

DOLLAR THRIFTY AUTOMOTIVE GROUP INC

Form 425

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Filed by Hertz Global Holdings, Inc.
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Subject Company:
Dollar Thrifty Automotive Group, Inc.
Exchange Act File No. 001-13647

Investor Presentation
May 2011
Hertz Global Holdings, Inc. (NYSE: HTZ) and the Hertz Corporation

Additional Information

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Hertz Global Holdings, Inc. (“Hertz”) has filed a Registration Statement on Form S-4 and will file a Tender Offer Statement on Schedule TO (collectively, with the accompanying Letter of Transmittal and related documents, the “Exchange Offer Documents”) with the Securities and Exchange Commission (the “SEC”) in connection with the proposed offer (the “Exchange Offer”) by HDTMS, Inc., a wholly owned subsidiary of Hertz, to exchange each issued and outstanding share of common stock of Dollar Thrifty Automotive Group, Inc. (“Dollar Thrifty”) for \$57.60 in cash and 0.8546 shares of Hertz common stock. The Exchange Offer has not yet formally commenced. This communication is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, shares of Dollar Thrifty common stock, nor is it a substitute for the Exchange Offer Documents. The Exchange Offer will be made only through the Exchange Offer Documents.

Security holders and investors may obtain, when available, any of the foregoing documents, including the Exchange Offer Documents, for free by visiting EDGAR on the SEC website at www.sec.gov. The Exchange Offer Documents will also be available free of charge from Hertz following commencement of the Exchange Offer. **SECURITY HOLDERS AND INVESTORS OF HERTZ AND DOLLAR THRIFTY ARE URGED TO READ ANY SUCH DOCUMENTS CAREFULLY IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISION WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.**

All information in this presentation concerning Dollar Thrifty, including its business, operations and historical and projected financial results, was obtained from public sources. While Hertz has no knowledge that any such information is inaccurate or incomplete, Hertz has not had the opportunity to verify any of that information.

Forward-Looking Statements

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Certain statements contained herein constitute forward-looking statements. These statements are based on the current expectations and beliefs of Hertz and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Risks, uncertainties and assumptions include the possibility that (1) Hertz may be unable to obtain regulatory approvals required for the exchange offer or may be required to accept conditions that could reduce the anticipated benefits of the exchange offer as a condition to obtaining regulatory approvals; (2) Dollar Thrifty stockholders may not tender a sufficient number of shares into the exchange offer or Hertz may otherwise be unable to consummate the exchange offer; (3) the length of time necessary to consummate the exchange offer may be longer than anticipated; (4) problems may arise in successfully integrating the businesses of Hertz and Dollar Thrifty and Hertz may not realize the anticipated synergies and other benefits following the exchange offer; (5) the exchange offer may involve unexpected costs; (6) the Hertz and Dollar Thrifty businesses may suffer as a result of uncertainty surrounding the exchange offer; and (7) Hertz and/or Dollar Thrifty may be adversely affected by the other risks described in the SEC reports of Hertz and Dollar Thrifty. Because forward-looking statements involve risks and uncertainties, actual results and events may differ materially from results and events currently expected by Hertz. Hertz assumes no obligation and expressly disclaims any duty to update the information contained herein except as required by law.

Summary Deal Terms & Structure

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PURCHASE

PRICE

KEY

CONDITIONS

\$72.00 per share purchase price (based on 5/6 Hertz stock price)

Equity Value of \$2.2 billion

Corporate Enterprise Value of \$1.9 billion

26% Premium to 90-Day Avg. Price

18% Premium to 60-Day Avg. Price

LTM EBITDA multiple of 7.6x

Exchange Offer

Consideration of 80% cash / 20% stock

No financing contingency

Antitrust clearance

Majority minimum tender

Approval under Delaware 203

DEAL

STRUCTURE

A Superior Proposal for DTG Shareholders
Attractive offer to DTG shareholders
Hertz is likely to obtain FTC clearance
Hertz is offering certain value on an accelerated timetable
Exchange offer ensures fastest path to closing
Hertz offer is not subject to any financing condition
Avis has been working to obtain FTC clearance for a year and still has
no visible path to FTC clearance

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Strategic Benefits and Synergies

Provides Hertz with multiple strategic options to address corporate and leisure business and compete with multi-brand peers in all three tiers of the market
Provides instant scale in mid-tier value segment with established brand and airport infrastructure
Allows Hertz to aggressively pursue mid-tier value and premium segments with dedicated brands

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STRATEGIC
BENEFITS
SIGNIFICANT
SYNERGY
POTENTIAL

Identified meaningful cost synergies related to:

Fleet
IT systems
Procurement

Highly Complementary Brands

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Premier global brand

A leading car rental provider in U.S. and
Europe

#1 worldwide general used car rental
brand

Strong premium brand in business and
leisure sectors of the U.S. market

Best-in-class service reputation

Approximately 8,500 locations

One of the largest equipment rental
operators in U.S. and Canada combined
based on 2010 revenues

Diversified revenue mix

Approximately 320 locations

Well positioned “value” player in the U.S.
market

Significant footprint and infrastructure

12% - 13% of all airport revenues

Strong share of value rentals at certain
key leisure airports

Strong partnerships with tour operators
and travel agencies

Approximately 1,575 locations

300 corporate-owned locations

1,275 franchisee locations (in 82
countries)

Overview of Combined Company

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2010

HERTZ

DOLLAR THRIFTY

PRO FORMA

COMBINED COMPANY

REVENUE

\$7.6bn

\$1.5bn

\$9.1bn

GROSS

EBITDA

(% MARGIN)

\$2.8bn

(37%)

\$0.6bn

(41%)

\$3.4bn

(38%)

CORPORATE

EBITDA

(% MARGIN)

\$1.1bn

(15%)

\$0.3bn

(17%)

\$1.4bn

(15%)

A Multi-Brand Rental Car Leader

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Premium global brand
competing with Avis, National
Corporate, higher-end leisure,
special occasions

High service, higher-end fleet
mix

Making inroads in Off-Airport
segment historically
dominated by Enterprise

Middle market airport brands
competing with Budget,
Enterprise, Alamo

Value proposition
emphasizing lower price but
consistently delivering
essential services (speed,
reliability)

Consider dual brand
operationally, but keep
separate for marketing,
positioning, e.g., separate
websites

Next generation car rental in
urban, university and
corporate markets; significant
scalability

Competes against Zipcar,
Enterprise, and international
companies

Platform for future, green
rental concepts (e.g. electric
cars)

High-tech, high-touch
customer service model

Hertz will be able to enhance its portfolio with a “mid-tier value” brand

Financial Benefits

EPS accretive to Hertz shareholders in first full year following
transaction close

Significant potential cost synergies identified

Committed to maintaining a strong, flexible balance sheet

Anticipated financing to come from cash on hand and new borrowings

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Factors Driving Higher Offer Price

Overall industry outlook has improved

Valuation multiples (2011 EBITDA) for Hertz and Avis on average
have increased approximately 20% since September 30, 2010

Residual values have also improved and appear to be sustainable in
the near-term

As a result, Dollar Thrifty's expected 2011 corporate EBITDA has
increased meaningfully since last fall

August 2010 GUPPI Analysis

Last August, Hertz provided an antitrust analysis comparing potential Hertz and Avis acquisitions of DTG using, among other things, the Gross Upward Price Pressure Index (“GUPPI”) economic test.

GUPPI:

Economic formula used to evaluate the “upward pricing pressure” from a proposed merger on each of the merging brands (before netting out cost savings)

GUPPI addresses anticompetitive pricing power of combined companies post merger

Concept endorsed by new FTC/DOJ Merger Guidelines - August 2010

GUPPI score under 5% indicates low risk of unilateral price increase;
GUPPI score over 10% suggests more significant concern for unilateral price increase

August 2010 GUPPI Analysis

For Hertz – Dollar Thrifty:

The combined entity generated GUPPI scores of under 5.0% except at Las Vegas (5.01%)

Indicates low risk of unilateral price increases from Hertz-Dollar Thrifty transaction

For Avis Budget – Dollar Thrifty:

For 99% of Dollar Thrifty revenue earned at U.S. airports, the combined entity generated a GUPPI score exceeding 5%

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No surprise that Avis hasn't received FTC clearance after a year of trying

Key Next Steps

Complete Advantage divestiture process

Finalize consent decree with FTC

Commence discussions with Dollar Thrifty to reach a consensual deal

Secure support of Dollar Thrifty shareholders in favor of a transaction
with Hertz