

HERTZ GLOBAL HOLDINGS INC  
Form 10-Q  
November 02, 2012  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q

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

For the quarterly period ended September 30, 2012

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

20-3530539

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

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.

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 420,957,683 shares of the registrant's common stock, par value \$0.01 per share, issued and outstanding as of November 1, 2012.



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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 September 30, 2012, and the related consolidated statements of operations and comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2012 and September 30, 2011 and the consolidated statements of cash flows for the nine-month periods ended September 30, 2012 and September 30, 2011. 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, 2011, 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 27, 2012, 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, 2011, 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

November 2, 2012

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands of Dollars)

Unaudited

	September 30, 2012	December 31, 2011
<b>ASSETS</b>		
Cash and cash equivalents	\$453,361	\$931,779
Restricted cash and cash equivalents	376,773	308,039
Receivables, less allowance for doubtful accounts of \$23,681 and \$20,282	1,731,795	1,616,382
Inventories, at lower of cost or market	105,982	83,978
Prepaid expenses and other assets	384,079	421,758
Revenue earning equipment, at cost:		
Cars	11,850,783	9,678,765
Less accumulated depreciation	(1,814,403)	(1,360,012)
Other equipment	3,226,306	2,830,176
Less accumulated depreciation	(1,041,477)	(1,043,520)
Total revenue earning equipment	12,221,209	10,105,409
Property and equipment, at cost:		
Land, buildings and leasehold improvements	1,191,140	1,146,112
Service equipment and other	1,138,356	1,050,915
Less accumulated depreciation	(1,049,775)	(945,173)
Total property and equipment	1,279,721	1,251,854
Other intangible assets, net	2,531,522	2,562,234
Goodwill	454,663	392,094
Total assets	\$19,539,105	\$17,673,527
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$975,098	\$897,489
Accrued liabilities	1,020,483	1,128,458
Accrued taxes	205,037	125,803
Debt	12,720,908	11,317,090
Public liability and property damage	279,755	281,534
Deferred taxes on income	1,795,513	1,688,478
Total liabilities	16,996,794	15,438,852
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, 420,859,594 and 417,022,853 shares issued and outstanding	4,209	4,170
Additional paid-in capital	3,220,500	3,205,964
Accumulated deficit	(667,588)	(947,064)
Accumulated other comprehensive loss	(14,829)	(28,414)
Total Hertz Global Holdings, Inc. and Subsidiaries stockholders' equity	2,542,292	2,234,656
Noncontrolling interest	19	19
Total equity	2,542,311	2,234,675

Total liabilities and equity	\$19,539,105	\$17,673,527
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The accompanying notes are an integral part of these financial statements.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands of Dollars, except share and per share data)

Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues:				
Car rental	\$2,105,987	\$2,062,457	\$5,578,544	\$5,272,595
Equipment rental	362,933	321,555	998,458	891,282
Other	47,302	48,254	125,292	120,685
Total revenues	2,516,222	2,432,266	6,702,294	6,284,562
Expenses:				
Direct operating	1,241,082	1,247,617	3,545,162	3,508,588
Depreciation of revenue earning equipment and lease charges	560,529	523,283	1,594,396	1,379,041
Selling, general and administrative	201,022			