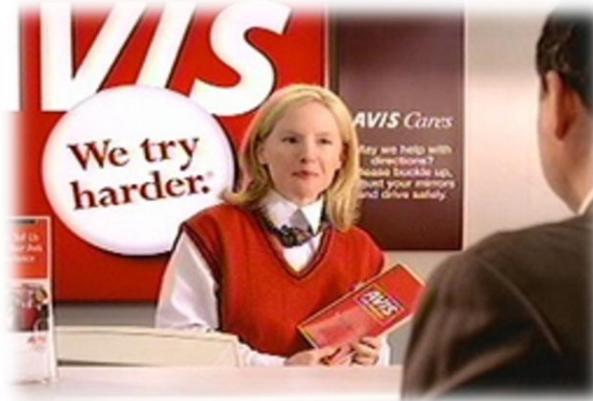
TRANSACTION HIGHLIGHTS

Creates the largest publicly-traded car rental business in the world ^(b)

Strategically and financially attractive

Unifying Our Brands Globally

- Re-unites Avis and Budget brands globally under one corporate umbrella
- Gives Avis Budget a significantly increased presence in growing international markets
- Firmly establishes Avis Budget as one of only two vehicle rental companies with global brand and presence
- Expected to be accretive to earnings on a pro-forma basis ^(a)
- Delivers meaningful benefits and synergies



- (a) Excluding purchase-accounting effects, transaction costs and restructuring / integration costs, and including expected synergies
(b) Based on adding 2010 share in global car rental of Avis Budget and Avis Europe, source: Euromonitor

NATURAL STRATEGIC FIT BETWEEN THE COMPANIES

avis budget group

AVIS Europe

Complementary Global Presence

Operates and/or licenses Avis and Budget brands throughout the Americas and Australasia

Operates and/or licenses Avis and Budget brands throughout Europe, Africa, the Middle East and Asia

Globally Renowned Brand

Owns the Avis and Budget trademarks

Holds license from Avis Budget to operate Avis and Budget in roughly 100 countries, largely royalty-free

Diverse Network

6,300 locations – 2,200 corporate-owned, 1,900 licensed^(a) and 2,200 dealer-operated

3,800 locations – 1,900 corporate-owned, 1,900 licensed

Shared Infrastructure

Core operating system: Wizard

Core operating system: Wizard

Common Origin

Founded in 1946

Part of Avis until 1986

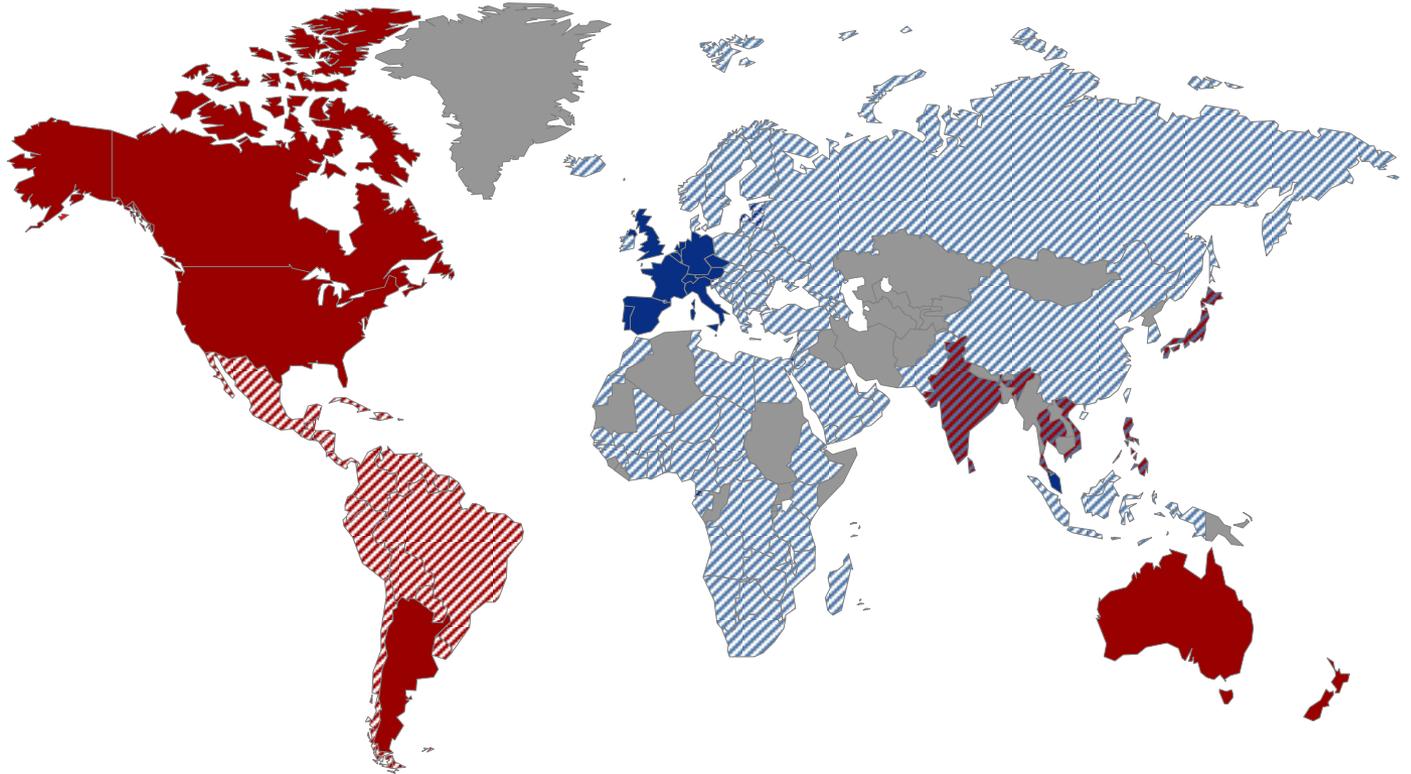
(a) Excluding locations operated under license to Avis Europe

UNITED GLOBAL PRESENCE

Combined company:

- 4,100 corporate-owned locations in 20 countries
- 3,800 licensee-owned locations in more than 150 countries
- Strategic ventures in high-growth regions

Meet the Needs of Our Customers Globally



COMBINATION SIGNIFICANTLY EXPANDS AVIS BUDGET OPERATIONS

Avis Europe:

- #1 share in Middle East / Africa ^(a)
- #2 share in Western Europe ^(a)
- #2 share in Eastern Europe ^(a)

	Key 2010 Metrics		
	Avis Budget	Avis Europe ^(b)	Combined
Revenue	\$5.2 billion	\$1.6 billion	\$6.8 billion
Adjusted EBITDA	\$409 million ^(c)	\$157 million	\$566 million
Assets	\$10.3 billion	\$2.4 billion	\$12.7 billion
Rental Days	88.2 million	26.6 million	114.8 million
Average Fleet	345,000	99,000	444,000

(a) Source: Euromonitor

(b) Revenue and adjusted EBITDA converted from EUR to US dollar at the average 2010 exchange rate of 1.327. Assets converted from EUR to US dollar at 12/31/10 exchange rate of 1.342. Revenue defined as rental revenue plus other revenue plus Avis and Budget licensees' contribution to operating profit. Adjusted EBITDA defined as underlying EBITDA less on balance sheet fleet charges, interest payable under finance lease obligations and net operating lease charge on manufacturer repurchase agreements. Please see Appendix for reconciliation

(c) Represents income (loss) before non-vehicle related depreciation and amortization, any impairment charge, non-vehicle related interest, income taxes and synergies. Adjusted EBITDA should not be considered in isolation or as a substitute for net income (loss) or other income statement data prepared in accordance with GAAP. Please see Investor Relations page of Avis Budget Group website for non-GAAP reconciliations

AVIS EUROPE OPERATIONS

Headquarters in Bracknell, England

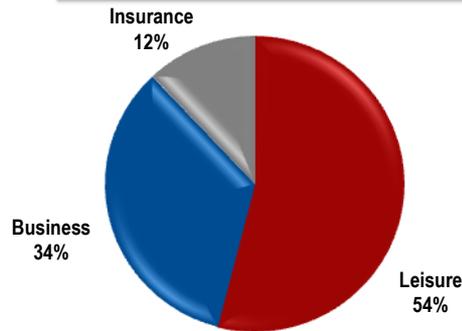
Contact-center operations based in Barcelona and shared-service center in Budapest

Workforce of approximately 6,000 full-time equivalents

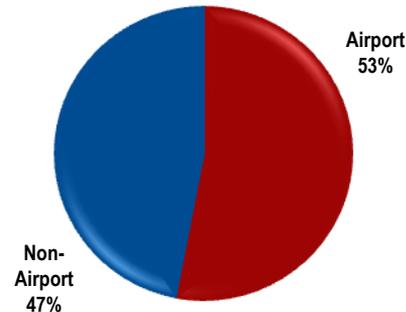
Expansive Multi-National Presence

- Corporate-owned Avis operations in 12 European countries and in Singapore
- Corporate-owned Budget operations in seven European countries
- Highly profitable revenue from licensed operations in 99 countries, including ventures in China and India

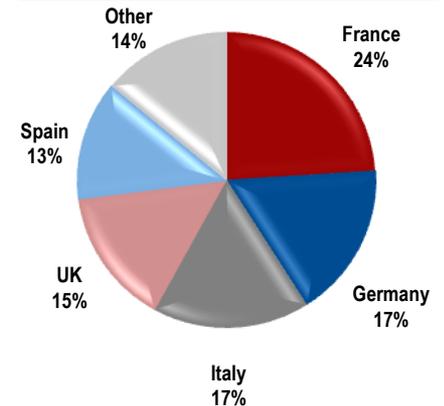
Revenue by Customer



Revenue by Location



Revenue by Country



**AVIS EUROPE IS
WELL-
POSITIONED
FOR REBOUND
IN TRAVEL
DEMAND**

Already a Strong Competitor

Strong, efficient operating platform

Leading market share and key partnerships in growth markets

Range of new customer mobility offerings

Significant inbound demand from faster-growing geographies

Introducing and expanding the Budget brand

Flexible capital structure allows fleet right-sizing

Significant cost reductions achieved during recent turn-around

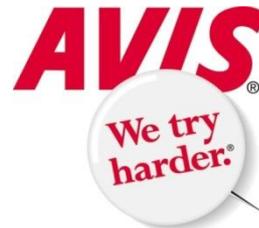
BENEFITS AND SYNERGIES

Synergies expected to exceed \$30 million a year, primarily due to cost savings – represents over 40% of Avis Europe's 2010 pretax income

Avis Budget's current international operations have particularly strong margins – opportunity to leverage this strength across a broader base

Avis Budget has Significant Experience in Integrating Car Rental Acquisitions

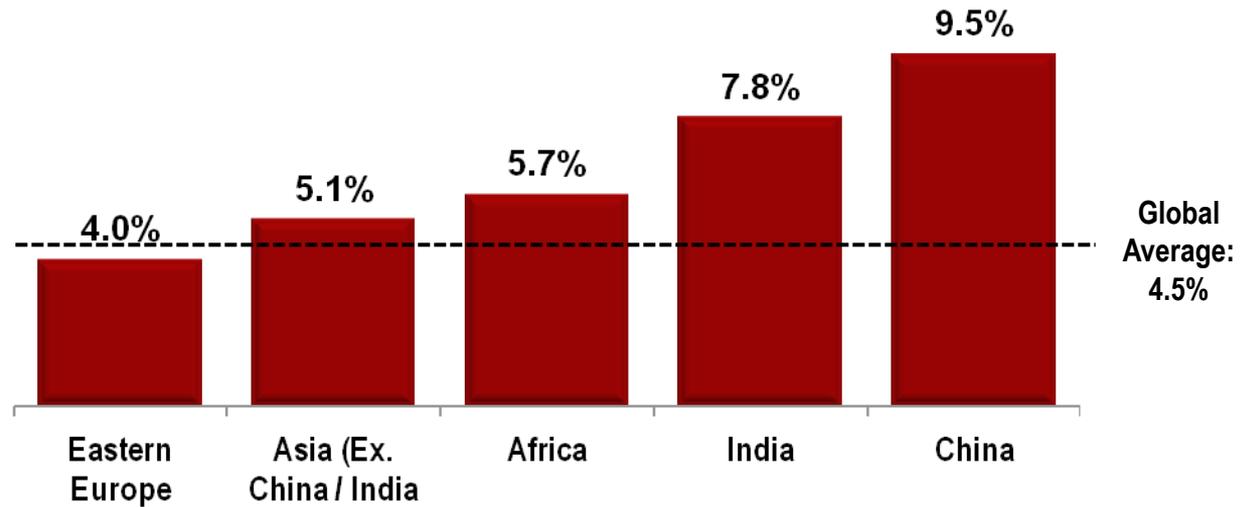
- Consolidation of fixed-cost infrastructures
- Unifies relationships with multi-national corporations
- Marketing to international travelers
- Global roll-out of proven best practices
- Consolidated procurement
- Cross-border cash deployment
- Public-company cost reduction



ACCESS TO RAPIDLY GROWING MARKETS

Transaction provides opportunity to invest further in developing car rental markets in growing economies

Forecast 2012 GDP Growth Rates (a)



(a) Source: Wall Street research estimates

Acquiring Avis Europe via UK Scheme of Arrangement

Completion of acquisition requires 75% shareholder approval (by value), 50% shareholder approval (by number), and court approval

Majority shareholder owning approximately 60% has irrevocably committed to the transaction

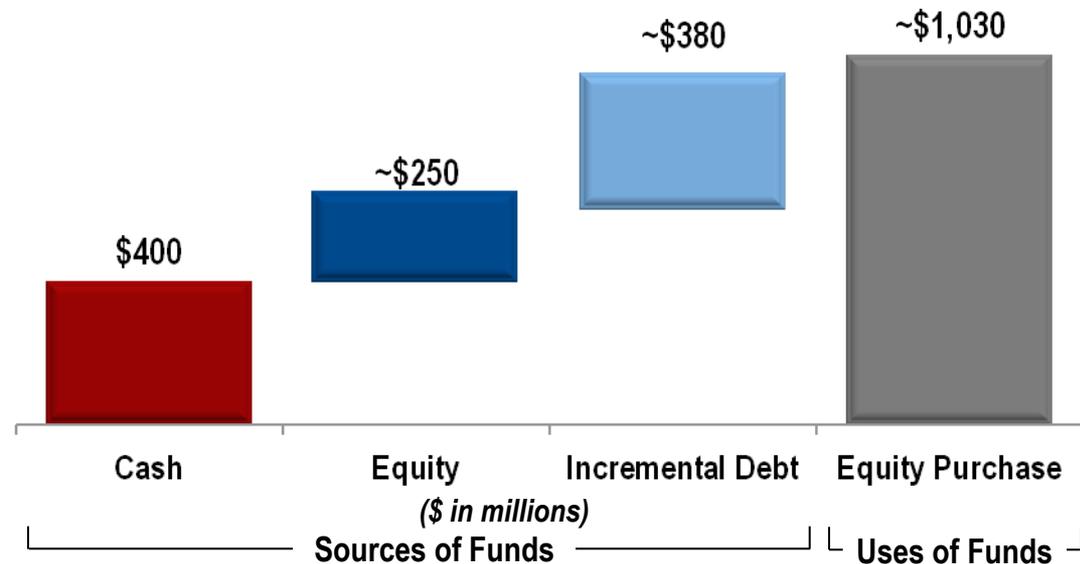
Key Transaction Steps

Anticipated Timing ^(a)	Event
Mid-July	Merger document filed
Late July	Shareholder meeting
October	Transaction formally approved

(a) Timing will be in part controlled by UK court availability

Anticipated Financing Structure

- Avis Budget utilizing \$400 million of cash on hand
- Expects to issue up to \$250 million of common stock
- Will also incur incremental debt, either through already committed financing or new offerings
- Incremental leverage expected to be manageable



IMPLICATIONS FOR OUR POTENTIAL ACQUISITION OF DOLLAR THRIFTY

Dollar Thrifty is the fourth largest rental car company in the United States

We Will Continue to Monitor Dollar Thrifty Situation

FTC discussions to date have been productive

Avis Budget's principal focus will be on completing the acquisition and planning the integration of Avis Europe

HIGHLIGHTS

This transaction creates
a global leader in
vehicle rental

- **Resolves un-natural split in ownership of our world-class brands**
 - Long-standing objective of Avis Budget
 - Combined company will be better able to serve multi-national accounts seamlessly and to maintain brand consistency
- **Financially attractive to both companies' shareholders**
- **Offers significant synergies**
- **Believe that Avis Europe is at an inflection point**
 - Has significantly improved fleet utilization and reduced costs
 - Benefiting from economic recovery and significant actions taken to improve profitability
 - Substantial opportunities for revenue and profit growth in core markets
 - Incremental growth opportunities in growing emerging markets including China and India
- **Represents a compelling strategic opportunity for Avis Budget**

Appendix

EXPLANATION OF CORPORATE EBITDA CALCULATION AND TRANSACTION VALUE

References to Avis Europe 2010 Corporate EBITDA are to €118.5 million derived from the audited financial statements of Avis Europe as at and for the period ending 31 December 2010 calculated as Underlying EBITDA less fleet depreciation and fleet interest expense and as set out in the table below. Fleet depreciation includes depreciation on vehicles - owned, depreciation on vehicles - under finance lease, adjustments arising on differences between sales proceeds and depreciated amount - fleet, and net operating lease charge on manufacturer repurchase agreements. Fleet interest expense is defined as interest payable under finance lease obligations.

	<u>2010 (€m)</u>
Underlying EBITDA	€372.3
Depreciation on vehicles - owned	(94.5)
Depreciation on vehicles - under finance lease	(10.8)
Adjustments arising on differences between sales proceeds and depreciated amount - fleet	2.7
Net operating lease charge on manufacturer repurchase agreements	(143.4)
Interest payable under finance lease obligations	(7.8)
Avis Europe 2010 Corporate EBITDA	€118.5

Reference to transaction value is to €1,038.2 million which consists of:

- Equity value of €721.4 million (£636.0 million) calculated as the consideration of 315 pence in cash for each issued and to be issued share of Avis Europe. Assumes £ to € exchange rate of 1.134 as of 13 June 2011.
- Net corporate debt of €316.8 million calculated as €548.5 million of corporate debt (total debt excluding finance leases) less Cash and short-term deposits of €231.7 million as of 31 December 2010.