

HERTZ GLOBAL HOLDINGS INC
Form 10-Q
August 14, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2007

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
(State or other jurisdiction of
incorporation or organization)

20-3530539
(I.R.S. Employer
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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer

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 321,420,371 shares of the registrant's common stock, par value \$0.01 per share, issued and outstanding as of August 10, 2007.

**HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
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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 Stockholders
of Hertz Global Holdings, Inc.:

We have reviewed the accompanying condensed consolidated balance sheet of Hertz Global Holdings, Inc. and its subsidiaries as of June 30, 2007 and the related consolidated statements of operations for each of the three-month and six-month periods ended June 30, 2007 and June 30, 2006 and the consolidated statements of cash flows for the six-month periods ended June 30, 2007 and June 30, 2006. 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 balance sheet and the related 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, 2006 and the related consolidated statements of operations, of stockholders' equity and of cash flows for the year then ended (not presented herein), and in our report dated March 30, 2007 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, 2006 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
August 13, 2007

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands of Dollars)
Unaudited

	June 30, 2007	December 31, 2006
ASSETS		
Cash and equivalents	\$ 401,630	\$ 674,549
Restricted cash	212,215	552,516
Receivables, less allowance for doubtful accounts of \$5,412 and \$1,989	1,411,789	1,656,542
Inventories, at lower of cost or market	129,846	112,119
Prepaid expenses and other assets	412,067	369,922
Revenue earning equipment, at cost:		
Cars	10,061,868	8,188,794
Less accumulated depreciation	(842,793)	(822,387)
Other equipment	2,922,090	2,686,947
Less accumulated depreciation	(346,261)	(247,846)
Total revenue earning equipment	11,794,904	9,805,508
Property and equipment, at cost:		
Land, buildings and leasehold improvements	1,012,412	969,195
Service equipment	643,566	597,882
	1,655,978	1,567,077
Less accumulated depreciation	(294,688)	(199,020)
Total property and equipment	1,361,290	1,368,057
Other intangible assets, net	3,143,263	3,173,495
Goodwill	985,347	964,693
Total assets	\$ 19,852,351	\$ 18,677,401
LIABILITIES AND STOCKHOLDERS EQUITY		
Accounts payable	\$ 1,511,908	\$ 654,327
Accrued liabilities	948,081	976,949
Accrued taxes	122,243	92,469
Debt	12,452,526	12,276,184
Public liability and property damage	340,583	327,024
Deferred taxes on income	1,822,971	1,801,073
Total liabilities	17,198,312	16,128,026
Commitments and contingencies		
Minority interest	20,169	14,813
Stockholders equity:		
Common Stock, \$0.01 par value, 2,000,000,000 shares authorized, 321,407,431 and 320,618,692 shares issued	3,214	3,206
Preferred Stock, \$0.01 par value, 200,000,000 shares authorized, no shares issued		
Additional paid-in capital	2,449,044	2,427,293
Retained earnings	26,999	9,535
Accumulated other comprehensive income	154,613	94,528
Total stockholders equity	2,633,870	2,534,562
Total liabilities and stockholders equity	\$ 19,852,351	\$ 18,677,401

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF OPERATIONS****(In Thousands of Dollars, except share data)****Unaudited**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
Revenues:				
Car rental	\$ 1,711,656	\$ 1,592,690	\$ 3,216,731	\$ 2,992,312
Equipment rental	432,791	420,294	822,634	783,342
Other	31,217			