

Company Description:		Facility Description				Covenant: Minimum LTM EBITDA						
Avis Budget Group, Inc. provides car and truck rentals, and ancillary services to businesses and consumers in the United States and internationally. The Company supplies rental cars to the premium commercial and leisure segments of the travel industry under the Avis and Budget brand names. Further, it engages in the sale and/or rental of high margin supplemental equipment, loss damage waivers, additional/supplemental liability insurance, personal accident/effects insurance, fuel service options, fuel service charges, and electronic toll collection. Avis Budget Group was formerly known as Cendant Corporation and changed its name to Avis Budget Group, Inc. in August 2006. Avis Budget Group was founded in 1946 and is based in Parsippany, New Jersey. For fiscal 2008, the Avis, Budget and Budget Truck brands accounted for approximately 62%, 32% and 6% of revenues, respectively.												
Industry:		Rental and Leasing Services										
Sponsor / Equity:		Public (CAR). Market Cap: \$580 million										
\$ Out.	Issue	Spread	Maturity	Call Protect.	Corp. Rating*	Facility Rating*	Outlook	Moody's	S&P	Current Price	YTM	YTC-4
\$0.00	\$1.15 billion RCF	L+4.00%	4/30/2011		B2/CCC+			Negative	Developing	72.00		
\$785.0	Term Loan	L+3.75%	4/30/12	N/A		Ba3/B				80.25	L + 12.20%	L + 9.83%

Loans priced as: 7/14/09

Transaction Description

In connection with the separation from Cendant, Avis Budget Car Rental borrowed \$1.875 million in April 2006, which consisted of (i) \$1 billion of unsecured fixed and floating rate notes and (ii) an \$875 million secured floating rate term loan under the senior credit facilities. During December 2008, the facility was amended to change the financial covenants, interest rate spreads and restrictions on certain activities. As of December 31, 2008 the floating rate term loan and floating rate notes bear interest at three month LIBOR plus 375 basis points and three month LIBOR plus 250 basis points, respectively.

Source: Company filings

Financial Summary: Historical

(\$ in millions)	FYE 12/31,			YTD		LTM
	2006	2007	2008	Mar-08	Mar-09	Mar-09
Net Revenue	\$5,689.0	\$5,986.0	\$5,984.0	\$1,445.0	\$1,194.0	\$5,733.0
YOY Growth	5.4%	5.2%	0.0%	NA	-17.4%	NA
Adjusted EBITDA	248.0	414.0	169.0	31.0	-3.0	135.0
EBITDA Margin	4.4%	6.9%	2.8%	2.1%	-0.3%	2.4%
Cash Interest Exp (including vehicle debt interest exp.)	236.0	127.0	129.0	30.0	38.0	137.0
Cash Taxes Paid	275.0	-26.0	15.0	3.8	3.8	15.0
Change in WC - A/R & A/P (source)	564.0	126.0	-80.0	-10.0	-9.0	-79.0
Capital Expenditure	95.0	94.0	83.0	23.0	8.0	68.0
Inc./(Dec) in Free Cash Flow	-922.0	93.0	22.0	-15.8	-43.8	-6.0
Adj. EBITDA / Non Vehicle Interest	1.1x	3.3x	1.3x	1.0x	-0.1x	1.0x
Senior Sec. Debt / Adj. EBITDA	3.4x	1.9x	4.7x			5.8x
Total Debt / Adj. EBITDA	7.4x	4.3x	10.6x			13.2x
Net Total Debt / Adj. EBITDA	6.7x	NM	9.1x			10.7x
Adj. EBITDA - Capex / Interest	0.6x	2.5x	0.7x	0.3x	-0.3x	0.5x

Source: Company financials

Capital Structure: As of March-09 - Non Vehicle Debt

(\$ in millions)	Note:	\$	Leverage	Net Leverage	Market Prices
Cash		\$345.0			
Revolver		0.0			
Floating Rate Term Loan due 2012		785.0			80.25
Total Sr. Secured Debt		785.0	5.8x	3.3x	
Floating Rate Notes due 2014		250.0			61.00
7.625% Notes due 2014		375.0			69.00
7.75% Notes due 2016		375.0			67.00
Other		2.0			
Total Senior Debt		1,787.0	13.2x	10.7x	
Subordinated Debt		0.0			
Total Non Vehicle Debt		\$1,787.0	13.2x	10.7x	

Source: Company financials

Liquidity under Bank Lines: As of March-09

(\$ in millions)	\$
Revolving Credit Facility Size	\$1,150.0
Letter of Credit Facility	228.0
Less: Drawn	0.0
Less: Letters of Credit Outstanding	989.0
Revolver Availability	389.0
Unrestricted Cash	345.0
Total Liquidity	\$734.0

Liquidity under Vehicle Programs: As of March-09

	Total Capacity (a)	Outstanding Borrowings	Available Capacity
Debt due to Avis Budget Funding (b)	\$5,569	\$4,169	\$1,400
Budget Truck Funding (c)	301	301	0
Budget Truck Capital Leases (d)	115	115	0
Other(e)	713	425	288
Total	\$6,698	\$5,010	\$1,688

(a) Capacity is subject to maintaining sufficient assets to collateralize debt

(b) The outstanding debt is collateralized by approx. \$5.5 billion of underlying vehicles and related assets

(c) The outstanding debt is collateralized by approx. \$324 million of underlying vehicles and related assets

(d) These capital leases are collateralized by approx. \$134 million of underlying vehicles

(e) The outstanding debt is collateralized by approx. \$804 million of underlying vehicles and related assets

Note: On May 26, 2009, the Company entered into a \$325 million operating leases financing for adding cars over the following 4 months

Source: Company financials

Maturities

(\$ in millions)	2009	2010	2011	2012	2013	Thereafter
Long-term debt, including current portion	\$ 10.0	9.0	9.0	761.0	-	1,000.0
Debt under vehicle programs	2,263.0	1,389.0	974.0	1,108.0	-	300.0
Debt interest	\$ 430.0	282.0	226.0	120.0	75.0	87.0
Operating leases	401.0	294.0	234.0	196.0	143.0	642.0
Commitments to purchase vehicles	4,561.0	-	-	-	-	-
Tax obligations	-	480.0	-	-	-	-
Other purchase commitments	40.0	-	-	-	-	-
Total	\$7,705.0	\$2,454.0	\$1,443.0	\$2,185.0	\$218.0	\$2,029.0

Source: Company financials

Investment Merits and Risks

Investment Merits

+ Leading business and leisure brands - Avis and Budget are leading brands in the domestic market with significant presence internationally. Avis is recognized as a premium brand servicing the business rental segment while Budget is recognized as a low cost brand primarily servicing the leisure segment. In 2008, Avis generated approximately 60% and 40% of its domestic time and mileage revenue from commercial and leisure customers, respectively and 77% and 23% of domestic revenues from airport rental and off-airport rental locations, respectively.

+ Potential for full recovery on bank debt in a restructuring - With \$785 million of senior secured debt and significant junior capital, bank debt should recover close to par in a restructuring scenario assuming a going concern. Despite a decline in recent earnings and no material improvement projected in the near term, recovery on the bank debt should be close to par given the operating leverage in the business. A moderate uptick in utilization and pricing should allow the Company to generate sufficient cash flow to service its senior secured bank debt assuming the Company is able to access the capital markets for its fleet financing needs. As shown in the recovery section, recovery of par on the term loan is estimated at \$160MM of EBITDA assuming a 5x exit multiple.

+ Global car rental company - The Company has a meaningful presence globally which allows it to offer similar services to its customers both here in the US and international markets. In 2008, 2,900 of the nearly 5,100 locations for Avis were based in international markets. This compares to Budget having 900 locations internationally out of a total 2,750 locations. A global presence allows the Company to retain customers as it is able to offer the same quality of service to its customers travelling overseas.

+ Current economic downturn might lead to reduction in competition - Given the recent economic downturn, further consolidation might take place domestically. An example of this is Hertz acquiring Advantage rent a car out of bankruptcy. Consolidation should lead to higher industry pricing (approximately 90%+ of a given price increase flows to the bottom line) and increased synergies. In addition, if the Company is able to maintain its fleet financing, it could capture market share from the likes of Dollar Thrifty who recently lost access to some of its fleet funding lines.

Risks

- High leverage and default risk - At current earnings and debt levels, the Company is highly levered. The Company has a high probability of defaulting under its credit agreement covenants over the medium term. During December 2008, the Company entered into an amendment which among other things eliminated the leverage covenant for a period of time and instead requires the Company to meet a LTM EBITDA test. Per our estimate, the Company is at risk of not meeting the LTM EBITDA covenant during the September quarter and/or the December quarter. Given the industry, we also believe the Company has fairly tight liquidity specially going into the peak season when fleet needs increase. For example, during 2008, the average monthly fleet size ranged from a low of approximately 269,000 in December to a high of 380,000 in July. At the end of 1Q09, the Company had \$345MM of cash on hand of which, there is probably always a need for \$100MM of cash on the balance sheet. The Company also had \$389MM available on its RCF and recently secured a \$325MM operating lease financing. As shown in the liquidity section, the Company has about \$1.7 billion available to it under its various fleet related funding lines. However, funding lines totaling approximately \$2.75 billion are projected to mature during the later part of 2009. If these lines are not renewed, the Company's aggregate total liquidity would decline to around \$1 billion. Given aggregate total liquidity of just over \$1 billion, the Company might find it hard to ramp up its fleet during the peak season as peak to trough funding needs in our estimate this year could be around \$1 billion at a minimum. Thus given difficulty accessing capital markets at this time, the Company might not be able to increase its fleet to optimal levels in addition to burning through much of its liquidity.

- Fleet financing - Given the tightening liquidity in the global markets, car rental companies have felt the pressure of a lack of capital to finance their fleet purchases. This has led to the companies holding on to their existing fleets longer which leads to among other issues, higher servicing cost as vehicles age and dissatisfaction among customer for having to drive higher mileage cars. A lack of financing also leads to a higher percentage of "at-risk" cars which exposes the companies to fluctuations of prices in the used car markets. If depreciation rates on vehicles increase, this also leads to an increase in fleet financing needs. During 4Q08, the Company extended the maturities of its two asset-backed domestic rental car conduit facilities totaling \$2.45 billion. These facilities are now set to mature from September through December 2009. In addition, the Company has \$300MM and \$1.1 billion of term asset-backed financings for the domestic car rental operations maturing in 2009 and 2010, respectively. The Company's inability to roll into replacement financings or extend maturities on existing lines will lead to significant disruptions in the business and a possible filing.

The Company also faces risk related to financial guaranty firms providing guarantees under the fleet financings. Financial guaranty firms Ambac Assurance Corporation, MBIA Insurance Corporation, Assured Guaranty Corp. and Syncora Guarantee Inc. (formerly XL Capital Assurance Inc.) currently provide financial guaranties for approximately \$1.45 billion, \$725 million, \$250 million and \$125 million, respectively, of the domestic term asset-backed car rental financing. One of these firms Syncora announced on April 27, 2009 that it has suspended payment of all claims. If an insolvency event were to occur with respect to Syncora or any other financial guaranty firm, the financing guaranteed by Syncora or such other financial guaranty firm would be required to be repaid.

- Highly cyclical business - The car rental market is highly cyclical and dependant on enplanements. A decline in economic activity leads to a decline in business travel and subsequently a decline in rental activity. Given the inability of the companies to quickly de-fleet in the face of a downturn, utilization rates can decline rapidly leading to depressed earnings and cash flow. In the initial stages of the decline, pricing is negatively impacted until companies are able to get their fleet size in order and then start stabilizing as utilization rates do the same. Rental companies are also highly dependant on sale of ancillary services such as collision insurance (4% of 2008 revenue for the Company) and navigation systems (\$75MM of revenue in 2008 for the Company). Revenue from the sale of these services are significant contributor to earnings. Thus as rental activity declines so does sale of ancillary services.

- Increasing percentage of "at-risk" vehicles - During fiscal 2008, at-risk vehicle accounted for approximately 42% of the Company's fleet. This compares to approximately 27% of the total fleet in 2007. Having a significant percentage of at-risk cars is favorable if the used car market is exhibiting an upward trend in pricing. However, in a declining trend environment the Company's earnings and cash flow would be materially impacted. Ideally, program cars or cars purchased from OEMs under a repurchase agreement are favored due to the earnings stability offered under this scenario. Under a repurchase agreement, at the time of vehicle purchase, a agreed upon repurchase price is set thus avoiding any exposure to pricing in the used car market. Other issue related to "at-risk" vehicles is that if the Company is holding brands that are going to be discontinued by OEMs (for example: Pontiac brand being discontinued by GM), it is possible that residual values on these brands will decline materially.

- Seasonality - Demand in the rental car market is highly seasonal with the peak quarter being the second and third quarter of the year. Also these two quarters are characterized by peak levels for fleet needs. If there are any adverse events during the seasonally strong quarters that would lead to a decline in travel, the Company's earnings would be materially impacted.

- Truck business is a laggard - The Budget truck rental business has historically been a drag on earnings. This business is highly correlated to the housing market and also faces stiff competition from the likes of "do it for me" competitors and other rental operators such as U-Haul and Ryder. Generally, the truck rental business is characterized by intense price and service competition. In our view, the Budget truck rental business is not competitive.

- Highly dependent on third parties for revenue generation - The Company is highly dependent on third party distribution channels. During 2008, 45% of domestic car rental reservations were generated through third party distribution channels which include online travel agencies, airlines, hotel companies and global distribution systems ("GDS"). GDS systems connect travel agents, travel service providers and corporations to the Company's reservation systems. GDS sourced reservations accounted for 19% of total revenues for the Company during 2008.

- Potential for cannibalization of Avis brand - In response to the current economic downturn and resulting decline in earnings, management is looking at additional ways to reduce costs. One of the strategies involved in reducing cost is to further consolidate customer facing and back office functions. If the consolidation of customer facing function involves those of Avis and Budget whereby a customer is able to rent either a Avis or Budget car from the same location, this could lead to cannibalization of the Avis brand. Given that the Avis brand primarily services the commercial or business segment, and thus demands premium pricing, it will be a matter of time before customers realize that the both brands share the same fleet and generally have the same level of customer service however, the Budget brand is considerably cheaper. This could lead to dilution of the Avis brand which would materially impact the Company's earnings.

Industry Landscape and Trends

The Company participates in the global car rental market believed to exceed \$30 billion in annual revenues. According to Auto Rental News, revenues for the US rental market are believed to be around \$22 billion in 2008. Revenues for the US market grew approximately 1.8% in 2008. Car rentals are typically characterized as "airport rentals" or "off-airport rentals". For the US market, airport rentals account for approximately 50% of industry revenue versus 40% in the European market. For airport locations, the primary driver for revenue is enplanements, which declined approximately 5% in the US market during 2008 and projected to decline in the high single digits during 2009. Some industry groups project international enplanements to decline 3%-4% during 2009.

The off-airport market has been and should be more resilient than the airport rental market. Historically, the off-airport market has shown higher growth rates and is significantly more developed in the European market. Domestically, industry participants have focused more of their growth strategy in the off-airport market. This market is also less cyclical than the airport rental market and provides relative revenue stability.

In recent years, significant consolidation has taken place in the industry. For example, Avis merged with Budget and Enterprise acquired Alamo and National. This consolidation has led to better pricing discipline in the industry as characterized by the increased pricing during the current downturn. Despite a decline in utilization, industry participants have generally been able to increase prices to offset a decline in rental days. Rental companies have also realized significant acquisition related synergies through consolidation of back-office functions and fleets.

During fiscal 2008, Avis Budget had the leading market share in the US airport rental market at 31.5% with Enterprise Alamo National capturing the number two market share at 28.6%. Hertz and Dollar Thrifty had a market share of 26.6% and 11.2%, respectively.

Source: Publicly available information

Recent Highlights

Earnings Discussion – First Quarter

Revenues

Quarterly revenues declined 17.4% year-over-year to \$1.2 billion due the weakness in demand for car rental services, both domestically and internationally. All the operating segments posted negative revenue growth: domestic car rental (-15.5%), international car rental (-28.7%), and truck rental (-10.3%). The domestic car rental division was negatively impacted by a 16% decline in time and mileage (T&M) revenues and a 14% decline in ancillary revenues. Top-line growth was negatively impacted by decline in total rental days. The growth in the international car rental division was impacted by a 31% decrease in car rental T&M revenue and 23% decrease in ancillary revenues. Unfavorable foreign exchange translations, decrease in airport concession and vehicle licensing revenues adversely impacted revenues growth. An 11% decline in truck time and mileage revenues led by lower volumes of commercial rentals attributed to the decline in revenues for truck rental division.

EBITDA

Adjusted operating earnings (which excludes the impact of one-time impairment charge associated with goodwill and other intangibles) was a negative (\$3.0) million as compared to \$31.0 million reported in the corresponding prior year period. EBITDA declined due to higher per unit fleet cost and lower car rental volumes. Management is undertaking various cost reduction initiatives in form of lower salaries, wages and benefits and decreased marketing and commission expenditures to stem margin contraction.

Cash Flow

The company generated \$328.0 million of cash from operating activities in the first quarter of fiscal 2009 compared to \$395 million in the prior-year period. A decline in revenues and overall rental volume in first quarter 2009 attributed to the decline in operating cash flow. This was partially offset by decrease in working capital requirements and lower expenses driven by the company's cost savings initiatives. Capital expenditure amounted to \$8 million versus \$23 million incurred in the prior-year period.

Liquidity

The Company ended the quarter with \$345 million of cash on hand with no outstanding debt under the \$1,150 million RCF (\$765 million letters of credit outstanding) and \$224 million outstanding under the \$228 million letter of credit facility. Total liquidity at quarter end approximated \$734 million.

Source: Company filings

Summary of Terms

Borrower		Avis Budget Car Rental																								
Administrative Agent		JPMorgan Chase Bank																								
Commitment		<table border="1"> <thead> <tr> <th></th> <th>Floating Rate Revolver</th> <th>Floating Rate Term Loan</th> <th>Floating Rate Notes</th> <th>7³/₈% Notes</th> <th>7³/₄% Notes</th> </tr> </thead> <tbody> <tr> <td>Maturity</td> <td>4/30/2011</td> <td>4/30/2012</td> <td>5/30/2014</td> <td>5/30/2014</td> <td>5/30/2016</td> </tr> <tr> <td>Redemption</td> <td></td> <td></td> <td>5/15/2008</td> <td>5/15/2010</td> <td>5/15/2011</td> </tr> <tr> <td>Coupon</td> <td>1 Month L + 400</td> <td>3 Month L + 375</td> <td>3 Month L + 250</td> <td>7.63%</td> <td>7.75%</td> </tr> </tbody> </table>		Floating Rate Revolver	Floating Rate Term Loan	Floating Rate Notes	7 ³ / ₈ % Notes	7 ³ / ₄ % Notes	Maturity	4/30/2011	4/30/2012	5/30/2014	5/30/2014	5/30/2016	Redemption			5/15/2008	5/15/2010	5/15/2011	Coupon	1 Month L + 400	3 Month L + 375	3 Month L + 250	7.63%	7.75%
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Amortization		Quarterly installment payments																								
Security		Pledge on the capital stock of the Company's direct or indirect domestic subsidiaries and up to 66% of the capital stock of each direct foreign subsidiary subject to certain exceptions, and liens on substantially all of the CAR's intellectual property and certain other real and personal property																								
Covenants	Restrictions	Guaranteed by Avis Budget Group the payment of principal, premium, if any, and interest on the principal Minimum trailing twelve month EBITDA on a quarterly basis Incurrence of additional indebtedness by the Company and certain of its subsidiaries, acquisitions, mergers, liquidations, and sale and leaseback transactions Provide guarantees in respect of obligations of other persons Issue redeemable stock and preferred stock Pay dividends or distributions or redeem or repurchase capital stock Prepay, redeem or repurchase debt Make loans, investments and capital expenditures Incur liens Make distributions from our subsidiaries																								
Recent Amendment (12/23/08)		<u>Asset Backed Conduit Financing</u> \$100 million reallocated from the principal conduit facility to the seasonal conduit facility, resulting in a \$1.35 billion principal facility and a \$1.1 billion seasonal facility Principal conduit facility extended for one year from the date of closing Seasonal conduit facility maturity in November 2009 25 %reductions in borrowing capacity in September and October 2009 Borrowing spreads are subject to an increase of (1) 1% for the period of May 31, 2009 (2) an additional 1% for the period of August 31, 2009 through maturity and (3) an additional 1% for the period of September 30, 2009 through maturity <u>Credit Facilities</u> Replaced the leverage and interest coverage ratios with a minimum EBITDA covenant Reduced the revolving credit facility from \$1.5 billion to \$1.15 billion Increases the cost of borrowings and letters of credit by 2.5% <u>Changed definitions of the financial condition covenants</u> (a) Consolidated Leverage Ratio: Permit the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter set forth below (commencing with the fiscal quarter ending June 30, 2010) to exceed the ratio set forth below opposite such fiscal quarter: <table border="1"> <thead> <tr> <th>Fiscal Quarter</th> <th>Consolidated Leverage Ratio</th> </tr> </thead> <tbody> <tr> <td>June 30, 2010</td> <td>5.25 to 1.00</td> </tr> <tr> <td>June 30, 2011 and thereafter</td> <td>4.75 to 1.00</td> </tr> </tbody> </table> (b) Consolidated EBITDA. Permit Consolidated EBITDA as at the last day of any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter set forth below (commencing with the fiscal quarter ending December 31, 2008), to be less than the amount set forth below opposite such fiscal quarter: <table border="1"> <thead> <tr> <th>Fiscal Quarter</th> <th>Consolidated EBITDA (in millions)</th> </tr> </thead> <tbody> <tr> <td>December 31, 2008</td> <td>\$160</td> </tr> <tr> <td>March 31, 2009</td> <td>\$135</td> </tr> <tr> <td>June 30, 2009</td> <td>\$95</td> </tr> <tr> <td>September 30, 2009</td> <td>\$80</td> </tr> <tr> <td>December 31, 2009</td> <td>\$155</td> </tr> <tr> <td>March 31, 2010</td> <td>\$175</td> </tr> </tbody> </table>	Fiscal Quarter	Consolidated Leverage Ratio	June 30, 2010	5.25 to 1.00	June 30, 2011 and thereafter	4.75 to 1.00	Fiscal Quarter	Consolidated EBITDA (in millions)	December 31, 2008	\$160	March 31, 2009	\$135	June 30, 2009	\$95	September 30, 2009	\$80	December 31, 2009	\$155	March 31, 2010	\$175				
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Source: Company filings

Comparative Analysis

	Revenue	LTM EBITDA	Net Corporate Debt	Leverage	Market Cap.	TEV	EV / Revenue	EV / EBITDA
Hertz Corporation	\$8,050.7	\$956.9	\$3,943.8	4.1x	\$3,030.4	\$6,974.2	0.9x	7.3x
Dollar Thrifty Auto. Group	1,663.9	85.2	65.0	0.8x	306.9	371.9	0.2x	4.4x
Ryder Systems	5,863.2	1,327.0	2,755.8	2.1x	1,478.3	4,234.1	0.7x	3.2x
Amerco (U-Haul)	1,992.3	386.3	1,305.9	3.4x	835.0	2,140.9	1.1x	5.5x
Mean							0.7x	5.1x
Median							0.8x	5.0x
Avis Budget Group	\$5,733.0	\$135.0	\$1,442.0	10.7x	\$580.0	\$2,022.0	0.4x	15.0x

LTM data varies - based as of last public filing

Source: MB Research Advisor and publicly available information

Debt Recovery Analysis

Change in EBITDA	Change in EV / EBITDA					
		5.00 x	6.00 x	7.00 x	7.50 x	8.00 x
+80.0%	\$ 243	155%	186%	217%	232%	248%
+60.0%	\$ 216	138%	165%	193%	206%	220%
+40.0%	\$ 189	120%	144%	169%	181%	193%
	\$ 135	86%	103%	120%	129%	138%
(10.0%)	\$ 122	77%	93%	108%	116%	124%
(20.0%)	\$ 108	69%	83%	96%	103%	110%
(30.0%)	\$ 95	60%	72%	84%	90%	96%

Note: \$785.0 Senior secured bank debt as of Mar-09

Avis Budget Group, Inc.

Financial Summary (\$ in mm's)

	FYE			Quarter Ending					LTM
	Dec-06	Dec-07	Dec-08	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Mar-09
Domestic Car Rental	\$4,395.0	\$4,679.0	\$4,695.0	\$1,136.0	\$1,241.0	\$1,319.0	\$999.0	\$960.0	\$4,519.0
International Car Rental	761.0	873.0	904.0	230.0	230.0	265.0	179.0	164.0	838.0
Truck Rental	472.0	416.0	382.0	78.0	105.0	116.0	83.0	70.0	374.0
Corporate and Other	61.0	18.0	3.0	1.0	1.0	1.0	0.0	0.0	2.0
Total Revenue	5,689.0	5,986.0	5,984.0	1,445.0	1,577.0	1,701.0	1,261.0	1,194.0	5,733.0
<i>YOY Growth</i>	<i>+5.4%</i>	<i>+5.2%</i>	<i>(0.0%)</i>	<i>+5.9%</i>	<i>+4.0%</i>	<i>(1.0%)</i>	<i>(9.0%)</i>	<i>(17.4%)</i>	<i>NA</i>
Cost of Sales	4,303.0	4,604.0	4,844.0	1,161.0	1,252.0	1,320.0	1,111.0	995.0	4,678.0
Gross Profit	1,386.0	1,382.0	1,140.0	284.0	325.0	381.0	150.0	199.0	1,055.0
<i>% of Net Revenue</i>	<i>24.4%</i>	<i>23.1%</i>	<i>19.1%</i>	<i>19.7%</i>	<i>20.6%</i>	<i>22.4%</i>	<i>11.9%</i>	<i>16.7%</i>	<i>18.4%</i>
SG&A Expenses (excluding D&A)	818.0	658.0	655.0	167.0	173.0	171.0	144.0	133.0	621.0
<i>% of Net Revenue</i>	<i>14.4%</i>	<i>11.0%</i>	<i>10.9%</i>	<i>11.6%</i>	<i>11.0%</i>	<i>10.1%</i>	<i>11.4%</i>	<i>11.1%</i>	<i>10.8%</i>
Vehicle interest, net	320.0	315.0	321.0	86.0	74.0	74.0	87.0	69.0	304.0
<i>% of Net Revenue</i>	<i>5.6%</i>	<i>5.3%</i>	<i>5.4%</i>	<i>6.0%</i>	<i>4.7%</i>	<i>4.4%</i>	<i>6.9%</i>	<i>5.8%</i>	<i>5.3%</i>
Separation costs, net	261.0	-5.0	0.0	-	1.00	-	(1.00)	-	0.0
<i>% of Net Revenue</i>	<i>4.6%</i>	<i>-0.1%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.0%</i>	<i>-0.1%</i>	<i>0.0%</i>	<i>0.0%</i>
Restructuring charges	10.00	-	28.00	-	-	6.00	22.00	6.00	34.0
<i>% of Net Revenue</i>	<i>0.2%</i>	<i>0.0%</i>	<i>0.5%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.4%</i>	<i>1.7%</i>	<i>0.5%</i>	<i>0.6%</i>
Impairment	-	1,195.00	1,262.00	-	-	1,262.00	-	1.00	1,263.0
<i>% of Net Revenue</i>	<i>0.0%</i>	<i>20.0%</i>	<i>21.1%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>74.2%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>22.0%</i>
EBITDA	-23.0	-781.0	-1,126.0	31.0	77.0	-1,132.0	-102.0	-10.0	-1,167.0
<i>Margin</i>	<i>-0.4%</i>	<i>-13.0%</i>	<i>-18.8%</i>	<i>2.1%</i>	<i>4.9%</i>	<i>-66.5%</i>	<i>-8.1%</i>	<i>-0.8%</i>	<i>-20.4%</i>
One Time Items & Non-cash	271.0	1,195.0	1,295.0	0.0	1.0	1,273.0	21.0	7.0	1,302.0
Adjusted EBITDA	248.0	414.0	169.0	31.0	78.0	141.0	(81.0)	(3.0)	135.0
<i>Margin</i>	<i>4.4%</i>	<i>6.9%</i>	<i>2.8%</i>	<i>2.1%</i>	<i>4.9%</i>	<i>8.3%</i>	<i>-6.4%</i>	<i>-0.3%</i>	<i>2.4%</i>
D&A	105.0	84.0	88.0	19.0	20.0	23.0	26.0	22.0	91.0
Non Vehicle Interest Expense	236.0	127.0	129.0	30.0	32.0	31.0	36.0	38.0	137.0
Cash Flow Analysis									
Adj. EBITDA	\$248.0	\$414.0	\$169.0	\$31.0	\$78.0	\$141.0	-\$81.0	-\$3.0	\$135.0
Interest Expense	236.0	127.0	129.0	30.0	32.0	31.0	36.0	38.0	137.0
Cash Taxes Paid	275.0	-26.0	15.0	3.8	3.8	3.8	3.8	3.8	15.0
Change in WC - A/R & A/P (source)	564.0	126.0	-80.0	-10.0	33.0	147.0	-250.0	-9.0	-79.0
Capital Expenditure	95.0	94.0	83.0	23.0	24.0	18.0	18.0	8.0	68.0
Inc / (Dec) Cash Flow	-922.0	93.0	22.0	-15.8	-14.8	-58.8	111.3	-43.8	-6.0
Capital Structure									
Cash	\$172.0	\$214.0	\$258.0	\$219.0	\$262.0	\$374.0	\$258.0	\$345.0	\$345.0
Non-Vehicle Debt									
Revolver	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Floating Rate Term Loan due 2012	838.0	796.0	787.0	794.0	791.0	789.0	787.0	785.0	785.0
Total Sr. Secured Debt	838.0	796.0	787.0	794.0	791.0	789.0	787.0	785.0	785.0
Floating Rate Notes due 2014	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0
7.625% Notes due 2014	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
7.75% Notes due 2016	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
Other	4.0	2.0	1.0	1.0	2.0	2.0	1.0	2.0	2.0
Total Non-Vehicle Debt	1,842.0	1,798.0	1,788.0	1,795.0	1,793.0	1,791.0	1,788.0	1,787.0	1,787.0
Net Total Non-Vehicle Debt	1,670.0	1,584.0	1,530.0	1,576.0	1,531.0	1,417.0	1,530.0	1,442.0	1,442.0
Vehicle Debt									
Debt due to Avis Budget Rental Car Funding	\$4,511.0	\$4,646.0	\$5,142.0	\$6,161.0	\$6,314.0	\$5,586.0	\$5,142.0	\$4,169.0	\$4,169.0
Budget Truck Funding program	135.0	246.0	316.0	285.0	336.0	335.0	316.0	301.0	301.0
Capital Lease	257.0	204.0	126.0	192.0	179.0	165.0	126.0	115.0	115.0
Other	367.0	500.0	450.0	598.0	671.0	762.0	450.0	425.0	425.0
Adj. EBITDA / Non Vehicle Interest	1.1 x	3.3 x	1.3 x	1.0 x	2.4 x	4.5 x	-2.3 x	-0.1 x	1.0 x
Senior Sec. Debt / Adj. EBITDA	3.4 x	1.9 x	4.7 x	-	-	-	-	-	5.8 x
Total Debt / Adj. EBITDA	7.4 x	4.3 x	10.6 x	-	-	-	-	-	13.2 x
Net Debt / Adj. Total Debt	6.7 x	NM	9.1 x	-	-	-	-	-	10.7 x

Covenant Compliance

**LTM
Mar-09**

On 12/23/08: Replaced the leverage and interest coverage ratios with a min. EBITDA covenant through 3/31/10 and subsequently by a leverage ratio starting 6/30/10

Fiscal Quarter

31/Mar/09

LTM EBITDA (not adjusted to bank defined EBITDA)

Cushion

**Min LTM
EBITDA Req**

\$135.0

\$135.0

0.0

Source: Company filings

Working Capital Analysis

	Dec-06	Dec-07	Dec-08	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09
Cash	\$172.0	\$214.0	\$258.0	\$219.0	\$262.0	\$374.0	\$258.0	\$345.0
CPLTD	29.0	10.0	10.0	10	9	9.0	2013.0	12.0
Accounts Receivable	639.0	668.0	893.0	509	553	873.0	893.0	638.0
Deferred Income Tax	7.0	42.0	75.0	46.0	44.0	49.0	75.0	73.0
Other Current Assets	1,264.0	570.0	380.0	539.0	492.0	439.0	380.0	355.0
Current Assets	\$1,910.0	\$1,280.0	\$1,348.0	\$1,094.0	\$1,089.0	\$1,361.0	\$1,348.0	\$1,066.0
Accounts payable	1855.0	1094.0	901.0	1085	1046	972.0	901.0	877.0
Current Liabilities	\$1,855.0	\$1,094.0	\$901.0	\$1,085.0	\$1,046.0	\$972.0	\$901.0	\$877.0
Working Capital	-591.0	-524.0	-521.0	-546.0	-554.0	-533.0	-521.0	-522.0
Sequential Change (Use)	N/A	-67.0	-3.0	N/A	8.0	-21.0	-12.0	1.0

Source: Company filings

Quarterly Financial Results

(\$ in millions)

	Quarter Ended				FYE	Qtr. End
	3/31/08	6/30/08	9/30/08	12/31/08	12/31/08	3/31/09
Income Statement Data:						
Net revenues	\$1,445.0	\$1,577.0	\$1,701.0	\$1,261.0	\$5,984.0	\$1,194.0
Cost of Sales	1,161.0	1,252.0	1,320.0	\$1,111.0	4,844.0	995.0
Gross Profit	284.0	325.0	381.0	150.0	1,140.0	199.0
Selling, General & Administrative	167.0	173.0	171.0	144.0	655.0	133.0
Vehicle Interest	86.0	74.0	74.0	87.0	321.0	69.0
Depreciation and Amortization	19.0	20.0	23.0	26.0	88.0	22.0
Separation Cost	0.0	1.0	0.0	-1.0	0.0	0.0
Restructuring	0.0	0.0	6.0	22.0	28.0	6.0
Impairment	0.0	0.0	1,262.0	0.0	1,262.0	1.0
EBIT	12.0	57.0	-1,155.0	-128.0	-1,214.0	-32.0
Plus: D&A	19.0	20.0	23.0	26.0	88.0	22.0
Plus: Other Non-Cash Items	0.0	1.0	1,273.0	21.0	1,295.0	7.0
Plus: Non recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	31.0	78.0	141.0	-81.0	169.0	-3.0
Non Vehicle Interest Exp.	30.0	32.0	31.0	36.0	129.0	38.0
Capital Expenditures	23.0	24.0	18.0	18.0	83.0	8.0
Cash Interest (including vehicle interest expense)	117.0	117.0	117.0	117.0	468.0	38.0
FCF (EBITDA-Cash int-Capx)	-109.0	-63.0	6.0	-216.0	-382.0	-49.0
Cash flow from operations	395.0	445.0	578.0	286.0	1,704.0	328.0
% Change in Sales						-17.4%
Gross Profit Margin	19.7%	20.6%	22.4%	11.9%	19.1%	16.7%
SG&A Margin	11.6%	11.0%	10.1%	11.4%	10.9%	11.1%
EBIT Margin	0.8%	3.6%	-67.9%	-10.2%	-20.3%	-2.7%
EBITDA Margin	2.1%	4.9%	8.3%	-6.4%	2.8%	-0.3%
Operating Statistics						
<i>Domestic Car Rental</i>						
Increase (Decrease) in rental days	4%	3%	-3%	-4%	0%	-18%
Increase (Decrease) in T&M revenue per day	-2%	-1%	-1%	0%	-1%	3%
Increase (Decrease) in T&M revenue	3%	1%	-4%	-8%	-2%	-16%
Increase (Decrease) in Ancillary revenue	13%	13%	10%	0%	9%	-14%
<i>International Car Rental (not adj. for FX)</i>						
Increase (Decrease) in rental days	4%	3%	-1%	-2%	1%	-8%
Increase (Decrease) in T&M revenue per day	13%	8%	-3%	-18%	0%	-25%
Increase (Decrease) in T&M revenue	17%	11%	0%	-16%	3%	-31%
Increase (Decrease) in Ancillary revenue	30%	22%	12%	-20%	11%	-23%
<i>Truck Rental</i>						
Increase (Decrease) in rental days	2%	0%	-3%	-11%	-3%	-9%
Increase (Decrease) in T&M revenue per day	-10%	-8%	-8%	-2%	-7%	-3%

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