



**avis budget group**

## **Investor Day Presentation**

May 2012

# Forward-Looking Statements

Statements about future results made in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include projections.

These statements are based on current expectations and the current economic environment. Forward-looking statements and projections are inherently subject to significant economic, competitive and other uncertainties and contingencies, many of which are beyond the control of management. The Company cautions that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements.

Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements and projections are specified in the Company's most recently filed Form 10-K and other SEC filings.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, the date of our last earnings conference call.

This presentation includes certain non-GAAP financial measures as defined under SEC rules. Important information regarding such measures is contained within this presentation, including in the Glossary section.

# Agenda

- ▶ **Ron Nelson** Chairman and Chief Executive Officer
- ▶ **Larry De Shon** President, Europe, Middle East and Africa
- ▶ **Pat Siniscalchi** President, Latin America / Asia-Pacific

Q & A

- ▶ **Tom Gartland** President, North America
- ▶ **Scott Deaver** Executive Vice President, Strategy

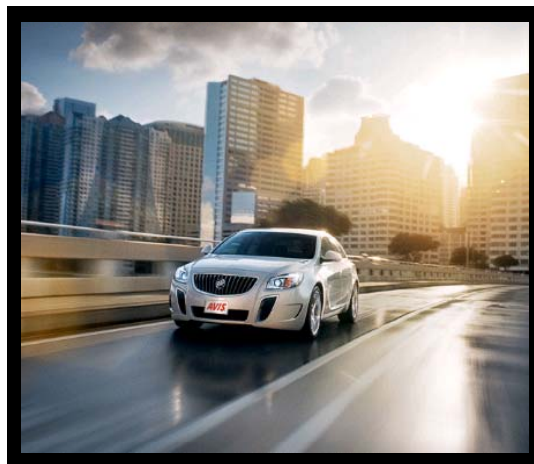
Q & A

- ▶ **David Wyshner** Sr. Executive Vice President and CFO

Q & A

LUNCH





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## Investor Day Presentation

**Ron Nelson**  
**Chairman & Chief Executive Officer**

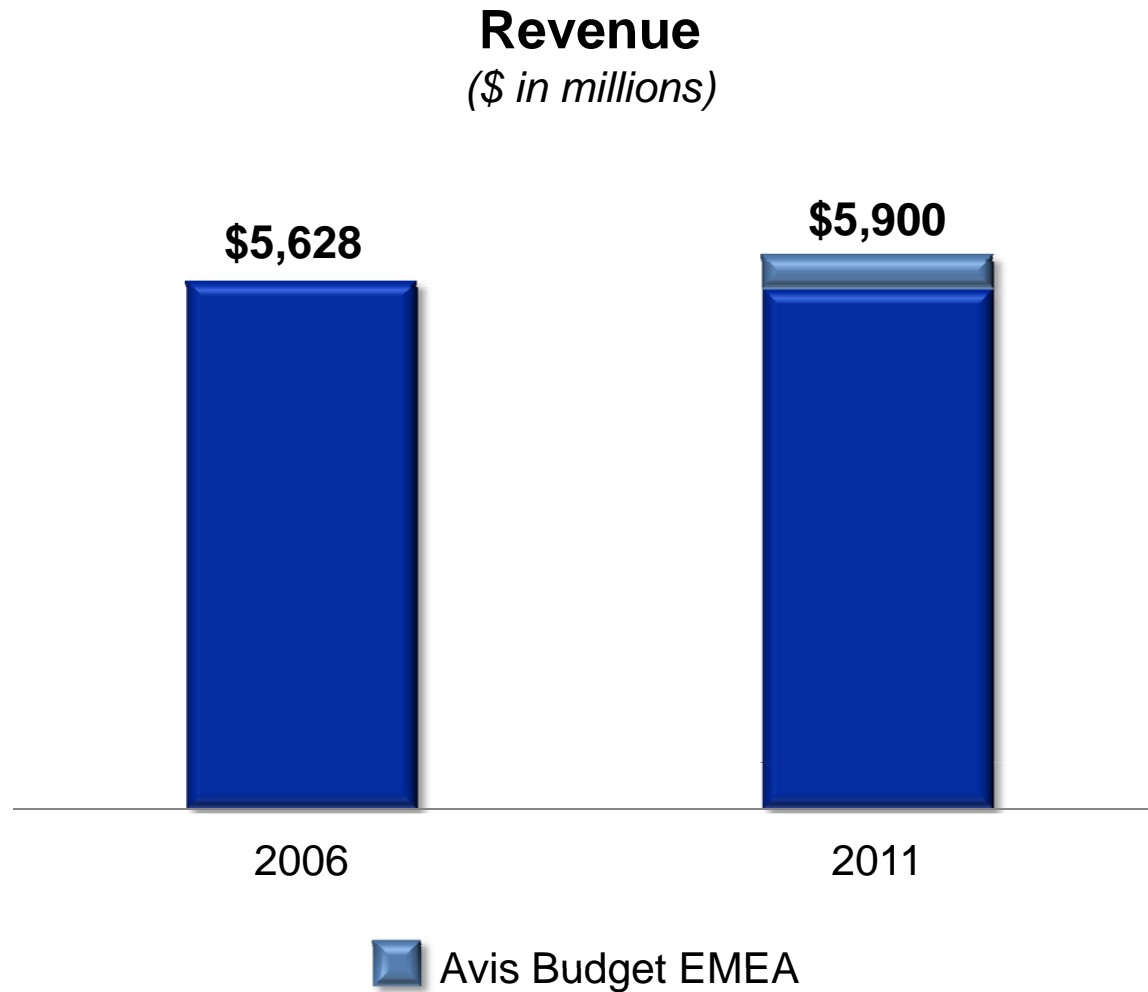
May 2012

**Why are we here today?**



THEN AND NOW

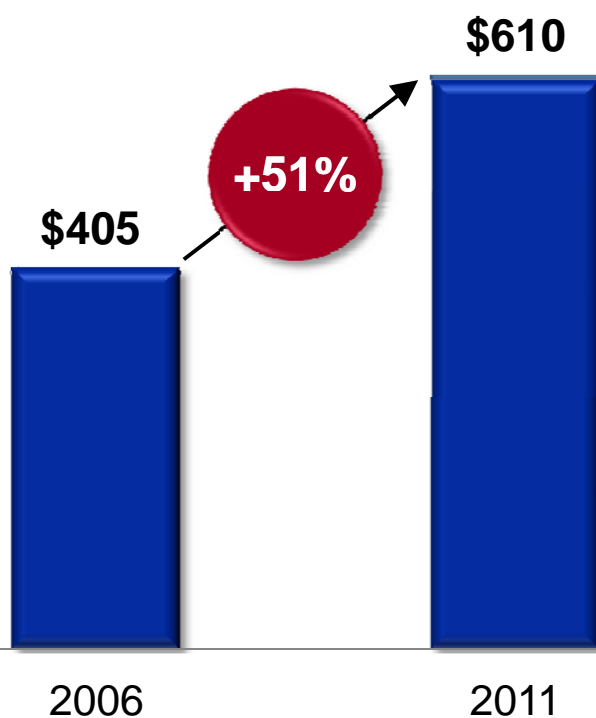
# Revenue Has Almost Returned to Pre-Recession Levels



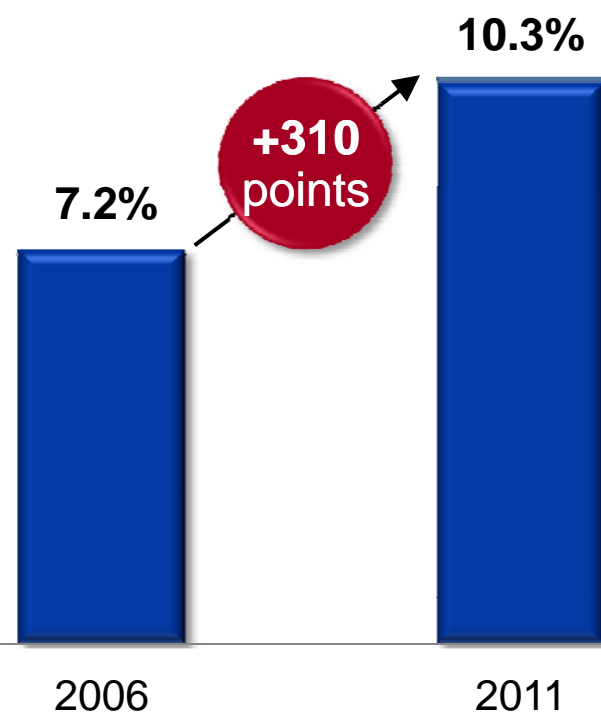
THEN AND NOW

## Significantly Improved Earnings And Margins

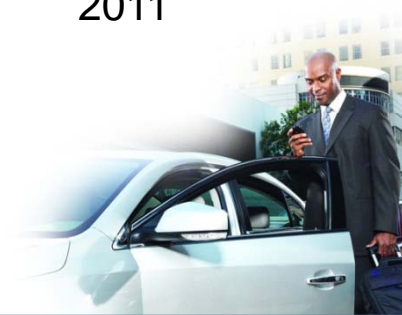
**Adjusted EBITDA<sup>(a)</sup>**  
(\$ in millions)



**Adjusted EBITDA  
Margin<sup>(a)</sup>**

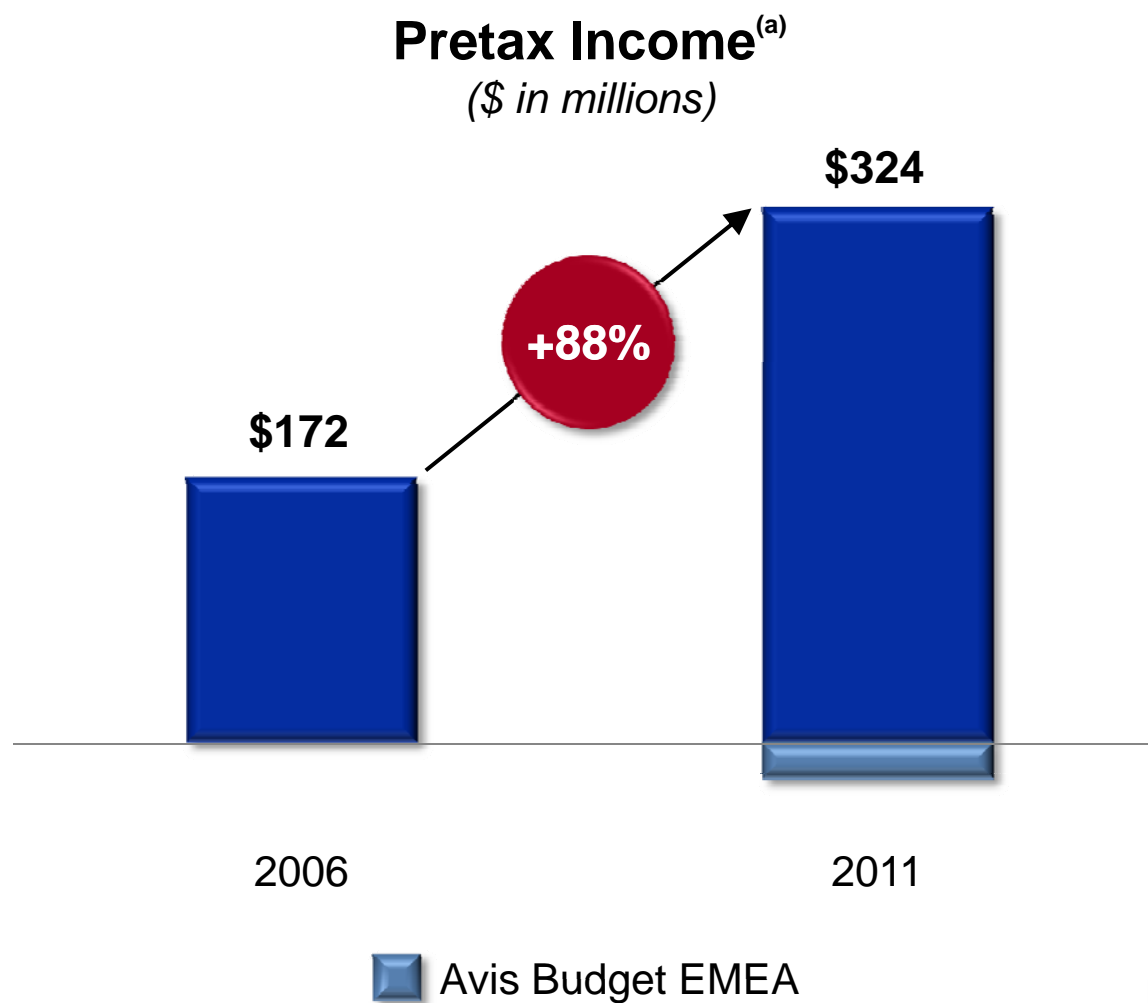


 Avis Budget EMEA



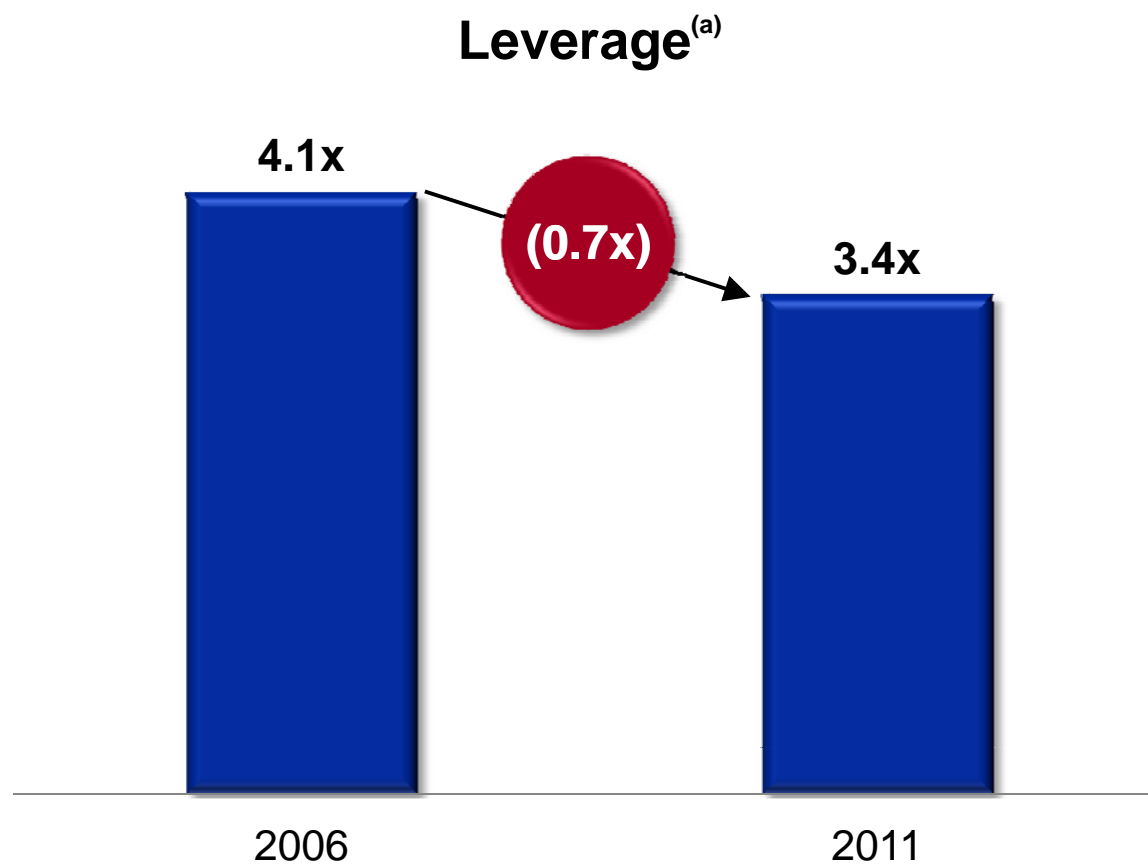
THEN AND NOW

## Strong Pretax Income Growth



THEN AND NOW

## Lower Leverage . . .



# Challenging Times

## Global Recession



## War



## OEM Bankruptcy

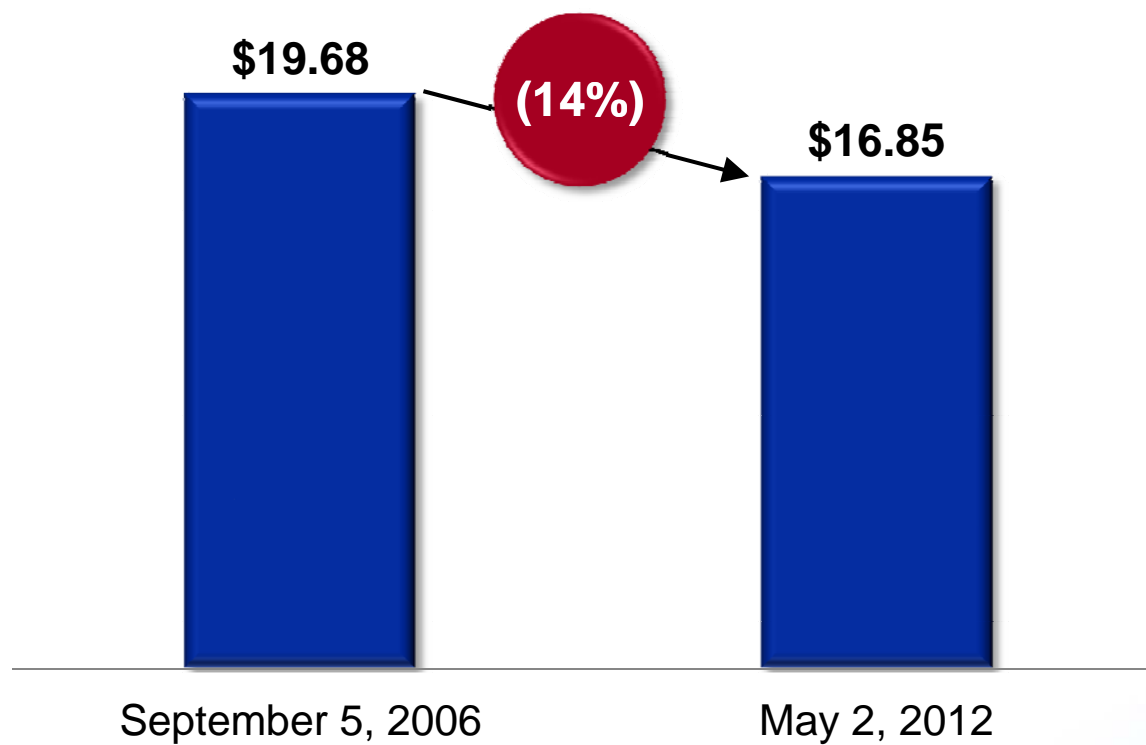
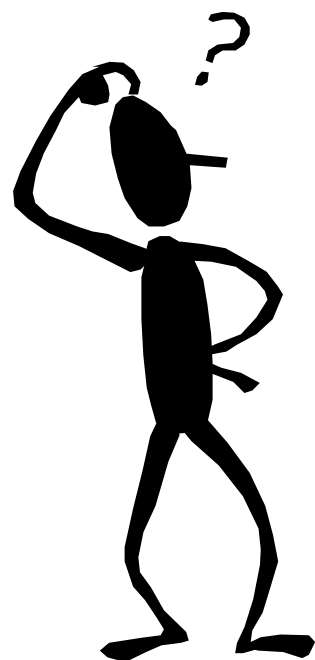


## Supply Chain Disruptions



THEN AND NOW

## ... And Lower Stock Price???



# You Have Told Us What You Expect

## 1. Transparency



## 2. Access

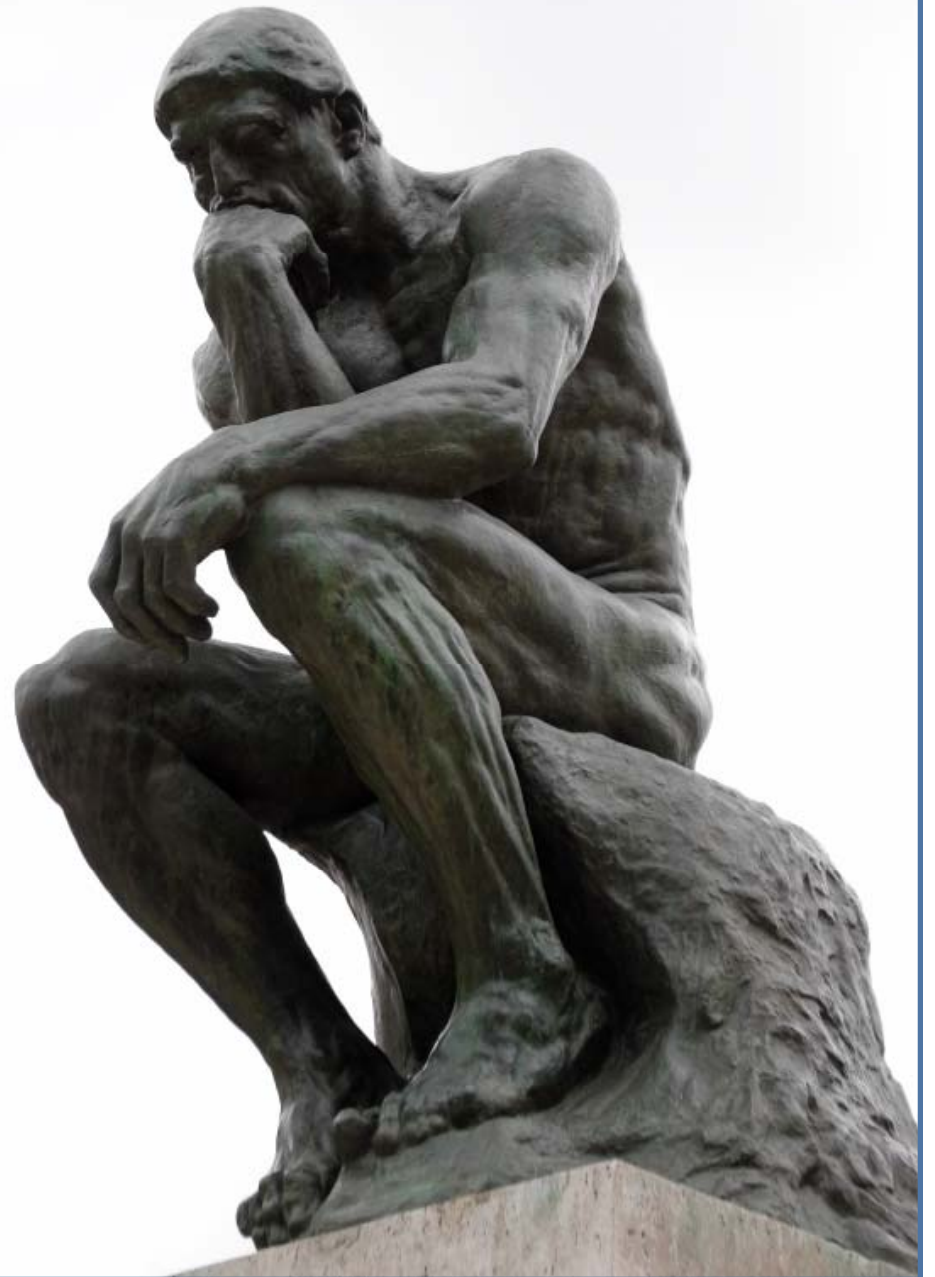


## 3. Growth



# Why Avis Budget Group?

avis budget group



WHY AVIS BUDGET GROUP?

## Four Underlying Strategies Drive Our Business Choices

### Driving Sustained, Profitable Growth



***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***



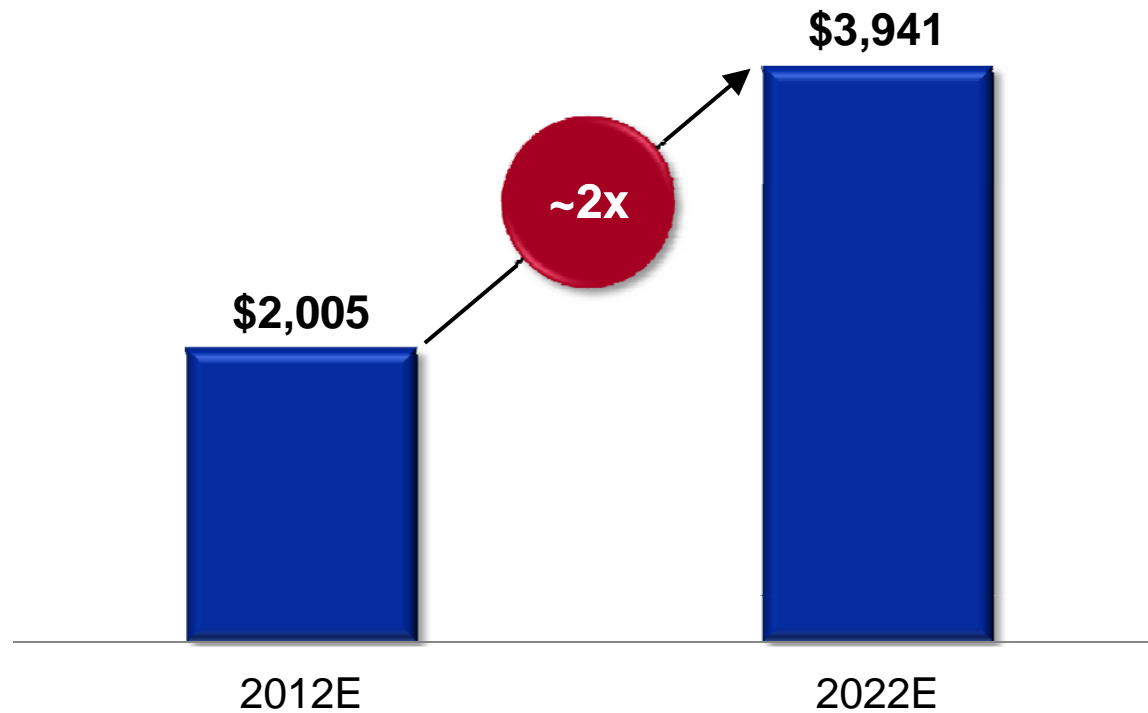
***Drive  
Efficiency  
Throughout  
the  
Organization***

# Key Initiatives Drive Underlying Strategies



# Global Travel Spend Expected To Double Over Next Decade

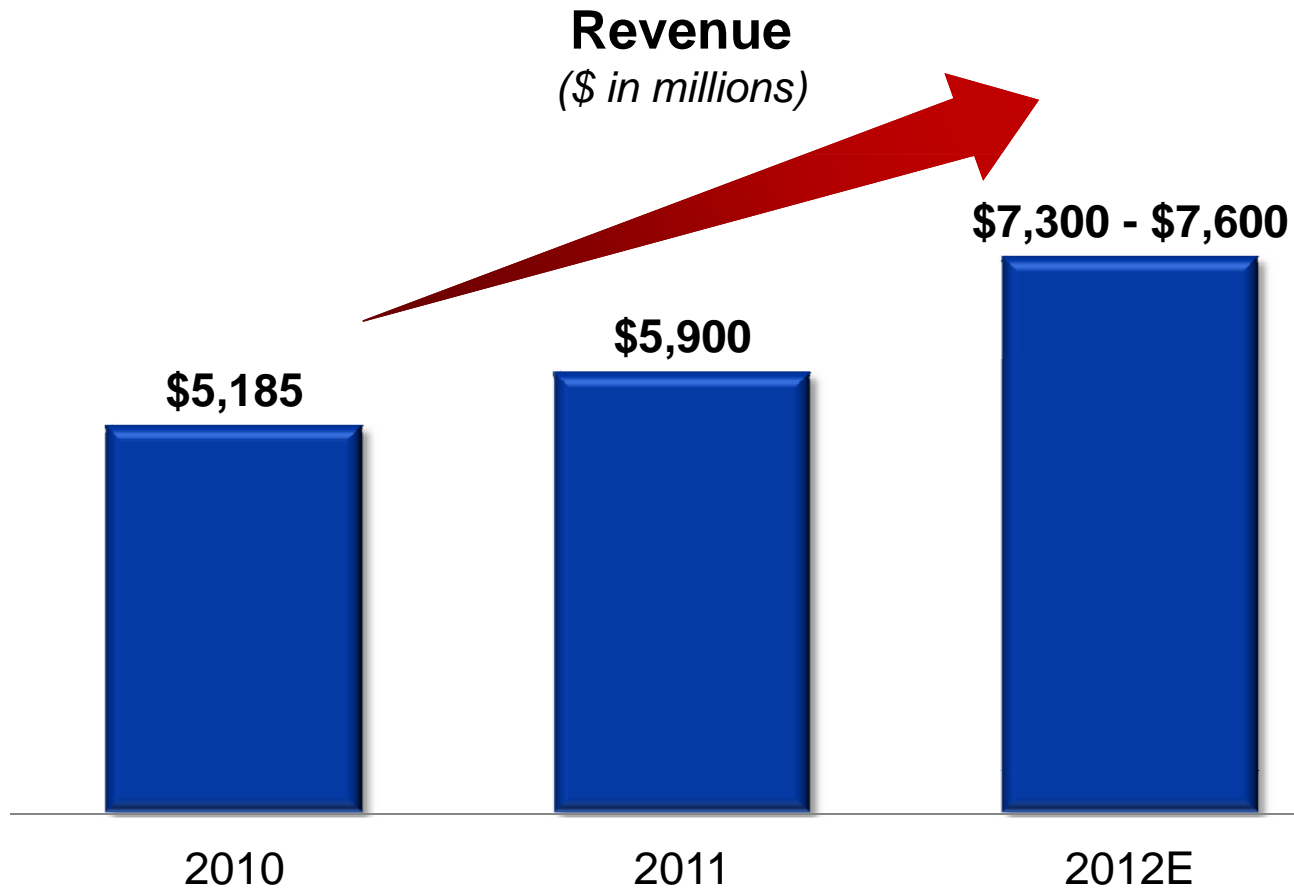
## Global Travel & Tourism Growth<sup>(a)</sup> (\$ in billions)



Accelerate  
Growth



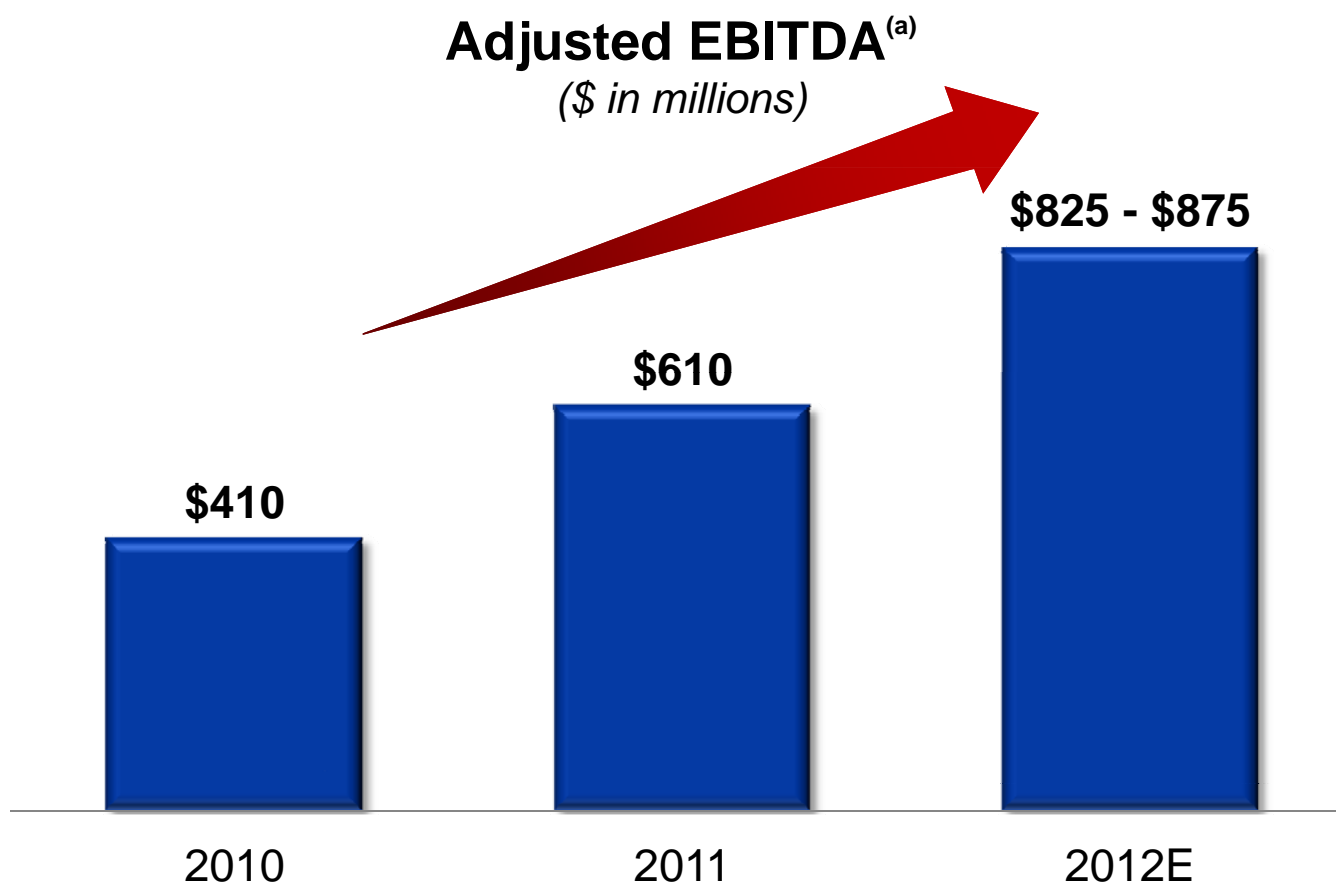
# Increased Revenue



Accelerate  
Growth



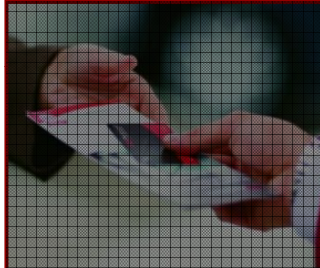
# Increased Earnings



WHY AVIS BUDGET GROUP?

# Four Underlying Strategies Drive Our Business Choices

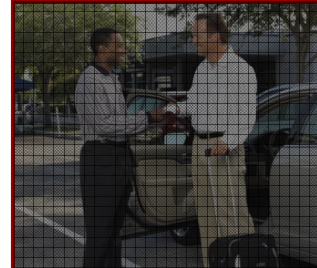
## Driving Sustained, Profitable Growth



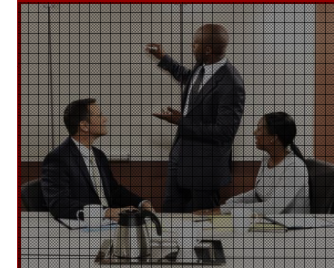
***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***

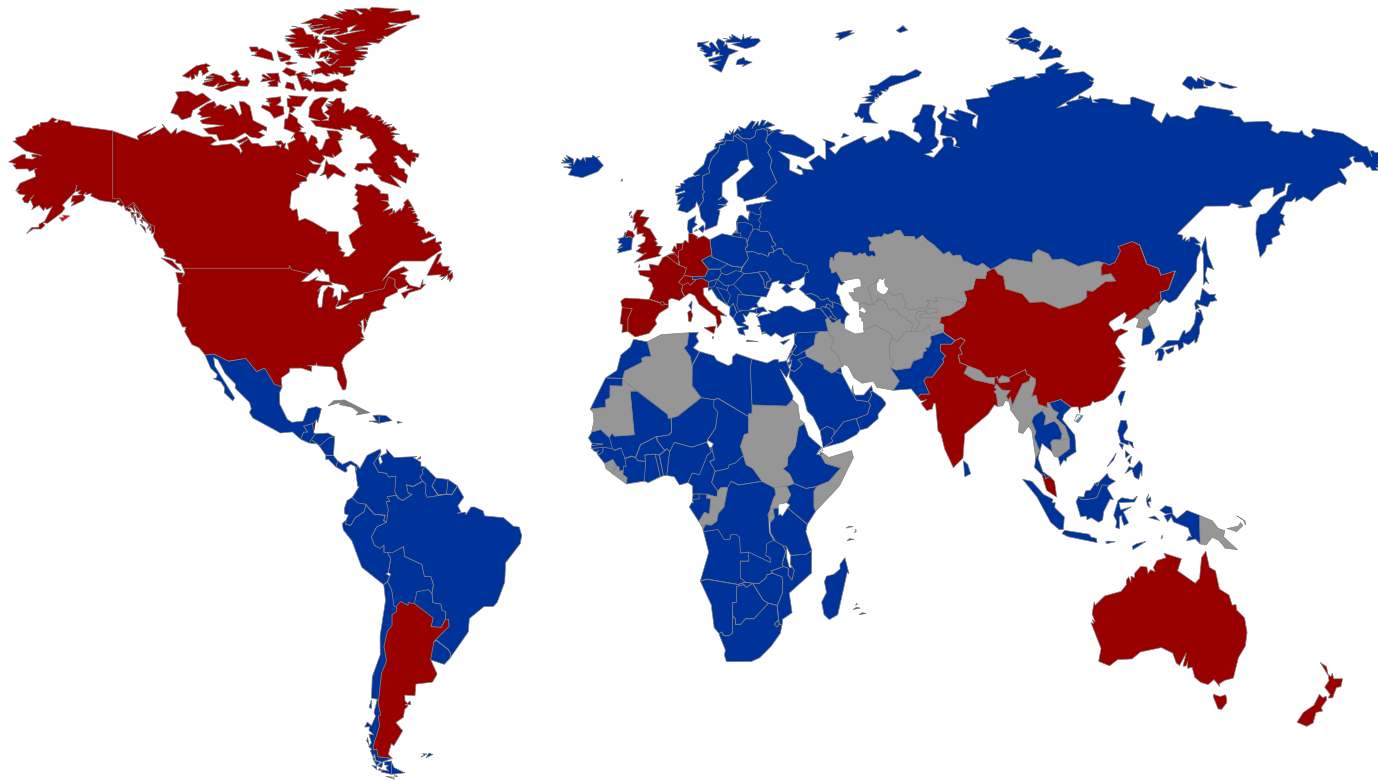


***Drive  
Efficiency  
Throughout  
the  
Organization***

# Expand Our Global Footprint

## Locations in More Than 175 Countries

Owned and Joint Venture Territories Licensed Territories



# Acquisition of Avis Europe Is An Exciting Opportunity

Expand  
Footprint

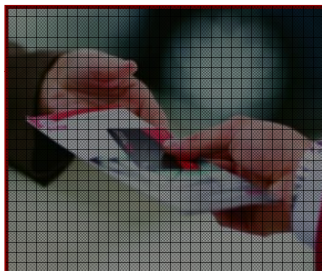
- ✓ Controlling the brand proposition globally
- ✓ Increases presence in faster-growing markets
- ✓ Meaningful growth and synergy opportunities
- ✓ Expected to be earnings accretive in 2012<sup>(a)</sup>



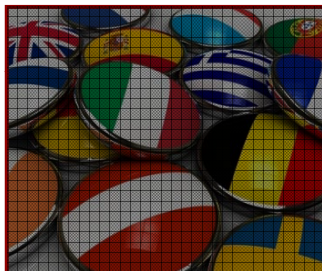
WHY AVIS BUDGET GROUP?

# Four Underlying Strategies Drive Our Business Choices

## Driving Sustained, Profitable Growth



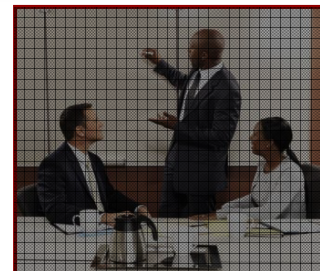
***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***



***Drive  
Efficiency  
Throughout  
the  
Organization***

# Becoming A Customer Led, Service Driven Organization

Customer  
First

avis budget group

*CUSTOMER LED | SERVICE DRIVEN™*



# Using Self-Service Technology to Empower Our Customers

Customer  
First

- ▶ Listen
- ▶ Innovate
- ▶ Convenience
- ▶ Customer touchpoints



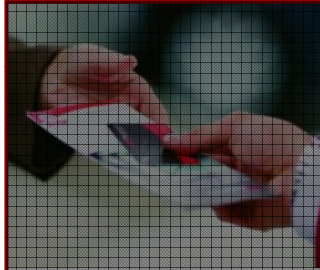
Improved  
Customer  
Satisfaction



WHY AVIS BUDGET GROUP?

# Four Underlying Strategies Drive Our Business Choices

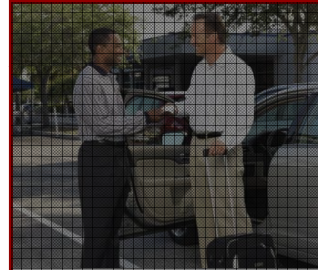
## Driving Sustained, Profitable Growth



***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



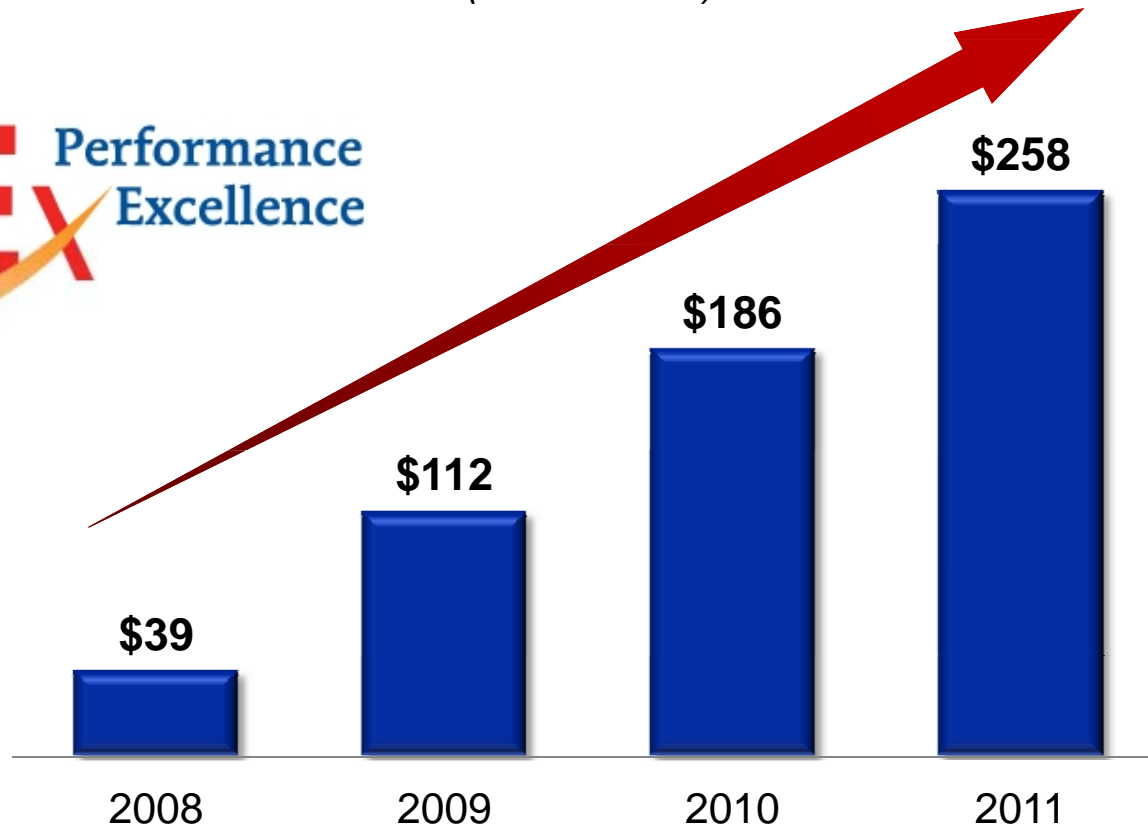
***Put the  
Customer  
First***



***Drive  
Efficiency  
Throughout  
the  
Organization***

# Driving Process Improvement

## Performance Excellence Benefits (*\$ in millions*)



Drive  
Efficiency



# Challenging Every Assumption

Drive  
Efficiency

- ▶ “All demand is similar and good”
- ▶ “A Budget transaction is a lost Avis transaction”
- ▶ “Higher utilization always maximizes profits”
- ▶ “Decisions should be made at the local level”



**Why are we here today?**



# Key Messages Today

- ▶ Industry leader with two global brands



- ▶ Expanding our global footprint



- ▶ Strong financial performance



- ▶ Strategic initiatives focused on profitable growth



- ▶ Generating significant earnings and cash flow





# avis budget group

## Investor Day Presentation

**Larry D. De Shon**  
**President, Europe, the Middle East and Africa**

May 2012

# Key Messages

- ▶ Integration proceeding well
- ▶ Significant synergies
- ▶ Long-term profit opportunities
- ▶ Focused on margin expansion
- ▶ Well-positioned for a recovery in demand



# Agenda

- ▶ **The business today**
- ▶ **Market dynamics**
- ▶ **Integration & growth drivers**



# The European Business Today – In Numbers

**Annual revenue**

**\$1.7 billion**

**Rental days**

**25 million**

**Vehicles**

**100,000**

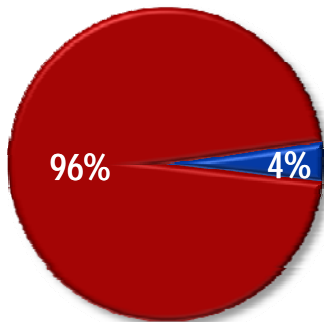
**Market share<sup>(a)</sup>**

**18%**

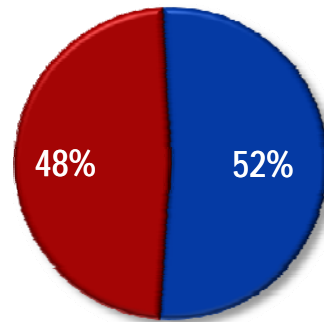


# Diversified Revenue Sources → Stable Earnings

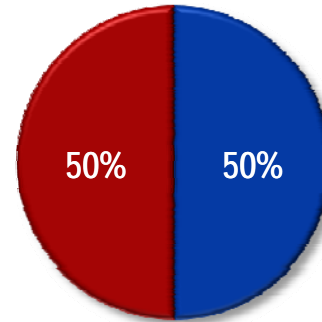
**Avis vs. Budget**



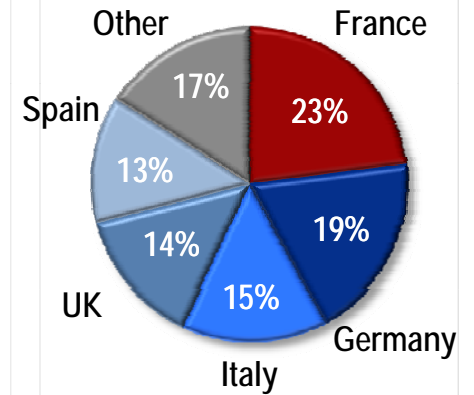
**Commercial vs. Leisure**



**On-Airport vs. Off-Airport**

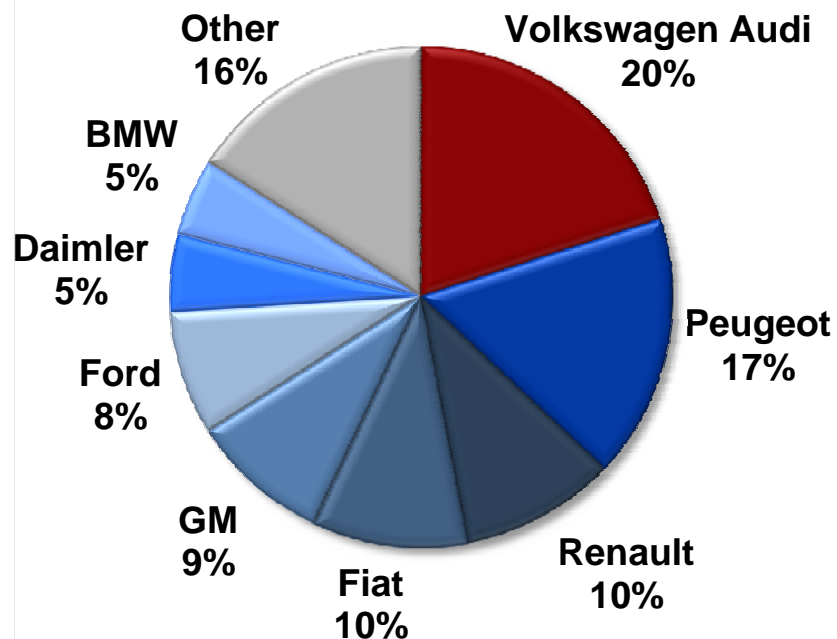


**Revenue by Country**

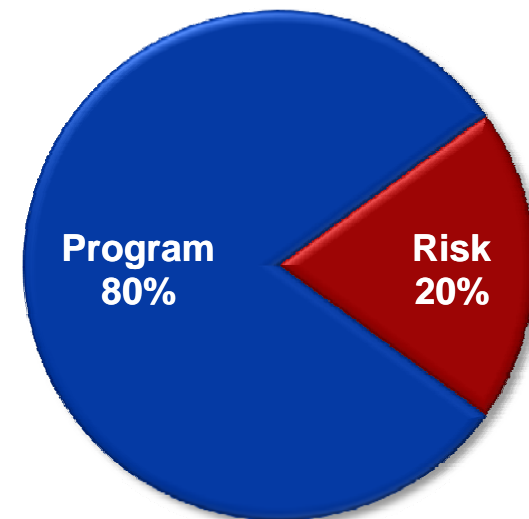


# Diversified Fleet Across Europe Mitigates Risk

## By Manufacturer

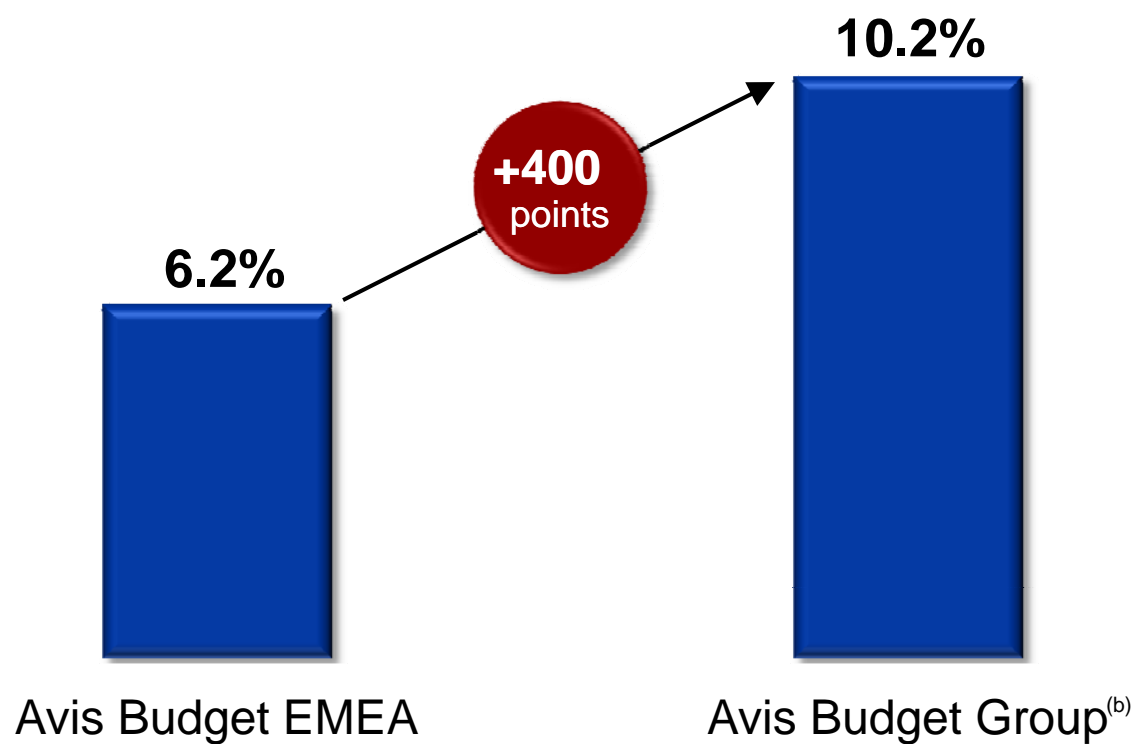


## By Type



# A Substantial Margin Opportunity

## Adjusted EBITDA Margin Excluding Licensee Revenue<sup>(a)</sup>

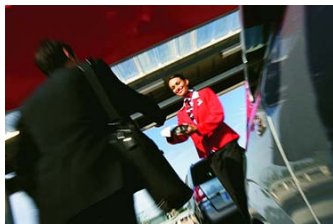


# Strong and Experienced Management Team

Position	Nationality	Avis Budget Experience
EMEA Chief Financial Officer	 British	10 years
Italy Managing Director	 Italian	25 years
France and Benelux Managing Director	 Italian	15 years
UK Managing Director	 American	20 years
Spain Managing Director	 Italian	9 years
Germany and Central Region Managing Director	 German	13 years
VP, Licensee Development	 British	24 years
EMEA Chief Information Officer	 British	<1 year

# How We're Dealing with Economic Headwinds

- ▶ **Maintaining fleet and staff flexibility**
- ▶ **Promoting the Budget brand across the region**
- ▶ **Ensuring tight cost controls**
- ▶ **Seeking dislocations that provide compelling opportunities**



# Agenda

- ▶ The business today
- ▶ Market dynamics
- ▶ Integration & growth drivers



# Profile of European Car Rental Industry

- ▶ **Top four rental companies have roughly 65% share in aggregate**
- ▶ **Approximately half of the business is cross-border**
- ▶ **Brokers and other intermediaries are important distribution channels**
- ▶ **Excess capacity among European OEMs**



# Competitive Strengths

## Brands

- ▶ Only car rental company with a premium and leisure brand in Europe



## Technology

- ▶ Leveraging technology to deliver mobility solutions



## Service

- ▶ Avis Preferred / 3 minute promise

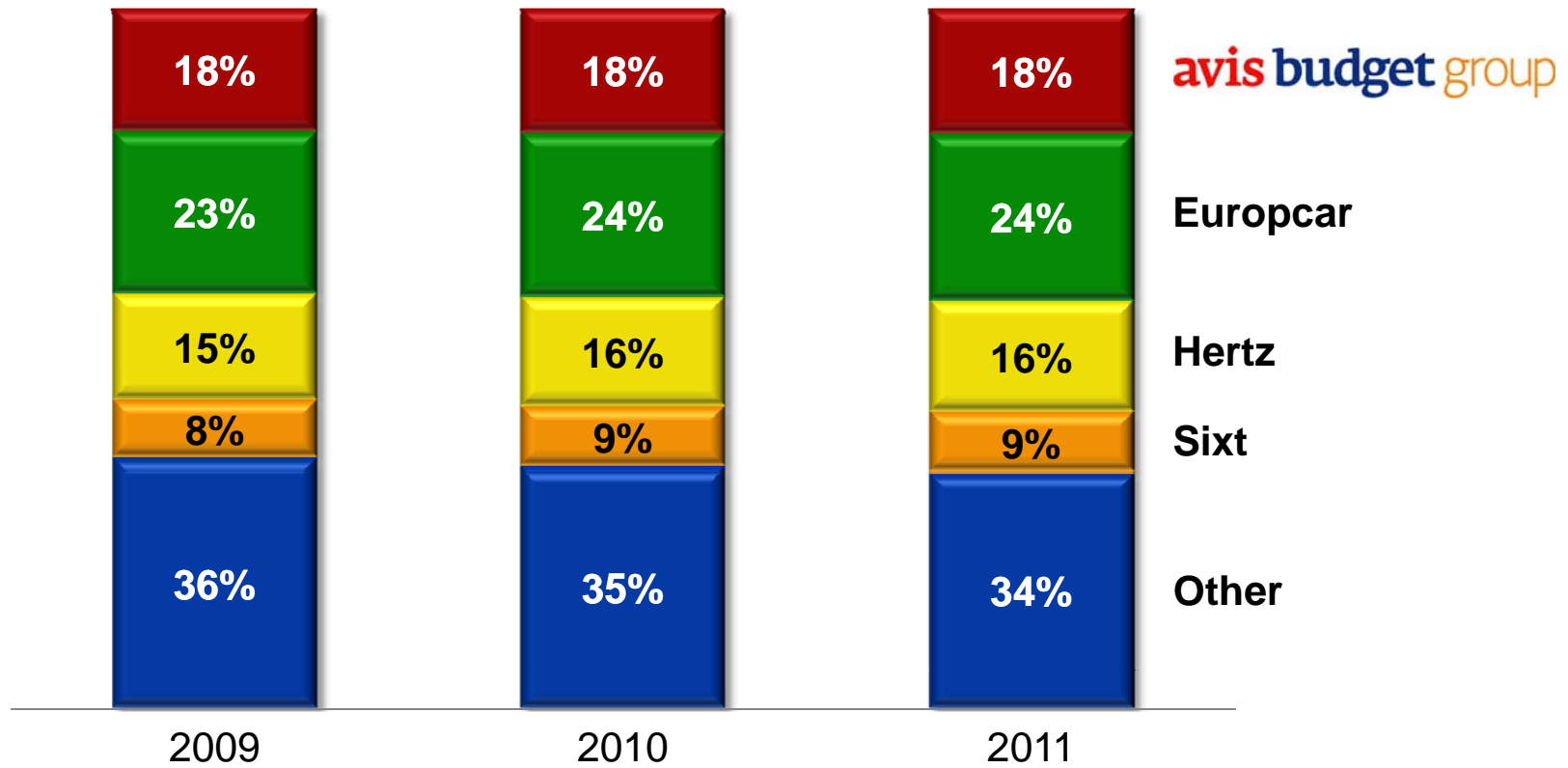


## Partnerships

- ▶ Strong partnership relationships

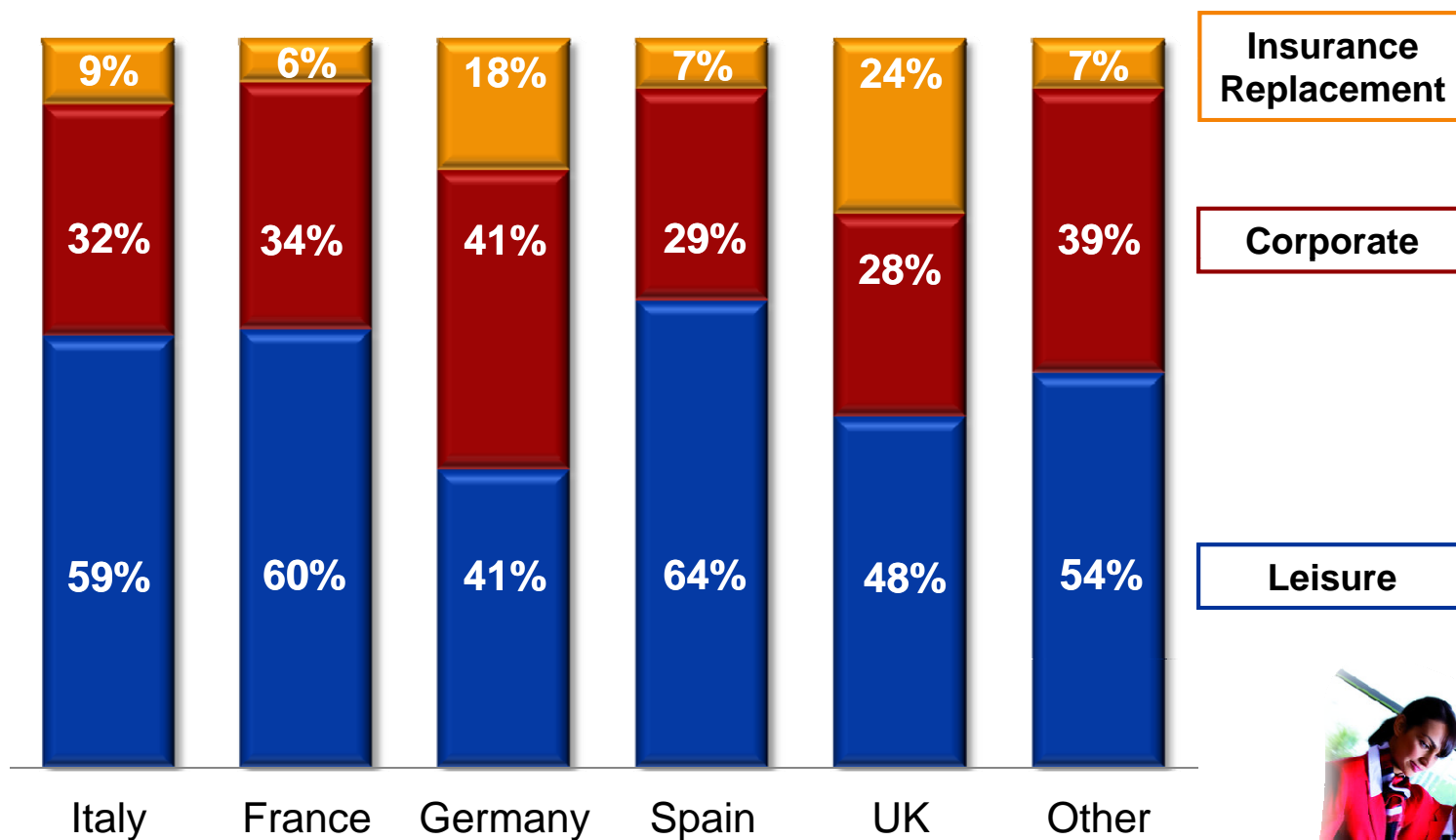


# Strong Consistent Share in the \$13 Billion European Market



“Other” segment primarily composed of large number of smaller leisure competitors

# Our Revenue is Balanced Across Key Markets



# Strong Industry Partnerships Drive Incremental Revenues

## Long-Standing Relationships with Leading Travel Participants

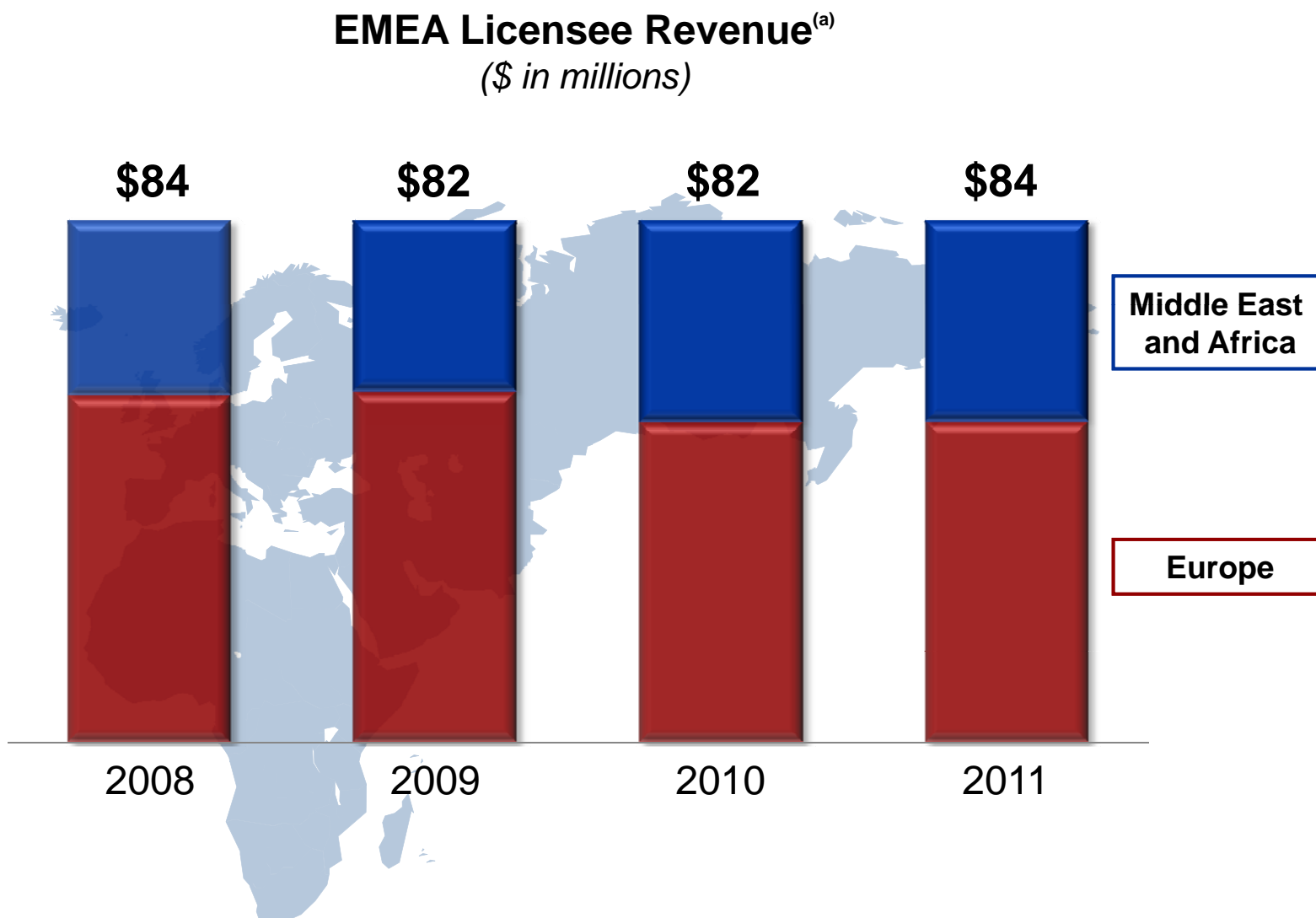
### Travel



### Air/Rail



# Highly Resilient, Diversified Licensee Cash-Flow Stream



# Agenda

- ▶ The business today
- ▶ Market dynamics
- ▶ Integration & growth drivers



# Four Underlying Strategies Drive Our Business Choices

## Driving Sustained, Profitable Growth



***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***



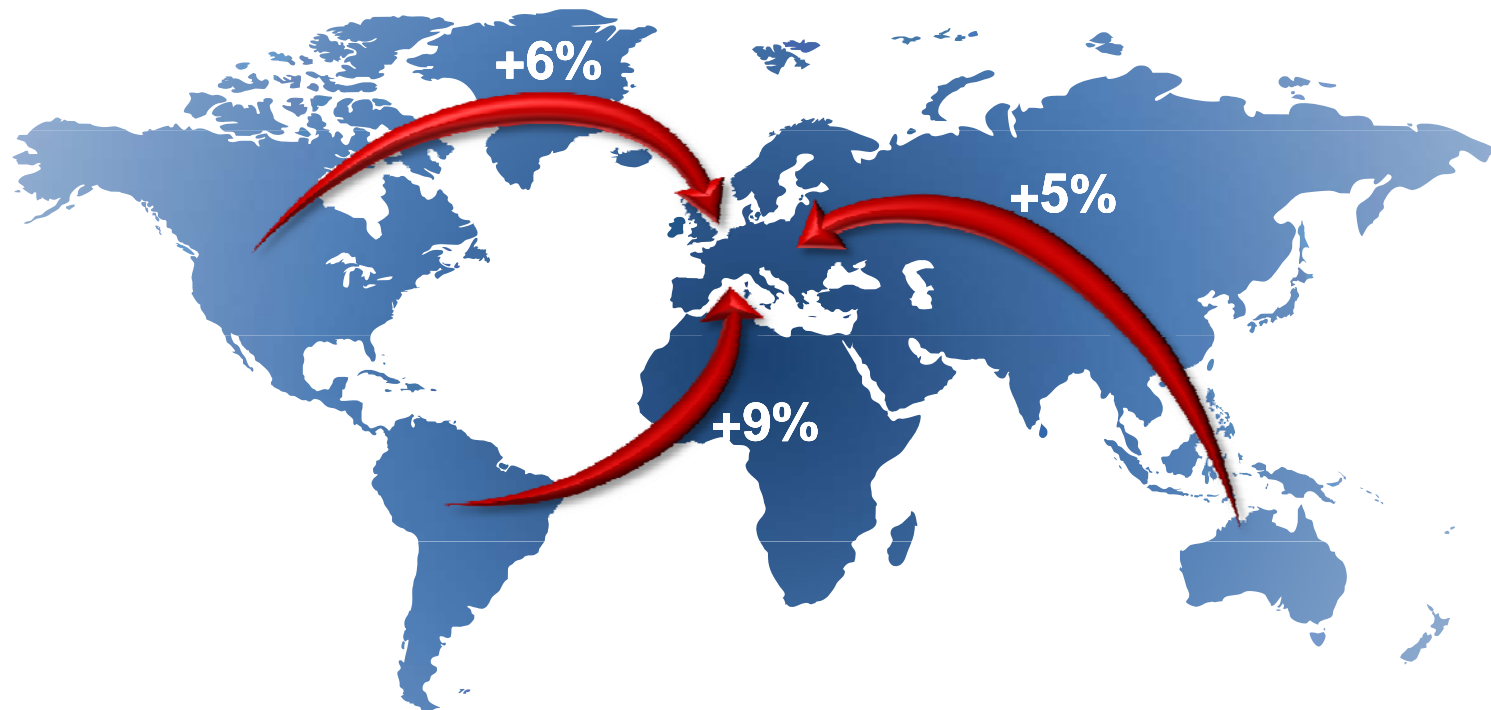
***Drive  
Efficiency  
Throughout  
the  
Organization***

# Key Initiatives Drive Underlying Strategies



PHASE I

## Grow Higher-Margin Inbound Volume



Accelerate  
Growth

### Plan to Drive Incremental Inbound Revenue

- ▶ Employ strategies proven in North America and EMEA
- ▶ Increase outbound focus from licensee territories
- ▶ Enhance global sales infrastructure

## Synergies to Provide \$35 Million of Annual Benefits

(\$ in millions)	Savings
Leverage shared service infrastructure, etc.	\$13
Reduced senior management costs	6
Process improvement initiatives	7
Centralized procurement	3
IT consolidation (Phase I)	3
Elimination of public-company expenses	2
Lease renegotiations	1
	<u>\$35</u>



## Drive Ancillary Sales

Accelerate  
Growth

- ▶ **Apply best practices developed in North America**
  - Recruit
  - Train
  - Incent
  - Accountability
- ▶ **Increase penetration rates of existing products:**
  - Supplemental coverage
  - GPS
  - Other insurance
  - Fuel options
- ▶ **Expand product offering**

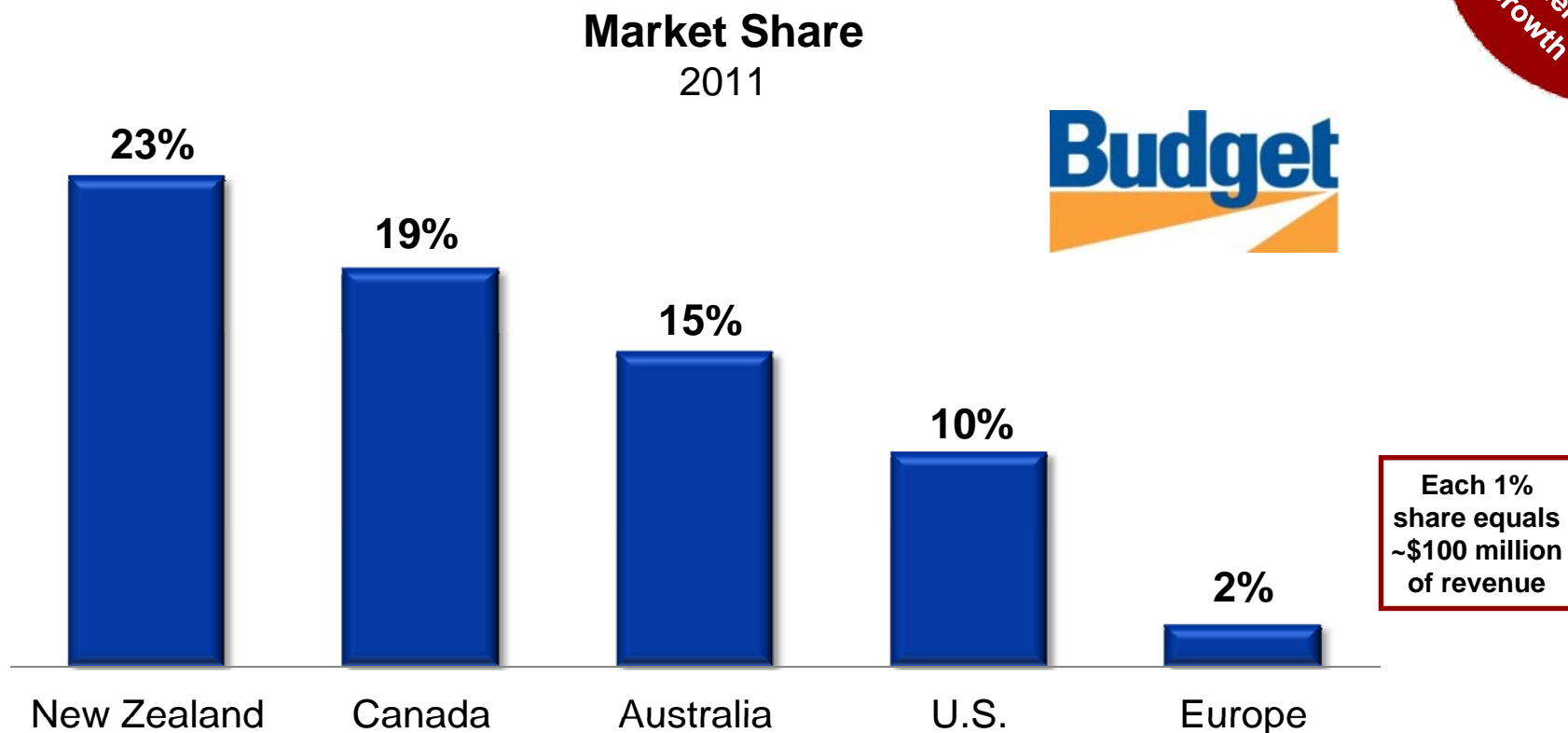


**AVIS**  
eToll



**Ancillary products can double the profitability of a rental transaction and improve customer satisfaction**

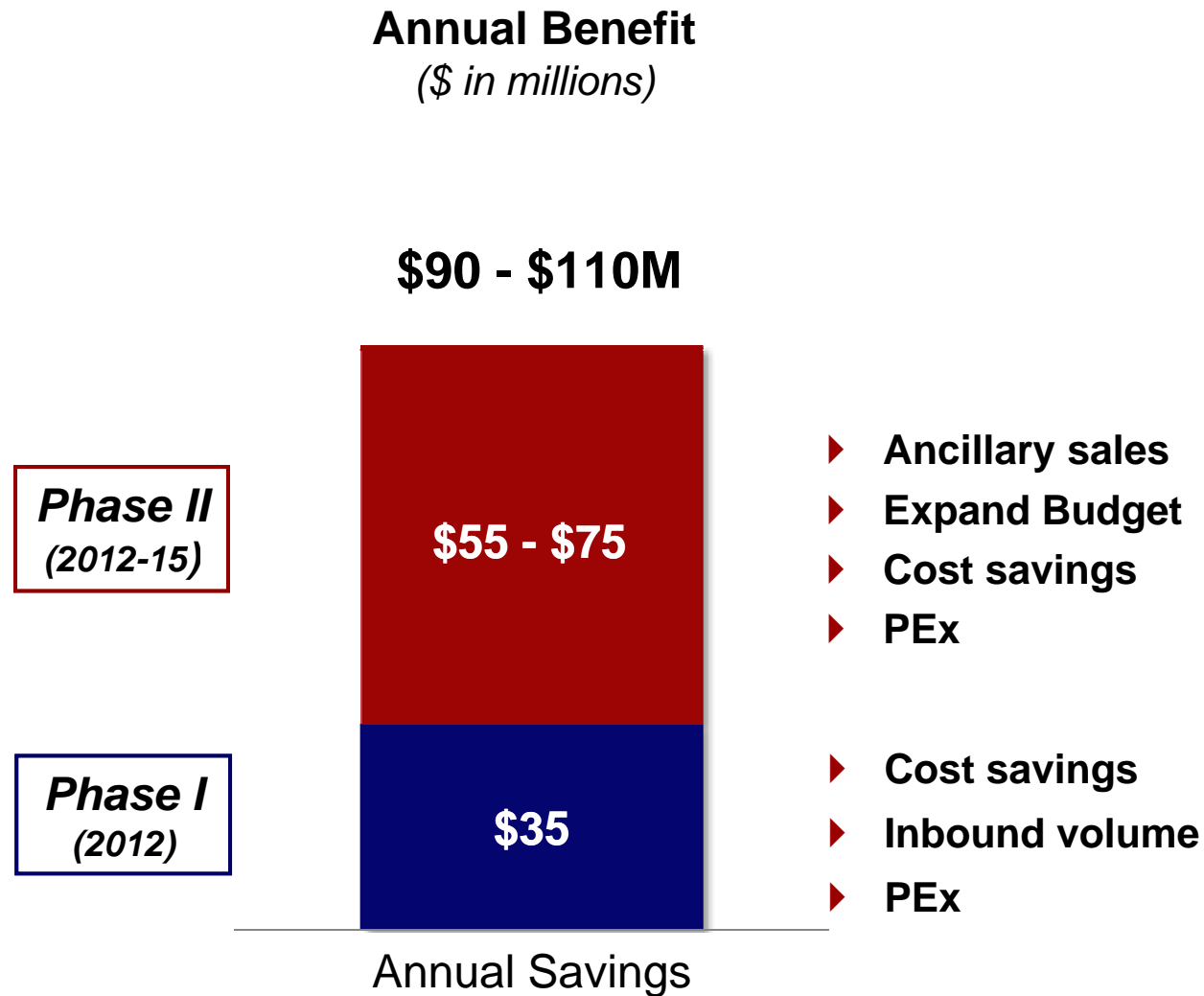
# Expanding Budget – A Substantial Growth Opportunity



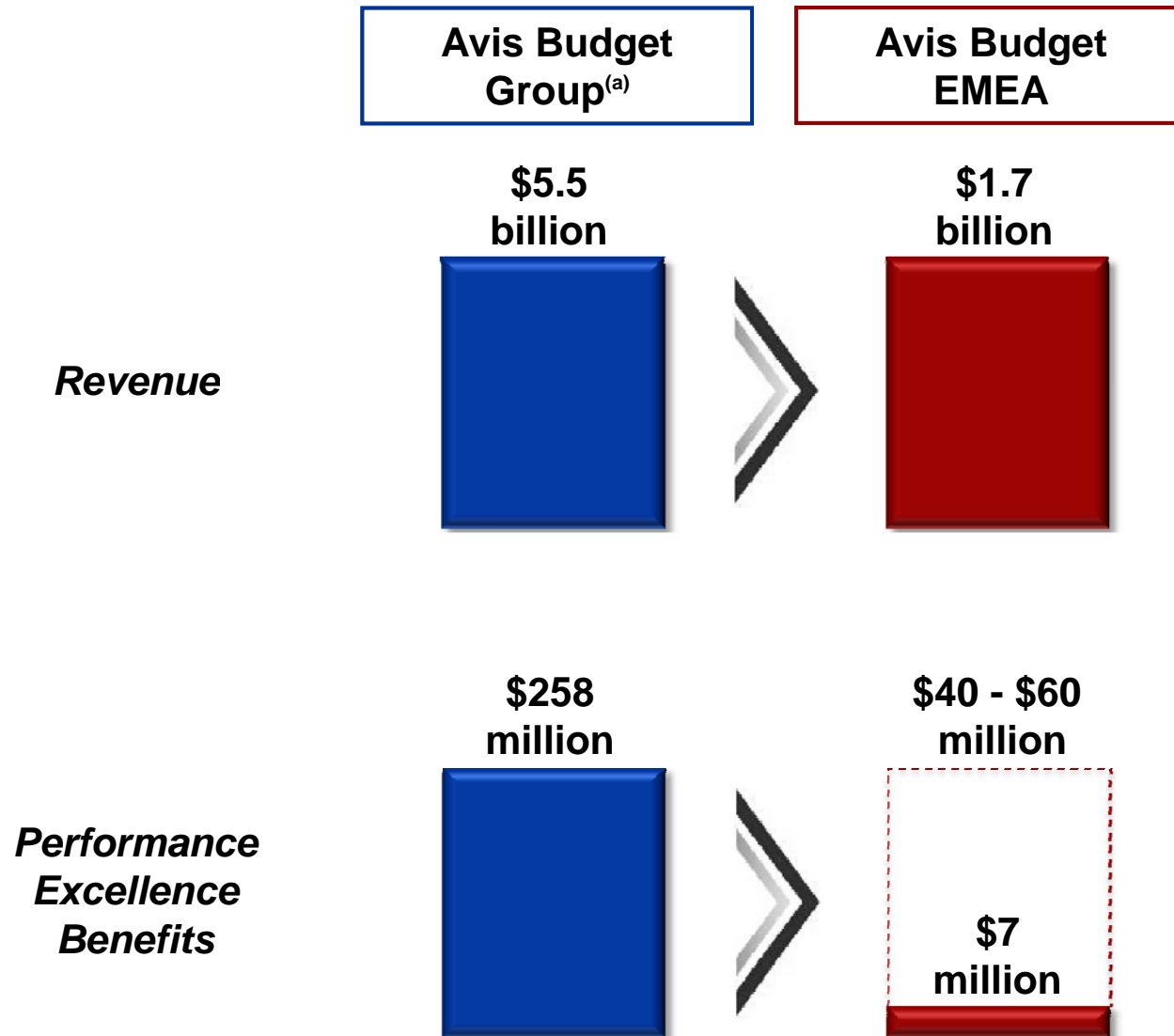
- ▶ Sales teams now focused on dual-brand strategy
- ▶ Launched in Spain and expanding network across Europe
- ▶ Budget Italy scheduled to become corporate-owned on June 1

PHASE II

# Cumulative \$90 - \$110 Million Profit Opportunity by 2015



# Drive Performance Excellence



PHASE III

## Longer-Term Profit Growth Opportunities



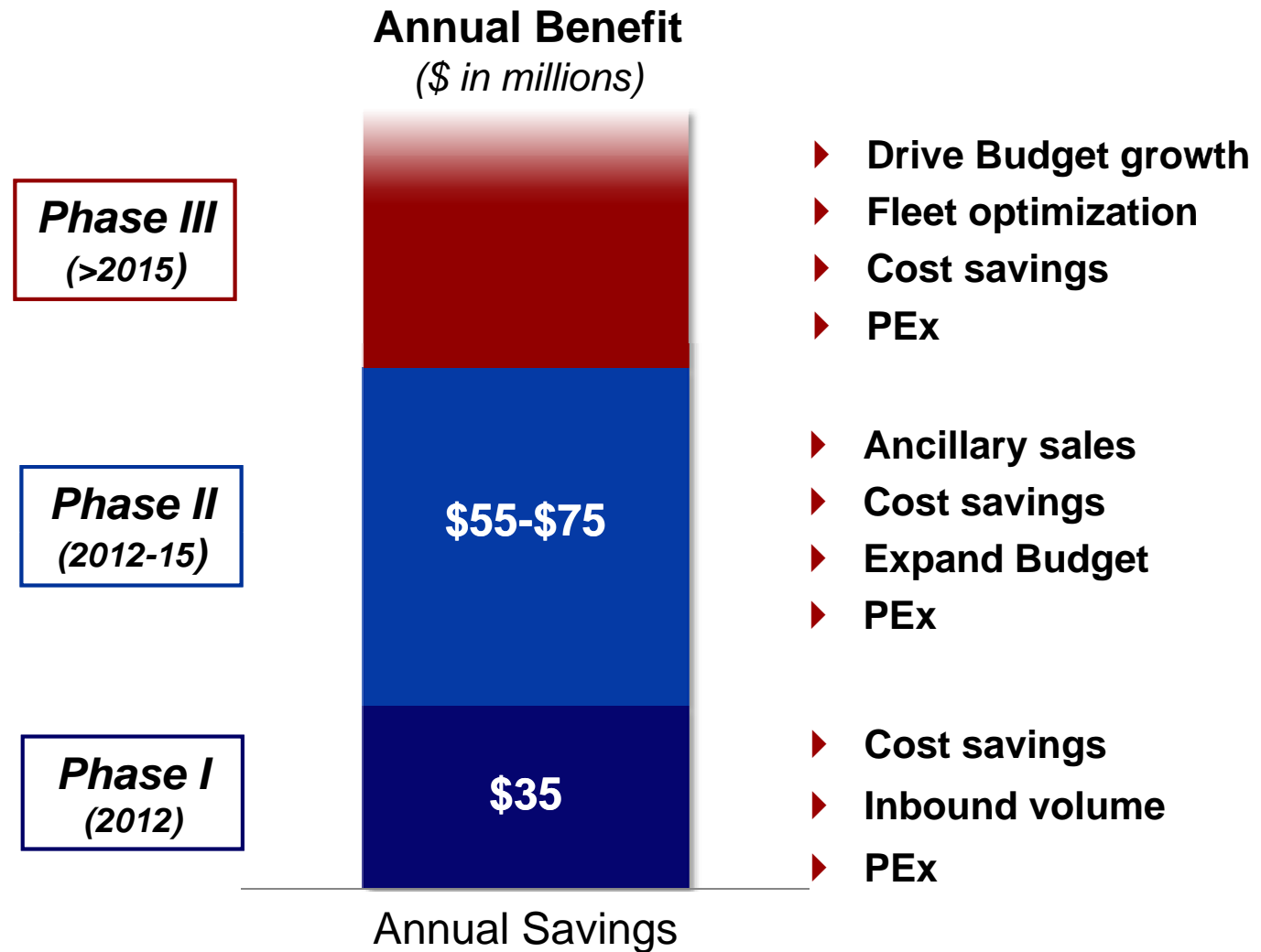
Global efficiency opportunities

Demand/fleet/yield optimization

Drive Performance Excellence

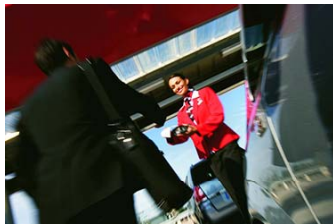
Further Budget brand expansion

# Longer-Term Opportunity Beyond 2015



# 2012 Outlook

- ▶ **GDP expected to be down slightly**
- ▶ **Good summer reservation-build on early bookings**
- ▶ **Expect full-year revenue growth of 3-5%<sup>(a)</sup>**
  - **Budget expansion**
  - **Ancillary sales**
- ▶ **Synergies ahead of plan**



# Key Messages

- ▶ Integration proceeding well
- ▶ Significant synergies
- ▶ Long-term profit opportunities
- ▶ Focused on margin expansion
- ▶ Well-positioned for a recovery in demand





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## Investor Day Presentation

**Patric Siniscalchi**  
**President, Latin America / Asia-Pacific**

May 2012

## 40-Years With Avis Budget Group



**My wife asked, “What are you doing?”**

**I said, “Nothing.”**

**My wife then asked, “Didn’t you do that yesterday?”**

**I replied, “I wasn’t finished yet.”**

# Key Messages

- ▶ Leading market positions
- ▶ Strong margins
- ▶ High customer satisfaction levels
- ▶ Extensive relationships with leading travel partners
- ▶ Emerging market growth opportunities



# Agenda

- ▶ **The business today**
- ▶ **Competitive strengths**
- ▶ **Growth drivers**
- ▶ **Summary**



# The Business Today

Annual revenue

**\$670 million**

Adjusted EBITDA<sup>(a)</sup>

**\$125 million**

Rental days

**8 million**

Vehicles

**33,000**

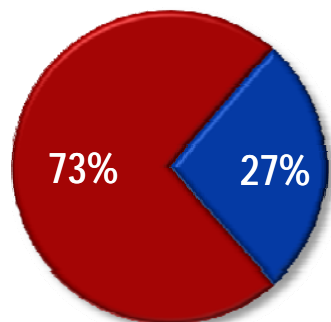
Locations<sup>(b)</sup>

**1,600**

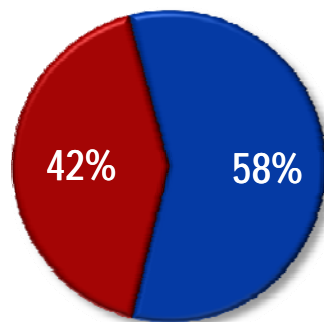


# Diversified Revenue Sources

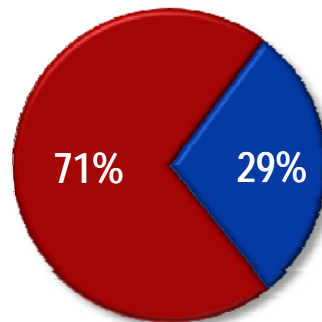
## Avis vs. Budget



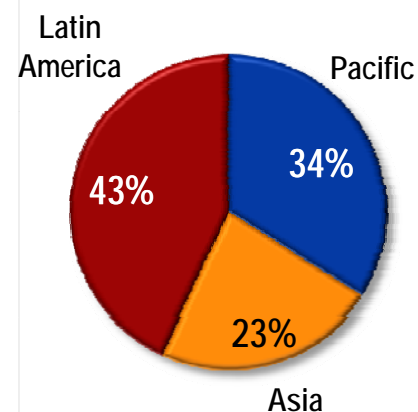
## Commercial vs. Leisure



## On-Airport vs. Off-Airport

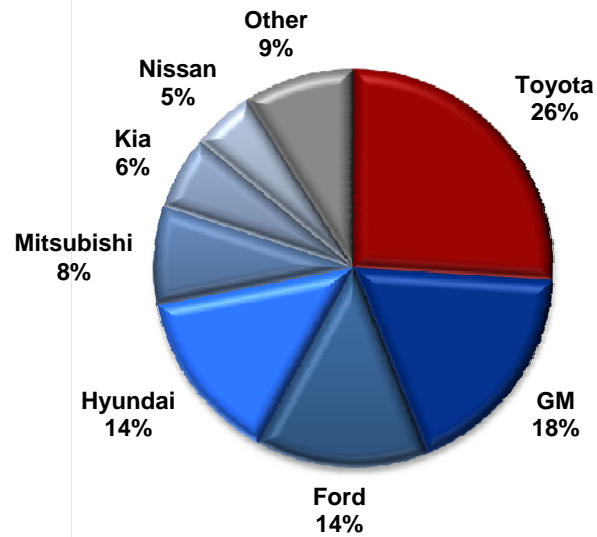


## Locations by Region<sup>(a)</sup>

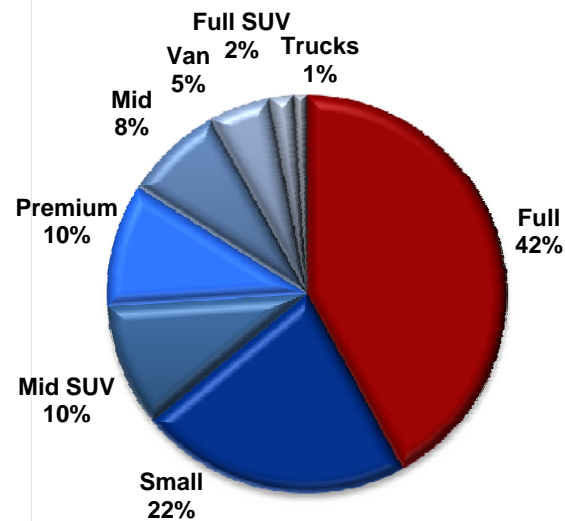


# Diversified Fleet Mitigates Risk

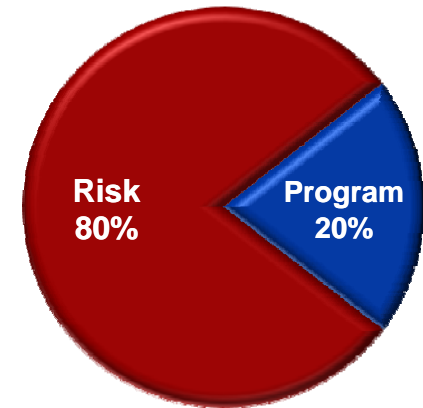
## By Manufacturer



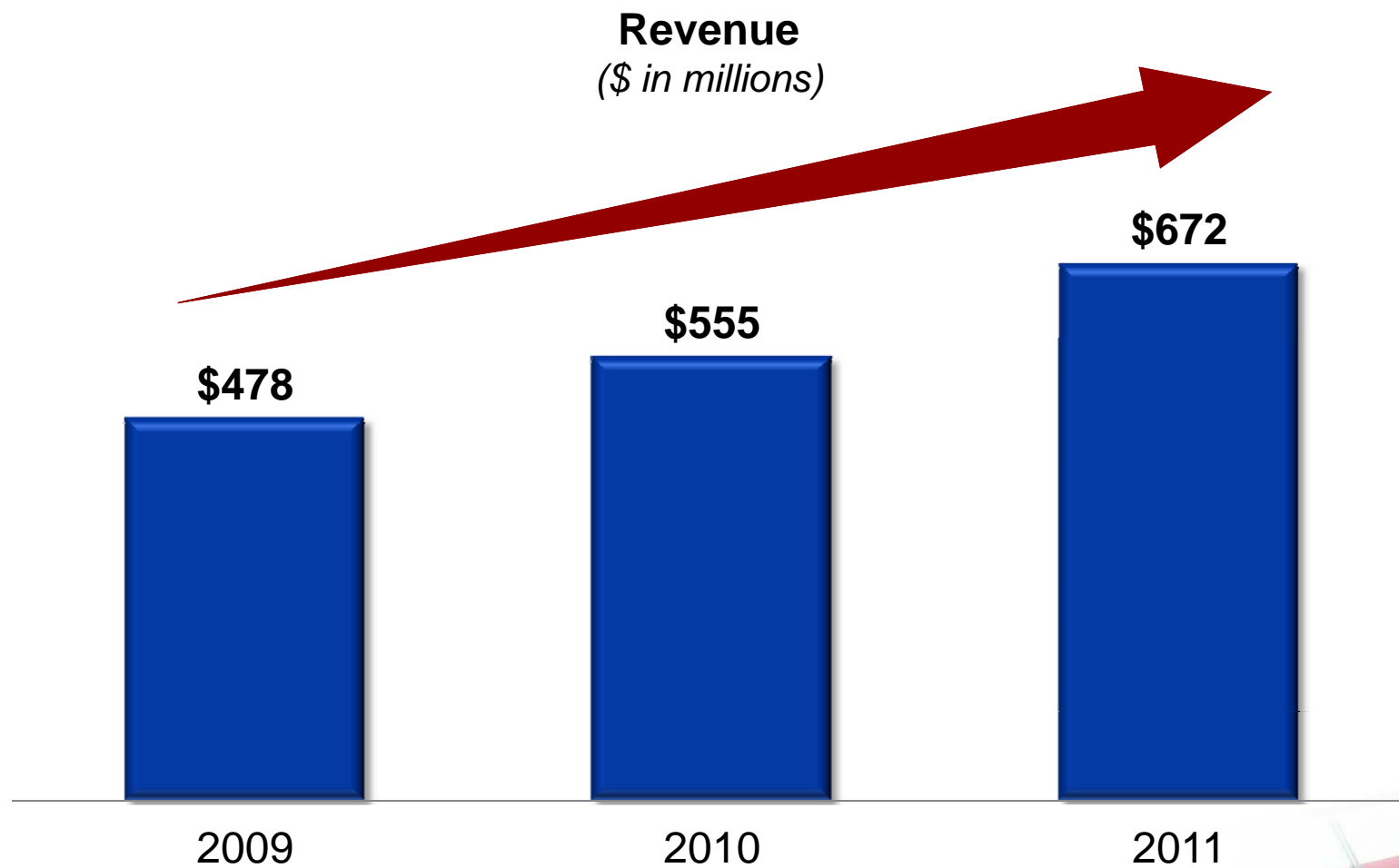
## By Car Class



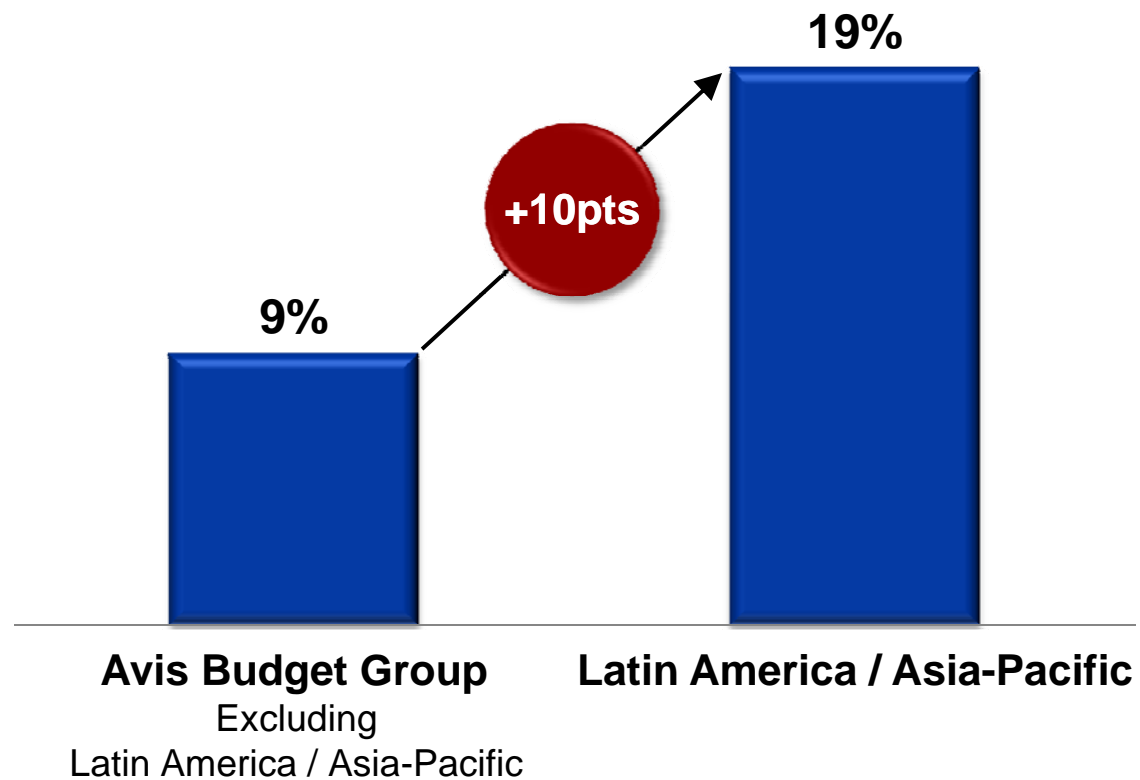
## By Type



## Strong Revenue Growth . . .



# Consistently High Margins



# Agenda

- ▶ The business today

- ▶ Competitive strengths

- ▶ Growth drivers

- ▶ Summary



# Competitive Strengths

## Position

- ▶ Strong leadership position in corporate-operated countries



## Network

- ▶ Well developed licensee and joint venture network throughout 74 countries



## Brand

- ▶ Brand recognition, excellent customer service and industry partnerships driving growth

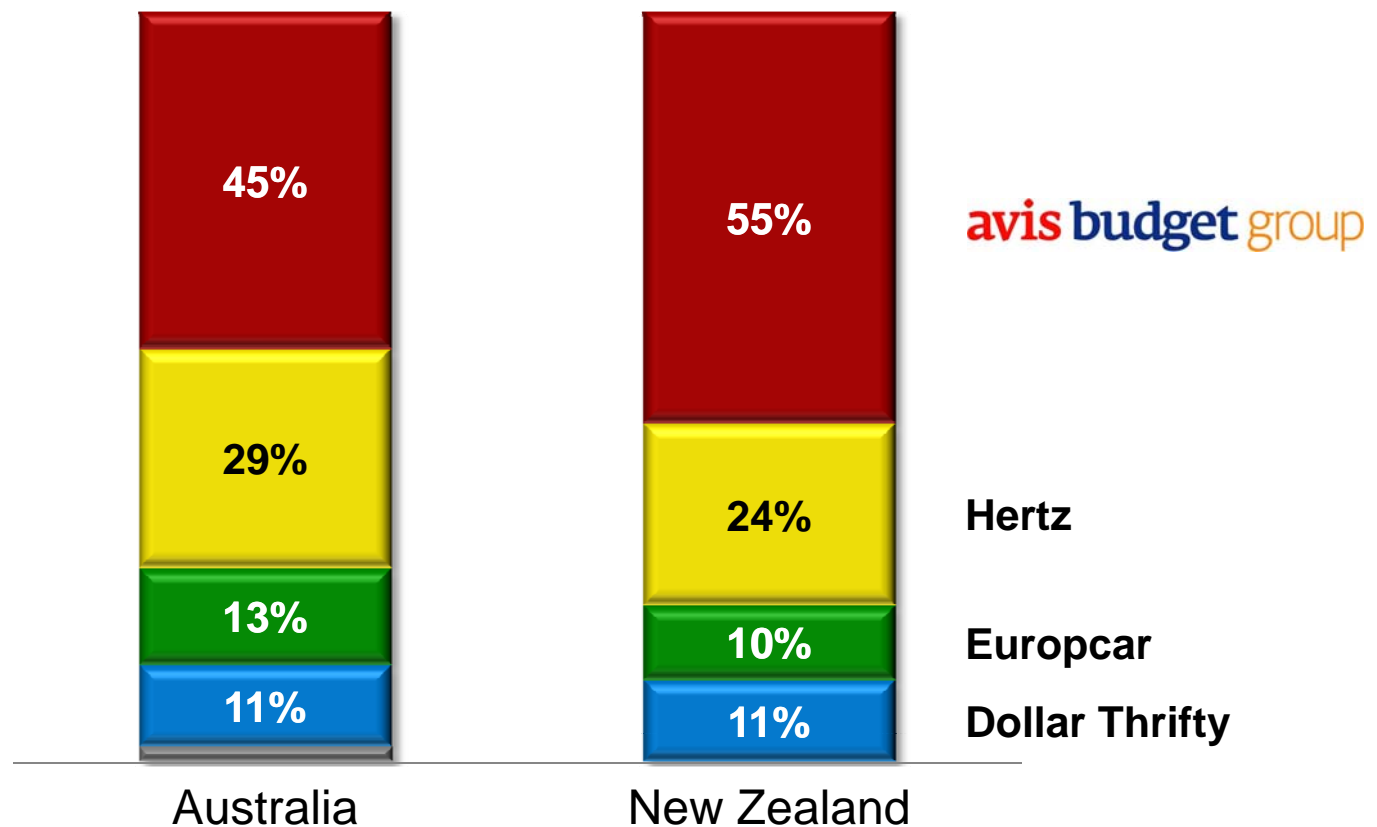


## Ancillary

- ▶ High ancillary revenue penetration drives above average margins

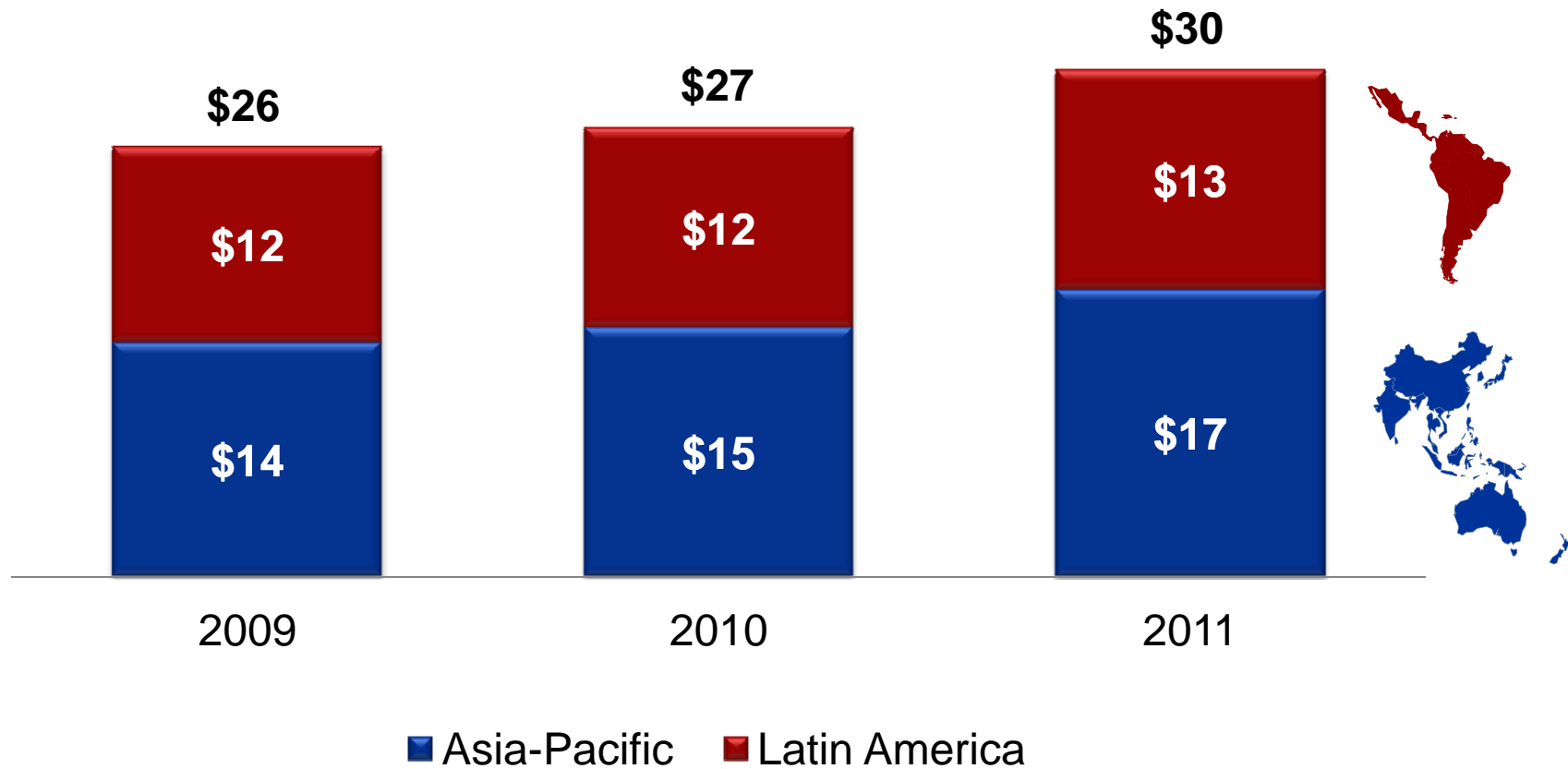


# Leading Market Shares in Australia and New Zealand



**Grew two share points in each country in 2011**

# Highly Resilient, Diversified Licensee Cash-Flow Stream



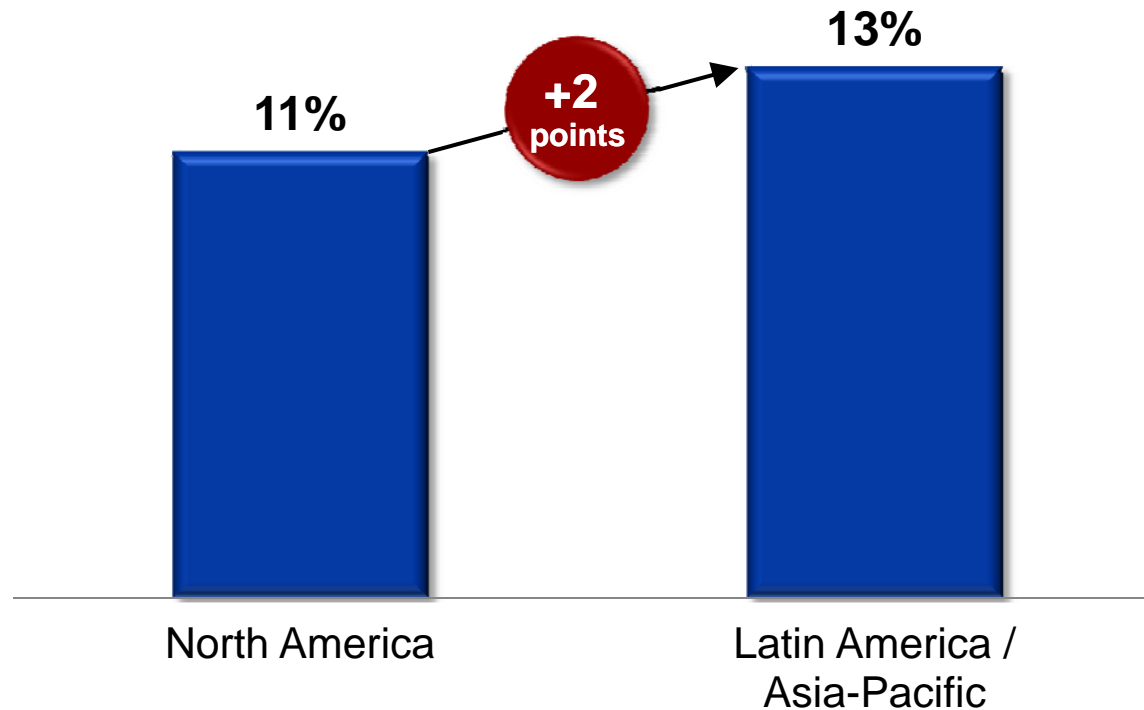
# Strong Industry Partnerships Drive Incremental Revenues

## Long-Standing Relationships with Leading Industry Participants

Travel	Air	Corporate
    	     	     

# Significant Revenue Derived from Ancillary Sales

## Ancillary Revenue as a % of Total Revenue



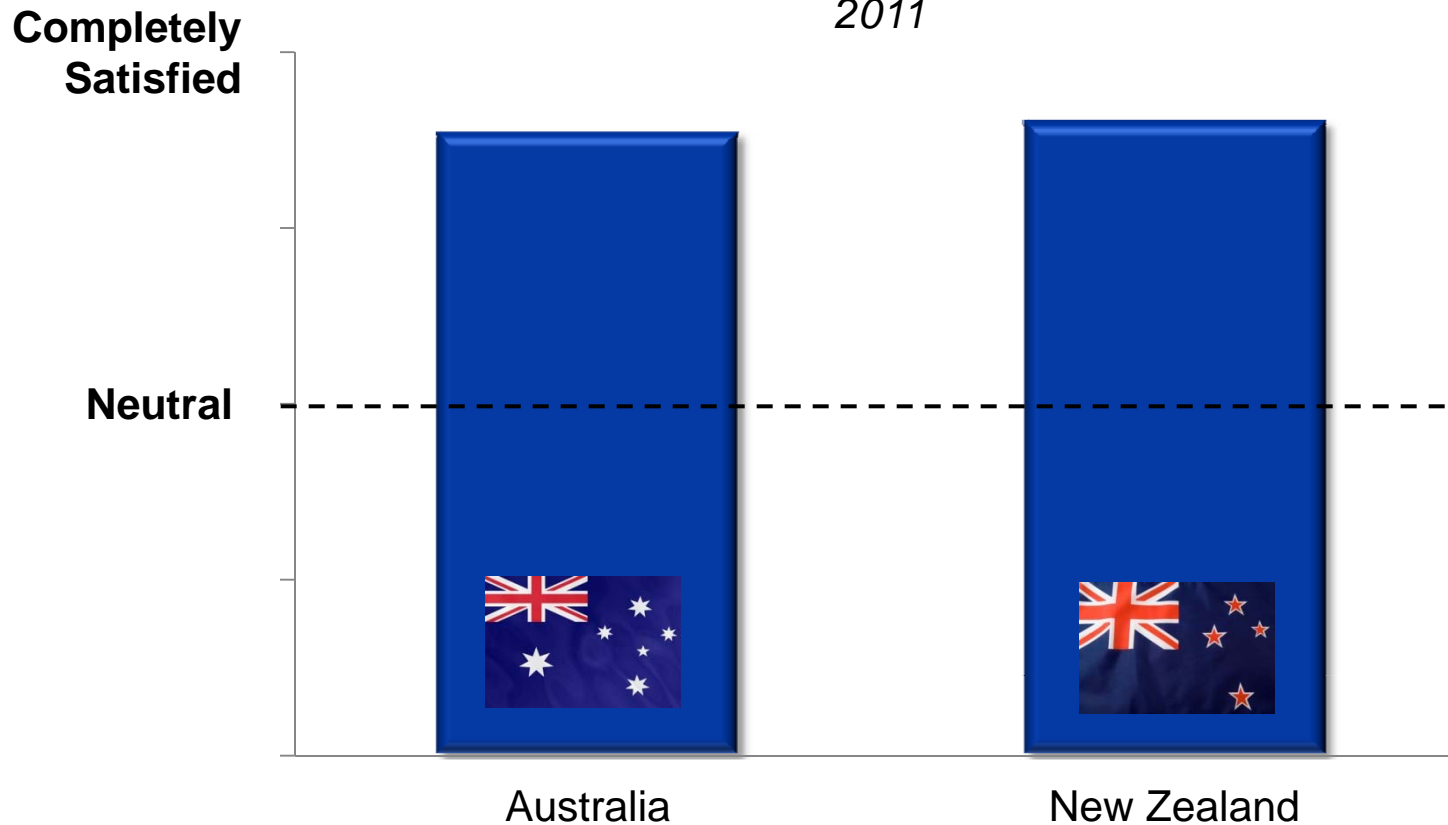
**Ancillary revenues have significantly higher margins**



# High Customer Satisfaction Drives Incremental Sales

## “Voice of The Customer” Scores

2011



**Approximately 85% of Australian customers say they will likely or probably choose Avis again<sup>(a)</sup>**

# Agenda

- ▶ The business today
- ▶ Competitive strengths
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- ▶ Summary



# Four Underlying Strategies Drive Our Business Choices

## Driving Sustained, Profitable Growth



***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***



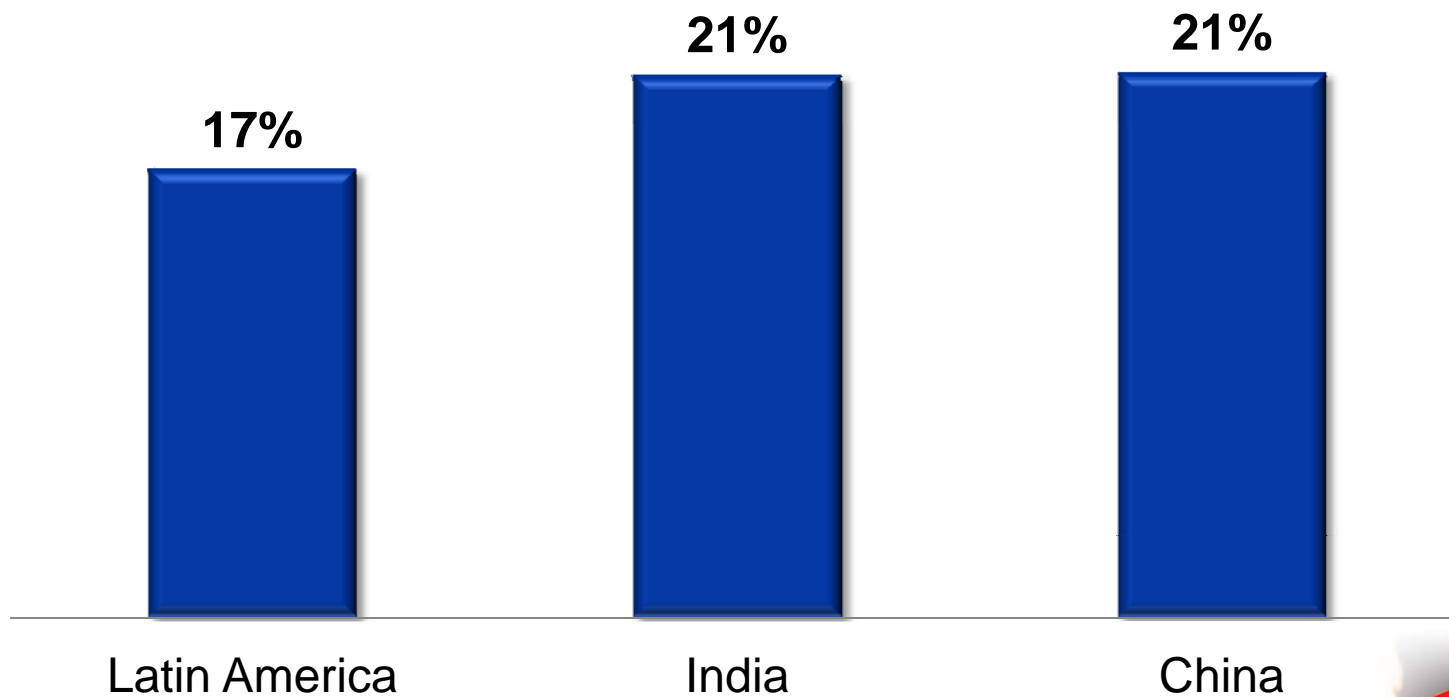
***Drive  
Efficiency  
Throughout  
the  
Organization***

# Key Initiatives Drive Underlying Strategies



# Well Positioned in Growth Markets

## 10-Year Average Annual Travel and Tourism Growth Rate Projection<sup>(a)</sup>



Accelerate  
Growth

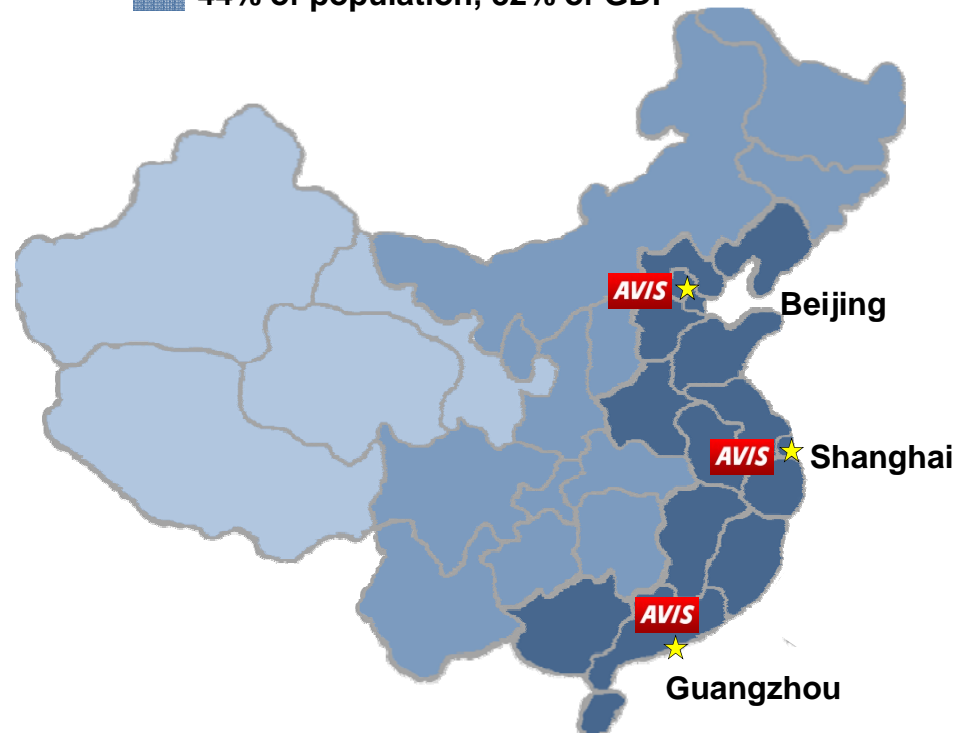


# Leading International Car Rental Company in China

- ▶ **First-mover advantage with 10 years of operation in China**
- ▶ **70 locations, targeting 110 by end of 2012**
- ▶ **Annual revenues of \$88 million**
- ▶ **Joint venture with Shanghai Automotive Group**

■ 51% of population, 64% of GDP

■ 44% of population, 32% of GDP



Expand  
Footprint

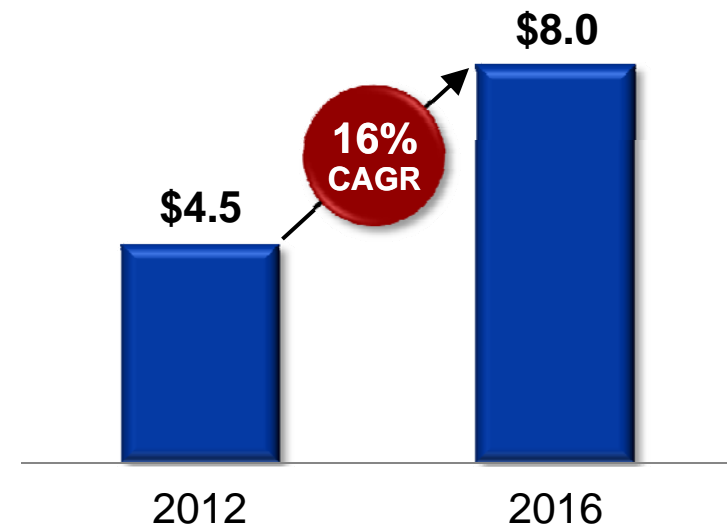


# Fast Growing China Market

Expand  
Footprint

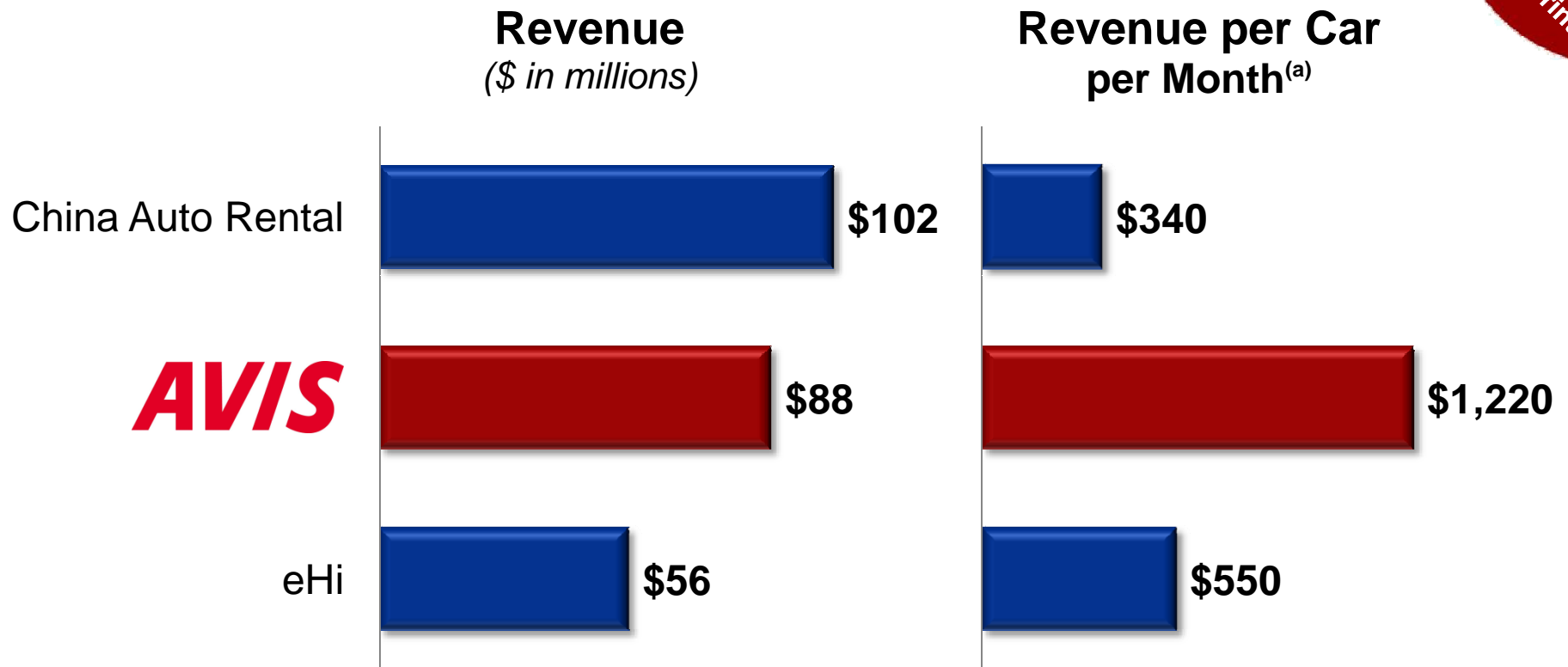
- ▶ **Growth drivers**
  - Expanding middle class
  - Increased urbanization
  - Government policies curbing private car usage
- ▶ **Consolidation opportunities**
  - Highly fragmented market
  - More than 40,000 car rental companies; 75% operate with five cars or less

## Strong Growth in Car Rental Market (*\$ in billions*)



# Well Positioned in China

Expand  
Footprint



**Avis China has been profitable  
for the past 6 years**



# Well Positioned in India

## 12<sup>th</sup> Year of Operation in India

Expand  
Footprint

- ▶ 600,000 transactions
- ▶ 30 locations in 16 cities
- ▶ 1,100 vehicles
- ▶ 90% chauffeur driven



# Fast Growing India Market

Expand  
Footprint

## ► Growth drivers

- Increasing local and international tourism
- Business growth
- Investment in road infrastructure



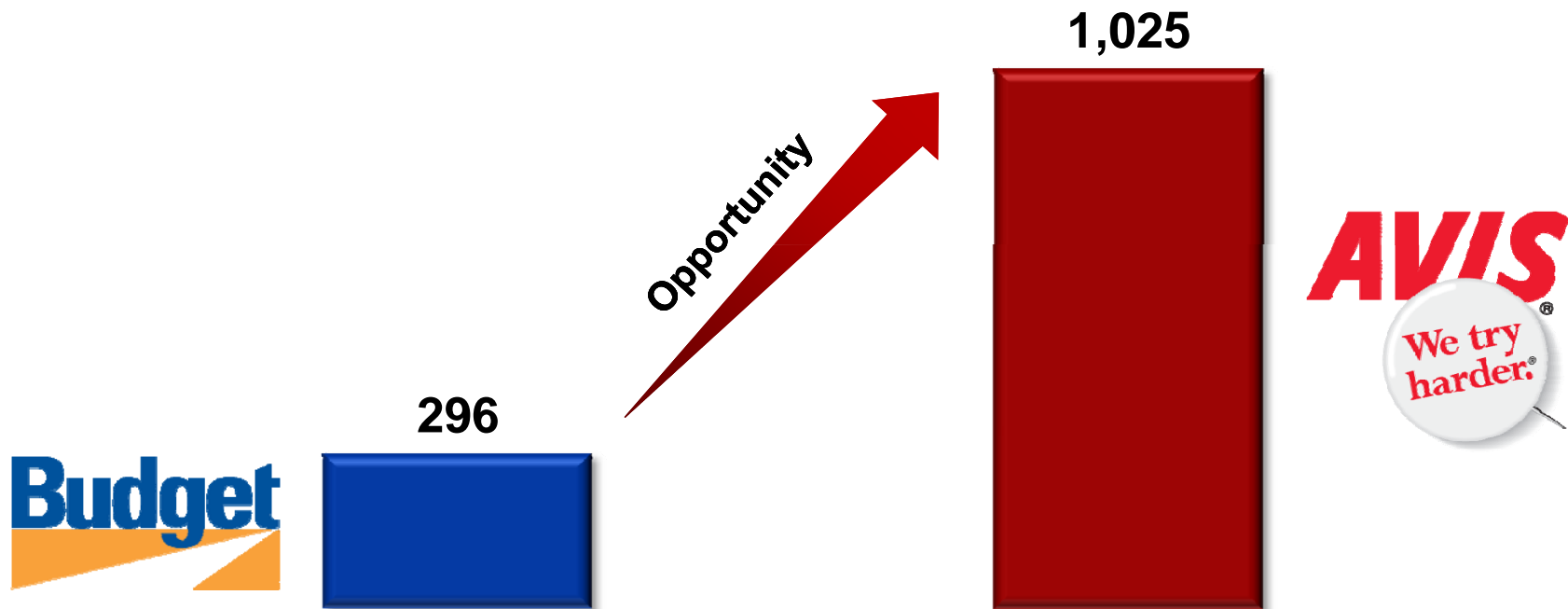
## ► Consolidation opportunity

- Highly fragmented market
- Organized car rental companies are 3% of the total car rental market



**\$1.5 Billion Car Rental Market**

# Substantial Budget Expansion Opportunity in Asia



Avis has >3x the Number of Locations than Budget

# 2012 Outlook

- ▶ Revenue expected to grow 6% to 9%
- ▶ Strong growth in corporate countries
- ▶ Licensees continue to drive high-margin revenue
- ▶ Further expansion in China



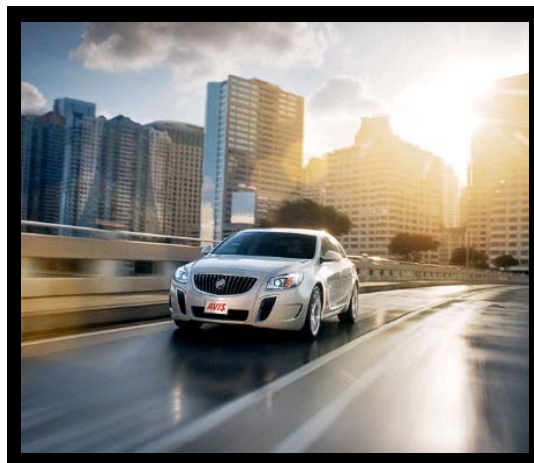
# Key Messages

- ▶ Leading market positions
- ▶ Strong margins
- ▶ High customer satisfaction levels
- ▶ Extensive relationships with leading travel partners
- ▶ Emerging market growth opportunities





**Investor Day 2012**



# avis budget group

**Investor Day Presentation**

**Tom Gartland  
President, North America**

May 2012

# Key Messages

- ▶ Well-positioned in the North American vehicle rental market
- ▶ Strategic initiatives driving accelerated profit growth
- ▶ Investing to drive *sustainable* long-term growth
- ▶ Focused on improving the customer experience



# Agenda

- ▶ **The business today**
- ▶ **Competitive strengths**
- ▶ **Growth drivers**



# The Business Today

## Car

- ▶ \$4.5 billion annual revenue
- ▶ 81 million rental days
- ▶ Approximately 2,600 locations<sup>(a)</sup>
- ▶ Airport share: 27%



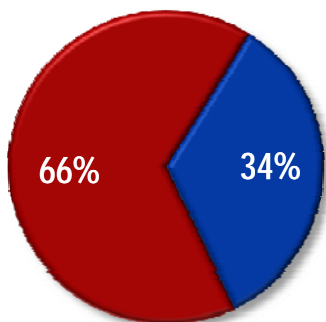
## Truck

- ▶ \$375 million annual revenue
- ▶ 4 million rental days
- ▶ Approximately 2,200 locations

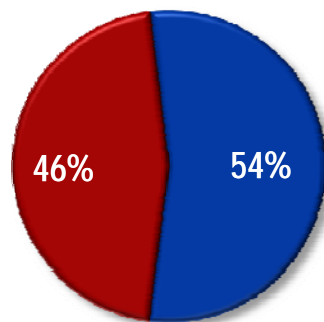


# Diversified Revenue Sources

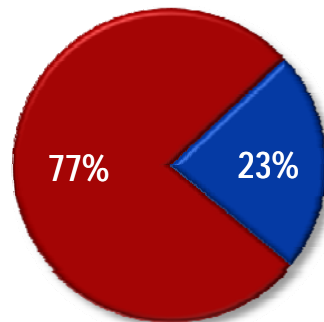
## Avis vs. Budget



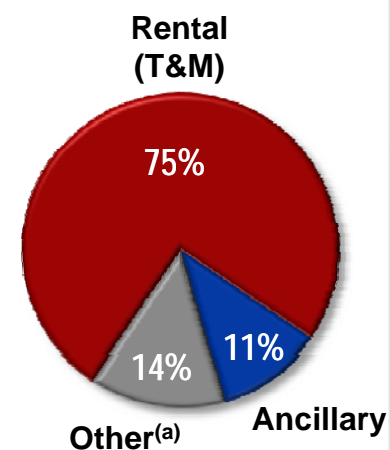
## Commercial vs. Leisure



## On-Airport vs. Off-Airport

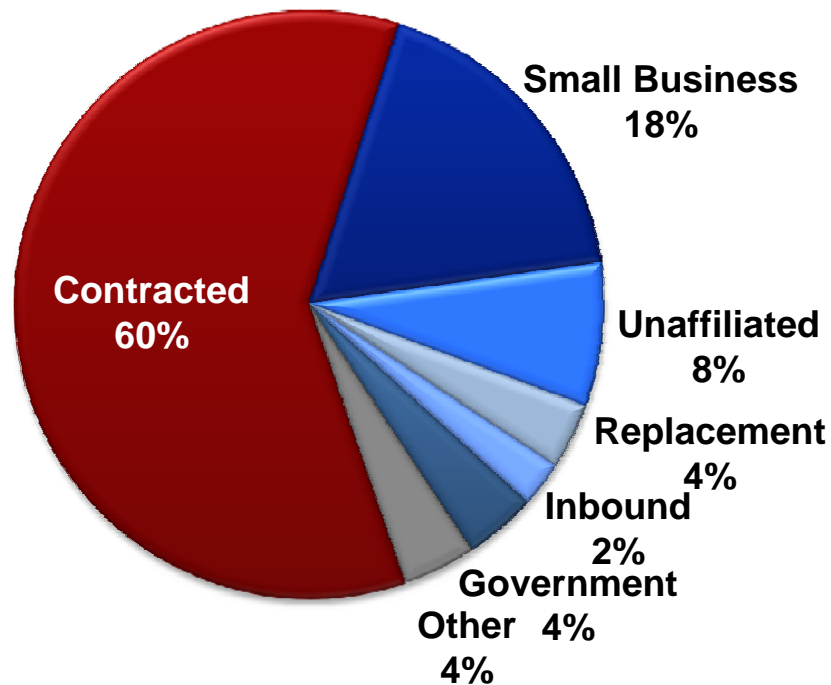


## Time & Mileage vs. Ancillary

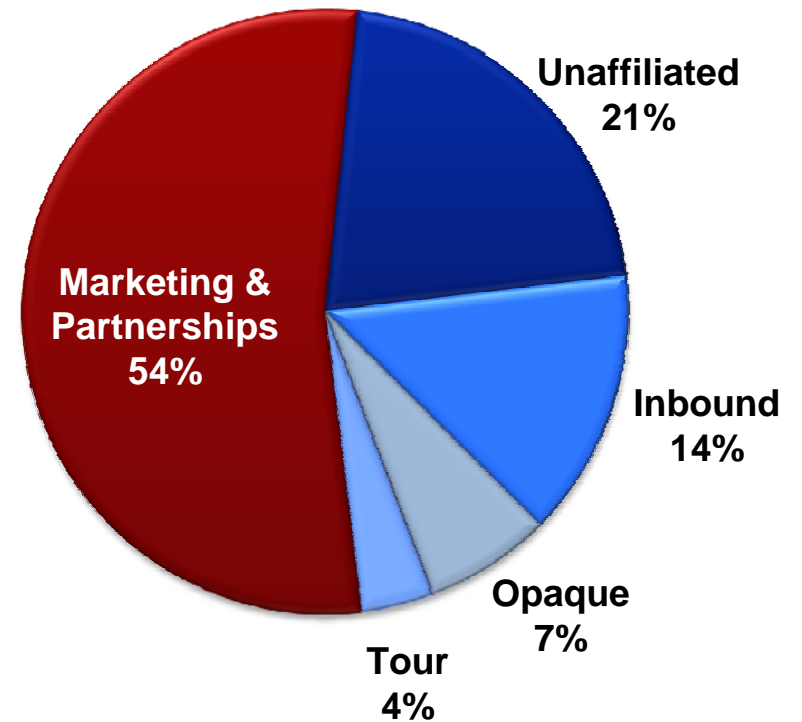


# Serving Both Commercial and Leisure Travelers

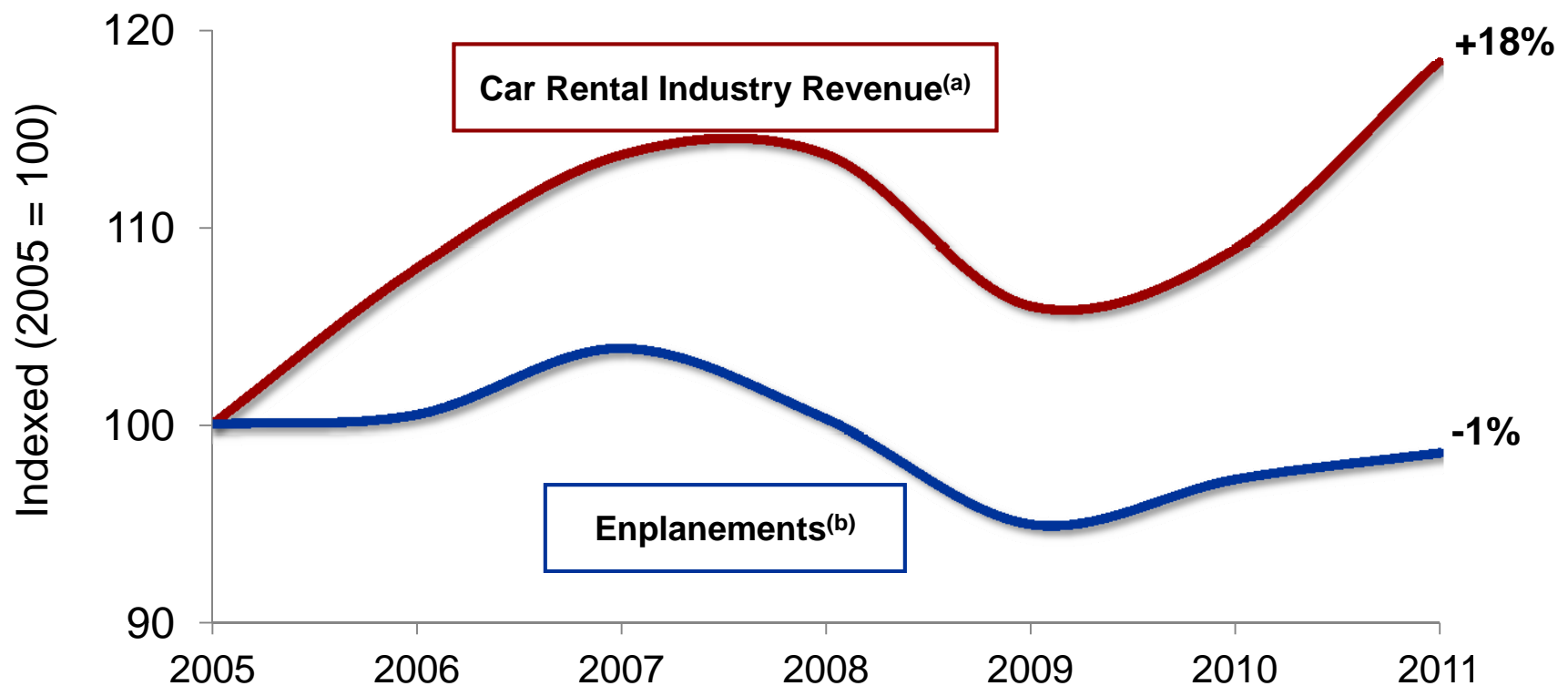
**Commercial**  
**\$2.1 Billion**



**Leisure**  
**\$2.4 Billion**

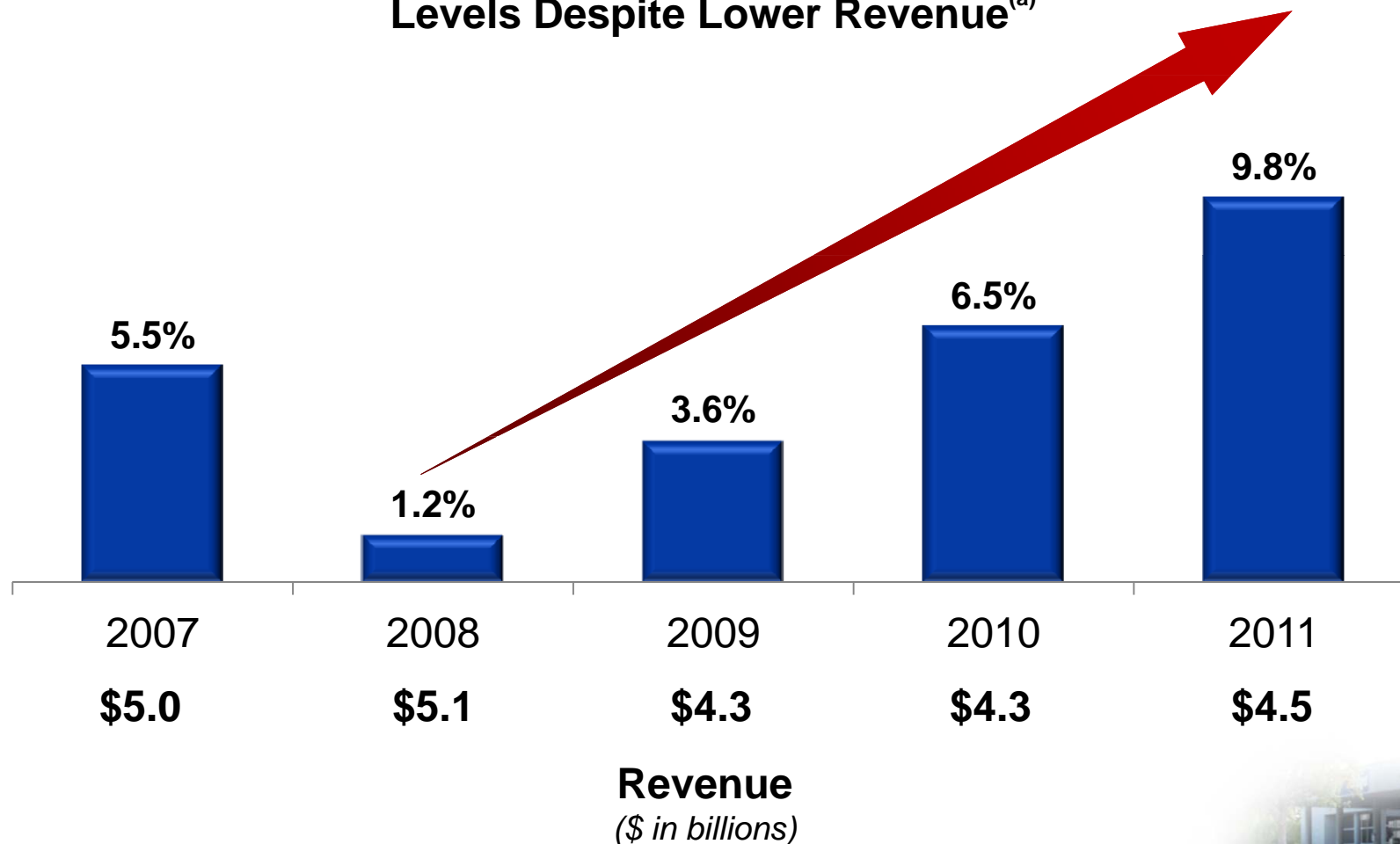


# Industry Revenue Has Rebounded Faster Than Enplanements . . .



## . . . and Our Profitability Has Improved Substantially

**Adjusted EBITDA Margins Exceed Pre-Recession Levels Despite Lower Revenue<sup>(a)</sup>**



# Agenda

- ▶ The business today

- ▶ Competitive strengths

- ▶ Growth drivers



# Competitive Strengths

## Brands

- ▶ Two leading brands sharing one cost structure



## Partnerships

- ▶ Strong partnerships and customer relationships drive revenue



## Fleet

- ▶ Diversified fleet to meet range of customer needs



## Focus

- ▶ Sales force segmentation and channel focus



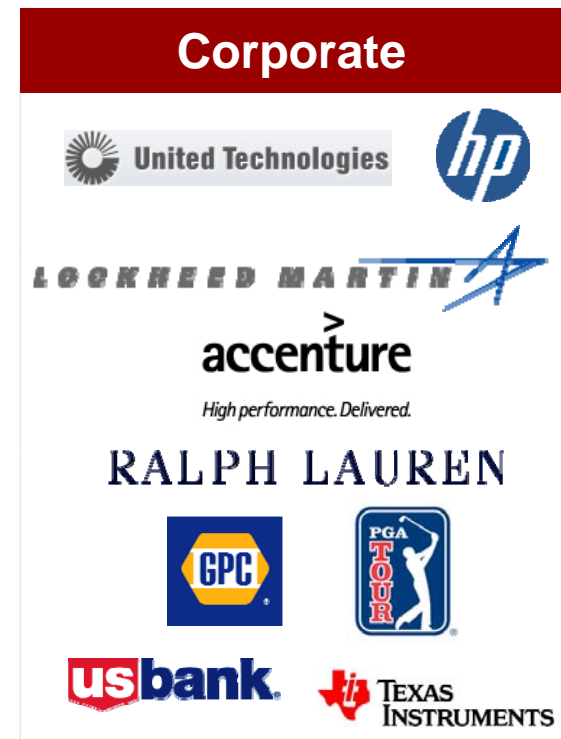
## Team

- ▶ Dedicated Customer Experience team



# Strong Industry Partnerships Drive Incremental Revenues

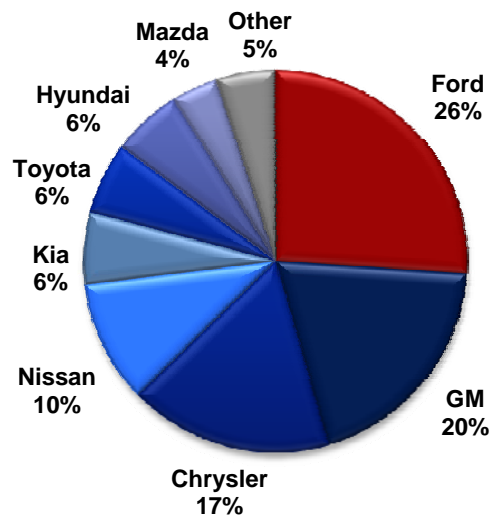
## Long-Standing Relationships with Leading Industry Participants



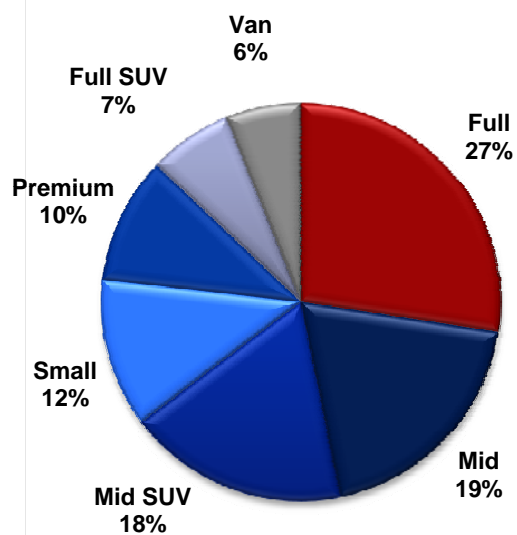
- ▶ Over \$1 billion of revenue from travel and air partnerships

# Diversified Fleet Mitigates Risk

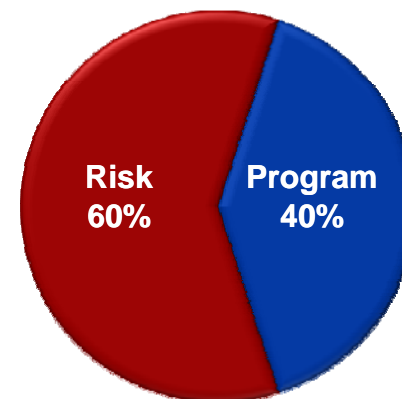
## By Manufacturer



## By Car Class

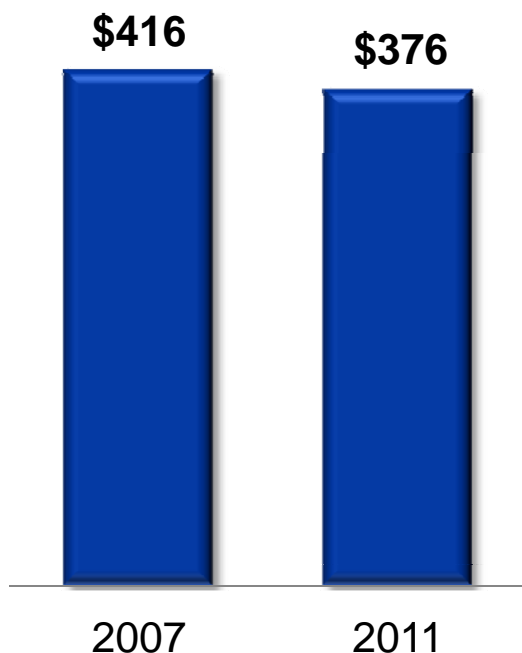


## By Type

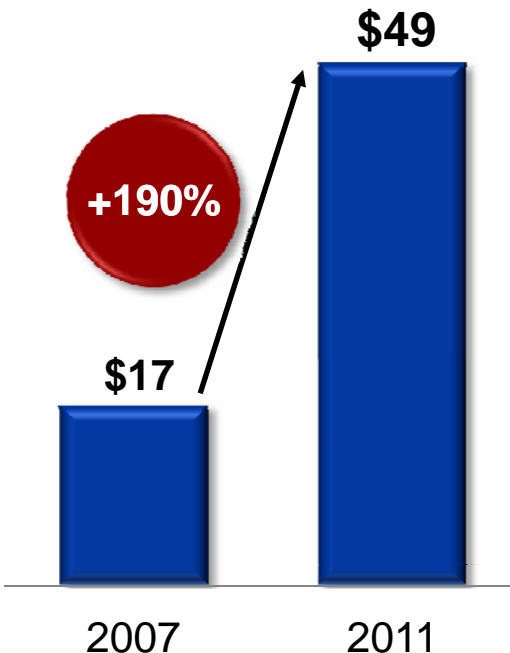


# Segment Focus: Highly Profitable Truck Rental Business

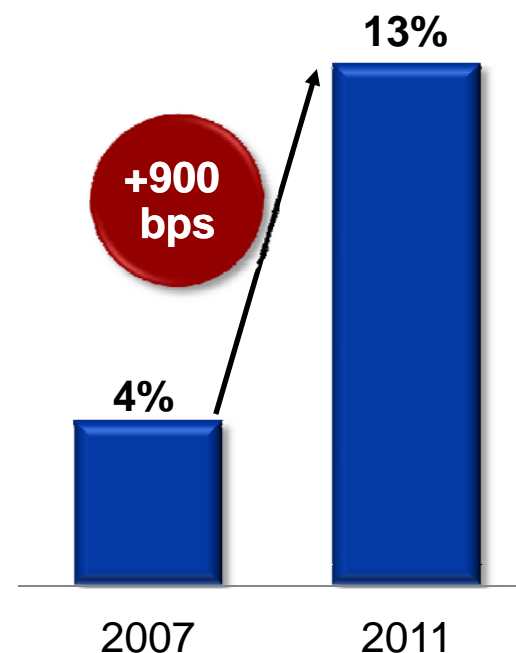
Despite Stable  
Revenues...  
(in millions)



Adjusted EBITDA  
Increased  
Substantially<sup>(a)</sup>...  
(in millions)



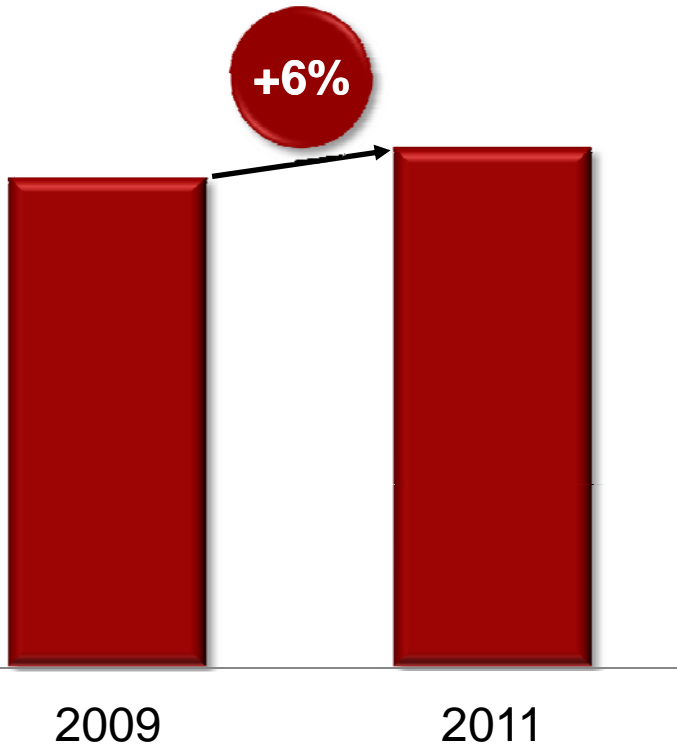
...Reflecting  
Significantly Higher  
Margins<sup>(a)</sup>



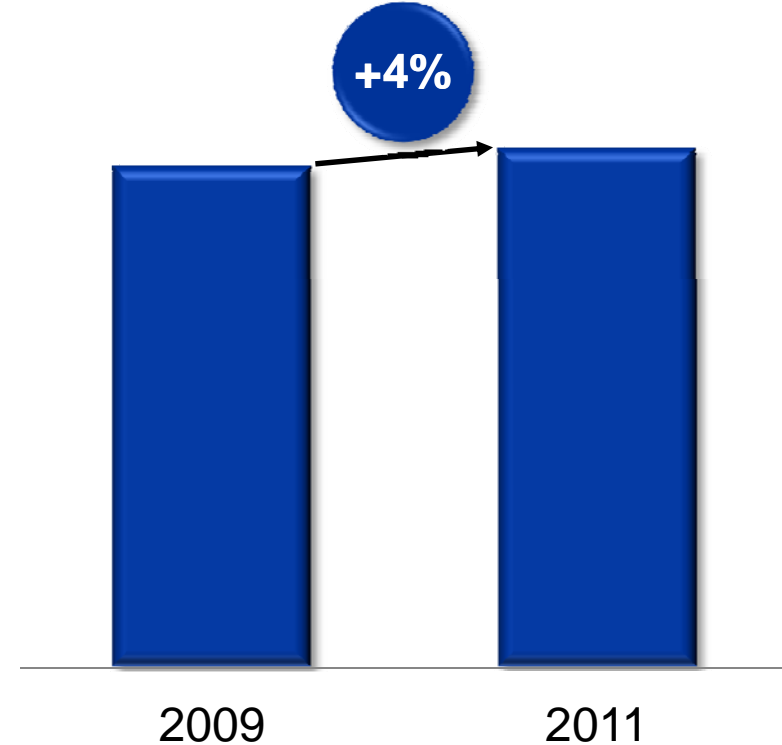
# Customer Experience Team: Drives Brand Awareness and Customer Loyalty

## Improved Customer Satisfaction Scores

**AVIS**



**Budget**



# Agenda

- ▶ The business today
- ▶ Competitive strengths
- ▶ Growth drivers



# Four Underlying Strategies Drive Our Business Choices

## Driving Sustained, Profitable Growth



***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***



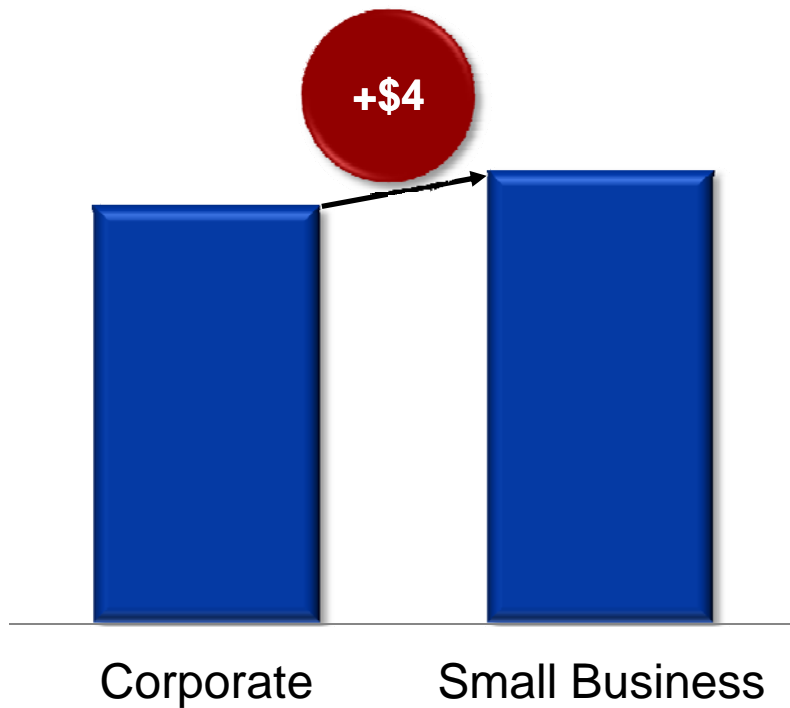
***Drive  
Efficiency  
Throughout  
the  
Organization***

# Key Initiatives Drive Underlying Strategies

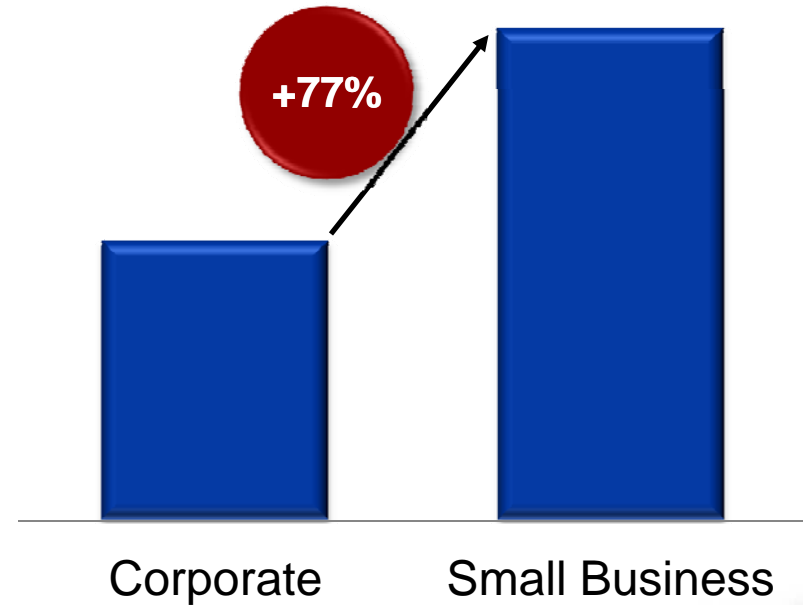


# Grow Small Business

Average  
Daily Rate



Ancillary Revenue  
per Day



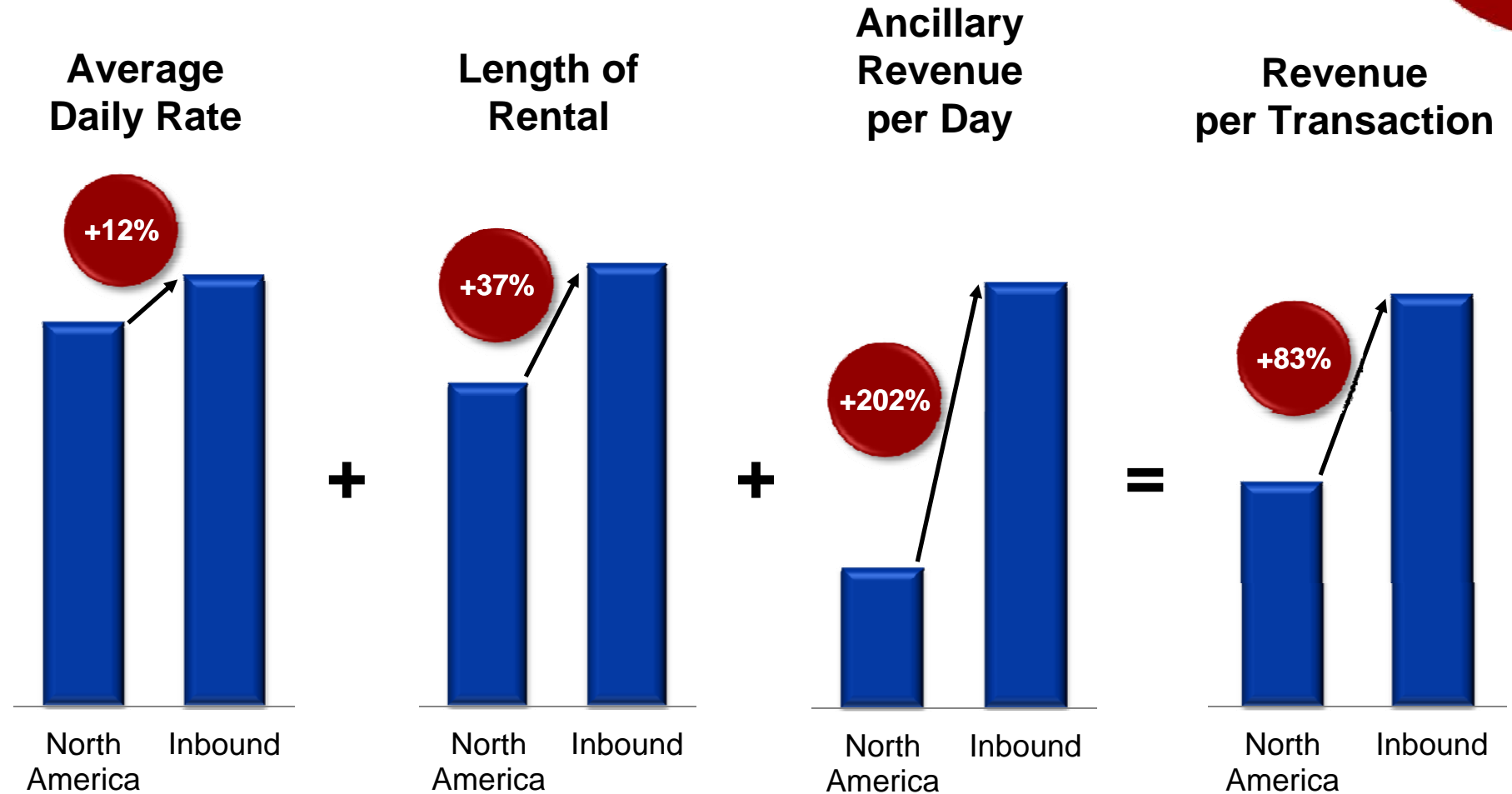
Accelerate  
Growth

13% higher revenue per transaction



# Expand International Inbound

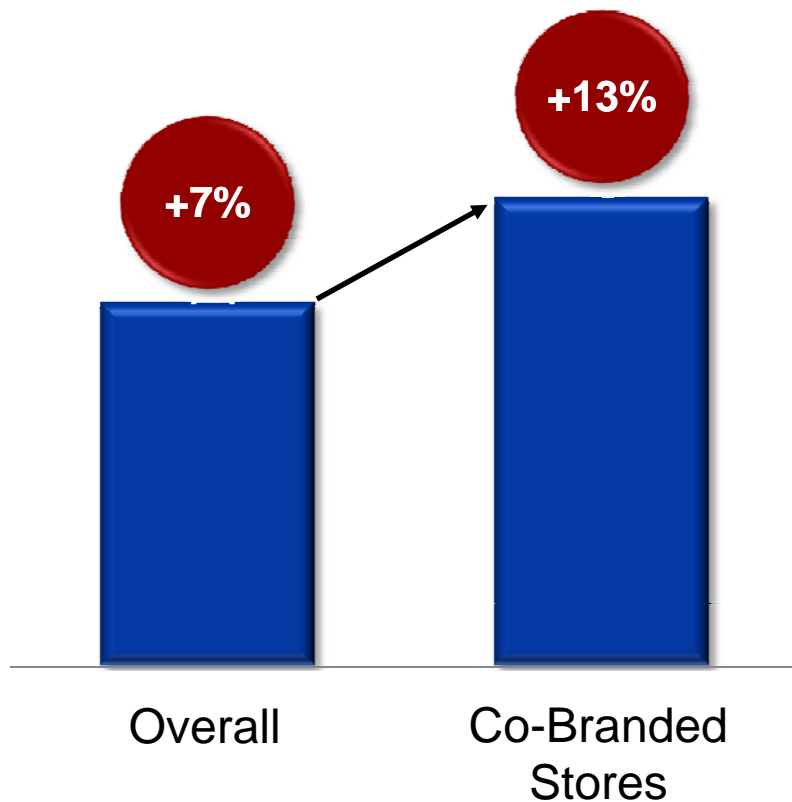
Accelerate  
Growth



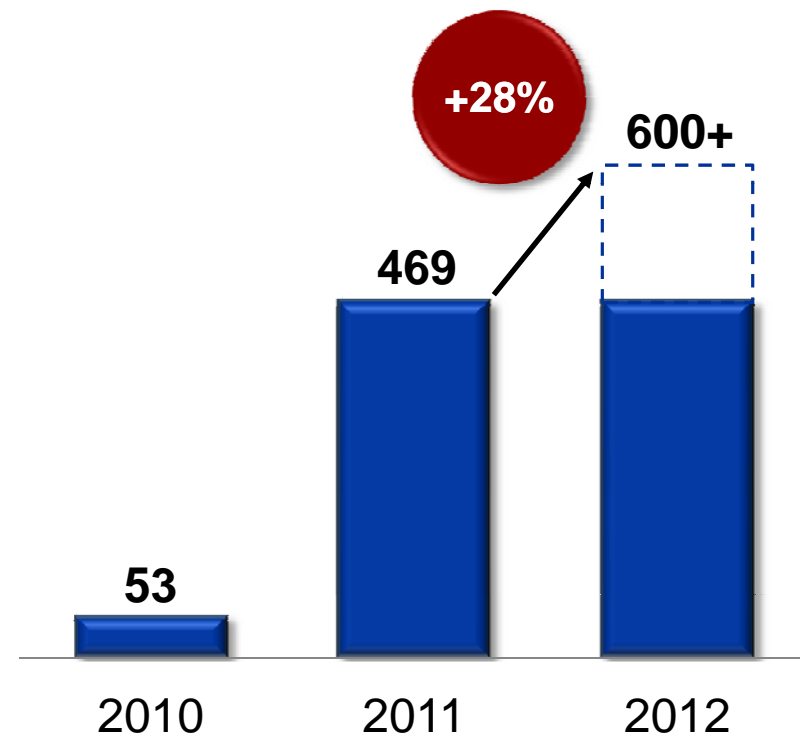
# Co-Branding Local Market Locations Increases Profits

Accelerate  
Growth

## Revenue Growth



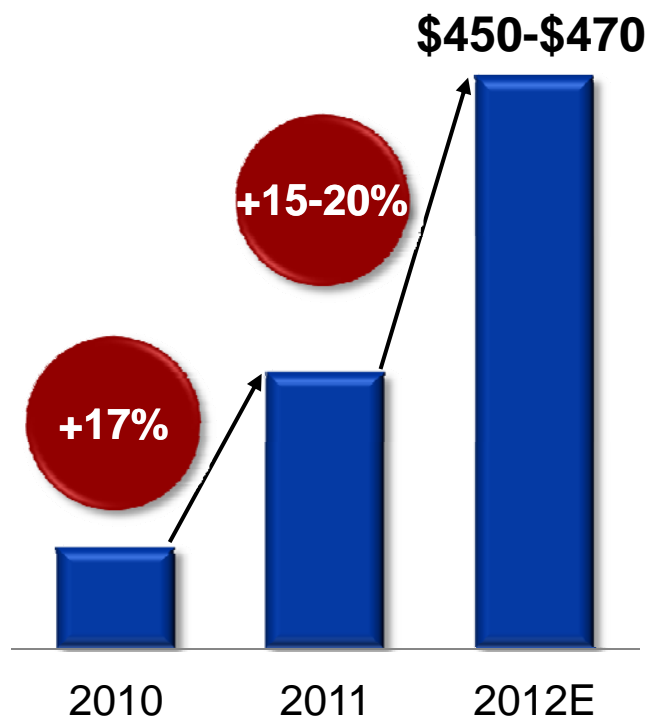
## Multi-Branded Locations



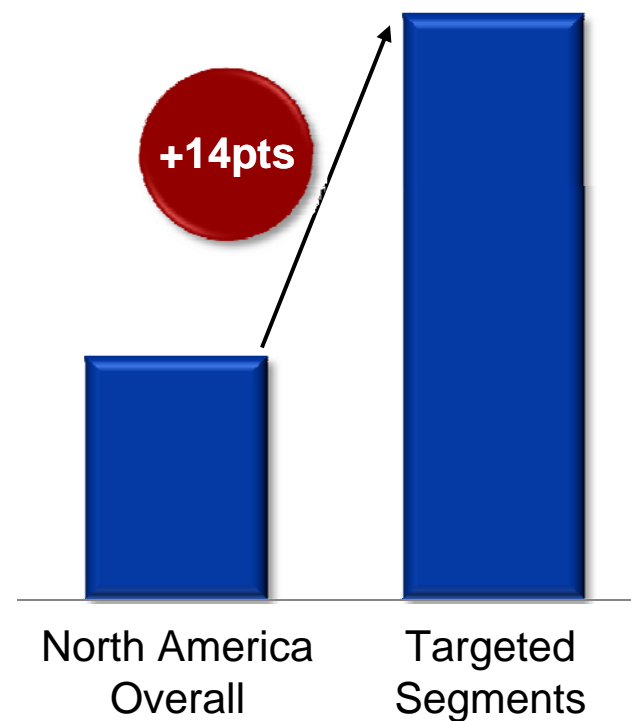
# Growing Revenues in Other Strategically Targeted Segments

Accelerate Growth

## Revenue



## Margin<sup>(a)</sup>

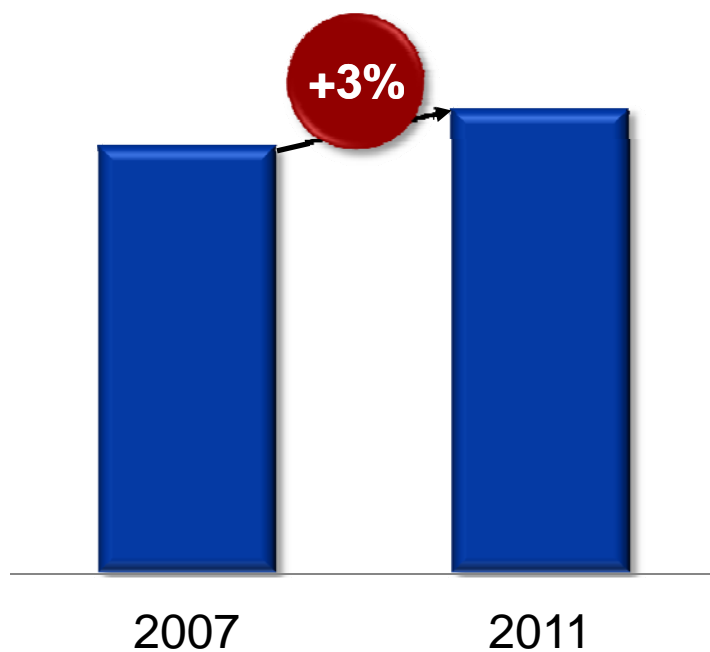


# Driving Increased Profits Through Ancillary Sales

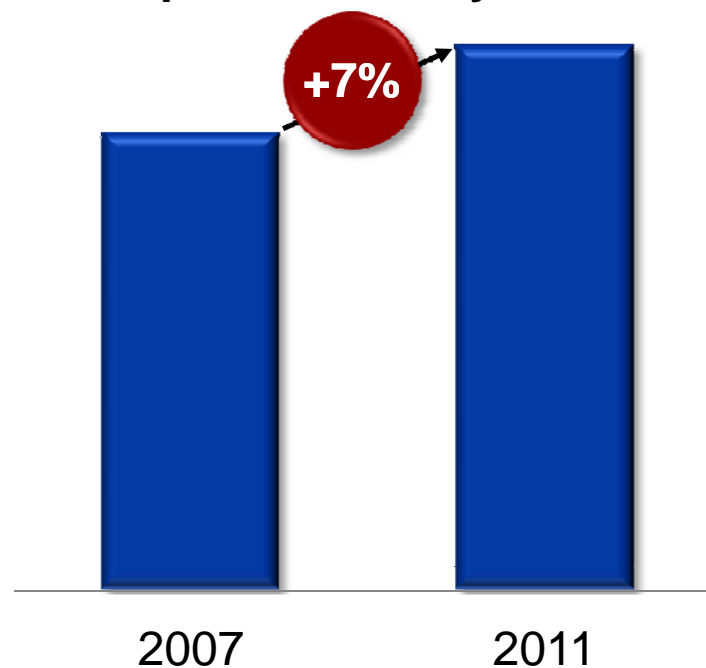
Accelerate  
Growth

Generate **\$6** per Rental Day in Ancillary Revenue

T&M Revenue  
per Rental Day<sup>(a)</sup>

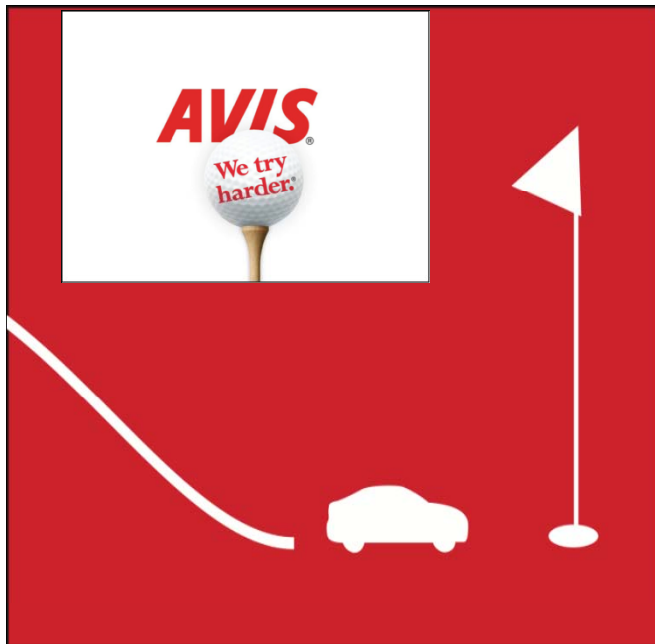


T&M + Ancillary Revenue  
per Rental Day<sup>(b)</sup>



# Brand Investments Drive Revenue and Improve Loyalty

Accelerate  
Growth



# Improve the Customer Experience to Drive Profits

Customer  
First



**Our customers spend  
\$2 billion annually with our competitors**

## Example – New Rental Agreement

## Old Rental Agreement

000000000999L L68 BUILDING R25 FLUSHBAY, NY, 11571, US

A DOCUMENT 415012615 F41DAY 1200 ED: 51AUB10/1405 AT: LABARDIA APO NY PHONE: 718-507-5600 314222  
NR 5 0 9 3 1 0 5 2 DRP C IN: 03SEP10/1200 AT: LABARDIA APO NY RATE CODE: JX/C

II OUT: 100 \*\*\*\*\*OPTIONAL SERVICES\*\*\*\*\* MIN 1 DAY  
LATE IN 30/30TH CAR DAMAGE RESP- 5000 -CURP RATE  
III LIA. 5030:MAN HIRAL RATE \$1/DAY AFTER 3RD DAY

HRLY: \$1.51  
DAILY: \$2.00  
WEEKLY: \$74.00  
MONTHLY: 2294.00  
MILEAGE CHG: UNLIMITED  
FUEL SERVICE: .4975/GAL 7.989/GAL

METHOD OF PAYMENT: DIRECT 9981 LOW: 4.00/DAY DECLINED  
40P2:AWEX 1003 AUTH: 00/472/21 PAI: 2.00/DAY DECLINED  
JIVERS LIA UNLSTASXXX PEP: 1.00/DAY DECLINED  
WAB 5017000 AL: 14.55/DAY DECLINED

ONLY NY INITIALS | ACCEPT OR  
DECLINE OPTIONAL COVERAGES AS  
SHOWN ABOVE. X

ESTIMATED RENTAL CHARGES \$ 527.65  
CHARGES: MED-HQ CTD REAR 11.11% CONCESSION RECOVERY FEE  
TAX: 19.87%


WEB RENTAL-SEX  
DIALOGIC SYSTEMS CORP

NOTICES NOTICES NOTICES NOTICES NOTICES NOTICES

\*\*\*NOTICE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL DAILY CHARGE, OPTIONAL VEHICLE PROTECTION TO COVER YOUR FINANCIAL RESPONSIBILITY FOR DAMAGE OR LOSS TO THE RENTAL VEHICLE. THE PURCHASE OF OPTIONAL VEHICLE PROTECTION IS OPTIONAL AND MAY BE DECLINED. YOU ARE ADVISED TO CAREFULLY CONSIDER WHETHER TO PURCHASE THIS PROTECTION IF YOU HAVE RENTAL VEHICLE COVERAGE PROVIDED BY YOUR CREDIT CARD OR AUTOMOBILE INSURANCE POLICY. BEFORE DECIDING

\*\*\*IF I RETURN THE CAR PRIOR TO THE DUE IN TIME SET FORTH ABOVE, I MAY BE CHARGED A HIGHER RATE, \$150/DY FEE APPLIES TO 1 DAY RENTAL C/D ON THU\*\*\*  
\*\*\*NO ADDITIONAL OPERATORS ARE AUTHORIZED OR PERMITTED WITHOUT ADVIS' PRIOR WRITTEN APPROVAL IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE RENTAL AGREEMENT OR APPLICABLE STATE LAW.  
\*\*\*YOU MAY BILL ALL CHARGES, PARKING/TRAFFIC TICKETS

# New Rental Agreement



We are proud to feature a 100% smoke-free fleet!

SPACE No.

D4

RENTAL AGREEMENT NUMBER 13772245

RESERVATION NUMBER 12345678US1

Your Information

Your Vehicle Information

Customer Name:	John Smith	Vehicle Number:	12345678	Vehicle Exchange Area
Customer Loyalty Level:	Avis First	Plate Number:	NJ XYZ123	
Wizard Number:	x110800	Vehicle Group Rented:	SUV	
Avis Worldwide Discount:	Hans Inc./Costco	Vehicle Description:	Red Ford Explorer	
Method of Payment:	VISA XX1234	Vehicle Group Charged:	Full Size	
Secondary Method of Payment:	MC XX1234	Fuel Gauge Reading:	Full	
Travel Partner Number:	CO12345	Odometer Out:	23345 Miles	

Your Rental

Pickup Date/Time:	Jan 17, 2011@8:30am	Return Date/Time:	Jan 18, 2011@8:30am	Additional fees may apply if changes are made to your return date, time and/or location.
Pickup Location:	310 E64 Street NY, NY 10017 (212) 593-9383	Return Location:	310 E64 Street NY, NY 10017 (212) 593-9383	

Your Estimated Vehicle Charges (Min: 1 Day/Max: 28 Days)

Your Optional Products/Services

Rate Chart:	Time and Mileage:															
<table> <tr> <td>Miles:</td> <td>Unlimited</td> <td>Your Discount: (Coupon Value If Applicable)</td> </tr> <tr> <td>Hourly:</td> <td>\$ 12.54</td> <td>1 day at \$37.60 = \$ 37.60</td> </tr> <tr> <td>Daily:</td> <td>\$ 37.60</td> <td>Less 5% discount = (1.88)</td> </tr> <tr> <td>Weekly:</td> <td>\$ 180.00</td> <td>Agreed upgrade (per day) = \$ 20.00</td> </tr> <tr> <td>Monthly:</td> <td>\$ 752.00</td> <td></td> </tr> </table>	Miles:	Unlimited	Your Discount: (Coupon Value If Applicable)	Hourly:	\$ 12.54	1 day at \$37.60 = \$ 37.60	Daily:	\$ 37.60	Less 5% discount = (1.88)	Weekly:	\$ 180.00	Agreed upgrade (per day) = \$ 20.00	Monthly:	\$ 752.00		<p><b>Your Estimated Time and Mileage: \$ 55.72</b></p>
Miles:	Unlimited	Your Discount: (Coupon Value If Applicable)														
Hourly:	\$ 12.54	1 day at \$37.60 = \$ 37.60														
Daily:	\$ 37.60	Less 5% discount = (1.88)														
Weekly:	\$ 180.00	Agreed upgrade (per day) = \$ 20.00														
Monthly:	\$ 752.00															


Your Estimated Taxable Fees

Energy Recovery Fee: \$ .47/Per Day	\$ 0.47
Vehicle Licensing Fee: \$ .85/Per Day	\$ 0.85
Concession Recovery Fee: 10.00%	\$ 3.77
Travel Partner Surcharge: \$.75/Per Day	\$ 0.75
<b>Estimated Taxable Fee Total:</b>	<b>\$ 5.84</b>

Your Estimated Total Charges:

Sales Tax: 6%	\$ 61.56
	\$ 3.80

Please return the vehicle with the same amount of fuel as when you received it. If you do not, fuel fees apply:



a) If you drive 74 miles or less, a \$13.99 flat rate will be automatically added to your rental unless you show a receipt.

b) If you drive 75 miles or more, a fee of \$.3631 per mile or \$7.99 per gallon applies.

Loss Damage Waiver:	\$ 14.95/Per Day	Accepted
Additional Liability Insurance:	\$ 12.95/Per Day	Declined
Personal Accident Insurance:	\$ 2.00/Per Day	Declined
Personal Effects Protection:	\$ 1.00/Per Day	Declined
Roadside SafetyNet:	\$ 4.95/Per Day	Declined
ESP:		
Where2 GPS:		
Avis Blast:		
Ski Rack:		
Child Safety Seat:		
Additional Driver:		

**Customer First**

- ▶ **Customer-friendly language**
- ▶ **Transparency**
- ▶ **Branding**

# Introducing “Select & Go”

Available from Avis at 50 Major U.S. and Canadian Airports by Year-End

Customer  
First



Vehicle choice increases customer satisfaction

**AVIS** Preferred.  
Select & Go

# 2012 Outlook

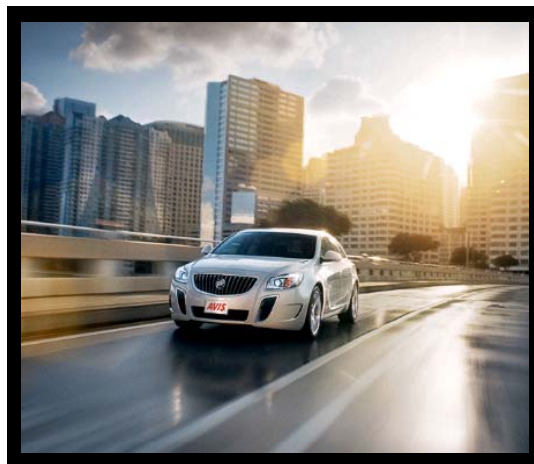
- ▶ **Volume expected to increase mid-single-digits**
- ▶ **Increased penetration of high-margin ancillary products**
- ▶ **Continued used car market strength**
- ▶ **Laser focus on productivity, revenue generation and sustained profitability**



# Key Messages

- ▶ Well-positioned in the North American vehicle rental market
- ▶ Strategic initiatives driving accelerated profit growth
- ▶ Investing to drive *sustainable* long-term growth
- ▶ Focused on improving the customer experience





# avis budget group

## Investor Day Presentation

**Scott Deaver**  
**Executive Vice President – Strategy**

May 2012

# Four Underlying Strategies Drive Our Business Choices

## Driving Sustained, Profitable Growth



***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***



***Drive  
Efficiency  
Throughout  
the  
Organization***

# Key Messages

- ▶ Our industry is at an inflection point enabled by technology
- ▶ We are investing to capitalize on this global opportunity
- ▶ New systems will drive efficiencies and customer value
- ▶ Mobility and “virtual” rental capabilities will vastly expand our addressable market



# Agenda

- ▶ **Leveraging technology to optimize efficiency**
- ▶ **Maximizing customer value**
- ▶ **Capitalizing on the “virtual” rental opportunity**



# Building the Industry's First Fully Integrated System . . .

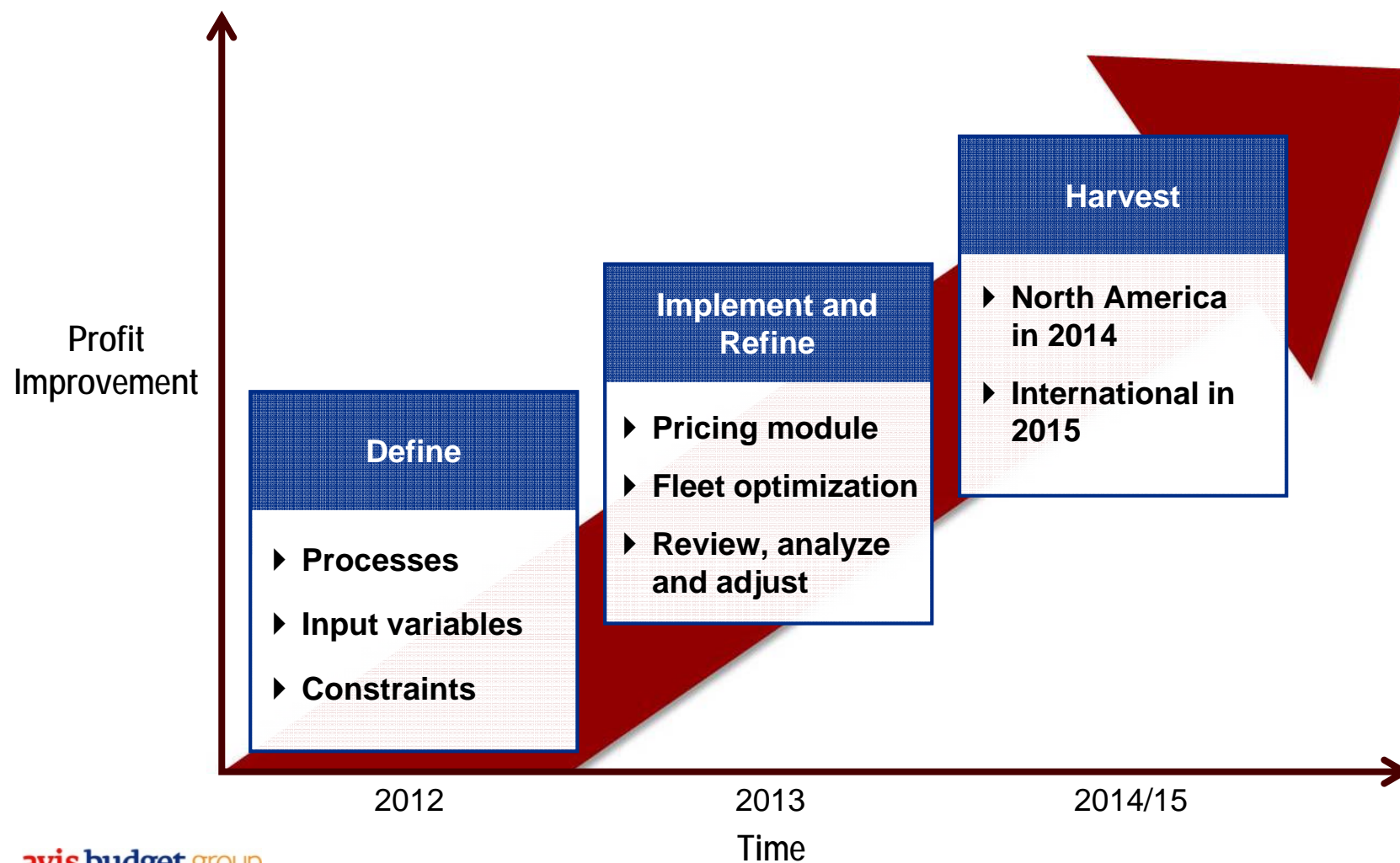
Efficiency



**Optimize pricing and fleet levels**

## ... To Improve Profitability

Expect to Generate More Than **\$50** million  
of Incremental EBITDA by 2014



# Agenda

- ▶ Leveraging technology to optimize efficiency

- ▶ Maximizing customer value

- ▶ Capitalizing on the “virtual” rental opportunity



# Mobile Applications Enhance Customer Value . . .

Accelerate  
Growth

## ▶ Smart applications for reservation

- Websites and smart phone applications for reservations anytime, anywhere in 35 languages



## ▶ Mobile check-in

- Allow customers to complete rental agreement and choose their car via web or mobile



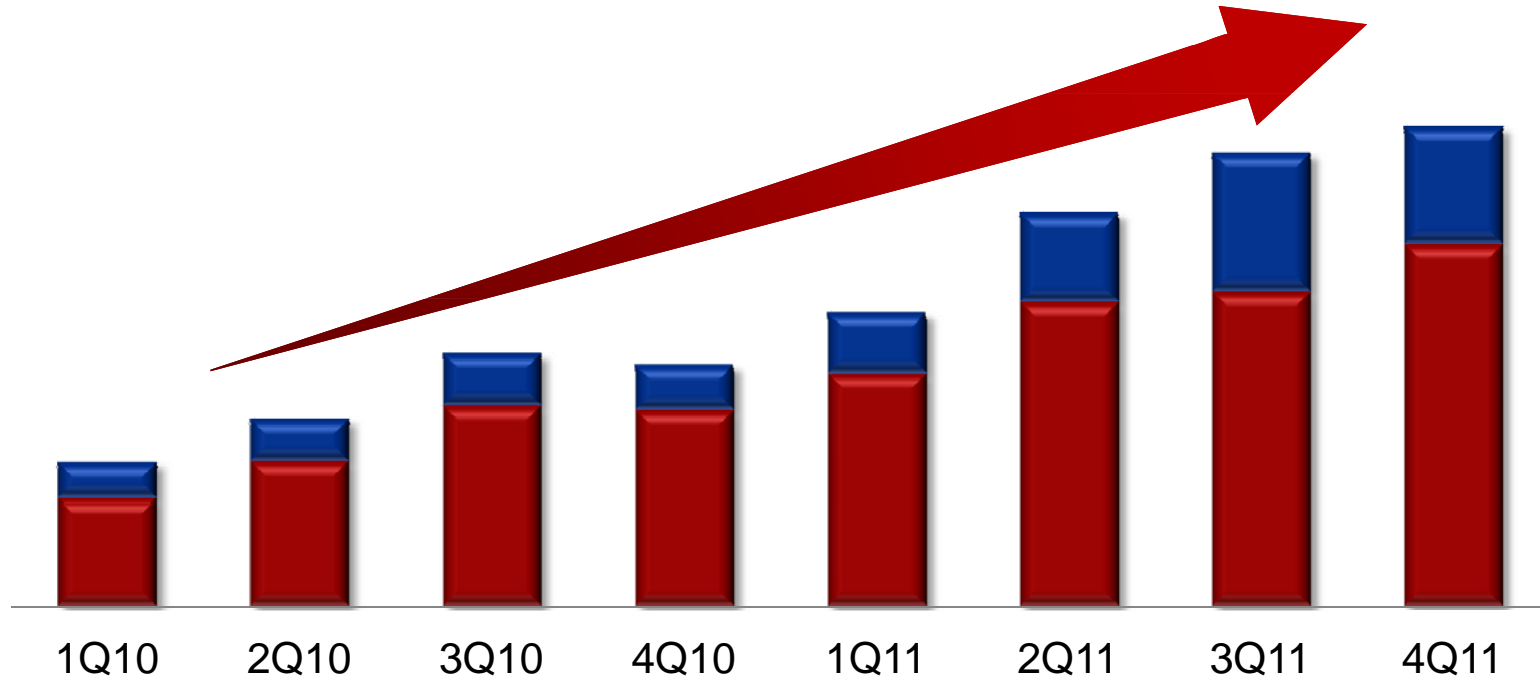
## ▶ Future rental experience

- New services and products delivered on mobile devices

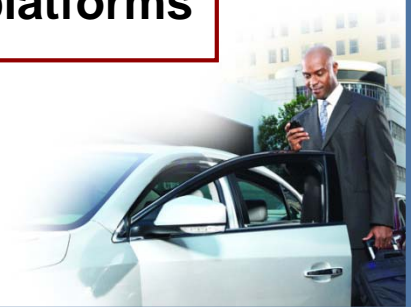


## ... Continuing to Lead the Industry in Mobile Capabilities

Avis Budget Mobile Revenue<sup>(a)</sup>



**Avis is only supplier with apps on all four major mobile platforms**



# New Counter Interface to Maximize Profit per Customer

Accelerate  
Growth

## Before

```

CMD          P101 RA CHECK OUT    DOC      H/C      RES
AGENT ID 12345  PIN      ENTER AGENT ID/PIN THEN SWIPE BELOW

NAME  TESTER, PRAHLAD          RENT STA  DATE      DLY?  RSN ?
COMPANY AVISBUDGET GROUP      ADDR1  3 CENTURY DRIVE
ADDR2  ?                      ADDR3  PARSIPPANY, NJ, 07054, US
CREDIT ID CX424604XXXXXX9566  CEX 12/12 DR LIC USCAA12345
METH PAY CV  PREPY ?          DOB 05MAY53  DEL ?    TAX ?
AUTHORIZ          CPN ?        CCI ?        DIS/COM 1/0
LCL CONT ?          FTN ?
REMARKS AVIS FIRST MEMBER      AWD B771000  ADJUSTMT ?
IN STA  LGA  DT/TM IN 30SEP11/1500  OWF/MISC ?
RATES  QW/H  GRP/$$ ?          MVA H1      ML/KM ?    FUEL OUT ?
LDW N  PAI N  PEP N  ALI N  SPC ?  PRT ?  FREQ  MRA
DT/TMOUT          FOR DELAYED C/O AND REPROMPTS  RA
ENT DATA ?          SOURCE          PASSWORD
HOURLY          DY          WKY          PR ML/KM          OTHER
RSVD-H- 88.50 STANDARD UPSL  #100.50  DIFF= 12.00 * 98.50  DIFF= 10.00
L62 BLK LINC TCAR 4D  1500 AB BG HS PS LS DL          AGE=07/26 NEW 11 0811
SELECT SPACE NUMBER
    
```



## After

Check Out	Check In	ReadyLine	Walk Up	Manifest	Rental
-----------	----------	-----------	---------	----------	--------

Search

### 1. Customer Information

Name  ,   
 Dr License    DOB   
Cntry State Number MM/DD/YY  
 Company   
 Address   
 Address 2   
  
City, State, Zip, Country (State=XX if no states)  
 Contact Info  Local Renter   
 Freq. Travel #   ☐ Verified  
Type Number

### 2. Payment Information

Method   
 Credit Card    /   
Type Number/Swipe Exp Date Reason  
 CCI

# Agenda

- ▶ Leveraging technology to optimize efficiency
- ▶ Maximizing customer value
- ▶ Capitalizing on the “virtual” rental opportunity



# “Virtual” Rental Technologies – Capitalize on a Significant Global Opportunity

Low-cost technology solutions being developed



***Customer first***

Automated check-out and check-in anywhere



***Customer first***

Lowers our costs



***Efficiency***

Expands our addressable market

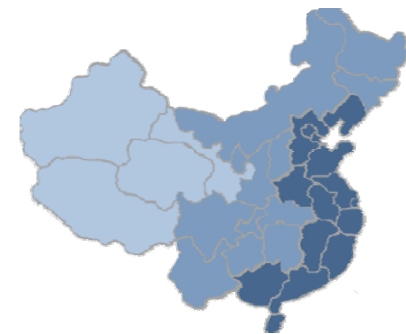


***Accelerate growth***

Varying business models will be required to serve customers globally



***Global footprint***



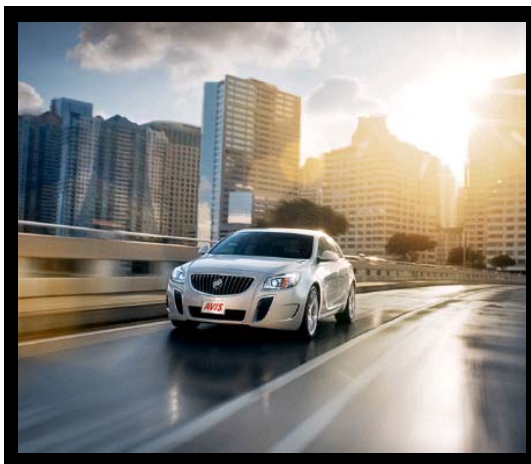
# Key Messages

- ▶ Our industry is at an inflection point enabled by technology
- ▶ We are investing to capitalize on this global opportunity
- ▶ New systems will drive efficiencies and customer value
- ▶ Mobility and “virtual” rental capabilities will vastly expand our addressable market





**Investor Day 2012**



# avis budget group

## Investor Day Presentation

**David Wyshner**  
**Sr. Executive Vice President and Chief Financial Officer**

May 2012

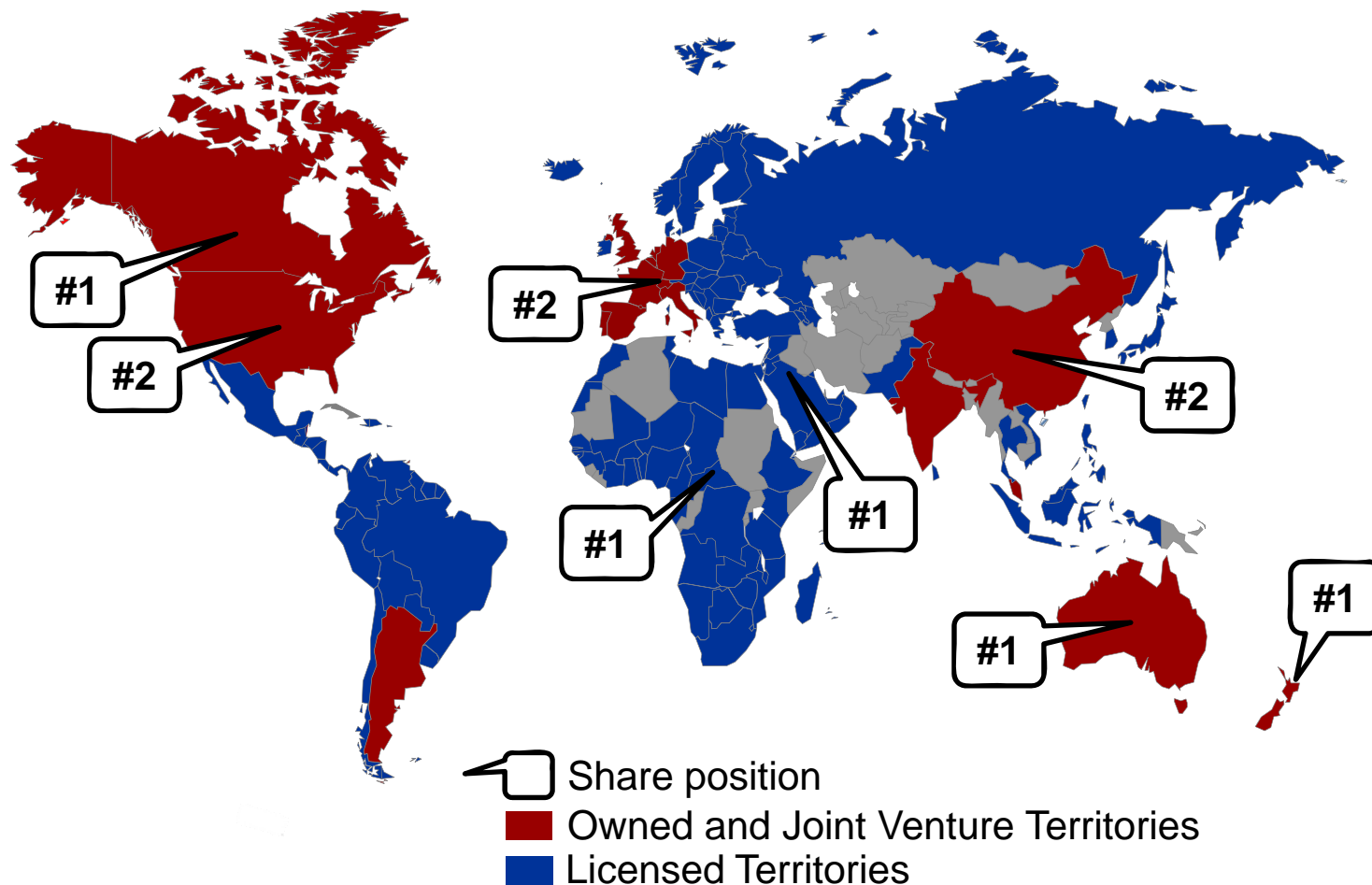
# Agenda

- ▶ **The business today**
- ▶ **Strong financial performance**
- ▶ **Growth drivers**
- ▶ **2012 outlook**
- ▶ **Summary**

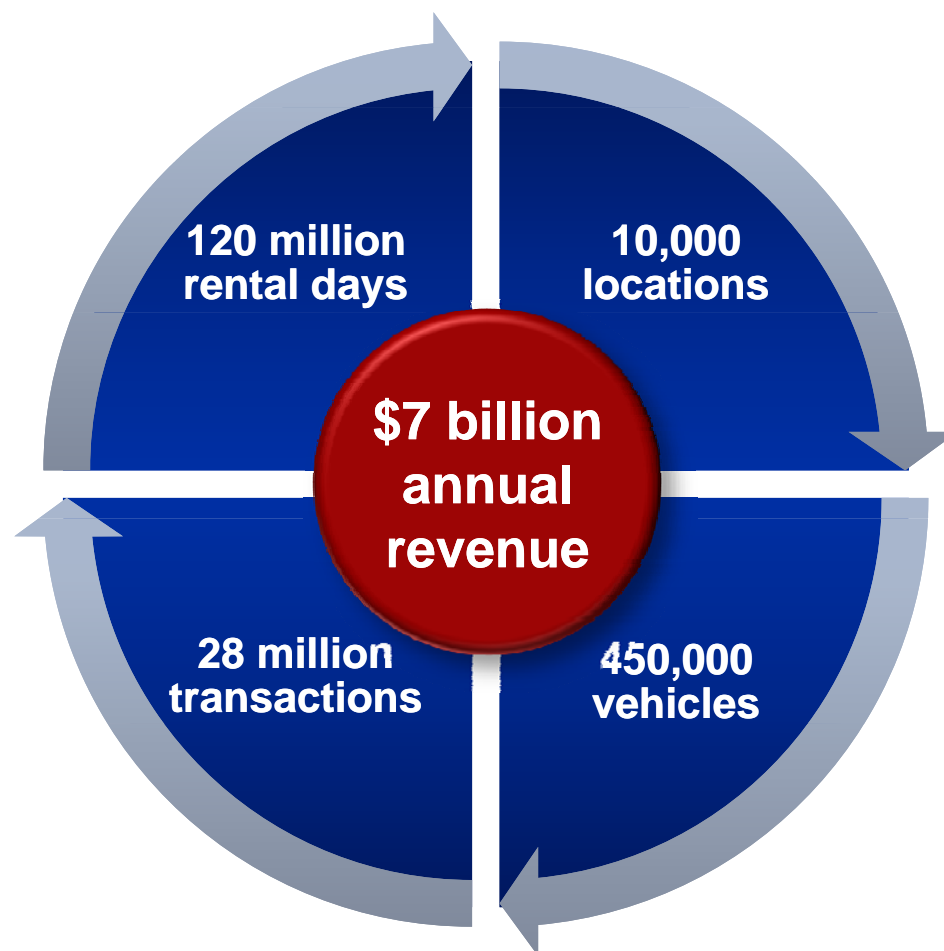


# A Global Leader in the Car Rental Industry

## Locations in More Than 175 Countries

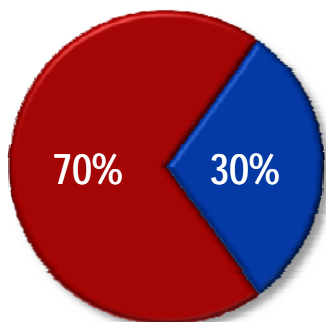


# Avis Budget Group Today

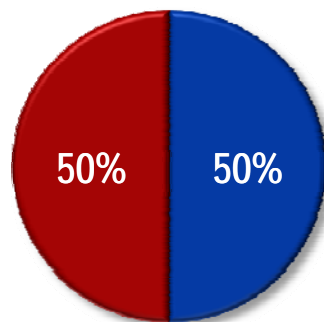


# Diversified Revenue Sources

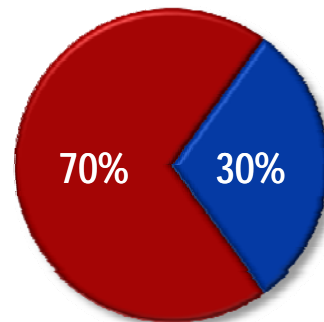
## Avis vs. Budget



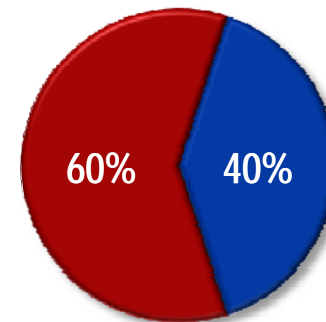
## Commercial vs. Leisure



## On-Airport vs. Off-Airport

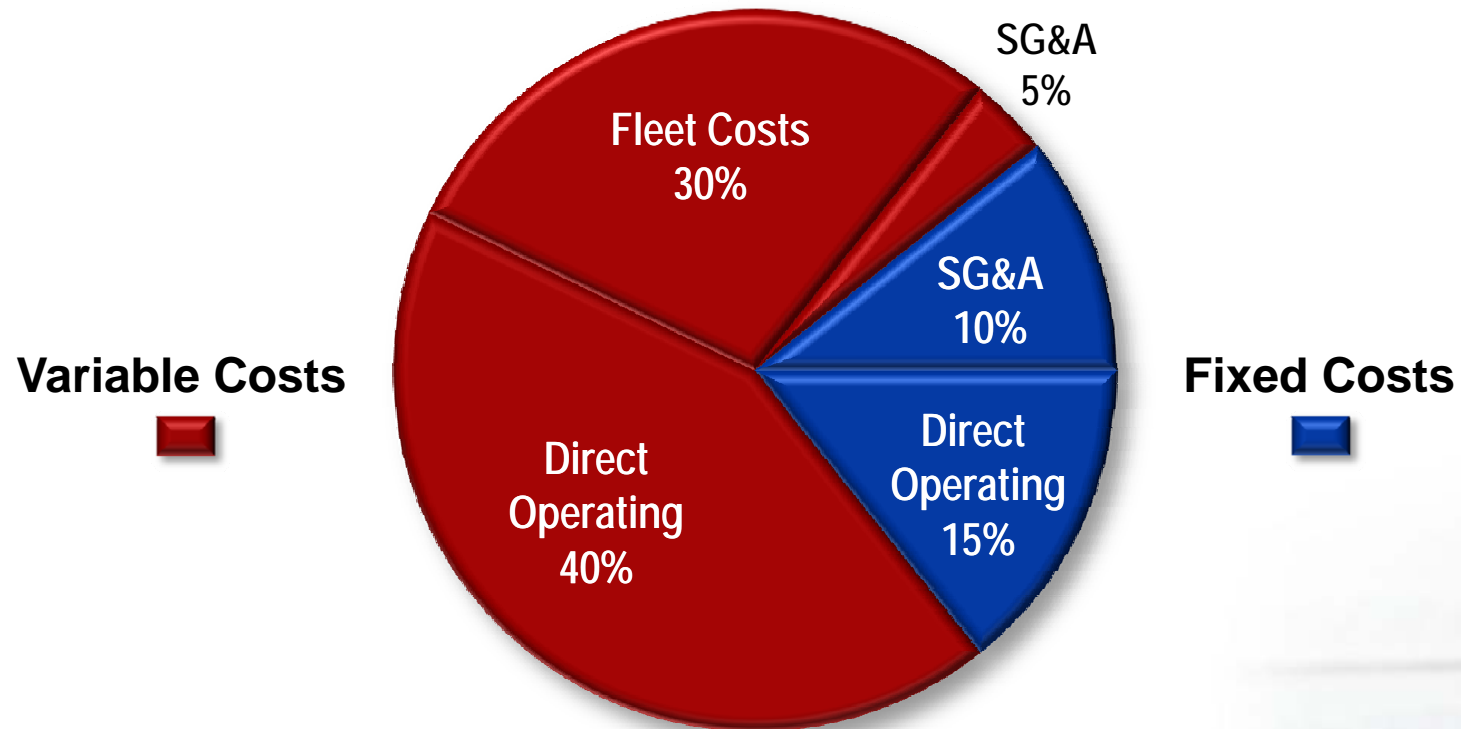


## U.S. vs. International



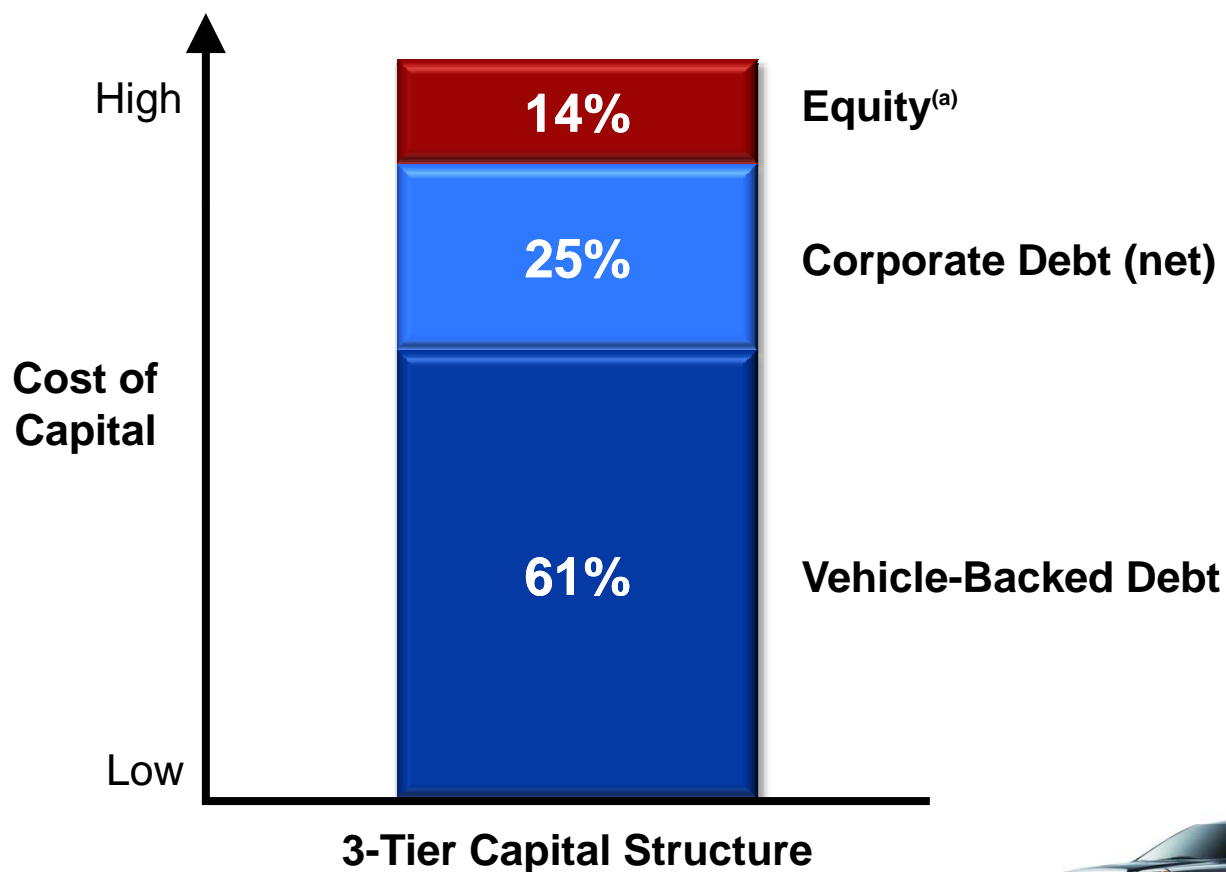
# Flexible Cost Structure Enables Us to Manage Our Expenses Relative to Demand

**Cost Structure is Approximately 75% Variable**



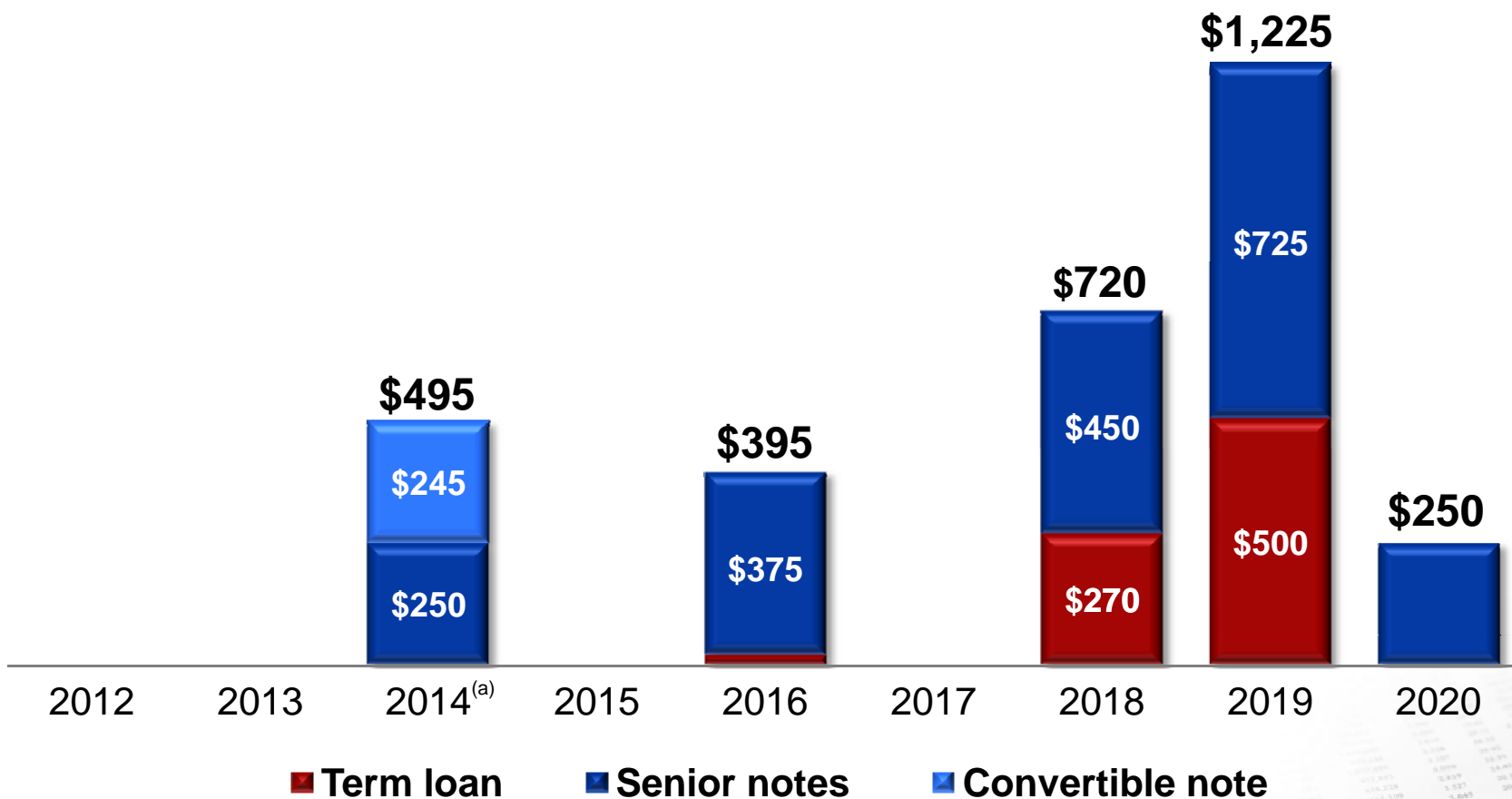
# Optimized Capital Structure Drives Higher Returns

## Maximizing Our Use of Lower-Cost Vehicle-Backed Financing



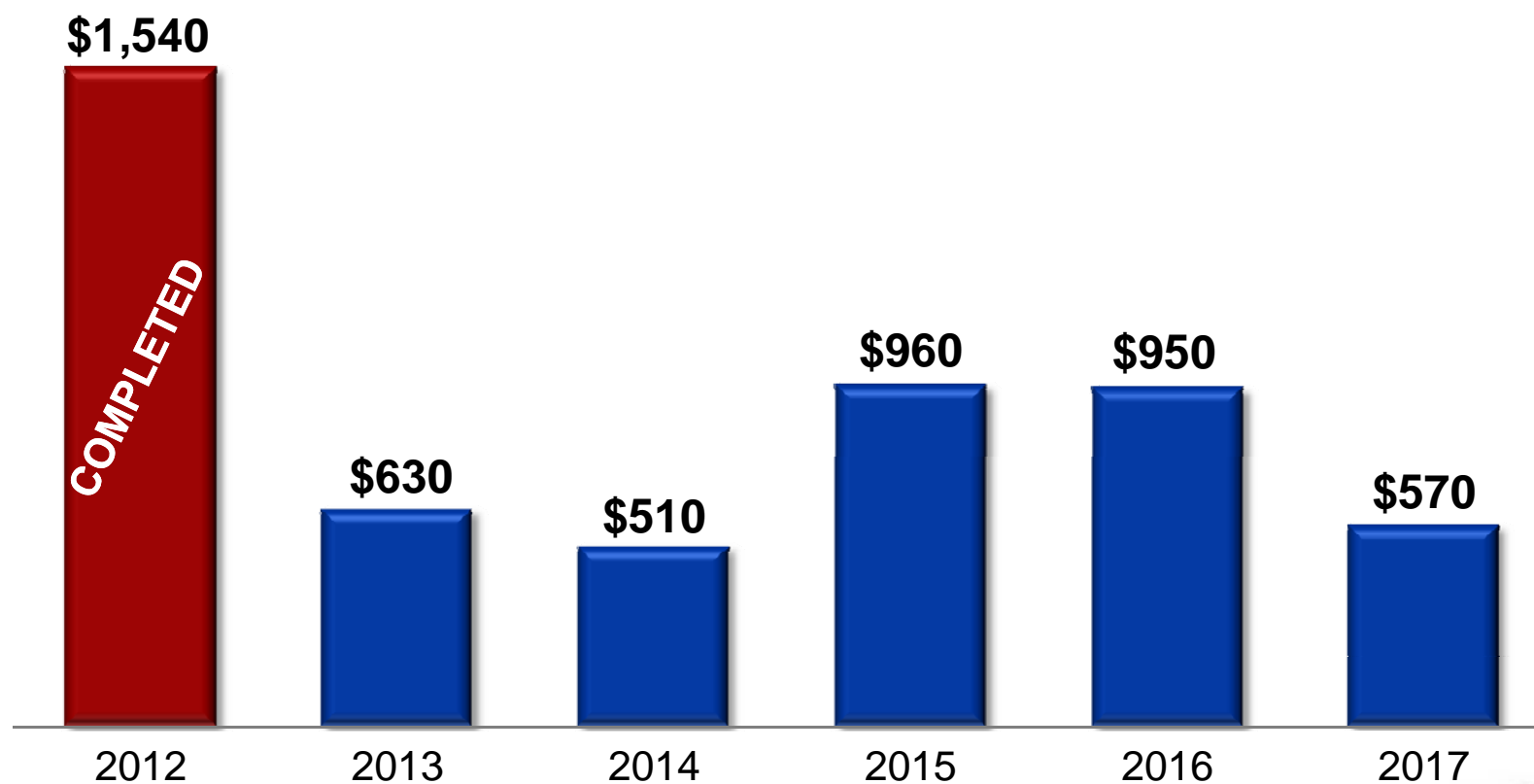
# No Corporate Debt Maturities Until 2014

(\$ in millions)



# Well-Laddered ABS Maturities

(\$ in millions)



# Agenda

- ▶ The business today

- ▶ Strong financial performance

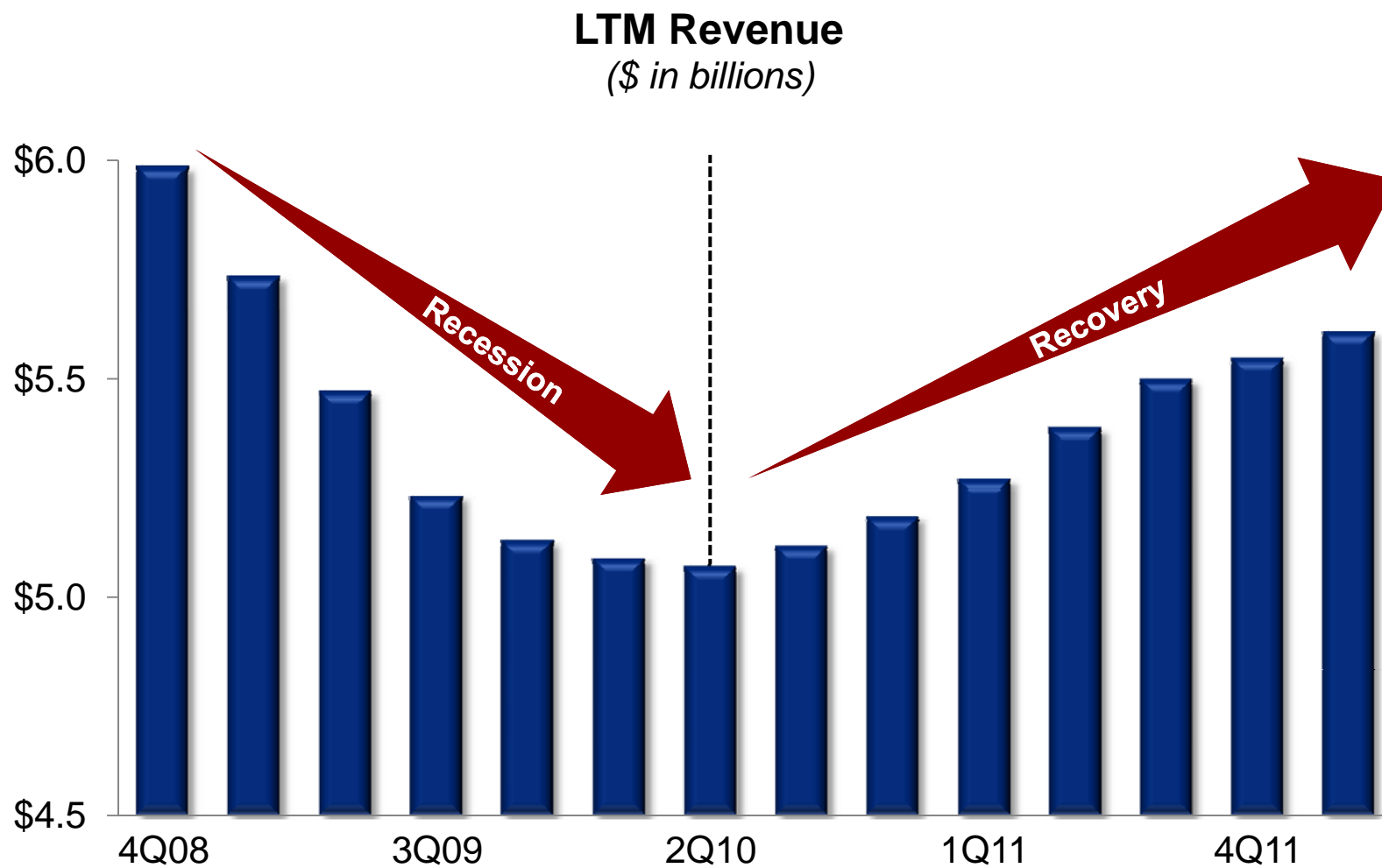
- ▶ Growth drivers

- ▶ 2012 outlook

- ▶ Summary

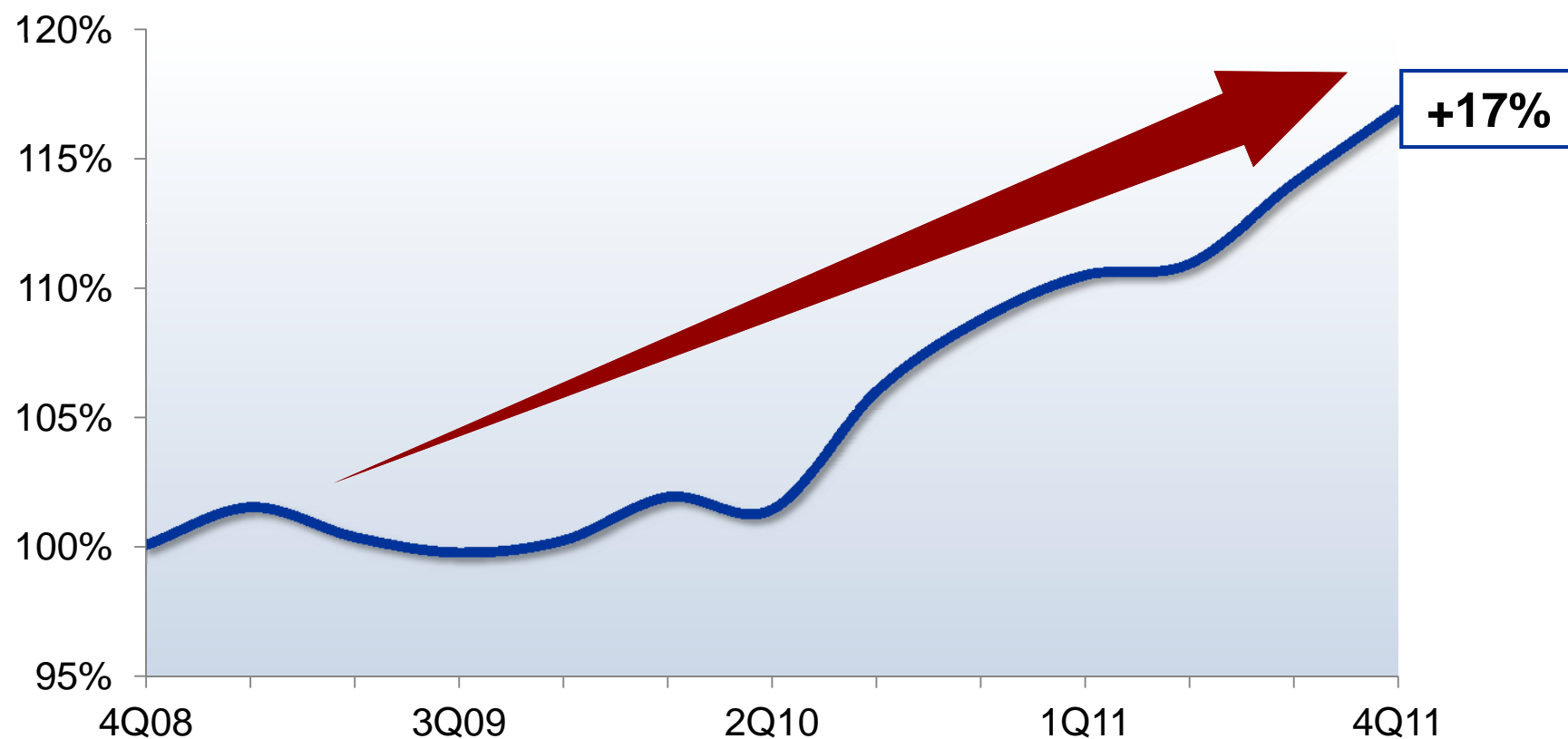


# Solid Post-Recession Revenue Recovery



## Intense Focus on Cost Reduction...

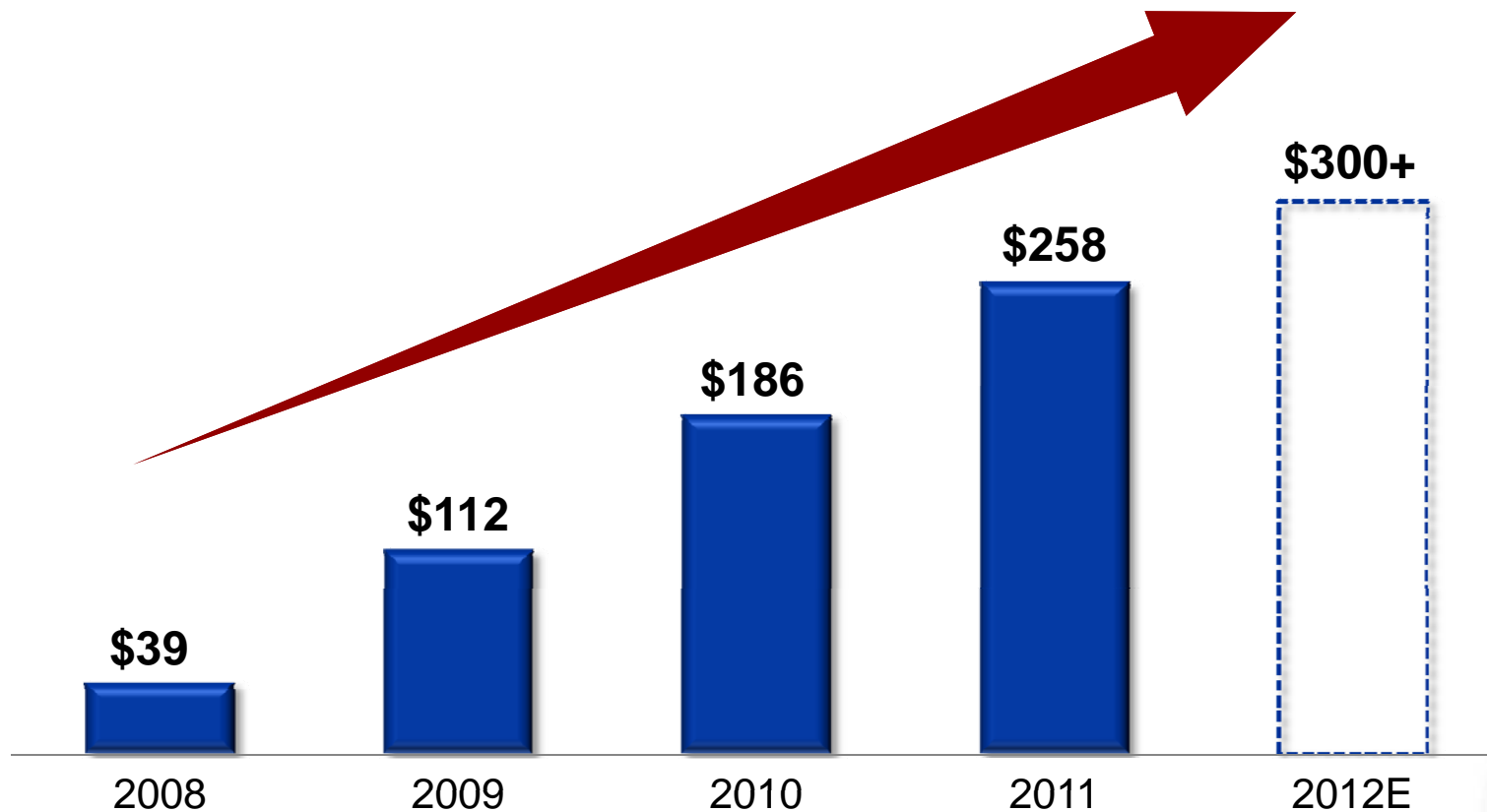
LTM Revenue per Employee



## ... And Productivity Enhancements

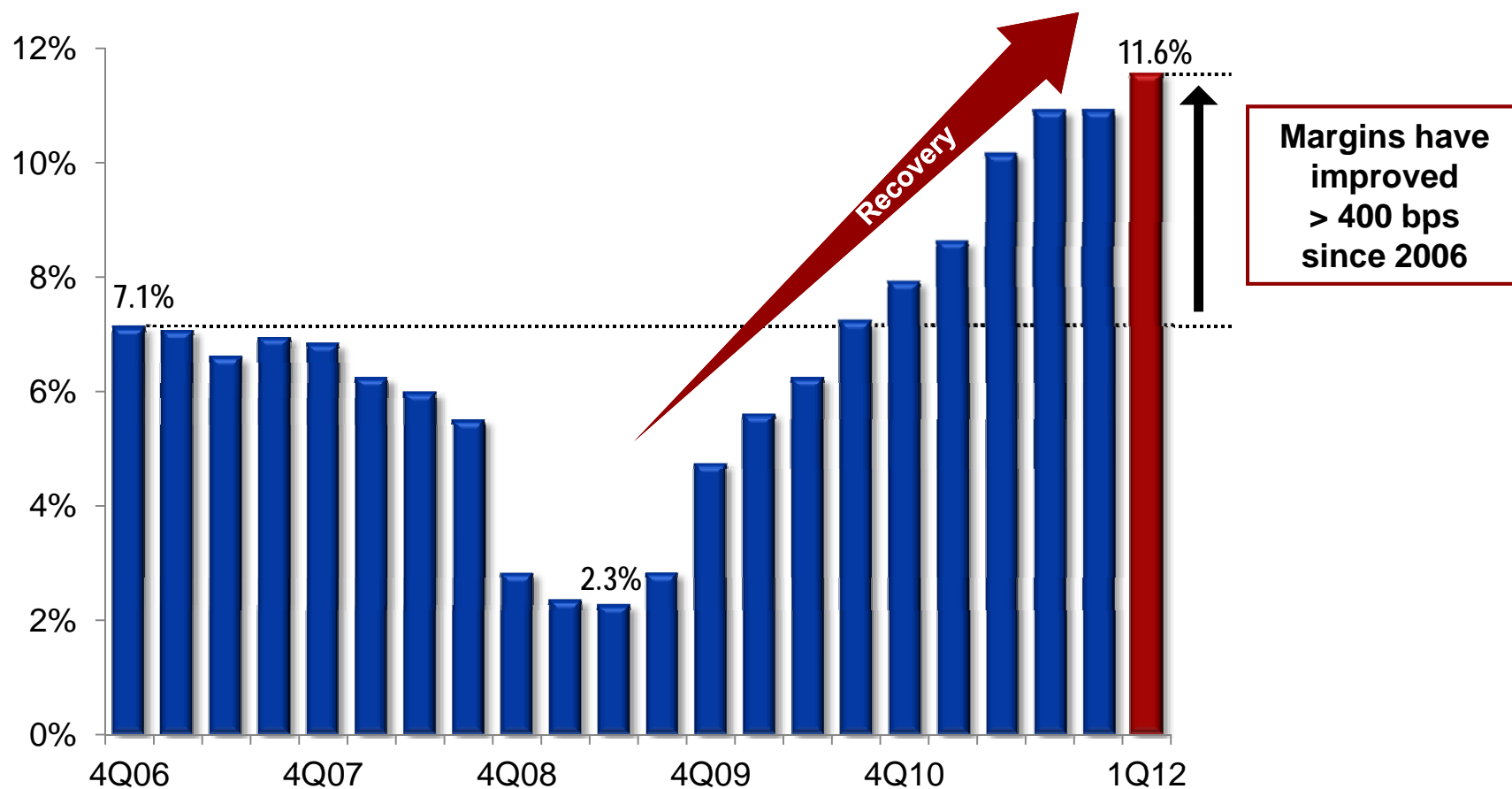
**Expect Performance Excellence (PEX) to Generate  
More Than \$300 Million of Benefits in 2012**

*(\$ in millions)*



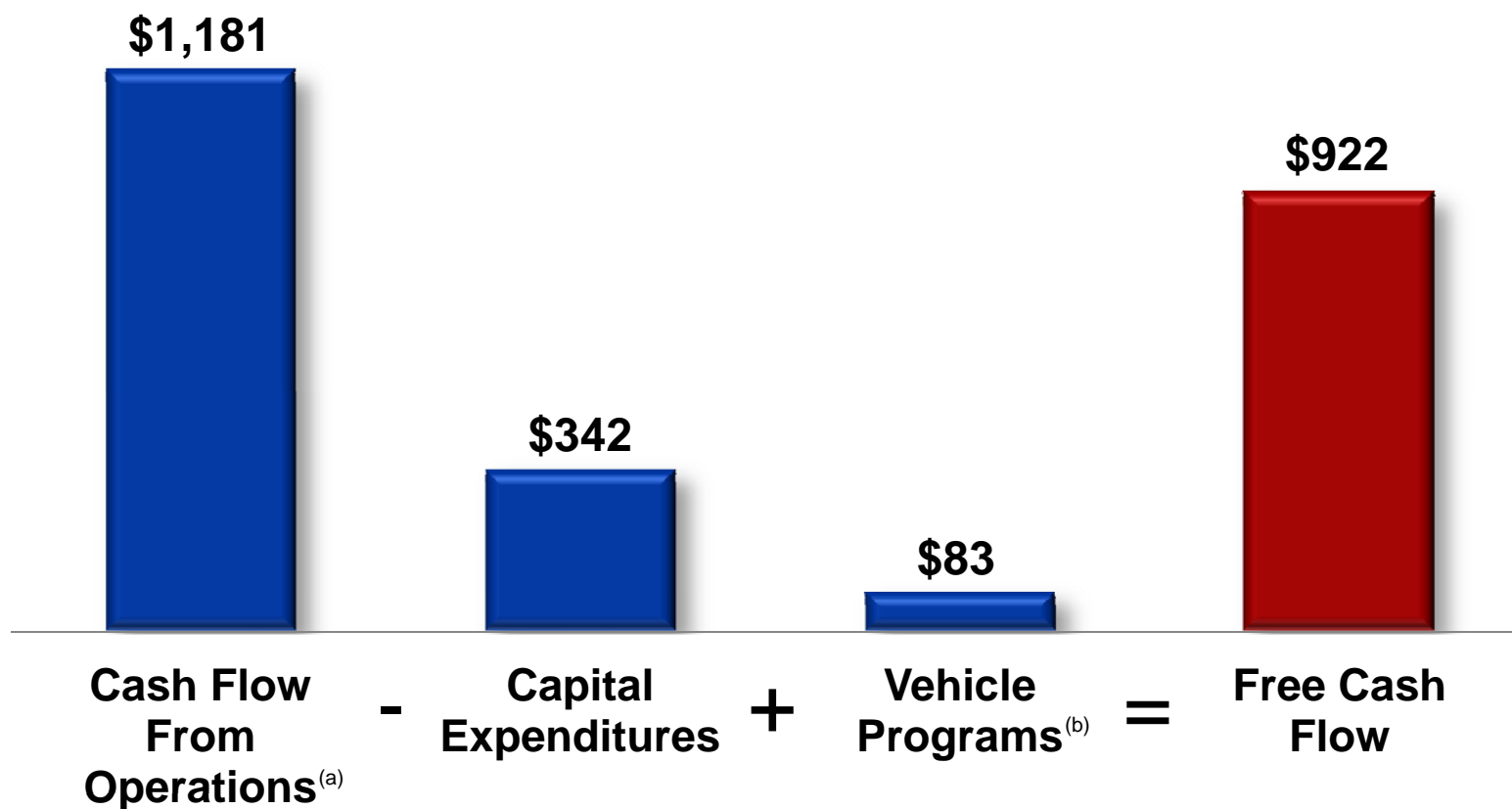
# Drives Substantial Margin Improvement

LTM Adjusted EBITDA Margin<sup>(a)</sup>



# Free Cash Flow of More Than \$900 Million Since 2007

(\$ in millions)



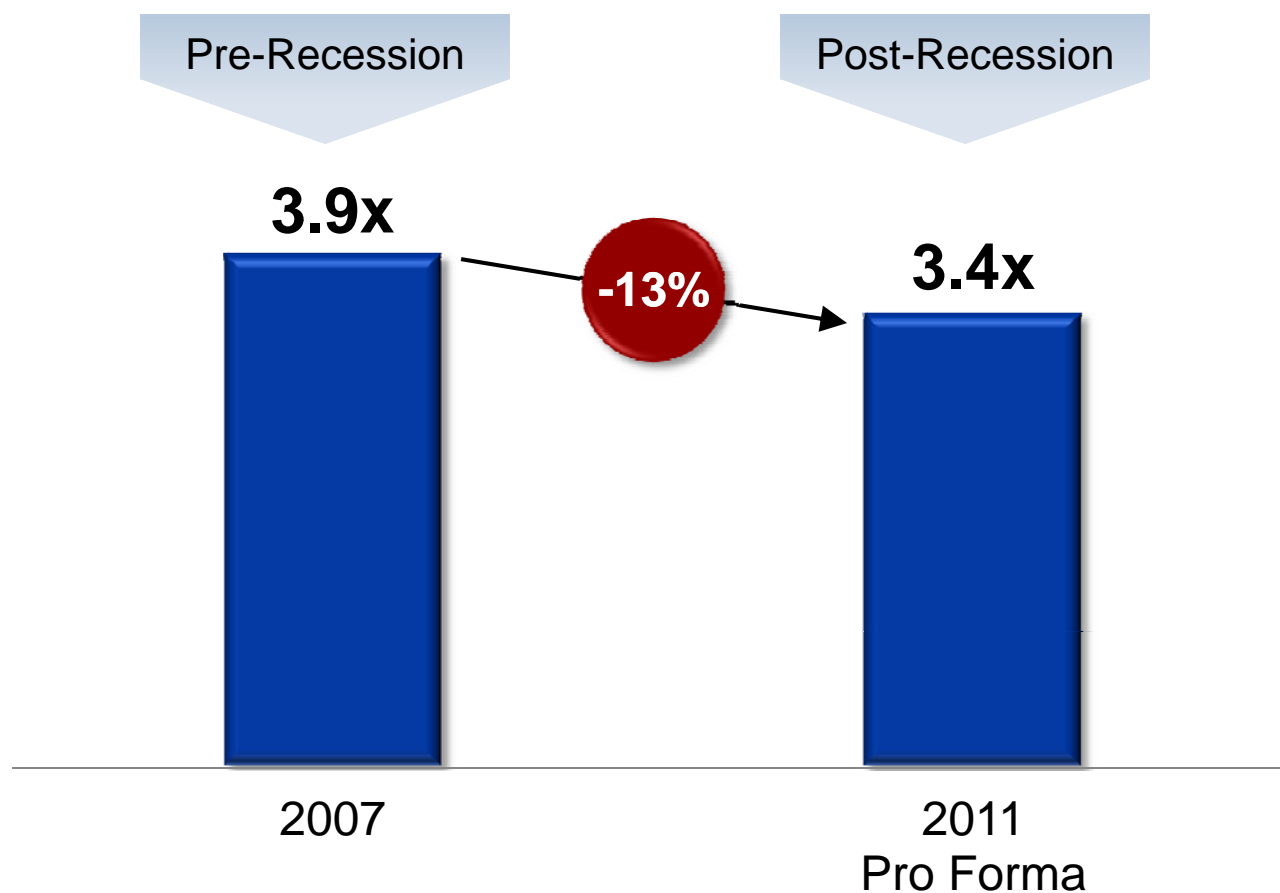
Note: Data is cumulative for years 2007-2011

(a) Excluding vehicle depreciation

(b) Including vehicle depreciation

# Has Driven a Decline in Leverage

## Adjusted EBITDA Leverage<sup>(a)</sup>



# Agenda

- ▶ The business today
- ▶ Strong financial performance
- ▶ Growth drivers
- ▶ 2012 outlook
- ▶ Summary



# Four Underlying Strategies Drive Our Business Choices

## Driving Sustained, Profitable Growth



***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***

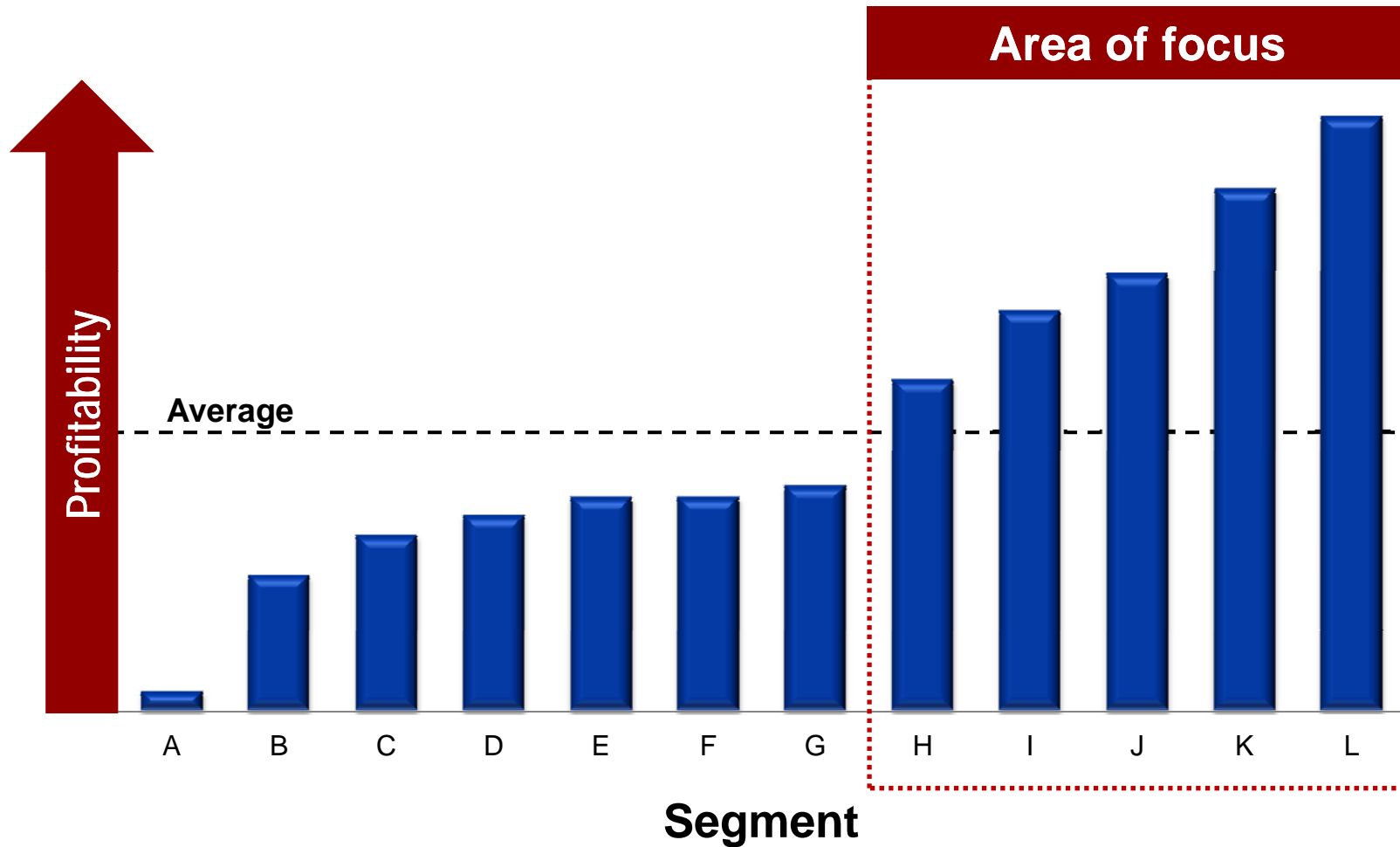


***Drive  
Efficiency  
Throughout  
the  
Organization***

# Key Initiatives Drive Underlying Strategies



# Grow in the Highest-Margin Segments

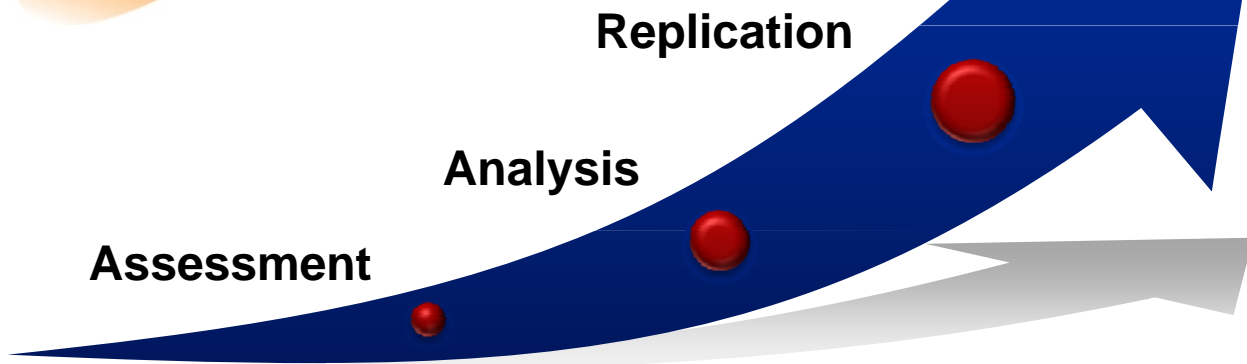


# Focus on Cost Control and Increasing Productivity

Cumulative Benefits of \$600 Million Since Launch of Performance Excellence (PEx) Initiative in 2007

Drive Efficiency

Grow Revenue and Profits



# Leverage Technology – Optimize Fleet Costs

Drive  
Efficiency

## Acquisition

- ▶ Program versus risk
- ▶ Seasonal needs
- ▶ Car class mix
- ▶ Customer preferences



## Deployment

- ▶ Geographic allocation
- ▶ Mileage and usage
- ▶ On- versus off-airport
- ▶ “Cascading”



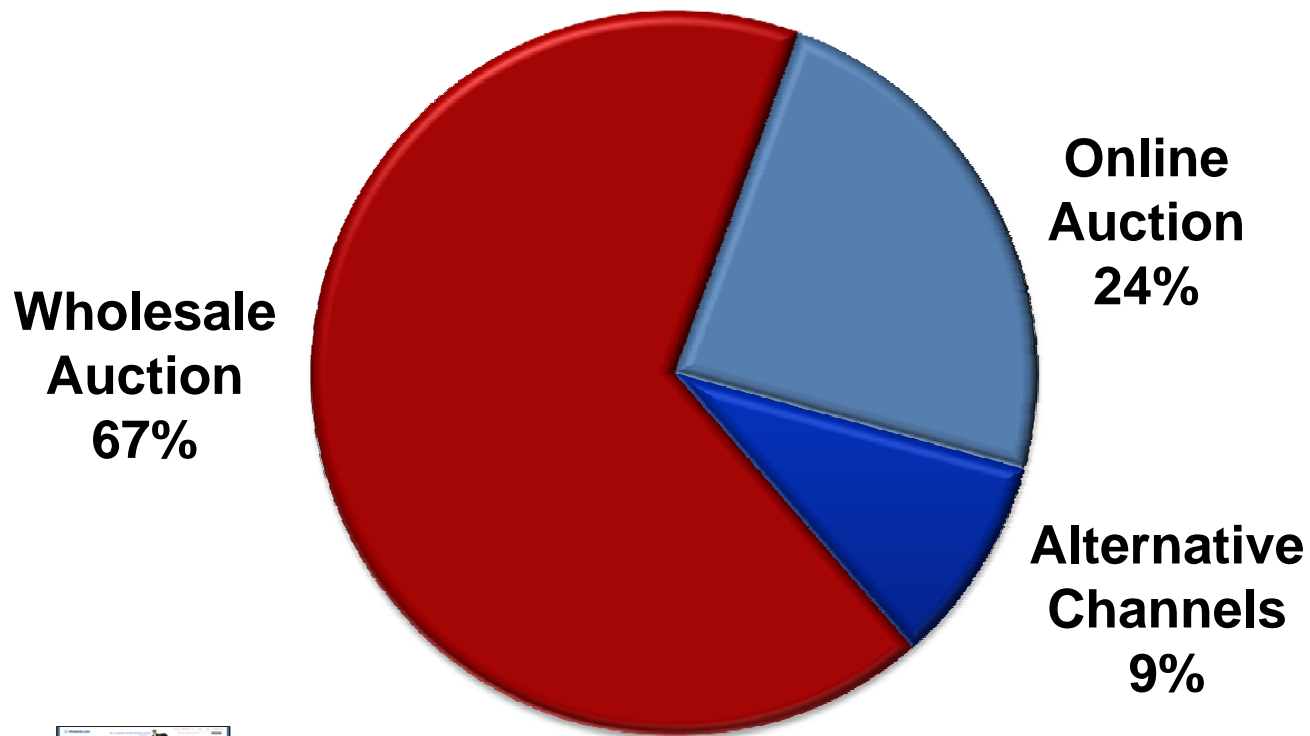
## Disposition

- ▶ Timing
- ▶ Location
- ▶ Channel
- ▶ Vendor / selling partner



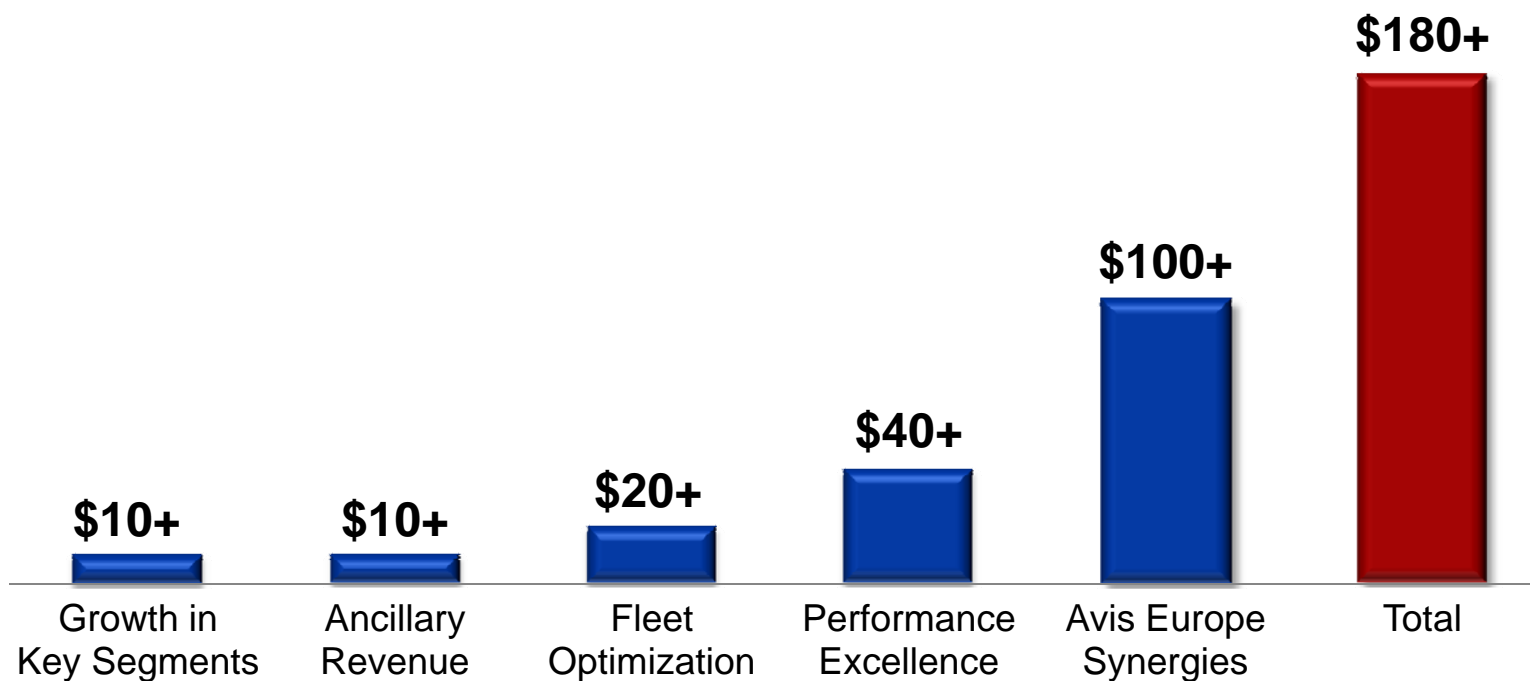
# Utilizing Alternative Channels for Vehicle Disposition

Drive  
Efficiency



# These Strategic Initiatives Really Matter

## Annual Earnings Opportunity (*\$ in millions*)

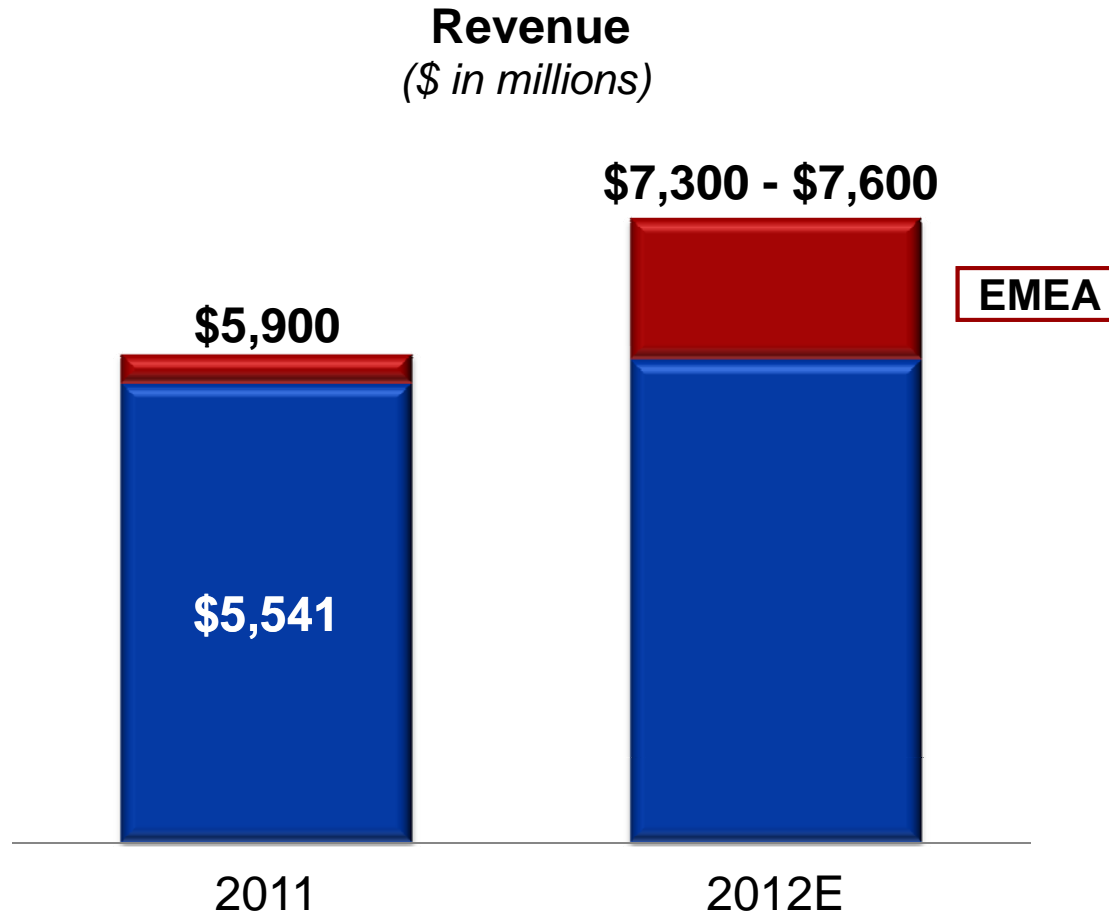


# Agenda

- ▶ The business today
- ▶ Strong financial performance
- ▶ Growth drivers
- ▶ 2012 outlook
- ▶ Summary

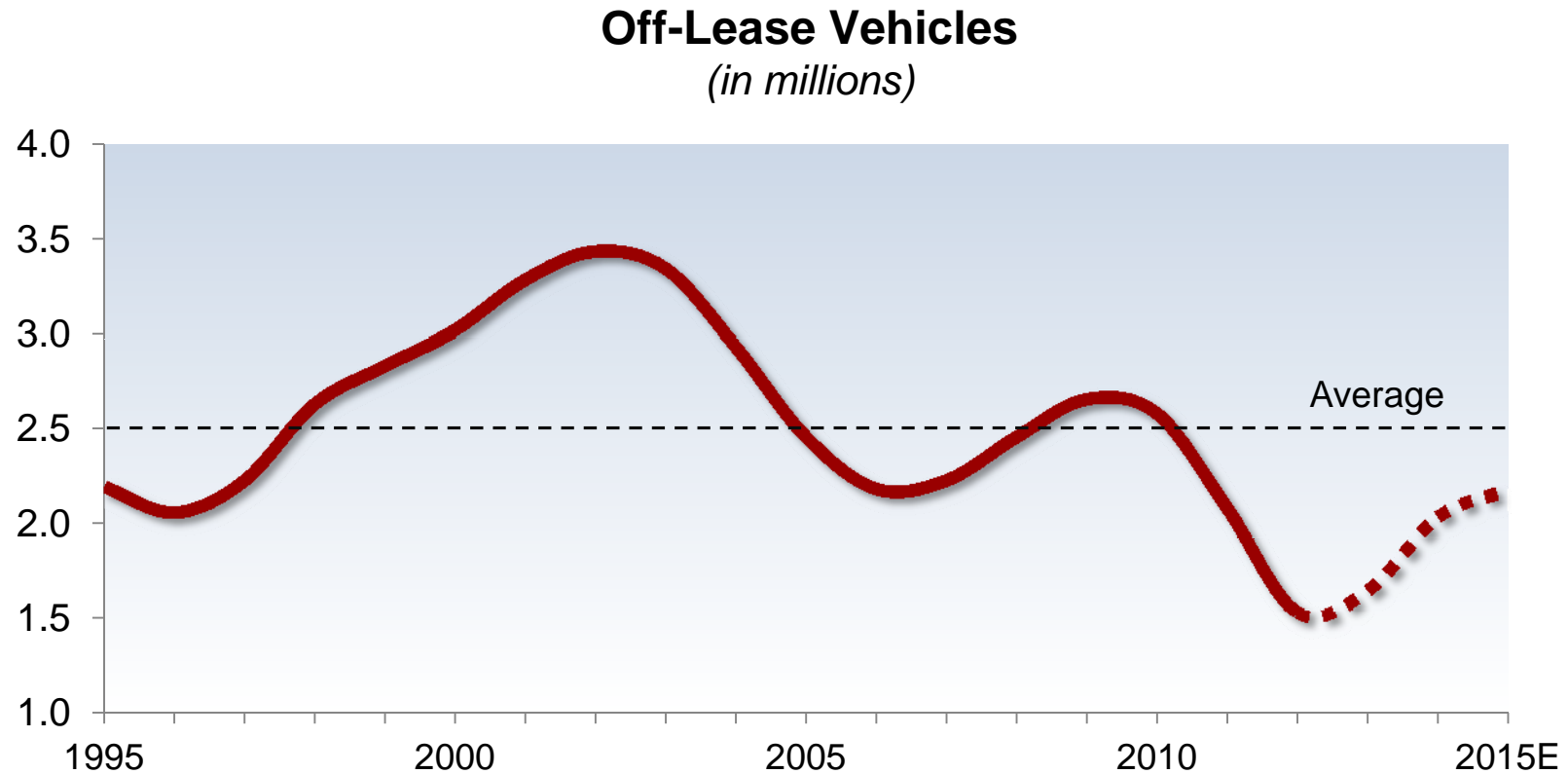


## Revenue to Increase by Approximately 25-30%



- Combination of organic growth and acquisition of Avis Europe

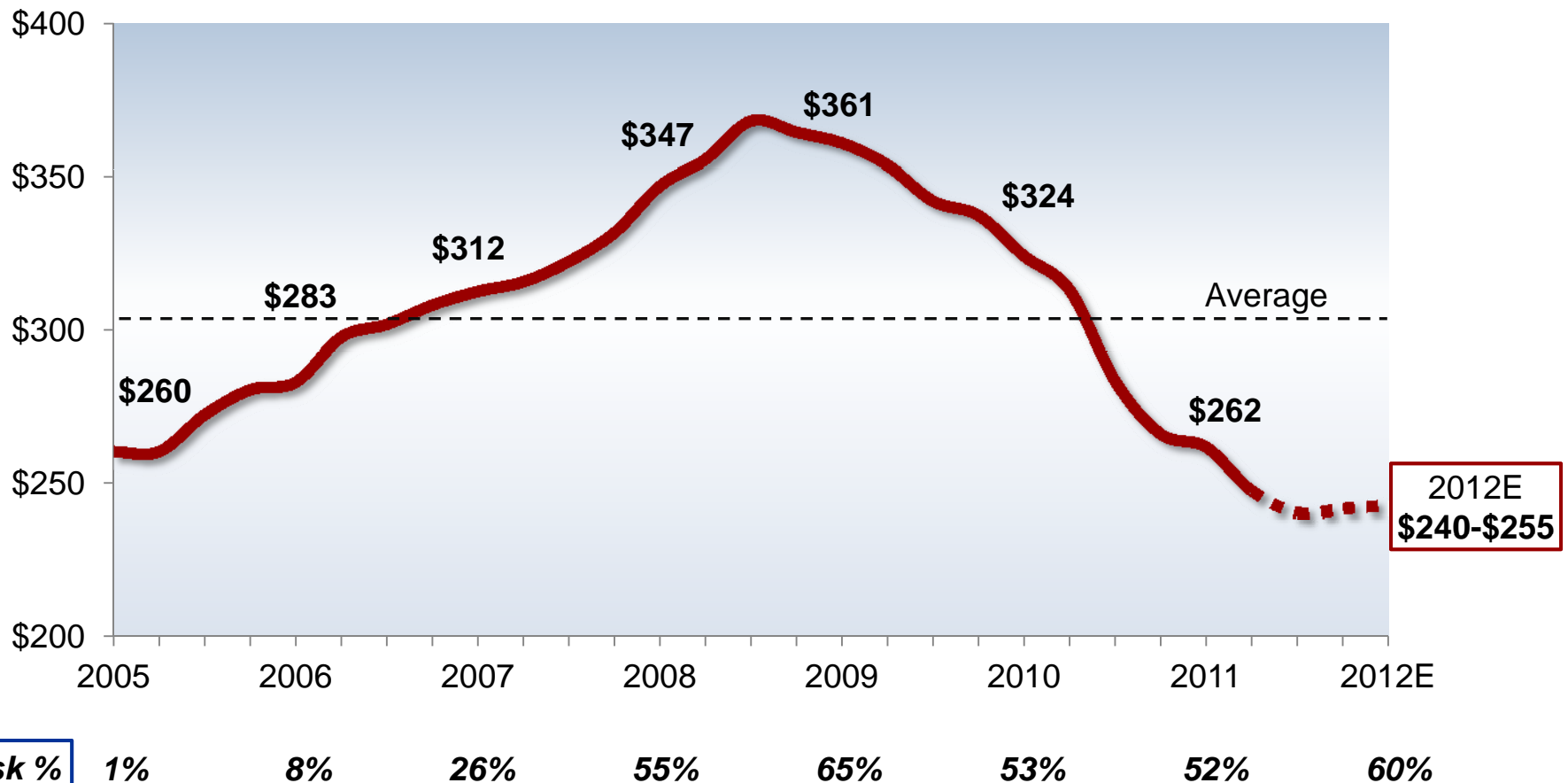
## Expect the Used Car Market to Remain Strong . . .



**Reduced Supply of Off-Lease Vehicles  
Supports Residuals**

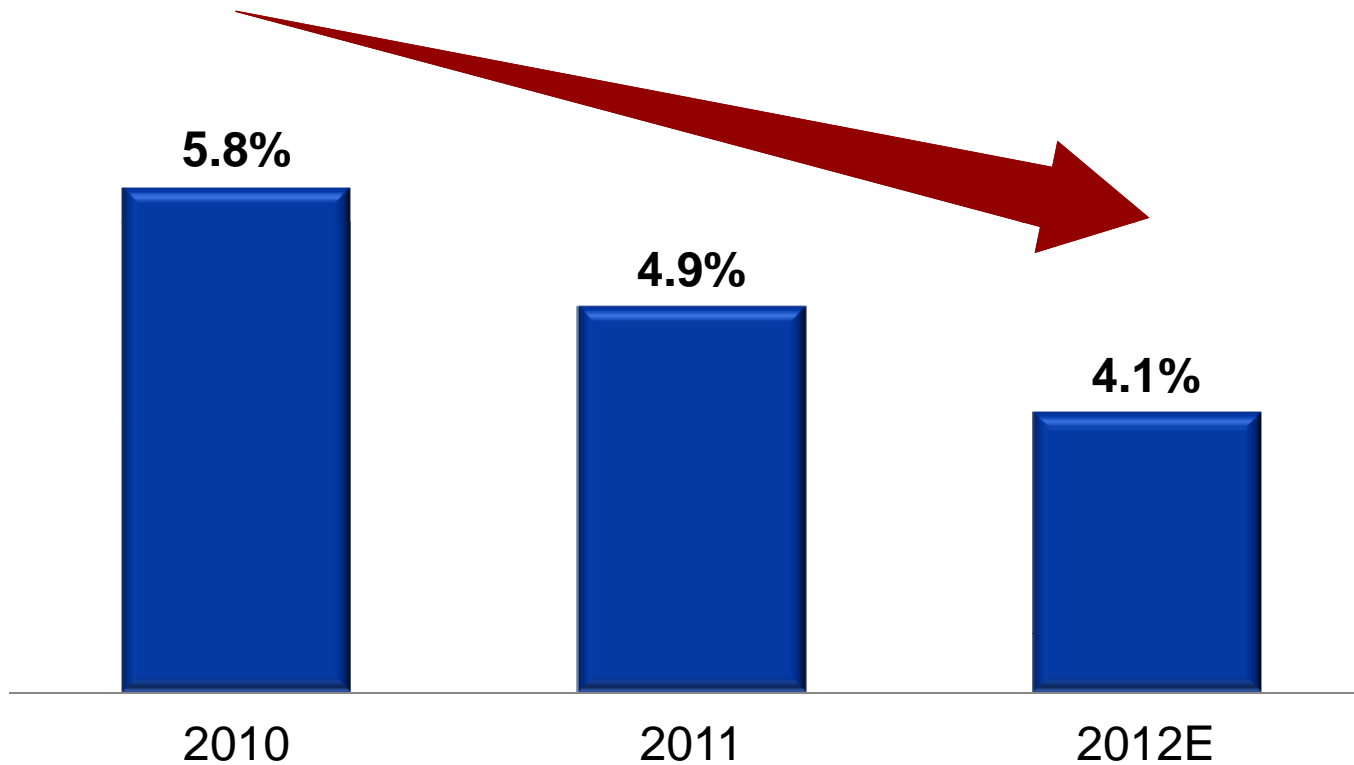
## ... North American Per-Unit Fleet Costs to Decline 3-8%

**LTM Monthly Per-Unit Fleet Costs**  
*North America*



## Lower Vehicle Borrowing Rates

**ABS Term Debt Average Rates<sup>(a)</sup>**



- ▶ **Expect to generate more than \$25 million in interest savings year-over-year due to lower rates**

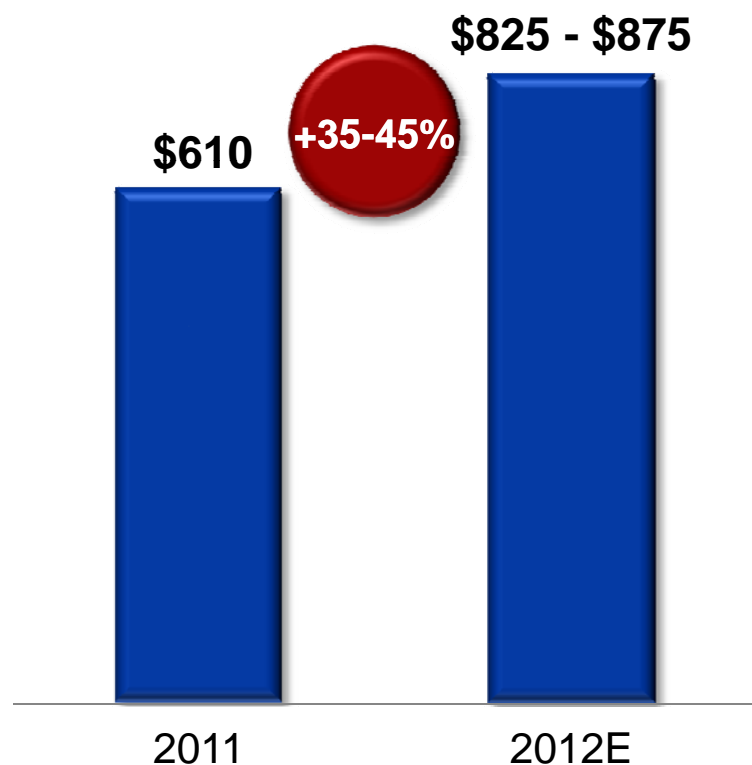
## 2012 Outlook Earnings Estimates

<i>(\$ in millions)</i>	<b>2012 Estimate<sup>(a)</sup></b>	<b>Growth vs. 2011<sup>(b)</sup></b>
<b>Revenue</b>	<b>\$7,300 – \$7,600</b>	<b>26%</b>
<b>Adjusted EBITDA</b>	<b>825 – 875</b>	<b>39%</b>
<b>Non-vehicle D&amp;A</b>	<b>110</b>	
<b>Interest expense</b>	<b>255</b>	
<b>Pretax income</b>	<b>460 – 510</b>	<b>50%</b>
<b>Income taxes</b>	<b>165 – 185</b>	
<b>Net income</b>	<b>\$295 – \$325</b>	<b>51%</b>
<b>Diluted EPS</b>	<b>\$2.35 – \$2.65</b>	<b>52%</b>

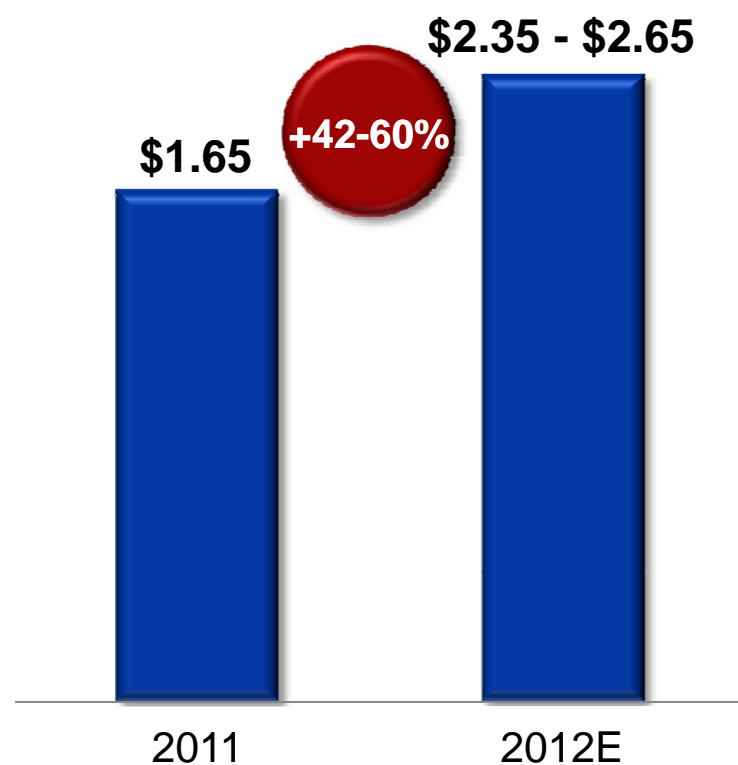


## Strong Earnings Growth Expected

**Adjusted EBITDA<sup>(a)</sup>**  
(*\$ in millions*)



**Earnings Per Share<sup>(a)</sup>**



# Generating Free Cash Flow

(\$ in millions)

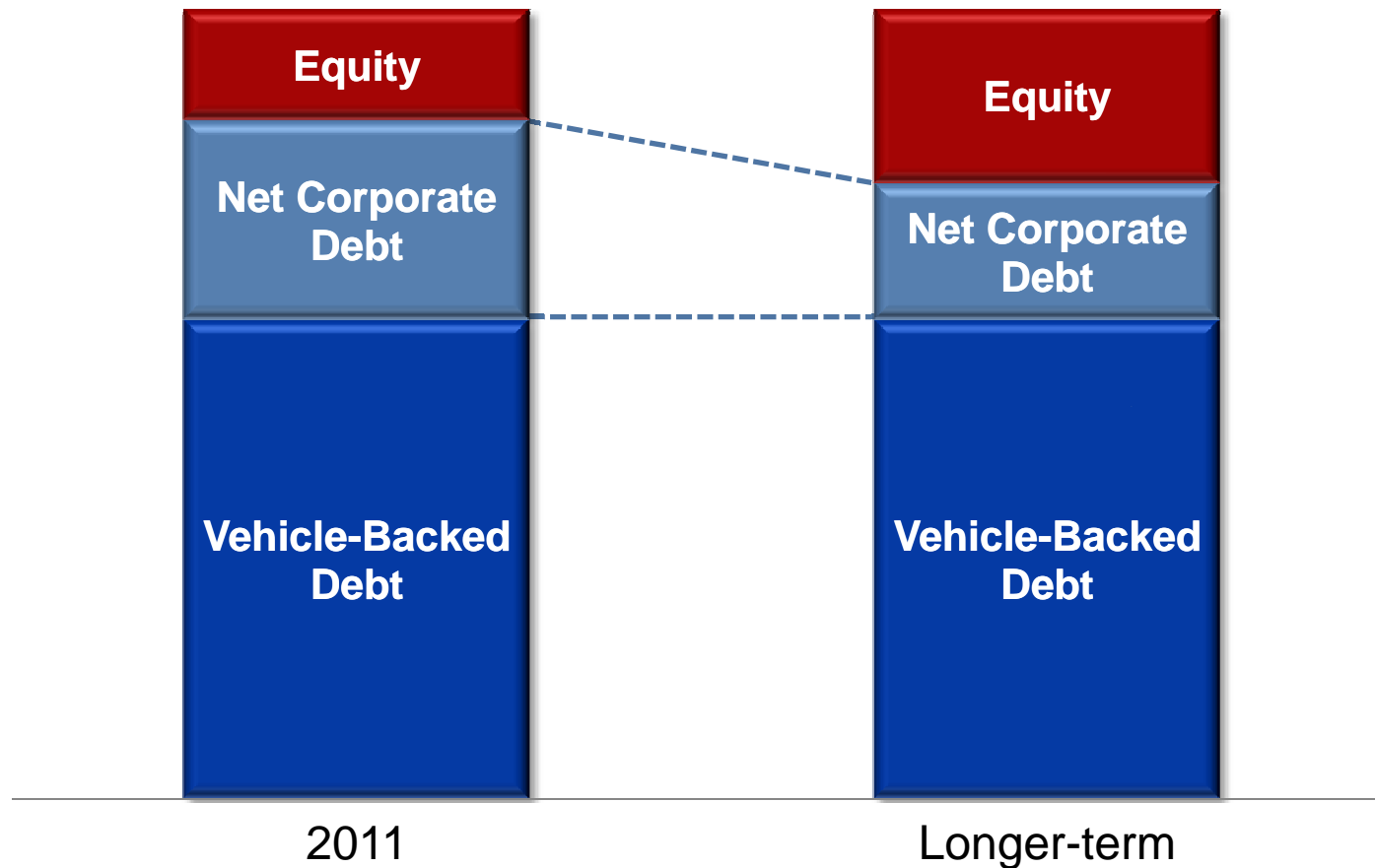
**2012 Estimate<sup>(a)</sup>**

<b>Pretax income</b>	<b>\$460 - \$510</b>
<b>Plus: Non-vehicle depreciation and amortization</b>	<b>110</b>
<b>Less: Capital expenditures</b>	<b>(125)</b>
<b>Working capital, fleet needs and other</b>	<b>(50) – 50</b>
<b>Cash taxes</b>	<b>(60) – (65)</b>
<b>Free cash flow</b>	<b>\$335 - \$485</b>



Opportunity

## Use of Free Cash Flow for Debt Reduction and Tuck-In Acquisitions



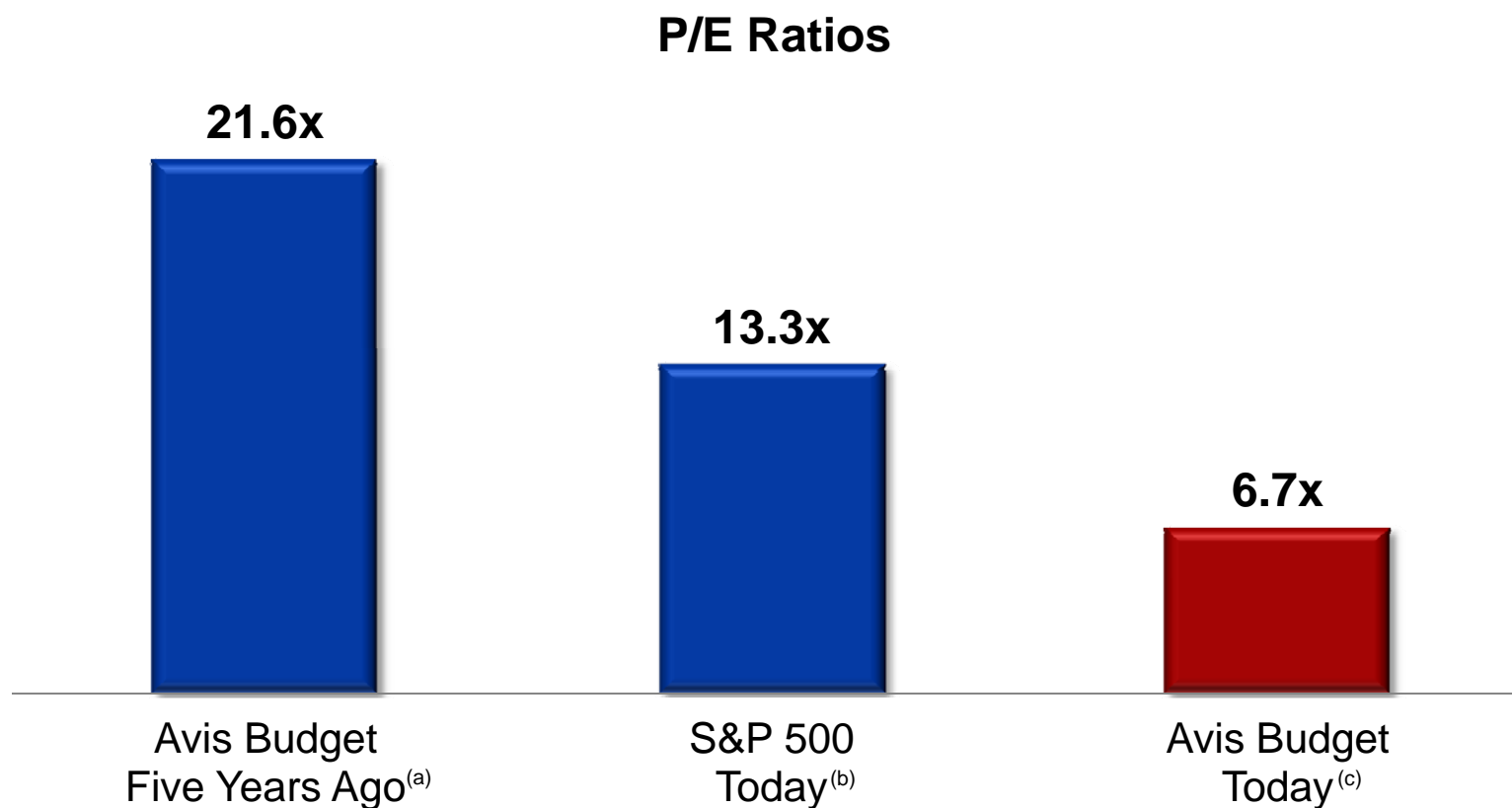
**Targeting \$300+ million of corporate debt pay-down in 2012**

# Multiple Sources of Long-Term Earnings Growth

	Long-Term Earnings Growth Opportunity
Growth in developed markets	2% - 4%
Incremental growth from developing markets	1% - 3%
Ancillary revenues	1% - 2%
Fleet and yield optimization	1% - 3%
Productivity growth	2% - 4%
Other strategic initiatives	1% - 3%
Inflationary cost increases	(2%) – (4%)
Deployment of free cash flow	5% - 2%
	<hr/>
	11% - 17%
	<hr/> <hr/>



## Opportunity Closing the Valuation Gap



- ▶ Trading at a 50% discount to the S&P 500
- ▶ Avis Budget P/E down 69% since 2007



# Agenda

- ▶ The business today
- ▶ Strong financial performance
- ▶ Growth drivers
- ▶ 2012 outlook
- ▶ Summary



# What's New

- ▶ **Launching Avis *Select & Go* this summer**
- ▶ **Pursuing substantial growth in China**
- ▶ **Piloting “virtual” rental, with plans to expand**
- ▶ **Using alternative channels for vehicle disposition**
- ▶ **Focused on the customer experience**
- ▶ **See large opportunities in Europe beyond initial integration**
- ▶ **Realizing substantial fleet cost savings**
- ▶ **Company generating significant cash flow and focused on debt reduction**



# Key Messages

- ▶ **Industry leader with two global brands**
- ▶ **Strong financial performance**
- ▶ **Strategic initiatives focused on profitable growth**
- ▶ **Generating significant earnings and cash flow**





**Investor Day 2012**

# Glossary

*This presentation includes certain non-GAAP (generally accepted accounting principles) financial measures as defined under SEC rules. We have provided below reasons we present these non-GAAP financial measures, a description of what they represent and a reconciliation to the most comparable financial measure calculated and presented in accordance with GAAP.*

## Adjusted EBITDA

Adjusted EBITDA represents income (loss) before non-vehicle related depreciation and amortization, any impairment charge, transaction-related costs, non-vehicle related interest and income taxes. Adjusted EBITDA excluding certain items represents Adjusted EBITDA excluding restructuring-related expenses, costs related to early extinguishment of debt and other certain items as such items are not representative of the results of operations of our business. We believe that Adjusted EBITDA and Adjusted EBITDA excluding certain items are useful as supplemental measures in evaluating the aggregate performance of our operating businesses. Adjusted EBITDA is the measure that is used by our management, including our chief operating decision maker, to perform such evaluation. It is also a component of our financial covenant calculations under our credit facilities, subject to certain adjustments. 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 and our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies. We believe that the measures referred to above are useful as supplemental measures in evaluating the aggregate performance of the Company.

## Reconciliation of Adjusted EBITDA to income (loss) before income taxes (in millions):

	Year Ended December 31,						Quarter Ended March 31,	
	2006 <sup>(a)</sup>	2007	2008	2009	2010	2011	2011	2012
Total Revenue	\$ 5,628	\$ 5,986	\$ 5,984	\$ 5,131	\$ 5,185	\$ 5,900	\$ 1,235	\$ 1,623
Adjusted EBITDA excluding certain items	\$ 405	\$ 409	\$ 169	\$ 243	\$ 410	\$ 610	\$ 83	\$ 119
Less: Non-vehicle related depreciation and amortization	96	84	88	96	90	91	23	27
Interest expense related to corporate debt, net (excluding pre-closing interest related to acquisition financing)	137	127	129	153	162	195	40	73
Income (loss) before income taxes, excluding certain items	\$ 172	\$ 198	\$ (48)	\$ (6)	\$ 158	\$ 324	\$ 20	\$ 19
Less certain items:								
Transaction-related costs	-	-	-	-	14	255	2	6
Acquisition-related interest	-	-	-	-	8	24	7	-
Restructuring charges	10	-	28	20	11	5	-	7
Acquisition-related amortization expense	-	-	-	-	-	4	-	5
Early extinguishment of debt	-	-	-	-	52	-	-	27
Litigation costs	-	-	5	18	1	-	-	-
Impairment	-	1,195	1,262	33	-	-	-	-
Separation-related costs, net	23	(5)	-	-	-	-	-	-
Vehicle and intercompany interest, net	8	-	-	-	-	-	-	-
Public company costs	(6)	-	-	-	-	-	-	-
Non-vehicle depreciation and amortization	9	-	-	-	-	-	-	-
Interest expense related to corporate debt	412	-	-	-	-	-	-	-
Corporate and other EBITDA	393	-	-	-	-	-	-	-
Avis Budget Group, Inc. income (loss) before income taxes	<u>\$ (677)</u>	<u>\$ (992)</u>	<u>\$ (1,343)</u>	<u>\$ (77)</u>	<u>\$ 72</u>	<u>\$ 36</u>	<u>\$ 11</u>	<u>\$ (26)</u>

# Glossary

## Reconciliation of Net Corporate Debt (in millions):

	Year Ended December 31,						Quarter Ended March 31,
	2006	2007	2008	2009	2010	2011	2012
Net corporate debt	\$ 1,670	\$ 1,583	\$ 1,531	\$ 1,649	\$ 1,591	\$ 2,671	\$ 2,695
Plus: Cash and cash equivalents	172	214	258	482	911	534	606
Corporate debt	<u>\$ 1,842</u>	<u>\$ 1,797</u>	<u>\$ 1,789</u>	<u>\$ 2,131</u>	<u>\$ 2,502</u>	<u>\$ 3,205</u>	<u>\$ 3,301</u>

## Reconciliation of Adjusted EBITDA excluding certain items, amortization of deferred financing fees and stock-based compensation (in millions):

	Year Ended December 31,	LTM Ended March 31,
	2011	2012
Pro forma Adjusted EBITDA excluding certain items	\$ 781	\$ 810
Avis Europe pro forma EBITDA	171	164
Adjusted EBITDA excluding certain items	\$ 610	\$ 646
Less: Non-vehicle related depreciation and amortization	91	95
Interest expense related to corporate debt, net (excluding pre-closing interest related to acquisition financing)	195	228
Income (loss) before income taxes, excluding certain items	<u>\$ 324</u>	<u>\$ 323</u>
Less certain items:		
Transaction-related expenses	255	259
Acquisition-related interest	24	17
Restructuring charges	5	12
Acquisition-relation amortization expense	4	9
Early extinguishment of debt	-	27
Litigation costs	-	-
Impairment	-	-
Income (loss) before income taxes	<u>\$ 36</u>	<u>\$ (1)</u>

## Reconciliation of net income, excluding certain items to net income (loss):

	Year Ended December 31,	
	2010	2011
Earnings per share, excluding certain items (diluted)	\$ 0.90	\$ 1.65
Shares used to calculate Earnings per share, excluding certain items (diluted)	126.7	128.9
Net income (loss), excluding certain items	\$ 107	\$ 206
Less certain items, net of tax:		
Transaction-related expenses	8	215
Acquisition-related interest	5	14
Restructuring charges	7	3
Acquisition-relation amortization expense	-	3
Early extinguishment of debt	32	-
Litigation costs	1	-
Net income (loss)	<u>\$ 54</u>	<u>\$ (29)</u>