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Avis Budget Group, Inc. F1Q09 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Emily Shanks – Barclays Capital

Emily Shanks – Barclays Capital

I wanted to see if you guys could give me what revolver availability was at the end of the first quarter, corporate revolver availability.

David Wyshner

At the end of the first quarter we had no borrowings under the revolver and I believe roughly \$800 million of letters of credit outstanding which would give us about \$350 million of capacity. We'll get an exact number for you as well. It was \$765 million of LCs outstanding which would give us availability of \$385 million.

Emily Shanks – Barclays Capital

I appreciate all of the details you gave us around your outlook for the back half of '09. I just wanted to make sure I think I caught everything. In the press release you do indicate that you expect the second half of '09 to be up year over year on the on airport rental volume if I'm reading it correctly. I want to understand what the drivers are that you think are going to be doing that.

David Wyshner

The way to read our comments is that we expect the comparisons year over year to be stronger or better than they are in the first half of the year and then they were in the first quarter, not necessarily that they will be up year over year.

Emily Shanks – Barclays Capital

In terms of the dollar amount for cost savings that you went through the different buckets, is there a portion of that that reflects the shrinking of operating model to reflect the lower demand levels, i.e. when you quote the headcount reduction of I believe it was negative 22%. Is a portion of that simply just ratcheting down the operating model?

Ron Nelson

In terms of the number that we gave for year over year headcount 5,700 positions that does include a ratcheting down for the operating model. For the most part the earlier number that I gave was 3,100 positions, that almost all is not related to the business model. It's taking real fixed overhead out of the business.

Emily Shanks – Barclays Capital

You gave the three buckets, the five point plan at \$200 million, 3Q08 at \$50 million and performance excellence at \$100 million, what portion of that \$350 million of savings for '09 is attributable to simply your variable cost structure which is what makes car rental so attractive.

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