

Hertz Reports Record Third Quarter Revenue and Earnings

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The Hertz Corporation reported record Third Quarter revenues of \$1.438 billion, an increase of 6.9%, or \$93 million, over the comparable period last year, and a 9.6% increase before the effects of foreign exchange translation. Net income for the quarter was a record \$142.8 million or \$1.33 per share on a diluted basis. The per share amount represents a \$0.05 increase year-over-year and is \$0.03 above the average of analysts' estimates as published by First Call.

Worldwide vehicle rental and leasing revenue in the Third Quarter was \$1.160 billion, an increase of 5.7% over the comparable period last year, or an increase of 8.7% before the effects of foreign exchange translation. Worldwide industrial and construction equipment rental revenue was \$269 million, a 15.5% increase over the same period last year, or an increase of 17.0% before the effects of foreign exchange, and same market revenue increased 4.0% over last year.

The Company expects diluted net income per share of \$3.33 for the full year 2000, which includes a one-time net gain, related to the disposal of real property, of \$0.05 per share diluted reported in the Second Quarter of this year. The Company continues to expect a weaker First Quarter of 2001 than the comparable period in 2000, but expects to achieve the average analysts' estimate of \$3.42 net income per share for the full year 2001.

Craig R. Koch, President and Chief Executive Officer, said "we are pleased that we have achieved record earnings for the eleventh consecutive quarter. While it is still early in our 2001 planning cycle, and allowing for some economic moderation and a weaker First Quarter, we remain comfortable with the full year 2001 consensus estimate, which would be the eighth consecutive record year for Hertz. We are encouraged that the fundamentals, including pricing opportunities, support full-year profit growth for 2001."

DOMESTIC VEHICLE RENTAL, which includes airport and suburban markets, had pre-tax earnings for the Third Quarter of \$162.5 million, up 3.9% over last year, generating an 18.8% margin. Revenues in the Third Quarter totaled \$866.4 million, an increase of 7.4% over last year. Rental revenue in the Third Quarter grew by 7.7%, comprised of 9.7% transaction day growth, partially offset by a revenue per day decline of 1.9% compared with Third Quarter 1999. At airport locations, revenue per day declined by 0.4% year-over-year. There are now 634 suburban locations, an increase of 149 year-to-date, which generated Third Quarter revenue of \$116 million, or a 32.7% increase year-over-year.

The Company expects that revenue per day will be down 2% to 3% in the Fourth Quarter 2000 with continued solid growth in transactions days. The outlook for 2001 is for no significant increases in revenue per day early in the year, compared with strong revenue per day growth in the same period of 2000. Growth in revenue per day is more likely to occur in the Second Quarter and later in 2001. These assumptions yield the following estimates:

U.S. Car Rental	Consolidated		Airport
	Revenue Per Day	Transaction Days	Revenue Per Day
Q4-2000	(2%) to (3%)	+8.5% to +9.5%	(1.5%) to (2.5%)
FY-2001	Flat to +1%	+7% to +8%	+1% to +2%

WORLDWIDE INDUSTRIAL AND CONSTRUCTION EQUIPMENT RENTAL generated pre-tax income of \$22.1 million, down from the same period in 1999, but improved from the Second Quarter of 2000. The Company expects this business will achieve overall revenue growth in 2000 of 13% to 15%, with the pre-tax margin in the mid-single digit range. Pricing, down 4% in the first half of 2000, leveled off to a 1% decrease year-over-year. To improve profitability, the Company has slowed the growth of its network, implemented a staff restructuring, continued to focus on revenue management and mix-of-business, adopted a conservative 2001 fleet purchase program, and increased prices on high utilization equipment where market conditions warranted.

The Company expects worldwide equipment rental revenue to grow by 9% to 11% in 2001, with an improvement in pre-tax margin as more of its newer locations mature and cost reductions flow through to earnings. Network expansion will continue, focusing on specific markets with high revenue and profit opportunity. The Company noted that significant growth opportunities exist through market share improvement and the growth of equipment rental as an alternative to ownership.

INTERNATIONAL VEHICLE RENTAL AND LEASING generated total reported Third Quarter revenue of \$293 million, about the same as the comparable period last year. However, the revenue increase was \$35 million, or 12.4%, before the effect of foreign exchange. Rental revenue in the Third Quarter increased 13.5%, before foreign exchange, which is comprised of revenue per day and transaction day growth of 1.4% and 11.9%, respectively, led by strong transaction day growth in Europe, Brazil and the Caribbean. International pre-tax profits in the Third Quarter were \$56.6 million, up 10.2% from the comparable period last year, including the adverse effects of foreign exchange and business disruptions related to fuel price disputes in several European countries. Also, the Company announced that on August 31, 2000 it had transferred, at the estimated fair value of \$99.2 million, \$16.4 million more than net book value, its car leasing businesses in Australia, New Zealand and the U.K. to Axus International, a subsidiary of Ford Motor Credit, that Hertz has managed under contract since January 2000.

The Company expects revenue per day for international car rental to be flat to up 1% during the Fourth Quarter and transaction day growth to be up 8% to 9% for the Quarter. The preliminary outlook for the full year 2001 is for revenue per day to be up 1% to 2% over the year 2000, with transaction day growth of 9% to 10% over the prior year.

Headquartered in Park Ridge, New Jersey, Hertz operates from approximately 6,500 locations in the U.S. and in over 140 foreign countries.

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations, forecasts and assumptions and involve risks and uncertainties, some of which are outside of the Company's control, that could cause actual outcomes and results to differ materially from current expectations. These risks and uncertainties include, among other things, price and product competition, changes in general economic and business conditions, wage inflation, economic and competitive conditions in markets and countries where the Company's customers reside and where the Company and its licensees operate, changes in capital availability or cost, costs and other terms related to the acquisition and disposition of automobiles and equipment, and certain regulatory and environmental matters. These forward-looking statements represent the Company's judgments as of the date of this release. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

THE HERTZ CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(In Thousands of Dollars)
Unaudited

	Three Months Ended September 30,		As % of Total Revenue	
	2000	1999	2000	1999
Revenue	\$1,437,756	\$1,344,808	100.0%	100.0%
Expenses:				
Direct operating	600,000	564,976	41.7%	42.0%
Depreciation of revenue earning equipment	367,393	336,773	25.6%	25.0%
Selling, general and administrative	115,725	116,650	8.0%	8.7%
Interest - net	119,046	93,714	8.3%	7.0%
Total expenses	1,202,164	1,112,113	83.6%	82.7%
Income before income taxes	235,592	232,695	16.4%	17.3%
Income taxes	92,829	93,659	6.5%	7.0%
Net income	\$142,763	\$139,036	9.9%	10.3%
Earnings per share:				
Basic	\$1.33	\$1.29		
Diluted	\$1.33	\$1.28		
Weighted average number of shares outstanding:				
Basic	107,427,227	108,032,375		
Diluted	107,544,367	108,551,164		

	Nine Months Ended September 30,		As % of Total Revenue	
	2000	1999	2000	1999
Revenue	\$3,862,288	\$3,545,152	100.0%	100.0%
Expenses:				
Direct operating	1,708,496	1,571,510	44.2%	44.3%
Depreciation of revenue earning equipment	1,007,491	921,634	26.1 %	26.0%
Selling, general and administrative	341,068	340,134	8.8%	9.6%
Interest - net	307,335	250,211	8.0%	7.1%
Total expenses	3,364,390	3,083,489	87.1%	87.0%
Income before income taxes	497,898	461,663	12.9%	13.0%
Income taxes	195,104	185,963	5.1%	5.2%
Net income	\$302,794	\$275,700	7.8%	7.8%
Earnings per share				
Basic	\$2.81	\$2.55		
Diluted	\$2.81	\$2.54		
Weighted average number of shares outstanding:				
Basic	107,616,838	108,005,161		
Diluted	107,790,428	108,685,605		

BALANCE SHEET DATA
(In Thousands of Dollars)
Unaudited

	September 30,	
	2000	1999
Revenue earning equipment:		
Cars	\$5,790,113	\$5,344,510

Other equipment	1,777,254	1,572,891
Total assets	11,191,424	10,159,373
Total debt	7,345,085	6,566,201
Stockholders' equity	1,917,024	1,636,705

THE HERTZ CORPORATION
SUPPLEMENTARY INFORMATION
(In Millions of Dollars)
Unaudited

Three Months Ended September 30,
2000 1999 % Inc.- Dec.

Segment Results

Revenue			
Vehicle Rental and Leasing			
Domestic	\$ 866.4	\$ 806.9	7.4%
International	293.3	290.5	1.0%
Worldwide Vehicle Rental and Leasing	1,159.7	1,097.4	5.7%
Industrial and Construction			
Equipment Rental	269.1	233.1	15.5%
Corporate and Other	9.0	14.3	-37.1%
Total	\$1,437.8	\$1,344.8	6.9%

Pretax Income			
Vehicle Rental and Leasing			
Domestic	\$ 162.5	\$ 156.4	3.9%
International	56.6	51.3	10.2%
Worldwide Vehicle Rental and Leasing	219.1	207.7	5.5%
Industrial and Construction			
Equipment Rental	22.1	32.5	-31.9%
Corporate and Other	(5.6)	(7.5)	25.4%
Total	\$ 235.6	\$ 232.7	1.2%

Vehicle Rental and Leasing Segment Operating Metrics

Domestic Car Rental Operations (Consolidated)*			
Rental Revenue	\$ 864.8	\$ 803.1	7.7%
Transaction Days, in millions	20.98	19.12	9.7%
Revenue Per Day, in whole dollars	\$ 41.21	\$ 42.00	-1.9%
International Car Rental Operations - Before F/X			
Rental Revenue	\$ 296.0	\$ 260.8	13.5%
Transaction Days, in millions	8.52	7.62	11.9%
Revenue Per Day, in whole dollars	\$ 34.73	\$ 34.24	1.4%
Worldwide Car Rental Operations - Before F/X			
Rental Revenue	\$1,160.8	\$1,063.9	9.1%
Transaction Days, in millions	29.51	26.74	10.3%
Revenue Per Day, in whole dollars	\$ 39.34	\$ 39.79	-1.1%

*Domestic Car Rental Operations (a)

Suburban Car Rental			
Revenue	\$115.8	\$ 87.3	32.7%
Airport Car Rental Operations			
Rental Revenue	\$751.8	\$712.7	5.5%

Transaction Day Growth	5.9%
Revenue Per Day Growth	-0.4%
Commercial Rentals	
Transaction Day Growth	2.8%
Revenue Per Day Growth	0.3%
Discretionary Rentals	
Transaction Day Growth	9.6%
Revenue Per Day Growth	-1.2%
(a) Based on the Company's statistical tracking system.	

Industrial and Construction Equipment Rental Segment Operating Metrics	
Worldwide Same Market Revenue Growth - Before F/X	+4.0%
United States Rental Rate Change	-1.1%

SOURCE: Hertz Corporation

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