

HERTZ GLOBAL HOLDINGS INC
Form 10-Q
May 06, 2011

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

Commission File Number 001-33139

HERTZ GLOBAL HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

20-3530539

(I.R.S. Employer
Identification Number)

**225 Brae Boulevard
Park Ridge, New Jersey 07656-0713
(201) 307-2000**

(Address, including Zip Code, and telephone number,
including area code, of registrant's principal executive offices)

Not Applicable

(Former name, former address and former fiscal year,
if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller
reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 415,808,391 shares of the registrant's common stock, par value \$0.01 per share, issued and outstanding as of May 2, 2011.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
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PART I FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Shareholders of Hertz Global Holdings, Inc.:

We have reviewed the accompanying condensed consolidated balance sheet of Hertz Global Holdings, Inc. and its subsidiaries as of March 31, 2011, and the related consolidated statements of operations for the three-month periods ended March 31, 2011 and March 31, 2010 and the consolidated statements of cash flows for the three-month periods ended March 31, 2011 and March 31, 2010. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2010, and the related consolidated statements of operations, of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated February 25, 2011, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2010, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers LLP
Florham Park, New Jersey
May 6, 2011

Table of Contents**HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(In Thousands of Dollars)****Unaudited**

	March 31, 2011	December 31, 2010
ASSETS		
Cash and cash equivalents	\$ 1,365,759	\$ 2,374,170
Restricted cash and cash equivalents	190,886	207,576
Receivables, less allowance for doubtful accounts of \$21,323 and \$19,708	1,311,755	1,356,553
Inventories, at lower of cost or market	97,472	87,429
Prepaid expenses and other assets	428,879	352,782
Revenue earning equipment, at cost:		
Cars	8,970,894	8,435,077
Less accumulated depreciation	(1,256,743)	(1,199,355)
Other equipment	2,766,600	2,756,101
Less accumulated depreciation	(1,079,491)	(1,052,414)
Total revenue earning equipment	9,401,260	8,939,409
Property and equipment, at cost:		
Land, buildings and leasehold improvements	1,101,047	1,071,987
Service equipment and other	945,999	900,271
	2,047,046	1,972,258
Less accumulated depreciation	(860,537)	(808,689)
Total property and equipment	1,186,509	1,163,569
Other intangible assets, net	2,535,570	2,550,559
Goodwill	309,495	300,174
Total assets	\$ 16,827,585	\$ 17,332,221
LIABILITIES AND EQUITY		
Accounts payable	\$ 1,204,927	\$ 944,973
Accrued liabilities	983,420	1,070,082
Accrued taxes	121,602	108,940
Debt	10,750,019	11,306,429
Public liability and property damage	282,127	278,685
Deferred taxes on income	1,450,797	1,491,789
Total liabilities	14,792,892	15,200,898
Commitments and contingencies		
Equity:		
Hertz Global Holdings Inc. and Subsidiaries stockholders' equity		
Preferred Stock, \$0.01 par value, 200,000,000 shares authorized, no shares issued and outstanding		
Common Stock, \$0.01 par value, 2,000,000,000 shares authorized, 414,938,766 and 413,462,889 shares issued and outstanding	4,149	4,135

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Additional paid-in capital	3,184,496	3,183,225
Accumulated deficit	(1,242,975)	(1,110,362)
Accumulated other comprehensive income	68,873	37,823
Total Hertz Global Holdings, Inc. and Subsidiaries stockholders' equity	2,014,543	2,114,821
Noncontrolling interest	20,150	16,502
Total equity	2,034,693	2,131,323
Total liabilities and equity	\$ 16,827,585	\$ 17,332,221

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

Table of Contents**HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****(In Thousands of Dollars, except share and per share data)****Unaudited****Three Months Ended
March 31,
2011 2010****Revenues:**

Car rental	\$	1,478,938	\$	1,396,571
Equipment rental		268,086		236,971
Other		32,979		27,346
Total revenues		1,780,003		1,660,888

Expenses:

Direct operating		1,073,665		1,012,999
Depreciation of revenue earning equipment and lease charges		436,089		459,173
Selling, general and administrative		182,221		167,743
Interest expense		196,889		181,098
Interest income		(1,855)		(2,278)
Other (income) expense, net		51,876		
Total expenses		1,938,885		1,818,735

Loss before income taxes		(158,882)		(157,847)
Benefit for taxes on income		29,940		11,020

Net loss		(128,942)		(146,827)
Less: Net income attributable to noncontrolling interest		(3,673)		(3,578)

Net loss attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders	\$	(132,615)	\$	(150,405)
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Weighted average shares outstanding (in thousands)

Basic		414,065		410,740
Diluted		414,065		410,740

Loss per share attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders:

Basic	\$	(0.32)	\$	(0.37)
Diluted	\$	(0.32)	\$	(0.37)

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

Table of Contents**HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****(In Thousands of Dollars)****Unaudited****Three Months Ended
March 31,
2011 2010**

Cash flows from operating activities:		
Net loss	\$ (128,942)	\$ (146,827)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation of revenue earning equipment	412,508	442,671
Depreciation of property and equipment	37,695	39,630
Amortization of other intangible assets	16,784	16,372
Amortization and write-off of deferred financing costs	44,598	15,573
Amortization and write-off of debt discount	15,297	12,356
Stock-based compensation charges	9,078	8,997
(Gain) loss on derivatives	(6,917)	9,838
Amortization of cash flow hedges		20,899
Provision for losses on doubtful accounts	6,362	5,087
Asset writedowns	742	676
Deferred taxes on income	(26,465)	32,233
Gain on sale of property and equipment	(2,317)	(409)
Changes in assets and liabilities, net of effects of acquisition:		
Receivables	(26,035)	(28,545)
Inventories, prepaid expenses and other assets	(48,280)	(8,975)
Accounts payable	28,813	48,868
Accrued liabilities	(165,747)	(123,112)
Accrued taxes	3,934	(56,487)
Public liability and property damage	(5,468)	(4,175)
Net cash provided by operating activities	165,640	284,670
Cash flows from investing activities:		
Net change in restricted cash and cash equivalents	20,611	139,905
Revenue earning equipment expenditures	(1,963,814)	(2,214,469)
Proceeds from disposal of revenue earning equipment	1,690,159	1,606,447
Property and equipment expenditures	(56,770)	(51,292)
Proceeds from disposal of property and equipment	14,451	6,683
Acquisitions, net of cash acquired	(9,774)	
Sale of short-term investments, net		3,360
Other investing activities	1,192	341
Net cash used in investing activities	\$ (303,945)	\$ (509,025)

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

Table of Contents**HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)****(In Thousands of Dollars)****Unaudited****Three Months Ended
March 31,
2011 2010**

Cash flows from financing activities:		
Proceeds from issuance of long-term debt	\$ 2,429,456	\$ 8,472
Payment of long-term debt	(3,138,875)	(262,593)
Short-term borrowings:		
Proceeds	67,155	66,581
Payments	(225,302)	(79,279)
Proceeds (payments) under the revolving lines of credit, net	47,928	347,175
Distributions to noncontrolling interest		(2,975)
Proceeds from employee stock purchase plan	871	610
Proceeds from exercise of stock options	1,728	690
Proceeds from disgorgement of stockholder short-swing profits	40	41
Net settlement on vesting of restricted stock	(10,703)	(5,262)
Payment of financing costs	(64,091)	(1,311)
Net cash provided by (used in) financing activities	(891,793)	72,149
Effect of foreign exchange rate changes on cash and cash equivalents		
	21,687	(32,687)
Net change in cash and cash equivalents during the period	(1,008,411)	(184,893)
Cash and cash equivalents at beginning of period	2,374,170	985,642
Cash and cash equivalents at end of period	\$ 1,365,759	\$ 800,749
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 205,812	\$ 173,247
Income taxes	11,555	24,564
Supplemental disclosures of non-cash flow information:		
Purchases of revenue earning equipment included in accounts payable and accrued liabilities	\$ 487,921	\$ 709,052
Sales of revenue earning equipment included in receivables	387,620	632,336
Purchases of property and equipment included in accounts payable	38,782	26,164
Sales of property and equipment included in receivables	6,760	6,271

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

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

Note 1 Background

Hertz Global Holdings, Inc., or "Hertz Holdings," is our top-level holding company. The Hertz Corporation, or "Hertz," is our primary operating company and a direct wholly-owned subsidiary of Hertz Investors, Inc., which is wholly-owned by Hertz Holdings. "We," "us" and "our" mean Hertz Holdings and its consolidated subsidiaries, including Hertz.

We are a successor to corporations that have been engaged in the car and truck rental and leasing business since 1918 and the equipment rental business since 1965. Hertz was incorporated in Delaware in 1967. Ford Motor Company, or "Ford," acquired an ownership interest in Hertz in 1987. Prior to this, Hertz was a subsidiary of United Continental Holdings, Inc. (formerly Allegis Corporation), which acquired Hertz's outstanding capital stock from RCA Corporation in 1985. Hertz Holdings was incorporated in Delaware in 2005 and had no operations prior to the Acquisition (as defined below).

On December 21, 2005, investment funds associated with or designated by:

Clayton, Dubilier & Rice, Inc., or "CD&R,"

The Carlyle Group, or "Carlyle," and

BAML Capital Partners, or "BAMLCP" (formerly known as Merrill Lynch Global Private Equity),

or collectively the "Sponsors," acquired all of Hertz's common stock from Ford Holdings LLC. We refer to the acquisition of all of Hertz's common stock by the Sponsors as the "Acquisition."

In March 2011, the Sponsors sold 50,000,000 shares of their Hertz Holdings common stock to Goldman, Sachs & Co. as the sole underwriter in the registered public offering of those shares.

As a result of our initial public offering in November 2006 and subsequent offerings in June 2007, May 2009, June 2009 and March 2011, the Sponsors reduced their holdings to approximately 39% of the outstanding shares of common stock of Hertz Holdings.

In January 2009, Bank of America Corporation, or "Bank of America," acquired Merrill Lynch & Co., Inc., the parent company of BAMLCP. Accordingly, Bank of America is now an indirect beneficial owner of our common stock held by BAMLCP and certain of its affiliates.

Note 2 Basis of Presentation

The significant accounting policies summarized in Note 2 to our audited consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed with the United States Securities and Exchange Commission, or "SEC," on February 25, 2011, or the "Form 10-K," have been followed in preparing the accompanying condensed consolidated financial statements.

The December 31, 2010 condensed consolidated balance sheet data was derived from our audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America, or "GAAP."

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ materially from those estimates.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

In our opinion, all adjustments necessary for a fair statement of the results of operations for the interim periods have been made. Results for interim periods are not necessarily indicative of results for a full year.

Certain prior period amounts have been reclassified to conform with current reporting.

There have been no new accounting pronouncements issued or changes to existing guidance during the three months ended March 31, 2011 that would have a material impact on our financial position or results of operations.

For the three months ended March 31, 2010, we have revised net cash provided by operating activities and net cash used in investing activities within our consolidated statement of cash flows due to a gross-up of cash lease payments relating to our revenue earning equipment in the non-cash add back previously included in depreciation of revenue earning equipment and proceeds from disposal of revenue earning equipment.

Note 3 Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

We consider all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

In our Consolidated Statements of Cash Flows, we net cash flows from revolving borrowings in the line item "Proceeds (payments) under the revolving lines of credit, net." The contractual maturities of such borrowings may exceed 90 days in certain cases.

Restricted cash and cash equivalents includes cash and cash equivalents that are not readily available for our normal disbursements. Restricted cash and cash equivalents are restricted for the purchase of revenue earning vehicles and other specified uses under our Fleet Debt facilities, for our Like-Kind Exchange Program, or "LKE Program," and to satisfy certain of our self-insurance regulatory reserve requirements. As of March 31, 2011 and December 31, 2010, the portion of total restricted cash and cash equivalents that was associated with our Fleet Debt facilities was \$110.2 million and \$115.6 million, respectively. The decrease in restricted cash and cash equivalents associated with our fleet debt of \$5.4 million from December 31, 2010 to March 31, 2011 was primarily related to payments to reduce fleet debt and the timing of purchases and sales of revenue earning vehicles.

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The following summarizes the changes in our goodwill, by segment (in millions of dollars):

	Car Rental	Equipment Rental	Total
Balance as of January 1, 2011			
Goodwill	\$ 336.4	\$ 658.7	\$ 995.1
Accumulated impairment losses	(43.0)	(651.9)	(694.9)
	293.4	6.8	300.2
Goodwill acquired during the period	5.0		5.0
Adjustments to previously recorded purchase price allocation	(0.9)	1.4	0.5
Other changes during the period ⁽¹⁾	3.6	0.2	3.8
	7.7	1.6	9.3
Balance as of March 31, 2011			
Goodwill	344.1	660.3	1,004.4
Accumulated impairment losses	(43.0)	(651.9)	(694.9)
	\$ 301.1	\$ 8.4	\$ 309.5

	Car Rental	Equipment Rental	Total
Balance as of January 1, 2010			
Goodwill	\$ 335.8	\$ 654.5	\$ 990.3
Accumulated impairment losses	(43.0)	(651.9)	(694.9)
	292.8	2.6	295.4
Goodwill acquired during the year	2.7	4.3	7.0
Other changes during the year ⁽¹⁾	(2.1)	(0.1)	(2.2)
	0.6	4.2	4.8
Balance as of December 31, 2010			
Goodwill	336.4	658.7	995.1
Accumulated impairment losses	(43.0)	(651.9)	(694.9)
	\$ 293.4	\$ 6.8	\$ 300.2

(1)

Primarily consists of changes resulting from the translation of foreign currencies at different exchange rates from the beginning of the period to the end of the period.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

Other intangible assets, net, consisted of the following major classes (in millions of dollars):

	March 31, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Amortizable intangible assets:			
Customer-related	\$ 606.6	\$ (319.3)	\$ 287.3
Other ⁽¹⁾	60.8	(20.7)	40.1
Total	667.4	(340.0)	327.4
Indefinite-lived intangible assets:			
Trade name	2,190.0		2,190.0
Other ⁽²⁾	18.2		18.2
Total	2,208.2		2,208.2
Total other intangible assets, net	\$ 2,875.6	\$ (340.0)	\$ 2,535.6

	December 31, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Amortizable intangible assets:			
Customer-related	\$ 606.5	\$ (304.6)	\$ 301.9
Other ⁽¹⁾	59.1	(18.6)	40.5
Total	665.6	(323.2)	342.4
Indefinite-lived intangible assets:			
Trade name	2,190.0		2,190.0
Other ⁽²⁾	18.2		18.2
Total	2,208.2		2,208.2
Total other intangible assets, net	\$ 2,873.8	\$ (323.2)	\$ 2,550.6

(1)

Other amortizable intangible assets primarily consist of our Advantage trade name and concession rights, reacquired franchise rights, non-compete agreements and technology-related intangibles.

(2)

Other indefinite-lived intangible assets primarily consist of reacquired franchise rights.

Amortization of other intangible assets for the three months ended March 31, 2011 and 2010, was approximately \$16.8 million and \$16.4 million, respectively. Based on our amortizable intangible assets as of March 31, 2011, we expect amortization expense to be approximately \$49.4 million for the remainder of 2011, \$64.9 million in 2012, \$63.6 million in 2013, \$60.7 million in 2014, \$59.5 million in 2015 and \$13.2 million in 2016.

During the three months ended March 31, 2011, we added eight international car rental locations from an external acquisition. This transaction has been accounted for using the acquisition method of accounting in accordance with GAAP and operating results of the acquired locations from the date of acquisition are included in our consolidated statement of operations. The allocation of the purchase price to the tangible and intangible net assets acquired is preliminary and subject to finalization. This

Table of Contents**HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Unaudited**

acquisition is not material to the consolidated amounts presented within our statement of operations for the three months ended March 31, 2011.

Note 5 Taxes on Income

The effective tax rate for the three months ended March 31, 2011 and 2010 was 18.8% and 7.0%, respectively. The benefit for taxes on income of \$30.0 million in the three months ended March 31, 2011 increased from \$11.0 million in the three months ended March 31, 2010, primarily due to changes in geographic earnings mix and changes in losses in certain non-U.S. jurisdictions for which tax benefits cannot be realized.

Note 6 Depreciation of Revenue Earning Equipment and Lease Charges

Depreciation of revenue earning equipment and lease charges includes the following (in millions of dollars):

	Three Months Ended	
	March 31,	
	2011	2010
Depreciation of revenue earning equipment	\$ 418.7	\$ 427.9
Adjustment of depreciation upon disposal of revenue earning equipment	(6.2)	14.8
Rents paid for vehicles leased	23.6	16.5
Total	\$ 436.1	\$ 459.2

The adjustment of depreciation upon disposal of revenue earning equipment for the three months ended March 31, 2011 and 2010, included a net gain of \$6.1 million and a net loss of \$11.2 million, respectively, on the disposal of vehicles used in our car rental operations and a net gain of \$0.1 million and a net loss of \$3.6 million, respectively, on the disposal of industrial and construction equipment used in our equipment rental operations.

Depreciation rates are reviewed on a quarterly basis based on management's routine review of present and estimated future market conditions and their effect on residual values at the time of disposal. During the three months ended March 31, 2011, depreciation rates being used to compute the provision for depreciation of revenue earning equipment were adjusted on certain vehicles in our car rental operations to reflect changes in the estimated residual values to be realized when revenue earning equipment is sold. These depreciation rate changes resulted in a net decrease of \$0.6 million in depreciation expense for the three months ended March 31, 2011. During the three months ended March 31, 2011, depreciation rate changes in certain of our equipment rental operations resulted in a net decrease of \$1.0 million in depreciation expense.

For the three months ended March 31, 2011 and 2010, our worldwide car rental operations sold approximately 30,600 and 42,300 non-program cars, respectively, a 27.7% year over year decrease primarily due to an increase in car rental demand.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

Note 7 Debt

Our debt consists of the following (in millions of dollars):

Facility	Average Interest Rate at March 31, 2011(1)	Fixed or Floating Interest Rate	Maturity	March 31, 2011	December 31, 2010
Corporate Debt					
Senior Term Facility ⁽²⁾	3.75%	Floating	3/2018	\$ 1,400.0	\$ 1,345.0
Senior ABL Facility ⁽²⁾	N/A	Floating	3/2016		
Senior Notes ⁽³⁾	7.56%	Fixed	1/2014 1/2021	3,143.6	3,229.6
Senior Subordinated Notes	10.50%	Fixed	1/2016		518.5
Promissory Notes	7.48%	Fixed	6/2012 1/2028	224.7	345.6
Convertible Senior Notes	5.25%	Fixed	6/2014	474.8	474.8
Other Corporate Debt	4.26%	Floating	Various	42.2	22.0
Unamortized Net (Discount) Premium (Corporate) ⁽⁴⁾				(83.1)	(104.8)
Total Corporate Debt				5,202.2	5,830.7
Fleet Debt					
U.S. ABS Program					
U.S. Fleet Variable Funding Notes:					
Series 2009-1 ⁽⁵⁾	1.27%	Floating	3/2013	1,538.0	1,488.0
Series 2010-2 ⁽⁵⁾	1.30%	Floating	3/2013	145.0	35.0
U.S. Fleet Medium Term Notes					
Series 2009-2 Notes ⁽⁵⁾	4.95%	Fixed	3/2013 3/2015	1,384.3	1,384.3
Series 2010-1 Notes ⁽⁵⁾	3.77%	Fixed	2/2014 2/2018	749.8	749.8
Other Fleet Debt					
U.S. Fleet Financing Facility	1.50%	Floating	12/2011	163.0	163.0
European Revolving Credit Facility	4.58%	Floating	6/2013	155.3	168.6
European Fleet Notes	8.50%	Fixed	7/2015	564.5	529.0
European Securitization ⁽⁵⁾	4.18%	Floating	7/2012	202.8	236.9
Canadian Securitization ⁽⁵⁾	1.19%	Floating	11/2011	82.6	80.4
Australian Securitization ⁽⁵⁾	6.29%	Floating	12/2012	170.8	183.2
Brazilian Fleet Financing Facility	13.52%	Floating	7/2011	18.6	77.8
Capitalized Leases	4.92%	Floating	4/2011 2/2013	389.8	398.1
				(16.7)	(18.4)

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Unamortized Discount
(Fleet)

Total Fleet Debt	5,547.8	5,475.7
Total Debt	\$ 10,750.0	\$ 11,306.4

Note:

For further information on the definitions and terms of our debt, see Note 4 of the Notes to our audited annual consolidated financial statements included in our Form 10-K under the caption "Item 8 Financial Statements and Supplementary Data."

(1) As applicable, reference is to the March 31, 2011 weighted average interest rate (weighted by principal balance).

(2) December 31, 2010 balance refers to the former facilities which were refinanced on March 11, 2011, see "First Quarter Events," below.

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(3)

References to our "Senior Notes" include the series of Hertz's unsecured senior notes set forth in the table below. As of March 31, 2011, the outstanding principal amount for each such series of the Senior Notes is also specified below.

Senior Notes	Outstanding Principal
8.875% Senior Notes due January 2014	\$642.3 million
7.875% Senior Notes due January 2014	\$301.3 million (€213.5 million)
7.50% Senior Notes due October 2018	\$700 million
7.375% Senior Notes due January 2021	\$500 million
6.75% Senior Notes due April 2019	\$1,000 million

(4)

As of March 31, 2011 and December 31, 2010, \$82.3 million and \$87.7 million, respectively, of the unamortized corporate discount relates to the 5.25% Convertible Senior Notes.

(5)

Maturity reference is to the "expected final maturity date" as opposed to the subsequent "legal maturity date." The expected final maturity date is the date by which Hertz and investors in the relevant indebtedness expect the relevant indebtedness to be repaid. The legal final maturity date is the date on which the relevant indebtedness is legally due and payable.

Maturities

The aggregate amounts of maturities of debt for each of the twelve-month periods ending March 31 (in millions of dollars) are as follows:

2012	\$3,859.3 (including \$3,356.1 of other short-term borrowings)
2013	\$773.9
2014	\$743.9
2015	\$842.7
2016	\$953.4
After 2016	\$3,676.6

We are highly leveraged and a substantial portion of our liquidity needs arise from debt service on our indebtedness and from the funding of our costs of operations and capital expenditures. We believe that cash generated from operations, together with amounts available under various liquidity facilities will be adequate to permit us to meet our debt maturities over the next twelve months.

Our short-term borrowings as of March 31, 2011 include, among other items, the amounts outstanding under the European Securitization, Australian Securitization, U.S. Fleet Financing Facility, Brazilian Fleet Financing Facility, Canadian Securitization, Capitalized Leases and European Revolving Credit Facility. These amounts are reflected as short-term borrowings, regardless of the facility maturity date, as these facilities are revolving in nature and/or the outstanding borrowings have maturities of three months or less. Short-term borrowings also include the Convertible Senior Notes which became convertible on January 1, 2011 and remain as such through June 30, 2011. As of March 31, 2011, short-term borrowings had a weighted average interest rate of 3.0%.

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In March 2011, Hertz issued an additional \$500 million aggregate principal of the 6.75% Senior Notes due 2019 in a private offering, the proceeds of which were used in April 2011 to redeem \$480 million principal amount of its outstanding 8.875% Senior Notes due 2014. The redeemed portion of the 8.875% Senior Notes has been included in the 2012 maturities in the table above.

Letters of Credit

As of March 31, 2011, there were outstanding standby letters of credit totaling \$516.9 million. Of this amount, \$467.6 million was issued under the Senior Credit Facilities (\$226.6 million of which was issued for the benefit of the ABS Program) and the remainder is primarily to support self-insurance programs

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Unaudited

(including insurance policies with respect to which we have agreed to indemnify the policy issuers for any losses) as well as airport concession obligations in the United States, Canada and Europe. As of March 31, 2011, none of these letters of credit have been drawn upon.

First Quarter Events

On January 1, 2011, our Convertible Senior Notes became convertible. This conversion right was triggered because our closing common stock price per share exceeded \$10.77 for at least 20 trading days during the 30 consecutive trading day period ending on December 31, 2010. Since this same trigger was met in the first quarter of 2011, the Convertible Senior Notes continue to be convertible through June 30, 2011, and may be convertible thereafter, if one or more of the conversion conditions specified in the indenture is satisfied during future measurement periods. Our policy has been and continues to be to settle conversions of Convertible Senior Notes using a combination of cash and our common stock, which calls for settling the fixed dollar amount per \$1,000 in principal amount in cash and settling in shares the excess conversion, if any.

In January 2011, Hertz redeemed in full its outstanding (\$518.5 million principal amount) 10.5% Senior Subordinated Notes due 2016 which resulted in premiums paid of \$27.2 million and the write-off of unamortized debt costs of \$8.6 million. In January and February 2011, Hertz redeemed \$1,105 million principal amount of its outstanding 8.875% Senior Notes due 2014 which resulted in premiums paid of \$24.5 million and the write-off of unamortized debt costs of \$14.4 million. Hertz used the proceeds from the September 2010 issuance of \$700 million aggregate principal amount of 7.50% Senior Notes, the December 2010 issuance of \$500 million aggregate principal amount of 7.375% Senior Notes and the February 2011 issuance of \$500 million aggregate principal amount of 6.75% Senior Notes (see below) for these redemptions. Total premiums paid during the three months ended March 31, 2011, of \$51.7 million are recorded in "Other (income) expense, net" on our consolidated statement of operations.

In February 2011, Hertz issued \$500 million aggregate principal amount of 6.75% Senior Notes due 2019. The 6.75% Senior Notes are guaranteed on a senior unsecured basis by the domestic subsidiaries of Hertz that guarantee its Senior Credit Facilities.

In February 2011, Hertz used existing corporate liquidity to pay off the maturing amount of the Brazilian Fleet Financing Facility.

In March 2011, Hertz issued an additional \$500 million aggregate principal of the 6.75% Senior Notes due 2019 in a private offering. The proceeds of which were used in April 2011 to redeem \$480 million principal amount of its outstanding 8.875% Senior Notes due 2014. See Note 17 Subsequent Events.

In March 2011, Hertz refinanced its 2005 Senior Term Facility and 2005 Senior ABL Facility. A description of the new Senior Term Facility and Senior ABL Facility is set forth below. During the three months ended March 31, 2011, we recorded an expense of \$9.3 million in "Interest expense" on our consolidated statement of operations associated with the write-off of debt costs in connection with the refinancing of our 2005 Senior Term Facility and 2005 Senior ABL Facility. Additionally, a portion of the unamortized debt costs associated with the 2005 Senior Term Facility and 2005 Senior ABL Facility are continuing to be amortized over the terms of the new Senior Term Facility and Senior ABL Facility. The determination of whether these costs were expensed or further deferred was dependent upon whether the terms of the old and new instruments were considered to be substantially different. In regards to the Senior Term Facility, the determination as to whether the 2005 Senior Term Facility and the new Senior Term Facility

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were considered to be substantially different was made on a lender by lender basis using the "net method" which compares the cash flows related to the lowest common principal balance between the old and new instruments.

In March 2011, Hertz entered into a credit agreement that provides a \$1,400.0 million secured term loan facility (as amended, the "Senior Term Facility"). In addition, the Senior Term Facility includes a pre-funded synthetic letter of credit facility in an aggregate principal amount of \$200.0 million. Subject to the satisfaction of certain conditions and limitations, the Senior Term Facility allows for the addition of incremental term and/or revolving loans. Hertz used approximately \$1,345.0 million of borrowings under the Senior Term Facility to refinance indebtedness under the 2005 Senior Term Facility. We reflected this transaction on a gross basis in our Consolidated Statement of Cash Flows in "Proceeds from issuance of long-term debt" and "Payment of long-term debt." During the three months ended March 31, 2011, we recorded financing costs of \$6.6 million in "Interest expense" on our consolidated statement of operations associated with the new Senior Term Facility.

In March 2011, Hertz, Hertz Equipment Rental Corporation and certain other of our subsidiaries entered into a credit agreement that provides for aggregate maximum borrowings of \$1,800.0 million (subject to borrowing base availability) on a revolving basis under an asset-based revolving credit facility (as amended, the "Senior ABL Facility"). Up to \$1,500.0 million of the Senior ABL Facility is available for the issuance of letters of credit subject to certain conditions including issuing lender participation. Subject to the satisfaction of certain conditions and limitations, the Senior ABL Facility allows for the addition of incremental revolving and/or term loan commitments. In addition, the Senior ABL Facility permits Hertz to increase the amount of commitments under the Senior ABL with the consent of each lender providing an additional commitment, subject to satisfaction of certain conditions.

In March 2011, Hertz amended the Canadian Securitization to extend the maturity date from May 2011 to November 2011.

Registration Rights

Pursuant to the terms of exchange and registration rights agreements entered into in connection with the separate issuances of the 7.5% Senior Notes due 2018, the 7.375% Senior Notes due 2021 and the 6.75% Senior Notes due 2019, Hertz has agreed to file a registration statement under the Securities Act of 1933, as amended, to permit either the exchange of such notes for registered notes or, in the alternative, the registered resale of such notes. Hertz's failure to meet its obligations under the exchange and registration rights agreements, including by failing to have the respective registration statement become effective by a specified date or failing to complete the respective exchange offer by a specified date, will result in Hertz incurring special interest on such notes at a per annum rate of 0.25% for the first 90 days of any period where a default has occurred and is continuing, which rate will be increased by an additional 0.25% during each subsequent 90 day period, up to a maximum of 0.50%. On March 23, 2011, Hertz filed a registration statement for such notes. We do not believe the special interest obligation is probable, and as such, we have not recorded any amounts with respect to this registration payment arrangement.

Guarantees and Security

There have been no material changes to the guarantees and security provisions of the debt instruments and credit facilities under which our indebtedness as of March 31, 2011 has been issued from the terms as disclosed in our Form 10-K.

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Under the new terms of our amended Senior Term Facility and Senior ABL Facility, we are not subject to ongoing financial maintenance covenants; however, under the Senior ABL Facility we are subject to a springing financial maintenance covenant upon the occurrence of certain triggering events. As of March 31, 2011, no triggering event had occurred requiring testing of the springing financial maintenance covenant.

Borrowing Capacity and Availability

As of March 31, 2011, the following facilities were available for the use of Hertz and its subsidiaries (in millions of dollars):

	Remaining Capacity	Availability Under Borrowing Base Limitation
<i>Corporate Debt</i>		
Senior ABL Facility	\$ 1,800.0	\$ 896.4
Total Corporate Debt	1,800.0	896.4
<i>Fleet Debt</i>		
U.S. Fleet Variable Funding Notes	455.1	90.5
U.S. Fleet Financing Facility	2.0	2.0
European Revolving Credit Facility	154.4	154.4
European Securitization	314.6	71.6
Canadian Securitization	148.3	4.8
Australian Securitization	86.4	7.6
Brazilian Fleet Financing Facility	0.9	0.9
Capitalized Leases	108.1	28.9
Total Fleet Debt	1,269.8	360.7
Total	\$ 3,069.8	\$ 1,257.1

Our borrowing capacity and availability primarily comes from our "revolving credit facilities," which are a combination of asset-backed securitization facilities and asset-based revolving credit facilities. Creditors under each of our revolving credit facilities have a claim on a specific pool of assets as collateral. Our ability to borrow under each revolving credit facility is a function of, among other things, the value of the assets in the relevant collateral pool. We refer to the amount of debt we can borrow given a certain pool of assets as the "borrowing base."

We refer to "Remaining Capacity" as the maximum principal amount of debt permitted to be outstanding under the respective facility (i.e., the amount of debt we could borrow assuming we possessed sufficient assets as collateral) less the principal amount of debt then-outstanding under such facility.

We refer to "Availability Under Borrowing Base Limitation" and "borrowing base availability" as the lower of Remaining Capacity or the borrowing base less the principal amount of debt then-outstanding under such facility (i.e., the amount of debt we could borrow given the collateral we possess at such time).

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As of March 31, 2011, the Senior Term Facility had approximately \$3.2 million available under the letter of credit facility and the Senior ABL Facility had \$1,095.2 million available under the letter of credit facility sublimit, subject to borrowing base restrictions.

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Substantially all of our revenue earning equipment and certain related assets are owned by special purpose entities, or are encumbered in favor of our lenders under our various credit facilities.

Some of these special purpose entities are consolidated variable interest entities, of which Hertz is the primary beneficiary, whose sole purpose is to provide commitments to lend in various currencies subject to borrowing bases comprised of rental vehicles and related assets of certain of Hertz International, Ltd.'s subsidiaries. As of March 31, 2011 and December 31, 2010, our International Fleet Financing No. 1 B.V., International Fleet Financing No. 2 B.V. and HA Funding Pty, Ltd. variable interest entities had total assets primarily comprised of loans receivable and revenue earning equipment of \$503.0 million and \$652.1 million, respectively, and total liabilities primarily comprised of debt of \$502.5 million and \$651.6 million, respectively.

Note 8 Employee Retirement Benefits

The following table sets forth the net periodic pension and postretirement (including health care, life insurance and auto) expense (in millions of dollars):

	Pension Benefits				Postretirement Benefits (U.S.)	
	U.S.		Non-U.S.			
	Three Months Ended March 31,					
	2011	2010	2011	2010	2011	2010
Components of Net Periodic Benefit Cost:						
Service cost	\$ 6.2	\$ 6.7	\$ 1.7	\$ 1.3	\$ 0.1	\$ 0.1
Interest cost	6.5	6.8	2.8	2.6	0.2	0.2
Expected return on plan assets	(7.1)	(6.7)	(3.1)	(2.5)		
Net amortization	2.0	1.7	(0.3)	(0.1)		(0.1)
Settlement loss	0.3	0.3				
Net pension/postretirement expense	\$ 7.9	\$ 8.8	\$ 1.1	\$ 1.3	\$ 0.3	\$ 0.2

Our policy for funded plans is to contribute annually, at a minimum, amounts required by applicable laws, regulations and union agreements. From time to time we make contributions beyond those legally required. For the three months ended March 31, 2011 and 2010, we contributed \$44.8 million and \$36.0 million, respectively, to our worldwide pension plans, including discretionary contributions of \$12.3 million and \$1.8 million, respectively, to our United Kingdom, or "U.K.," defined benefit pension plan and benefit payments made through unfunded plans. Based upon the significant decline in asset values in 2008, which were in line with the overall market declines, it is likely we will continue to make cash contributions in 2011 and possibly in future years.

We sponsor a defined benefit pension plan in the U.K. In January 2011, we tentatively agreed with the trustees of that plan to cease all future benefit accruals and to close the plan to members, contingent on the outcome of the consultation process with employees that ends in May. We will introduce a defined contribution plan with company matching contributions to replace the defined benefit pension plan. The company matching contributions will generally be 100% of the employee contributions, up to 8% of pay, except that current members of the defined benefit plan will receive an enhanced match for five years.

Our obligation for the U.K. pension plan was \$163.4 million, with a fair value of assets of about \$145.6 million, as of December 31, 2010. We recognized expense of \$1.3 million in 2010.

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If the proposal to close the scheme occurs during 2011, then this will result in somewhat lower contributions this year into the defined benefit plan, which will be offset by matching contributions to the new defined contribution plan.

We participate in various "multiemployer" pension plans. In the event that we withdraw from participation in one of these plans, then applicable law could require us to make an additional lump-sum contribution to the plan, and we would have to reflect that as an expense in our consolidated statement of operations and as a liability on our condensed consolidated balance sheet. Our withdrawal liability for any multiemployer plan would depend on the extent of the plan's funding of vested benefits. At least one multiemployer plan in which we participate is reported to have, and other of our multiemployer plans could have, significant underfunded liabilities. Such underfunding may increase in the event other employers become insolvent or withdraw from the applicable plan or upon the inability or failure of withdrawing employers to pay their withdrawal liability. In addition, such underfunding may increase as a result of lower than expected returns on pension fund assets or other funding deficiencies.

Note 9 Stock-Based Compensation

In March 2011, we granted 371,505 Restricted Stock Units, or "RSUs," to certain executives and employees at fair values ranging from \$14.60 to \$15.02 and 693,313 Performance Stock Units, or "PSUs," at a fair value of \$14.60 under the Hertz Global Holdings, Inc. 2008 Omnibus Incentive Plan, or the "Omnibus Plan." For the PSUs, 499,515 have a performance condition under which the number of units that will ultimately be awarded will vary from 0% to 150% of the original grant, based on the sum of 2011 and 2012 Corporate EBITDA results. The remaining 193,798 PSUs granted contain a market condition whereby the 20 day average trailing stock price must equal or exceed a certain price target at any time during the five year performance period.

In March 2011, we granted options to acquire 2,108,944 shares of our common stock to certain executives and employees at exercise prices ranging from \$14.60 to \$15.02 under the Omnibus Plan.

A summary of the total compensation expense and associated income tax benefits recognized under our Hertz Global Holdings, Inc. Stock Incentive Plan and Hertz Global Holdings, Inc. Director Stock Incentive Plan, or the "Prior Plans," and the Omnibus Plan, including the cost of stock options, RSUs, and PSUs, is as follows (in millions of dollars):

Three Months Ended			
March 31,			
	2011		2010
Compensation Expense	\$ 9.1	\$	9.0
Income Tax Benefit	(3.5)		(3.5)
Total	\$ 5.6	\$	5.5

As of March 31, 2011, there was approximately \$48.0 million of total unrecognized compensation cost related to non-vested stock options, RSUs and PSUs granted by Hertz Holdings under the Prior Plans and the Omnibus Plan, including costs related to modifying the exercise prices of certain option grants in order to preserve the intrinsic value of the options, consistent with applicable tax law, to reflect special cash dividends of \$4.32 per share paid on June 30, 2006 and \$1.12 per share paid on November 21, 2006. The total unrecognized compensation cost is expected to be recognized over the remaining 1.7 years, on a weighted average basis, of the requisite service period that began on the grant dates.

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Our operating segments are aggregated into reportable business segments based primarily upon similar economic characteristics, products, services, customers, and delivery methods. We have identified two reportable segments: rental of cars, crossovers and light trucks, or "car rental," and rental of industrial, construction and material handling equipment, or "equipment rental." Other reconciling items includes general corporate assets and expenses, certain interest expense (including net interest on corporate debt), as well as other business activities, such as our third party claim management services.

Adjusted pre-tax income (loss) is the measure utilized by management in making decisions about allocating resources to segments and measuring their performance. We believe this measure best reflects the financial results from ongoing operations. Adjusted pre-tax income (loss) is calculated as income (loss) before income taxes plus other reconciling items, non-cash purchase accounting charges, non-cash debt charges and certain one-time charges and non-operational items. The contribution of our reportable segments to revenues and adjusted pre-tax income (loss) and the reconciliation to consolidated amounts are summarized below (in millions of dollars).

		Three Months Ended March 31,			
		Revenues		Adjusted Pre-Tax Income (Loss)	
		2011	2010	2011	2010
Car rental	\$	1,510.3	\$ 1,421.7	\$ 61.3	\$ 27.1
Equipment rental		268.2	237.0	10.2	(5.0)
Total reportable segments		1,778.5	1,658.7	71.5	22.1
Other		1.5	2.2		
Total	\$	1,780.0	\$ 1,660.9		
Adjustments:					
Other reconciling items ⁽¹⁾				(87.5)	(91.3)
Purchase accounting ⁽²⁾				(20.6)	(22.1)
Non-cash debt charges ⁽³⁾				(59.9)	(48.8)
Restructuring charges				(4.9)	(10.7)
Restructuring related charges ⁽⁴⁾				(0.5)	(5.3)
Derivative losses ⁽⁵⁾					(1.7)
Acquisition related costs				(2.8)	
Management transition costs				(2.5)	
Premiums paid on debt ⁽⁶⁾				(51.7)	
Loss before income taxes	\$			(158.9)	(157.8)

(1)

Represents general corporate expenses, certain interest expense (including net interest on corporate debt), as well as other business activities such as our third-party claim management services.

(2)

Represents the purchase accounting effects of the Acquisition on our results of operations relating to increased depreciation and amortization of tangible and intangible assets and accretion of revalued workers' compensation and public liability and property damage liabilities. Also represents the purchase accounting effects of subsequent acquisitions on our results of operations relating to increased amortization of intangible assets.

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- (3) Represents non-cash debt charges relating to the amortization and write-off of deferred debt financing costs and debt discounts. For the three months ended March 31, 2010, also includes \$20.9 million associated with the amortization of amounts pertaining to the de-designation of the Hertz Vehicle Financing LLC, or "HVF," interest rate swaps as effective hedging instruments.
- (4) Represents incremental costs incurred directly supporting our business transformation initiatives. Such costs include transition costs incurred in connection with our business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes.
- (5) Represents the mark-to-market adjustment on our interest rate cap.
- (6) Represents premiums paid to redeem our 10.5% Senior Subordinated Notes and a portion of our 8.875% Senior Notes.

Total assets decreased \$504.6 million from December 31, 2010 to March 31, 2011. The decrease was primarily related to a decrease in other cash and cash equivalents relating to the redemption of our 10.5% Senior Subordinated Notes and a portion of our 8.875% Senior Notes, partly offset by an increase in our car rental segment's revenue earning equipment.

Note 11 Total Equity

(in Millions)	Common Stock		Additional Paid-In Capital		Accumulated Other Comprehensive Income		Non- controlling Interest		Total Equity
	Preferred Stock	Shares	Amount	Capital	Deficit	(Loss)			
December 31, 2010	\$	413.5	\$ 4.1	\$ 3,183.2	\$ (1,110.4)	\$ 37.9	\$ 16.5		\$2,131.3
Net loss attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders					(132.6)				(132.6)
Translation adjustment changes, net of tax of \$0						42.5			42.5
Unrealized gain on Euro-denominated debt, net of tax of \$7.4						(11.6)			(11.6)
Defined benefit pension plans, net of tax of \$0						0.1			0.1
Total Comprehensive Loss									(101.6)

Net income relating to noncontrolling interest							3.7		3.7					
Employee stock purchase plan	0.1			1.0					1.0					
Net settlement on vesting of restricted stock	1.0			(10.7)					(10.7)					
Stock-based employee compensation charges, net of tax of \$0				9.1					9.1					
Exercise of stock options, net of tax of \$0	0.3			1.8					1.8					
Common shares issued to Directors				0.1					0.1					
March 31, 2011	\$	414.9	\$	4.1	\$	3,184.5	\$	(1,243.0)	\$	68.9	\$	20.2	\$	2,034.7

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

(in Millions)	Common Stock		Additional Paid-In Capital		Accumulated Other Comprehensive Income		Non- controlling Interest		Total Equity
	Preferred Stock	Shares	Amount	Capital	Deficit	(Loss)			
December 31, 2009	\$	410.2	\$ 4.1	\$ 3,141.7	\$ (1,062.3)	\$ (3.3)	\$ 17.2		\$2,097.4
Net loss attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders					(150.4)				(150.4)
Change in fair value of derivatives qualifying as cash flow hedges, net of tax of \$9.5						14.6			14.6
Translation adjustment changes, net of tax of \$0						(39.0)			(39.0)
Unrealized gain on Euro-denominated debt, net of tax of \$7.6						11.9			11.9
Defined benefit pension plans, net of tax of \$0						(0.4)			(0.4)
Total Comprehensive Loss									(163.3)
Dividend payment to noncontrolling interest							(3.0)		(3.0)
Net income relating to noncontrolling interest							3.6		3.6
Employee stock purchase plan		0.1		0.7					0.7
Net settlement on vesting of restricted stock		1.0		(5.3)					(5.3)
Stock-based employee compensation charges, net of tax of \$0		0.1		9.0					9.0
Exercise of stock options, net of tax of \$0				0.7					0.7
Common shares issued to Directors				0.1					0.1
Phantom shares issued to Directors				0.1					0.1
March 31, 2010	\$	411.4	\$ 4.1	\$ 3,147.0	\$ (1,212.7)	\$ (16.2)	\$ 17.8		\$1,940.0

Accumulated other comprehensive income (loss) as of March 31, 2011 and December 31, 2010 includes accumulated translation gains of \$157.3 million and \$114.9 million, respectively, pension benefits of \$(70.1) million and \$(70.2) million, respectively, and unrealized losses on our Euro-denominated debt of \$(18.4) million and \$(6.8) million, respectively.

Note 12 Restructuring

As part of our ongoing effort to implement our strategy of reducing operating costs, we have evaluated our workforce and operations and made adjustments, including headcount reductions and business process reengineering resulting in optimized work flow at rental locations and maintenance facilities as well as streamlined our back-office operations and evaluated potential outsourcing opportunities. When we made adjustments to our workforce and operations, we incurred incremental expenses that delay the benefit of a more efficient workforce and operating structure, but we belie