

Avis Budget Group, Inc.*Company▲*CAR
Ticker▲Acquisition of Avis Europe
plc by Avis Budget Group,
Inc. Call
Event Type▲Jun. 14, 2011
Date▲**— PARTICIPANTS****Corporate Participants**

Neal Goldner – Vice President-Investor Relations
Ronald L. Nelson – Chairman, President, CEO & COO
David B. Wyshner – Chief Financial Officer & Executive Vice President

Other Participants

Brian A. Johnson – Managing Director, Barclays Capital, Inc.
Manish A. Somaiya – Managing Director, Citigroup Global Markets (United States)
John Healy – Managing Director & Equity Research Analyst, Northcoast Research Holdings LLC
Chris Agnew – Executive Director, MKM Partners LLC
Neil W. Portus – Research Analyst, Goldman Sachs & Co.
Steve O'Hara – Research Analyst, Sidoti & Co. LLC
Frank Jarman – Research Analyst, Goldman Sachs & Co.

— MANAGEMENT DISCUSSION SECTION

Operator: Ladies and gentlemen, thank you for standing by. Welcome to today's conference call and webcast to discuss Avis Budget Group's acquisition of Avis Europe. Today's call is being recorded. At this time, all participants have been placed in a listen-only mode and the floor will be open for your questions following the presentation. [Operator Instructions] We ask that you please pick up your handset to allow optimum sound quality. I would now like to turn the call over to Neal Goldner, Vice President of Investor Relations at Avis Budget Group. Please go ahead, sir.

Neal Goldner, Vice President-Investor Relations

Thank you, and good morning, everyone. Welcome to the conference call to discuss Avis Budget Group's acquisition of Avis Europe, which was announced earlier this morning. Joining us on the call this morning are Ron Nelson, Chairman and Chief Executive Officer of Avis Budget Group, and David Wyshner, Executive Vice President and Chief Financial Officer of Avis Budget Group.

We will be using a slide presentation during today's call. The presentation is available in the Investor Relations section of our website at www.avisbudgetgroup.com. Before we begin our call today, I would like to remind that your statements made during this call stating management outlook or projections for the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Such statements are based on current expectations and the current economic environment, and are inherently subject to economic, competitive and other uncertainties and contingencies beyond the control of management. You should be cautioned that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements. For more information, please review the Safe Harbor language found in our presentation on Slide 2.

Also if you did not receive a copy of our press release, it is available on our website. Now, I would like to turn the call over to Avis Budget Group's Chairman and Chief Executive Officer, Ron Nelson.

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Date▲**Ronald L. Nelson, Chairman, President, CEO & COO**

Thank you, Neal, and thank you all for joining us this morning. This is truly an exciting day for Avis Budget and Avis Europe. As you read in our press release, we have announced an agreement to acquire Avis Europe, an independent publicly traded company. It is a leading car rental company in Europe, Africa, the Middle East and Asia.

We have a longstanding relationship with Avis Europe as it holds the long-term license to operate the globally recognized Avis and Budget brands in these regions. This is a transaction that we've wanted to do for a long time and when the opportunity recently presented itself, we jumped at the chance. We expect the combination of our two companies to allow us to more effectively serve vehicle rental customers worldwide. I'm thrilled to be able to talk to you about it today.

If I can ask you to turn to Slide 3, let me spend a minute giving you the key highlights of the transaction. We are acquiring Avis Europe for £3.15 per share in cash. The equity value of the transaction is approximately \$1 billion. Transaction will be completed via scheme of arrangement, which is essentially the UK equivalent of a merger agreement and requires approval by Avis Europe shareholders, court approval and regulatory clearances.

Several of Avis Europe's shareholders have already committed to support the transaction. Avis Budget has received hard irrevocable consents from Avis Europe's majority shareholder, D'leteren, whose holdings represent approximately 60% of the share capital of Avis Europe as well as from directors on Avis Europe's board. The transaction is expected to close in October 2011, subject to the approvals I noted just a moment ago.

We have committed financing which I'll discuss in more detail later. Further, we do not anticipate any antitrust obstacles given that Avis Budget and Avis Europe do not have operations in the same jurisdiction.

Turning now to Slide 4. The acquisition of Avis Europe, a business we have attempted to acquire several times in the preceding years, represents an outstanding opportunity for our company. It is both strategically and financially attractive. Following completion of the transaction, Avis Budget will be the largest publicly-traded car rental business in the world.

The combination of Avis Budget and Avis Europe reunites the Avis and Budget brands globally under one corporate umbrella. In fact, this transaction establishes Avis Budget as one of only two vehicle rental companies with a unified global brand and presence.

We believe the control of our brands globally is imperative to the long-term success of our business, particularly in the commercial and affinity segments of Avis Budget's business as well as the ability to optimize one of our more profitable segments, cross-border travelers.

This transaction is about much more than unifying our brands. It is about expanding into high growth emerging markets around the world. With Avis Europe, Avis Budget will have a presence in growing international markets such as India and China.

In addition to its strategic merits, the transaction is also financially compelling. We expect it to be accretive to earnings on a pro forma basis with synergies, excluding any integration and other one-time costs in the non-cash effects of purchase accounting. Further, the acquisition of Avis Europe delivers meaningful benefits and synergies which we will cover throughout the call.

Slide 5 shows the natural strategic fit between Avis Budget and Avis Europe. Avis Budget is a global leader in the vehicle rental industry and is an experienced acquirer and integrator of car rental businesses.

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Avis Europe separated from Avis Budget in 1986 and acquired the complementary Budget territories in 2003 and has since operated independently while using the Avis and Budget brands under exclusive license in certain territories across several continents. In addition to sharing the brand identity, Avis Budget and Avis Europe has complementary global presence, diverse networks of owned and licensed locations and a shared infrastructure.

As you can see on Slide 6, by combining Avis Europe with Avis Budget, we will have a truly global footprint to meet the needs of our customers around the world. Together we will have over 4,100 corporate-owned locations in 20 countries and 3,800 licensee-owned locations in approximately 150 countries. We will also have strategic joint ventures in high growth regions. Together we will be able to more effectively serve vehicle rental customers worldwide.

Slide 7 shows key metrics for Avis Budget, Avis Europe and the combined company. In 2010, Avis Budget had revenue of \$5.2 billion, adjusted EBITDA of \$409 million, assets of \$10.3 billion, rental days of 88.2 million and an average fleet size of 345,000. In 2010, Avis Europe had revenue of \$1.6 billion, adjusted EBITDA of \$157 million, assets of \$2.4 billion, rental days of 26.6 million, and an average fleet size of 99,000.

So combined, Avis Budget and Avis Europe would have had revenue of \$6.8 billion, adjusted EBITDA of \$566 million, assets of \$12.7 billion, rental days of 114.8 million, and an average fleet size of 444,000. The combined company will hold the Number 1 share position in the Middle East/Africa region, at the Number 2 share position in Western and Eastern Europe.

Turning to Slide 8. As discussed earlier, Avis Europe holds the long-term license for Avis and Budget brands in Europe, Africa, the Middle East and Asia. Avis Europe operates the Avis brand via a network of over 3,100 locations in 112 countries through wholly owned subsidiaries in 13 countries and through license arrangements in an additional 99 countries.

The corporate-operated companies are the largest ones and include Austria, Germany, Netherlands, Spain, Belgium, Italy, Portugal, Switzerland, Czech Republic, Luxembourg, Singapore, UK, and France among others. Avis Europe also operates the Budget brand with 950 locations in 59 countries. These are predominantly franchise businesses with corporate operations in seven European countries, including Austria and Switzerland, together with a small number of locations in France and the UK.

Avis Europe also has licensed 99 operations – has licensed operations in 99 countries, including ventures in China and India that provide highly profitable licensing revenue. Avis Europe operates contact-center operations based in Barcelona and a shared-service center at Budapest.

54% of Avis Europe's revenue comes from the leisure customer, 34% from the business customer, and 12% from insurance. Revenue is approximately an even split between airport and non-airport with 53% of revenue coming from airports, 47% coming from non-airport. Revenue comes predominantly from the larger territories in France, Germany, Italy, the UK, and Spain.

Avis Europe has undergone a substantial transformation over the past few years. It has realigned its cost structure to address the global economic downturn, improved fleet utilization, grown volumes and expanded the Budget brand. It has strengthened its market position in the UK, achieved strong growth in Germany and is experiencing some early recovery in Spain.

Today, Avis Europe has strong efficient operating platform, leading market share and key partnerships in growth markets, a range of new customer mobility offerings, significant inbound demand from faster-growing geographies and exciting opportunities to expand the Budget brand.

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As you know, Europe is at a different point in the economic cycle than car rental in the US. And like our own situation a year ago, we believe Avis Europe is well-positioned to take advantage of the rebound in travel demand. For more information on Avis Europe, I will refer you to our Rule 2.5 filing in the UK which contains a wealth of information.

On Slide 10, Avis Budget is an experienced acquirer and integrator. We conservatively expect to achieve operating synergies of more than \$30 million a year, which will come primarily from cost savings. These include consolidation of fixed cost infrastructures, unified relationships with multinational corporations, marketing to international travelers, global roll-out of proven best practices, consolidated procurement, cross-border cash deployment and public company cost reduction.

The synergies represent over 40% of Avis Europe's 2010 pre-tax income. It's important to note that Avis Budget's current international operations have among the strongest margins in the industry and we believe there is an opportunity to leverage this strength across a broader base with the acquisition of Avis Europe.

Turning to Slide 11. This transaction provides Avis Budget with an opportunity to invest further in developing car rental markets in growing economies. We're particularly excited about opportunities to grow our company through our presence in rapidly growing emerging markets including India and China.

As you can see, forecasted 2012 GDP growth rates for India and China are 7.8% and 9.5% respectively. Avis Europe's joint venture in China has already established itself as a market leader there with 39 locations in 28 cities at year-end and plans to increase 100 stores by the end of next year.

Slide 12 describes the transaction structure. As I mentioned earlier, Avis Budget will complete the acquisition of Avis Europe via UK scheme of arrangement. The transaction requires 75% shareholder approval by value, 50% shareholder approval by number and court approval.

As noted earlier, we have received hard irrevocable consents from Avis Europe's majority shareholder, D'leteren, as well as from the directors on Avis Europe's board, representing approximately 60% of the share capital. We anticipate filing the merger document by mid-July and Avis Europe holding its shareholder meeting in late July. We anticipate completing the transaction on October 2011.

The acquisition will be financed with \$400 million of cash on hand along with equity from the potential issuance of up to \$250 million of Avis Budget common stock. Avis Budget will also incur incremental debt either through already committed financing or new offerings. Incremental leverage is expected to be manageable.

As you may be wondering, we will continue to monitor the Dollar Thrifty situation. We have made progress in our discussions with the Federal Trade Commission regarding the potential acquisition of Dollar Thrifty. That being said, the company's principal focus will be on completing the acquisition and planning the integration of Avis Europe.

Before we open the call up for questions, I would like to summarize the highlights of the transaction. The acquisition of Avis Europe reunites the Avis and Budget brands under one corporate umbrella. This has been a long-standing objective of ours and one we'd explored numerous times over the years. The combined company will be able to serve multinational accounts seamlessly and to maintain brand consistency.

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We believe this transaction is financially attractive to both companies' shareholders, offering significant synergies. It provides an attractive cash premium to attract Avis Europe's shareholders and exciting growth prospects for Avis Budget's shareholders. Avis Budget and Avis Europe share the same vision and values, have worked together over the years, and expect the integration to be seamless.

As I've said, we've looked at this combination for many years; what we believe now is the right time to move forward as Avis Europe has had an inflection point. Avis Europe has significantly improved fleet utilization and improved its cost structure. It is benefiting from economic recovery and significant actions taken to improve profitability. It is positioned to take advantage of substantial opportunities for revenue and profit growth in core markets as well as incremental growth opportunities in faster growing Asian markets. In short, this is a very compelling strategic and financial opportunity for Avis Budget.

In closing, I think the employees on both sides of the Atlantic are excited about this transaction. The acquisition of Avis Europe is consistent with our strategy to invest for profitable growth to sharpen our value proposition, to build brand loyalty, to capture new growth opportunities, to further reduce cost and to accelerate our revenue and profit growth.

We've been able to distinguish Avis Budget from our competitors with our ability to operate efficiently and effectively through lowering our costs without sacrificing quality. With Avis Europe, we will continue to set Avis and Budget apart.

I also want to note that Avis Europe's outstanding employees have made this possible through their hard work, dedication and commitment to the brands. They've delivered tremendous value for Avis Europe shareholders, and we look forward to working with them following the close of this transaction. With that I'd like to open up the call to questions. Operator?

QUESTION AND ANSWER SECTION

Operator: The floor is now open for questions. [Operator Instructions] Your first question comes from Emmanuel Rosner of Barclays Capital.

<Q – Brian Johnson – Barclays Capital, Inc.>: Hi. It's Brian Johnson here. I have three questions that really are intertwined, so I'll ask them together. The first is maybe a little bit of more color on why now – we certainly see the strategic rationale, but why now in light of – the same time your professed interest in Dollar Thrifty Group, what are the implications for your interest in Dollar Thrifty Group for doing this? And then in terms of the synergies, how do you see getting synergies both in that deal organizationally as well as if you do go ahead with DTG managing the integration process there as well?

<A – Ronald Nelson – Chairman, President, CEO & COO>: Okay. Brian, thanks. It's Ron. Look, I really want this call to be about Avis Europe. I mean, that's what we're excited about. And I think, we've said all we're going to say about Dollar Thrifty. We're going to monitor the situation. We've made progress with the FTC but our focus is principally on concluding this acquisition and integrating it.

In terms of why now, I will tell you, as I said in the script, we've worked on this now ever since we split from Cendant. We've really never been able to get things to align properly over the course of the years. We either couldn't agree on price or financing markets weren't open to us or their business was good and ours wasn't or vice versa. It's just, things never seem to align. And this actually came up just about three weeks ago. We have regular calls with Avis Europe.

We share Wizard system and we obviously market together to large multinational clients. And in the course of those conversations, I've heard that all things aligned properly at this time with access to capital markets, willingness to do the transaction. Avis Europe being in, I think, a good inflection point. And so we moved very quickly to get this done. It literally has come together in two to three weeks.

In terms of the synergies, obviously, the big synergies in car rental consolidation come out of when you share geographies. So clearly these aren't as big as they would be in a consolidation where you share geographies, but these are the typical consolidation efficiencies that we're going to get.

We're going to save money on fixed cost infrastructure, public company reduction, global procurement. But you're obviously not going to see a lot of fleet synergies, nor are you going to see location consolidations that generally affect the economics of common geography. So hopefully, I answered your three questions.

Operator: Our next question comes from Manish Somaiya of Citi.

<Q – Manish Somaiya – Citigroup Global Markets (United States)>: Good morning everyone. A couple of questions, and I guess this is probably more appropriate for Dave Wyshner. Dave, would there be any restrictions on contributing the equity either under the bond indenture or credit agreement for the transaction?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: No. We don't see any issues there. The equity is at the parent company level, and no, we don't see any issues there.

<Q – Manish Somaiya – Citigroup Global Markets (United States)>: Okay, good. I did notice that Avis Europe has some debt. I guess, specifically they have a floated outstanding that matures in July 13, and I guess there's also some private loans. And if you can just give us a sense for what

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the total debt outstanding is currently at Avis Europe and specifically on the floaters, will those be taken out with the change in control or is that just a part – pay-down?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: Sure. As of year-end, the Avis Europe had €436 million of long-term debt on its balance sheet. Some of the debt does have change in control provisions in it and obviously, we will respect and accommodate those. And for pieces that don't have change in control provisions, we are going to be looking to see what the right and optimal thing for us to do is. We do have a [ph] straw man (0:20:53) with respect to that, but we are going to be continuing to investigate it as we go forward.

<Q – Manish Somaiya – Citigroup Global Markets (United States)>: Okay. So the €436 million, is that net or gross debt?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: That's gross. Great question. The company also had €232 million of cash on its balance sheet at year-end.

Operator: Your next question comes from the John Healy of Northcoast Research.

<Q – John Healy – Northcoast Research Holdings LLC>: Thank you and congratulations on the transaction, guys. Wanted to ask you, Ron, if you could talk a little bit about how the Avis Budget brands are kind of established in Europe and maybe talk about kind of the overall competitive environment there, how we should think about the brands and are they exactly similar to what you see here in the US in terms of how kind of brands are diversified – or brands are positioned rather?

<A – Ronald Nelson – Chairman, President, CEO & COO>: Yes. I think, John, the competitive climate in Europe is exactly the same as it is here. It's a very competitive market. My sense is that the market shares are clustered between Europcar, Hertz and Avis, all having substantially equal market shares. The Avis – Avis is pretty well entrenched in all of its markets. It's been around for a long time. I think the Budget brand is very underpenetrated and clearly we see an opportunity to grow and expand the Budget brand. And I think that answers your question. Did I leave anything out?

<Q – John Healy – Northcoast Research Holdings LLC>: No. It is helpful. And, David, could you talk about the way the fleets are financed at Avis Budget Europe? I thought that model had a little bit more of kind of operating leases from the OEMs. Is there a way – I mean, I guess, is the financing for vehicle is very different with their model relative to yours, and is there going to have to be some sort of, I guess, a restructuring with some heavy lifting there to kind of get the fleet financing repositioned the way maybe you'd like it to be.

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: Sure, John. Good morning. The key issue with respect to Avis Europe's fleet financing is that the securitization markets that we rely on for a lot of our operations, particularly in the US are not developed the same way in Europe. They don't have quite the same legal structures. And so the company has typically relied on a combination of operating leases, which are off balance sheet finance leases which are on balance sheet, and the use of corporate borrowings to fund the fleet.

And realistically, I expect that to continue going forward. We are going to look at how we optimize among those three components of fleet financing and there may be opportunities to increase the amount of operating leases we have, if it's cost effective to do so. But generally speaking, I think the key challenge comes from the fact that the securitization markets and structures aren't there in the same way in Europe that they are in the US. But I don't foresee major changes in terms of how they're financing their fleet going forward.

<Q – John Healy – Northcoast Research Holdings LLC>: Okay, great. Thank you so much.

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Operator: Your next question comes from Chris Agnew of MKM Partners.

<Q – Chris Agnew – MKM Partners LLC>: Thank you very much. Good morning. Ron, I wanted to ask about your comment on multinational accounts. Have you been disadvantaged in the past with respect to multinational accounts versus Hertz because the Avis brand was separated, Europe with the US?

<A – Ronald Nelson – Chairman, President, CEO & COO>: Well, the thing that I would – I don't know whether we'd been disadvantaged, Chris, but I would tell you that the three largest multinational accounts are not Avis accounts. And so that may be part of the answer. Look, I think we've cooperated well in presenting a seamless face to the multinational clients that we have and we do our very best to be competitive in both markets.

But obviously, we each have our own constituencies to provide returns to and it does limit the flexibility in negotiating those transactions where a procurement manager is looking for efficiencies globally, and it makes it more difficult to trade off one territory for another, if you will. And I think we'll be far better combined, because we'll have a lot more flexibility to negotiate and serve one master than trying to serve two.

<Q – Chris Agnew – MKM Partners LLC>: And a question on – you've had great success in the US, with your PEX, your process improvement initiatives. Have you had a chance to think about how Avis Europe have set up with respect to efficiencies that they've put in place? Do you think there's some efficiencies you can translate into Europe?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: Hi, Chris. It's David. We absolutely have been thinking about that, and we think the folks in Europe had done a very good job. We also believe there is a significant opportunity for us to apply the best practices that we've developed and rolled out in the US to the operations of Avis Europe. And that is part of the synergies that we have projected here, and I think it's also part of the reason we view the synergies we projected as potentially being conservative.

<Q – Chris Agnew – MKM Partners LLC>: Got you. And then finally, is there any way you can sort of try and frame the opportunity? I mean, you've talked before in your conference calls about this sort of cross-border travel. And I guess now it's an opportunity, not only just into the US but also into Europe. Any way of framing what sort of how – what that opportunity is?

<A – Ronald Nelson – Chairman, President, CEO & COO>: I think it's hard to put a number on it, Chris. I mean, I think we've spent some overhead in terms of staffing up in Europe earlier this year, which I think we'll now be able to rationalize by controlling both ends of it.

And I think human nature plays a role in it. I think that, everybody tends to have parochial instincts when it comes to dealing with customers and so, you think about your own customers and your own revenue streams first. And I think that now that we'll have the combined company on a global basis, I think that the marketing and sales people are going to be charged with driving not just the intra-territory people but the inter-territory business.

So, we're actually getting very good traction with the initiative that we started in the first quarter, I think as we talked about in our last call. And so, we think this is a great opportunity. We're already getting great traction in Latin America. We started to get good traction in Europe. We haven't really rolled it out yet to Asia. So, I think that by having control over the global sales force, I do think this is a big opportunity. And as you know, this is one of our more, if not the most, profitable segments --. So, we think it's a big opportunity. It clearly isn't counted on in our synergies if you will, but we do think it's one of the growth opportunities that we have.

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<Q – Chris Agnew – MKM Partners LLC>: Great. Thank you very much, and congratulations.

<A – Ronald Nelson – Chairman, President, CEO & COO>: Thanks.

Operator: Your next question comes from the Neil Portus of Goldman Sachs.

<Q – Neil Portus – Goldman Sachs & Co.>: Thanks. Good morning. With less geographic overlap and a similar back office system, what general portion of the synergies are infrastructure-related and what other portion might be some of the other items that you've listed on Slide 10?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: Good morning, Neil. It's David. We're not going to breakdown the pieces by number, but as you think about IT as an example, while the core operating system is the same and is shared between the two, we each have built on significant sort of customized uses of that and that represents an opportunity.

The performance excellence initiative and the application of best practices globally from us to them and them to us is a significant component as well. And then there are the public company costs and fixed cost infrastructure combinations as well. And then the last area I'd highlight is global procurement. I think each of those has the potential to be fairly significant here, but we don't want to get into breaking them down quantitatively.

<Q – Neil Portus – Goldman Sachs & Co.>: Okay. And then also on that point, what do you think the revenue – just aside from the cost opportunities, what do you think the revenue opportunities are for a joint Avis?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: I think they're significant. Our inclination when we project synergies is to very much focus on the cost side of things. The 30-plus million dollars we're talking about in synergies is primarily on the cost side. But I do think we are going to have some opportunities with respect to multinational accounts in inbound or international travel, as well as the development of the Budget brand. But as a component of the \$30 million that we're talking about, those are all forecasted there to be relatively small, but they do have upside potential.

<Q – Neil Portus – Goldman Sachs & Co.>: Okay. And maybe finally, what percent of revenues or profits are from India, China or just Asia more broadly?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: Sure. With respect to India and China, you can see in the – those numbers are essentially broken out in the financial statements at least for 2010. And they worked out to be in the range of, I believe, right around €1 million each in terms of the share that Avis Europe picks up in its financial statements and you can see that in their numbers.

<Q – Neil Portus – Goldman Sachs & Co.>: Great. Thank you.

Operator: Your next question comes from Steve O'Hara of Sidoti & Company.

<Q – Steve O'Hara – Sidoti & Co. LLC>: Hi. Good morning. Could you just talk about some of the emerging markets, some of the larger emerging markets that Avis Europe is in? And are there in a – would you say they're in a controlling interest in those markets, the major brand in those markets?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: Sure. In China, in particular, it's a 50% joint venture there. And so it's effectively a shared control situation. I think the

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key element there is that the company has been a first mover in China. It's developed a significant network operating in 28 cities already. It's well positioned to expand as a very strong partner there. And so we feel very good about the position there.

In India, it's a one-third owned venture. I think that has been a – that is just smaller at this point in time, but given the size of the population there, we also see a significant opportunity, probably more over the intermediate to longer-term.

<Q – Steve O'Hara – Sidoti & Co. LLC>: Okay. And I'm sorry, did you talk about – I know in your presentation you've said that you're continuing to monitor the Dollar Thrifty situation. Do your current debt agreements would allow you to make a proposal for Dollar Thrifty at this time as well? Or would you have to re-work those?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: I'm sorry. Yes, I think we've said what we're going to say about Dollar Thrifty. We're going to monitor the situation. But our priority's going to be Avis Europe.

<Q – Steve O'Hara – Sidoti & Co. LLC>: Okay, thank you very much.

Operator: We have time for one final question. Your final question comes from Frank Jarman of Goldman Sachs.

<Q – Frank Jarman – Goldman Sachs & Co.>: Thanks for taking my question. I guess the question I had, you stated earlier on the call that you thought incremental leverage pro forma for the transaction would be manageable. Can you just provide me with a few more details around what you envision the balance sheet looking like? Thank you.

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: Sure. As we'd laid out in the presentation, when you look at the equity purchase of a little over \$1 billion, the way we would finance that, is with \$400 million of cash we have on hand, potential equity offering of up to around \$250 million and the remainder of \$380 million being incremental debt.

So, we would end up picking up the – that debt as well as the debt that Avis Europe currently has, either in its current form or refinancing of it. So, that's the impact on the balance sheet. The key issue here is as we look forward, we've long had a target of being at less than four times levered in aggregate, call it on a net-debt-to-EBITDA basis. And I think that objective will continue to be the case for us going forward.

<Q – Frank Jarman – Goldman Sachs & Co.>: Got it. And then of the \$380 million in new debt, I think you said that you would raise that either on existing facilities or through new market activities. Is there any sort of split you're willing to talk about in terms of what you'd be willing to draw on your revolver versus maybe a new bond deal?

<A – David Wyshner – Chief Financial Officer & Executive Vice President>: Sure. The reference there is really to the fact that we have committed bank financing for this transaction and specifically for this transaction. Our expectation though would be to take out those commitments in the form of new debt offerings or issuances in one form or another. We haven't yet broken down what those would be. And certainly, it would be somewhat dependent on market conditions and where the best access is for us as we go into the market over the next few months.

<Q – Frank Jarman – Goldman Sachs & Co.>: Great. And the last question I had was just, have you guys had any discussions with the rating agencies at this point with regards to your current ratings and the transaction going forward? Thank you.

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<A – David Wyshner – Chief Financial Officer & Executive Vice President>: We have spoken with the rating agencies about this transaction but I think there's a fair amount of dialogue that still needs to take place there.

<Q – Frank Jarman – Goldman Sachs & Co.>: Okay. Thanks very much.

Ronald L. Nelson, Chairman, President, CEO & COO

I want to take you all for joining the call today. I hope you can appreciate how excited we are about being able to consummate this transaction, what an important growth opportunity this is for our company over the next coming years, and we look forward to talking to you more about it in the coming months as we conclude the acquisition and start to integrate the business. So thank you again for joining the call.

Operator: Thank you. This concludes today's conference call. You may now disconnect your lines.

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