UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): September 14, 2011 (September 14, 2011)

Avis Budget Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware	1-10308	06-0918165
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

6 Sylvan Way Parsippany, NJ	07054
(Address of Principal Executive Offices)	(Zip Code)

(973) 496-4700
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

Attached as Exhibit 99.1 and incorporated by reference herein is an excerpt of certain information that Avis Budget Group, Inc. (the "Company") intends to make available to certain prospective investors in connection with the financing of the Company's planned acquisition of Avis Europe plc ("Avis Europe"). In addition to other matters, such information also includes the following disclosure:

New and/or Increased Financing Arrangements

In connection with the Avis Europe Acquisition:

- In June 2011, Avis Budget Group entered into a Senior Unsecured Interim Loan Agreement and AE Consolidation Limited entered into a Senior Secured Interim Loan Agreement (together, the "Interim Loan Agreements"). The Senior Secured Interim Loan Agreement provides for a commitment of up to €694 million and initially bears interest at EURIBOR, which shall not be less than 1.50%, plus a margin of 700 basis points, for a rate of 8.50%. The Senior Unsecured Interim Loan Agreement provides for a commitment of up to $400 million and initially bears interest at an interest rate of, at our election, either the Eurodollar rate, which shall not be less than 1.50%, plus a margin of 900 basis points, or the alternate base rate plus a margin of 800 basis points. The availability of the loans under the Interim Loan Agreements is subject to, and contingent upon, the completion of the Avis Europe Acquisition and may be used to fund the Avis Europe Acquisition, refinance existing indebtedness of Avis Europe or to pay related acquisition costs. We expect to replace the Interim Loan Agreements with a new senior secured interim loan agreement (the "New Interim Loan Agreement") to be entered into by ABCR, which is expected to provide for a commitment of $1 billion on terms that are similar to the Senior Credit Agreement (as defined below) with no financial covenants and with a second priority lien on the collateral securing the Senior Credit Agreement. We expect that the proceeds of $250 million of senior notes, plus the planned, but not yet completed, borrowing of approximately $420 million pursuant to new term loans, as more fully described below, will be sufficient to replace the need for borrowing under the Interim Loan Agreements or the New Interim Loan Agreement and, as such, do not expect to borrow under the Interim Loan Agreements or the New Interim Loan Agreement.
- On September 8, 2011, we entered into an incremental facilities agreement (the "Incremental Facilities Agreement"), which provides for amendments to our Amended and Restated Credit Agreement dated as of May 3, 2011 with JPMorgan as administrative agent and the other lenders parties thereto (as amended, the "Senior Credit Agreement") to expand the available capacity under our revolving credit facility to $1.4 billion and to make available to us a $20 million tranche A incremental loan (the "Term Loan A"), which will mature on the maturity date of our revolving credit facility. The availability of the incremental revolver and Term Loan A is subject to, and contingent upon, the consummation of the Avis Europe Acquisition and the Term Loan A borrowings may be used solely in connection with the Avis Europe Acquisition. We expect to enter into an additional incremental facilities agreement, which is expected to provide for amendments to our Senior Credit Agreement to make available a $420 million tranche B incremental loan (the "Term Loan B", and together with the Term Loan A, the "Term Loans").
- We also expect (a) to assume Avis Europe's existing vehicle finance leases of approximately $440 million as of June 30, 2011 (the "Vehicle Finance Leases") and approximately $50 million as of June 30, 2011 of existing Avis Europe corporate indebtedness (together with the Vehicle Finance Leases, the "Assumed Debt"), (b) to enter into a financing arrangement secured by certain of Avis Europe's vehicle assets prior to the consummation of the Avis Europe Acquisition and (c) to borrow an additional $140 million under certain of our existing fleet debt financing arrangements (the "Incremental Fleet Borrowings"). We intend to explore potential securitization financings for the Avis Europe fleet to optimize our cost of capital.

The Interim Loan Agreements, the Incremental Facilities Agreement, the Assumed Debt, the Incremental Fleet Borrowings and the repayment of certain existing Avis Europe indebtedness are collectively referred to herein as the "other related financing transactions." For additional details on the Avis Europe Acquisition, the Interim Loan Agreements and the Incremental Facilities Agreement, including the Term Loan A, see Avis Budget Group's Current Reports on Form 8-K filed with the SEC on June 17, 2011 and September 12, 2011.

Potential Acquisition of Dollar Thrifty

In September 2010, we announced an offer to purchase Dollar Thrifty for a combination of $45.79 in cash (which would include the proceeds of a pre-closing special dividend to be paid by Dollar Thrifty) and 0.6543 shares of our common stock per Dollar Thrifty share, or approximately $1.5 billion in aggregate (based on the price of our common stock at the close of trading on the New York Stock Exchange on October 6, 2010). We and Dollar Thrifty agreed to cooperate with respect to our efforts to pursue antitrust clearance. Since our September 2010 offer, Hertz Global Holdings, Inc. ("Hertz") launched an exchange offer to purchase Dollar Thrifty for a combination of cash and stock for $72.00 per share (based on Hertz's closing stock price on May 6, 2011), consisting of $57.60 in cash and 0.8546 shares of Hertz. On August 21, 2011, Dollar Thrifty sent a letter to us and Hertz advising us of its intent to solicit best and final definitive proposals regarding a potential business combination with Dollar Thrifty. On September 7, 2011, Dollar Thrifty distributed a letter to us and Hertz specifying the timing and procedures for submitting final written offers for an acquisition of Dollar Thrifty by October 10, 2011. We have made significant progress toward obtaining U.S. regulatory clearance for the acquisition of DTG, and we believe that such regulatory clearance could be obtained. Nonetheless, we have decided not to pursue a transaction at this time in light of current market conditions.

* * *

The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

As used herein and in Exhibit 99.1, capitalized terms have the meanings set forth herein and in Exhibit 99.1, and the defined terms "Avis Budget Group" shall mean Avis Budget Group, Inc., "ABCR" shall mean Avis Budget Car Rental, LLC, a subsidiary of Avis Budget Group, Inc., "AE Consolidation" shall mean AE Consolidation Limited, a subsidiary of Avis Budget Car Rental, LLC, "Avis Europe Acquisition" shall mean ABCR's proposed acquisition of Avis Europe plc, and "Dollar Thrifty" and "DTG" shall mean Dollar Thrifty Automotive Group, Inc.

Certain statements in this Current Report on Form 8-K constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "projects", "estimates", "plans", "may increase", "forecast" and similar expressions or future or conditional verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical facts. Any statements that refer to expectations or other characterizations of future events, circumstances or results, including all statements related to future results, future fleet costs, our agreement to acquire Avis Europe and the financing thereof, our intentions related to a potential acquisition of Dollar Thrifty, and cost-saving initiatives are forward-looking statements.

Various risks that could cause future results to differ from those expressed by the forward-looking statements included in this Current Report on Form 8-K include, but are not limited to, our ability to consummate the acquisition of Avis Europe and the ability and timing to obtain regulatory approvals and financing (and any conditions thereto), the Company's ability to promptly and effectively integrate the businesses of Avis Europe and Avis Budget, any other potential acquisitions, a weaker-than-anticipated economic environment, the high level of competition in the vehicle rental industry, greater-than-expected costs for new vehicles, disruption in the supply of new vehicles, disposition of vehicles not covered by manufacturer repurchase programs, the financial condition of the manufacturers of our cars, lower-than-anticipated airline passenger traffic, an occurrence or threat of terrorism, a significant increase in interest rates or *borrowing costs, our ability to obtain financing for our operations, including the funding of our vehicle fleet via the asset-backed securities market and the financial condition of financial-guaranty firms that have insured a portion of our outstanding vehicle-backed debt, higher-than-expected fuel costs, fluctuations related to the mark-to-market of derivatives which hedge our exposure to exchange rates, interest rates and fuel costs, the Company's ability to meet or amend financial covenants associated with its borrowings, litigation, and the Company's ability to accurately estimate its future results and implement its strategy for cost savings and growth. Other unknown or unpredictable factors also could have material adverse effects on Avis Budget Group's performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this Current Report on Form 8-K may not occur. 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, as of the date of this Current Report on Form 8-K. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in Avis Budget Group's Annual Report on Form 10-K for the year ended December 31, 2010, included under headings such as "Forward-Looking Statements", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in other filings and furnishings made by the Company with the SEC from time to time. Except for the Company's ongoing obligations to disclose material information under the federal securities laws, the Company undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law.*

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed as part of this report:

Exhibit No.	Description
99.1	Pro forma information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

AVIS BUDGET GROUP, INC.

By:	/s/ David B. Wyshner
Name:	David B. Wyshner
Title:	Executive Vice President and Chief Financial Officer

Date: September 14, 2011

AVIS BUDGET GROUP, INC.
CURRENT REPORT ON FORM 8-K
Report Dated September 14, 2011 (September 14, 2011)

EXHIBIT INDEX

Exhibit No.	Description
99.1	Pro forma information

Exhibit 99.1

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA

The following table presents our summary historical and pro forma financial data and certain other statistical data. The consolidated statement of income data for each of the years in the three-year period ended December 31, 2010 and the consolidated balance sheet data as of December 31, 2010, 2009 and 2008 have been derived from our audited consolidated financial statements. The consolidated statement of income data for the six months ended June 30, 2011 and 2010 and the consolidated balance sheet data as of June 30, 2011 have been derived from our interim unaudited consolidated financial statements. The unaudited pro forma consolidated financial statement of operations data for the twelve month period ended June 30, 2011, which gives effect to the Avis Europe Acquisition, $250 million of senior notes (the "senior notes") and the other related financing transactions (see "New and/or Increased Financing Agreements") as if they had occurred on July 1, 2010, and the pro forma consolidated balance sheet as of June 30, 2011, which gives effect to the Avis Europe Acquisition, the senior notes and the other related financing transactions as if they had occurred on June 30, 2011, have been derived from our historical audited and unaudited consolidated financial statements and the audited and unaudited consolidated financial statements of Avis Europe. This pro forma information does not purport to represent what our results of operations or financial position would have been if the Avis Europe Acquisition, the senior notes and the other related financing transactions had occurred as of the dates indicated or what those results will be for future periods and does not include any synergies associated with the acquisition and integration of Avis Europe. Operating results for the six months ended June 30, 2011 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2011.

The unaudited consolidated statement of income data for the last twelve months ("LTM") ended June 30, 2011 has been derived by adding the unaudited consolidated statement of income for the six months ended June 30, 2011 and the audited consolidated statement of income data for the year ended December 31, 2010, then subtracting the unaudited consolidated statement of income for the six months ended June 30, 2010. The operating statistics for the last twelve months ended June 30, 2011 have been calculated based on actual rental days, actual average fleet size and actual time and mileage per rental day during the period.

The historical consolidated financial data and other statistical data presented below should be read in conjunction with our consolidated financial statements and the related notes thereto and the sections entitled “Management’s discussion and analysis of financial condition and results of operations” set forth in each of the 2010 10-K and the 2011 Second Quarter 10-Q, each of which are incorporated by reference into this offering memorandum. Our consolidated financial information may not be indicative of our future performance.

	Pro forma LTM ended June 30, 2011	LTM ended June 30, 2011	Six months ended June 30, 2011	Six months ended June 30, 2010	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008
	(in millions)						
Statement of income data:							
Vehicle rental	$ 5,453	$ 4,007	$1,952	$1,827	$3,882	$3,906	$ 4,564
Other	1,596	1,378	694	619	1,303	1,225	1,420
Net revenues	7,049	5,385	2,646	2,446	5,185	5,131	5,984
Expenses							
Operating	3,107	2,748	1,383	1,251	2,616	2,636	3,147
Vehicle depreciation and lease charges, net	1,633	1,186	535	636	1,287	1,425	1,697
Selling, general and administrative charges	1,288	617	322	274	569	551	655
Vehicle interest, net	303	286	132	150	304	294	321
Non-vehicle depreciation and amortization	123	88	44	46	90	96	88
Interest expense related to corporate debt, net:							
Interest expense	245	183	94	81	170	153	129
Early extinguishment of debt	12	12	—	40	52	—	—
Transaction-related costs	16	48	36	2	14	—	—
Restructuring	8	8	—	3	11	20	28
Impairment	—	—	—	—	—	33	1,262
Total expenses	6,735	5,176	2,546	2,483	5,113	5,208	7,327
Income (loss) before income taxes	314	209	100	(37)	72	(77)	(1,343)
Provision for (benefit from) income taxes	122	84	41	(25)	18	(30)	(219)
Net income (loss)	$ 192	$ 125	$ 59	$ (12)	$ 54	$ (47)	$(1,124)

	Pro forma as of June 30, 2011	As of June 30, 2011	As of December 31, 2010	As of December 31, 2009	As of December 31, 2008
	(in millions)				
Balance sheet data:					
Cash and cash equivalents	$ 275	$ 645	$ 911	$ 482	$ 258
Restricted cash	11	406	10	10	10
Vehicles, net	10,234	8,185	6,422	5,967	7,164
Vehicle-backed debt	6,864	6,287	4,515	4,374	6,034
Total corporate debt	3,238	2,498	2,502	2,131	1,789
Total debt	$10,102	$8,785	$7,017	$6,505	$7,823
Total stockholder’s equity	332	532	410	222	93
Net corporate debt(a)	2,963	1,458	1,591	1,649	1,531

	Pro forma LTM ended June 30, 2011	LTM ended June 30, 2011	Six months ended June 30, 2011	Six months ended June 30, 2010	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008
Other financial data (in millions):							
Adjusted EBITDA, excluding certain items(b)	$ 718	$ 548	$ 274	$ 136	$ 410	$ 243	$ 169
Gross EBITDA(c)	2,654	2,020	941	922	2,001	1,962	2,187
Capital expenditures	79	55	17	23	61	39	83
Operating statistics(d):							
Domestic car rental							
Rental days (000s)	73,780	73,780	37,162	34,540	71,158	72,811	92,291
Average fleet size	279,091	279,091	286,753	263,615	267,522	270,223	338,093
Time and mileage revenue per rental day	$ 41.15	$ 41.15	$ 39.94	$ 40.96	$ 41.70	$ 42.22	$ 39.41
International car rental							
Rental days (000s)	41,245	13,393	6,348	5,963	13,008	13,021	14,346
Average fleet size	156,219	52,523	51,348	48,317	51,008	51,109	56,726
Time and mileage revenue per rental day	$ 42.46	$ 49.88	$ 51.10	$ 46.53	$ 47.75	$ 42.36	$ 43.40
Truck rental							
Rental days (000s)	4,256	4,256	2,033	1,799	4,022	3,840	4,129
Average fleet size	26,128	26,128	25,981	26,970	26,623	28,988	29,744
Time and mileage revenue per rental day	$ 71.06	$ 71.06	$ 70.50	$ 74.89	$ 73.06	$ 73.08	$ 73.66

(a) We define net corporate debt as total corporate debt less cash and cash equivalents and $395 million of restricted cash in escrow for the Avis Europe Acquisition at June 30, 2011. Avis Budget Group primarily finances its vehicle rental fleet through asset-backed borrowings, while historically a portion of Avis Europe’s vehicle rental fleet has been financed through non-collateralized indebtedness, which accordingly is treated as corporate debt.

(b) Adjusted EBITDA is presented excluding certain items, which for 2010 excludes the early extinguishment of debt, restructuring and an adverse litigation judgment related to the acquisition of our Budget vehicle rental business in 2002. We define Adjusted EBITDA as income from continuing operations before non-vehicle related depreciation and amortization, any impairment charge, transaction-related costs, non-vehicle related interest and income taxes. Adjusted EBITDA should not be considered in isolation or as a substitute for net income 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. A reconciliation of Adjusted EBITDA, excluding certain items to net income, is set forth below:

	Pro forma LTM ended June 30, 2011	LTM ended June 30, 2011	Six months ended June 30,		Year ended December 31,		
			2011	2010	2010	2009	2008
			(in millions)				
Adjusted EBITDA, excluding certain items	$ 718	$ 548	$274	$136	$410	$243	$ 169
Less certain items:							
Restructuring charges	8	8	—	3	11	20	28
Litigation costs	—	—	—	1	1	18	5
Adjusted EBITDA	710	540	274	132	398	205	136
Less: Non-vehicle related depreciation and amortization	123	88	44	46	90	96	88
Interest expense related to corporate debt, net:							
Interest expense	245	183	94	81	170	153	129
Early extinguishment of debt	12	12	—	40	52	—	—
Transaction-related costs	16	48	36	2	14	—	—
Impairment	—	—	—	—	—	33	1,262
Income (loss) before income taxes	314	209	100	(37)	72	(77)	(1,343)
Less: Provision for (benefit from) income taxes	122	84	41	(25)	18	(30)	(219)
Net income (loss)	$ 192	$ 125	$ 59	$ (12)	$ 54	$ (47)	$(1,124)

(c) Gross EBITDA represents Adjusted EBITDA, excluding certain items, before vehicle depreciation and lease charges, net and vehicle interest, net. A reconciliation of Gross EBITDA to Adjusted EBITDA, excluding certain items is set forth below:

Gross EBITDA	$2,654	$2,020	$941	$922	$2,001	$1,962	$2,187
Less: Vehicle depreciation and lease charges, net	1,633	1,186	535	636	1,287	1,425	1,697
Less: Vehicle interest, net	303	286	132	150	304	294	321
Adjusted EBITDA, excluding certain items	$ 718	$ 548	$274	$136	$ 410	$ 243	$ 169

(d) The car rental operating statistics (rental days and time and mileage revenue per rental day) are all calculated based on the actual usage of the vehicle during a 24-hour period. We believe that this methodology, while conservative, provides our management with the most relevant statistics in order to manage the business. Our calculation may not be comparable to other companies' calculations of similarly titled statistics.

UNAUDITED PRO FORMA CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Basis of presentation

The unaudited pro forma financial information has been compiled from underlying financial statements prepared in accordance with GAAP and IFRS and gives effect to the Avis Europe Acquisition and related transactions.

The following unaudited pro forma condensed consolidated statements of operations for the twelve and six month periods ended December 31, 2010 and June 30, 2011, respectively, give effect to the Avis Europe Acquisition by Avis Budget Group, the senior notes and the other related financing transactions as if they had occurred on January 1, 2010. The following unaudited pro forma condensed consolidated balance sheet information at June 30, 2011 gives effect to the Avis Europe Acquisition by Avis Budget Group, the senior notes and the other related financing transactions as if they had occurred on June 30, 2011. This information has been derived from the audited consolidated financial statements of Avis Budget Group contained in the 2010 10-K and 2011 Second Quarter 10-Q.

The underlying information for Avis Budget Group has been derived from the audited consolidated financial statements of Avis Budget Group contained in the 2010 10-K and from the unaudited condensed consolidated financial statements as of and for the period ended June 30, 2011 contained in the 2011 Second Quarter 10-Q.

The underlying information for Avis Europe has been derived from the audited consolidated financial statements of Avis Europe for the year ended December 31, 2010 and from their unaudited interim financial statements as of and for the six months ended June 30, 2011. This unaudited pro forma financial information is not intended to reflect the financial position and results which would have actually resulted had the Avis Europe Acquisition, the senior notes and the other related financing transactions been effected on the dates indicated and does not include any synergies associated with the acquisition and integration of Avis Europe. Further, the pro forma results of operations are not necessarily indicative of the results of operations that may be obtained in the future.

The Avis Europe Acquisition by Avis Budget Group will be accounted for as a business combination using the acquisition method of accounting. The pro forma information presented, including the allocation of the purchase price, is based on preliminary estimates of the fair values of assets acquired and liabilities assumed, available information as of the date of this offering memorandum and management assumptions, and will be revised as additional information becomes available. The final purchase price allocation is dependent on, among other things, the finalization of the preliminary asset and liability valuations by our independent appraisal firm. The actual adjustments to our consolidated financial statements upon the closing of the Avis Europe Acquisition, the notes offering and the other related financing transactions will depend on a number of factors, including additional information available and the actual balance of our net assets on the closing date of the transactions. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material. Any final adjustments will change the allocation of purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited pro forma condensed consolidated financial information, including a change to goodwill.

The Avis Europe balances have been translated from Euros to US dollars using average exchange rates applicable during the periods presented for the unaudited pro forma consolidated statement of operations and the period end exchange rate for the unaudited pro forma consolidated balance sheet. The pro forma adjustments in this table have been translated from € to $ using historical exchange rates. The average exchange rates applicable during the periods presented for the unaudited pro forma consolidated statements of operations and the period end exchange rate for the unaudited pro forma consolidated balance sheet are:

		$/€1
June 30, 2011	Average Spot Rate	1.4050
June 30, 2011	Period End Rate	1.4502
December 31, 2010	Average Spot Rate	1.3266
December 31, 2010	Period End Rate	1.3384
June 30, 2010	Average Spot Rate	1.3270

Summary of significant accounting policies

The unaudited pro forma financial statements have been compiled in a manner consistent with the accounting policies adopted by Avis Budget Group. These accounting policies differ in certain respects from those of Avis Europe. The adjustments made to align Avis Europe's financial information prepared in accordance with IFRS with Avis Budget Group's GAAP accounting policies are described in the notes.

UNAUDITED PRO FORMA CONSOLIDATED CONDENSED STATEMENTS OF INCOME
For the six months ended June 30, 2011
(in millions of U.S. dollars, except share data and as indicated)

	Avis Budget Group	Avis Europe IFRS (in $)	Pro forma adjustments: Avis Europe U.S. GAAP adjustments and reclassifications	Note	Pro forma adjustments: Other adjustments	Note	Pro forma Avis Budget Group
Revenues							
Vehicle rental	$1,952	$ 686	$ —		$ —		$ 2,638
Other	694	265	(150)	(i)	(7)	(a)	802
Net revenues	2,646	951	(150)		(7)		3,440
Expenses							
Operating	1,383	602	(424)	(i)(ii)	(6)	(a)	1,555
Vehicle depreciation and lease charges, net	535	—	215	(i)(ii)	—		750
Selling, general and administrative	322	302	42	(iii)(ii)	—		666
Vehicle interest, net	132	—	6	(ii)	4	(b)	142
Non-vehicle related depreciation and amortization	44	—	12	(ii)	5	(c)	61
Interest expense related to corporate debt, net	94	31	(6)	(ii)	3	(b)	122
Transaction-related costs	36	—	—		(32)	(e)	4
Other (income) expense	—	(1)	1	(ii)	—		—
Total expenses	2,546	934	(154)		(26)		3,300
Income before income taxes	100	17	4		19		140
Provision for taxes	41	5	—		7	(d)	53
Net income	$ 59	$ 12	$ 4		$ 12		$ 87
Earnings per share							
Basic	$ 0.56						$ 0.83
Diluted	$ 0.49						$ 0.70

UNAUDITED PRO FORMA CONSOLIDATED CONDENSED STATEMENTS OF INCOME
For the six months ended June 30, 2010
(in millions of U.S. dollars, except share data and as indicated)

			Pro forma adjustments				
	Avis Budget Group	Avis Europe IFRS (in $)	Avis Europe U.S. GAAP adjustments and reclassifications	Note	Other adjustments	Note	Pro forma Avis Budget Group
Revenues							
Vehicle rental	$1,827	$ 613	$ —		$ —		$ 2,440
Other	619	308	(207)	(i)	(7)	(a)	713
Net revenues	2,446	921	(207)		(7)		3,153
Expenses							
Operating	1,251	609	(446)	(i) (ii)	(6)	(a)	1,408
Vehicle depreciation and lease charges, net	636	—	193	(i) (ii)	—		829
Selling, general and administrative	274	280	34	(iii) (ii)	—		588
Vehicle interest, net	150	—	5	(ii)	5	(b)	160
Non-vehicle related depreciation and amortization	46	—	12	(ii)	5	(c)	63
Interest expense related to corporate debt, net:							
Interest expense	81	42	(5)	(ii)	(5)	(b)	113
Early extinguishment of debt	40	—	—		—		40
Transaction-related costs	2	—	—		—		2
Restructuring charges	3	—	—		—		3
Other (income) expense	—	—	—		—		—
Total expenses	2,483	931	(207)		(1)		3,206
Loss before income taxes	(37)	(10)	—		(6)		(53)
Benefit from income taxes	25	4	—		3	(d)	32
Net loss	$ (12)	$ (6)	$ —		$ (3)		$ (21)
Earnings (loss) per share							
Basic	$ (0.12)						$ (0.20)
Diluted	$ (0.12)						$ (0.20)

UNAUDITED PRO FORMA CONSOLIDATED CONDENSED STATEMENTS OF INCOME
For the year ended December 31, 2010
(in millions of U.S. dollars, except share data and as indicated)

	Avis Budget Group	Avis Europe IFRS (in $)	Pro forma adjustments: Avis Europe U.S. GAAP adjustments and reclassifications	Note	Pro forma adjustments: Other adjustments	Note	Pro forma Avis Budget Group
Revenues							
Vehicle rental	$3,882	$ 1,373	$ —		$ —		$ 5,255
Other	1,303	646	(427)	(i)	(15)	(a)	1,507
Net revenues	5,185	2,019	(427)		(15)		6,762
Expenses							
Operating	2,616	1,313	(956)	(i)(ii)	(13)	(a)	2,960
Vehicle depreciation and lease charges, net	1,287	—	425	(i)(ii)	—		1,712
Selling, general and administrative	569	566	75	(ii)(iii)	—		1,210
Vehicle interest, net	304	—	10	(ii)	7	(b)	321
Non-vehicle related depreciation and amortization	90	—	24	(ii)	11	(c)	125
Interest expense related to corporate debt, net:							
Interest expense	170	77	(10)	(ii)	(1)	(b)	236
Early extinguishment of debt	52		—		—		52
Transaction-related costs	14	—	—		—		14
Restructuring charges	11	—	—		—		11
Other (income) expense	—	(3)	3	(ii)	—		—
Total expenses	5,113	1,953	(429)		4		6,641
Income before income taxes	72	66	2		(19)		121
Provision for (benefit from) taxes	18	28	—		(9)	(d)	37
Net income	$ 54	$ 38	$ 2		$ (10)		$ 84
Earnings per share							
Basic	$ 0.53						$ 0.82
Diluted	$ 0.49						$ 0.72

UNAUDITED PRO FORMA CONSOLIDATED CONDENSED BALANCE SHEET
As of June 30, 2011
(in millions of U.S. dollars, except share data and as indicated)

	Avis Budget Group	Avis Europe IFRS (in $)	Pro forma adjustments: Avis Europe U.S. GAAP adjustments and reclassifications	Note	Pro forma adjustments: Other adjustments	Note	Pro forma Avis Budget Group
Assets							
Current assets:							
Cash and cash equivalents	$ 645	$ 190	$ —		$ (560)	(f)	$ 275
Restricted cash	406	—	—		(395)	(f)	11
Receivables	417	1,925	(1,472)	(iv) (v) (vi)	(10)	(h)	860
Deferred income taxes	132	—	—		—		132
Other current assets	306	23	117	(iv) (vi)	(6)	(i)	440
Total other current assets	1,906	2,138	(1,355)		(971)		1,718
Property and equipment, net	405	823	(741)	(vi)	—		487
Deferred income taxes	639	55	—		(79)	(j)	615
Goodwill	76	1	—		322	(g)	399
Other intangibles, net	484	13	—		218	(g)	715
Other non-current assets	275	30	10	(v)	(12)	(k)	303
Total assets exclusive of vehicle programs	3,785	3,060	(2,086)		(522)		4,237
Assets under vehicle programs:							
Program cash	76	—	—		—		76
Vehicles, net	8,185	—	2,049	(iv) (vi)	—		10,234
Receivables from vehicle manufacturers and other	79	—	40	(vi)	—		119
Investment in Avis Budget Rental Car Funding (AESOP) LLC—related party	316	—	—		—		316
	8,656	—	2,089		—		10,745
Total assets	$12,441	$ 3,060	$ 3		$ (522)		$ 14,982
Liabilities and stockholders' equity							
Current liabilities:							
Accounts payable and other current liabilities	$ 1,006	$ 1,748	$ (445)	(vi) (vii) (viii)	$ (34)	(l) (h)	$ 2,275
Current portion of long-term debt	6	201	—		(154)	(f)	53
Total current liabilities	1,012	1,949	(445)		(188)		2,328
Long-term debt	2,492	470	3	(v)	220	(m)	3,185
Other non-current liabilities	530	206	—		(51)	(n)	685
Total liabilities exclusive of vehicle programs	4,034	2,625	(442)		(19)		6,198
Liabilities under vehicle programs:							
Debt	831	—	437	(vi) (viii)	140	(f)	1,408
Debt due to Avis Budget Rental Car Funding (AESOP) LLC—related party	5,456	—	—		—		5,456
Deferred income taxes	1,430	—	—		—		1,430
Other	158	—	—		—		158
	7,875	—	437		140		8,452
Commitments and contingencies							
Stockholders' equity:							
Preferred stock	—	—	—		—		—
Common stock	1	37	—		(37)		1
Additional paid-in capital	8,500	553	—		(553)		8,500
Accumulated deficit	(2,578)	(117)	8		(92)		(2,779)
Accumulated other comprehensive income	148	(31)	—		31		148
Treasury stock, at cost	(5,539)	(8)	—		8		(5,539)
Noncontrolling interest	—	1	—		—		1
Total stockholders' equity	532	435	8	(vii)	(643)	(o)	332
Total liabilities and stockholders' equity	$12,441	$ 3,060	$ 3		$ (522)		$ 14,982

Notes to Unaudited pro forma condensed consolidated financial statements

I Notes to Avis Europe U.S. GAAP adjustments and reclassifications

(i) Reflects the reclassification for treatment of risk vehicle disposition to present consistently with Avis Budget Group's presentation. Under IFRS, risk vehicles are transferred to inventory once they are no longer being used for rental purposes and are identified as held for sale. Upon sale, Avis Europe includes the proceeds from disposition of risk vehicles in revenues and the related net book value in cost of sales. Any difference between sales proceeds and net book value is then reflected in operating profit. Under GAAP, the Avis Budget Group records the transaction net in depreciation expense with any resulting gain/loss on the sale reflected in depreciation expense.

(ii) Reflects reclassifications that were made to the statement of operations of Avis Europe so that costs within the expense lines are presented consistently with the Avis Budget Group's presentation. Interest expense related to Avis Europe's existing indebtedness is primarily reflected as interest expense related to corporate debt and not vehicle interest generally because such existing indebtedness is not collateralized by assets under vehicle programs.

(iii) Reflects the elimination of employment taxes on long term incentive program compensation from Avis Europe's historical statements of operations to present results in accordance with GAAP.

(iv) Reflects reclassification for treatment of program vehicles to present consistently with Avis Budget Group's presentation. Under IFRS, vehicles subject to manufacturer repurchase agreements are accounted for as operating leases. The difference between the initial payment and the fair value at inception of the final repurchase price (the obligation of the manufacturer) is considered a deferred charge and is classified as prepaid vehicle operating lease charges within trade and other receivables. This deferred charge is recognized within cost of sales on a straight line basis over the relevant vehicle holding period. At inception of the arrangement, a separate repurchase agreement receivable is recognized within trade and other receivables for the fair value of the final repurchase price. Thereafter this repurchase agreement receivable is recognized at amortized cost with the unwinding of the initial fair value discount also recognized within cost of sales, reflecting the substance of the overall arrangement. Under GAAP, Avis Budget Group recognizes program vehicles on its balance sheet in vehicles, net and records depreciation for the difference between cost and repurchase price on a straight line basis over the relevant vehicle holding period.

(v) Reflects reclassifications of unamortized debt issuance costs from long-term debt and receivables to other non-current assets.

(vi) The following reclassifications were made to the balance sheet of Avis Europe at June 30, 2011 so that items below are presented in conformity with Avis Budget Group's presentation:

Vehicles, net	$ 741
Property plant equipment, net	(741)
Other prepayments (included in Receivables)	(119)
Other current assets	119
Accounts payable and other current liabilities	(437)
Debt under vehicle programs	437
Receivables	(40)
Receivables from vehicle manufacturers and other	40

(vii) Reflects reversal of accrued liability for employment taxes on long term incentive plan compensation.

(viii) Reflects a reclassification of finance lease obligation from other current liabilities to liabilities under vehicle programs.

II Notes to other adjustments:

(a) Reflects the elimination of transactions between Avis Budget Group and Avis Europe.

(b) Reflects adjustments to vehicle interest, net and interest expense related to corporate debt, net for (i) the senior notes and the other related financing transactions, (ii) amortization of capitalized debt issuance costs, (iii) Avis Europe's historical interest expense on debt to be repaid in connection with the Avis Europe Acquisition and (iv) the elimination of transactions between Avis Budget Group and Avis Europe. The interest rate of the senior notes has not currently been determined. For every 1/8 percent change in the assumed interest rate, there would be a related $0.3 million change in interest expense.

(c) Reflects incremental amortization expense resulting from the preliminary fair value adjustments and revised useful lives, ranging from 6-25 years, assigned to intangible assets. Any changes to the purchase price allocation to intangible assets will result in changes to amortization expense after the consummation of the Avis Europe Acquisition.

(d) Reflects the pro forma income tax expense (benefit) applicable to the pro forma adjustments based on the respective jurisdictions to which the pro forma adjustments pertain and the associated applicable statutory tax rates.

(e) Reflects removal of transaction-related costs related to the Avis Europe Acquisition as if the Avis Europe Acquisition had occurred on January 1, 2010.

(f) Reflects the estimated sources and use of cash in the Avis Europe Acquisition, the senior notes and other financing transactions assuming they had occurred on June 30, 2011:

Sources:	
Term loan due 2016	$ 20
Interim Loan Agreements	420
Senior notes	250
Liabilities under vehicle programs—Debt	140
Total sources of funds	830
Uses:	
Avis Europe equity consideration	1,010
Repayment of Avis Europe existing indebtedness	631
Debt breakage fees	50
Estimated transaction fees and expenses(i)	94
Total uses of funds	1,785
Cash payment out of Avis Budget Group's cash and restricted cash balances	$ 955

(i) Excludes $14 million of estimated transaction fees and expenses which have already been paid.

(g) Reflects the preliminary estimated excess of purchase price over the fair value of assets acquired and liabilities assumed, based on the following allocation of purchase price:

Equity purchase price(i)	$1,010
Adjusted Avis Europe historical equity(ii)	(428)
Initial excess purchase price over equity	582
Purchase accounting adjustments:	
Allocation to other intangibles	(218)
Allocation to unfavorable master franchise agreement	(126)
Allocation to deferred taxes	79
Allocation to unfavorable license agreement liability	5
Goodwill	322

(i) Preliminary purchase price is based on the number of Avis Europe shares outstanding as of June 30, 2011 of 199.8 million multiplied by the offer price of £3.15 per Avis Europe share (or $5.06 per share based on June 30, 2011 exchange rate of 1.6053).

(ii) Adjusted to exclude $10 million of Avis Europe historical debt issuance costs and $5 million of Avis Europe transaction related costs.

(h) Reflects the elimination of license fees receivable and payable between Avis Budget Group and Avis Europe.

(i) Reflects the reduction of Avis Europe derivative assets, included in Other current assets, upon termination.

(j) Represents the estimated impact on deferred income taxes resulting from (i) the preliminary pro forma purchase accounting adjustments to identifiable intangible assets, (ii) finance fees that were charged to expense, and (iii) reduction of deferred income taxes related to license fees between Avis Budget Group and Avis Europe.

The adjustment related to preliminary purchase accounting was calculated by applying the applicable statutory tax rates to the estimated book-tax basis differences arising from the estimated allocation of the preliminary purchase accounting adjustments to various tax jurisdictions. This adjustment is preliminary and subject to finalization of our purchase accounting and analysis on a jurisdictional basis, the analysis of its deferred tax position and valuation allowances at the closing of the Avis Europe Acquisition.

(k) Reflects the net adjustment to other non-current assets as follows (i) the capitalization of estimated financing costs in connection with the indebtedness we will incur in the Avis Europe Acquisition consisting of the new senior secured credit facilities and the senior notes, which will be amortized over the terms of the applicable indebtedness, less (ii) the elimination of Avis Europe's historical unamortized debt issuance costs and (iii) reduction of non-current portion of Avis Europe's derivative asset upon termination.

(l) Reflects the net adjustment to accounts payable and other current liabilities as a result of the Avis Europe Acquisition for repayment of Avis Europe indebtedness, reduction of the current portion of Avis Europe's interest rate swaps liabilities and elimination of receivable/payable for transactions between Avis Budget Group and Avis Europe.

(m) Reflects the repayment of Avis Europe's long-term debt and Avis Budget Group's incremental borrowings.

(n) Reflects (i) the reduction of Avis Europe derivative liability included in other non-current liabilities upon termination, (ii) an increase related to the unfavorable license agreement upon preliminary purchase price allocation and (iii) the elimination of long term portion of deferred consideration on Avis Europe's balance sheet.

(o) Reflects the net adjustment to our equity accounts for transaction costs charged to expense, net of applicable taxes, elimination of Avis Europe's historical equity and the write-off of unfavorable master franchise agreement between Avis Budget Group and Avis Europe.

III One-time expenses:

The pro forma statement of operations data do not reflect the one-time expenses that we will record on or following the closing of the Avis Europe Acquisition. The pro forma financial statements do not reflect any other arrangements that may be entered into at or after closing of the Avis Europe Acquisition. The significant one-time expenses are as follows:

Unfavorable master franchise agreement	$126
Transaction and financing expense	94
Debt breakage fees	50
Unfavorable license agreements	5