



Escape the everyday.®



THE MARKET

It has taken the Canadian travel industry a long time to recover from the serious economic blows of events such as 9/11, the Iraq War and the SARS outbreak. Recovery has been slow but steady, and in Canada, the rental car industry has been on an upward track since 2001. According to Statistics Canada, total vehicle rental demand was in excess of \$1.5 billion in 2004, with over \$1 billion from domestic demand.

Due to consolidation, expansion and attrition, the business of renting cars has changed considerably in the past few years. Vehicle rental occasions in Canada are now split between eight major car rental brands, as well as a number of smaller regional suppliers. Competition between brands has always been fierce, with heavy emphasis on price-based promotions and value-adds to increase customer demand for a particular brand. Through it all, Budget has remained a dynamic, entrepreneurial brand and has emerged as the car rental company with the largest share of all rentals in Canada for both business and personal occasions.

ACHIEVEMENTS

Setting Budget apart from the competition is the positive recognition received from the travel industry and customers. For the past four years,

Budget has won the prestigious Agent's Choice Award as the top rental car company, as travel agents from across Canada vote to select their favourite travel suppliers. The competition is sponsored by Baxter Group, a travel industry publisher.

In addition to the positive industry feedback, the Canadian Professional Sales Association (CPSA) also voted Budget as Canada's best car rental company in 2004. The recognition of a seasoned group of "road warriors" such as the CPSA members is much appreciated by Budget and celebrates

the company's commitment to be the number-one choice for Canadians looking for rental vehicles.

HISTORY

Budget Rent a Car was founded in the United States in 1958 as a car rental company for the "budget-minded" renter. In 1962, the first two Budget locations were opened in Canada. By 1966, Budget was officially operating in all airports in Canada. From there, the Budget brand flourished, spreading from coast to coast under the guidance of a team of savvy entrepreneurs. These leaders focused on providing rentals suited to the different climatic and economic conditions in Canada, while diversifying their business interests into self-storage and parking.

Today, Budget is the leading car rental company in Canada with more points of distribution and airport locations than any of its competitors. Budget continues to focus on appealing to value-minded renters by offering quality vehicles and a rewarding rental experience.

THE PRODUCT

Budget Rent a Car is in more places in Canada than any other car rental company. With over 350 points of distribution including service to 90 percent of airports in Canada and nearly 300 off-airport locations, Budget is part of Canadian neighbourhoods and airports from Tofino to Gander, Gaspé to Sandspit and Whitehorse to Windsor.

With the largest fleet in Canada, Budget is perfectly positioned to service all car rental needs. Fleet buying is customized to time of year, local demand and climatic conditions. Most vehicles are rotated out of fleet every six months, ensuring that customers have access to reliable new vehicles with the most size and style options. Budget can deliver specialty car categories such as Luxury, Sport Utility, Minivan and even Convertible. Accessories are tailored to seasonality and location — ski racks, moving supplies and child booster seats are popular choices for customers.

Budget's fleet of Light Duty Trucks is the largest of any rental company in Canada. The 4,500 trucks in Budget's fleet include pick-ups, cube vans, cargo vans and five-ton trucks. Extensively used for personal moving as well as commercial purposes, Budget's truck fleet is inventoried specifically for the local markets.

Budget's local know-how doesn't stop with the attention to fleet. Local Budget operations pay



careful attention to local markets to develop promotions and relationships that work. Neighbourhood businesses, on-site film crews and local insurance providers take advantage of Budget's extensive fleet for specialty vehicle or long-term rentals.

Relationships — local, national and international — are an important part of Budget Canada's business. Budget's Fastbreak program is a relationship-based program that helps frequent renters "Get In, Get Out, Get Going"SM with expedited reservation, pick-up and drop-off service. Perfect for the busy road warrior or a frequent city renter, Fastbreak gets Budget customers on the road fast.

Budget also maintains a national portfolio of corporate-contracted business, travel agent and association relationships. Budget Rent a Car Canada's corporate headquarters is located in Toronto and manages national sales, partnerships and advertising. With over 30 executives dedicated to maintaining brand integrity, Budget has

RECENT DEVELOPMENTS

In November 2002, the Budget brand was purchased by Cendant Corporation (NYSE:CD), a diversified global provider of business and consumer services within the travel and real estate sectors. Budget Rent a Car Systems Inc. became the owner and franchisor of Budget, which is now one of the world's best known car rental brands with nearly 2,000 rental locations in the United States, Canada, Europe, Latin America, the Caribbean, Australia and New Zealand.

PROMOTION

Budget's promotional efforts are multi-faceted. The car rental industry is a mature market where retail consumers do not easily differentiate between the major brands — except when it comes to price.

Differentiating the brand at the point of purchase, capitalizing on Budget's high brand recognition and positive consumer opinion are important parts of Budget's advertising and promotional activities.

Travel and industry partnerships help Budget to deliver value-adds at point of purchase:

- Online merchants give consumers the opportunity to shop for the best rates or take advantage of specific sale opportunities.

- Strategic partnerships with Canadian brands like WestJet Airlines Ltd., Canadian Tire Corporation and KidsFutures, Inc., help Budget to bring value-added savings to transactions.
- Strategic relationships with travel professionals and credit card companies allow Budget to deliver promotional offers and savings directly to customers.

Budget looks for opportunities to help customers get more out of renting a car, to escape the everyday routine and to have a great car rental experience for business or leisure travel.

BRAND VALUES

Budget wants to help customers everyday. Whether the escape is literal or not, Budget's goal is to help customers enjoy their vacation, shorter pick-up times before the meeting or just a little behind-the-scenes with a car that works great in the snow. We want to make each rental experience a positive one that enhances every trip.

"Escape the everyday."® and Budget's creative graphics break through the



clutter of traditional, tired car rental advertising. Appealing characters and whimsical headlines combine to stand out from the crowd and develop empathy between the brand, customers and characters. “Escape” is presented as a very real possibility — even for something as mundane as a mouse.

Budget's brand position in Canada is one of value pricing and high value. Available fleet is of the newest and highest quality in the industry and is offered at lower prices than comparable competition. Supporting this is Budget's comfortably Canadian appeal. Budget's long history in Canada and its inclusion in so many Canadian communities promotes a familiarity and ease with the Budget brand and it gives Budget an in-depth and ongoing understanding of the communities it serves.

According to a recent study done by Chadwick Martin Bailey, at 98 percent, Budget has the highest brand awareness in the car rental industry. In Canada, Budget received the highest ranking on every one of the top-five most important attributes of a vehicle rental company as it relates to consumers: low cost, efficient, uncomplicated, honest, consistent and responsive.

Budget's commitment to consistently meet or exceed consumer expectations is underpinned by measuring performance against seven key attributes:

- Helpful, knowledgeable and courteous reservation services
- Environment and first impressions
- Making customers feel welcome and wanted
- Professional behaviour
- Value and appreciation
- Clean, safe and reliable vehicles
- Convenient return process

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THINGS YOU DIDN'T KNOW ABOUT BUDGET

- Budget's original rate for a mid-size vehicle in the early '60s was \$5 per day and \$0.05 per mile.
- The Budget logo is made up of the Budget name with a stylized road curving underneath it.
- Budget Canada's northernmost location is Yellowknife, NWT; the southernmost is Windsor, Ontario.
- Budget now has locations in over 125 countries. It is also the leader in most of the Caribbean countries, Holland, South Africa and Australia.



the largest franchise and brand management rental car infrastructure in Canada. Budget employs over 3,000 people dedicated to provincial, regional and local promotions and customer satisfaction.

Budget has become the leader in the industry because Budget knows how to deliver: get customers where they need to go — reliably, comfortably and in style.

