

Forward-looking statements

The forward-looking statements contained in this offering memorandum are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on various facts and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words “believes”, “expects”, “anticipates”, “intends”, “projects”, “estimates”, “plans”, “may increase”, “may fluctuate”, and similar expressions or future or conditional verbs such as “will”, “should”, “would”, “may” and “could” are generally forward-looking in nature and not historical facts. You should understand that the following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- the high level of competition in the vehicle rental industry;
- an increase in the cost of new vehicles;
- a decrease in our ability to acquire or dispose of cars through repurchase programs;
- a decline in the results of operations or financial condition of the manufacturers of our cars;
- a downturn in airline passenger traffic in the United States or in the other international locations in which we operate;
- an occurrence or threat of terrorism, pandemic disease, natural disasters or military conflict in the markets in which we operate;
- our dependence on third party distribution channels;
- a disruption in rental activity during our peak season in key market segments;
- a disruption in our ability to obtain financing for our operations, including the funding of our vehicle fleet via the asset-backed securities and lending market;
- a significant increase in interest rates or in borrowing costs;
- a substantial increase in fuel costs;
- a major disruption in our communication or centralized information networks;
- our failure or inability to comply with regulations and any changes in regulations;
- our failure or inability to make the changes necessary to operate as an independent company following the Separation Transactions (described below); and
- other economic, competitive, governmental, regulatory, geopolitical and technological factors affecting our operations, pricing and services.

Other factors and assumptions not identified above, including those described under “Risk factors”, were also involved in the derivation of these forward-looking statements, and the failure of such other assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. Most of these factors are difficult to predict accurately and are generally beyond our control.

You should consider the areas of risk described above, as well as those set forth under “Risk factors”, in connection with any forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law.

Non-GAAP financial measures

The financial measures EBITDA and Gross EBITDA, as presented in this offering memorandum, are supplemental measures of our company's performance that are not GAAP measures, except for the presentation of EBITDA on a segment basis. As presented in this offering memorandum, EBITDA is defined as income before income taxes, non-vehicle depreciation and amortization and non-vehicle interest (other than intercompany interest related to tax benefits and working capital advances) and Gross EBITDA is defined as EBITDA plus interest expense related to vehicle-backed debt and vehicle depreciation. A reconciliation of both EBITDA and Gross EBITDA to the most directly comparable GAAP measure, net income, is presented under "Summary—Summary historical and pro forma consolidated financial data".

We present EBITDA and Gross EBITDA because we believe these measures provide investors with important additional information to evaluate our operating performance. We believe EBITDA and Gross EBITDA are useful to investors because these measures are frequently used by securities analysts, investors and other interested persons in evaluating operating performance in comparison to other companies in our industry. Additionally, our management uses EBITDA to evaluate the performance of each of our reportable operating segments. Our calculation of EBITDA and Gross EBITDA may not be comparable to other companies' calculation of similarly titled measures. We do not provide a reconciliation of our 2006 EBITDA outlook information to a 2006 net income outlook estimate because of the difficulty in estimating the costs related to the Separation Transactions necessary to arrive at a 2006 net income outlook estimate.

EBITDA and Gross EBITDA have limitations as analytical tools, and you should not consider them in isolation, or as alternatives to pretax income or any other operating performance measure presented in accordance with GAAP.

Industry data and forecasts

This offering memorandum includes industry share and industry data and forecasts that we obtained from industry publications and surveys and internal company sources. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. We have not independently verified any of the data from third party sources nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our industry position are based on data currently available to us. Information with respect to our brand loyalty was provided by Brand Keys®, a third party research firm specializing in brand loyalty measurement. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk factors" in this offering memorandum.

Trademarks, service marks and trade names

We own the trademarks, service marks or trade names that we use in connection with the operation of our business. The service marks "Avis" and "Budget", related marks incorporating the words "Avis" or "Budget", and related logos and marks such as "We try harder" are material to our operations. Our subsidiaries, licensees and franchisees actively use these marks. All of the material marks used in our business are registered (or have applications pending for registration) with the United States Patent and Trademark Office as well as major countries worldwide where our subsidiaries and franchisees are in operation. Our subsidiaries own the marks used in our business.