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Overview Presentation to Investors

May 2016

Forward-Looking Statements

Statements about future results made in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include projections.

These statements are based on current expectations and the current economic environment. Forward-looking statements and projections are inherently subject to significant economic, competitive and other uncertainties and contingencies, many of which are beyond the control of management. The Company cautions that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements.

Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements and projections are specified in the Company's most recently filed Form 10-K and other SEC filings.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, the date of our last earnings conference call.

This presentation includes certain non-GAAP financial measures as defined under SEC rules. Important information regarding reconciliation of such measures is contained within this presentation, including in the Glossary section.

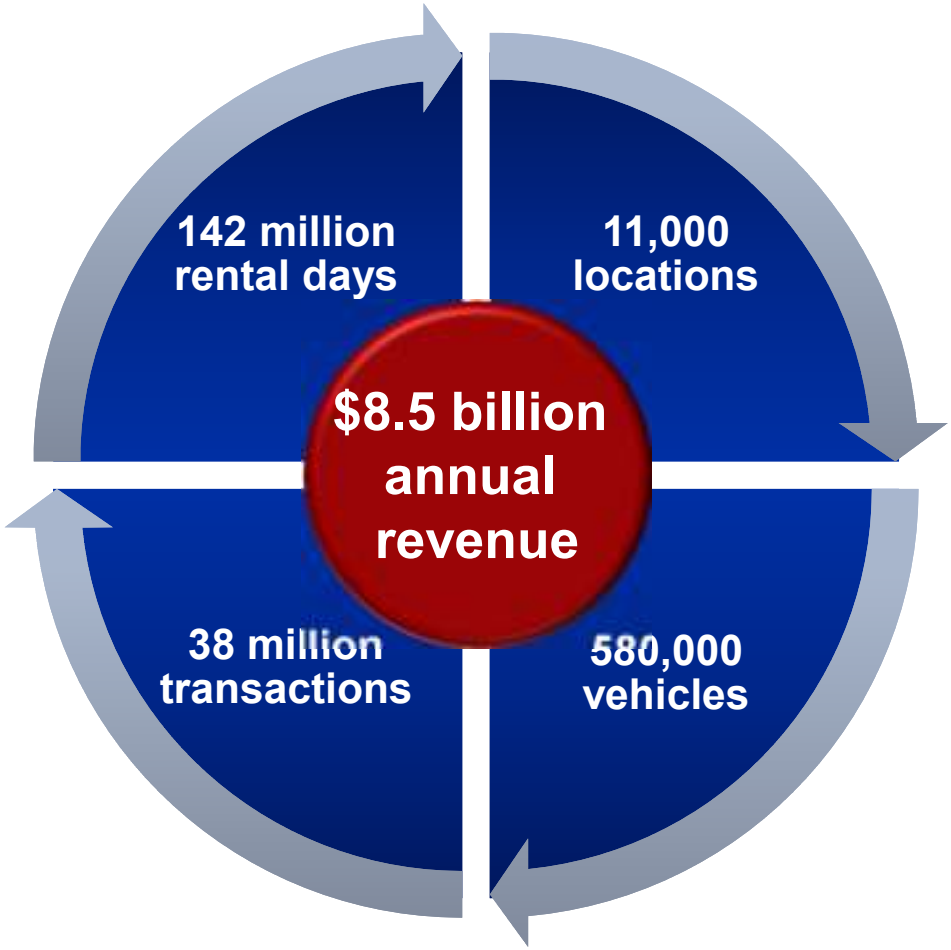
Key Messages

Our Business

Strategic Initiatives

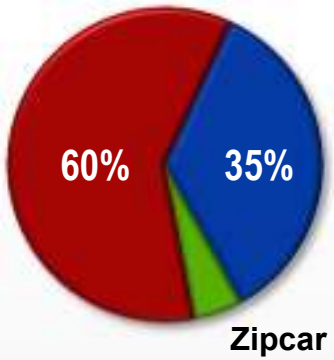
Outlook

A Global Leader in the Car Rental Industry

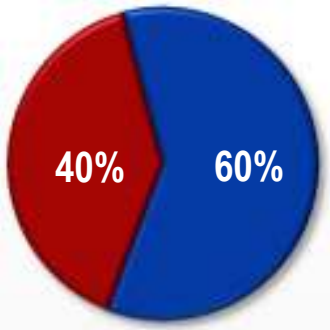


Diversified Revenue Sources

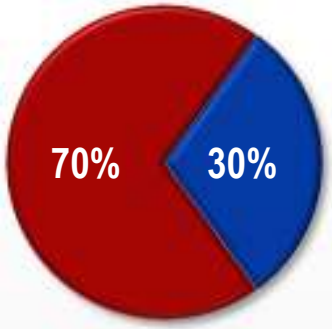
Avis vs. Budget



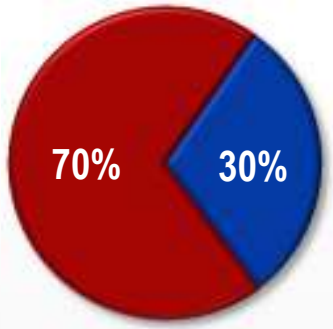
Commercial vs. Leisure



On-Airport vs. Off-Airport

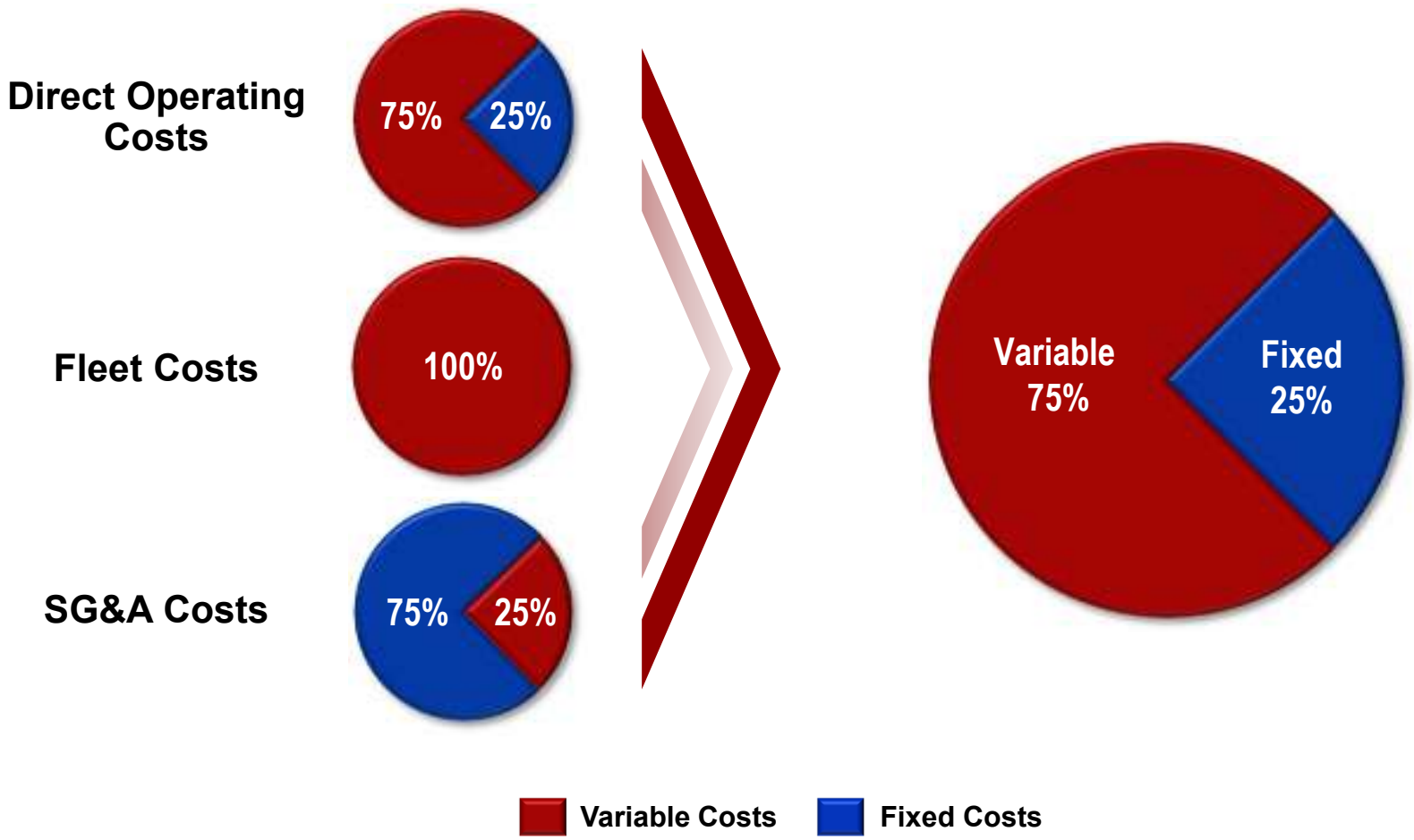


Americas vs. International



Locations in more than 180 countries and a leading position in most major markets

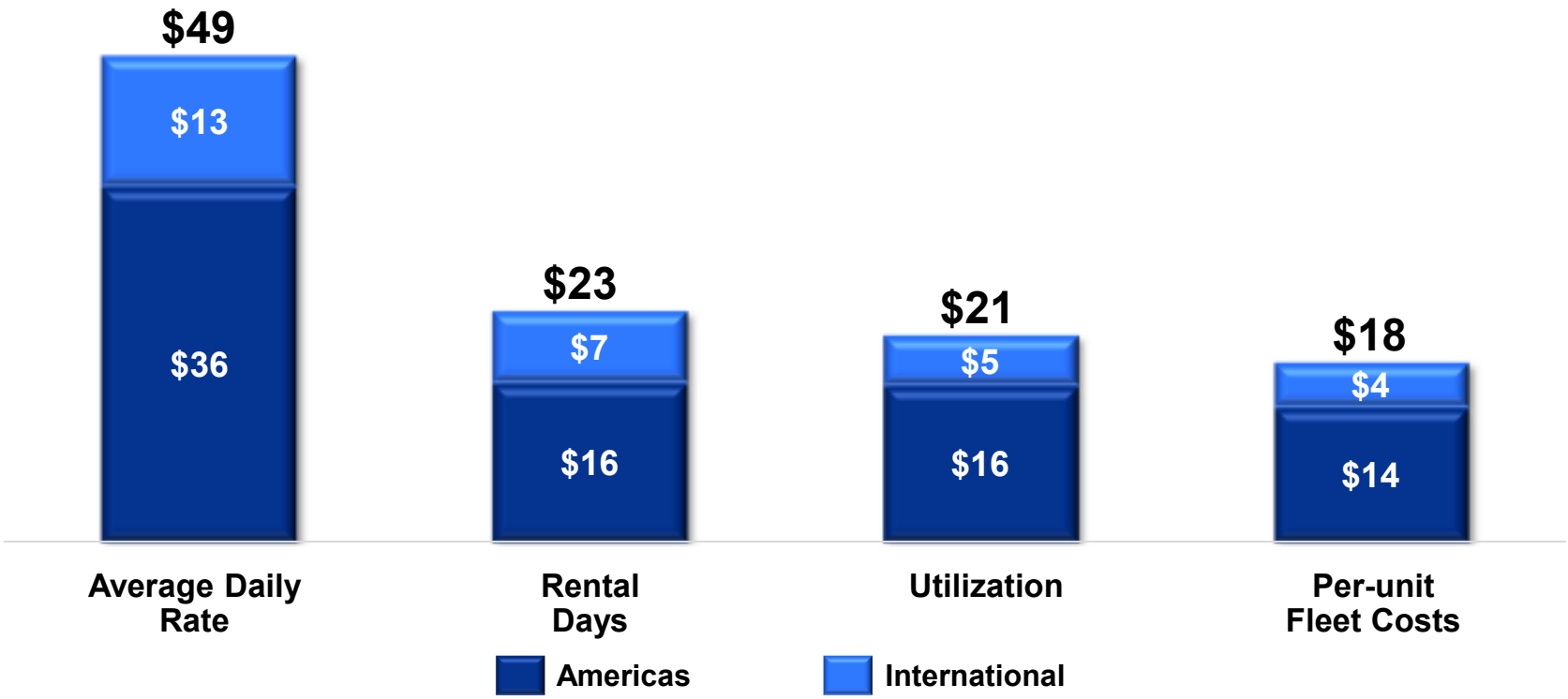
We Have a Highly Variable Cost Structure . . .



. . . So Pricing Has the Largest Impact on Margins

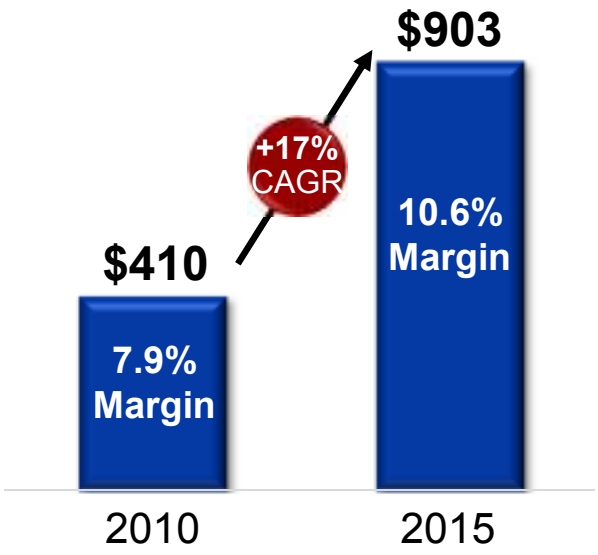
Adjusted EBITDA Impact of a 1% Change in Driver

($ in millions)

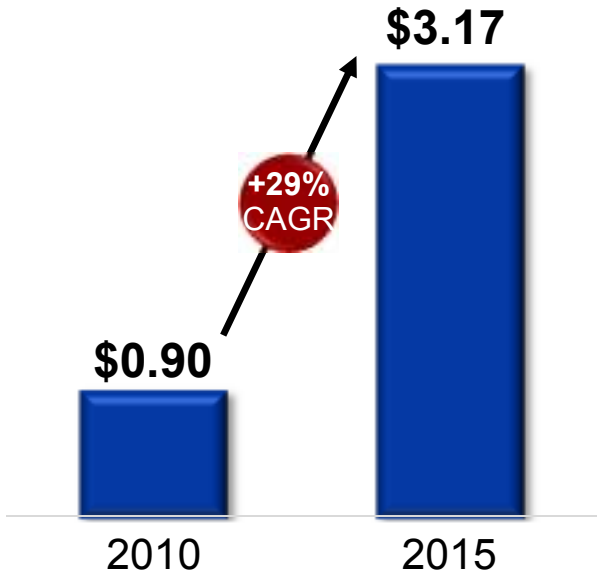


Substantial Profit Growth

Adjusted EBITDA
($ in millions)



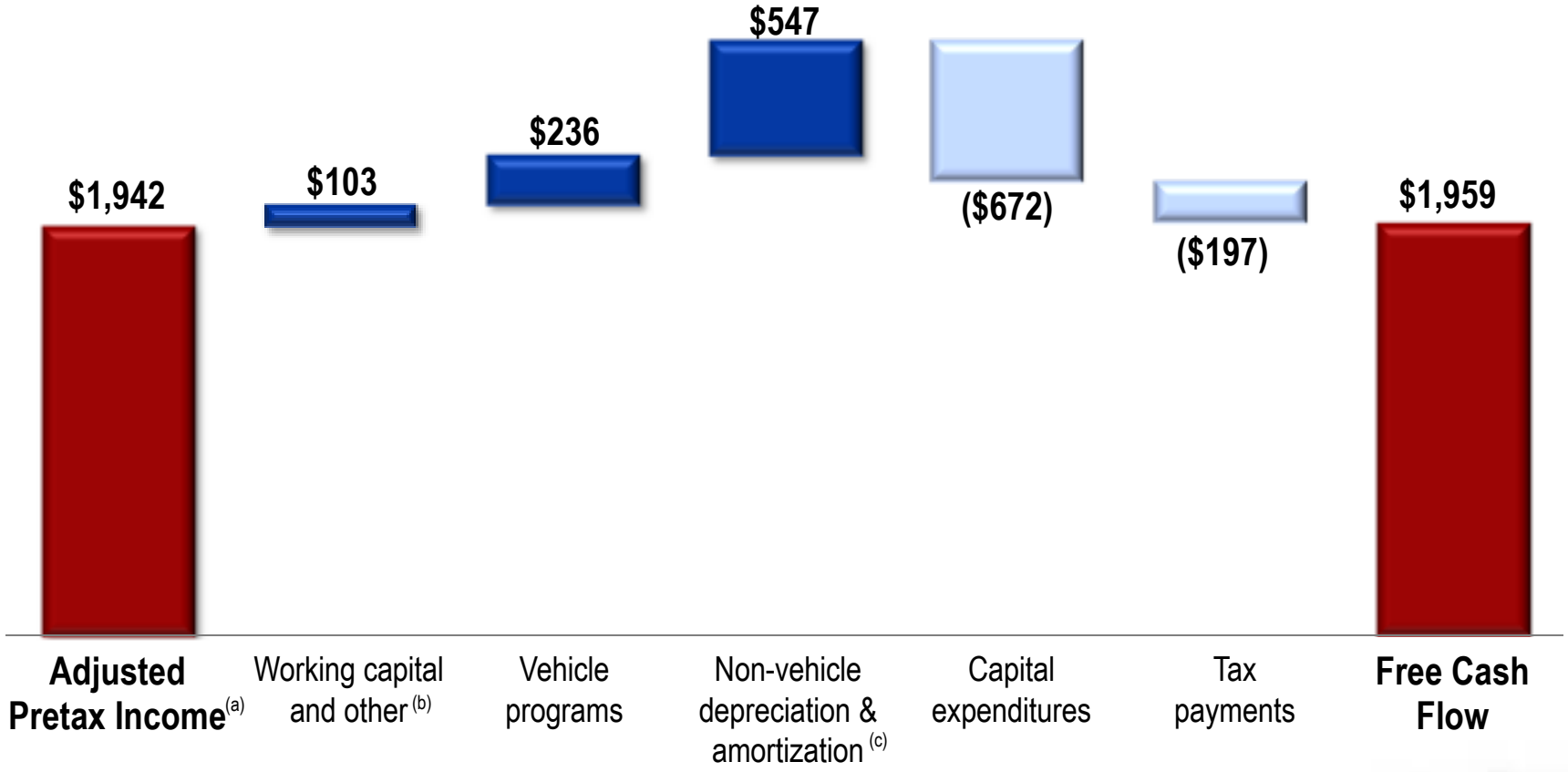
Adjusted Earnings per Share



Record results in 2015, reflecting both margin improvement and share repurchases

Free Cash Flow of $2.0 Billion over Last Four Years

($ in millions)



Data are cumulative for years 2012 to 2015
(a) Excluding certain items
(b) Excluding restructuring expense
(c) Excluding acquisition-related amortization expense

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Key Messages

Our Business

Strategic Initiatives

Outlook

Strategic Plan

Driving Sustained, Profitable Growth

Strategically Accelerate Growth

Expand Our Global Footprint

Put the Customer First

Drive Efficiency Throughout the Organization

Investing in Technology

- Opportunities to drive improvements in our largest cost items and in non-field functions
- Further expansion of our integrated Demand–Fleet–Pricing yield-management system
- Self-service car rental and connected car will generate revenue benefits and cost savings
- Our large-scale fleet management expertise is a competitive advantage

Objective is to transform the customer experience <u>and</u> lower our costs

Delivering Higher Revenue per Transaction

	Higher Revenue per Transaction
 International Inbound[a]	+77%
 Small Business[b]	+25%
 Specialty & Premium Fleet[c]	+62%
SiriusXM Ancillary Revenue[d]	+75%

Note: Data are 2015 results for North America excluding Payless and Zipcar
(a) Compared to all non-inbound transactions (b) Compared to contracted commercial transactions
(c) Compared to average transactions, excluding Specialty & Premium fleet (d) Compared to transactions without ancillary products

Expanding our Global Footprint

New Markets

- The Avis Europe transaction reunited our world-class brands globally, and Zipcar is the worldwide leader in car sharing

Licensees

- Acquisitions of Southern California, Scandinavia and Poland will drive substantial revenue and cost synergies

Additional Brands

- Maggiore, Payless and Apex enhance our long-term growth potential and provide attractive returns

Organic Expansion

- We have significantly expanded Budget in Europe, Payless in North America, Apex in Australia and Zipcar globally

Zipcar Meets Emerging Consumer Needs

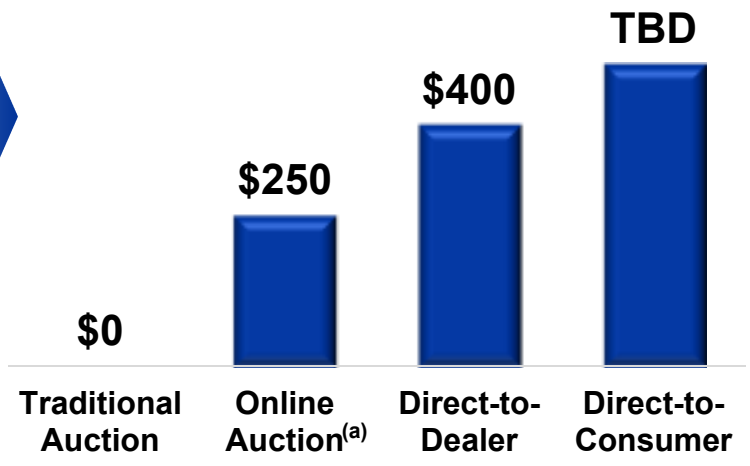
- Zipcar operates the largest member-based, car sharing network in the world
  - Nearly one million members
  - Over 500 college campuses
  - Enabling simple and responsible urban living
- Locations in the United States, Canada and Europe
- Growth opportunities in existing markets, from new services and through international expansion
- Leverages Avis Budget infrastructure

Proprietary technology drives Zipcar's leadership and innovation

Diversifying Disposal Channels to Reduce Fleet Costs

- Expanding dealer-direct sales
- Risk-car sales through alternative channels have doubled over the last two years

Alternative Disposal Channel Benefits
(per vehicle)



Alternative disposition channels have reduced our costs by more than $15 million over the past year

(a) Excluding simulcast auction sales

Organizational Efficiencies Delivering Significant Benefits

Yield Management

- Targeted pricing strategies
- Integrate demand, fleet and revenue management

Performance Excellence

- Process improvement
- Fleet repair and maintenance
- Manpower planning
- Shuttling optimization

Global Effectiveness

- Leveraging global scale of our organization
- Transforming internal support structures

Acquisition Integration

- Europe
- Zipcar
- Payless
- Apex
- Maggiore
- Licensees

Each initiative providing eight-figure benefits

Key Messages

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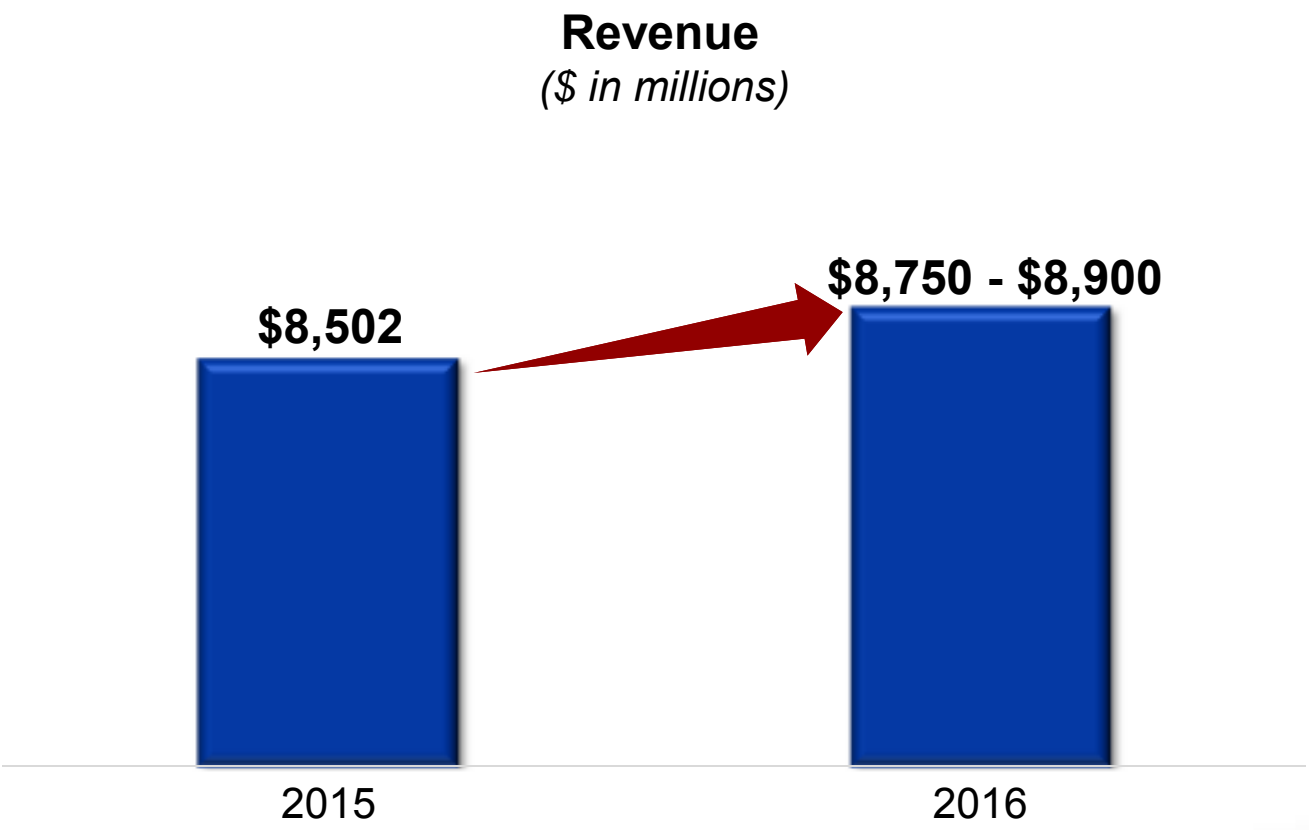
We Expect Revenue to Increase 3% to 5% in 2016



Expect year-over-year pricing to be roughly flat in aggregate over the remainder of 2016

Well-Positioned for Future Growth

Americas

- Forecasting revenue growth driven by increased volumes
- Expecting to grow ancillary revenues for the seventh consecutive year

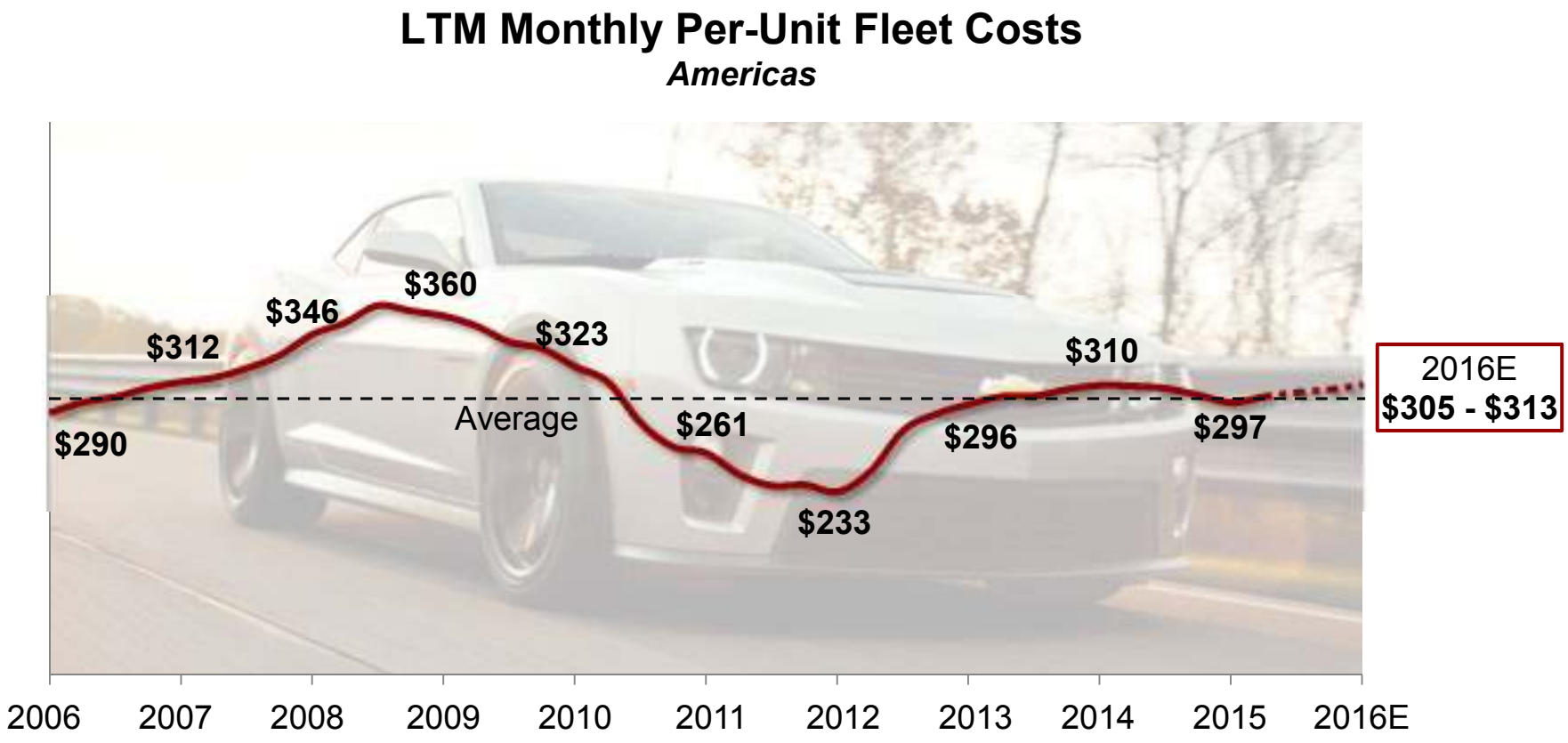
International

- Targeting 7% to 10% constant-currency revenue growth
- Integrating 2015 acquisitions of Maggiore and licensees

Zipcar

- Targeting organic membership and revenue growth
- Expanding ONE>WAY offering to new markets

We Expect Fleet Costs Will Increase Slightly



Per-unit fleet costs are expected to increase 3% to 5% in 2016

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Note: Per-unit fleet costs exclude Truck; 2008-09 rise reflects recession effects, and 2011-12 decline reflects vehicle supply issues following earthquake in Japan

We are Investing for Future Growth and Profitability

- Expect $210 million of capital expenditures in 2016
  - More than half for information technology
- Also planning $50 million of incremental investment expenses in 2016:
  - Self-service technology
  - Brand advertising
  - Data analytics
  - Zipcar expansion
  - Growth in China
  - Loyalty program enhancements
  - Marketing partnerships

2016 Outlook

($ in millions, except EPS)

	2016 Estimate[(a)]
Revenue	**$8,750 – $8,900**
Adjusted EBITDA	**$820 – $900**
Adjusted pretax income	**$425 – $505**
Adjusted EPS (diluted)	**$2.70 – $3.30**

Average diluted share count declining by nearly 10% compared to 2015

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(a) As of May 3, 2016; adjusted amounts exclude certain items such as acquisition-related costs, early extinguishment of debt, transaction-related costs, net, restructuring expenses and amortization of intangible assets recognized in purchase accounting

Significant Free Cash Flow

($ in millions)

	2016 Estimate[(a)]
Adjusted EBITDA	**$820 – $900**
Corporate interest	(205)
Capital expenditures	(210)
Cash taxes	(40) – (60)
Working capital, vehicle programs and other	85 – 75
Free Cash Flow	**$450 – $500**
Free Cash Flow per Share	**$4.70 – $5.30**

2016 expected to be the fifth straight year with free cash flow exceeding $450 million

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(a) Excluding any significant timing differences

Planned Uses of Free Cash Flow in 2016

- **Share repurchases**
  - **Expect to spend $300 to $400 million on share repurchases in 2016**
  - **Approximately $360 million available under our share repurchase authorization**
- **Tuck-in acquisitions**
  - **Avis and Budget licensees in or near where we operate corporately**
  - **Independent operators outside the United States**

Expect the majority of our 2016 free cash flow to be directed toward share repurchases

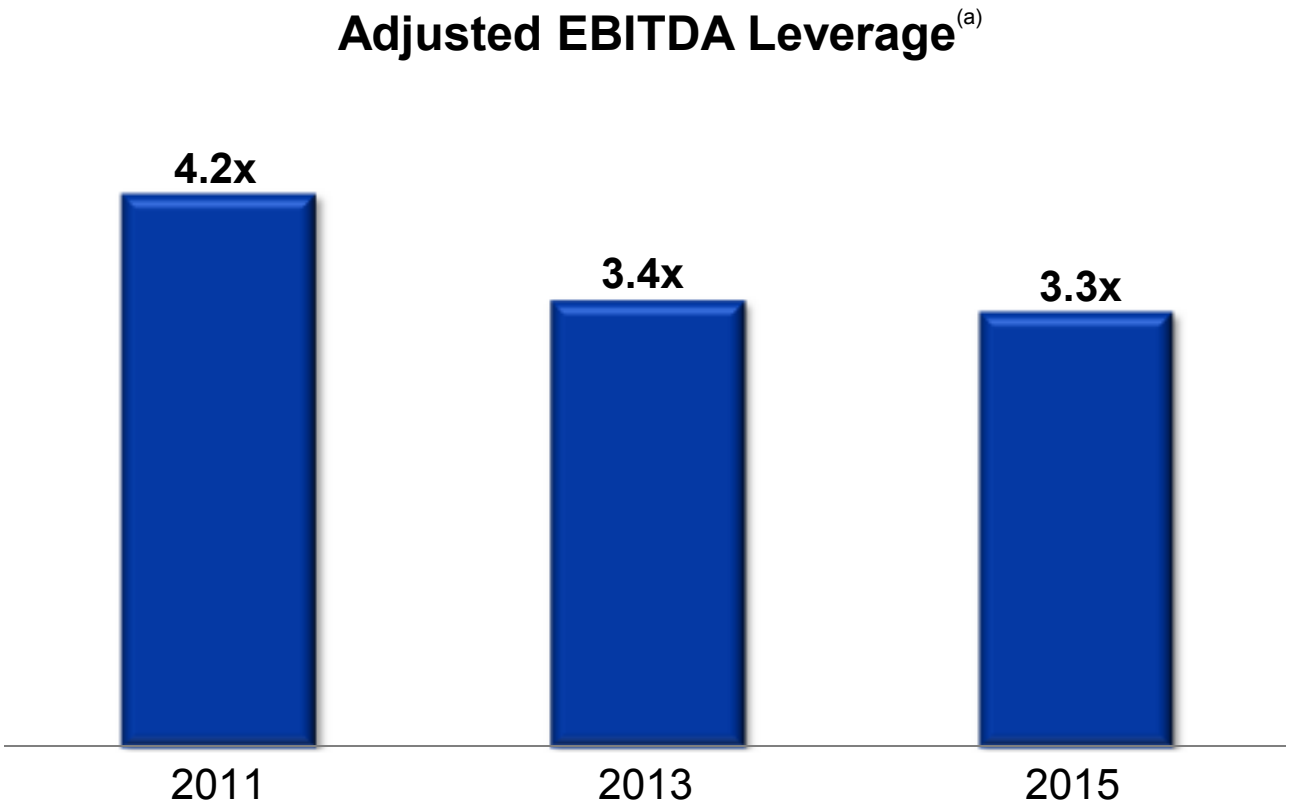
Key Messages

Strong Performance	**Record operating results in 2015**	
Focused	**Focused on profitable growth**	
Global Opportunities	**Multiple opportunities to grow globally**	
Profitable	**Generating significant earnings and free cash flow**	

AVIS® Budget® apex car rentals Payless® CAR RENTAL zipcar

Appendix

Strong Earnings Growth Drives a Reduction in Leverage



Target net leverage of 3 to 4 times Adjusted EBITDA

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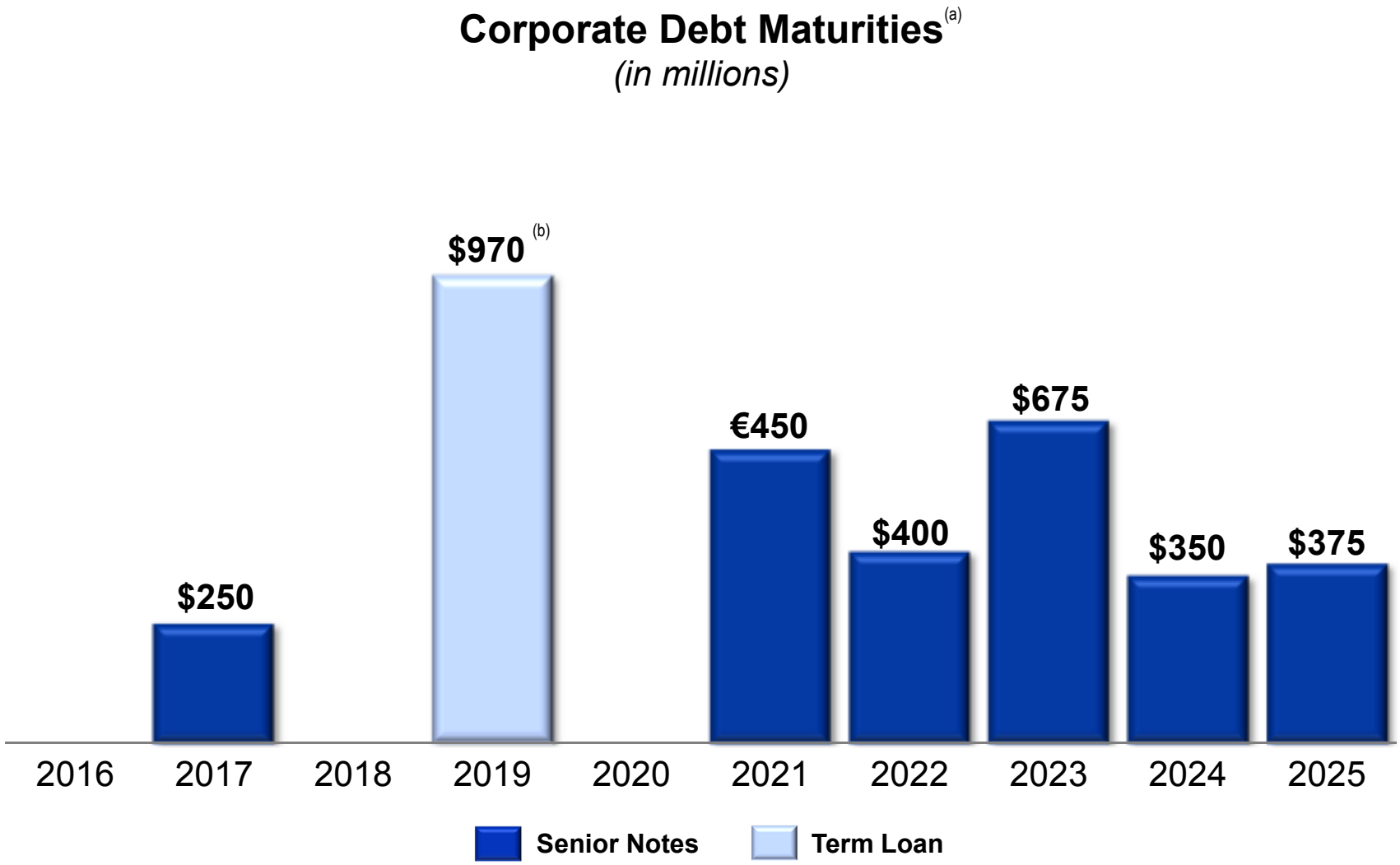
(a) Net corporate debt divided by Adjusted EBITDA

No Corporate Debt Maturities Until Late 2017



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(a) As of March 31, 2016, excluding $300 million of Senior Notes due 2017 which have been called for redemption
(b) $600 million swapped to fixed rates

Glossary

This presentation includes certain non-GAAP (generally accepted accounting principles) financial measures as defined under SEC rules. We have provided below reasons we present these non-GAAP financial measures, a description of what they represent and a reconciliation to the most comparable financial measure calculated and presented in accordance with GAAP. Because of the forward-looking nature of the Company's forecasted non-GAAP Adjusted EBITDA, free cash flow, adjusted income before income taxes and adjusted diluted earnings per share, specific quantifications of the amounts that would be required to reconcile forecasted net income, net cash provided by operating activities, pretax income and diluted earnings per share are not available. The Company believes that there is a degree of volatility with respect to certain of the Company's GAAP measures which preclude the Company from providing accurate forecasted GAAP to non-GAAP reconciliations. Based on the above, the Company believes that providing estimates of the amounts that would be required to reconcile the range of the non-GAAP measures to forecasted GAAP measures would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above.

Adjusted EBITDA

Adjusted EBITDA, which represents income from continuing operations before non-vehicle related depreciation and amortization, any impairment charge, restructuring expenses, early extinguishment of debt costs, non-vehicle related interest, transaction-related costs and income taxes. We believe Adjusted EBITDA is useful as a supplemental measure in evaluating the aggregate performance of our operating businesses. Adjusted EBITDA is the measure that is used by our management, including out chief operating decision maker, to perform such evaluation. It is also a component of our financial covenant calculations under our credit facilities, subject to certain adjustments. Adjusted EBITDA should not be considered in isolation or as a substitute for net income or other income statement data prepared in accordance with GAAP and our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

Reconciliation of Adjusted EBITDA to Avis Budget Group, Inc. Income before income taxes (in millions):

	Year Ended December 31,					
	2011	2012	2013	2014	2015	2012-2015
Total Revenue	**$ 5,900**	**$ 7,357**	**$ 7,937**	**$ 8,485**	**$ 8,502**	**$ 32,281**
Adjusted EBITDA	**$ 610**	**$ 840**	**$ 769**	**$ 876**	**$ 903**	**$ 3,388**
Less: Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense)	91	109	128	147	163	547
Interest expense related to corporate debt, net (excluding early extinguishment of debt)	195	268	228	209	194	899
Adjusted pretax income	**324**	**463**	**413**	**520**	**546**	**1,942**
Less certain items:						
Early extinguishment of debt	-	75	147	56	23	301
Restructuring expense	5	38	61	26	18	143
Transaction-related costs, net	255	34	51	13	68	166
Acquisition-relation amortization expense	4	16	24	33	55	128
Impairment	-	-	33	-	-	33
Acquisition-related interest	24	-	-	-	-	-
Income before income taxes	**$ 36**	**$ 300**	**$ 97**	**$ 392**	**$ 382**	**$ 1,171**

Glossary

Reconciliation of Net Corporate Debt (in millions):

	December 31, 2015	December 31, 2013	December 31, 2011
Corporate debt	**$ 3,461**	**$ 3,321**	**$ 3,115**
Less: Cash and cash equivalents	452	693	534
Net corporate debt	**$ 3,009**	**$ 2,628**	**$ 2,581**

Reconciliation of adjusted net income to net income:

	Year Ended December 31, 2015	Year Ended December 31, 2014
Adjusted net income	**$ 333**	**$ 327**
Less certain items, net of tax:		
Transaction-related costs, net	55	9
Acquisition-related amortization expense	36	22
Early extinguishment of debt	14	34
Restructuring expense	13	17
Resolution of a prior-year income tax matter	(98)	-
Net income	**$ 313**	**$ 245**
Adjusted diluted earnings per share	**$ 3.17**	**$ 2.96**
Earnings per share – Diluted	**$ 2.98**	**$ 2.22**
Shares used to calculate adjusted diluted earnings per share	**105.0**	**110.6**

Glossary

Free Cash Flow

Represents Net Cash Provided by Operating Activities adjusted to reflect the cash inflows and outflows relating to capital expenditures and GPS navigational units, the investing and financing activities of our vehicle programs, asset sales, if any, and to exclude debt extinguishment costs and transaction-related costs. We believe that Free Cash Flow is useful to management and investors in measuring the cash generated that is available to be used to repurchase stock, repay debt obligations, pay dividends and invest in future growth through new business development activities or acquisitions. Free Cash Flow should not be construed as a substitute in measuring operating results or liquidity, and our presentation of Free Cash Flow may not be comparable to similarly-titled measures used by other companies.

Reconciliation of Free Cash Flow to net cash provided by operating activities:

	Year Ended December 31, 2015
Free Cash Flow	**$ 525**
Investing activities of vehicle programs	2,396
Financing activities of vehicle programs	(468)
Capital expenditures	201
Proceeds received on asset sales	(15)
Change in restricted cash	(3)
Acquisition-related payments	(26)
Transaction-related payments	(26)
Net Cash Provided by Operating Activities	**$ 2,584**

Consolidation Schedule of Free Cash Flows:

	Year Ended December 31,				
	2012	2013	2014	2015	2012-2015
Income before income taxes	**$ 300**	**$ 97**	**$ 392**	**$ 382**	**$ 1,171**
Add-back of non-vehicle related depreciation and amortization	125	152	180	218	675
Add-back of debt extinguishment costs	75	147	56	23	301
Add-back of transaction-related costs	34	84	13	68	199
Working capital and other	135	109	16	(14)	246
Capital expenditures	(132)	(154)	(185)	(201)	(672)
Tax payments, net of refunds	(65)	(58)	(45)	(29)	(197)
Vehicle programs and related	46	83	29	78	236
Free Cash Flow	**$ 518**	**$ 460**	**$ 456**	**$ 525**	**$ 1,959**

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