

DUFF & PHELPS



FAMILY BUSINESS INVITATIONAL CONFERENCE: SUCCESS AND CONTINUITY



Our Three-Generation Experience

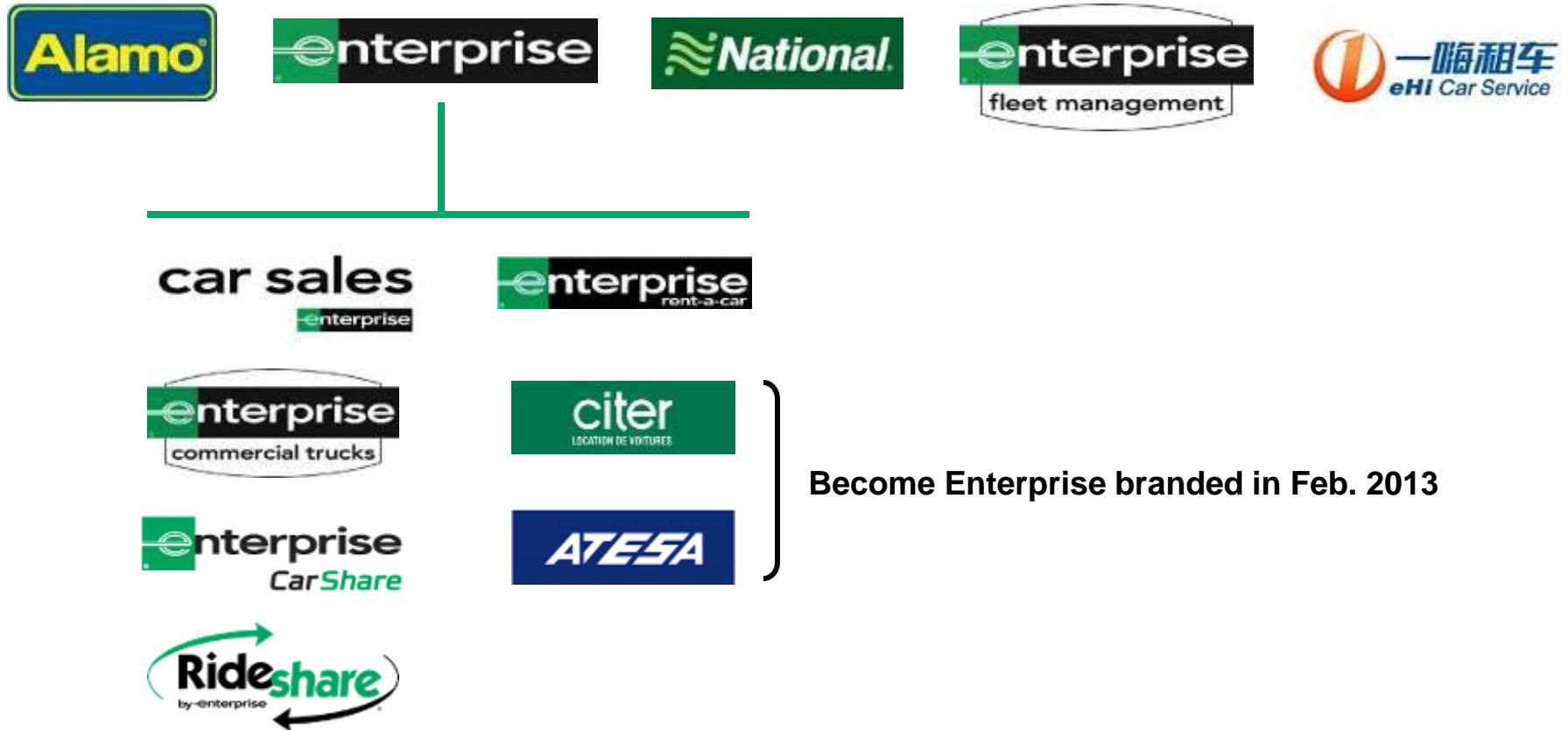
Enterprise Holdings

Andy Taylor
Chairman & Chief Executive Officer
Enterprise Holdings

Agenda

- Introduction
- The Journey: A defining moment
- The Balance
- Recruiting and developing great people
- Family and business governance and succession
- Some reasons for success

ENTERPRISE HOLDINGS™

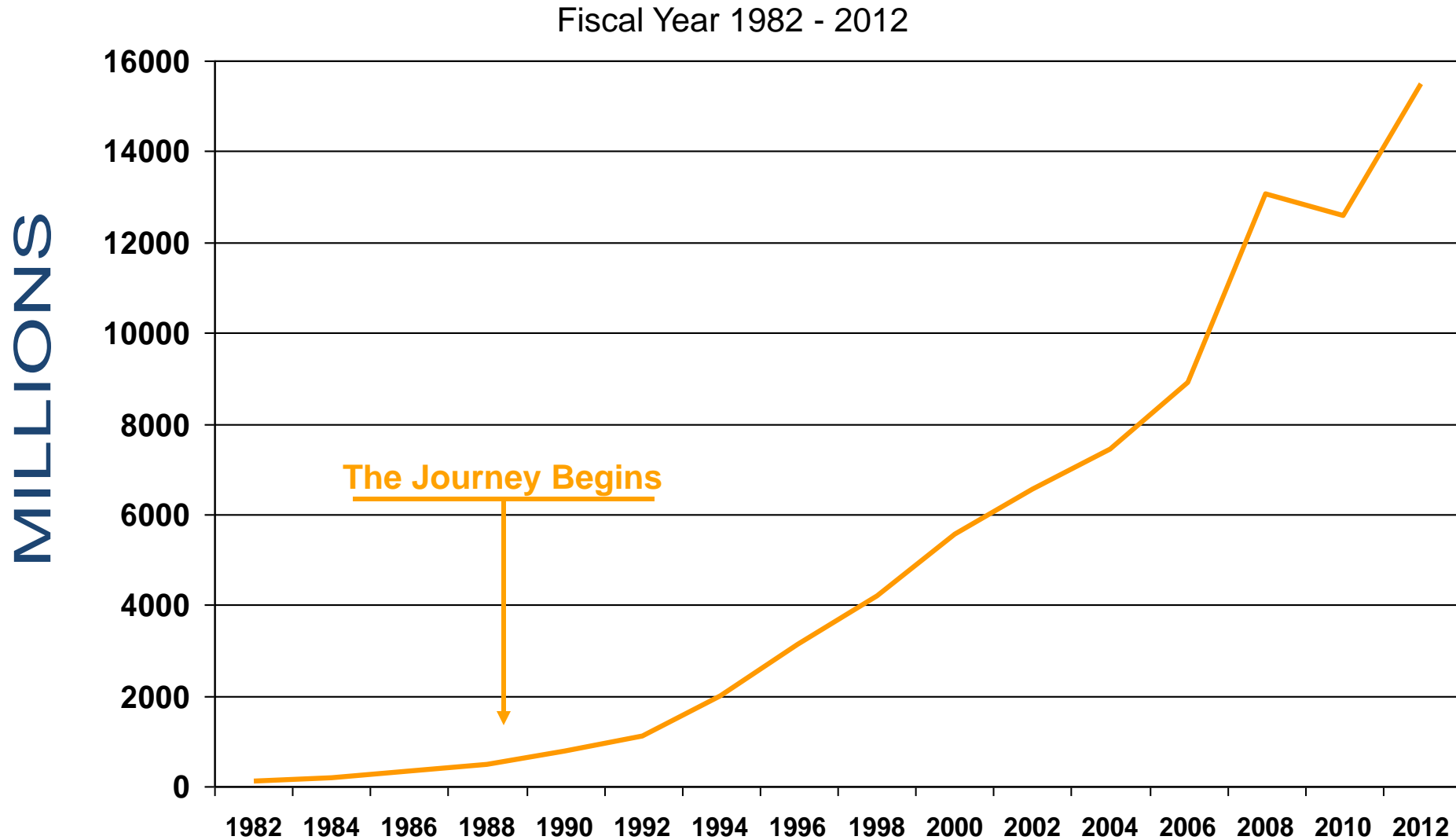


Key Statistics

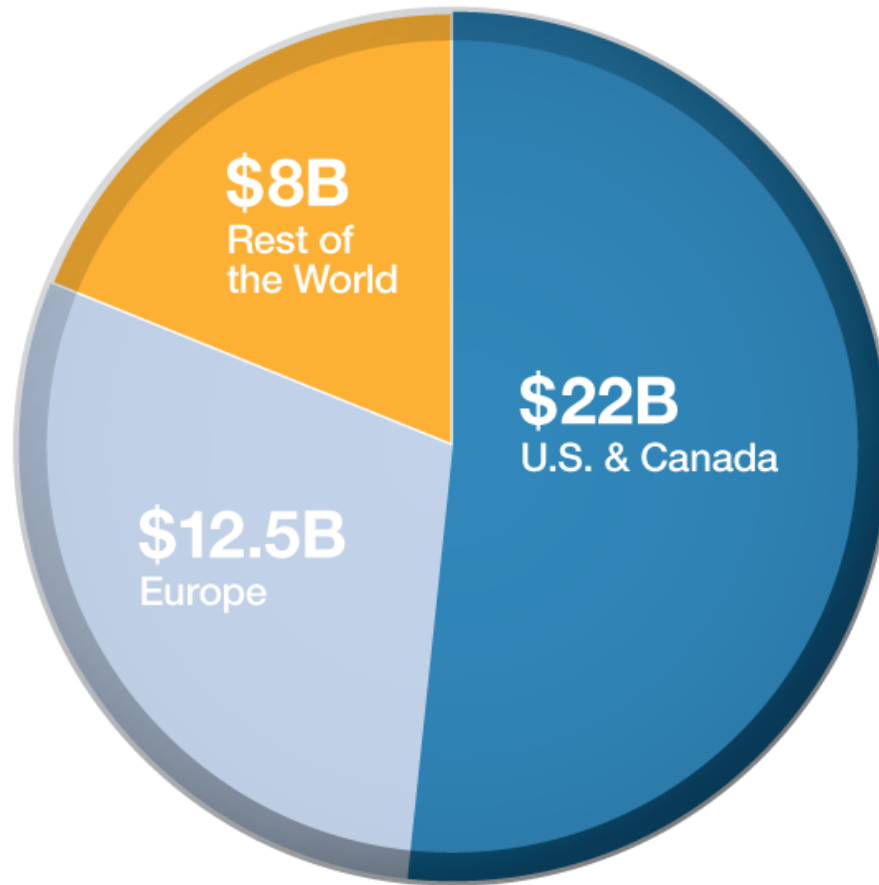
- Family Owned & Operated: Ranked #15 on Forbes Top 500 Private Companies in America
- Operate largest fleet of passenger vehicles in world
 - ◆ Largest buyer/seller of vehicles
- Alamo, Enterprise and National brands
 - ◆ More than 1 million transactions per week
 - ◆ Operating in nearly 40 countries
- \$15.5 billion revenue
- Largest recruiter of college graduates in U.S.
- More than 7,400 locations



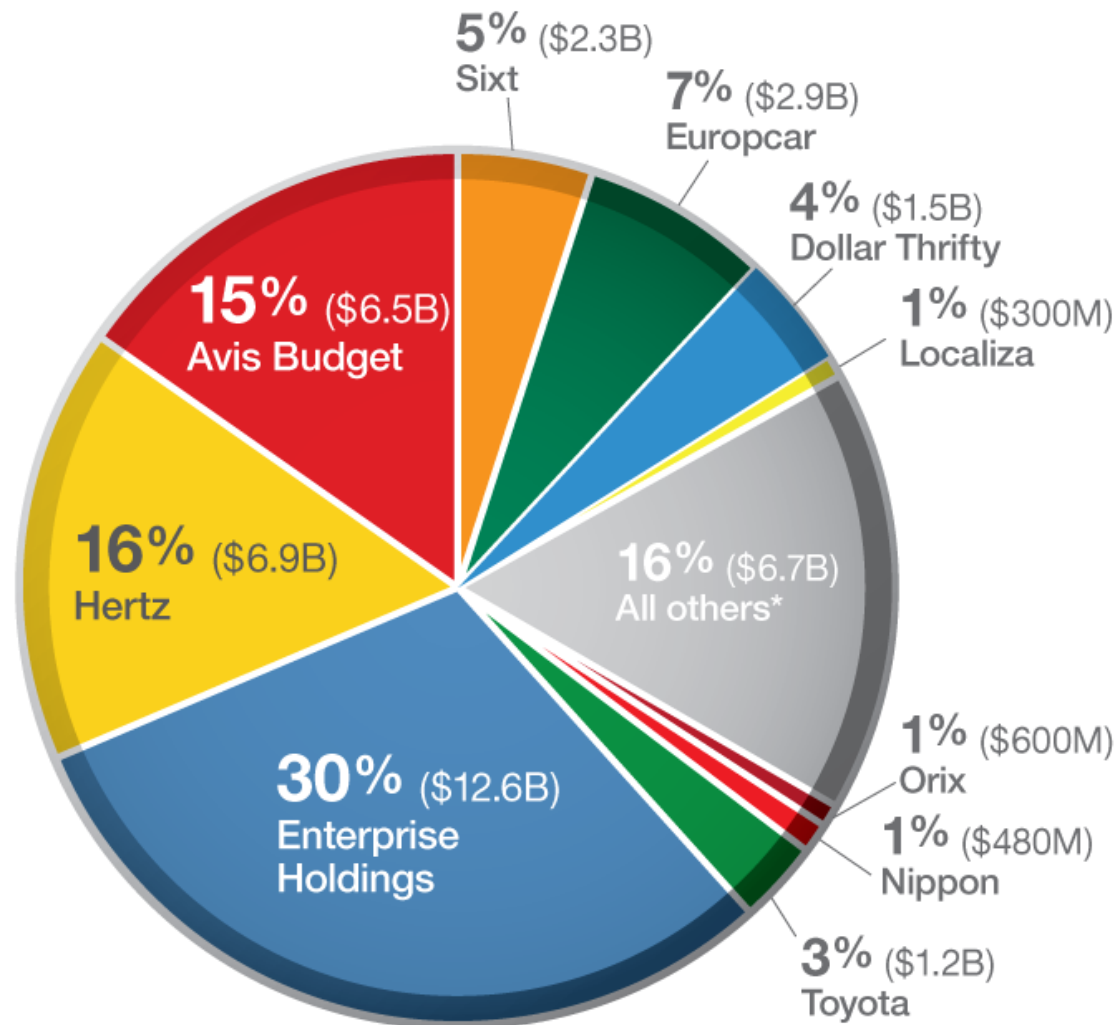
Enterprise Holdings: Consolidated Revenue



Global Rental Market: \$42.5B



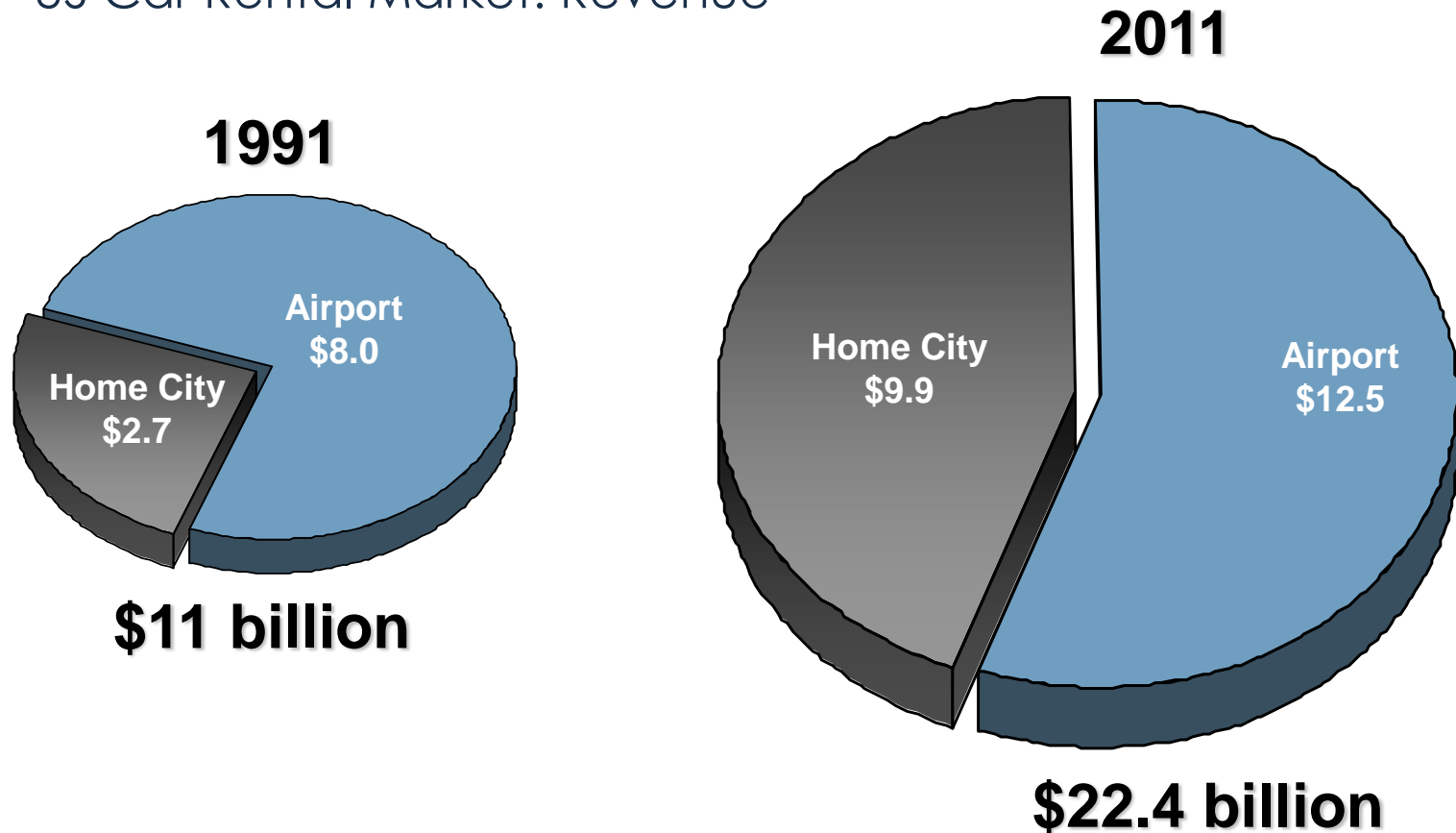
Global Market Shares



**All others include franchisees of global brands, regional companies and independent operators*

AUTO RENTAL NEWS

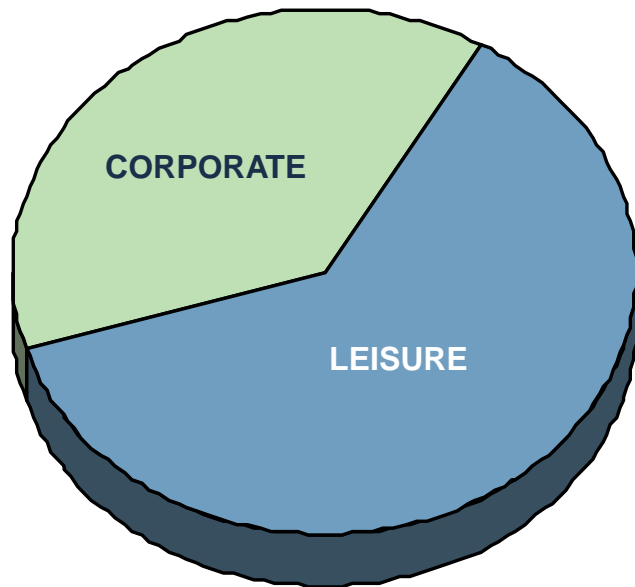
US Car Rental Market: Revenue



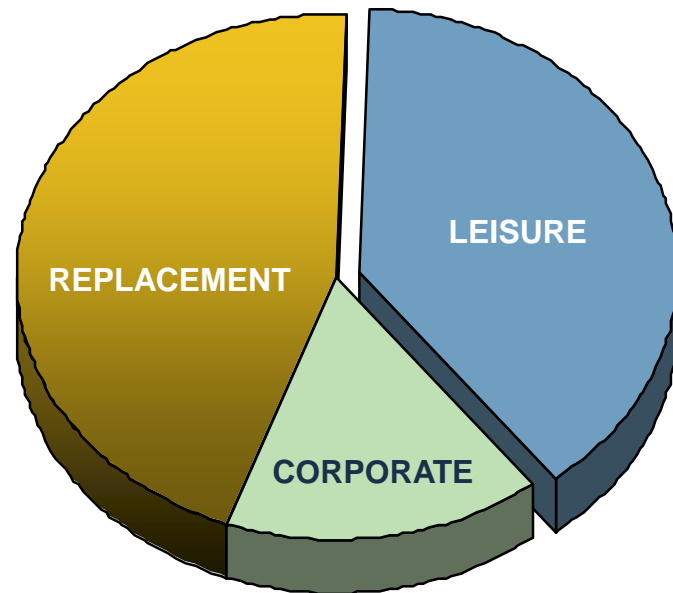
Source: *Auto Rental News* 2011 Fact Book

US Car Rental Market: Revenue

~\$12.5 B Airport Market



~\$9.9 B Neighborhood Market

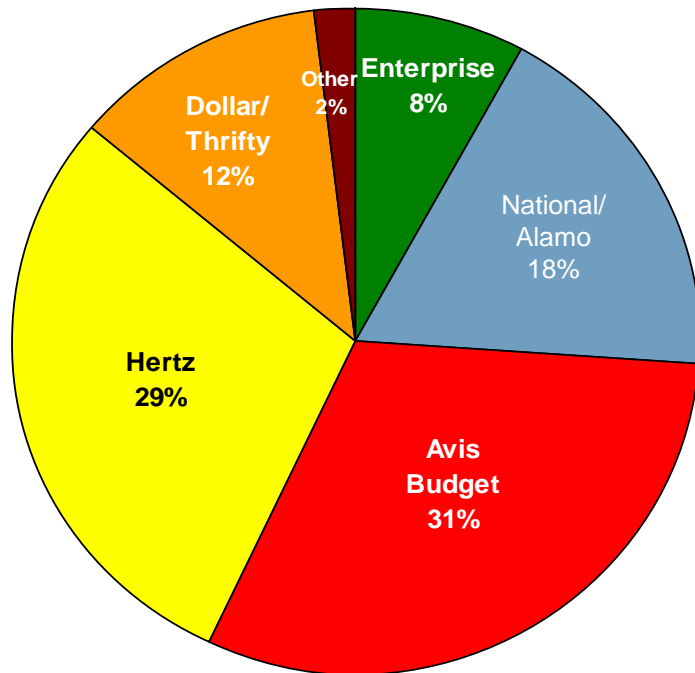


Source: EHI estimates

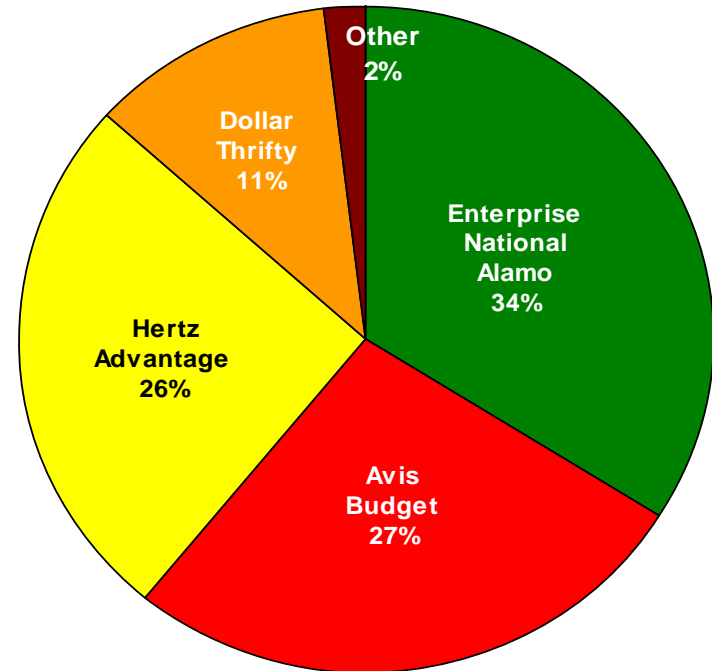
U.S. Market Share – Airport

12-Month Average

2004



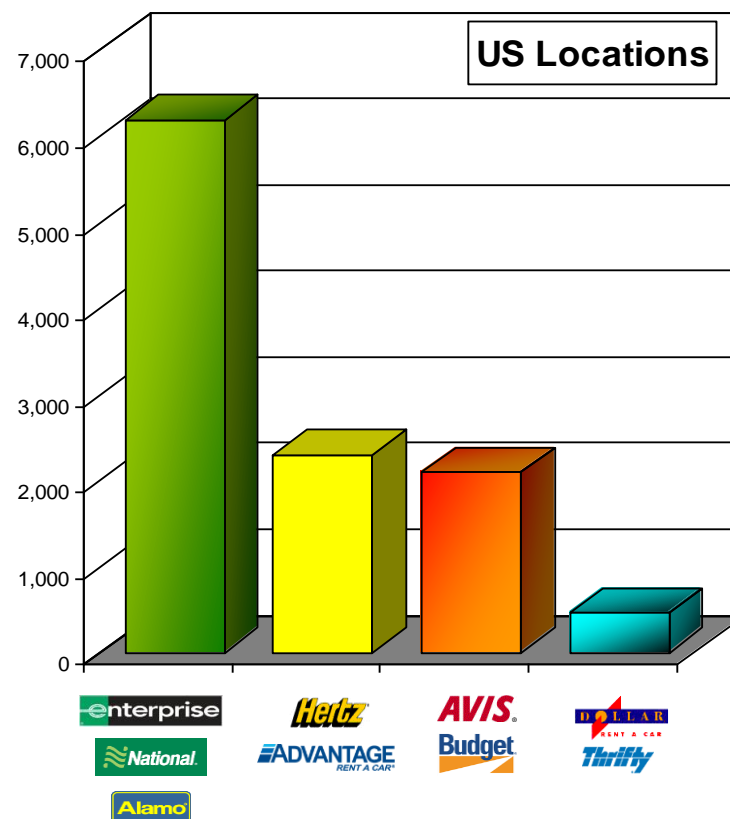
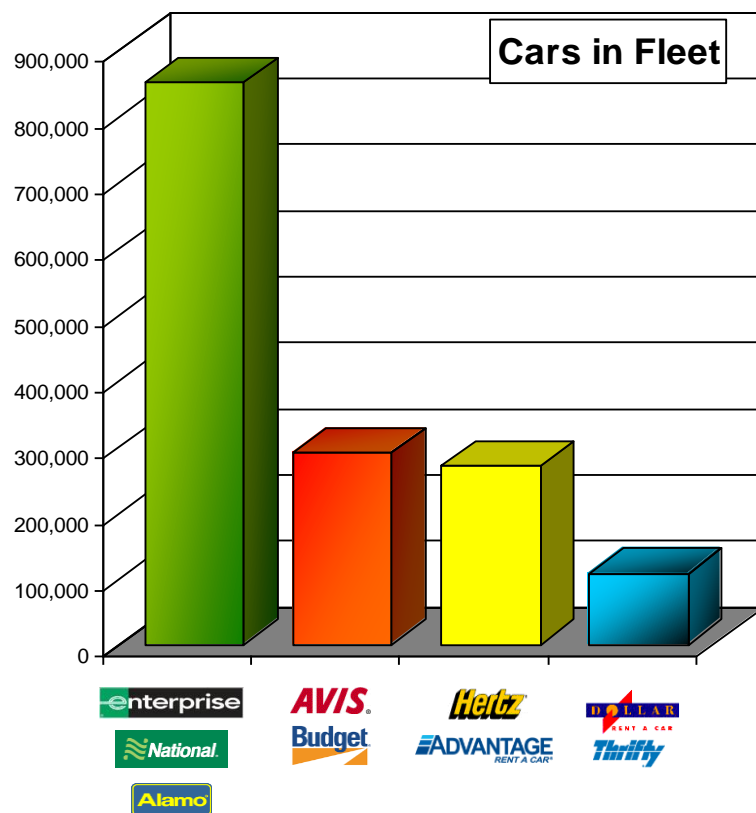
2011



Source: Airport authorities

AUTO RENTAL NEWS

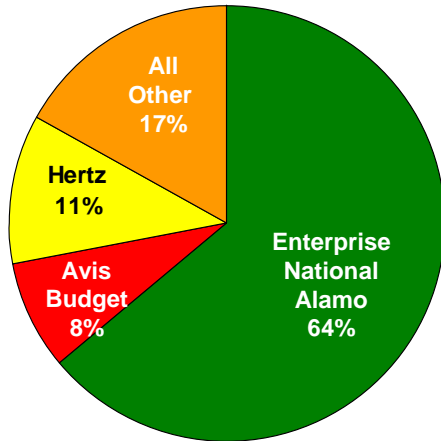
Car Rental Company Comparisons



Source: *Auto Rental News 2012 Fact Book*

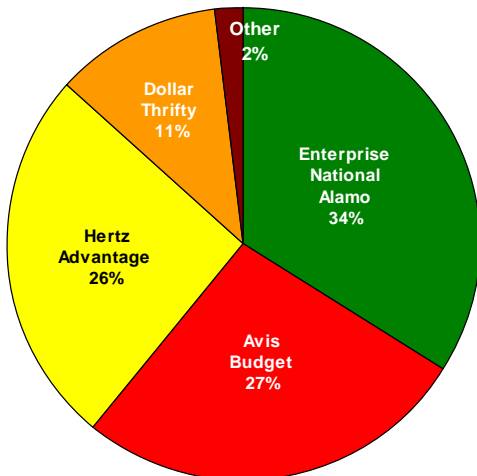
U.S. Market Share

Home City



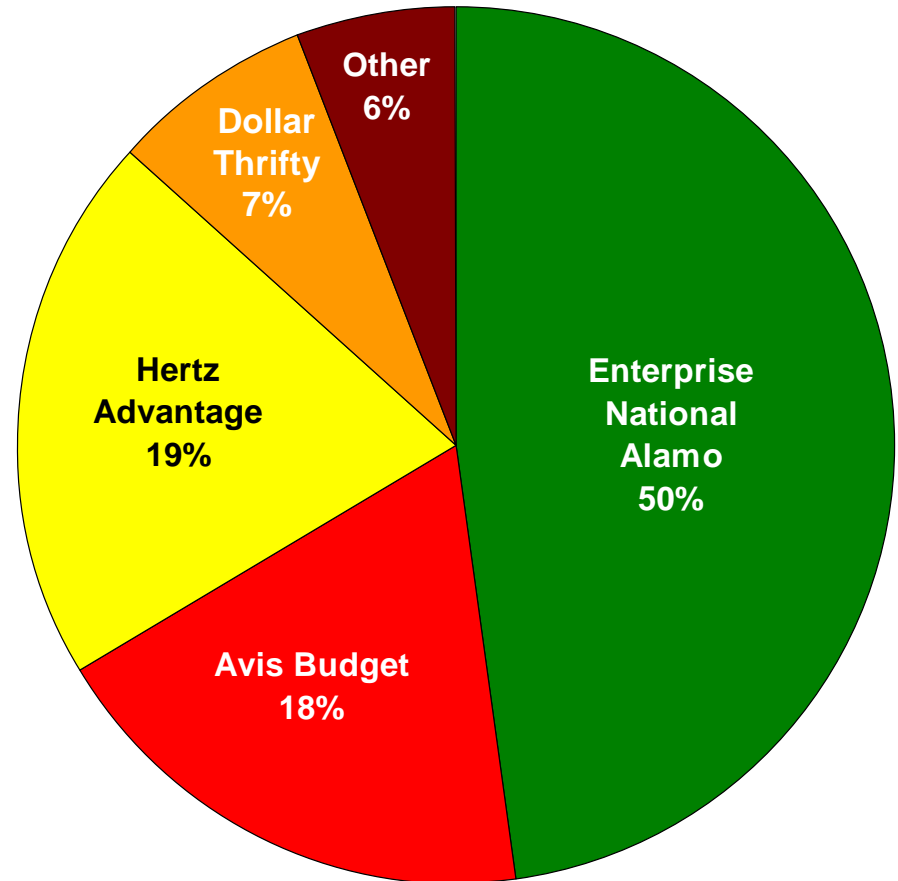
Source: Company reports, Auto Rental News

Airport



Source: Airport authorities – 12 month average as of December 2011

Total Market



Source: Auto Rental News 2012 Fact Book

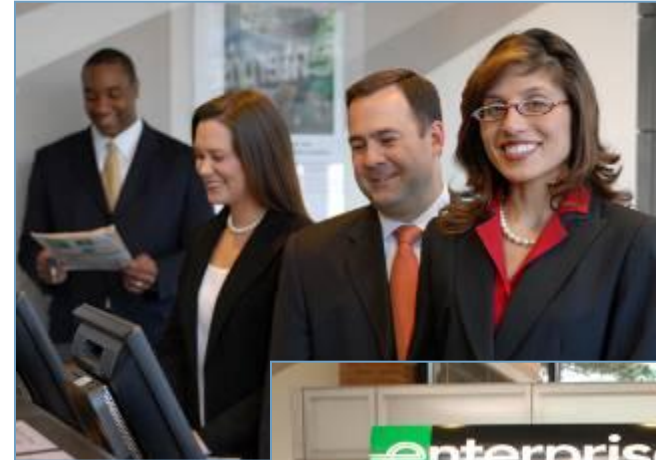


Confederation of small businesses



Typical neighborhood branch

- 5 – 7 employees
- 100 – 150 vehicles
- Decentralized
- Profit-and-loss responsibility
- Employee income tied to performance
- Responsibility to grow local business
- “The Balance”



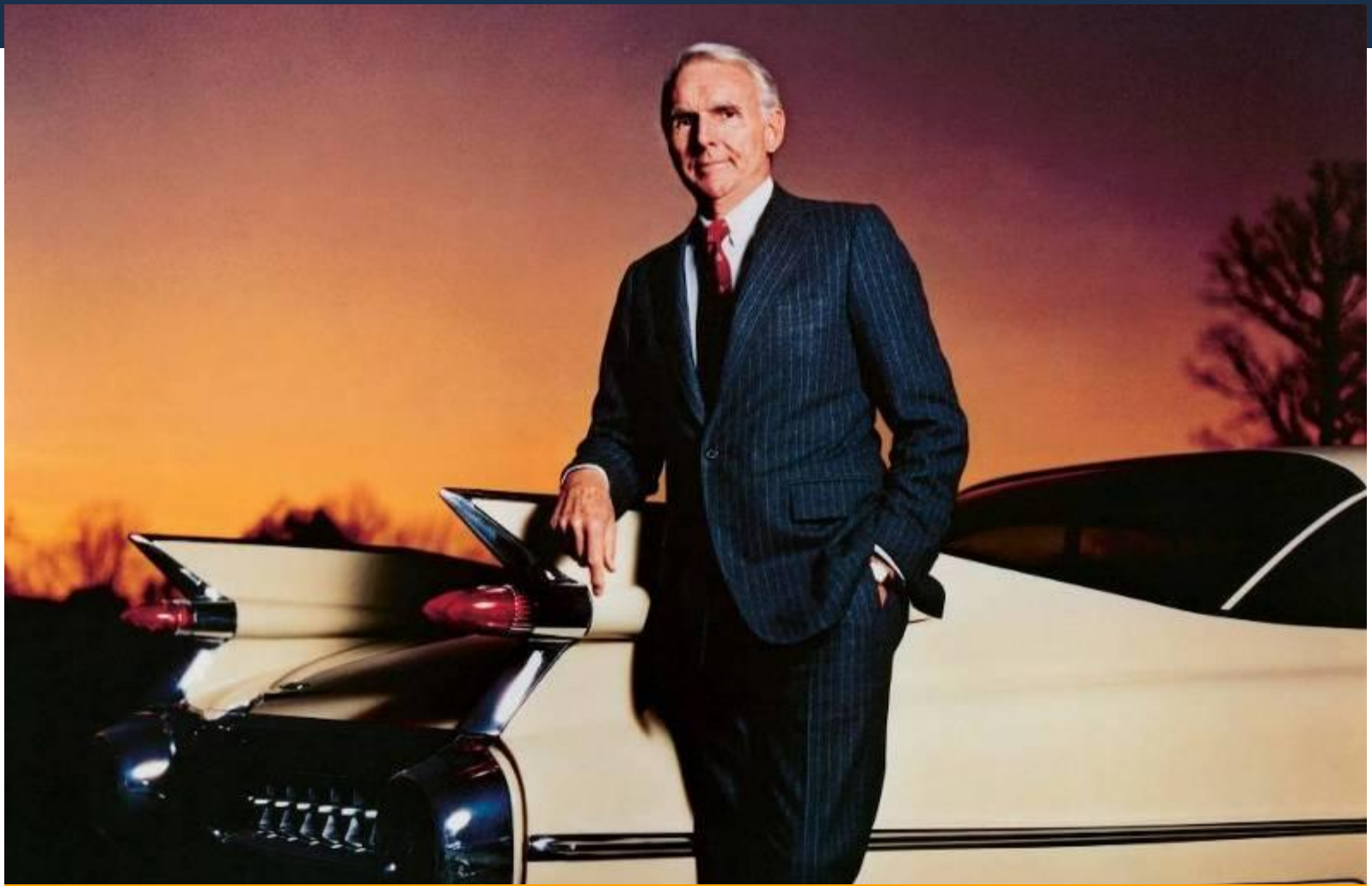
Listening to Customers Drives Growth

- From leasing to rental
- Now at airports
- Commercial Trucks
- Car Sales
- Car Share



A military legacy





**“Take care of your customers and employees first,
and growth and profits will follow.” - Jack Taylor**



1989

The Journey



“You Manage What You Measure”

- Peter Drucker



“Top Box”





ESQi

**Enterprise
Service
Quality
index**

Just measuring is not enough

ESQi = Promotability

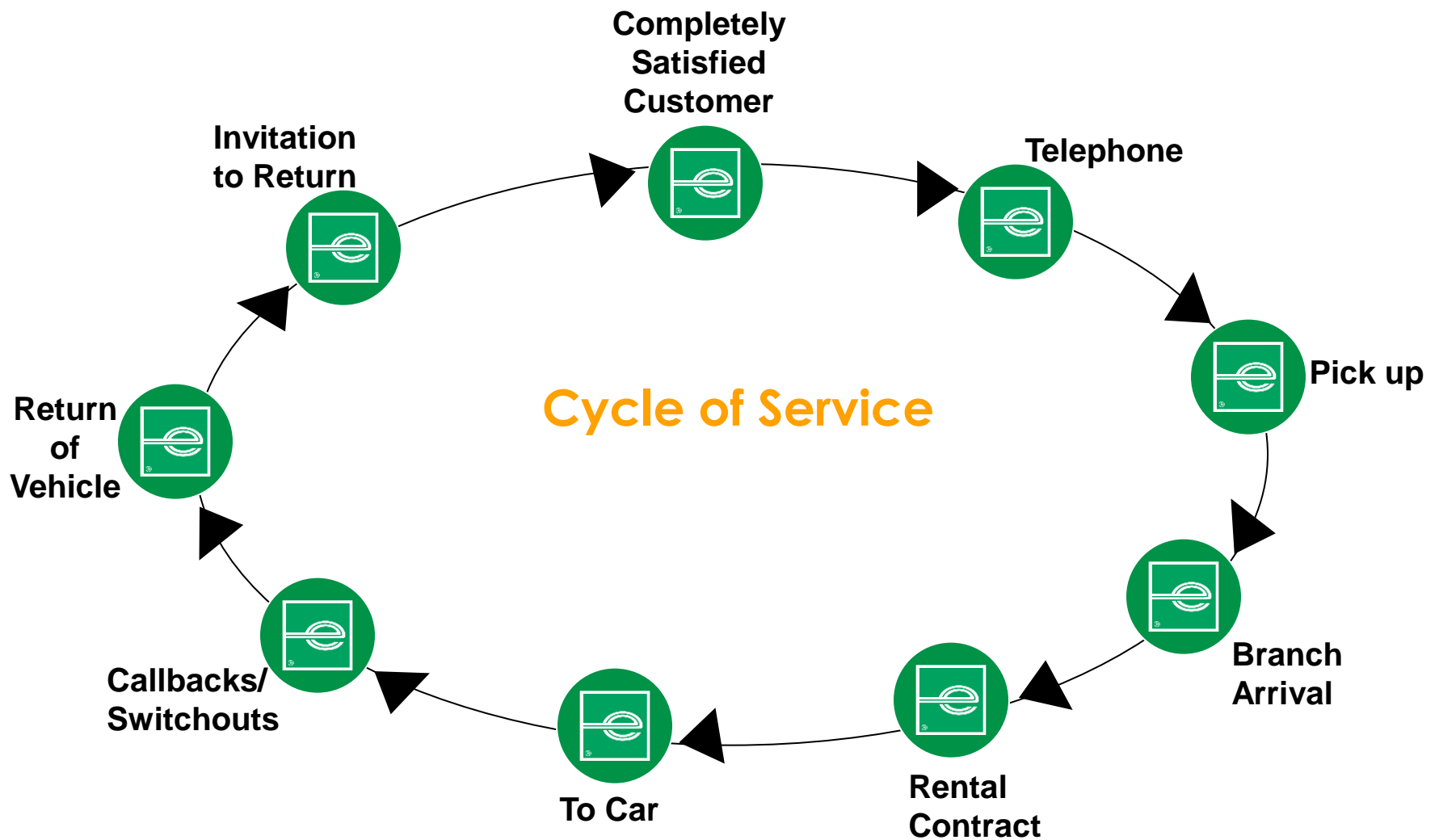
ESQi = Recognition

ESQi = Culture

A woman with long brown hair, wearing a dark blue business suit over a light-colored collared shirt and a pearl necklace, stands in the foreground with her arms crossed and a friendly smile. In the background, a man and a woman are looking at a document together. A large, illuminated sign with the word "enterprise" in white lowercase letters is visible on a dark background, with a green square to the left of the 'e'.

enterprise

The Moment of Truth





PERFECTION?

SQi: A Model for Customer Satisfaction

- *BusinessWeek*
 - ▶ Enterprise: Customer Service Champ four straight years
- Market Matrix
 - ▶ Enterprise: #1 in rental car industry 30 of 32 quarters
- J.D. Power & Associates



1. Customer satisfaction
2. Employee development
3. Growth/Opportunity
4. Bottom line

...In context of founding values

A great place to begin a career





go.enterprise.com

HOW FAR CAN WE TAKE YOU?
THAT DEPENDS. HOW FAR DO YOU WANT TO GO?



- **Recruiting & Selecting:** impact culture first
- **The Learning Path:** skills, recognition, measuring, mentoring & expectations
- **Management:** The Matrix
- **Development:** local/national
- **Senior Leader Development Program**

* The Alamo & National people model is somewhat different

Crawford \$15.5B

EHI

Alamo
National
Enterprise

Centric \$800M

Keefe

Courtesy

TRG Victorinox (SAK)

Family Experience

<u>Joined Company (Full Time)</u>				<u>Age</u>
1956	JCT	1st Generation		90
1973	ACT	2nd Generation		64
1994	JAK	2nd Generation		62
1996	CK	3rd Generation		34
1995	CBT	3rd Generation		36



Total Family Years: 146

Three third generation kids not employed by company.

One fourth generation.

- Holds family shares
- Four family trustees
 - ▶ Two Kindles
 - ▶ Two Taylors
- Family trustees can sell, take public
- Successor pool available
- Four family trustees are directors of Crawford Group

- Board of Directors (13)
 - ▶ Four family (one is chair)
 - ▶ Four management *
 - ▶ Five independent

- Independent Directors (5)
 - ▶ Truly independent
 - ▶ Perpetuate themselves



* Family members in management can only be family directors.

- Nominating Committee (5)
 - ▶ Chair is independent director
 - ▶ Two family directors and three independent directors

- Management Directors (4)
 - ▶ VC, CEO, President, COO, CFO, then EVP if necessary
 - ▶ Do not vote on CEO and management team

Business Leadership Succession

AGE	POSITION	YEARS OF SERVICE
90	Founder	55
64	Chairman	39
68	Vice Chairman	47
64	CEO	39
61	Foundation	18
52	President	30
60	CFO	28
63	Legal	4
49	Controller	10
51	Administration	27
50	Technology	22
52	Strategy	29
48	Rental	24
60	HR	12
52	Fleet Mgt/Car Sales	28
50	Europe	27
50	North America	27
48	Re-Marketing	23
48	Treasury	23
56	Marcom	12
52	Legislation	16
47	Airport	24
47	Benefits	20

Average age excluding Founder **53.5**

Average years of service excluding Founder **24.0**

Recent Successes

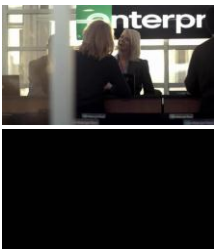
1. Business Success - Market Share
Balance Sheet
Profits
Liquidity
2. Family office created in 2006.
3. Founder reduced to 10% ownership (took 13 years)
resolving estate tax issue and passing majority to next
generation.
4. All eight family members desire owning private
multi- generation family businesses.
5. New governance for both family and business in 2012.

Future Challenges

1. Although not urgent, EHI CEO succession.
2. Preparing for role (TBD) of 3rd generation working in company and foundations.
3. Continue working to have the family possess a common view of the business.

Some Reasons for Success

- Founder with vision beyond just money
- Cooperative family/owners
- Under developed market space
- Vendor financing
- Distracted competitors
- Small group of senior leaders who were/are focused & unrelenting on growing a great business
- Knowing ourselves and saying “no” often
- Realistic & proactive about having the right people on the “bus”



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