

View from Wall Street

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Car Rental Show

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Why Investors are Attracted to Sector

- Operators are functioning as car rental companies – nothing more nothing less
- An industry that is not going away
- A travel related sector with flexible inventory
- Investors appreciate the leap the industry has made in terms of yield
- Used car market trends should remain a tail-wind
- A move to risk cars and higher equity financing requirements should cause more discipline

Top 5 Investor Questions

- Will pricing be positive this summer?
- How will the return of lease vehicles to the market impact residual values?
- Are incentives coming back into the new car market?
- Will Hertz really achieve significant cost synergies associated with Dollar Thrifty?
- Was Zipcar a smart move for Avis Budget?



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Good Things on the Horizon?

- Volumes should be healthy both on corporate and leisure side
- Pricing appears rational in 1Q13
- Used car market holding up
- Business has a lot of operating leverage
- Improved price integrity by brand
- OEMs producing for demand

Why Do We Like Avis Budget?

- Believe the company has been extremely disciplined on rate
- Excited about the brand expansion of the Budget brand across Europe
- Conservatively has managed their fleet mix
- Zipcar brings some uniqueness to the portfolio
- Increasingly disciplined on costs
- Cash flow generation strong
- 2012 Corporate EBITDA of \$840 million – 2015 Corporate EBITDA Goal of \$1 Billion

Why Do We Like Hertz?

- Believe the company has been extremely disciplined on rate
- Dollar Thrifty operating synergies as well as brand expansion abroad
- Improved price integrity of the Hertz brand
- Looking to enhance cost structure with alternative forms of remarketing
- Off-airport momentum has been building
- Donlen fits in well
- Equipment rental business just starting to turn
- Balance sheet improvements



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