



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

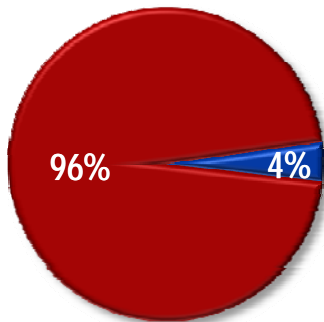
Market share^(a)

18%

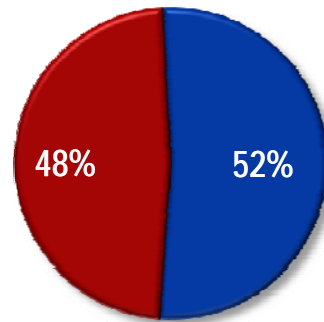


Diversified Revenue Sources → Stable Earnings

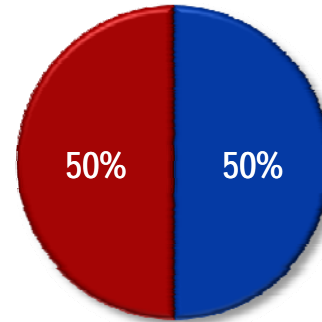
Avis vs. Budget



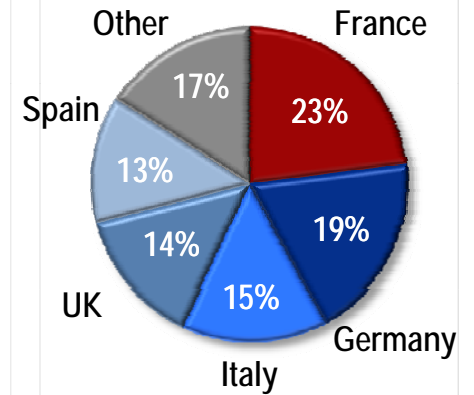
Commercial vs. Leisure



On-Airport vs. Off-Airport

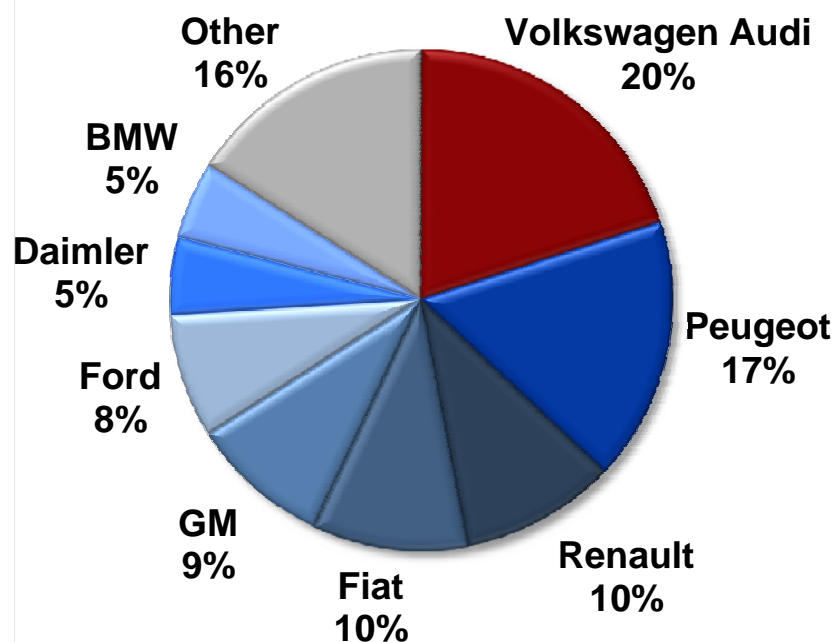


Revenue by Country

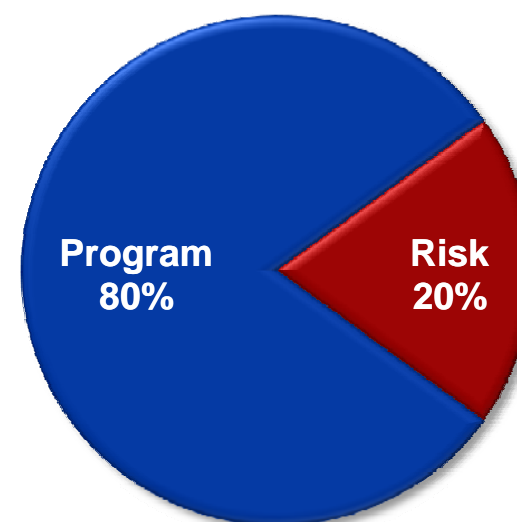


Diversified Fleet Across Europe Mitigates Risk

By Manufacturer

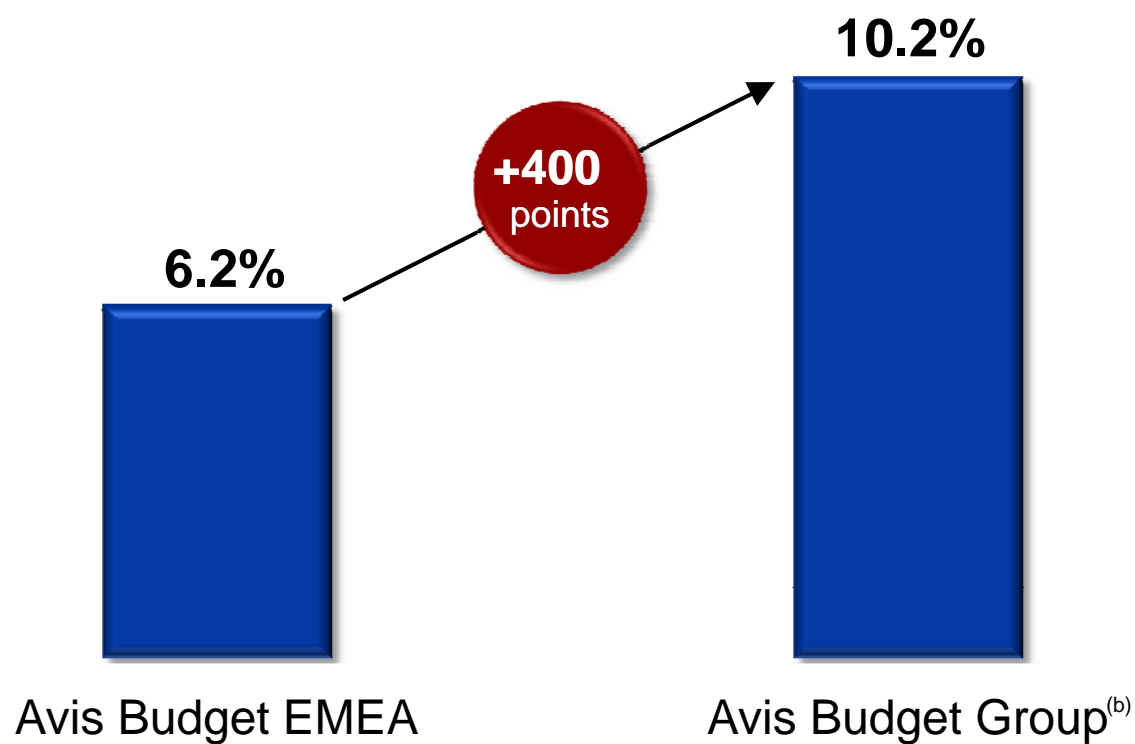


By Type



A Substantial Margin Opportunity

Adjusted EBITDA Margin Excluding Licensee Revenue^(a)

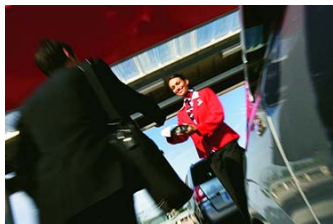


Strong and Experienced Management Team

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

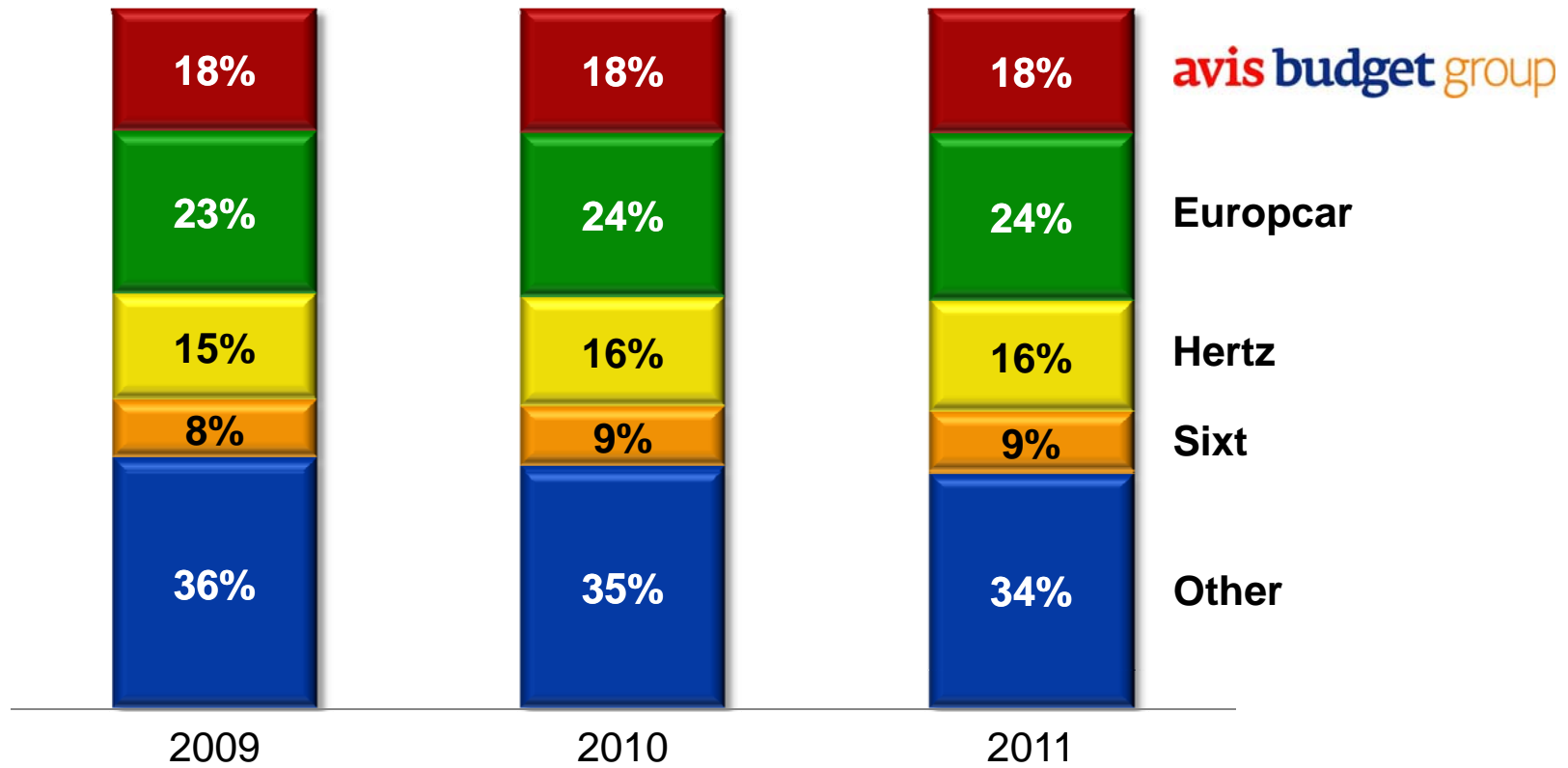


Partnerships

- ▶ Strong partnership relationships

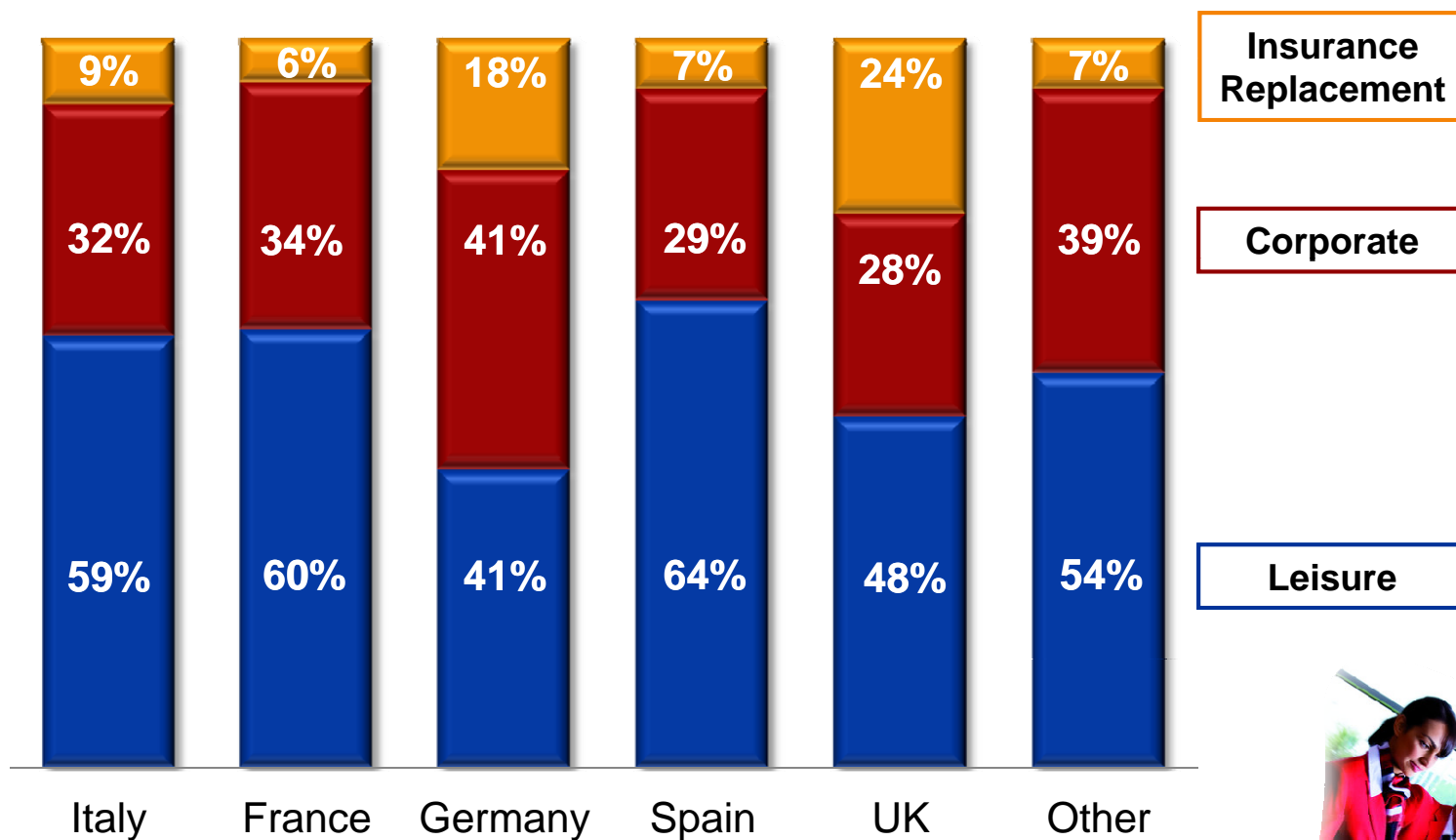


Strong Consistent Share in the \$13 Billion European Market



“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

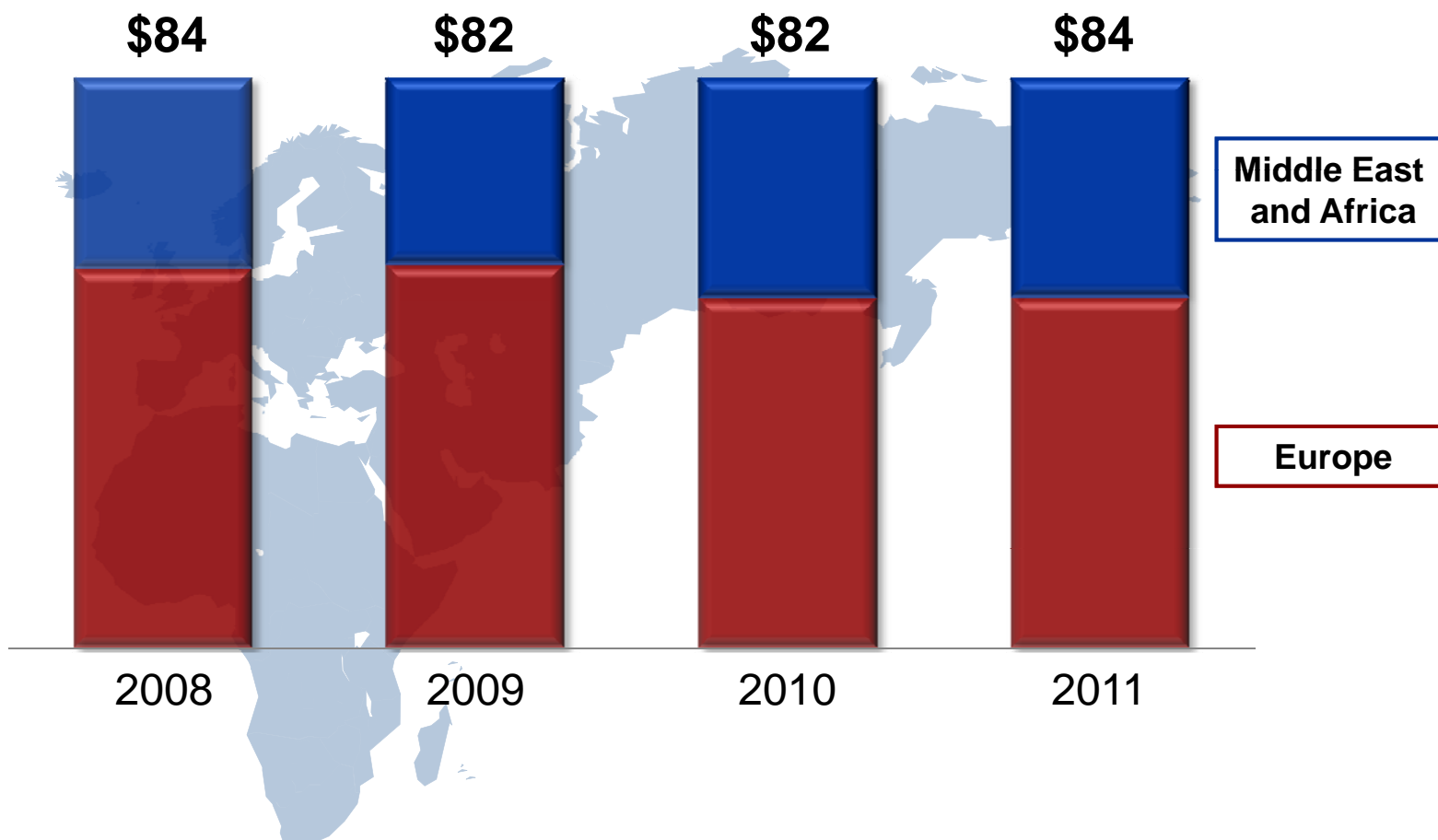


Air/Rail



Highly Resilient, Diversified Licensee Cash-Flow Stream

EMEA Licensee Revenue^(a)
(\$ in millions)



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***



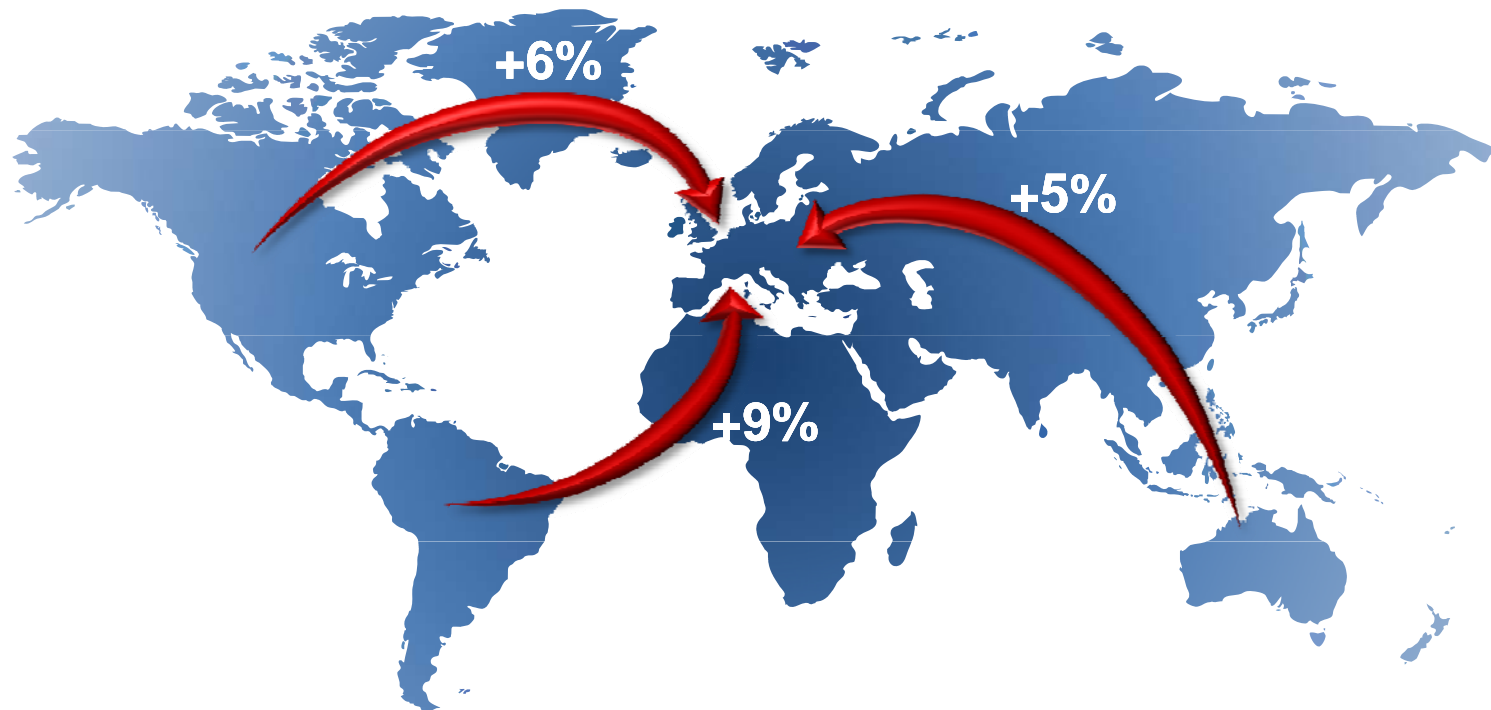
***Drive
Efficiency
Throughout
the
Organization***

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**

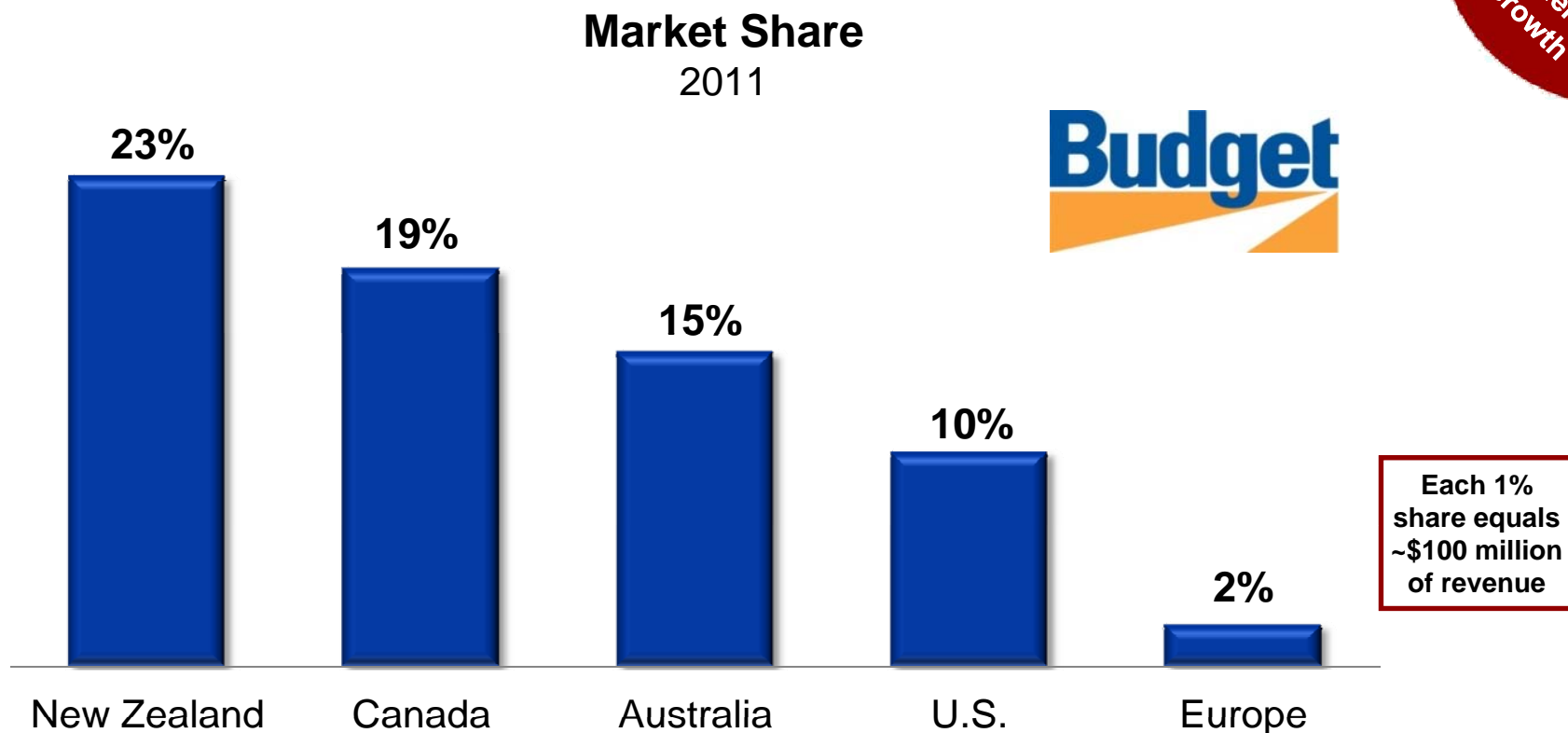


AVIS
eToll



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

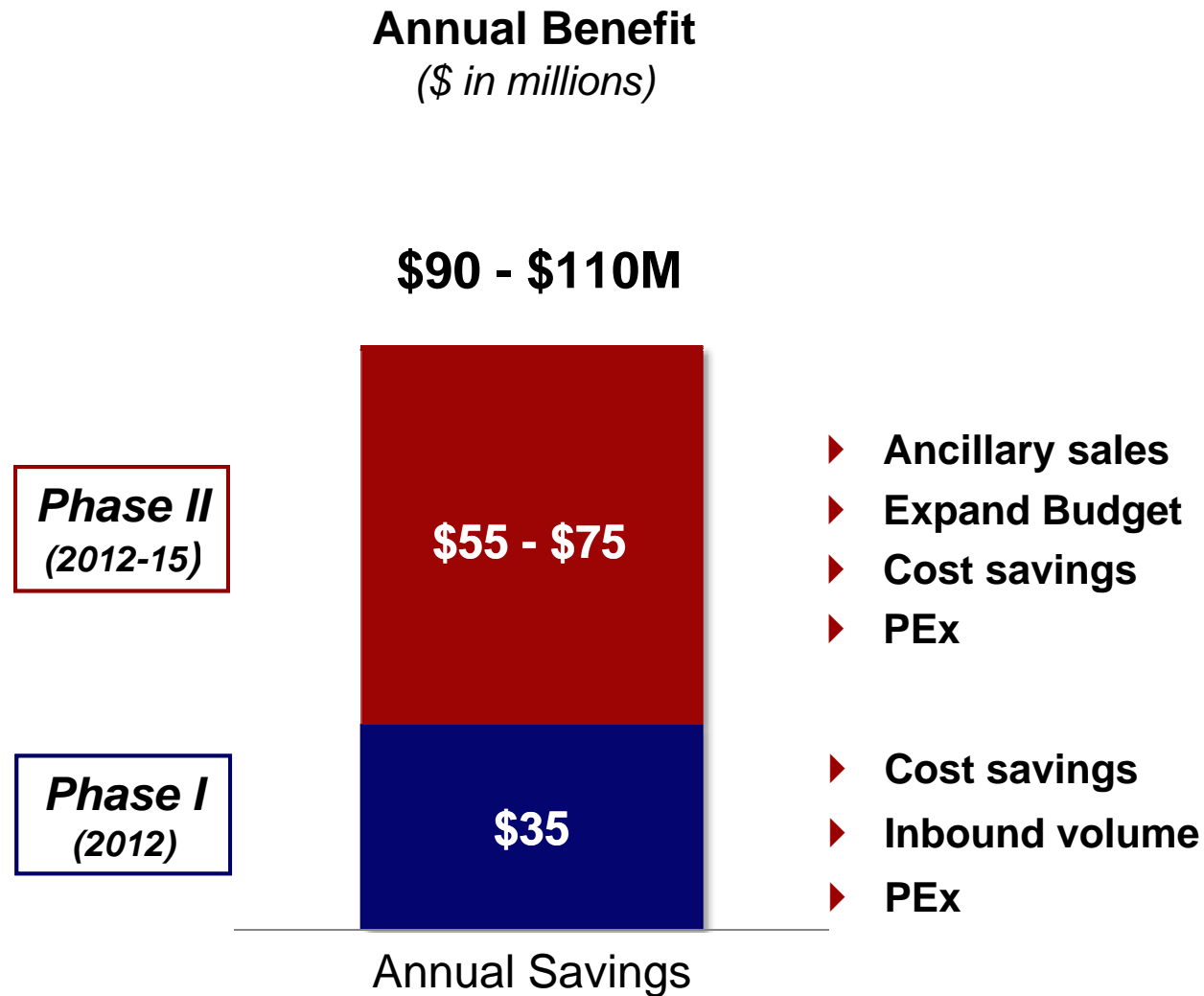
Expanding Budget – A Substantial Growth Opportunity



- ▶ 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

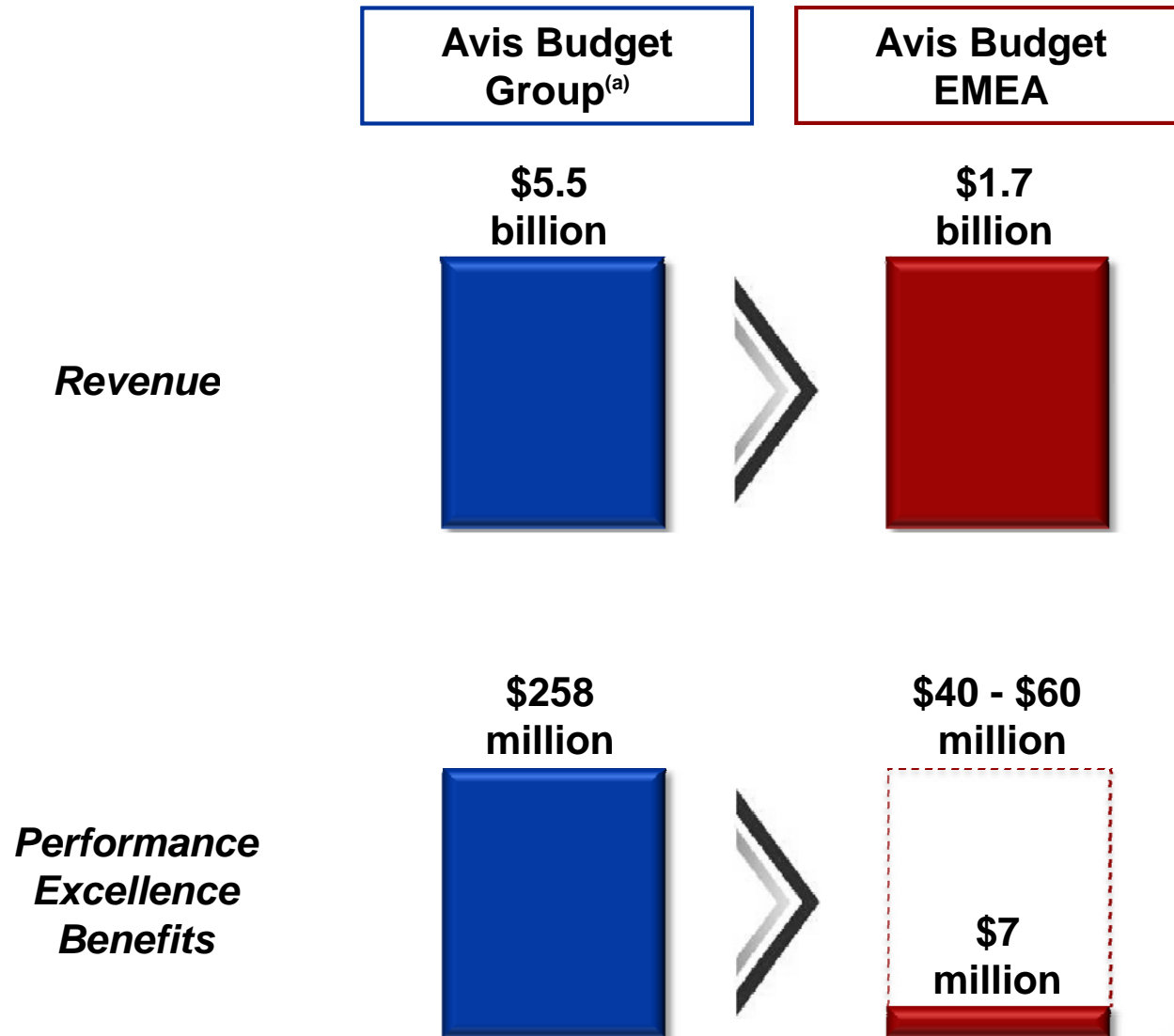
PHASE II

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



PHASE III

Drive Performance Excellence



PHASE III

Longer-Term Profit Growth Opportunities



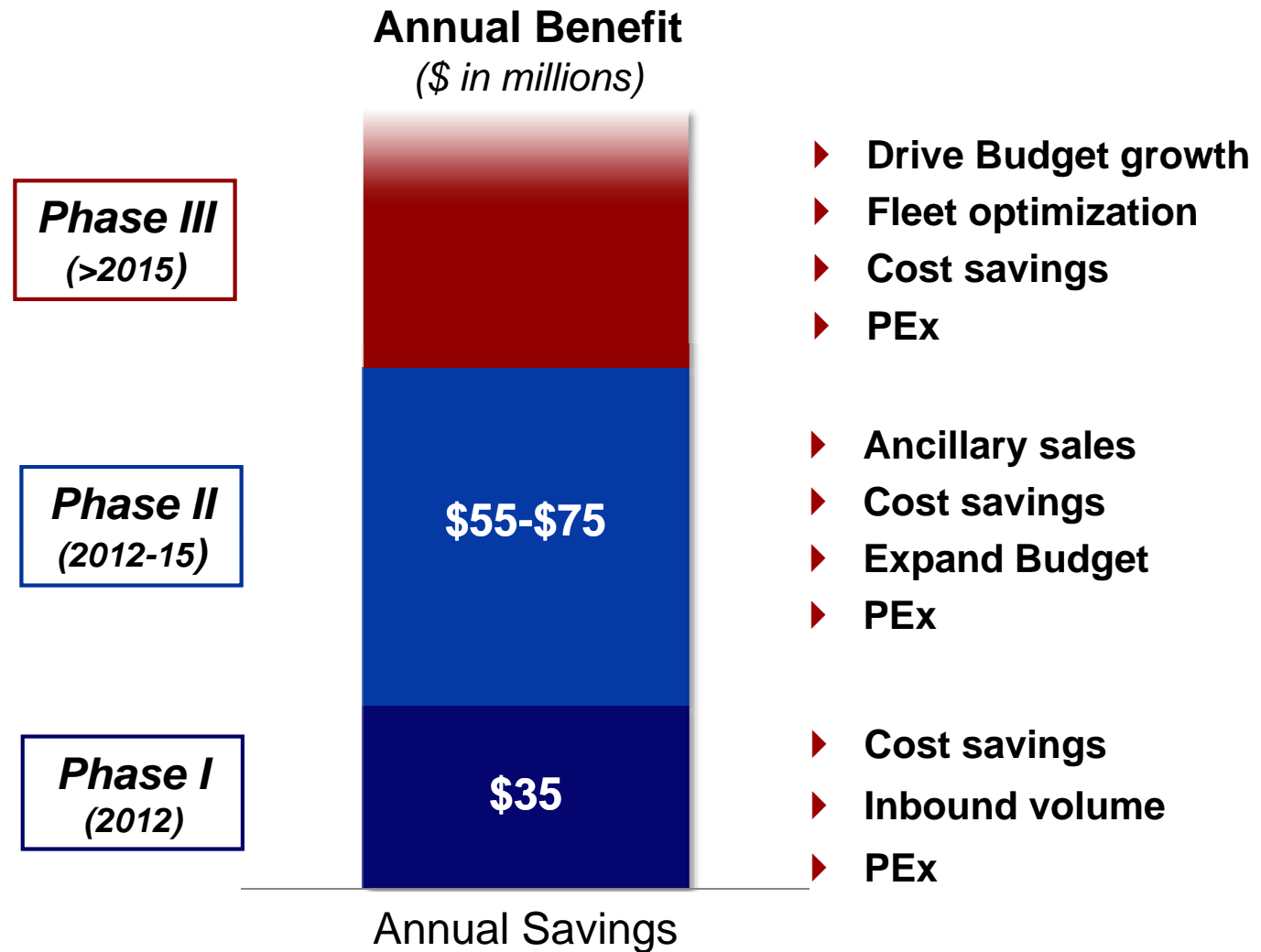
Global efficiency opportunities

Demand/fleet/yield optimization

Drive Performance Excellence

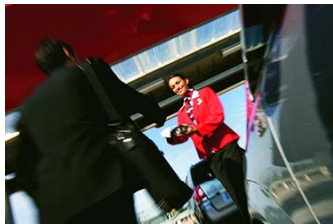
Further Budget brand expansion

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%^(a)
 - 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

