HERTZ GLOBAL HOLDINGS INC
Form 424B4
November 16, 2006

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Registration No. 333-135782

88,235,000 Shares

Hertz Global Holdings, Inc.

Common Stock

This is an initial public offering of shares of common stock of Hertz Global Holdings, Inc., which we refer to in this prospectus as "Hertz Holdings."

Hertz Holdings is offering 88,235,000 shares to be sold in this offering. Hertz Holdings intends to use a portion of the net proceeds of the offering to pay a special cash dividend to holders of record of its common stock immediately prior to this offering. The record date for this potential dividend will precede the consummation of this offering, and investors in this offering will not be entitled to receive any payments or distributions in connection with this dividend.

Prior to this offering, there has been no public market for the common stock. The initial public offering price per share will be $15.00. Hertz Holdings has been approved to list the common stock on the New York Stock Exchange under the symbol HTZ.

See "Risk Factors" on page 22 to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$15.0000	$1,323,525,000
Underwriting discount	$ 0.6375	$ 56,249,813
Proceeds, before expenses, to Hertz Holdings	$14.3625	$1,267,275,187

To the extent that the underwriters sell more than 88,235,000 shares of common stock, the underwriters have the option to purchase up to an additional 13,235,250 shares from the selling stockholders at the initial public offering price less the underwriting discount. Hertz Holdings will not receive any of the proceeds from the shares of common stock sold by the selling stockholders pursuant to any exercise of the underwriters' option to purchase additional shares.

The underwriters expect to deliver the shares against payment in New York, New York on November 21, 2006.

Goldman, Sachs & Co. **Lehman Brothers** **Merrill Lynch & Co.**

JPMorgan

Morgan Stanley

Credit Suisse **UBS Investment Bank** **Wachovia Securities**

Prospectus dated November 15, 2006.

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We have not authorized anyone to give you any information or to make any representations about the transactions we discuss in this prospectus other than those contained in the prospectus. If you are given any information or representation about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell anywhere or to anyone where or to whom we are not permitted to offer to sell securities under applicable law.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

We have filed with the U.S. Securities and Exchange Commission, or the "SEC," a registration statement on Form S-1 under the Securities Act with respect to the common stock offered by this prospectus. This prospectus, filed as part of the registration statement, does not contain all the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our common stock, we refer you to the registration statement and to its exhibits and schedules. With respect to statements in this prospectus about the contents of any contract, agreement or other document, in each instance, we refer you to the copy of such contract, agreement or document filed as an exhibit to the registration statement, and each such statement is qualified in all respects by reference to the document to which it refers.

The public may read and copy any reports or other information that we and our subsidiaries file with the SEC. Such filings are available to the public over the Internet at the SEC's website at http://www.sec.gov. The SEC's website is included in this prospectus as an inactive textual reference only. You may also read and copy any document that we file with the SEC at its public reference room at 100 F Street, N.E., Washington D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330.

Unless the context otherwise requires, in this prospectus, (i) "Hertz Holdings" means Hertz Global Holdings, Inc., our top-level holding company, (ii) "Hertz" means The Hertz Corporation, our primary operating company and a direct wholly owned subsidiary of Hertz Investors, Inc., which is wholly owned by Hertz Holdings, (iii) "we," "us" and "our" mean (a) prior to December 21, 2005, Hertz and its consolidated subsidiaries and (b) on and after December 21, 2005, Hertz Holdings and its consolidated subsidiaries, including Hertz, (iv) "HERC" means Hertz Equipment Rental Corporation, Hertz's wholly owned equipment rental subsidiary, together with our various other wholly owned international subsidiaries that conduct our industrial, construction and material handling equipment rental business, (v) "cars" means cars and light trucks (including sport utility vehicles and, outside North America, light commercial vehicles), (vi) "equipment" means industrial, construction and material handling equipment, (vii) "EBITDA" means consolidated net income before net interest expense, consolidated income taxes and consolidated depreciation and amortization and (viii) "Corporate EBITDA" means "EBITDA" as that term is defined under Hertz's senior credit facilities, which is generally consolidated net income before net interest expense (other than interest expense relating to certain car rental fleet financing), consolidated income taxes, consolidated depreciation (other than depreciation related to the car rental fleet) and amortization and before certain other items, in each case as more fully described in the agreements governing Hertz's senior credit facilities.

On December 21, 2005, or the "Closing Date," an indirect, wholly owned subsidiary of Hertz Holdings acquired all of Hertz's common stock from Ford Holdings LLC, or "Ford Holdings," pursuant to a Stock Purchase Agreement, dated as of September 12, 2005, among Ford Motor Company, or "Ford," Ford Holdings and Hertz Holdings (previously known as CCMG Holdings, Inc.). As a result of this transaction, investment funds associated with or designated by Clayton, Dubilier & Rice, Inc., The Carlyle Group and Merrill Lynch Global Private Equity, or, collectively, the "Sponsors," currently own over 99% of the common stock of Hertz Holdings. We refer to the acquisition of all of Hertz's common stock as the "Acquisition." We refer to the Acquisition, together with related transactions entered into to finance the cash consideration for the Acquisition, to refinance certain of our existing indebtedness and to pay related transaction fees and expenses, as the "Transactions." The "Successor period ended December 31, 2005" refers to the 11-day period from December 21, 2005 to December 31, 2005 and the "Predecessor period ended December 20, 2005" refers to the period from January 1, 2005 to December 20, 2005. The term "Successor" refers to us following the Acquisition and the term "Predecessor" refers to us prior to the Closing Date.

The "Restatement" refers to the restatement by Hertz of its previously issued consolidated statements of operations, stockholder's equity and cash flows for the Predecessor period ended December 20, 2005. See Note 1A to the Notes to our audited annual consolidated financial statements included elsewhere in this prospectus for more information regarding the Restatement.

Certain financial information in this prospectus for the Predecessor period ended December 20, 2005 (as restated) and Successor period ended December 31, 2005 has been presented on a combined basis. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations" for a discussion of the presentation of our results for the year ended December 31, 2005 on a combined basis.

SUMMARY

This summary highlights information appearing elsewhere in this prospectus. You should carefully read the entire prospectus, including the section entitled "Risk Factors," beginning on page 22 and our financial statements and notes to those financial statements included elsewhere in this prospectus before making any investment decision.

Our Company

We own what we believe is the largest worldwide general use car rental brand and one of the largest equipment rental businesses in the United States, both based on revenues. Our Hertz brand name is one of the most recognized in the world, signifying leadership in quality rental services and products. In our car rental business segment, we and our independent licensees and associates accept reservations for car rentals at approximately 7,600 locations in approximately 145 countries. We are the only car rental company that has an extensive network of company-operated rental locations both in the United States and in all major European markets. We maintain the leading airport car rental market share, by overall reported revenues, in the United States and at the 69 major airports in Europe where we have company-operated locations and data regarding car rental concessionaire activity is available. We believe that we also maintain the second largest market share, by revenues, in the off-airport car rental market in the United States. In our equipment rental business segment, we rent equipment through approximately 360 branches in the United States, Canada, France and Spain, as well as through our international licensees. We and our predecessors have been in the car rental business since 1918 and in the equipment rental business since 1965.

We have a diversified revenue base and a highly variable cost structure and are able to dynamically manage fleet capacity, the most significant determinant of our costs. This has helped us to earn a pre-tax profit in each year since our incorporation in 1967. Our revenues have grown at a compound annual growth rate of 7.6% over the last 20 years, with year-over-year growth in 18 of those 20 years. For the year ended December 31, 2005 and the nine months ended September 30, 2006, we generated consolidated revenues of $7,469.2 million and $6,067.8 million, respectively, income before income taxes and minority interest of $541.7 million and $157.9 million, respectively, and net income of $350.0 million and $76.1 million, respectively. For a discussion of the presentation of our results for the year ended December 31, 2005 on a combined basis, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations."

Our Segments

The table below sets forth key financial and other facts concerning our car rental and equipment rental business segments as of December 31, 2005 or for the year then ended, unless otherwise indicated. For the year ended December 31, 2005 and the nine months ended September 30, 2006, our corporate and other segment had revenues of $7.1 million and $5.9 million, respectively, and losses before income taxes and minority interest of $72.0 million and $315.4 million, respectively. For more details regarding the key financial and other facts appearing below, see "Business," and for more information concerning our segment financial data, see Note 11 to the Notes to our audited annual consolidated financial statements and Note 10 to the Notes to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus.

	Car Rental		Equipment Rental	
	Year Ended December 31, 2005	Nine Months Ended September 30, 2006	Year Ended December 31, 2005	Nine Months Ended September 30, 2006
	(Dollars in millions, unless otherwise indicated)		(Dollars in millions, unless otherwise indicated)	
Revenues	$6,046.8	$4,825.3	$1,415.3	$1,236.6
Income Before Income Taxes and Minority Interest	$374.6	$283.1	$239.1	$190.2
Key Facts	#1 worldwide general use car rental brand[1]		One of the largest equipment rental companies in the U.S. and Canadian	
	#1 brand overall at U.S. airports with a		markets combined	
	#1 position in each of the business and leisure markets[2]		Industry participant for over 40 years with a majority of its operations developed	
	#1 overall airport market position at 69		from organic growth	
	major European airports		Worldwide same store sales growth in	
	Approximately 28 million annual transactions		each of the past twelve quarters, over the comparable quarter in the preceding year	
	Balanced rental revenue base of 53% leisure and 47% business		27 month average fleet age in the United States, one of the youngest fleets in the	
	Over 80% of revenues generated from		industry	
	affiliated customer channels, including		Broad diversity of fleet and customers	
	over 60 travel industry partnerships		Nationwide presence in the United States,	
	Average of 438,800 company-operated cars in the fleet in 2005, with an average net book value of $8.3 billion		Canada, France and Spain, with over 40% of rental revenues derived from national accounts	
			Total of 208,000 pieces of equipment, with an average fleet acquisition cost during 2005 of $2.6 billion	

(1) Market position based on management estimate

(2) Business and leisure market positions based on management estimate

Our Markets

We operate in the global car rental industry and in the equipment rental industry, primarily in the United States. Both industries are large with favorable growth trends and opportunities.

We believe that the global car rental industry exceeds $30 billion in annual revenues. According to a 2006 report appearing in Auto Rental News, car rental revenues in the United States totaled approximately $19 billion in 2005 and have grown at a 4.9% compound annual growth rate since 1990, including 7.2% growth in 2005. We estimate that rentals by airline travelers at or near airports, or "airport rentals," accounted for approximately one-half of the total market in the United States. This portion of the market is significantly influenced by developments in the travel industry and particularly in airline passenger traffic, or "enplanements." The Federal Aviation Administration, or "FAA," projected in the first half of 2006 that U.S. domestic enplanements will grow at a compound annual rate of 3.2% from 2006 to 2017, consistent with long-term historical trends. According to Euromonitor International, car rentals in Western Europe account for over $12.5 billion in annual revenues, with the airport portion of the industry comprising approximately 40% of the total. The International Air Transport Association, or "IATA," projected in October 2005 that annual international enplanements would grow at a compound annual rate of 5.6% from 2005 to 2009. The off-airport portion of the industry has rental volume primarily driven by local business use, leisure travel and the replacement of cars being repaired.

We estimate the size of the U.S. equipment rental industry, which is highly fragmented with few national competitors and many regional and local operators, to be approximately $31 billion in annual revenues. We believe that the industry grew at a 9.7% compound annual growth rate between 1991 and 2005. The equipment rental industry serves a broad range of customers from small local contractors to large industrial national accounts and encompasses a wide range of rental equipment from small tools to heavy earthmoving equipment. The industry is undergoing a strong recovery following the industrial recession and downturn in non-residential construction spending between 2001 and 2003. According to data from F. W. Dodge received during the first quarter of 2006, U.S. non-residential construction spending is projected to grow at an annual rate of 9% and 7% in 2006 and 2007, respectively. We also believe, based on an article in Rental Equipment Register published on February 1, 2006, that rental equipment accounted for approximately 30% to 40% of all equipment sold into the U.S. construction industry in 2005, up from approximately 5% to 10% in 1991. In addition, we believe that the trend toward rental instead of ownership of equipment in the U.S. construction industry will continue and that as much as 50% of the equipment used in the industry could be rental equipment within the next ten years.

Our Strengths

Premier Global Brand and Service Offerings

We believe that our premier brand and service offerings have allowed us to create and maintain a loyal customer base and command premium pricing across our businesses.

Car Rental. The Hertz brand is one of the most recognized brands in the world. It has been the only travel company brand to be listed in *Business Week's* "100 Most Valuable Global Brands," and has been included in this list during each year that it was eligible for inclusion in the study since the study's inception in 2001. We understand that this study is limited to companies with public equity and their subsidiaries, and as a result, Hertz was not eligible for inclusion in 2006. Our customer surveys indicate that, in the United States, Hertz is the car rental brand most associated with the highest quality service, which is consistent with numerous published best-in-class car rental awards that we have won over many years. We have sought to support our reputation for quality and customer service in car rental through a variety of innovative service offerings, such as our global expedited rental program, Hertz #1

Club Gold, which accounted for approximately 41% of our car rental transactions worldwide for the twelve months ended September 30, 2006.

Equipment Rental. HERC, which is operated under the Hertz Equipment Rental brand, has long been a leader in equipment rental in the United States. We believe HERC was the first equipment rental company to develop an extensive national account program, which continues to be the source of substantial revenues. HERC's leadership position has recently been enhanced through a substantial investment in sales force automation and the operation of a high quality and diverse fleet. From January 1, 2004 through September 30, 2006, we invested $1.5 billion, net of dispositions, in HERC's U.S. fleet, thereby reducing its average age to 25 months, which we believe is one of the youngest fleets in the industry.

Clear and Sustained Market Leadership Position in Car Rental

We believe that Hertz is the leading worldwide general use car rental system, based on revenues. In the United States, we maintain the overall leading market share of airport car rentals among both business and leisure customers. Based on reported industry revenues for 2005 and the five months ended May 31, 2006, our market share at the 180 largest U.S. airports where we operate was over 28%, and we had a margin of approximately nine percentage points over the closest competing brand. We have maintained a leadership position for more than 30 years. We also believe that we had the largest market share, by reported revenues on a collective basis in 2005, at the 69 major airports in Europe where we have company-operated locations and data regarding car rental concessionaire activity was available.

Global, Diversified Business Mix

We believe that our mix of businesses, customer types, end-markets, distribution channels and geographies provides us with a diverse revenue stream that positions us to capitalize on growth opportunities throughout our markets and makes us less vulnerable to economic cycles and events that might negatively affect either of our industries or any specific geography. Within our car rental business, we maintain a relatively balanced mix of leisure and business rentals (representing 53% and 47%, respectively, of our car rental revenues for the year ended December 31, 2005 and 54% and 46%, respectively, of our car rental revenues for the nine months ended September 30, 2006), and utilize a broad range of distribution channels and partnerships. Within our equipment rental business, we serve a wide variety of industries and have a broad mix of end customers from local contractors to large national industrial accounts.

Affiliated Customer Strategy Drives Premium Pricing and Customer Loyalty

Over 80% of our car rental revenues are derived from affiliated customer channels, such as corporate accounts, associations and travel industry partnerships. We believe that we are one of only two car rental brands that have the service offerings and market presence to consistently serve these affiliated customer channels on a global basis. Our corporate accounts, which account for approximately 40% of our car rental revenues, represent a predictable source of revenues and a customer base that values our premium customer service. We have a leading position with this type of customer and provide our car rental services to most Fortune 500 companies. Our distribution partnerships include over 60 airlines, railroads and hotel chains worldwide, as well as leading traditional and online travel agencies and affiliations with non-travel organizations and associations.

Best-in-Class Fleet and Fleet Management

Car Rental. Our worldwide car rental fleet includes cars from over 30 manufacturers, and we believe our U.S. fleet mix is significantly more diversified than those of most of our major competitors.

In the twelve months ended September 30, 2006, five manufacturers each supplied more than 5% of our U.S. fleet, while seven manufacturers each supplied more than 5% of our international fleet. We have longstanding relationships with leading American, European, Japanese and Korean automakers, enabling us to provide a wide variety of car models and brands to our customers. The diversity of our car fleet enables us to design innovative rental offerings, such as the Prestige, Fun and Green Collections, that help us maintain a competitive advantage over our competitors. In addition, we have substantial experience in the complex process of managing the mix of cars subject to manufacturer repurchase and similar programs, or "program cars," and other cars, or "risk cars," in our fleet. We maintain an extensive infrastructure that supports the efficient disposition of risk cars and enables us to be opportunistic when evaluating the relative merits of purchasing program and risk cars.

Equipment Rental. We believe that our U.S. equipment rental fleet is one of the youngest in the industry, offering a value proposition to our customers in terms of productivity, safety and operator use enhancements while simultaneously reducing HERC's maintenance costs and fleet downtime. Our diverse U.S. equipment rental fleet enables us to meet the rental equipment needs of many customers; moreover, we are further diversifying our fleet through the addition of general rental and specialty equipment at many locations. Our over 40 years of experience in the procurement and disposition of equipment allows us to adjust our fleet size efficiently in light of market trends.

Proprietary Strategic Information Systems

We utilize information technology comprehensively in the areas of reservations, fleet and rate management, customer relations and sales and marketing, as well as aspects of billing, finance, accounting and other reporting systems. Since January 1, 2001, we have invested more than $350 million in our proprietary information systems and computer equipment to permit us to conduct our business more efficiently and enhance our ability to offer innovative services. Our information systems, which we believe are unique in the car and equipment rental industries, permit us to provide superior end-to-end service to customers, maintain effective pricing structures in a rapidly changing environment, utilize our fleets efficiently and maintain a high level of control over our geographically dispersed operations.

Experienced and Proven Management Team

We have an experienced management team committed to maintaining operational excellence. Our management team has extensive knowledge of the car and equipment rental industries. While Craig R. Koch, our former Chief Executive Officer, relinquished the title of Chief Executive Officer and became Chairman of our Board of Directors effective July 19, 2006, we have employed our nine next most senior executive officers other than Mark P. Frissora, our current Chief Executive Officer, for an average of 26 years. Our regional and country managers also have a great deal of experience, having been employed by us for an average of 20 years and having been in their current positions for an average of seven years. Mr. Frissora, previously the Chairman and Chief Executive Officer of Tenneco Inc., replaced Mr. Koch as our Chief Executive Officer effective July 19, 2006. Mr. Frissora served in various management positions at Tenneco Inc. over the past 10 years, including as Chief Executive Officer since 1999 and Chairman since 2000. Prior to joining Tenneco Inc., Mr. Frissora served as a Vice President of Aeroquip Vickers Corporation for five years and, in the 15 years prior to joining Aeroquip Vickers, he served for 10 years with General Electric and five years with Philips Lighting Company in management roles focusing on product development and marketing. We believe our stock incentive plan closely aligns the interests of our management team and our stockholders.

Our Strategy

Further Enhance Our Premier Car Rental Brand, Differentiated Service Offering and Affiliated Customer Base

The Hertz brand is recognized for superior customer service and a differentiated, premium product. We intend to maintain our position as a premier company through an intense focus on service, quality and product innovation. We believe that consistent investments in our core business activities, particularly in the areas of brand, facilities, technology, training and customer loyalty initiatives, will improve customer satisfaction and further enhance our premium brand position and product offerings. Continuing to strengthen these attributes will allow us to build our affiliated customer base and increase our share of profitable business.

Pursue Profitable Growth within Our Car Rental Business

We believe that we have significant opportunities for growth within our global car rental business that will allow us to sustain growth rates in this business consistent with historical levels.

U.S. Airport Market. We intend to maintain or expand our leading market share in the U.S. airport rental business and to continue to build upon our brand positioning and service differentiation, allowing us to capitalize on opportunities in the business and leisure travel markets and further strengthen the advantages arising from our leading market share position.

U.S. Off-Airport Market Opportunities. We intend to leverage our significant recent investment in our U.S. off-airport network and to expand the network to enable us to further penetrate the large and growing insurance replacement rental market, as well as to increase our share of other off-airport business and leisure rentals. In the two years ended December 31, 2005, we increased the number of our off-airport rental locations in the United States by approximately 33% to approximately 1,400 locations. Through this investment, we believe we have achieved critical scale in the off-airport market and will continue to grow our revenue by increasing penetration in the insurance rental replacement market through new and existing insurance company customers as well as with our traditional business and leisure customers as evidenced by our off-airport revenue growth of approximately 46% over the two years ended December 31, 2005. We believe our off-airport platform has significant future growth potential.

European Markets. We believe that the European market presents airport rental growth opportunities resulting from the growth of European air travel due in large part to the presence of high volume, low cost air carriers and increasing use of the Internet throughout the continent. We intend to continue to build on our affiliated relationships with travel providers and other associations in Europe to increase our penetration of the European market. We also intend to increase our participation in the off-airport portion of the car rental market in Europe, especially in leisure, replacement and light trucks.

Increase Share of the Fragmented U.S. Equipment Rental Market

We believe that our emphasis on customer service, large national account base, prominent brand name and diverse and comparatively young rental fleet will position HERC to continue to gain market share in the highly fragmented U.S. equipment rental market. HERC is pursuing growth through an expansion in a number of mid- to large-sized metropolitan areas, many of which will be in markets with high growth potential for HERC and adjacent to current operations, which will allow us to leverage existing infrastructure and customer relationships. We also plan to further increase our presence in the general rental, industrial and specialty equipment markets, many of which can be served from HERC's existing locations and provide incremental opportunities to increase revenues, margins and return on investment.

Further Improve Profitability, Cash Flow and Return on Capital

We believe that there are opportunities to further increase the productivity of our operations, thereby improving our profit margins and capital efficiency, as the profit margins that we have achieved in our car rental business during the twelve months ended September 30, 2006 are below our peak levels of profitability achieved in 2000. These opportunities include reducing our cost structure through process improvements and other reductions in operating costs. We also believe that we can improve our profitability by leveraging the investments we have made in building our off-airport business, in upgrading our airport facilities and through the use of our enhanced information systems to optimize our pricing, yield management and fleet utilization generally. In addition, we believe, based on our current business plans, capital structure, and the like-kind exchange programs implemented in connection with our car rental and equipment rental fleets, we will not be required to pay material U.S. federal income taxes for several years.

New Chief Executive Officer and Hertz Holdings Dividends

New Chief Executive Officer

On July 17, 2006, we entered into an employment agreement with Mark P. Frissora, previously the Chairman and Chief Executive Officer of Tenneco Inc., who replaced Mr. Koch as our Chief Executive Officer effective July 19, 2006. Mr. Frissora also became a member of our Board of Directors as of July 19, 2006. As of that date, Craig R. Koch, our former Chief Executive Officer, became Chairman of our Board of Directors and George W. Tamke became Lead Director and Chairman of the Executive Committee of the Board of Directors. Mr. Frissora is expected to assume Mr. Koch's role as Chairman of the Board of Directors in late 2006 or early 2007. For a more detailed description of the terms of Mr. Frissora's employment, see "Management Employment Agreements."

Hertz Holdings Loan Facility and Hertz Holdings Dividends

On June 30, 2006, Hertz Holdings entered into a loan facility with Deutsche Bank AG, New York Branch, Lehman Commercial Paper Inc., Merrill Lynch Capital Corporation, Goldman Sachs Credit Partners L.P., JPMorgan Chase Bank, N.A. and Morgan Stanley Senior Funding, Inc. or affiliates thereof, providing for a loan of $1.0 billion, which we refer to in this prospectus as the "Hertz Holdings Loan Facility," for the purpose of paying a dividend to the holders of our common stock and paying fees and expenses related to the facility. Under the terms of the financing, Hertz Holdings will be required to pay interest in cash, but only to the extent that funds are available by way of dividend from Hertz to do so in accordance with applicable law and the instruments governing Hertz's existing indebtedness. The amount of interest that would otherwise be payable in cash but for restrictions imposed by applicable law or the instruments governing Hertz's existing indebtedness will not be due on the applicable interest payment date, but will accrue until such time as sufficient funds are available to pay the accrued and unpaid interest in cash without violating these restrictions. Hertz Holdings primarily used the proceeds of the Hertz Holdings Loan Facility, together with cash on hand, to pay special cash dividends of $4.32 per share, or approximately $999.2 million in the aggregate, to its common stockholders on June 30, 2006, which we refer to in this prospectus as the "Hertz Holdings Dividend." It is anticipated that the Hertz Holdings Loan Facility will be repaid with the proceeds to us from this offering. Because affiliates of certain of the underwriters are lenders under the Hertz Holdings Loan Facility, affiliates of such underwriters will receive a substantial portion of the proceeds of this offering. For a more detailed description of the Hertz Holdings Loan Facility, see "Description of Certain Indebtedness Hertz Holdings Loan Facility."

Prior to the consummation of this offering, we intend to declare a special cash dividend, payable promptly following completion of this offering to holders of record of our common stock on the date of the declaration, or the "dividend record date." This dividend will be funded by the proceeds to us from the sale of the common stock offered hereby after deducting underwriting discounts and commissions, offering expenses and the amount required to repay borrowings outstanding under the Hertz Holdings Loan Facility. This dividend will be payable in an amount of approximately $1.12 per share, or $260.3 million in the aggregate.

The dividend record date for this potential dividend will precede the consummation of this offering, and investors in this offering will not be entitled to receive any payments or distributions in connection with this additional dividend on shares purchased in this offering.

Principal Stockholders

Investment funds associated with or designated by the Sponsors invested approximately $2,295.0 million in the aggregate in connection with the Acquisition. These funds currently own over 99% of our outstanding common stock, and, following the completion of this offering, will continue to own approximately 72% of our outstanding common stock. On June 30, 2006, investment funds associated with or designated by the Sponsors received approximately $991.4 million, or approximately 99% of the aggregate amount paid to Hertz Holdings stockholders in connection with the Hertz Holdings Dividend. These funds will receive approximately $257.0 million in the aggregate in connection with the payment of the special cash dividend to be funded by the proceeds to us from this offering, after deducting underwriting discounts and commissions, offering expenses and the amount required to repay borrowings outstanding under the Hertz Holdings Loan Facility. Also, if the underwriters exercise in full their option to purchase additional shares, these funds will receive an additional approximately $190.1 million in aggregate net proceeds from the sale of shares of our common stock.

Of the nine members currently serving on our Board of Directors, seven are principals of the Sponsors. Under the terms of the Amended and Restated Stockholders Agreement to be entered into among the Sponsors in connection with this offering, the Sponsors will each have certain rights regarding the nomination of candidates for election to the Board of Directors. Upon completion of this offering, investment funds associated with or designated by the Sponsors will continue to have the right to nominate a majority of the members of our Board of Directors. In addition, this agreement will continue to provide rights and restrictions with respect to certain transactions in our securities entered into by such investment funds.

Pursuant to consulting agreements entered into with each of the Sponsors, in connection with the Acquisition, Hertz paid a fee of $25 million to each Sponsor ($75 million in the aggregate) for certain direct acquisition and finance related services provided by the Sponsors and their affiliates. During 2006, pursuant to the consulting agreements, Hertz has paid $3.0 million in the aggregate, plus out of pocket expenses, to the Sponsors for ongoing consulting services. Upon completion of this offering, each of these agreements will be terminated for a fee of $5 million ($15 million in the aggregate).

Clayton, Dubilier & Rice

Clayton, Dubilier & Rice Fund VII, L.P. and related funds are private investment funds managed by Clayton, Dubilier & Rice, Inc., or "CD&R." CD&R is a leading private equity investment firm that employs an integrated operational and financial approach to build and grow portfolio businesses. Approximately half of the firm's principals are seasoned corporate executives from major industrial enterprises and the remainder come from mergers and acquisitions, financing or investment backgrounds. Since its founding in 1978, CD&R has managed the investment of over $6 billion in 38 businesses mostly subsidiaries or divisions of large multibusiness corporations representing a broad range of industries with an aggregate transaction value in excess of $30 billion and revenues of more than $40 billion. CD&R and its affiliates have offices in New York and London. Investment funds associated with or designated by CD&R currently own approximately one-third of our outstanding common stock and, following the completion of this offering, will continue to own approximately 24.2% of our outstanding common stock, or approximately $1,162.5 million in equity value, calculated at the initial public offering price of $15.00 per share and assuming that the underwriters do not exercise their option to purchase additional shares.

The Carlyle Group

Carlyle Partners IV, L.P. and related funds are private investment funds managed by TC Group, L.L.C. The Carlyle Group, or "Carlyle," is a global private equity firm with $44.3 billion under management. Carlyle invests in buyouts, venture & growth capital, real estate and leveraged finance in Asia, Europe and North America, focusing on aerospace & defense, automotive & transportation, consumer & retail, energy & power, healthcare, industrial, technology & business services and telecommunications & media. Since 1987, Carlyle has invested $22.4 billion of equity in 528 transactions for a total purchase price of more than $94.6 billion. Carlyle employs more than 670 people in 16 countries. In the aggregate, Carlyle portfolio companies have more than $68 billion in revenues and employ more than 300,000 people around the world. Investment funds associated with or designated by Carlyle currently own approximately one-third of our outstanding common stock and, following the completion of this offering, will continue to own approximately 23.9% of our outstanding common stock, or approximately $1,147.5 million in equity value, calculated at the initial public offering price of $15.00 per share and assuming that the underwriters do not exercise their option to purchase additional shares.

Merrill Lynch Global Private Equity

ML Global Private Equity Fund, L.P. and related funds are private investment funds managed by certain private equity arm affiliates of Merrill Lynch & Co., Inc., or "MLGPE." MLGPE invests in companies with high growth/profitability prospects or strong cash flow characteristics and capable and experienced management teams. MLGPE's dedicated team of private equity professionals invests globally, across industries including general manufacturing, consumer products, as well as business and consumer services. MLGPE takes a partnership approach to investing with both management teams and other financial or strategic investors. Investment funds associated with or designated by MLGPE currently own approximately one-third of our outstanding common stock and, following the completion of this offering, will continue to own approximately 23.5% of our outstanding common stock, or approximately $1,132.5 million in equity value, calculated at the initial public offering price of $15.00 per share and assuming that the underwriters do not exercise their option to purchase additional shares.

*   *   *   *

Hertz Holdings and Hertz are incorporated under the laws of the state of Delaware. Our corporate headquarters are located at 225 Brae Boulevard, Park Ridge, New Jersey 07656. Our telephone number is (201) 307-2000.

The Offering

Common stock offered	88,235,000 shares of common stock, par value $0.01 per share, of Hertz Holdings, or "our common stock."
Shares of common stock offered by Hertz Holdings	88,235,000
Shares of common stock outstanding after the offering	320,618,692
Option to purchase additional shares of common stock	The selling stockholders have granted the underwriters a 30-day option to purchase up to 13,235,250 shares of our common stock.
Use of proceeds	Our net proceeds from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately $1,260.3 million. We intend to use the net proceeds of this offering to repay borrowings outstanding under the Hertz Holdings Loan Facility, with the remainder of the net proceeds to be used to pay an additional dividend that will be declared prior to the completion of this offering and will be payable promptly following completion of this offering to holders of record of our common stock on the dividend record date. This dividend will be payable in an amount of approximately $1.12 per share, or $260.3 million in the aggregate.
	We will not receive any proceeds from the sale of our common stock by the selling stockholders if the underwriters exercise their option to purchase additional shares. The selling stockholders include affiliates of Merrill Lynch & Co., an underwriter in this offering. Because affiliates of certain of the underwriters are lenders under the Hertz Holdings Loan Facility, affiliates of such underwriters will receive a substantial portion of the proceeds of this offering. See "Use of Proceeds."
Dividend policy	We do not expect to pay dividends on our common stock for the foreseeable future.
New York Stock Exchange symbol	HTZ

Unless we specifically state otherwise, all information in this prospectus:

- assumes no exercise of the underwriters' option to purchase additional shares from the selling stockholders; and

- excludes 15,833,354 shares of common stock issuable upon the exercise of outstanding stock options at a weighted average exercise price of $6.96 per share (which weighted average exercise price is expected to be adjusted in connection with the payment of the additional dividend described under "Use of Proceeds").

320,618,692 shares of our common stock will be outstanding after this offering.

Risk Factors

You should consider carefully all of the information set forth in this prospectus and, in particular, the information under the heading "Risk Factors" beginning on page 22 for risks involved in investing in our common stock.

SUMMARY HISTORICAL AND UNAUDITED PRO FORMA FINANCIAL DATA

The following tables present summary historical and unaudited pro forma consolidated financial information and other data for our business. The summary consolidated statement of operations data presented below for the Predecessor period ended December 20, 2005 has been restated. For a discussion of the Restatement, see note (a) below and Note 1A to the Notes to our audited annual consolidated financial statements included elsewhere in this prospectus. The summary consolidated statement of operations data for each of the years ended December 31, 2003 and 2004, the Predecessor period ended December 20, 2005 (as restated) and the Successor period ended December 31, 2005 and the summary consolidated balance sheet data as of December 31, 2005 presented below were derived from our audited annual consolidated financial statements and the related notes thereto included elsewhere in this prospectus. The unaudited summary consolidated statement of operations data for the Predecessor nine-month period ended September 30, 2005 and for the Successor nine-month period ended September 30, 2006 and the unaudited summary condensed consolidated balance sheet data as of September 30, 2006 are derived from the unaudited interim condensed consolidated financial statements and related notes thereto included elsewhere in this prospectus.

The unaudited pro forma as adjusted financial data below for the year ended December 31, 2005 and for the nine months ended September 30, 2005 reflects adjustments to our historical financial data to give effect to (i) the Transactions and the use of the net proceeds therefrom, (ii) the borrowings under the Hertz Holdings Loan Facility and the payment of the Hertz Holdings Dividend and (iii) the sale of the common stock offered by this prospectus and the use of the net sale proceeds to repay borrowings under the Hertz Holdings Loan Facility with the remainder of our proceeds to be used to pay a special cash dividend to holders of record of our common stock on the dividend record date as if such transactions had occurred on January 1, 2005 for income statement purposes. The pro forma as adjusted financial data below for the nine months ended September 30, 2006 reflects adjustments to our historical financial data to give effect to the Hertz Holdings Loan Facility, the Hertz Holdings Dividend and the sale of common stock offered by this prospectus and the use of the net sale proceeds to repay borrowings under the Hertz Holdings Loan Facility with the remainder of our proceeds to be used to pay a special cash dividend to holders of record of our common stock on the dividend record date as if such transactions had occurred on January 1, 2005 for income statement purposes. The pro forma as adjusted financial data below as of September 30, 2006 reflects adjustments to our historical financial data to give effect to the sale of common stock offered by this prospectus and the use of the net sale proceeds to repay borrowings under the Hertz Holdings Loan Facility with the remainder of our proceeds to be used to pay a special cash dividend to holders of record of our common stock on the dividend record date as if such transactions had occurred on September 30, 2006 for balance sheet purposes.

You should read the following summary historical and unaudited pro forma financial data in conjunction with the historical financial statements and the related notes thereto and other financial information appearing elsewhere in this prospectus, including "Capitalization," "Unaudited Pro Forma Condensed Consolidated Financial Statements," "Selected Historical Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Historical					Pro Forma as Adjusted
	Predecessor		Predecessor	Successor	Combined	
	Years Ended December 31,		For the periods from			Year Ended December 31,
	2003	2004	January 1, 2005 to December 20, 2005 Restated[a]	December 21, 2005 to December 31, 2005	2005[a] Restated	2005
	(Dollars in millions except per share data)					
Statement of Operations Data						
Revenues						
Car rental	$ 4,819.3	$ 5,430.8	$ 5,820.5	$ 129.4	$ 5,949.9	$ 5,949.9
Equipment rental	1,037.8	1,162.0	1,392.4	22.5	1,414.9	1,414.9
Other[b]	76.6	83.2	101.8	2.6	104.4	104.4
Total revenues	5,933.7	6,676.0	7,314.7	154.5	7,469.2	7,469.2
Expenses						
Direct operating	3,316.1	3,734.4	4,086.3	103.0	4,189.3	4,263.8
Depreciation of revenue earning equipment[c]	1,523.4	1,463.3	1,555.9	43.8	1,599.7	1,612.5
Selling, general and administrative	501.7	591.3	623.4	15.1	638.5	645.0
Interest, net of interest income[d]	355.0	384.4	474.2	25.8	500.0	888.6
Total expenses	5,696.2	6,173.4	6,739.8	187.7	6,927.5	7,409.9
Income (loss) before income taxes and minority interest	237.5	502.6	574.9	(33.2)	541.7	59.3
(Provision) benefit for taxes on income[e]	(78.9)	(133.9)	(191.3)	12.2	(179.1)	(45.2)
Minority interest		(3.2)	(12.3)	(0.3)	(12.6)	(12.6)
Net income (loss)	$ 158.6	$ 365.5	$ 371.3	$ (21.3)	$ 350.0	$ 1.5
Weighted average shares outstanding (in millions)[f]						
Basic	229.5	229.5	229.5	229.5	229.5	
Diluted	229.5	229.5	229.5	229.5	229.5	
Pro forma weighted average shares outstanding (in millions) (unaudited)[g]						
Basic			317.7	317.7	317.7	317.7
Diluted			317.7	317.7	317.7	317.7
Earnings (loss) per share[f]						
Basic	$ 0.69	$ 1.59	$ 1.62	$ (0.09)	$ 1.53	
Diluted	$ 0.69	$ 1.59	$ 1.62	$ (0.09)	$ 1.53	
Pro forma earnings (loss) per share (unaudited)[g]						
Basic			$ 1.17	$ (0.07)	$ 1.10	$ 0.00
Diluted			$ 1.17	$ (0.07)	$ 1.10	$ 0.00
Other Financial Data						
Cash flows from operating activities	$ 1,899.3	$ 2,251.4	$ 1,727.5	$ (274.7)	$ 1,452.8	
EBITDA[h]	2,268.6	2,525.3	2,775.8	43.7	2,819.5	
Pro forma Corporate EBITDA[h]			1,144.5	(3.6)	1,140.9	

	Predecessor	Successor	Pro Forma as Adjusted	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2005	2006	2005	2006
Statement of Operations Data				
Revenues				
Car rental	$ 4,526.1	$ 4,745.6	$ 4,526.1	$ 4,745.6
Equipment rental	1,020.9	1,236.2	1,020.9	1,236.2
Other[(b)]	79.5	86.0	79.5	86.0
Total revenues	5,626.5	6,067.8		