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Dollar Thrifty Automotive Group Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Your first question comes from John Healy – FTN Equity Capital Markets.

John Healy – FTN Securities

Question for you a little bit about the fleet, could you talk to what you ended the year at in terms of fleet and I know you gave the average number that we exited the year at and maybe how you anticipate fleet to be moving throughout 2009, kind of what your purchase plans are? How much less they are going to be in 2009 and just any color you can give us on what we should expect maybe as a peak fleet this year.

Scott L. Thompson

Okay. I am going to just kind of talk in general as Cliff kind of looks at the detail numbers. Interesting from a dollar perspective the fleet's down 30% in dollars, but only about 16% or 17% in units. That's because we're not fleeting with the expensive GDPs and we're running the fleet a little bit longer. So it would depend on whether you are looking at dollars or units, call the ending fleet down 16% at year end.

As we go forward we are keeping our flexibility during the year and in fact this time last year we had about 75,000 cars on order. As we sit here today we have 6,000 cars on order. And so, we're being very conservative from an order standpoint because of the residual foreseen in used car market. I would expect that our peak fleet will be down, call it 10% or 11% from a percentage standpoint in units. Significantly more from a dollar standpoint but that will really be dependent on what we see in demand in the market place. Does that help?

John Healy – FTN Securities

Yes, that helps I guess kind of follow up on that. Is it appropriate to think that we – is it realistic to think that we should see improved utilitization probably and at some point in 2009 even despite the lower demands which?

Scott L. Thompson

No. No. No, I think your upside is not in utilization. We already run pretty high utilitization anyway from an industry standpoint. It's in rate per day. I believe the financial pressures that the industry's under as cheap financing has gone away in the marketplace and some of the companies are under financial stress.

I think there will be more capacity taken out of the industry than the demand fall and I think the upside is in rate per day. And, in fact, we have seen and continue to see a firming rate per day going into the first quarter.