GOINGS E V
Form 4
October 30, 2006

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person [*]
GOINGS E V

(Last) (First) (Middle)

TUPPERWARE BRANDS CORP, 14901 S ORANGE BLOSSOM TRAIL PO BOX 2353

(Street)

ORLANDO, FL 32802-2353

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
TUPPERWARE BRANDS CORP [TUP]

3. Date of Earliest Transaction (Month/Day/Year)
10/26/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chairman and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/26/2006		D [(1)]		330,368	D	$ 21.49	458,284	D	
Common Stock								2,634	I	By 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GOINGS E V TUPPERWARE BRANDS CORP 14901 S ORANGE BLOSSOM TRAIL PO BOX 2353 ORLANDO, FL 32802-2353	X		Chairman and CEO	

Signatures

Susan R. Coumes	10/30/2006
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) An exempt disposition of shares to the issuer in satisfaction of repayment of an outstanding loan from the issuer, as permitted by the loan instrument and as permitted by the issuer's independent compensation committee.

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(27
)
Adjusted pre-tax income (loss)[(a)]
$
(83
)

$
3

NM

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

NM - Not meaningful

Three Months Ended March 31, 2016 Compared with Three Months Ended March 31, 2015

Total revenues decreased $143 million, or 6%, primarily due to decreases in revenues in our U.S. Car Rental segment of $114 million and our Worldwide Equipment Rental segment of $27 million. Lower revenue in our U.S. Car Rental segment was predominantly the result of lower rental rates. Volume in our U.S. Car Rental segment increased 2%, up 4% in our airport business and was flat in our off-airport business. Lower revenue in our Worldwide Equipment rental segment was primarily due to continuing weakness in upstream oil and gas markets and a decrease of 4% in worldwide volumes in the first quarter of 2016 as compared to 2015 due to the sale of our equipment rental operations in France and Spain in October 2015. Excluding the impact of foreign currency, revenues in the International Car Rental segment increased $23 million period over period.

The decrease in direct operating expenses of $67 million, or 5%, was primarily comprised of a decrease in our U.S. Car Rental segment of $56 million, due to a $21 million decrease in fleet related expense, an $18 million decrease in personnel related expenses and an $17 million decrease in other direct operating expenses, as compared to the first quarter of 2015. Additionally, direct operating expenses for our Worldwide Equipment Rental segment decreased $24 million due to the impact of the sale of our France and Spain equipment rental operations of $14 million, lower amortization of $7 million due to customer list intangibles that became fully amortized at December 31, 2015, and lower outside maintenance expenses of $2 million. The decreases were partially offset by an increase in direct operating expenses of our International Car Rental segment of $12 million. Excluding the impact of foreign currency, direct operating expenses in our International Car Rental segment increased $29 million due to a favorable impact to other direct operating expenses of $16 million in 2015 resulting from non-recurring items. Additionally, vehicle damage expense increased $6 million and third party insurance expense increased $4 million.

Depreciation of revenue earning equipment and lease charges, net in the first quarter 2016 was flat compared to the first quarter of 2015 primarily due to an increase in our Worldwide Equipment Rental segment of $14 million driven by a larger fleet size as compared to the first quarter of 2015 and a loss on sale of revenue earning equipment in the first quarter of 2016 of $8 million compared to a gain of $7 million in 2015. The increase was offset by a decrease of $9 million in our International Car Rental segment driven by the impact of foreign currency of $5 million and improved fleet procurement, fleet mix changes and optimized remarketing channels and a decrease of $4 million in our All Other Operations segment due to a decrease at Donlen as a result of lower average fleet. Depreciation of revenue earning equipment and lease charges, net in our U.S. Car Rental segment was flat period over period.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Selling, general and administrative expenses (“SG&A”) was also flat during the year as slight decreases in expense in our International Car Rental segment, Worldwide Equipment Rental segment and Corporate were offset by a $6 million increase in SG&A in our U.S. Car Rental segment due primarily to costs incurred in the first quarter of 2016 related to finance and information technology transformation.

Interest expense, net increased $3 million, or 2%, primarily due to higher interest rates on some of our fleet debt reflecting an increase in the mix of term debt, partially offset by the impact of lower balances of corporate debt.

Other income of $91 million in the first quarter 2016 is primarily comprised of a $75 million gain on the sale of CAR Inc. common stock and a $9 million settlement gain related to one of our U.S. airport locations. Other expense of $5 million in the first quarter of 2015 was primarily comprised of $10 million of impairment charges and asset write-downs, partially offset by our share of earnings from our equity method and joint venture investments.

The effective tax rate for the first quarter of 2016 was 26% as compared to 19% in the first quarter of 2015. The effective tax rate for the full fiscal year 2016 is expected to be approximately 42%. The Company recorded a tax benefit of $18 million in the first quarter 2016 as compared to a benefit of $16 million in the first quarter 2015. The change was the result of the composition of earnings by jurisdiction in the first quarter of 2016.

We had an adjusted pre-tax loss of $83 million in the first quarter 2016 compared with adjusted pre-tax income of $3 million in the first quarter 2015. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

RESULTS OF OPERATIONS AND SELECTED OPERATING DATA BY SEGMENT

U.S. Car Rental

($ in millions, except as noted)	Three Months Ended March 31, 2016	2015	Percent Increase/(Decrease)
Total revenues	$1,406	$1,520	(8)%
Direct operating expenses	$870	$926	(6)
Depreciation of revenue earning equipment and lease charges, net	$419	$421	—
Income (loss) before income taxes	$(22)	$35	NM
Adjusted pre-tax income (loss)[(a)]	$(4)	$71	NM
Transaction days (in thousands)[(b)]	32,742	32,036	2
Total RPD (in whole dollars)[(c)]	$42.36	$47.07	(10)
Average fleet[(d)]	460,200	489,300	(6)
Fleet efficiency[(d)]	78%	73%	N/A
Revenue per available car day (in whole dollars)[(e)]	$33.12	$34.24	(3)
Net depreciation per unit per month (in whole dollars)[(f)]	$303	$287	6
Program cars as a percentage of average fleet at period end	15%	24%	N/A

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.
N/A - Not Applicable

Three Months Ended March 31, 2016 Compared with Three Months Ended March 31, 2015

Total U.S. Car Rental segment revenues were $1.4 billion in the first quarter of 2016, a decrease of 8% from the first quarter of 2015. A 10% decrease in Total RPD, driven primarily by lower rental rates resulting from competitive pricing pressure in the industry, was partially offset by a 2% increase in transaction days during the quarter. Volume in our U.S. Car Rental segment increased 4% in our airport business, as 2016 included an additional day due to a leap year

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

coupled with the Easter holiday falling in the first quarter of 2016 versus the second quarter of 2016, and was flat in our off-airport business. Off airport revenues comprised 26% of total revenues for the segment in the first quarter of 2016 as compared to 25% in the first quarter of 2015.

Direct operating expenses for our U.S. car rental segment decreased $56 million, or 6%, primarily comprised of the following:

- Fleet related expenses decreased $21 million year over year primarily due to:

Decreased collision and short term maintenance expense of $8 million driven primarily by process improvements leading to increased customer collections on damage claims;

Decreased maintenance costs of $6 million due primarily to a reduction in the average age and size of the fleet, thus requiring less maintenance as compared to 2015 and improved pricing through parts and supplier sourcing; and

Decreased other vehicle operating costs of $4 million due to a lower average fleet and a decrease in theft related expenses.

- Personnel related expenses decreased $18 million from the first quarter of 2015 primarily due to centralization of workforce management and improved scheduling tools delivering improved productivity.

- Other direct operating expenses decreased $17 million from the first quarter of 2015 primarily due to decreased fuel costs of $8 million due to lower market fuel pricing and decreased transaction variable costs of $13 million resulting from reduced revenues, partially offset by a $5 million increase in non-fleet depreciation expense due to the acceleration of depreciation at one of our airport locations.

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, 2016 and 2015, 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 in our U.S. car rental operations resulted in a net increase in depreciation expense of $27 million and $30 million based on the reviews completed during the first quarter of 2016 and 2015. The rate changes reflect declining residual values and a reduction in the planned hold period of certain vehicles.

Depreciation of revenue earning equipment and lease charges, net was flat when compared with the first quarter of 2015. Net depreciation per unit per month increased to $303 in the first quarter of 2016 compared to $287 in the first quarter of 2015 due to shorter planned holding periods and decreased residual values.

We had a loss before income taxes of $22 million in the first quarter of 2016, compared to income before income taxes of $35 million in the prior year period. The loss was driven by the impact of lower revenues, as discussed above, partially offset by the impact of lower direct operating expenses.

We had an adjusted pre-tax loss of $4 million in the first quarter of 2016, compared to adjusted pre-tax income of $71 million in the first quarter of 2015. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

International Car Rental

($ in millions, except as noted)	Three Months Ended March 31, 2016	2015	Percent Increase/(Decrease)
Total revenues	$433	$436	(1)%
Direct operating expenses	$279	$267	4
Depreciation of revenue earning equipment and lease charges, net	$86	$95	(9)
Income (loss) before income taxes	$(1)	$2	NM
Adjusted pre-tax income (loss)[a]	$3	$8	(63)
Transaction days (in thousands)[b]	10,104	9,775	3
Total RPD (in whole dollars)[c]	$42.95	$42.25	2
Average fleet[d]	148,100	144,000	3
Fleet efficiency[d]	75%	75%	N/A
Revenue per available car day (in whole dollars)[e]	$32.20	$31.87	1
Net depreciation per unit per month (in whole dollars)[f]	$194	$208	(7)
Program cars as a percentage of average fleet at period end	37%	38%	N/A

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.
NM - Not Meaningful
N/A - Not Applicable

Three Months Ended March 31, 2016 Compared with Three Months Ended March 31, 2015

Total revenues for the International Car Rental segment decreased $3 million, or 1%, when compared with the prior-year period. Excluding a $26 million impact of foreign currency, total revenues increased $23 million, or 6%, driven by a 2% increase in Total RPD, on a constant currency basis, and a 3% increase in transaction days, as 2016 included an additional day due to a leap year coupled with the Easter holiday falling in the first quarter of 2016 versus the second quarter of 2016.

Direct operating expenses for our International Car Rental segment increased $12 million, or 4%, from the prior year. Excluding a $17 million impact of foreign currency, direct operating expenses increased approximately $29 million, or 12%, primarily due to the favorable impact to other direct operating expenses of $16 million in 2015 resulting from non-recurring items. Additionally, vehicle damage expense increased $6 million and third party insurance expense increased $4 million.

Depreciation of revenue earning equipment and lease charges, net for our International Car Rental segment decreased $9 million, or 9%, from the first quarter of 2015. Excluding the $5 million impact of foreign currency, depreciation of revenue earning equipment and lease charges, net decreased $4 million, or 5%. Net depreciation per unit per month decreased 7% to $194 from $208 year over year, excluding currency effects on a constant currency basis, due to improved fleet procurement, fleet mix changes and optimized remarketing channels.

Our International Car Rental segment had a pretax loss of $1 million in the first quarter 2016 as compared to income of $2 million in the first quarter 2015 due to the factors discussed above.

Adjusted pre-tax income was $3 million for our International Car Rental segment in the first quarter of 2016 as compared to $8 million in the first quarter of 2015. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

The March 2016 terror attacks in Belgium did not have a material impact on the operating results of our International Car Rental segment during the first quarter of 2016. Based on current information and historical experience with events of this nature, we do not expect there to be a material impact on our results of operations in the International Car Rental segment for the remainder of 2016.

Worldwide Equipment Rental

($ in millions)	Three Months Ended March 31, 2016	2015	Percent Increase/(Decrease)
Total revenues	$328	$355	(8)%
Direct operating expenses	$184	$208	(12)
Depreciation of revenue earning equipment and lease charges, net	$90	$76	18
Income (loss) before income taxes	$—	$11	NM
Adjusted pre-tax income (loss)[a]	$12	$33	(64)
Dollar utilization[g]	33 %	34 %	N/A
Time utilization[h]	60 %	61 %	N/A
Rental and rental related revenue[i]	$308	$325	(5)
Same store revenue growth[j]	(1)%	1 %	N/A

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.
NM - Not Material
N/A - Not Applicable

Three Months Ended March 31, 2016 Compared with Three Months Ended March 31, 2015

Total revenues for the Worldwide Equipment Rental segment decreased $27 million, or 8%, when compared with the prior-year period and decreased $23 million, excluding the $4 million impact of foreign currency. Revenues were negatively affected by continuing weakness in upstream oil and gas markets and the sale of our equipment rental operations in France and Spain in October 2015, which negatively impacted revenue in the first quarter of 2016 by $19 million. Worldwide equipment rental volumes declined 4% in the first quarter of 2016 as compared to 2015 primarily due to the sale of our equipment rental operations in France and Spain. Excluding this impact, volumes increased 1% due to new account growth in non-oil and gas markets. Pricing for the first quarter was unchanged year-over-year.

Revenue in upstream oil and gas markets represented approximately 18% of total revenues for the Worldwide Equipment Rental segment, on a constant currency basis, in the first quarter of 2016. Upstream oil and gas market revenue was down approximately 33% as compared to the first quarter of 2015, as major oil producers reduced spending. In contrast, all other North American rental and rental-related revenue increased approximately 12% in the first quarter of 2016 as compared to 2015.

Direct operating expenses for our Worldwide Equipment Rental segment decreased $24 million in the first quarter of 2016 when compared to the first quarter of 2015, and decreased $21 million excluding the impact of foreign currency.

The decreases were primarily due to the impact of the sale of our France and Spain equipment rental operations on October 30, 2015 of $14 million, lower amortization of $7 million due to customer list intangibles that became fully amortized at December 31, 2015, and lower outside maintenance expenses of $2 million as more maintenance was performed by internal mechanics. These decreases were partially offset by higher salary related expenses associated with a reinvestment in branch management to drive operational processes.

Depreciation of revenue earning equipment and lease charges, net increased $14 million, or 18% in first quarter of 2016 when compared with 2015, and increased $15 million excluding the impact of foreign currency. The increase was driven by a larger fleet size as compared to the first quarter of 2015 and a loss on sale of revenue earning equipment in the first quarter of 2016 of $8 million compared to a gain of $7 million in 2015. The loss on sale of revenue earning

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

equipment in 2016 was primarily due to the sales of equipment used in the upstream oil and gas markets and equipment manufactured by certain suppliers as we are reducing the number of brands of equipment we carry in our fleet.

We had no income before income taxes in the first quarter of 2016, compared to $11 million in the first quarter of 2015, due to the factors discussed above.

Adjusted pre-tax income decreased $21 million, or 64%. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

All Other Operations

($ in millions)	Three Months Ended March 31, 2016	2015	Percent Increase/(Decrease)
Total revenues	$144	$ 143	1 %
Direct operating expenses	$5	$ 6	(17)
Depreciation of revenue earning equipment and lease charges, net	$111	$ 115	(3)
Income (loss) before income taxes	$15	$ 12	25
Adjusted pre-tax income (loss)(a)	$18	$ 16	13
Average Fleet - Donlen	162,300	168,600	(4)

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

Our Donlen operations had favorable results in the first quarter of 2016 as compared with the first quarter of 2015 primarily driven by improved net leasing revenue.

Footnotes to the Results of Operations and Selected Operating Data by Segment Tables

(a) Adjusted pre-tax income (loss) is a Non-GAAP measure that is calculated as income (loss) before income taxes plus certain non-cash purchase accounting charges, debt-related charges relating to the amortization and write-off of debt financing costs and debt discounts and certain one-time charges and nonoperational items. Adjusted pre-tax income (loss) is important to management because it allows management to assess operational performance of our business, exclusive of the items mentioned above. It also allows management to assess the performance of the entire business on the same basis as the segment measure of profitability. Management believes that it is important to investors for the same reasons it is important to management and because it allows them to assess our operational performance on the same basis that management uses internally. When evaluating our operating performance, investors should not consider adjusted pre-tax income (loss) in isolation of, or as a substitute for, measures of our financial performance, such as net income (loss) or income (loss) before income tax. The contribution of our reportable segments to adjusted pre-tax income and reconciliation to the most comparable consolidated GAAP measure are presented below:

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Explanation of Responses:

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

(In millions)	Three Months Ended March 31, 2016	2015
Adjusted pre-tax income (loss):		
U.S. car rental	$(4)	$71
International car rental	3	8
Worldwide equipment rental	12	33
All other operations	18	16
Total reportable segments	29	128
Corporate(1)	(112)	(125)
Consolidated adjusted pre-tax income (loss)	(83)	3
Adjustments:		
Acquisition accounting(2)	(18)	(31)
Debt-related charges(3)	(15)	(16)
Restructuring and restructuring related charges(4)	(12)	(20)
Equipment rental spin-off costs(5)	(13)	(9)
Sale of CAR Inc. common stock(6)	75	—
Impairment charges and asset write-downs(7)	—	(9)
Finance and information technology transformation costs(8)	(8)	—
Other(9)	5	(4)
Income (loss) before income taxes	$(69)	$(86)

(1) Represents general corporate expenses, certain interest expense (including net interest on corporate debt), as well as other business activities.

(2) Represents incremental expense associated with amortization of other intangible assets, depreciation of property and other equipment and accretion of revalued liabilities relating to acquisition accounting.

(3) Represents debt-related charges relating to the amortization of deferred debt financing costs and debt discounts and premiums.

(4) Represents expenses incurred under restructuring actions as defined in U.S. GAAP. For further information on restructuring costs, see Note 8, "Restructuring." Also represents incremental costs incurred directly supporting business transformation initiatives. Such costs include transition costs incurred in connection with 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. Also includes consulting costs and legal fees related to the accounting review and investigation.

(5) Represents expenses associated with the anticipated HERC spin-off transaction announced in March 2014. In 2016, $9 million were incurred by HERC and $4 million by Corporate. In 2015, $9 million were incurred by HERC.

(6) Represents the pre-tax gain on the sale of CAR Inc. common stock.

(7) In 2015, primarily represents a $6 million impairment on the former Dollar Thrifty headquarters in Tulsa, Oklahoma.

(8) Represents external costs associated with the Company’s finance and information technology transformation programs, both of which are multi-year initiatives to upgrade and modernize the Company’s systems and processes.

(9) Includes miscellaneous non-recurring items including but not limited to acquisition charges, integration charges, and other non-cash items. In 2016, also includes a settlement gain related to one of our U.S. airport locations and, in 2015, also includes charges incurred in connection with relocating the Company's corporate headquarters to Estero, Florida.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

(b) Transaction days represent the total number of 24-hour periods, with any partial period counted as one transaction day, that vehicles were on rent (the period between when a rental contract is opened and closed) in a given period. Thus, it is possible for a vehicle to attain more than one transaction day in a 24-hour period. Late in the third quarter of 2015 the Company fully integrated the Dollar Thrifty and Hertz counter systems and as a result aligned the transaction day calculation in the Hertz system. As a result of this alignment, Hertz determined that there was an impact to the calculation. Hertz expects that transaction days for the U.S. Car Rental segment will increase by approximately 1% prospectively relative to the historic calculations through the third quarter of 2016.

(c) Total RPD is a Non-GAAP measure that is calculated as total revenue less ancillary retail car sales revenue, divided by the total number of transaction days, with all periods adjusted to eliminate the effect of fluctuations in foreign currency. Our management believes eliminating the effect of fluctuations in foreign currency is useful in analyzing underlying trends. This statistic is important to our management and investors as it represents a measurement of the changes in underlying pricing in the car rental business and encompasses the elements in car rental pricing that management has the ability to control.

The following tables reconcile our car rental segment revenues to our total rental revenue and total revenue per transaction day (based on December 31, 2015 foreign exchange rates) for the three months ended March 31, 2016 and 2015 ($ in millions, except for Total RPD):

	U.S. car rental segment		International car rental segment	
	Three Months Ended March 31,			
($ in millions, except as noted)	2016	2015	2016	2015
Revenues	$1,406	$1,520	$433	$436
Ancillary retail car sales revenue	(19)	(12)	—	—
Foreign currency adjustment	—	—	1	(23)
Total rental revenue	$1,387	$1,508	$434	$413
Transaction days (in thousands)	32,742	32,036	10,104	9,775
Total RPD (in whole dollars)	$42.36	$47.07	$42.95	$42.25

(d) Average fleet is determined using a simple average of the number of vehicles at the beginning and end of a given period. Among other things, average fleet is used to calculate our fleet efficiency which represents the portion of the Company's fleet that is being utilized to generate revenue. Fleet efficiency is calculated by dividing total transaction days by available car days.

	U.S. car rental segment		International car rental segment	
	Three Months Ended March 31,			
	2016	2015	2016	2015
Transaction days (in thousands)	32,742	32,036	10,104	9,775
Average fleet	460,200	489,300	148,100	144,000
Number of days in period	91	90	91	90
Available car days (in thousands)	41,878	44,037	13,477	12,960
Fleet efficiency	78%	73%	75%	75%

(e)

Revenue per available car day is calculated as total revenues less ancillary retail car sales revenue, divided by available car days, with all periods adjusted to eliminate the effect of fluctuations in foreign currency. Our management believes eliminating the effect of fluctuations in foreign currency is appropriate so as not to affect the comparability of underlying trends. This metric is important to our management and investors as it represents a measurement of the changes in underlying pricing in the car rental business and provides a measure of revenue production relative to overall capacity.

The following tables reconcile our car rental segment total rental revenues to our revenue per available car day (based on December 31, 2015 foreign exchange rates) for the three months ended March 31, 2016 and 2015:

	U.S. car rental segment		International car rental segment	
	Three Months Ended March 31,			
($ in millions, except as noted)	2016	2015	2016	2015
Total rental revenue	$1,387	$1,508	$434	$413
Available car days (in thousands)	41,878	44,037	13,477	12,960
Revenue per available car day (in whole dollars)	$33.12	$34.24	$32.20	$31.87

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

(f) Net depreciation per unit per month is a non-GAAP measure that is calculated by dividing depreciation of revenue earning equipment and lease charges, net by the average fleet in each period and then dividing by the number of months in the period reported, with all periods adjusted to eliminate the effect of fluctuations in foreign currency. Our management believes eliminating the effect of fluctuations in foreign currency is useful in analyzing underlying trends. Net depreciation per unit per month represents the amount of average depreciation expense and lease charges, net per vehicle per month. The tables below reconcile this non-GAAP measure to its most comparable GAAP measure, which is depreciation of revenue earning equipment and lease charges, net, (based on December 31, 2015 foreign exchange rates) for the periods shown:

	U.S. car rental segment		International car rental segment	
	Three Months Ended March 31,			
($ in millions, except as noted)	2016	2015	2016	2015
Depreciation of revenue earning equipment and lease charges	$419	$ 421	$86	$ 95
Foreign currency adjustment	—	—	—	(5)
Adjusted depreciation of revenue earning equipment and lease charges, net	$419	$ 421	$86	$ 90
Average Fleet	460,200	489,300	148,100	144,000
Adjusted depreciation of revenue earning equipment and lease charges, net divided by average fleet (in whole dollars)	$910	$ 860	$581	$ 625
Number of months in period	3	3	3	3
Net depreciation per unit per month (in whole dollars)	$303	$ 287	$194	$ 208

(g) Dollar utilization means revenue derived from the rental of equipment divided by the original cost of the equipment including additional capitalized refurbishment costs (with the basis of refurbished assets reset at the refurbishment date).

(h) Time Utilization means the percentage of time an equipment unit is on-rent during a given period.

(i) Worldwide equipment rental and rental related revenue is a Non-GAAP measure that consists of all revenue, net of discounts, associated with the rental of equipment including charges for delivery, loss damage waivers and fueling, but excluding revenue arising from the sale of equipment, parts and supplies and certain other ancillary revenue. Rental and rental related revenue is adjusted in all periods to eliminate the effect of fluctuations in foreign currency (based on December 31, 2015 foreign exchange rates). Our management believes eliminating the effect of fluctuations in foreign currency is appropriate so as not to affect the comparability of underlying trends. This statistic is important to our management and investors as it reflects time and mileage and ancillary charges for equipment on rent and is comparable with the reporting of other industry participants. The following table reconciles our worldwide equipment rental segment revenues, the most comparable GAAP measure, to our worldwide equipment rental and rental related revenue (based on the elements in car rental pricing that management has the ability to control).

Three Months Ended March 31,

($ in millions)	2016	2015
Worldwide Equipment Rental segment revenues	$328	$355
Equipment sales and other revenue	(20)	(23)
Rental and rental related revenue at actual rates	308	332
Foreign currency adjustment	—	(7)
Rental and rental related revenue	$308	$325

(j) Same-store revenue growth is calculated as the year over year change in revenue for locations that are open at the end of the period reported and have been operating under our direction for more than twelve months. The same-store revenue amounts are adjusted in all periods to eliminate the effect of fluctuations in foreign currency. Our management believes eliminating the effect of fluctuations in foreign currency is appropriate so as not to affect the comparability of underlying trends.

LIQUIDITY AND CAPITAL RESOURCES

Our U.S. and international operations are funded by cash provided by operating activities and by extensive financing arrangements maintained by us in the U.S. and internationally.

As of March 31, 2016, we had $857 million of cash and cash equivalents and $353 million of restricted cash. Of these amounts, $547 million of cash and cash equivalents and $34 million of restricted cash was held by our subsidiaries outside of the United States, Canada and Puerto Rico. Repatriation of some of these funds under current regulatory and tax law for use in domestic operations would expose us to additional taxes. We consider this cash to be permanently

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

reinvested. We believe that cash and cash equivalents generated by our U.S. operations, cash received on the disposal of vehicles and equipment, together with amounts available under various liquidity facilities and refinancing options available to us in the U.S. capital markets, will be sufficient to fund operating requirements in the U.S. for the foreseeable future.

Cash Flows

As of March 31, 2016, we had cash and cash equivalents of $857 million, an increase of $371 million from $486 million as of December 31, 2015. The following table summarizes the net change in cash and cash equivalents for the periods shown:

(In millions)	Three Months Ended March 31, 2016	2015	$ Change
Cash provided by (used in):			
Operating activities	$ 577	$ 782	$ (205)
Investing activities	(417)	(1,166)	749
Financing activities	199	499	(300)
Effect of exchange rate changes	12	(20)	32
Net change in cash and cash equivalents	$ 371	$ 95	$ 276

During the three months ended March 31, 2016, we generated $205 million less cash from operating activities compared with the same period in 2015. The decrease was primarily related to a $62 million reduction in net income excluding non-cash items, and a $143 million change in working capital period over period.

Our primary use of cash in investing activities is for the acquisition of revenue earning equipment, which consists of cars and equipment, see "Capital Expenditures" below. During the three months ended March 31, 2016, we used less cash for investing activities compared with the same period in 2015 primarily due to an increase in proceeds from disposals of revenue earning equipment of $721 million partially offset by an increase in revenue earning equipment expenditures of $189 million. Additionally, we received proceeds of $233 million from the sale of common stock of CAR Inc. during the three months ended March 31, 2016.

During the three months ended March 31, 2016, cash provided by financing activities decreased by $300 million compared with the same period in 2015. The decrease was primarily due to a $303 million decrease in net borrowings.

The effect of exchange rates on our cash during the three months ended March 31, 2016 was an increase in cash of $12 million as compared to a reduction in cash of $20 million during the three months ended March 31, 2015.

Financing

Our primary liquidity needs include servicing of corporate and fleet related debt, the payment of operating expenses and capital projects and purchases of rental vehicles and equipment to be used in our operations. Our primary sources of funding are operating cash flows, cash received on the disposal of vehicles and equipment, borrowings under our asset-backed securitizations and our asset-based revolving credit facilities and access to the credit markets.

As of March 31, 2016, we had $16,072 million of total indebtedness outstanding. Cash paid for interest during the three months ended March 31, 2016, was $102 million. Accordingly, 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, capital expenditures and acquisitions. 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, other secured financings and asset-backed securities programs. None of such assets (including the assets owned by each of Hertz Vehicle Financing II LP, HVF II GP Corp., Hertz Vehicle Financing LLC, Rental Car Finance Corp., DNRS II LLC, Hertz Fleet Lease Funding LP, Donlen Trust and various international subsidiaries that facilitate our international

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

securitizations) are available to satisfy the claims of our general creditors. For further information on our indebtedness, see Note 5, "Debt," to the Notes to our condensed consolidated financial statements included in this Report for more information.

Our liquidity as of March 31, 2016 consisted of cash and cash equivalents, unused commitments under our Senior ABL Facility and unused commitments under our fleet debt, see "Borrowing Capacity and Availability" below. The Company’s practice is to maintain sufficient liquidity through cash from operations, credit facilities and other financing arrangements, so that its operations are unaffected by adverse financial market conditions.

We believe that cash generated from operations, cash received on the disposal of vehicles and equipment, together with amounts available under various liquidity facilities and refinancing options available to us, will be adequate to permit us to meet our debt maturities over the next twelve months.

2016 Financing Activities

During the three months ended March 31, 2016 we had the following financing activities:

HVF II U.S. Fleet Medium Term Notes

In February 2016, HVF II issued the Series 2016-1 Rental Car Asset Backed Notes, Class A, Class B, Class C and Class D (collectively, the “HVF II Series 2016-1 Notes”) and Series 2016-2 Rental Car Asset Backed Notes, Class A, Class B, Class C and Class D (collectively, the “HVF II Series 2016-2 Notes”) in an aggregate principal amount of approximately $1.06 billion. The expected maturities of the HVF II Series 2016-1 Notes and the HVF II Series 2016-2 Notes are March 2019 and March 2021, respectively. The HVF II Series 2016-1 Notes are comprised of approximately $333 million aggregate principal amount of 2.32% Rental Car Asset Backed Notes, Class A, $81 million aggregate principal amount of 3.72% Rental Car Asset Backed Notes, Class B, $25 million aggregate principal amount of 4.75% Rental Car Asset Backed Notes, Class C, and $27 million aggregate principal amount of 5.73% Rental Car Asset Backed Notes, Class D. The HVF II Series 2016-2 Notes are comprised of approximately $425 million aggregate principal amount of 2.95% Rental Car Asset Backed Notes, Class A, $104 million aggregate principal amount of 3.94% Rental Car Asset Backed Notes, Class B, $32 million aggregate principal amount of 4.99% Rental Car Asset Backed Notes, Class C, and $34 million aggregate principal amount of 5.97% Rental Car Asset Backed Notes, Class D. The Class B Notes of each series are subordinated to the Class A Notes of such series. The Class C Notes of each series are subordinated to the Class A Notes and the Class B Notes of such series. The Class D Notes of each series are subordinated to the Class A Notes, the Class B Notes and the Class C Notes of such series. An affiliate of HVF II purchased the Class D Notes of each such series, therefore, approximately $61 million of the obligation is eliminated in consolidation.

HVF II U.S. Fleet Variable Funding Notes

The net proceeds from the issuance of the HVF II Series 2016-1 Notes and HVF II Series 2016-2 Notes, together with available cash, were used to repay approximately $741 million of the outstanding principal amount of the HVF II Series 2014-A Notes and approximately $264 million of the outstanding principal amount of the HVF II Series 2013-A Notes.

See also Note 16 "Subsequent Events" regarding financing transactions occurring subsequent to March 31, 2016.

Borrowing Capacity and Availability

Our borrowing capacity and availability 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.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

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" 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).

As of March 31, 2016, the following facilities were available to us:

(In millions)	Remaining Capacity	Availability Under Borrowing Base Limitation
Corporate Debt		
Senior ABL Facility	$ 1,488	$ 1,481
Total Corporate Debt	1,488	1,481
Fleet Debt		
HVF II U.S. Fleet Variable Funding Notes	2,125	—
HFLF Variable Funding Notes	50	—
European Revolving Credit Facility	—	—
European Securitization	192	4
Canadian Securitization	99	—
Australian Securitization	94	—
Capitalized Leases	50	1
Total Fleet Debt	2,610	5
Total	$ 4,098	$ 1,486

As of March 31, 2016, the Senior ABL Facility had $1.03 billion available under the letter of credit facility sublimit, subject to borrowing base restrictions.

Letters of Credit

As of March 31, 2016, there were outstanding standby letters of credit totaling $628 million. Of this amount, $615 million was issued under the Senior Credit Facilities. We refer to the Senior Term Facility and the Senior ABL Facility together as the “Senior Credit Facilities.” As of March 31, 2016, none of these letters of credit have been drawn upon.

Covenants

We refer to Hertz and its subsidiaries as the Hertz credit group. The indentures for the Senior Notes contain covenants that, among other things, limit or restrict the ability of the Hertz credit group to incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, redeeming stock or making other distributions to parent entities of Hertz and other persons outside of the Hertz credit group), make investments, create liens, transfer or sell assets, merge or consolidate, and enter into certain transactions with Hertz's affiliates that are not members of the Hertz credit group.

Certain of our other debt instruments and credit facilities contain a number of covenants that, among other things, limit or restrict the ability of the borrowers and the guarantors to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, share repurchases or making other distributions), create liens, make investments, make acquisitions, engage in mergers, fundamentally change the nature of their business, make capital expenditures, or engage in certain transactions with certain affiliates.

Under the terms of our Senior Term Facility and Senior ABL Facility, we are not subject to ongoing financial maintenance covenants; however, under the Senior ABL Facility, failure to maintain certain levels of liquidity will subject the Hertz

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

credit group to a contractually specified fixed charge coverage ratio of not less than 1:1 for the four quarters most recently ended. As of March 31, 2016, we were not subject to the fixed charge coverage ratio test.

Additionally, the documentation of various of our (and/or our special purpose subsidiaries') financing facilities requires us to file certain quarterly and annual reports and certain of our subsidiaries to file statutory financial statements within certain time periods.

For additional information regarding our debt and covenants, see Note 5, "Debt," to the Notes to our condensed consolidated financial statements included in this Report and Note 6, "Debt" to the Notes to our consolidated financial statements included in our 2015 Form 10-K under the caption Item 8, "Financial Statements and Supplementary Data." For a discussion of the risks associated with our significant indebtedness, see Item 1A, "Risk Factors" in our consolidated financial statements included in our 2015 Form 10-K.

Capital Expenditures

The table below sets forth the revenue earning equipment and capital asset expenditures, non-fleet, and related disposal proceeds for the periods shown:

Cash inflow (cash outflow)(In millions)	Revenue Earning Equipment			Capital Assets, Non-Fleet		
	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
2016						
First Quarter	$(3,627)	$ 3,010	$ (617)	$(53)	$ 22	$ (31)
2015						
First Quarter	$(3,438)	$ 2,289	$ (1,149)	$(97)	$ 22	$ (75)

The table below sets forth net capital expenditures for revenue earning equipment by segment for the periods shown:

(In millions)	Three Months Ended March 31, 2016	2015	$ Change	% Change
Revenue earning equipment expenditures, net				
U.S. car rental	$(583)	$(1,075)	$ 492	(46)%
International car rental	75	142	(67)	(47)
Worldwide equipment rental	6	(59)	65	(110)
All other operations	(115)	(157)	42	(27)
Total	$(617)	$(1,149)	$ 532	(46)

The table below sets forth capital asset expenditures, non-fleet, net of disposal proceeds, by segment for the periods shown:

Three Months Ended March 31,

(In millions)	2016	2015	$ Change	% Change
Capital asset expenditures, non-fleet, net				
U.S. car rental	$(11)	$(2)	$ (9)	450 %
International car rental	(4)	(11)	7	(64)
Worldwide equipment rental	(4)	(27)	23	(85)
All other operations	(1)	(1)	—	—
Corporate	(11)	(34)	23	(68)
Total	$(31)	$(75)	$ 44	(59)

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Share Repurchase Program

In March 2014, we announced that the Board approved a $1 billion share repurchase program (the "2014 share repurchase program"). There were no share repurchases in the first quarter of 2016. As of March 31, 2016, the approximate dollar value of shares that remains available for purchase under the 2014 share repurchase program is $396 million.

CONTRACTUAL OBLIGATIONS

Material changes to our aggregate indebtedness are described in Part I, Item I, Note 5, "Debt," to the Notes to our condensed consolidated financial statements included in this Report, however, these changes did not significantly revise our future estimated interest payments from those which are set forth in the Contractual Obligations table included in Part II Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2015 Form 10-K.

As of March 31, 2016, there have been no other material changes outside of the ordinary course of business to our other known contractual obligations.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Indemnification Obligations

There have been no significant changes to our indemnification obligations as compared to those disclosed in Note 16, "Contingencies and Off-Balance Sheet Commitments" of the Notes to our consolidated financial statements included in our 2015 Form 10-K under the caption Item 8, "Financial Statements and Supplementary Data."

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

For a discussion of recent accounting pronouncements, see Note 2, "Basis of Presentation and Recently Issued Accounting Pronouncements," to the Notes to our condensed consolidated financial statements included in this Report under the caption Item 1, "Condensed Consolidated Financial Statements (Unaudited)."

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this Report and in reports we subsequently file with the United States Securities and Exchange Commission ("SEC") on Forms 10-K and 10-Q and file or furnish on Form 8-K, and in related comments by our management, include "forward-looking statements." Forward-looking statements include information concerning our liquidity and our possible or assumed future results of operations, including descriptions of our business strategies. These statements often include words such as "believe," "expect," "project," "potential," "anticipate," "intend," "plan," "estimate," "seek," "will," "may," "would," "should," "could," "forecasts" or similar expressions. These statements are based on certain assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate in these circumstances. We believe these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and our actual results could differ materially from those expressed in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K.

Important factors that could affect our actual results and cause them to differ materially from those expressed in forward-looking statements include, among others, those that may be disclosed from time to time in subsequent reports filed with the SEC and those described under "Item 1A—Risk Factors" included in our 2015 Form 10-K filed with the SEC on February 29, 2016. Some of the factors that we believe could affect our results include without limitation:

- any claims, investigations or proceedings arising as a result of the restatement of our previously issued financial results;
- our ability to remediate the material weaknesses in our internal controls over financial reporting described in Item 9A of our Form 10-K/A filed on March 4, 2016;
- the effect of our proposed separation of HERC and ability to obtain the expected benefits of any related transaction;
- levels of travel demand, particularly with respect to airline passenger traffic in the United States and in global markets;
- significant changes in the competitive environment, including as a result of industry consolidation, and the effect of competition in our markets on rental volume and pricing, including on our pricing policies or use of incentives;
- an increase in our fleet costs as a result of an increase in the cost of new vehicles and/or a decrease in the price at which we dispose of used vehicles either in the used vehicle market or under repurchase or guaranteed depreciation programs;
- occurrences that disrupt rental activity during our peak periods;
- our ability to achieve and maintain cost savings and efficiencies and realize opportunities to increase productivity and profitability;
- our ability to accurately estimate future levels of rental activity and adjust the size and mix of our fleet accordingly;
- our ability to maintain sufficient liquidity and the availability to us of additional or continued sources of financing for our revenue earning equipment and to refinance our existing indebtedness;
- our ability to realize the operational efficiencies of the acquisition of the car rental operations of Dollar Thrifty;
- our ability to maintain access to third-party distribution channels, including current or favorable prices, commission structures and transaction volumes;
-

an increase in our fleet costs or disruption to our rental activity, particularly during our peak periods, due to safety recalls by the manufacturers of our vehicles and equipment;

- changes to our senior management team;

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

- a major disruption in our communication or centralized information networks;
- financial instability of the manufacturers of our vehicles and equipment, which could impact their ability to perform under agreements with us and/or their willingness or ability to make cars available to us or the car rental industry on commercially reasonable terms;
- any impact on us from the actions of our franchisees, dealers and independent contractors;
- our ability to maintain profitability during adverse economic cycles and unfavorable external events (including war, terrorist acts, natural disasters and epidemic disease);
- shortages of fuel and increases or volatility in fuel costs;
- our ability to successfully integrate acquisitions and complete dispositions;
- our ability to maintain favorable brand recognition;
- costs and risks associated with litigation and investigations;
- risks related to our indebtedness, including our substantial amount of debt, our ability to incur substantially more debt and increases in interest rates or in our borrowing margins;
- our ability to meet the financial and other covenants contained in our Senior Credit Facilities, our outstanding unsecured Senior Notes and certain asset-backed and asset-based arrangements;
- changes in accounting principles, or their application or interpretation, and our ability to make accurate estimates and the assumptions underlying the estimates, which could have an effect on earnings;
- our ability to successfully outsource a significant portion of our information technology services or other activities;
- changes in the existing, or the adoption of new laws, regulations, policies or other activities of governments, agencies and similar organizations where such actions may affect our operations, the cost thereof or applicable tax rates;
- the effect of tangible and intangible asset impairment charges;
- our exposure to uninsured claims in excess of historical levels;
- fluctuations in interest rates and commodity prices;
- our exposure to fluctuations in foreign exchange rates; and
- other risks described from time to time in periodic and current reports that we file with the SEC.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks, including the effects of changes in interest rates (including credit spreads), foreign currency exchange rates and fluctuations in fuel prices. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Derivative financial instruments are viewed as risk management tools and have not been used for speculative or trading purposes. In addition, derivative financial instruments are entered into with a diversified group of major financial institutions in order to manage our exposure to counterparty nonperformance on such instruments.

There is no material change in the information reported under Part II Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," included in our 2015 Form 10-K.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our senior management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2016, due to the identification of material weaknesses in our internal control over financial reporting, as further described in Item 9A of our 2015 Form 10-K/A, our disclosure controls and procedures were not effective to provide reasonable assurance that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

Our remediation efforts were ongoing during the three months ended March 31, 2016. In December 2015, we signed an agreement to outsource certain information technology application and infrastructure functions to a third party service provider. The Company began transitioning work to the service provider during the first quarter of 2016. Functional areas impacted by the outsourcing include business application support, service desk, end user computing support, voice and data network support, and data center operations support.

In order to remediate our existing material weaknesses, we require additional time to complete the implementation of our remediation plans and demonstrate the effectiveness of our remediation efforts. The material weaknesses cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. During the quarter, the Company has taken actions to remediate the material weakness associated with the risk assessment process. Specifically, management implemented and enhanced internal controls over certain business processes including our period end financial reporting process of our Brazilian subsidiary.

Other than those remediation efforts noted above, there were no other material changes in our internal control over financial reporting that occurred during the three months ended March 31, 2016 that materially affected, or that are reasonably likely to materially affect our internal control over financial reporting.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of certain pending legal proceedings see Part I, Item I, Note 13, "Contingencies and Off-Balance Sheet Commitments."

ITEM 1A. RISK FACTORS

There is no material change in the information reported under Part I Item 1A, "Risk Factors" contained in our Annual Report on 2015 Form 10-K.

ITEM 2. UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits:

The attached list of exhibits in the "Exhibit Index" immediately following the signature page to this Report is filed as part of this Form 10-Q and is incorporated herein by reference in response to this item.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 9, 2016	HERTZ GLOBAL HOLDINGS, INC. (Registrant)
	By: /s/ THOMAS C. KENNEDY Thomas C. Kennedy Senior Executive Vice President and Chief Financial Officer

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

EXHIBIT INDEX

Exhibit Number	Description
4.12.12	Series 2016-1 Supplement, dated as of February 11, 2016, among Hertz Vehicle Financing II LP, as Issuer, The Hertz Corporation, as Group I Administrator, and The Bank of New York Mellon Trust Company, N.A., as Trustee and Securities Intermediary, to the Amended and Restated Group I Supplement, dated as of October 31, 2014, between Hertz Vehicle Financing II LP, as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee and Securities Intermediary, to the Base Indenture, dated as of October 31, 2014, between Hertz Vehicle Financing II LP, as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Hertz Global Holdings, Inc. (File No. 001-33139) and The Hertz Corporation (File No. 001-07541), as filed on February 18, 2016).
4.12.13	Series 2016-2 Supplement, dated as of February 11, 2016, among Hertz Vehicle Financing II LP, as Issuer, The Hertz Corporation, as Group I Administrator, and The Bank of New York Mellon Trust Company, N.A., as Trustee and Securities Intermediary, to the Amended and Restated Group I Supplement, dated as of October 31, 2014, between Hertz Vehicle Financing II LP, as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee and Securities Intermediary, to the Base Indenture, dated as of October 31, 2014, between Hertz Vehicle Financing II LP, as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Hertz Global Holdings, Inc. (File No. 001-33139) and The Hertz Corporation (File No. 001-07541), as filed on February 18, 2016).
10.5.18	Form of Employee Stock Option Agreement under the Hertz Global Holdings, Inc. 2008 Omnibus Incentive Plan (form used for agreements entered into after January 1, 2016)*
10.5.19	Form of Restricted Stock Unit Agreement under the Hertz Global Holdings, Inc. 2008 Omnibus Incentive Plan (form used for awards in 2016)*
10.5.20	Form of Performance Stock Unit Agreement under the Hertz Global Holdings, Inc. 2008 Omnibus Incentive Plan (form used for Adjusted Corporate EBITDA awards in 2016)*
10.5.21	Form of Performance Stock Unit Agreement under the Hertz Global Holdings, Inc. 2008 Omnibus Incentive Plan (form used for HERC Adjusted Corporate EBITDA awards in 2016)*
10.5.22	Form of Performance Stock Unit Agreement under the Hertz Global Holdings, Inc. 2008 Omnibus Incentive Plan (form used for EBITDA margin awards in 2016)*
10.5.23	Form of Performance Stock Unit Agreement under the Hertz Global Holdings, Inc. 2008 Omnibus Incentive Plan (form used for NPS awards in 2016)*
31.1–31.2	Rule 13a-14(a)/15d-14(a) Certifications of Chief Executive Officer and Chief Financial Officer*
32.1–32.2	18 U.S.C. Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

*Furnished herewith

Note: Certain instruments with respect to various additional obligations, which could be considered as long-term debt, have not been filed as exhibits to this Report because the total amount of securities authorized under any such instrument does not exceed 10% of our total assets on a consolidated basis. We agree to furnish to the SEC upon request a copy of any such instrument defining the rights of the holders of such long-term debt.

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