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## Dollar Thrifty Automotive Group Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Chris Agnew with Goldman Sachs.

#### Christopher Agnew - Goldman Sachs

Really question around fleet and I guess there's many moving parts, so it's a little bit multifaceted. In the second quarter your fleet net book value was down significantly on a year-over-year basis. It wasn't in the end of the third quarter. If you can give us some background as to why that was, and then looking forward, can you talk a little bit about your plans for cutting fleet for lower volume or maybe expected volume and demand in fourth quarter and next year?

#### Scott L. Thompson

Let me talk about fleet and see if I get your questions answered appropriately. First of all, as you know, we've begun to extend our fleet and we're probably moving closer to more like a 20 or 21 month expected holding period. When I look at our fleet, we have 3,700 cars that are the '07s, 79,000 '08s, and about 20,000 '09s. We're going to run those cars longer than we have traditionally. We're not going to be buying as many cars in the first quarter as we've done historically.

I think that probably answers why the average is down, but when you talk about what our fleet size is going to be in the future, that's going to be demand dependent. I would expect because of the market we will probably not bring as many cars into the fleet for the busy summer months, kind of cut off the peak, so we reduce the risk of de-fleeting next year. As Cliff mentioned in this prepared remarks, the de-fleeting this year was much more difficult than in prior years.

We were fortunate that we had a large number of GDP cars that we were able to deliver to the auction and in fact there are about 30,000 of our GDP cars at the auction now. Last year that number was about 11,000. That gives you some indication of how backed up the auctions are. Additionally, we had a difficult time selling risk vehicles during the third quarter. I think last year we sold about 19,000 risk vehicles during the quarter. This year we sold about 5,000.

So you can see the issues there. So it will change our strategy going into the summer. All of that has to do with liquidity in the marketplace for consumers and what's going on the retail franchise side which are primarily the buyers of our fleet.

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