

AVIS BUDGET GROUP, INC.  
Form SC 13D/A  
June 03, 2016

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D/A  
(Amendment No. 2)\*

Under the Securities Exchange Act of 1934

AVIS BUDGET GROUP, INC.  
(Name of Issuer)

Common Stock, par value \$0.01 per share  
(Title of Class of Securities)

053774105  
(CUSIP Number)

David Zales

SRS Investment Management, LLC

One Bryant Park

39th Floor

New York, New York 10036

(212) 520-7900

with a copy to:

Marc Weingarten, Esq.

Eleazer Klein, Esq.

Schulte Roth & Zabel LLP

919 Third Avenue

New York, New York 10022

(212) 756-2000  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and  
Communications)

June 1, 2016

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box.

(Page 1 of 7 Pages)

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\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 053774105 SCHEDULE 13D/A Page 2 of 7 Pages

**1** NAME OF REPORTING PERSON

SRS INVESTMENT MANAGEMENT, LLC

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF (b) "

A GROUP

**3** SEC USE ONLY SOURCE OF FUNDS

**4** AF CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING

**5** IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware, United States

**6** NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

SOLE VOTING POWER

SHARED VOTING POWER

**8** 9,000,000 shares of Common Stock

**9** SOLE DISPOSITIVE POWER

**10**

SHARED  
DISPOSITIVE  
POWER

9,000,000  
shares of  
Common Stock

**11** AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
PERSON

**12** 9,000,000 shares of  
Common Stock  
CHECK IF THE  
AGGREGATE  
AMOUNT IN  
ROW (11)

**13** EXCLUDES  
CERTAIN  
SHARES  
PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11)

**14** 9.5% (see Item 5)  
TYPE OF REPORTING  
PERSON

IA, OO

CUSIP No. 053774105 SCHEDULE 13D/A Page 3 of 7 Pages

1 NAME OF REPORTING PERSON

KARTHIK R. SARMA

2 CHECK THE APPROPRIATE BOX IF A

MEMBER OF (b) "

3 A GROUP SEC USE ONLY SOURCE OF FUNDS

4 AF CHECK BOX

5 IF DISCLOSURE OF LEGAL

PROCEEDING IS

REQUIRED PURSUANT TO ITEMS

6 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

India

7 SOLE VOTING POWER

SHARED VOTING POWER

8 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH: 9 9,000,000 shares of Common Stock SOLE DISPOSITIVE POWER

SHARED  
DISPOSITIVE  
POWER

10

9,000,000  
shares of  
Common Stock

AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
PERSON

11

9,000,000 shares of  
Common Stock

CHECK IF THE  
AGGREGATE  
AMOUNT IN

12

ROW (11)      ..  
EXCLUDES  
CERTAIN  
SHARES

PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11)

13

9.5% (see Item 5)  
TYPE OF REPORTING  
PERSON

14

IN

**CUSIP No. 053774105 SCHEDULE 13D/A Page 4 of 7 Pages**

This Amendment No. 2 ("Amendment No. 2") amends and supplements the statement on the Schedule 13D filed with the Securities and Exchange Commission (the "SEC") on January 25, 2016 (the "Original Schedule 13D") and Amendment No. 1 to the Original Schedule 13D, filed with the SEC on March 4, 2016 ("Amendment No. 1", together with this Amendment No. 2 and the Original Schedule 13D, the "Schedule 13D") with respect to the common stock, par value \$0.01 per share (the "Common Stock"), of Avis Budget Group, Inc., a Delaware corporation (the "Issuer"). Capitalized terms used herein and not otherwise defined in this Amendment No. 2 have the meanings set forth in the Original Schedule 13D and Amendment No. 1. This Amendment No. 2 amends Items 3, 5 and 6 as set forth below.

**Item 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION**

Item 3 of the Schedule 13D is hereby amended and restated in its entirety, as follows:

The Reporting Persons used approximately \$115,766,389 (including brokerage commissions) of the working capital of the applicable Funds in the aggregate to purchase the shares of Common Stock reported in this Schedule 13D. Such shares of Common Stock are or may be held from time to time by the applicable Funds in margin accounts established with their respective brokers or banks and a portion of the purchase price for the Common Stock may be obtained through margin borrowing. Securities positions which may be held in the margin accounts, including the Common Stock, may be pledged as collateral security for the repayment of debit balances in the margin accounts.

**Item 5. INTEREST IN SECURITIES OF THE ISSUER**

Paragraphs (a) and (c) of Item 5 of the Schedule 13D is hereby amended and restated in its entirety, as follows:

(a) The aggregate number of shares of Common Stock to which this Schedule 13D relates is 9,000,000 shares of Common Stock, constituting approximately 9.5% of the outstanding Common Stock. All percentages set forth herein are based upon a total of 94,583,375 shares of Common Stock outstanding as of April 29, 2016, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, filed with the SEC on May 4, 2016.

Pursuant to certain cash-settled equity swaps between the Funds and broker-dealer counterparties, the Reporting Persons have economic exposure to, and may be deemed to beneficially own, an additional 13,000,000 notional shares of Common Stock, constituting approximately 13.7% of the outstanding shares of Common Stock, as more fully described in Item 6 of this Schedule 13D.

In addition, pursuant to certain options between the Funds and broker-dealer counterparties, the Reporting Persons have economic exposure to, and may be deemed to beneficially own, an additional 2,211,200 notional shares of Common Stock, constituting approximately 2.3% of the outstanding shares of Common Stock, as described in Item 6 of this Schedule 13D.

(c) Information concerning transactions in the Common Stock effected by the Investment Manager in the past sixty days is set forth in Annex A hereto and is incorporated by reference herein.



**Item CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER**

Item 6 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

The Reporting Persons may be deemed to have economic exposure to an additional 13,000,000 shares of Common Stock pursuant to certain cash-settled equity swaps between the Funds and broker-dealer counterparties. Such swaps mature on dates ranging from August 21, 2018 to May 18, 2020. The reference prices for such swaps range from \$23.52 to \$46.90.

The Reporting Persons may be deemed to have economic exposure to an additional 2,211,200 shares of Common Stock pursuant to certain option contracts between the Funds and broker-dealer counterparties. The Funds hold 22,112 such option contracts. The options have reference prices ranging from \$25.00 to \$50.000. The options may be settled in cash or in cash-settled equity swaps. If the options are settled in cash, the Funds will be entitled to a dollar amount equal to the aggregate number of option contracts multiplied by the difference between the market price of the Common Stock at the time of settlement and the reference price of the option (the "Cash Amount"). If the options are settled in cash-settled equity swaps, the Funds and the broker-dealer counterparties will enter into cash-settled equity swaps referencing a number of shares equal to the Cash Amount divided by the market price of the Common Stock at the time of settlement. Such options expire on dates ranging from January 20, 2017 to January 18, 2019.

The Reporting Persons do not have voting power or dispositive power with respect to the shares of Common Stock referenced in such swaps or options and disclaim beneficial ownership of the shares underlying such swaps and options.

**CUSIP No. 053774105 SCHEDULE 13D/A Page 6 of 7 Pages**

**SIGNATURES**

After reasonable inquiry and to the best of his or its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: June 3, 2016

**SRS INVESTMENT  
MANAGEMENT, LLC**

By: /s/ David B. Zales  
Name: David B. Zales  
Title: General Counsel

**KARTHIK R. SARMA**

/s/ Karthik R. Sarma

Annex A

**TRANSACTIONS IN COMMON STOCK BY THE REPORTING PERSONS**

The following tables set forth all transactions in the Common Stock effected by the Investment Manager in the past sixty days. Unless otherwise noted, all such transactions were effected in the open market through a broker and all prices per share include commissions.

<b>Trade Date</b>	<b>Shares Purchased (Sold)</b>	<b>Price Per Share (\$)</b>
5/5/2016	(500,000)	25.40