

# Hertz Acquisition of Dollar Thrifty



## Overview

**November 20, 2012**

# Forward-Looking Statements

This communication contains “forward-looking statements”. Examples of forward-looking statements include information concerning Hertz’s outlook, anticipated revenues and results of operations, as well as any other statement that does not directly relate to any historical or current fact. These forward-looking statements often include words such as “believe,” “expect,” “project,” “anticipate,” “intend,” “plan,” “estimate,” “seek,” “will,” “may,” “would,” “should,” “could,” “forecasts” or similar expressions. These statements are based on certain assumptions that Hertz has made in light of its experience in the industry as well as their perceptions of historical trends, current conditions, expected future developments and other factors that Hertz believes are appropriate in these circumstances. We believe these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and our actual results could differ materially from those expressed in the forward-looking statements due to a variety of important factors, both positive and negative.

Among other items, such factors could include: the risk that expected synergies, operational efficiencies and cost savings from a Dollar Thrifty acquisition may not be fully realized or realized within the expected time frame; the risk that unexpected costs will be incurred in connection with the proposed Dollar Thrifty transaction; the retention of certain key employees of Dollar Thrifty may be difficult; and the operational and profitability impact of divestitures required to be undertaken to secure regulatory approval for an acquisition of Dollar Thrifty. Additional information concerning these and other factors can be found in Hertz’s filings and Dollar Thrifty’s filings with the Securities and Exchange Commission, including Hertz’s and Dollar Thrifty’s most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Hertz therefore cautions you against relying on these forward-looking statements. All forward-looking statements attributable to Hertz or persons acting on their behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and Hertz undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

# Anticipated Operational Impact of Divestitures

- Hertz brand will continue to operate at all airports, where it currently operates today
- Hertz anticipates maintaining all three brands (Hertz, Dollar and Thrifty) on airport at 4 of the 26 impacted airports
- Hertz anticipates that one brand (Dollar or Thrifty) will be displaced at 15 of the impacted airports
- Hertz anticipates that both Dollar & Thrifty brands will be displaced at only 7 airports
- Hertz intends to continue operating any Dollar or Thrifty displaced brand off airport until we are able to bid on a new concession agreement on airport

# FTC Consent Decree Requirements

|  | Brand<br>Divestiture                   | # Locations<br>to be<br>Divested | Assets   | Buyer  | Deadline   | Options  |
|--|--|----------------------------------|--|--|--|--|
| <b>U.S. Advantage<br/>Locations</b>    | YES<br>(Advantage)                     | 56                               | Airport concessions<br>(35), busses, vehicle<br>sublease   | Adreca**   | 12/12/2012   | No Dollar or Thrifty divestitures required   |
| <b>Initial Airport<br/>Locations</b>   | NO                                     | 13                               | Dollar or Thrifty, or<br>joint Dollar/Thrifty<br>concession agreements;<br>MAG* support; busses,<br>vehicle sublease | Adreca   | 2/15/13  | Obtain new concessions for Advantage;<br><br>Subdivide an existing concession<br>agreement to share counter with<br>Advantage;<br><br>Transfer Dollar or Thrifty counter to<br>Advantage, move displaced brand(s) off<br>airport, then re-bid concessions when<br>allowed by FTC |
| <b>Secondary<br/>Airport Locations</b> | NO                                     | 13                               | Dollar or Thrifty, or<br>joint Dollar/Thrifty<br>concession agreement;<br>MAG* support                               | Adreca - 30 day<br>exclusive first look;<br><br>Other acceptable<br>buyer(s) | Hertz will operate<br>locations until divested;<br><br>Hertz has 60 days to<br>market assets;<br><br>Thereafter, FTC-<br>designated Trustee has<br>12 mos. to divest any<br>remaining assets | Obtain new concessions for buyer;<br><br>Subdivide an existing concession<br>agreement to share counter with buyer;<br><br>Transfer Dollar or Thrifty counter to<br>buyer, move displaced brand(s) off<br>airport, then re-bid concessions asap                                  |
| <b>EU Advantage<br/>Locations</b>      | Advantage<br>stores to be<br>rebranded | 0                                | N/A  | N/A  | N/A  | N/A  |
| <b>Hertz Locations</b>                 | NO                                     | 0                                | N/A  | N/A  | N/A  | N/A  |

\*MAG - Airports' Minimum Annual Guarantee Requirement

\*\*Subsidiary of Macquarie Capital, operated by Franchise Services of N.A. Inc.

# Anticipated Financial Impact of Divestitures

- Advantage divestiture of ~\$30 million EBITDA
- Difficult to estimate potential revenue leakage of Initial and Secondary airport location divestitures
- Exact amount depends on remedy at each airport
  - Where we are able to keep all three brands on-airport, there won't be any leakage
  - Where we operate displaced brand(s) off-airport, expect to keep a significant amount of that revenue
    - Will also try to direct some revenue to brand(s) remaining on airport

Temporary loss of EBITDA does not materially impact valuation paid for DTG

## Worldwide By the Numbers...

|                             | <b>Hertz®</b><br>Worldwide Rental Car  | <b>Dollar Thrifty</b><br><i>Automotive Group, Inc.</i> | <b>Combined</b><br><b>WWRAC**</b>               | <b>Total</b><br><b>Hertz+DTG***</b>             |
|-----------------------------|--|--|---|---|
| LTM* Corporate Revenue      | \$7.4B   | \$1.6B<br>(60% Dollar/40% Thrifty)                     | \$8.8B  | \$10.1B   |
| 2011 Franchise Revenue      | \$3.7B   | \$700M   | \$4.4B  | \$4.4B  |
| Avg. Corp. RAC Fleet Units* | 638,400  | 113,800  | 733,000   | 733,000   |
| LTM* Corporate EBITDA       | \$1.1B   | \$327M   | \$1.4B  | \$1.8B  |
| Total Rental Car Locations  | 8,800  | 1,580  | 10,324  | 10,324  |
| Employees                   | 27,200   | 5,900  | 32,500  | 38,300  |
| Markets Served              | Premium Commercial &<br>Leisure, Insurance<br>Replacement, Leasing,<br>Monthly/Hourly car rental | Mid-tier<br>Value Leisure                              | Serving all<br>segments of<br>rental car market | Worldwide rental<br>car and equipment<br>rental |
| U.S. Airport Market Share   | 26%  | 11%  |   |   |



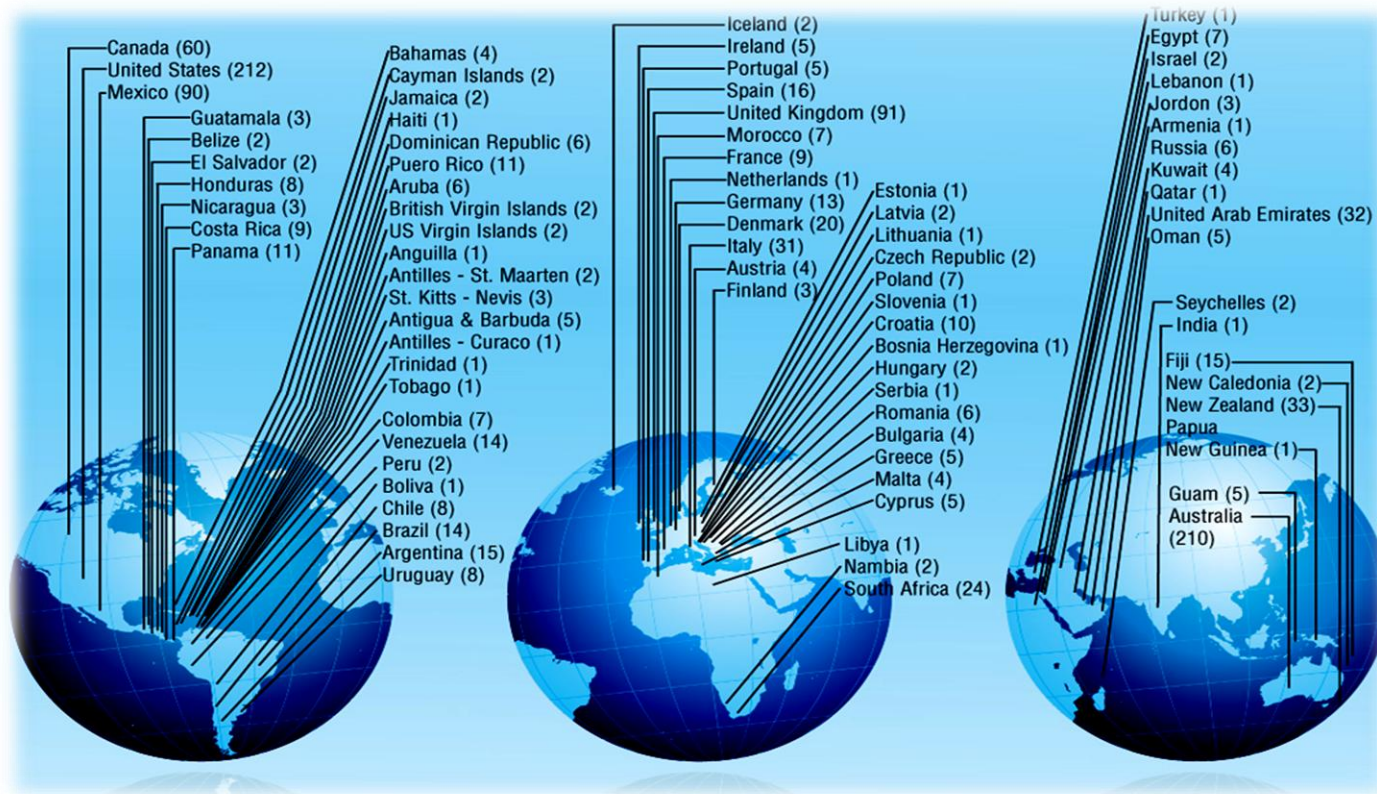
\* LTM 9/30/12

\*\* Calculated as Hertz RAC plus DTG, less Advantage (as reported)

\*\*\* Calculated as HGH (which includes equipment rental) plus DTG, less Advantage (as reported)



## Dollar Thrifty – A Growing International Presence Franchise Locations



- Global service capabilities exist through an ever-expanding international franchise network
- Serves value-conscious travelers in over 80 countries since 1950
- Plan to convert Advantage locations in Europe to Thrifty brand

# Strategic Benefits and Synergies

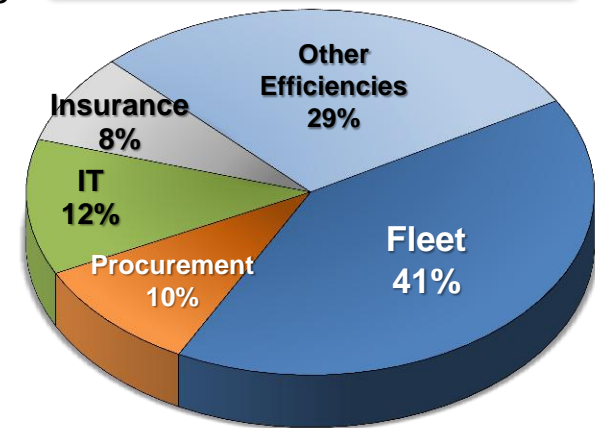
## Strategic Benefits

- Multiple strategic options to address corporate and leisure business
- Instant scale in mid-tier value segment: known brand, airport infrastructure
- U.S. airport leisure business as % of HTZ WW RAC revenue to significantly increase
- Leverage Thrifty's global brand strength by expanding internationally
- Faster and more certain strategy than growing Advantage organically

## Significant Synergy Potential

- At least \$160 mm total annual run-rate cost synergies + sales growth opportunities
  - Higher productivity & efficiency from shared assets
  - Eliminate duplicate functions
  - Economies of scale
  - Integrate Lean/Six Sigma culture
  - Expand value brand in EU
  - Extend travel partnerships

## Identified Cost Synergies



**Expect 100% of Cost Synergies Achieved Over 24 Months**