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Second Quarter 2014 Earnings Call

August 5, 2014

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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 reconciliation of such measures is contained within this presentation, including in the Glossary section.

Ron Nelson

Chairman and Chief Executive Officer

SECOND QUARTER 2014 HIGHLIGHTS

Increased Pricing and Strategic Initiatives Driving Profitability

- **Revenue grew 10% and earnings per share[(a)] grew 36%**
- **North America pricing <u>and</u> volume growth accelerated**
- **Achieved incremental synergies from acquisitions**
- **Repurchased $75 million of stock**

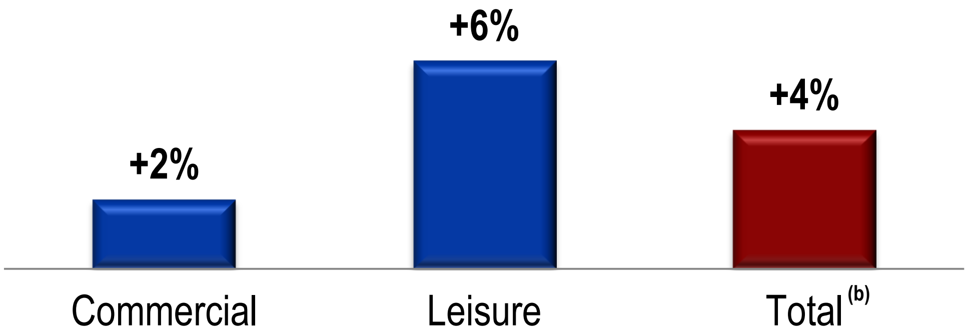
(a) Excluding certain items

NORTH AMERICA – PRICING

First phase of integrated Demand-Fleet-Pricing system now deployed in more than 100 markets, increasing our agility

Strong Pricing Trends

North America Pricing[a]



- **Positive pricing both on- and off- airport and in each brand**
- **Meaningful, positive change in pricing trends over the past six quarters**
- **New yield management system augmenting benefits from our published-pricing, car-class-mix and customer-mix initiatives**

(a) Excluding Payless
(b) Excluding currency effects, pricing increased 5%

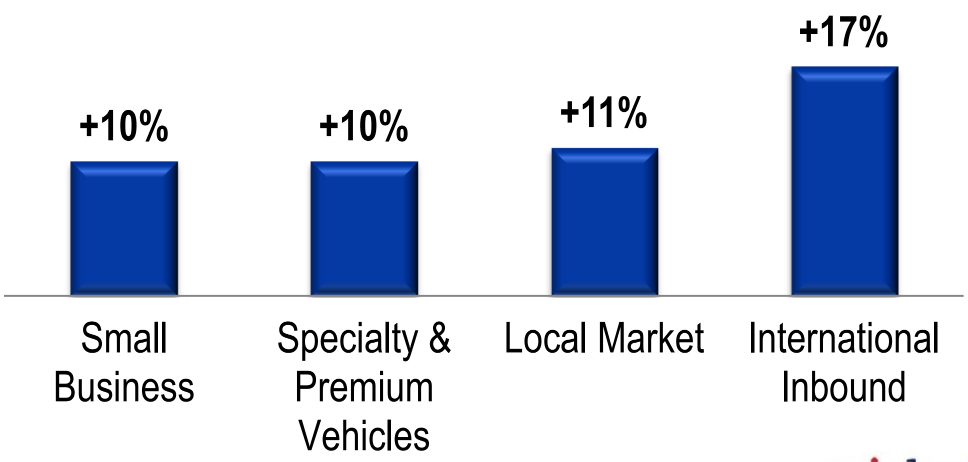
NORTH AMERICA – VOLUME

Proprietary website and direct connect channels' percentage of volume increased almost 300 basis points

Volume Trends Strengthened in the Quarter

- Rental days increased 8%
- Ancillary revenue per day increased 5%
- Local market growth driven by general-use and commercial rentals

Strategic Initiatives Driving Growth[a]



(a) Year-over-year revenue growth, excluding Payless

ZIPCAR

Launched Zipcar in five cities, 18 universities and six airports this year

Taking Steps Today to Capture Future Opportunities

- Delivering incremental synergies
- Moved more than 1,000 vehicles to Zipcar for summer surge
- Zipcar added to AARP partnership
- Zipcar beginning to sign corporate contracts
- Will launch one-way rentals in the coming months
  - Guaranteed parking a competitive advantage

zipcar®
wheels when you want them

INTERNATIONAL

Launched new Avis website in the UK

Launched new Avis TV campaign, “Unlock the World”

Zipcar will expand into Paris in the third quarter

Growing Revenue Amid Mixed Economic Backdrop

- EMEA revenue increased 4%
  - Total revenue per day increased 1%[(a)]
  - Budget revenue grew nearly 30%
  - Ancillary revenue per day increased 13%
  - Record second-quarter utilization
- Latin America / Asia-Pacific revenue increased 5%
  - Positive pricing and ancillary revenue growth
  - Volume softness driven by lower government and corporate demand in Australia
- Adjusted EBITDA up 7% in constant currency

Note: All numbers are in constant currency

(a) Excluding licensee revenues

2014 OUTLOOK – THIRD QUARTER

Nearly 125,000 recalls so far in 2014, compared to approximately 70,000 in all of 2013

Expect to Report Record Third Quarter Results

- **North America**
  - **Postive demand and pricing continuing into the summer**
  - **Pricing in July increased 4%**
  - **Recalls affecting labor costs, utilization and fleet**
- **International**
  - **European recovery remains uneven**
  - **Demand in July was softer than expected but the early August picture is brighter**

2014 OUTLOOK – FULL YEAR

Raising Our Revenue and Earnings Projections

- North America
  - Expect 5-7% volume growth in 2014
  - Full-year pricing projected to increase approximately 2%
- EMEA
  - Expect 3-5% volume growth
  - Plan to drive revenue growth through our Budget brand, ancillary sales and digital investments
- Latin America / Asia-Pacific
  - Expect low-single-digit volume growth
  - Continued economic weakness in Australia
  - Focused on driving inbound and outbound volume and growing Apex

CAPITAL ALLOCATION

Uses of Free Cash Flow

- Share repurchases
  - Repurchased $150 million of stock year-to-date
  - Expect to purchase $225 - $300 million of outstanding shares in 2014
- Tuck-in acquisitions
  - Acquired 11 airport locations from Advantage in June
  - Deal pipeline is modest
  - Unlikely to spend more than $100 million on acquisitions in 2014

David Wyshner

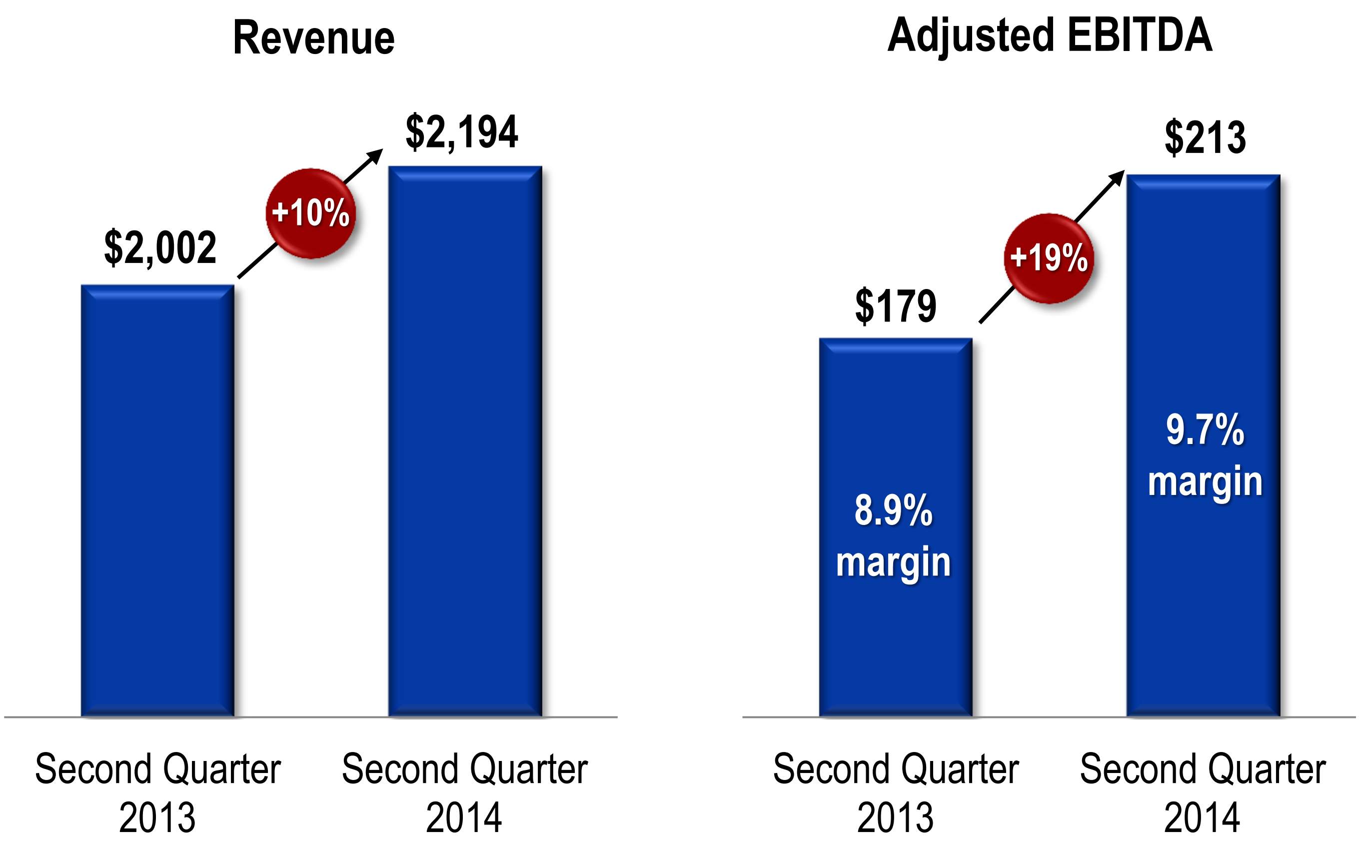
Senior Executive Vice President

and Chief Financial Officer

SECOND QUARTER 2014 RESULTS

Increased Adjusted EBITDA Margin

($ in millions)



Second-highest second-quarter Adjusted EBITDA in our history

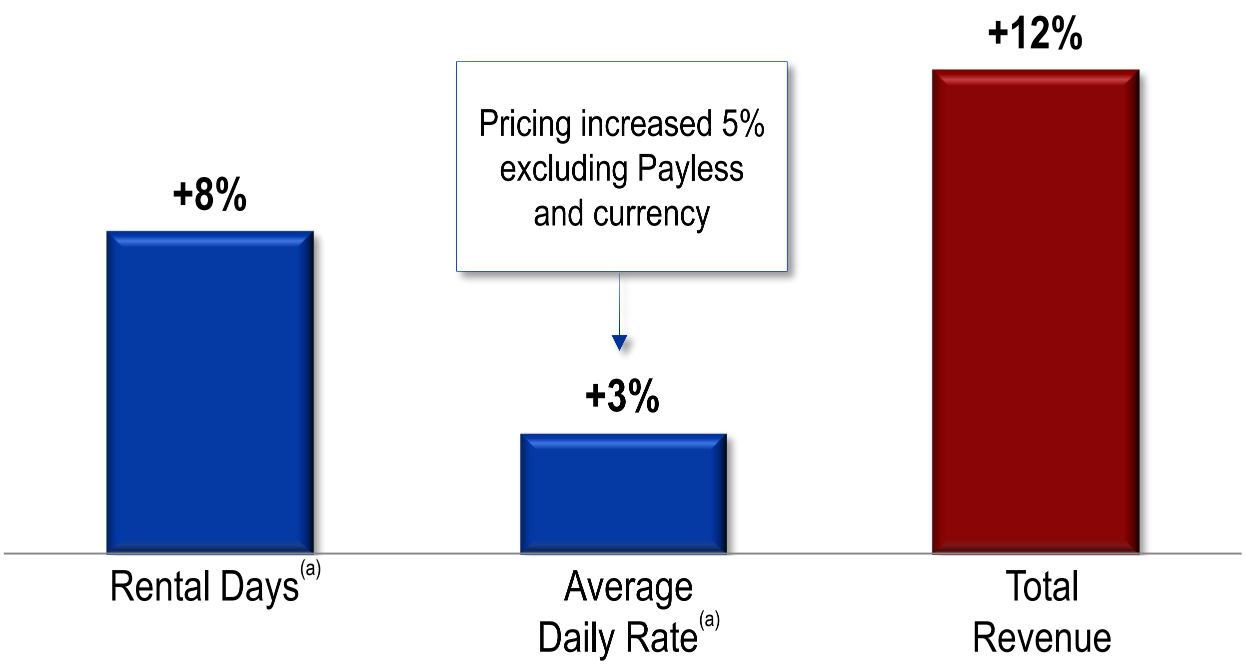
Earnings per share of 68 cents, excluding certain items

SECOND QUARTER 2014 RESULTS – NORTH AMERICA

Ancillary revenue per day increased 5%[b]

Volume and Pricing Increased

(year-over-year change)



(a) Excluding Zipcar
(b) Excluding gas and customer recoveries

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SECOND QUARTER 2014 RESULTS – NORTH AMERICA

Payless contributed $31 million of revenue and $5 million of Adjusted EBITDA

Per-unit fleet costs rose 1%

Volume and Pricing Increased

(year-over-year changes)	Excluding Payless: Rental Days	Excluding Payless: Average Daily Rate	Including Payless: Rental Days	Including Payless: Average Daily Rate
Leisure	+2%	+6%	+8%	+4%
Commercial	+7%	+2%	+7%	+2%
Total	+5%	+4%	+8%	+3%

Adjusted EBITDA Grew 37%

All figures exclude Zipcar and include currency effects; excluding currency effects, average daily rate excluding Payless increased 5%

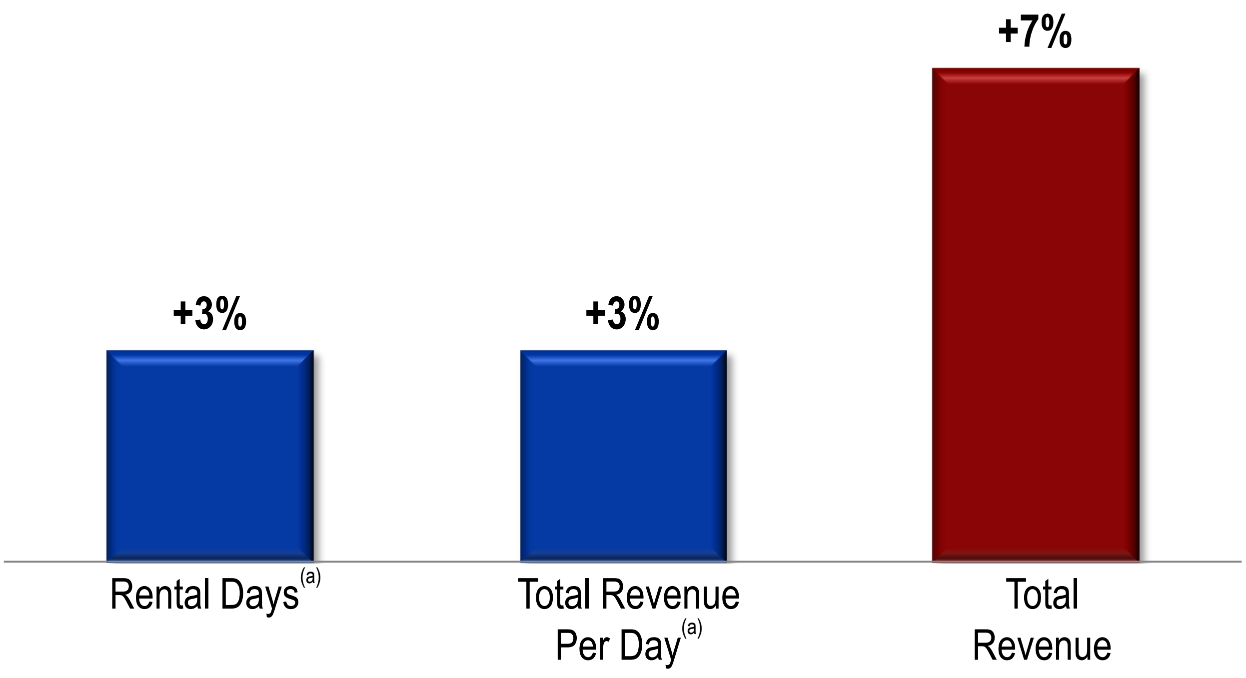
SECOND QUARTER 2014 RESULTS – INTERNATIONAL

Adjusted EBITDA declined slightly, but increased $4 million excluding currency effects

Ancillary revenue per day increased 18%(b)

Revenue Increased due to Higher Volumes and Ancillary Revenue

(year-over-year change)



(a) Excluding currency effects
(b) Excluding gas, customer recoveries and currency effects

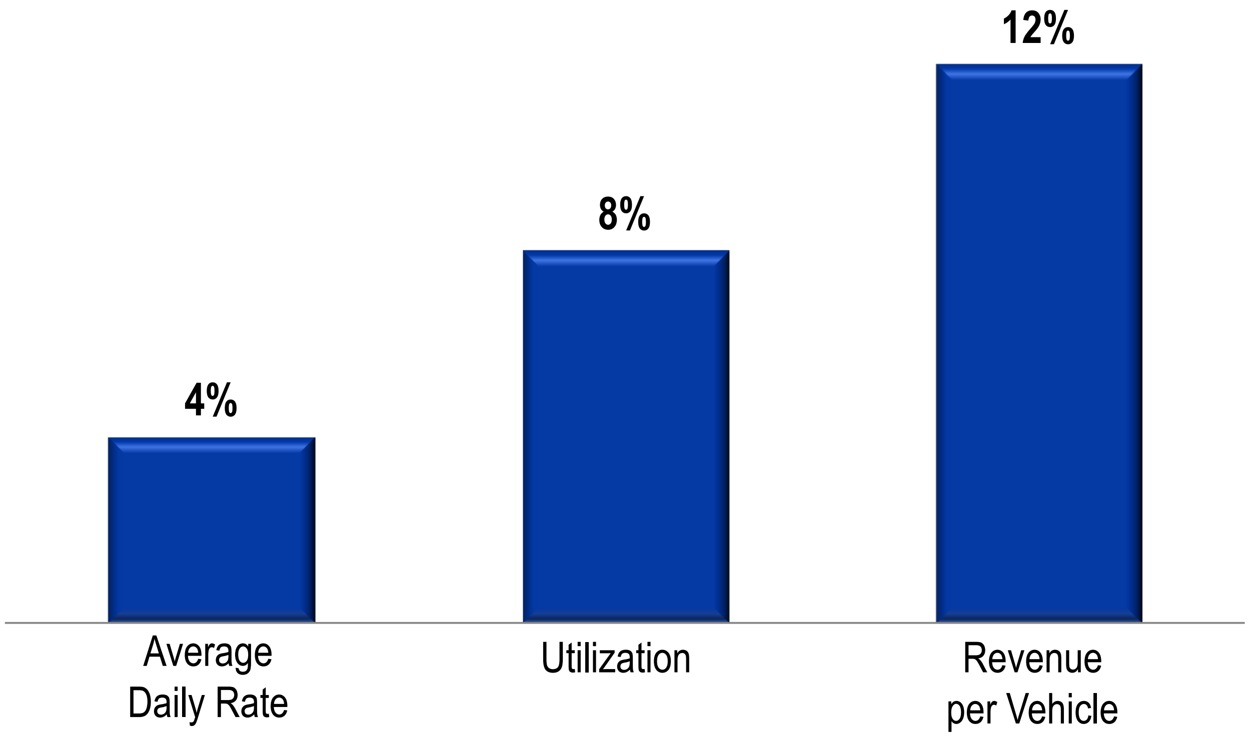
SECOND QUARTER 2014 RESULTS – TRUCK RENTAL

Average fleet is 12% smaller than a year ago

Revenue declined 2% due to lower average fleet

Substantial Pricing and Utilization Improvements

(year-over-year change)

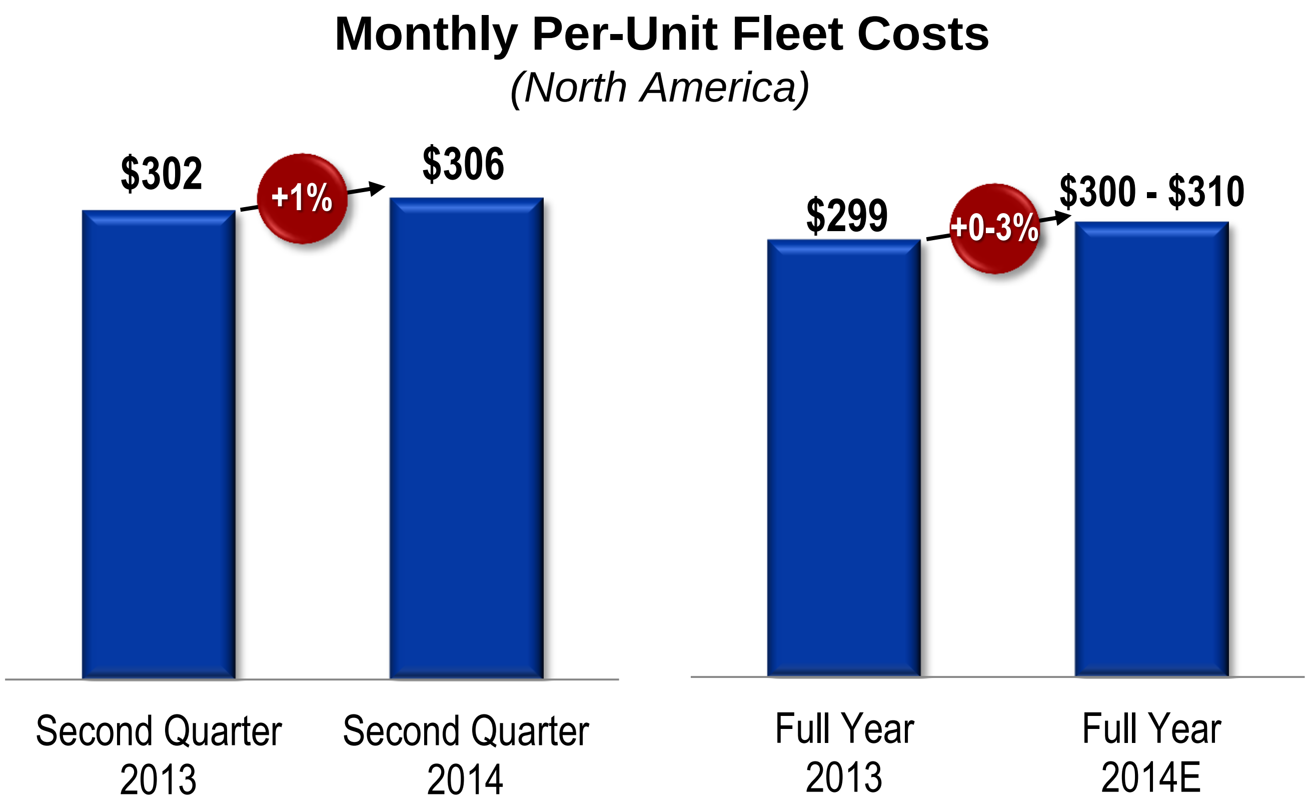


FLEET COSTS

Selling approximately 25% of our risk vehicles through alternative disposition channels

Fleet optimization system driving results

Fleet Costs Have Normalized



Note: Excluding Zipcar

TECHNOLOGY

Projects are enhancing the customer experience and driving efficiency

Largest Investment in Company History

- **Demand-Fleet-Pricing (yield management)**
- **Wizard modernization**
  - **Standardizing systems and adding functionality**
- **Upgrading mobility platforms and websites**
- **Increasing operational capacity**
- **Investing in fleet management systems**

BALANCE SHEET

Quarter-end cash balance of $537 million

Strong Liquidity Position

- $2.4 billion of available liquidity at quarter-end
- Net corporate leverage of 3.4x[(a)]
- Issued $400 million of senior notes with a yield of just over 5%
  - Redeemed remaining 8.25% senior notes
- Debt refinancing remains a cost-saving opportunity
  - $225 million of 9.75% senior notes become callable in 2015

(a) Net corporate debt to Adjusted EBITDA

2014 OUTLOOK

Expect cash taxes of approximately $70 million

Expect capital expenditures of approximately $200 million

Tax rate expected to be approximately 38%

Diluted share count of 111 - 112 million

2014 Estimates Raised

($ in millions, except EPS)	Projection[a]	Growth vs. 2013[b]
Revenue	$8,600 – $8,700	9%
Adjusted EBITDA	860 – 910	15%
Non-vehicle D&A	150	
Interest expense	210	
Pretax income	500 – 550	27%
Net income	$310 – $340	27%
Diluted EPS	$2.75 – $3.05	32%

Expect Free Cash Flow of Approximately $425 Million[c]

(a) Excluding certain items
(b) Based on midpoint of projections
(c) Excluding any significant timing differences

Positioned for Earnings and Margin Growth

- Volume and pricing growth in North America
  - Leisure and commercial rentals both contributing
- Positive International revenue growth despite economic conditions
- Strategic initiatives continuing to generate benefits
  - Ongoing investment in technology
- Repurchased $150 million of stock in first half
  - Expect to repurchase a total of $225 to $300 million of common stock this year

Raising 2014 Expectations to Reflect Strong Pricing Trends

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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. Because of the forward-looking nature of the Company's forecasted non-GAAP Adjusted EBITDA, free cash flow, pretax income and diluted earnings per share, excluding certain items, specific quantifications of the amounts that would be required to reconcile forecasted net income, net cash provided by operating activities, pretax income and diluted earnings per share are not available. The Company believes that there is a degree of volatility with respect to certain of the Company's GAAP measures which preclude the Company from providing accurate forecasted GAAP to non-GAAP reconciliations. Based on the above, the Company believes that providing estimates of the amounts that would be required to reconcile the range of the non-GAAP measures to forecasted GAAP measures would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above.

Adjusted EBITDA

Adjusted EBITDA represents income before non-vehicle related depreciation and amortization, any impairment charge, restructuring expense, early extinguishment of debt costs, transaction-related costs, non-vehicle related interest and income taxes. We believe that Adjusted EBITDA is useful as a supplemental measure 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.

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

	Three Months Ended June 30,	
	2014	**2013**
Adjusted EBITDA	**$ 213**	**$ 179**
Less: Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense)	36	31
Interest expense related to corporate debt, net (excluding early extinguishment of debt)	55	55
Income before income taxes, excluding certain items	**$ 122**	**$ 93**
Less certain items:		
Early extinguishment of debt	56	91
Transaction-related costs	8	19
Restructuring expense	1	15
Acquisition-relation amortization expense	9	6
Income (loss) before income taxes	**$ 48**	**$ (38)**

GLOSSARY

Reconciliation of Net Corporate Debt (in millions):

	June 30, 2014
Corporate debt	**$ 3,388**
Less: Cash and cash equivalents	537
Net corporate debt	**$ 2,851**

Reconciliation of Adjusted EBITDA excluding certain items (in millions):

	LTM Ended June 30, 2014
Adjusted EBITDA	**$ 827**
Less: Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense)	139
Interest expense related to corporate debt, net (excluding early extinguishment of debt)	225
Income before income taxes, excluding certain items	**$ 463**
Less certain items:	
Early extinguishment of debt	72
Restructuring expense	44
Transaction-related costs	41
Acquisition-relation amortization expense	28
Impairment	33
Income before income taxes	**$ 245**

Free Cash Flow

Represents Net Cash Provided by Operating Activities adjusted to reflect the cash inflows and outflows relating to capital expenditures and GPS navigational units, the investing and financing activities of our vehicle programs, asset sales, if any, and to exclude debt extinguishment costs and transaction-related costs. We believe that Free Cash Flow is useful to management and investors in measuring the cash generated that is available to be used to repurchase stock, repay debt obligations, pay dividends and invest in future growth through new business development activities or acquisitions. Free Cash Flow should not be construed as a substitute in measuring operating results or liquidity, and our presentation of Free Cash Flow may not be comparable to similarly-titled measures used by other companies.