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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**Form 11-K**

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ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-10308

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A. Full title of the plan and address of the plan, if different from that of the issuer named below:

**AB Car Rental Services, Inc.  
Retirement Savings Plan  
For Bargaining Hourly Employees**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Avis Budget Group, Inc.  
6 Sylvan Way  
Parsippany, N.J. 07054

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[Table of Contents](#)

**AB CAR RENTAL SERVICES, INC.  
RETIREMENT SAVINGS PLAN FOR BARGAINING HOURLY EMPLOYEES**

**TABLE OF CONTENTS**

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	<u>Page</u>
<a href="#">REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM – J.H. Cohn LLP</a>	1
<a href="#">REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM – Deloitte &amp; Touche, LLP</a>	2
FINANCIAL STATEMENTS:	
<a href="#">Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008</a>	3
<a href="#">Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2009</a>	4
<a href="#">Notes to Financial Statements</a>	5
SUPPLEMENTAL SCHEDULES:	
<a href="#">Form 5500, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2009</a>	13
<a href="#">Form 5500, Schedule H, Part IV, Line 4A – Schedule of Delinquent Participant Contributions Year Ended December 31, 2009</a>	14
<a href="#">SIGNATURE</a>	15
<a href="#">EXHIBIT 23.1 – CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM – J.H. Cohn LLP</a>	16
<a href="#">EXHIBIT 23.2 – CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM – Deloitte &amp; Touche LLP</a>	17

All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Trustee and Participants of the  
AB Car Rental Services, Inc. Retirement Savings Plan  
For Bargaining Hourly Employees

We have audited the accompanying statement of net assets available for benefits of the AB Car Rental Services, Inc. Retirement Savings Plan For Bargaining Hourly Employees (the "Plan") as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the AB Car Rental Services, Inc. Retirement Savings Plan For Bargaining Hourly Employees as of December 31, 2009, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of (1) assets (held at end of year) as of December 31, 2009 and (2) delinquent participant contributions for the year ended December 31, 2009 are presented for the purpose of additional analysis and are not a required part of the 2009 basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the 2009 basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the 2009 basic financial statements taken as a whole.

/s/ J.H. Cohn LLP  
Roseland, New Jersey  
June 29, 2010

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Trustee and Participants of the  
AB Car Rental Services, Inc. Retirement Savings Plan  
For Bargaining Hourly Employees:

We have audited the accompanying statement of net assets available for benefits of the AB Car Rental Services, Inc. Retirement Savings Plan for Bargaining Hourly Employees (the "Plan") as of December 31, 2008. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, such financial statement presents fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte and Touche LLP

New York, New York

June 26, 2009

[Table of Contents](#)

**AB CAR RENTAL SERVICES, INC.**  
**RETIREMENT SAVINGS PLAN FOR BARGAINING HOURLY EMPLOYEES**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS:</b>		
Participant-directed investments at fair value:		
Cash and cash equivalents	\$ 10,970	\$ —
Mutual funds	14,670,087	1,262,475
Common/collective trusts	15,536,409	843,978
Avis Budget Group, Inc. common stock	667,709	5,946
Loans to participants	1,862,977	127,616
Total investments	<u>32,748,152</u>	<u>2,240,015</u>
Receivables:		
Participant contributions	73,280	9,401
Employer contributions	10,194	2,433
Interest and dividends	206	177
Total receivables	<u>83,680</u>	<u>12,011</u>
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	32,831,832	2,252,026
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	<u>1,063,139</u>	<u>128,753</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 33,894,971</u>	<u>\$ 2,380,779</u>

The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

**AB CAR RENTAL SERVICES, INC.**  
**RETIREMENT SAVINGS PLAN FOR BARGAINING HOURLY EMPLOYEES**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**ADDITIONS TO NET ASSETS:**

## Net investment income:

Interest	\$ 304,336
Dividends	306,646
Net appreciation in fair value of investments	2,218,021
Net investment income	<u>2,829,003</u>

## Contributions:

Participants	2,280,730
Employer	335,772
Rollovers	964
Total contributions	<u>2,617,466</u>

Net transfers of participant account balances from affiliated plans	<u>29,864,277</u>
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Total additions	<u>35,310,746</u>
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**DEDUCTIONS FROM NET ASSETS:**

Benefits paid to participants	3,787,489
Administrative expenses	9,065

Total deductions	<u>3,796,554</u>
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NET INCREASE IN ASSETS	31,514,192
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**NET ASSETS AVAILABLE FOR BENEFITS:**

BEGINNING OF YEAR	<u>2,380,779</u>
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END OF YEAR	<u>\$ 33,894,971</u>
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The accompanying notes are an integral part of these financial statements.

**AB CAR RENTAL SERVICES, INC.  
RETIREMENT SAVINGS PLAN FOR BARGAINING HOURLY EMPLOYEES  
NOTES TO FINANCIAL STATEMENTS**

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**1. DESCRIPTION OF THE PLAN**

The following description of the AB Car Rental Services, Inc. Retirement Savings Plan for Bargaining Hourly Employees (the “Plan”) provides only general information. Participants should refer to the Summary Plan Description or the Plan document, which are available from AB Car Rental Services, Inc. (the “Company”) for a more complete description of the Plan’s provisions. The Company is a wholly-owned subsidiary of Avis Budget Group, Inc. (“ABGI”).

The Plan is a defined contribution plan that provides Internal Revenue Code (“IRC”) Section 401 (k) employee salary deferral benefits and additional employer contributions for the Company’s eligible employees. The Avis Budget Group, Inc. Employee Benefits Committee is the Plan administrator (“Plan Administrator”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Merrill Lynch Trust Company FSB (the “Trustee”) is the Plan’s trustee.

Effective January 1, 2009, ABGI approved the merger of the Avis Voluntary Investment Savings Plan for Bargaining Employees (the “Avis Union Plan”) and the Budget Rent A Car System, Inc. Employee Retirement Plan for Collectively Bargained Employees (the “Budget Plan”), which were ABGI affiliated plans, into the Plan. As of January 1, 2009, their participants and participants’ accounts were consolidated into the Plan. The related assets of the Avis Union and Budget Plans were transferred to the Plan between January 1, 2009 and May 31, 2009.

The following is a summary of certain Plan provisions:

*Eligibility* – Each employee of the Company, who as of March 31, 2004, was eligible to participate in a qualified defined contribution plan of an ABGI subsidiary became an eligible participant on the later of (i) April 1, 2004 or (ii) the date that such employee ceased participation in such other qualified defined contribution plan. Employees who are members of the collective bargaining unit covered by a collective bargaining agreement between such unit and the Company are eligible to participate in the plan upon attainment of age 21 and completion of one year of service (a year of service means the completion of at least 1,000 hours of service during the first twelve months of employment or the completion of at least 1,000 hours in any Plan year that follows the employment date).

*Participant Contributions* – Participants may elect to make pre-tax contributions up to 16% of pre-tax annual compensation up to the statutory maximum of \$16,500 for 2009. In addition, employees participating in the Plan may make additional contributions from 1% to 10% of specified compensation on a current, after-tax basis, subject to certain limitations imposed by law. Certain eligible participants (age 50 and over) are permitted to contribute an additional \$5,500 as a catch up contribution, resulting in a total pre-tax contribution of \$22,000 for 2009.

*Employer Contributions* – The Plan permits employer and/or employer matching contributions in accordance with the terms of the collective bargaining agreement in effect for the Plan year with respect to the collective bargaining unit of which the participant is a member.

*Rollovers* – All employees, upon commencement of employment, are provided the option of making a rollover contribution into the Plan in accordance with IRS regulations.

## Table of Contents

*Investments* – Participants direct the investment of contributions to various investment options and may reallocate investments among the various funds or change future contributions on a daily basis. The fund reallocation must be in 1% increments and is limited to one reallocation per day, subject to restrictions imposed by the mutual fund companies to curb short-term trading. Participants should refer to the Plan document regarding investments in Company common stock. Participants should refer to each fund’s prospectus for a more complete description of the risks and restrictions associated with each fund.

*Vesting* – At any time, participants are 100% vested in their pre-tax and after tax contributions to the Plan plus actual earnings thereon. Employer contributions vest at a rate of 20% per year and are fully vested upon 5 years of service.

*Loan Provisions* – Participants may borrow from their fund accounts up to the lesser of \$50,000 or 50% of their account balance provided the account balance is at least \$2,000. The loans are secured by the balance in the participant’s vested account balance and bear interest at rates commensurate with local prevailing rates as determined quarterly by the Plan Administrator. Loan repayments are made through payroll deductions over a period not to exceed 5 years, unless the proceeds of loan are used to purchase the principal residence of the participant, in which case the term is not to exceed 15 years.

*Participant Accounts* – A separate account is maintained for each participant. Each participant’s account is credited with the participant’s contributions and an allocation of Plan earnings including interest, dividends and net realized and unrealized appreciation in fair value of investments. Each participant’s account is also charged with an allocation of net realized and unrealized depreciation in fair value of investments, certain administrative expenses and withdrawals. Allocations are based on participant account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

*Payment of Benefits to Participants* – Distribution of the participant’s account may be made in a lump sum payment upon retirement, death or disability, or upon termination of employment. Participants are entitled to withdraw certain portions of their vested balance. Participants are permitted to process in-service withdrawals, in accordance with Plan provisions, upon attaining age 59 1/2 or for hardship in certain circumstances, as defined in the Plan document, before that age.

*Forfeited Accounts* – Forfeited balances of terminated participants’ non-vested accounts are first used to pay Plan expenses, if any, and then to decrease employer contributions. As of December 31, 2009 and 2008, forfeited account balances amounted to \$22,321 and \$11,902, respectively. During 2009, \$7,090 of forfeited non-vested accounts were used to reduce employer contributions.

*Administrative Expenses* – Administrative expenses of the Plan may be paid by the Company; otherwise such expenses are paid by the Plan. Fees for participants’ distributions, withdrawals, loans and similar expenses are paid by the Plan.

*Transfers from Affiliated Plans* – Net transfers of participants account balances from affiliated plans totaled \$29,864,277 for the year ended December 31, 2009.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting* – The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).



## [Table of Contents](#)

*Use of Estimates* – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and related disclosures. Actual results could differ from those estimates.

*Risks and Uncertainties* – The Plan invests in various securities, including mutual funds, common/collective trusts and Avis Budget Group, Inc. common stock. Investment securities are exposed to various risks, such as interest rate and credit risks and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes would materially affect participant account balances and the amounts reported in the financial statements.

*Cash and Cash Equivalents* – The Plan considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

*Investment Contracts* – In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) topic 962, *Plan Accounting — Defined Contribution Plans*, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the ASC, the Statements of Net Assets Available for Benefits presents investment contracts at fair value as well as an additional line item showing an adjustment of fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

*Valuation of Investments and Income Recognition* – The Plan’s investments are stated at fair value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year. Mutual funds are valued at the quoted market price, which represents the net asset value of shares held by the Plan at year-end. Common/collective trusts are valued at the net asset value of the shares held by the Plan at year-end, which is based on the fair value of the underlying assets. Loans to participants, which are secured by the borrowing participant’s vested account balance, are valued at outstanding loan balances, which approximate fair value.

One of the Plan’s common/collective trust investments is the Merrill Lynch Retirement Preservation Trust (“MLPT”). The MLPT invests in traditional guaranteed investment contracts (“traditional GICs”) and wrapped portfolios of fixed income investments (“synthetic GICs”). Traditional GICs are unsecured, general account obligations of insurance companies or banks and are collateralized by the assets of the insurance company or bank. Synthetic GICs consist of a portfolio of securities owned by the MLPT and a benefit responsive, contract value wrap contract purchased for the portfolio. The wrap contract amortizes gains and losses of the underlying securities over the portfolio duration, and assures that contract value, benefit responsive payments will be made for participant directed withdrawals. Wrap contracts are issued by financially responsible third parties, typically banks, insurance companies, or other financial services institutions and are designed to allow a stable asset fund to maintain a stable contract value and to protect a fund in extreme circumstances. In a typical wrap contract, the wrap issuer agrees to pay a fund the difference between the contract value and the market value of the underlying assets for participant directed redemptions once the market value has been totally exhausted.

Wrap contracts accrue interest using a formula called the “crediting rate.” The crediting rate is primarily based on the current yield-to-maturity of the covered investments, plus or minus amortization of the difference between the market value and contract value of the covered investments over the duration of the covered investments at the time of computation. The crediting

## [Table of Contents](#)

rate can be adjusted periodically and is usually adjusted either monthly or quarterly, but in no event is the crediting rate less than zero. The crediting rate on traditional GICs is typically fixed for the life of the investment. The crediting rate on synthetic GICs is typically reset every month or quarter based on the contract value of the contract, the market yield of the underlying assets, the market value of the underlying assets and the average duration of the underlying assets.

Certain events limit the ability of the Plan to transact at contract value with the insurance companies and financial institution issuers of traditional GICs or synthetic GICs. Such events include the following: (i) layoffs, (ii) bankruptcy, (iii) plant closings, (iv) plan termination or mergers, (v) early retirement incentive, (vi) employee communications designed to induce participants to transfer from the fund, or (vii) competing fund transfer or violation of equity wash or equivalent rules in place and changes of qualification status of employer or plan. As of December 31, 2009, the MLPT Trustee does not believe that the occurrence of an event that would limit the Trust's ability to transact at contract value with participants is probable.

The fair value of the underlying debt securities are valued at the last available bid price in over the counter markets or on the basis of values obtained by independent valuation groups. Traditional GICs are valued using a discounted cash flow methodology, synthetic GICs are valued on a monthly basis per the terms of the applicable contract using valuations provided by a pricing service approved by the Trustee, and the fair value of the wrap contracts is determined using a market approach discounting methodology. The investment contracts are valued at fair value of the underlying investments and then adjusted by the issuer to contract value.

Participants may direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals. The fair value recorded in the Plan's financial statements for such fund was \$14,656,151 and \$797,511 at December 31, 2009 and 2008, respectively. The average yield earned by the MLPT calculated based on the change in the net asset value between the beginning and the end of the year was 1.82% and 4.67% for the years ended December 31, 2009 and 2008, respectively. The average yield earned with an adjustment to reflect the actual interest rate credited to participants was 2.23% and 3.97% for the years ended December 31, 2009 and 2008, respectively.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is recorded when earned. The accompanying Statement of Changes in Net Assets Available for Benefits presents net appreciation in fair value of investments, which includes unrealized gains and losses on investments held at December 31, 2009, realized gains and losses on investments sold during the year then ended and management and operating expenses associated with the Plan's investments in mutual funds and common/collective trusts.

Management fees and operating expenses charged to the Plan for investments in the mutual funds and common/collective trusts are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

*Benefit Payments* – Benefits to participants are recorded upon distribution. Amounts allocated to accounts of participants who have elected to withdraw from the Plan, but have not yet received payments from the Plan, totaled \$10,654 and \$0 at December 31, 2009 and 2008, respectively.

### **Accounting Pronouncements Adopted During 2009**

In May 2009, the FASB issued new guidance related to ASC topic 855, *Subsequent Events*, to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Plan adopted this guidance on December 31, 2009, as required, and it did not have a significant impact on its financial statements.

## [Table of Contents](#)

In June 2009, the FASB issued new guidance related to ASC topic 105, *Generally Accepted Accounting Principles*. This topic allows the FASB ASC to become the single source of authoritative U.S. accounting and reporting standards, other than guidance issued by the SEC. The Plan adopted this guidance on July 1, 2009, as required, and it did not have a significant impact on its financial statements.

In August 2009, the FASB issued Accounting Standards Update (“ASU”) No. 2009-05, “Measuring Liabilities at Fair Value” (“ASU No. 2009-05”). ASU No. 2009-5 clarifies, among other things, that when a quoted price in an active market for the identical liability is not available, an entity must measure fair value using one or more specified techniques. The Plan adopted this guidance on December 31, 2009, as required, and it had no impact on its financial statements.

In September 2009, the FASB issued Accounting Standards Update (“ASU”) No. 2009-12 “Fair Value Measurements and Disclosures: Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)” (“ASU No. 2009-12”), which amended ASC Subtopic 820-10, *Fair Value Measurements and Disclosures — Overall*. ASU No. 2009-12 permits, as a practical expedient, an entity holding investments in certain entities that calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that net asset value per share or its equivalent without adjustment. The ASU requires enhanced disclosures about the nature and risks of investments within its scope. Such disclosures include the nature of any restrictions on an investor’s ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investee. The Plan adopted this guidance as of December 31, 2009, and it did not have a significant impact on its financial statements.

### 3. INVESTMENTS

The following tables present investments at fair value that represent five percent or more of the Plan’s net assets available for benefits as of December 31:

	<u>2009</u>
Merrill Lynch Retirement Preservation Trust <sup>(a) (b)</sup>	\$14,656,151
PIMCO Total Return Fund	3,428,735
Loans to participants	1,862,977
Davis NY Venture Fund	1,852,162
American Growth Fund	1,840,539
	<u>2008</u>
Merrill Lynch Retirement Preservation Trust <sup>(a) (b)</sup>	\$ 797,511
Davis NY Venture Fund	232,394
The Oakmark Equity and Income Fund	226,681
PIMCO Total Return Fund	225,528
Oppenheimer Capital Appreciation Fund	121,398
Loans to participants	127,616

<sup>(a)</sup> Permitted party-in-interest

<sup>(b)</sup> The contract value of Merrill Lynch Retirement Preservation Trust was \$15,719,290 and \$926,263 at December 31, 2009 and 2008, respectively.

## [Table of Contents](#)

During 2009, the Plan's investments at fair value (including gains and losses on investments bought and sold, as well as held during the year) appreciated in fair value, as follows:

	<u>2009</u>
Mutual funds	\$1,124,236
Common stock (*)	957,396
Common/collective trusts	136,389
	<u>\$2,218,021</u>

(\*) Consists of common stock of Avis Budget Group, Inc.

#### 4. FEDERAL INCOME TAX STATUS

The IRS determined and informed the Company by letter dated March 6, 2006 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving this determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and that the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

#### 5. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

A portion of the Plan's investments represents shares in funds managed by Merrill Lynch Trust Company FSB, the trustee of the Plan. Therefore, these transactions qualify as exempt party-in-interest transactions.

At December 31, 2009 and 2008, the Plan held 50,892 and 8,494 shares, respectively, of Avis Budget Group, Inc. common stock with a cost basis of \$157,225 and \$12,506, respectively. During 2009 and 2008, the Plan did not receive any dividends from ABGI, which is the parent company of the sponsoring employers.

#### 6. PLAN TERMINATION

Although the Company has not expressed any intention to do so, the Company reserves the rights to modify, suspend, amend or terminate the Plan in whole or in part at any time subject to the provisions of ERISA. If the Plan is terminated, the amounts credited to the employer contribution accounts of all participants become fully vested.

#### 7. RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31:

	<u>2009</u>	<u>2008</u>
Net assets available for benefits per the financial statements	\$33,894,971	\$2,380,779
Less: Amounts allocated to withdrawing participants	(6,479)	—
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	(1,063,139)	(128,753)
Net assets available for benefits per Form 5500	<u>\$32,825,353</u>	<u>\$2,252,026</u>

## [Table of Contents](#)

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2009 to Form 5500:

Benefits paid to participants per the financial statements	\$3,787,489
Less: Certain deemed distributions of participant loans	(132,777)
Corrective distributions	(23,693)
Add: Amounts allocated to withdrawing participants at December 31, 2009	6,479
Benefits paid to participants per Form 5500	<u>\$3,637,498</u>

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 2009, but not yet paid as of that date.

The following is a reconciliation of changes in net assets available for benefits per the financial statements for the year ended December 31, 2009 to the net income per Form 5500:

Increase in net assets available for benefits per the financial statements	\$ 31,514,192
Less: Amounts allocated to withdrawing participants	(6,479)
Transfer of assets to the Plan (Reflected in line L- Transfer of assets-of Form 5500)	(29,864,277)
December 31, 2009 adjustment for contract value to fair value for fully benefit-responsive investment contracts	(1,063,139)
Add: December 31, 2008 adjustment for contract value to fair value for fully benefit-responsive investment contracts	128,753
Net income per Form 5500	<u>\$ 709,050</u>

## 8. FAIR VALUE MEASUREMENTS

The Plan measures certain financial assets and liabilities at fair value in accordance with FASB ASC topic 820, *Fair Value Measurements*, which requires the Plan to classify its investments into (i) Level 1, which refers to securities valued using quoted prices from active markets for identical assets, includes the common stock of publicly traded companies, mutual funds with quoted market prices and common/collective trusts with quoted market prices which operate similar to mutual funds, (ii) Level 2, which refers to securities for which significant other observable market inputs are readily available, including common/collective trusts for which quoted market prices are not readily available and participant loans, which are fully secured by the participant's vested account balance, the principal and interest are repaid through payroll deductions and bear interest rates commensurate with prevailing market rates that market participants would use for similar assets, and (iii) Level 3, which refers to securities valued based on significant unobservable inputs. See Note 2—Summary of Significant Accounting Policies for the Plan's valuation methodology used to measure fair value.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

- Avis Budget Group, Inc. common stock – The fair value of Avis Budget Group common stock is valued at the closing price reported on the active markets on which the security is traded. As such, these assets are classified as Level 1.
- Common/collective trusts – are comprised of fully benefit-responsive investment contracts (see Note 2) valued based on the net asset value (“NAV”) of units held by the Plan at year-end. Although the common/collective trusts are not available in an active market, the NAV of the units are approximated based on the quoted prices of the underlying investments that are traded in an active market. The Company has no unfunded commitments related to any of these investments and there are no Plan initiated redemption restrictions on these investments, with the exception of the MLPT, which requires 30 days written notice before the investment may be redeemed and such redemption is limited to \$6.3 million, per month. There are no redemption restrictions on the participant's holdings in these investments.
- Mutual funds – Valued at the NAV of shares held by the Plan at year end. NAV is derived by the quoted prices of underlying investments.
- Loans to participants are valued at amortized cost, which approximates fair value.
- Cash and cash equivalents are valued at cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## [Table of Contents](#)

The following tables sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2009:

<u>Asset Class</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Common stock	\$ 667,709	\$ —	\$ 667,709
Mutual funds:			
Large-cap growth	2,864,573	—	2,864,573
Large-cap value	864,871	—	864,871
Large-cap blend	3,511,381	—	3,511,381
Mid-cap growth	1,434,771	—	1,434,771
Mid-cap value	124,225	—	124,225
Small-cap growth	127,357	—	127,357
Small-cap blend	658,968	—	658,968
Foreign large-cap blend	1,144,246	—	1,144,246
Bond funds	3,677,479	—	3,677,479
Real estate	262,216	—	262,216
Common/collective trusts:			
Traditional GICs	—	90,477	90,477
Synthetic GICs	—	13,878,289	13,878,289
Large-cap blend	—	182,743	182,743
Foreign large-cap blend	—	219,667	219,667
Emerging markets	—	477,848	477,848
Other assets	—	687,385	687,385
Participant loans	—	1,862,977	1,862,977
<b>Total</b>	<b>\$ 15,337,796</b>	<b>\$ 17,399,386</b>	<b>\$ 32,737,182</b>

The following tables sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2008:

<u>Asset Class</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Common stock	\$ 5,946	\$ —	\$ 5,946
Mutual funds	1,262,475	—	1,262,475
Common/collective trusts	—	843,978	843,978
Participant loans	—	127,616	127,616
<b>Total</b>	<b>\$ 1,268,421</b>	<b>\$ 971,594</b>	<b>\$ 2,240,015</b>

## 9. PROHIBITED TRANSACTIONS

During the Plan year ended December 31, 2009, the Company was delinquent in remitting to the Trustee certain employee contributions totaling \$458,066 within the time period set forth in the Department of Labor's ("DOL") plan asset regulation at 2510.3-102. As of December 31, 2009 all such delinquent participants' contributions have been remitted to the Plan. In addition, participants have been credited with the amount of investment that would have been earned had the participant contributions been remitted on a timely basis.

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**AB CAR RENTAL SERVICES, INC.  
RETIREMENT SAVINGS PLAN FOR BARGAINING HOURLY EMPLOYEES  
FORM 5500, SCHEDULE H, PART IV, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2009**

<u>Identity of Issue, Borrower, Lessor or Similar Party</u>	<u>Description of Investment</u>	<u>Number of Shares, Units or Par Value</u>	<u>Cost ***</u>	<u>Current Value****</u>
* Avis Budget Group, Inc.	Common stock	50,892		\$ 667,709
* Merrill Lynch Retirement Preservation Trust	Common/collective trust	15,719,290		14,656,151
Harding Loevner Emerging Markets Fund	Common/collective trust	50,406		477,848
Oppenheimer International Growth Trust	Common/collective trust	16,717		219,667
* Merrill Lynch Equity Index Trust	Common/collective trust	13,081		182,743
PIMCO Total Return Fund	Registered investment fund	317,475		3,428,735
Davis NY Venture Fund	Registered investment fund	59,193		1,852,162
American Growth Fund	Registered investment fund	67,468		1,840,539
The Oakmark Equity and Income Fund	Registered investment fund	64,966		1,659,219
ING International Value Fund	Registered investment fund	100,021		1,144,246
Oppenheimer Capital Appreciation Fund	Registered investment fund	24,652		1,024,034
Allianz CCM Capital Appreciation Fund	Registered investment fund	64,238		955,855
MFS Value Fund	Registered investment fund	41,640		864,871
Harbor Small Capital Value Fund	Registered investment fund	40,329		658,968
Harbor Mid Capital Growth Fund	Registered investment fund	68,222		478,916
DWS RREEF Real Estate Fund	Registered investment fund	18,797		262,216
Lord Abbett Bond Debenture Fund	Registered investment fund	34,028		248,744
Vanguard Explorer Admiral Fund	Registered investment fund	2,389		127,357
Columbia Mid Capital Fund	Registered investment fund	11,212		124,225
* Various participants**	Participant loans			1,862,977
Cash and cash equivalents				10,970
<b>Total</b>				<b>\$32,748,152</b>

\* Represents a permitted party-in-interest.

\*\* Maturity dates range from January 2010 to February 2020. Interest rates range from 4.25 % to 10.50%.

\*\*\* Cost information is not required for participant-directed investments.

\*\*\*\* Form 5500 instructions require reporting of Common/collective trusts at fair value on this schedule.

**AB CAR RENTAL SERVICES, INC.  
RETIREMENT SAVINGS PLAN FOR BARGAINING HOURLY EMPLOYEES  
FORM 5500, SCHEDULE H, PART IV, LINE 4A—SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS  
YEAR ENDED DECEMBER 31, 2009**

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<u>Participant contributions Transferred Late to Plan</u>	<u>Contributions Not Corrected</u>	<u>Contributions Corrected Outside of VFCP</u>	<u>Contributions Pending Correction in VFCP</u>	<u>Total Full Corrected Under VFCP and PTE 2002-51</u>
\$ 458,066				\$ 458,066



**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

AB Car Rental Services, Inc.  
Retirement Savings Plan  
for Bargaining Hourly Employees

By: /s/ Mark Servodidio  
Mark Servodidio  
Executive Vice President,  
Chief Human Resources Officer  
Avis Budget Group, Inc.

Date: June 29, 2010

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statement No. 333-1147744 on Form S-8 of our report dated June 29, 2010 relating to the AB Car Rental Services, Inc. Retirement Savings Plan For Bargaining Hourly Employees statement of net assets available for benefits as of December 31, 2009 and the related statement of changes in net assets available for benefits for the year ended December 31, 2009, which appear in this Annual Report on Form 11-K.

/s/ J.H. Cohn LLP  
Roseland, New Jersey  
June 29, 2010

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-114744 on Form S-8 of our report dated June 26, 2009, relating to the financial statement of AB Car Rental Services, Inc. Retirement Savings Plan For Bargaining Hourly Employees as of December 31, 2008, appearing in this Annual Report on Form 11-K of AB Car Rental Services, Inc. Retirement Savings Plan For Bargaining Hourly Employees for the year ended December 31, 2009.

/s/ Deloitte & Touche LLP

New York, New York

June 29, 2010