Avis Europe. A fresh look on our business.

"I am pleased to report that Avis Europe delivered a very strong result for 2009 in what was an extremely difficult economic environment, reflecting a resilient volume performance, good increases in rental revenue per day, a step-change improvement in utilisation and significant cost savings. At the same time the reduction in fleet and strong cash management drove a substantial reduction in net debt of EUR 375 million. Underlying operating margin was ahead by 30 basis points and return on capital employed improved by 140 basis points. These results position Avis Europe strongly for 2010 and beyond."

Pascal Bazin, CEO Avis Europe.

Fleet management: maximising utilisation.

Alexander Loucopoulos, Fleet Director, France.

ALEXANDER LOUCOPOULOS:

"One key area of our strategy for 2009 against this very difficult trading environment was to drive a step-change improvement in utilisation*. We needed to optimise the use of our cars to serve our customers in order to maximise our profitability, reduce our capital employed and drive positive cash flow for the group.

This is what we achieved in 2009 with a gain of some 4% pts in utilisation. The main drivers behind this significant improvement compared with previous years were structural changes to the way we manage the fleet, supported by its overall size reduction. In particular we improved our forecasting and optimisation of fleet levels using our now fully-developed revenue management system. We reviewed our operational processes to reduce "on-rent" downtime – for example repair, maintenance, preparation and defleeting – and extended holding periods in certain markets, which reduced the amount of time taken to bring cars on and off the fleet.

Finally the key success factor was the total alignment and commitment across all the corporate countries in the group to reach our target – from senior management down to the stations."

* The amount of time that a car is "on-rent" and earning rental income.

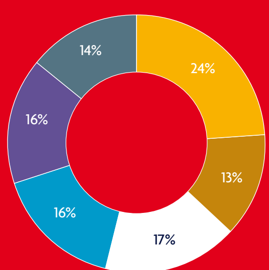
Key figures.

Continued volume resilience: like-for-like[1] reduction in volumes limited to 8.4%, supported by brand leadership, service differentiation and geographic diversification. | Proactive pricing actions improved reported rental revenue per day by 2.4% in the second half and 0.7% for the full year, despite negative impact of mix. | Rental income[2, 3] down 11.6% to EUR 1,159.6 million. | Rigorous cost reduction of EUR 149 million, including step-change improvement in utilisation of 3.9% pts. | Underlying operating margin[4] improved from 8.6% to 8.9%. | Current operating result[3] down 8.3% to EUR 103.4 million. | Current result before tax, group's share,[3] down 7.1% to EUR 20.9 million. | Strong focus on cash management leading to EUR 375 million reduction in year-end net debt versus 2008.

FINANCIAL HIGHLIGHTS *(EUR million)*	**2009**	2008	CHANGE
External sales[2]	**1,392.7**	1,665.7	-16.4%
Current operating result	**103.4**	112.7	-8.3%
Current operating margin[4]	***8.9%***	*8.6%*	–
Current net finance costs	**-68.3**	-75.1	9.1%
Current result before tax	**35.1**	37.6	-6.6%
Current result before tax, group's share	**20.9**	22.5	-7.1%
Unusual items & re-measurements, before tax	**-44.4**	-278.4	–

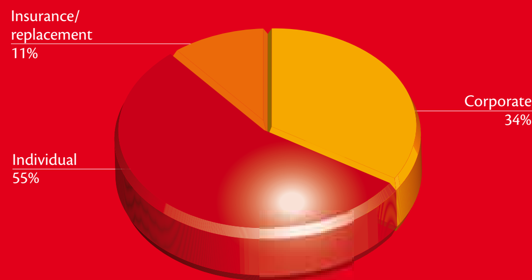
Note: the average shareholding used for consolidation of the result of Avis Europe in 2009 is 59.72% (59.74% in 2008).

GEOGRAPHICAL SALES BREAKDOWN



PERFORMANCE INDICATORS	**CHANGE**
Rentals[1]	-9.7%
Rental length	1.5%
Billed days[1]	-8.4%
Rental revenue per day[5]	0.7%

GEOGRAPHICAL SALES EVOLUTION	**CHANGE[1, 5]**
France	-7%
Spain	-17%
Italy	-9%
Germany	-4%
UK	0%
Other	–



1. Like-for-like measures comprise only those corporately-owned and agency rental stations that were in operation throughout all of the current and comparative year.
2. Restated in 2008 following amendment to IAS 16, external sales now include rental income and the disposal proceeds of non-repurchase vehicles (for further details, see note 2.1 of the Consolidated Financial Statements in this annual report).
3. As reported by D'Ieteren.
4. Underlying operating margin is calculated as underlying operating profit divided by rental income.
5. At constant currency.

Key events 2009.

| 01 | | 02 | LAUNCH OF AVIS FLEX. Avis Flex is a new rental product to satisfy increasing demand for greater flexibility from corporate customers. These customers can now rent a vehicle for more than 30 days.

| 03 | ENTRY INTO VIETNAM. Avis became the first leading global car rental company to operate in Vietnam with the opening of a licensee operation in Hanoi.

GREATER SYNERGIES BETWEEN THE AVIS AND BUDGET BRANDS. | Optimisation of the synergies between the Avis and Budget corporately-owned operations in Switzerland, Austria, France and the UK, including combining rental facilities and sharing fleet and infrastructure.

| 04 | CONCLUSION OF EXCLUSIVE PARTNERSHIP WITH BRITISH AIRWAYS until 2014, under the banner "Be There Sooner".

| 05 | FURTHER EXPANSION IN CHINA. Avis China now operates in 20 cities through 26 rental stations, with plans to increase its presence further in 2010.

| 06 | EXPANSION OF OKIGO. During 2009, OKIGO, Avis' car-sharing initiative undertaken jointly with Vinci Park, extended its offer to new services. It now gathers around 2,500 members.

| 07 | FURTHER SUCCESS OF THE "3-MINUTE PROMISE". This year, approximately 75% of all Avis Preferred rentals within Europe took place at one of the 500 3-minute locations in France, Germany, Spain, the UK, Portugal and Switzerland. The service was also extended to the Czech Republic.

| 08 | | 09 | AWARDS. Avis Europe won a series of prestigious awards across its network, including 'Europe's Leading Business Car Rental Company' at the World Travel Awards and the Travel Trade Gazette's 'Car Hire Company of the Year'.

| 10 | INTRODUCTION OF NON-CANCELLATION FEE. This fee was introduced in July this year to further improve utilisation. Customers are asked to give advance notification of their intent to cancel a reservation, thereby making the car available for another renter, or pay a fee.

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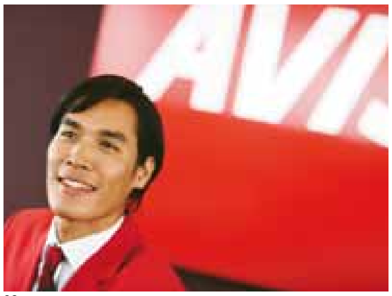

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Resisting adversity.

Current result before tax, group's share: EUR 20.9 million, down 7.1%. **Very strong performance as the strategic positioning and the rigorous execution of the plan for recession mitigated the declining markets.**

The following extracts are taken from the 2009 Annual report by Avis Europe plc.

Activities and results

"Rental income[1] was 11.5% lower at EUR 1,162.4 million, reflecting the global recessionary conditions. Revenue from the corporately-owned business segment was 11.5% lower at EUR 1,119.2 million in reported currency and 10.0% lower on a constant currency basis.

Overall billed days were 10.3% lower and 8.4% lower on a like-for-like[2] basis, excluding the impact of network actions which involved the closing and licensing of over 200 stations. The reduction in billed days primarily reflected a lower number of rentals and was partially offset by an improvement in rental length, which Avis Europe had actively managed through its revenue management function.

Reported rental revenue per day was 0.7% higher at constant currency and 1.0% lower on a reported basis. Excluding the effects of car and customer mix and rental length, pricing was ahead by 2.0%, being 1.0% in the first half and 2.8% in the second half. With a very tight control over fleet capacity, Avis Europe continued to increase prices where practicable throughout the year, achieving particularly good gains during the key summer trading period.

Revenue from Avis Licensee countries was 7.1% lower on a constant currency basis and 10.1% lower on a reported basis with reductions in most regions reflecting the weaker global economic conditions. Budget Licensee revenue was 3.9% lower excluding foreign exchange effects, reflecting restructuring in the German network during the year. Excluding Germany, underlying revenue was ahead by 1.6% as continued growth of the diverse network offset difficult trading conditions. On a reported basis, revenues were 18.9% lower.

Revenues from the corporately-owned operations were EUR 145.3 million lower at EUR 1,119.2 million, reflecting the challenging economic environment. Underlying operating profit was only EUR 5.5 million lower at EUR 68.1 million, as Avis Europe fully flexed the variable elements of its cost base and made a number of structural reductions in fixed costs. It lowered fleet costs by EUR 67.8 million or 14.5% by strategically reducing fleet capacity in anticipation of lower demand, the closure and licensing of certain rental locations, and by driving significant improvements in utilisation through specific operational initiatives. In addition, overall fleet costs benefited from more stable used car markets in 2009, which were supported by scrappage laws particularly in Germany and the UK. Conversely, in the prior year, fleet costs were impacted by particularly weak used car markets in Spain and the UK. Staff costs were EUR 22.1 million or 7.8% lower reflecting: the full year effect of 2008 redundancies; a 5% reduction in group headquarter staff; further restructuring actions particularly in Germany and Spain; and optimisation of synergies between Avis and Budget corporately-owned operations. This was further reinforced by an extended recruitment freeze. Underlying operating margin[3] on continuing operations was 8.9%, being 0.3% pts higher and reflecting the benefits of the significant cost reductions to mitigate lower revenues outlined above.

Underlying net finance costs were 9.1% lower at EUR 68.3 million. As Avis Europe maintains a fixed level of committed liquidity facilities, the benefit of significantly lower average net debt was partially offset by the resulting higher average gross cash deposits being held throughout most of the year. The group continued to be substantially hedged in the short-term, therefore limiting the effect of lower market borrowing rates. The resultant effective underlying finance rate was 7.0% (2008: 6.2%), and before the effect of gross cash balances was 6.7%.

Net exceptional charges before taxation of EUR 29.5 million were incurred in the year. Restructuring costs of EUR 14.0 million were recognised, reflecting the rationalisation of the operations which commenced in the prior year. Actions included headquarter redundancies, the closure of certain low margin rental locations and vacant property provisions following the relocation of the headquarters of the UK business into the group head office. In the prior year, restructuring costs of EUR 27.6 million included EUR 1.9 million incurred in respect of a redundancy programme that commenced in December 2007. During the year, Avis Europe took the decision to combine the corporately-owned operations of Budget with the respective Avis businesses. Restructuring costs of EUR 7.8 million were recognised including redundancies, the rationalisation of certain rental stations to reflect synergies with Avis, and vacant property provisions. During the year, it developed and prepared a structure for a potential securitisation of the fleet. Advisory, legal and other costs were incurred in the development of corporate and operational structures.

Operational review

Avis Europe's strategic positioning and the rigorous execution of its plan for recession mitigated weaker market conditions, enabling it to deliver a very strong performance in 2009. In response to lower volumes in the year, reflecting the global recessionary conditions, Avis Europe took early and substantial actions to protect its profitability, improving pricing, significantly reducing costs and achieving a step-change improvement in utilisation.

Resilient volume performance

The geographic and customer diversification, as well as the brand leadership and service differentiation, helped to support volumes in the face of exceptionally weak demand. This resulted in volumes being only 8.4% lower on a like-for-like[2] basis.

Second consecutive year of improved pricing

During the year Avis Europe placed a daily

1. Restated in 2008 following amendment to IAS 16, i.e. external sales now include rental income and the disposal proceeds of non-repurchase vehicles (for further details, see note 2.1 of the Consolidated Financial Statements in this annual report). | 2. Like-for-like measures comprise only those corporately-owned and agency rental stations that were in operation throughout all of the current and comparative year. | 3. Underlying operating margin is calculated as underlying operating profit divided by rental income.

operational focus on achieving further pricing gains to mitigate lower volumes. In particular it kept a very tight control over fleet capacity, reducing its fleet more than the fall in volumes, to enable to increase prices where practicable. For the year as a whole, Avis Europe achieved a 0.7% improvement in rental revenue per day at constant currency.

Rigorous cost reduction and step-change improvement in utilisation
Avis Europe took substantial and early actions to reduce costs to mitigate the impact of recessionary conditions on its profitability. Throughout the year, it managed its fleet levels very proactively and on a conservative basis, allowing to reduce capacity beyond the fall in volumes in the very uncertain trading environment. Together with operational efficiencies, the introduction of a non-cancellation fee and the extension of some holding periods, this resulted in a significant improvement in utilisation of 3.9% pts.

Outlook 2010

In summary, these actions and results position Avis Europe very strongly in anticipation of any volume recovery in its traditional core businesses in 2010 and beyond. In the short term, given the continuing uncertain trading environment and consequent limited visibility in the markets, Avis Europe will maintain its present prudent approach for the current year. It anticipates a slightly positive volume performance for the year and is working towards a further improvement in pricing.

Avis Europe will still keep fleet capacity tight and continue its ongoing focus on driving greater efficiency to mitigate cost inflation. The interest charge, excluding any additional cost of a refinancing that is likely to be undertaken later in the year, is expected to benefit from lower rates as existing hedging matures.

Avis Europe has ensured that it has sufficient liquidity for the next 12 months, will retain its tight control of capital to maintain debt at broadly the level of 2009 and, from the actions outlined above, is well positioned to continue to make good progress in 2010."

End of extracts.

Brand Leadership and Service Differentiation. **In 2009, Avis Europe was internationally recognised for outstanding customer service in a series of prestigious awards including 'Europe's Leading Business Car Rental Company' at the World Travel Awards and the Travel Trade Gazette's 'Car Hire Company of the Year'. The company was awarded these top accolades thanks to its outstanding global service.**

Avis Europe always strives to improve the customers' travel experience. Being recognised by the most prestigious awards across the board is a reflection of the premium car rental service that it offers.

Avis services are designed in response to customers' demands for speed and transparency and include a complimentary priority service – Avis Preferred – which promises to deliver customers their keys in under three minutes. The "3-minute promise" is now available at over 500 locations across the network.

In addition, customers benefit from a "Rapid Return" service that enables the return of a rental car in just 60 seconds.

"We are thrilled that Avis has been recognised by the most prestigious awards across the board. They are a reflection of the premium car rental service that we strive to offer all of our customers and we are very proud of the success that the company has achieved both here in Europe and internationally."
| *Wolfgang Neumann, Group Commercial Director for Avis Europe.*

AVIS EUROPE plc

Always trying harder...

Avis Europe's Corporate Social Responsibility (CSR) strategy is an integral part of its "We try harder." philosophy.

With regard to the environment, Avis Europe's strategy is to measure the effect that its business operations have on the environment and lower the impact progressively. It has developed a comprehensive environmental programme to ensure it gradually reduces the CO_2 emissions in its premises, offset non-reducible emissions, continue to introduce less polluting vehicles onto the fleet and encourage its customers and partners to offset their emissions.

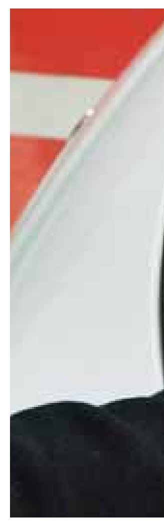
On community matters, Avis Europe's corporately-owned operations focus their efforts on the provision of vehicles for community purposes and local environmental improvements, whilst local management have discretion to support local staff volunteering and fundraising for causes of their choice.

OUR ENVIRONMENT

Avis Europe remains committed to reducing its impacts on the environment, of which the largest is greenhouse gas emissions. Since 1997, it has offset greenhouse gas emissions through innovative renewable energy and energy efficiency projects, as well as reforestation.

In 2009 an increasing number of its licensees participated in CarbonNeutral® programmes. The European corporately-owned operations maintained their CarbonNeutral® status and their emissions amounted to 13,517 tCO_2e, a reduction of 8%. In order to offset these emissions Avis Europe has worked with The Carbon Neutral Company to purchase offsets from a variety of independently validated and verified clean and renewable energy projects around the world. The corporately-owned operations also focused on developing and completing a series of initiatives to improve environmental performance, including:

> completing the implementation of recommendations to achieve further internal emissions reductions, following a number of environmental audits of headquarters and major rental locations undertaken in the prior year;
> making better use of resources and continuing to make all staff aware of what they can do to reduce energy use, including the use of e-learning to reduce travel;
> reducing European travel by around 30%, partly through the development of e-learning tools to replace face-to-face training and greater use of video-conferencing;
> introducing car sharing at a number of its head office locations;
> developing closer links with customer groups to help reduce their environmental impact, including a carbon offset tool for both Individual and Corporate customers.



OUR FLEET

Avis Europe focused its efforts on four main areas:

> During 2009 Avis Europe continued to minimise emissions from the fleet by introducing more environmentally friendly vehicles in more locations, despite the difficulties in the car manufacturing sector and the resulting reduction in model availability.
> Towards the end of 2009 Avis Europe launched a new low emission AVIS ECO collection in the UK – guaranteeing customers a fuel efficient, sub-120 CO_2 emission diesel model every time they rent a car from the new collection.
> A number of countries have implemented or are beginning the roll-out of a car Delivery and Collection optimisation system aimed at improving the efficiency of their downtown network. Through optimising the scheduling of Delivery and Collection tasks, the system helps reduce emissions by minimising the mileage driven by Avis drivers.
> In Paris the OKIGO initiative, in a joint venture with Vinci Park, Europe's leader in complete car parking solutions, allows customers who pay a subscription to have an Avis car available 24/7 in one of the many Vinci car parks. A significant increase in the number of customers included the extension of the programme to universities. Studies show that sharing a car in this way effectively replaces up to eight individual cars.

Avis Europe has now also signed a partnership with Vinci Park, the Paris metro and SNCF (the leading French railway company) to facilitate the operation of a public car-sharing scheme with 4,000 vehicles in Paris in 2010.

OUR COMMUNITIES

Avis Europe's community investment guidelines provide that it focusses on local environmental improvement and provision of free transport for community activities. In 2009, amongst many other initiatives, Avis Europe was able to help the distribution of emergency aid following the earthquake in Abruzzo in central Italy.

In addition to this activity across its corporate and licensee network, it supports UNICEF on a variety of projects and also initiatives which are particularly important to local staff.

Some of the 2009 projects have included:

> A variety of fundraising activities for a cancer care charity (Macmillan) in the UK;
> Fundraising for the Portuguese Association for the blind (ACAPO);
> Staging a theatrical performance in Italy to raise funds for the pediatric oncology unit in Rome General Hospital;
> Partnership with act!onaid to provide educational and cultural activities to disadvantaged children in Brazil.

In addition, Avis Europe supports employee volunteering and fundraising:

> where staff commit to voluntary work for a charitable organisation in Barcelona, the Avis contact centre makes a quarterly contribution; and
> in the group headquarters, Avis Europe matches sponsorship funding for individual and team efforts.