

Capitalization

The following table, which should be read in conjunction with “Management’s discussion and analysis of financial condition and results of operations” and our Consolidated Financial Statements and accompanying notes included elsewhere in this offering memorandum, sets forth our cash and cash equivalents and consolidated capitalization as of December 31, 2005 on a historical basis and on an as adjusted basis after giving effect to the following:

- the establishment of a \$1,500 million senior secured revolving credit facility, under which we do not expect to borrow initially;
- the borrowing of \$875 million of senior secured debt under our new term loan facility;
- the issuance of \$1,000 million of senior unsecured notes offered hereby;
- the repayment of \$1,875 million of vehicle-backed debt with the proceeds from the above issuances;
- the payment of anticipated fees and costs associated with our new senior secured revolving credit facility, the borrowing of \$875 million of senior secured debt under our new term loan facility and the issuance of \$1,000 million of senior unsecured notes offered hereby; and
- the elimination of the \$802 million intercompany balance between us and Cendant.

(in millions)	Actual	As Adjusted
Cash and cash equivalents	\$ 58	\$ 28
Vehicle-backed debt(a).....	\$ 7,884	\$ 6,009
Corporate debt:		
Senior secured revolving credit facility(b)	—	—
Senior secured term loan(b).....	—	875
Senior unsecured notes offered hereby	—	1,000
Total corporate debt	—	1,875
Total debt.....	7,884	7,884
Total stockholder’s equity	2,923	2,121
Total capitalization.....	\$ 10,807	\$ 10,005

(a) Approximately \$6,932 million of our vehicle-backed debt outstanding at December 31, 2005 was incurred by our bankruptcy-remote, indirectly wholly-owned limited purpose vehicle financing subsidiaries. The vehicles purchased with the proceeds from the issuance of this debt are pledged to the lenders of such debt. The assets that collateralize our vehicle-backed debt are not available to satisfy any claims of our general unsecured creditors, including holders of the notes offered hereby. See “Description of other indebtedness—Rental car ABS Facility” for further information regarding this debt.

(b) Our new senior secured facilities will consist of (i) a five-year revolving credit facility providing up to \$1,500 million of revolving extensions of credit, which capacity will initially be reduced by the expected issuance of approximately \$350 million of replacement letters of credit associated with our business currently provided under Cendant’s revolving credit facility (which does not include \$303 million of letters of credit issued by Cendant on behalf of the Company under a separate, bilateral facility) and (ii) a six-year term loan facility in an aggregate amount of \$875 million. See “Description of other indebtedness—Senior secured credit facilities” for further information concerning these new facilities.