



Hertz says it won't up bid

Posted on: Sat, 25 Sep 2010 10:50:51 EDT

Symbols: [HTZ](#)

Sep 25, 2010 (Tulsa World - McClatchy-Tribune Information Services via COMTEX) --

Hertz Global Holdings Inc. is not budging from its "best and final" \$50.25-a-share, \$1.45 billion offer for Dollar Thrifty Automotive Group Inc., company executives said Friday.

Five days before a Dollar Thrifty shareholder vote on Hertz's offer and a day after Avis Budget Group Inc.'s \$52.71-a-share, \$1.52 billion bid for the Tulsa-based [rental car company](#), Hertz CEO Mark P. Frissora said enough is enough.

"Our agreement with Dollar Thrifty provides its shareholders with a substantial premium, deal certainty and a clear path to deal closure by year end," he said. "We have made our best and final offer, and we believe it is in the best interest of Dollar Thrifty shareholders to vote in favor of the transaction on Sept. 30.

"We expect to close the transaction by the end of the year. A vote against the deal would be a lost opportunity for the Dollar Thrifty shareholders. Avis' proposal raises serious antitrust risks that our agreement does not, which is why Avis has repeatedly refused to match our agreement to pay a substantial termination fee if the transaction fails for antitrust reasons. Failure to approve the Hertz agreement could leave Dollar Thrifty without any transaction, a sub-optimal outcome for its shareholders."

In early September, before a previously scheduled Sept. 16 shareholder vote, when a higher Avis Budget offer was on the table, early proxy returns were running heavily against Hertz, industry officials said.

Two Tulsa [money managers](#) believe the results will

be the same on Thursday if Hertz does not come back with a higher bid.

"At this point, there is less than a 50 percent chance it will go through," said Jake Dollarhide, CEO of Longbow Asset Management. "Hertz is gambling that shareholders will go with a lower offer. They believe the Dollar Thrifty board and shareholders think they are the superior brand and company."

For weeks, area residents and Dollar Thrifty [shareholders](#) and employees have debated whether a merger with Hertz or Avis Budget would be better.

Hertz, based in Park Ridge, N.J., is the nation's second largest rental car company. It has 23,000 employees, including 1,700 at a major regional operations center in Oklahoma City.

Avis Budget, the third largest rental car company in the country, has 22,000 employees, 675 of them in Tulsa. The company is based in Parsippany, N.J.

Tulsa civic and business leaders believe an Avis Budget-Dollar Thrifty [merger](#) is Tulsa's best chance to retain some of the Tulsa company's 700 Tulsa-based employees. Companywide, Dollar Thrifty, the fourth largest U.S. rental car company, employs 6,000 people.

At a news conference Sept. 8, Tulsa Metro Chamber President and CEO Mike Neal urged Dollar Thrifty shareholders to vote against the Hertz offer, which at the time was \$41 a share, or \$1.27 billion. Avis Budget's offer to Dollar Thrifty in early September was \$1.36 billion.

"Judging by the presence Avis has in this community, it's very likely they would retain or grow that presence," Neal had said.

Jim Fram, the Tulsa Metro Chamber's senior vice president of [economic development](#), said at the same news conference that the best scenario for Tulsa was for Dollar Thrifty to remain as a stand-alone company or merge with Avis Budget.

"We think the jobs remaining in Tulsa would be minimal in a Hertz acquisition," Fram said.

Fred Russell, CEO of Fredric E. Russell [Investment Management Co.](#) in Tulsa, said he thinks Dollar Thrifty shareholders will vote against the Hertz offer on Thursday.

If the Hertz offer is rejected, another shareholder meeting would have to be scheduled either to vote on the Avis Budget offer or a higher Hertz offer, he said.

"Hertz is saying they cannot afford paying more, that the numbers don't justify paying more," Russell said. "But saying they won't pay any more doesn't mean they won't pay more."

Dollar Thrifty shares closed Friday at \$51.03, down \$1.31, or 2.5 percent.

Hertz shares closed at \$11.16, up 71 cents, or 6.8 percent, while Avis Budget [shares](#) rose 56 cents, or 5.3 percent, closing at \$11.14.

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