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, 2019

OR

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

HERTZ GLOBAL HOLDINGS, INC.
THE HERTZ CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**001-37665**	**61-1770902**
Delaware	**001-07541**	**13-1938568**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

8501 Williams Road
Estero, Florida 33928
239 301-7000

(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.)

Securities registered pursuant to Section 12(b) of the Act:

	Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange on which Registered**
Hertz Global Holdings, Inc.	Common Stock par value $0.01 per share	HTZ	New York Stock Exchange
The Hertz Corporation	None	None	None

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.

Hertz Global Holdings, Inc. Yes ☒ No ☐
The Hertz Corporation Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Hertz Global Holdings, Inc. Yes ☒ No ☐
The Hertz Corporation Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Hertz Global Holdings, Inc.	Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
	Smaller reporting company	☐	Emerging growth company	☐		
	If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.			☐		
The Hertz Corporation	Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒
	Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Hertz Global Holdings, Inc. Yes ☐ No ☒
The Hertz Corporation Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

	Class		Shares Outstanding at July 30, 2019
Hertz Global Holdings, Inc.	Common Stock,	par value $0.01 per share	142,067,813
The Hertz Corporation	Common Stock,	par value $0.01 per share	100 (100% owned by Rental Car Intermediate Holdings, LLC)

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited

(In millions, except par value)

	June 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 415	$ 1,127
Restricted cash and cash equivalents:		
Vehicle	207	257
Non-vehicle	32	26
Total restricted cash and cash equivalents	239	283
Total cash, cash equivalents, restricted cash and restricted cash equivalents	654	1,410
Receivables:		
Vehicle	434	625
Non-vehicle, net of allowance of $29 and $27, respectively	1,264	962
Total receivables, net	1,698	1,587
Prepaid expenses and other assets	926	902
Revenue earning vehicles:		
Vehicles	19,687	15,703
Less: accumulated depreciation	(3,242)	(3,284)
Total revenue earning vehicles, net	16,445	12,419
Property and equipment, net	772	778
Operating lease right-of-use assets	1,547	—
Intangible assets, net	3,229	3,203
Goodwill	1,083	1,083
Total assets[(a)]	$ 26,354	$ 21,382
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable:		
Vehicle	$ 705	$ 284
Non-vehicle	664	704
Total accounts payable	1,369	988
Accrued liabilities	1,358	1,304
Accrued taxes, net	164	136
Debt:		
Vehicle	14,919	11,902
Non-vehicle	4,428	4,422
Total debt	19,347	16,324
Operating lease liabilities	1,538	—
Public liability and property damage	426	418
Deferred income taxes, net	1,082	1,092
Total liabilities[(a)]	25,284	20,262
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value, no shares issued and outstanding	—	—
Common stock, $0.01 par value, 86 and 86 shares issued, respectively and 84 and 84 shares outstanding, respectively	1	1
Additional paid-in capital	2,267	2,261
Accumulated deficit	(1,017)	(909)
Accumulated other comprehensive income (loss)	(187)	(192)
Treasury stock, at cost, 2 shares and 2 shares, respectively	(100)	(100)
Stockholders' equity attributable to Hertz Global	964	1,061
Noncontrolling interests	106	59
Total stockholders' equity	1,070	1,120
Total liabilities and stockholders' equity	$ 26,354	$ 21,382

(a) Hertz Global Holdings, Inc.'s consolidated total assets as of June 30, 2019 and December 31, 2018 include total assets of variable interest entities ("VIEs") of $1.5 billion and $1.0 billion, respectively, which can only be used to settle obligations of the VIEs. Hertz Global Holdings, Inc.'s consolidated total liabilities as of June 30, 2019 and

December 31, 2018 include total liabilities of VIEs of $1.4 billion and $947 million, respectively, for which the creditors of the VIEs have no recourse to Hertz Global Holdings, Inc. See "Special Purpose Entities" in Note 3, "Debt," and "767 Auto Leasing LLC" in Note 9, "Related Party Transactions," for further information.

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues:				
Worldwide vehicle rental	$ 2,344	$ 2,217	$ 4,297	$ 4,111
All other operations	167	172	321	341
Total revenues	2,511	2,389	4,618	4,452
Expenses:				
Direct vehicle and operating	1,388	1,349	2,655	2,585
Depreciation of revenue earning vehicles and lease charges	634	687	1,226	1,348
Selling, general and administrative	258	265	490	498
Interest expense, net:				
Vehicle	127	127	238	221
Non-vehicle	72	73	144	146
Total interest expense, net	199	200	382	367
Other (income) expense, net	(12)	(26)	(31)	(29)
Total expenses	2,467	2,475	4,722	4,769
Income (loss) before income taxes	44	(86)	(104)	(317)
Income tax (provision) benefit	(4)	23	(3)	52
Net income (loss)	40	(63)	(107)	(265)
Net (income) loss attributable to noncontrolling interests	(2)	—	(1)	—
Net income (loss) attributable to Hertz Global	$ 38	$ (63)	$ (108)	$ (265)
Weighted average shares outstanding:				
Basic	96	96	96	95
Diluted	97	96	96	95
Earnings (loss) per share:				
Basic earnings (loss) per share	$ 0.40	$ (0.66)	$ (1.13)	$ (2.78)
Diluted earnings (loss) per share	$ 0.40	$ (0.66)	$ (1.13)	$ (2.78)

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Unaudited

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income (loss)	$ 40	$ (63)	$ (107)	$ (265)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(5)	(19)	3	(19)
Net gain (loss) on defined benefit pension plans	1	5	—	2
Reclassification from other comprehensive income (loss) to other (income) expense for amortization of actuarial (gains) losses on defined benefit pension plans	2	—	3	—
Total other comprehensive income (loss) before income taxes	(2)	(14)	6	(17)
Income tax (provision) benefit related to reclassified amounts of net periodic costs on defined benefit pension plans	—	—	(1)	—
Total other comprehensive income (loss)	(2)	(14)	5	(17)
Total comprehensive income (loss)	38	(77)	(102)	(282)
Comprehensive (income) loss attributable to noncontrolling interests	(2)	—	(1)	—
Comprehensive income (loss) attributable to Hertz Global	$ 36	$ (77)	$ (103)	$ (282)

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Unaudited

(In millions)

Balance as of:	Preferred Stock Shares	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Stockholders' Equity Attributable to Hertz Global	Non-controlling Interests	Total Stockholders' Equity
December 31, 2017	—	84	$ 1	$ 2,243	$ (506)	$ (118)	2	$ (100)	$ 1,520	$ —	$ 1,520
Change in accounting principle	—	—	—	—	(189)	—	—	—	(189)	—	(189)
January 1, 2018 (as adjusted)	—	84	1	2,243	(695)	(118)	2	(100)	1,331	—	1,331
Net income (loss)	—	—	—	—	(202)	—	—	—	(202)	—	(202)
Other comprehensive income (loss)	—	—	—	—	—	(3)	—	—	(3)	—	(3)
Net settlement on vesting of restricted stock	—	—	—	(3)	—	—	—	—	(3)	—	(3)
Stock-based compensation charges	—	—	—	10	—	—	—	—	10	—	10
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	5	5
March 31, 2018	—	84	1	2,250	(897)	(121)	2	(100)	1,133	5	1,138
Net income (loss)	—	—	—	—	(63)	—	—	—	(63)	—	(63)
Other comprehensive income (loss)	—	—	—	—	—	(14)	—	—	(14)	—	(14)
Stock-based compensation charges	—	—	—	3	—	—	—	—	3	—	3
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	5	5
June 30, 2018	—	84	$ 1	$ 2,253	$ (960)	$ (135)	2	$ (100)	$ 1,059	$ 10	$ 1,069

Balance as of:	Preferred Stock Shares	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit(a)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Stockholders' Equity Attributable to Hertz Global	Non-controlling Interests	Total Stockholders' Equity
December 31, 2018	—	84	$ 1	$ 2,261	$ (909)	$ (192)	2	$ (100)	$ 1,061	$ 59	$ 1,120
Net income (loss)	—	—	—	—	(147)	—	—	—	(147)	(1)	(148)
Other comprehensive income (loss)	—	—	—	—	—	7	—	—	7	—	7
Net settlement on vesting of restricted stock	—	—	—	(2)	—	—	—	—	(2)	—	(2)
Stock-based compensation charges	—	—	—	3	—	—	—	—	3	—	3
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	25	25
March 31, 2019	—	84	1	2,262	(1,056)	(185)	2	(100)	922	83	1,005
Net income (loss)	—	—	—	—	39	—	—	—	39	2	41
Other comprehensive income (loss)	—	—	—	—	—	(2)	—	—	(2)	—	(2)
Stock-based compensation charges	—	—	—	5	—	—	—	—	5	—	5
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	21	21
June 30, 2019	—	84	$ 1	$ 2,267	$ (1,017)	$ (187)	2	$ (100)	$ 964	$ 106	$ 1,070

(a) Net income (loss) is computed independently each quarter. As a result, the quarter amounts presented herein may be rounded to agree to accumulated deficit in the unaudited condensed consolidated balance sheet.

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In millions)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from operating activities:		
Net income (loss)	$ (107)	$ (265)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and reserves for revenue earning vehicles	1,329	1,306
Depreciation and amortization, non-vehicle	99	113
Amortization of deferred financing costs and debt discount (premium)	26	26
Loss on extinguishment of debt	—	22
Stock-based compensation charges	8	7
Provision for receivables allowance	23	19
Deferred income taxes, net	(13)	(74)
(Gain) loss on marketable securities	(20)	(17)
Other	(22)	3
Changes in assets and liabilities:		
Non-vehicle receivables	(316)	(275)
Prepaid expenses and other assets	(90)	(84)
Operating lease right-of-use assets	200	—
Non-vehicle accounts payable	65	154
Accrued liabilities	56	5
Accrued taxes, net	29	2
Operating lease liabilities	(211)	—
Public liability and property damage	(2)	—
Net cash provided by (used in) operating activities	1,054	942
Cash flows from investing activities:		
Revenue earning vehicles expenditures	(8,947)	(7,610)
Proceeds from disposal of revenue earning vehicles	4,212	3,654
Capital asset expenditures, non-vehicle	(118)	(80)
Proceeds from property and other equipment disposed of or to be disposed of	21	8
Purchases of marketable securities	—	(61)
Sales of marketable securities	—	36
Other	—	(2)
Net cash provided by (used in) investing activities	(4,832)	(4,055)

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In millions)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from financing activities:		
Proceeds from issuance of vehicle debt	8,267	9,414
Repayments of vehicle debt	(5,254)	(6,829)
Proceeds from issuance of non-vehicle debt	815	187
Repayments of non-vehicle debt	(823)	(194)
Payment of financing costs	(23)	(27)
Early redemption premium payment	—	(19)
Contributions from noncontrolling interests	45	10
Other	(4)	(2)
Net cash provided by (used in) financing activities	3,023	2,540
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(1)	(10)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	(756)	(583)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	1,410	1,504
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	$ 654	$ 921
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized:		
Vehicle	$ 213	$ 175
Non-vehicle	140	142
Income taxes, net of refunds	15	10
Operating lease liabilities	282	—
Supplemental disclosures of non-cash information:		
Purchases of revenue earning vehicles included in accounts payable, net of incentives	$ 567	$ 548
Sales of revenue earning vehicles included in receivables	296	204
Purchases of non-vehicle capital assets included in accounts payable	46	42
Operating lease right-of-use assets obtained in exchange for lease liabilities	162	—

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

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(In millions, except par value and share data)

	June 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 415	$ 1,127
Restricted cash and cash equivalents:		
Vehicle	207	257
Non-vehicle	32	26
Total restricted cash and cash equivalents	239	283
Total cash, cash equivalents, restricted cash and restricted cash equivalents	654	1,410
Receivables:		
Vehicle	434	625
Non-vehicle, net of allowance of $29 and $27, respectively	1,264	962
Total receivables, net	1,698	1,587
Prepaid expenses and other assets	925	902
Revenue earning vehicles:		
Vehicles	19,687	15,703
Less: accumulated depreciation	(3,242)	(3,284)
Total revenue earning vehicles, net	16,445	12,419
Property and equipment, net	772	778
Operating lease right-of-use assets	1,547	—
Intangible assets, net	3,229	3,203
Goodwill	1,083	1,083
Total assets[(a)]	$ 26,353	$ 21,382
LIABILITIES AND STOCKHOLDER'S EQUITY		
Accounts payable:		
Vehicle	$ 705	$ 284
Non-vehicle	664	704
Total accounts payable	1,369	988
Accrued liabilities	1,358	1,304
Accrued taxes, net	164	136
Debt:		
Vehicle	14,919	11,902
Non-vehicle	4,428	4,422
Total debt	19,347	16,324
Operating lease liabilities	1,538	—
Public liability and property damage	426	418
Deferred income taxes, net	1,085	1,094
Total liabilities[(a)]	25,287	20,264
Commitments and contingencies		
Stockholder's equity:		
Common stock, $0.01 par value, 100 and 100 shares issued and outstanding, respectively	—	—
Additional paid-in capital	3,195	3,187
Due from affiliate	(58)	(52)
Accumulated deficit	(1,990)	(1,884)
Accumulated other comprehensive income (loss)	(187)	(192)
Stockholder's equity attributable to Hertz	960	1,059
Noncontrolling interests	106	59
Total stockholder's equity	1,066	1,118
Total liabilities and stockholder's equity	$ 26,353	$ 21,382

(a) The Hertz Corporation's consolidated total assets as of June 30, 2019 and December 31, 2018 include total assets of variable interest entities (“VIEs”) of $1.5 billion and $1.0 billion, respectively, which can only be used to settle obligations of the VIEs. The Hertz Corporation's consolidated total liabilities as of June 30, 2019 and December 31, 2018 include total liabilities of VIEs of $1.4 billion and $947 million, respectively, for which the creditors of the VIEs have no recourse to The Hertz Corporation. See "Special Purpose Entities" in Note 3, "Debt," and "767 Auto Leasing LLC" in Note 9, "Related Party Transactions," for further information.

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

THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues:				
Worldwide vehicle rental	$ 2,344	$ 2,217	$ 4,297	$ 4,111
All other operations	167	172	321	341
Total revenues	2,511	2,389	4,618	4,452
Expenses:				
Direct vehicle and operating	1,388	1,349	2,655	2,585
Depreciation of revenue earning vehicles and lease charges	634	687	1,226	1,348
Selling, general and administrative	258	265	490	498
Interest expense, net:				
Vehicle	127	127	238	221
Non-vehicle	70	71	141	143
Total interest expense, net	197	198	379	364
Other (income) expense, net	(12)	(26)	(31)	(29)
Total expenses	2,465	2,473	4,719	4,766
Income (loss) before income taxes	46	(84)	(101)	(314)
Income tax (provision) benefit	(5)	23	(4)	51
Net income (loss)	41	(61)	(105)	(263)
Net (income) loss attributable to noncontrolling interests	(2)	—	(1)	—
Net income (loss) attributable to Hertz	$ 39	$ (61)	$ (106)	$ (263)

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

THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Unaudited

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income (loss)	$ 41	$ (61)	$ (105)	$ (263)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(5)	(19)	3	(19)
Net gain (loss) on defined benefit pension plans	1	5	—	2
Reclassification from other comprehensive income (loss) to other (income) expense for amortization of actuarial (gains) losses on defined benefit pension plans	2	—	3	—
Total other comprehensive income (loss) before income taxes	(2)	(14)	6	(17)
Income tax (provision) benefit related to reclassified amounts of net periodic costs on defined benefit pension plans	—	—	(1)	—
Total other comprehensive income (loss)	(2)	(14)	5	(17)
Total comprehensive income (loss)	39	(75)	(100)	(280)
Comprehensive (income) loss attributable to noncontrolling interests	(2)	—	(1)	—
Comprehensive income (loss) attributable to Hertz	$ 37	$ (75)	$ (101)	$ (280)

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

THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

Unaudited

(In millions, except share data)

Balance as of:	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Due From Affiliate	Accumulated Deficit[a]	Accumulated Other Comprehensive Income (Loss)	Stockholder's Equity Attributable to Hertz	Noncontrolling Interests	Total Stockholder's Equity
December 31, 2017	100	$ —	$ 3,166	$ (42)	$ (1,486)	$ (118)	$ 1,520	$ —	$ 1,520
Change in accounting principle	—	—	—	—	(189)	—	(189)	—	(189)
January 1, 2018 (as adjusted)	100	—	3,166	(42)	(1,675)	(118)	1,331	—	1,331
Net income (loss)	—	—	—	—	(201)	—	(201)	—	(201)
Due from Hertz Holdings	—	—	—	(4)	—	—	(4)	—	(4)
Other comprehensive income (loss)	—	—	—	—	—	(3)	(3)	—	(3)
Stock-based compensation charges	—	—	10	—	—	—	10	—	10
Contributions from noncontrolling interests	—	—	—	—	—	—	—	5	5
March 31, 2018	100	—	3,176	(46)	(1,876)	(121)	1,133	5	1,138
Net income (loss)	—	—	—	—	(62)	—	(62)	—	(62)
Due from Hertz Holdings	—	—	—	(2)	—	—	(2)	—	(2)
Other comprehensive income (loss)	—	—	—	—	—	(14)	(14)	—	(14)
Stock-based compensation charges	—	—	3	—	—	—	3	—	3
Contributions from noncontrolling interests	—	—	—	—	—	—	—	5	5
June 30, 2018	100	$ —	$ 3,179	$ (48)	$ (1,938)	$ (135)	$ 1,058	$ 10	$ 1,068

Balance as of:	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Due From Affiliate	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholder's Equity Attributable to Hertz	Noncontrolling Interests	Total Stockholder's Equity
December 31, 2018	100	$ —	$ 3,187	$ (52)	$ (1,884)	$ (192)	$ 1,059	$ 59	$ 1,118
Net income (loss)	—	—	—	—	(145)	—	(145)	(1)	(146)
Due from Hertz Holdings	—	—	—	(4)	—	—	(4)	—	(4)
Other comprehensive income (loss)	—	—	—	—	—	7	7	—	7
Stock-based compensation charges	—	—	3	—	—	—	3	—	3
Contributions from noncontrolling interests	—	—	—	—	—	—	—	25	25
March 31, 2019	100	—	3,190	(56)	(2,029)	(185)	920	83	1,003
Net income (loss)	—	—	—	—	39	—	39	2	41
Due from Hertz Holdings	—	—	—	(2)	—	—	(2)	—	(2)
Other comprehensive income (loss)	—	—	—	—	—	(2)	(2)	—	(2)
Stock-based compensation charges	—	—	5	—	—	—	5	—	5
Contributions from noncontrolling interests	—	—	—	—	—	—	—	21	21
June 30, 2019	100	$ —	$ 3,195	$ (58)	$ (1,990)	$ (187)	$ 960	$ 106	$ 1,066

(a) Net income (loss) is computed independently each quarter. As a result, the quarter amounts presented herein may be rounded to agree to accumulated deficit in the unaudited condensed consolidated balance sheet.

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

THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In millions)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from operating activities:		
Net income (loss)	$ (105)	$ (263)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and reserves for revenue earning vehicles	1,329	1,306
Depreciation and amortization, non-vehicle	99	113
Amortization of deferred financing costs and debt discount (premium)	26	26
Loss on extinguishment of debt	—	22
Stock-based compensation charges	8	7
Provision for receivables allowance	23	19
Deferred income taxes, net	(12)	(73)
(Gain) loss on marketable securities	(20)	(17)
Other	(22)	3
Changes in assets and liabilities:		
Non-vehicle receivables	(316)	(275)
Prepaid expenses and other assets	(90)	(84)
Operating lease right-of-use assets	200	—
Non-vehicle accounts payable	65	154
Accrued liabilities	56	5
Accrued taxes, net	29	2
Operating lease liabilities	(211)	—
Public liability and property damage	(2)	—
Net cash provided by (used in) operating activities	1,057	945
Cash flows from investing activities:		
Revenue earning vehicles expenditures	(8,947)	(7,610)
Proceeds from disposal of revenue earning vehicles	4,212	3,654
Capital asset expenditures, non-vehicle	(118)	(80)
Proceeds from property and other equipment disposed of or to be disposed of	21	8
Purchases of marketable securities	—	(61)
Sales of marketable securities	—	36
Other	—	(2)
Net cash provided by (used in) investing activities	(4,832)	(4,055)

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

THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In millions)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from financing activities:		
Proceeds from issuance of vehicle debt	8,267	9,414
Repayments of vehicle debt	(5,254)	(6,829)
Proceeds from issuance of non-vehicle debt	815	187
Repayments of non-vehicle debt	(823)	(194)
Payment of financing costs	(23)	(27)
Early redemption premium payment	—	(19)
Advances to Hertz Holdings	(6)	(6)
Contributions from noncontrolling interests	45	10
Other	(1)	1
Net cash provided by (used in) financing activities	3,020	2,537
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(1)	(10)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	(756)	(583)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	1,410	1,504
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	$ 654	$ 921
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized:		
Vehicle	$ 213	$ 175
Non-vehicle	140	142
Income taxes, net of refunds	15	10
Operating lease liabilities	282	—
Supplemental disclosures of non-cash information:		
Purchases of revenue earning vehicles included in accounts payable, net of incentives	$ 567	$ 548
Sales of revenue earning vehicles included in receivables	296	204
Purchases of non-vehicle capital assets included in accounts payable	46	42
Operating lease right-of-use assets obtained in exchange for lease liabilities	162	—

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Unaudited

Note 1—Background

Hertz Global Holdings, Inc. ("Hertz Global" when including its subsidiaries and VIEs and "Hertz Holdings" excluding its subsidiaries and VIEs) was incorporated in Delaware in 2015 to serve as the top-level holding company for Rental Car Intermediate Holdings, LLC, which wholly owns The Hertz Corporation ("Hertz" and interchangeably with Hertz Global, the "Company"), Hertz Global's primary operating company. Hertz was incorporated in Delaware in 1967 and is a successor to corporations that have been engaged in the vehicle rental and leasing business since 1918. Hertz operates its vehicle rental business globally primarily through the Hertz, Dollar and Thrifty brands from company-owned, licensee and franchisee locations in the United States ("U.S."), Africa, Asia, Australia, Canada, the Caribbean, Europe, Latin America, the Middle East and New Zealand. Through its Donlen subsidiary, Hertz provides vehicle leasing and fleet management services.

Note 2—Basis of Presentation and Recently Issued Accounting Pronouncements

Basis of Presentation

This Quarterly Report on Form 10-Q combines the quarterly reports on Form 10-Q for the quarterly period ended June 30, 2019 of Hertz Global and Hertz. Hertz Global consolidates Hertz for financial statement purposes, therefore, disclosures that relate to activities of Hertz also apply to Hertz Global. In the sections that combine disclosure of Hertz Global and Hertz, this report refers to actions as being actions of the Company, or Hertz Global, which is appropriate because the business is one enterprise and Hertz Global operates the business through Hertz. When appropriate, Hertz Global and Hertz are named specifically for their individual disclosures and any significant differences between the operations and results of Hertz Global and Hertz are separately disclosed and explained.

The Company's unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”). In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair presentation of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ materially from those estimates.

The December 31, 2018 unaudited condensed consolidated balance sheet data is derived from audited financial statements but does not include all disclosures required by U.S. GAAP. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with information included in the Company's Form 10-K for the year ended December 31, 2018 (the "2018 Form 10-K"), as filed with the Securities and Exchange Commission ("SEC") on February 25, 2019.

Certain prior period amounts have been reclassified to conform to current period presentation.

Principles of Consolidation

The unaudited condensed consolidated financial statements of Hertz Global include the accounts of Hertz Global and its wholly owned and majority owned U.S. and international subsidiaries, and its VIEs, as applicable. The unaudited condensed consolidated financial statements of Hertz include the accounts of Hertz, its wholly owned and majority owned U.S. and international subsidiaries, and its VIEs, as applicable. The Company consolidates a VIE when it is deemed the primary beneficiary. The Company accounts for its investment in joint ventures using the equity method when it has significant influence but not control and is not the primary beneficiary. All significant intercompany transactions have been eliminated in consolidation.

Recently Issued Accounting Pronouncements

Adopted

Leases

In February 2016, the Financial Accounting Standards Board (the "FASB") issued guidance that replaced the existing lease guidance in U.S. GAAP and in 2018 and 2019 issued amendments and updates to the new lease standard (collectively "Topic 842"). Topic 842 established a right-of-use ("ROU") model that requires a lessee to record on the balance sheet a ROU asset and corresponding lease liability based on the present value of future lease payments. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Topic 842 also expanded the requirements for lessees to record leases embedded in other arrangements. Additionally, enhanced quantitative and qualitative disclosures surrounding leases are required which provide financial statement users the ability to assess the amount, timing and uncertainty of cash flows arising from leases.

The Company adopted this guidance effective January 1, 2019 using a simplified transition approach for both lessees and lessors. Prior periods have not been retrospectively adjusted and are in conformance with the then existing guidance under U.S. GAAP ("Topic 840"). The Company utilized the package of practical expedients for existing or expired contracts and did not reassess whether such contracts contain leases, the lease classification or the initial direct costs. Additionally, the Company utilized the historical lease term and did not utilize the practical expedient allowing the use of hindsight in determining the lease term and in assessing impairment of its ROU assets. To determine the present value of its lease payments as of January 1, 2019, the Company utilized the interest rate implicit in the lease agreement. If the implicit interest rate was not provided in the lease agreement, the Company utilized the Company's collateralized incremental borrowing rate as of January 1, 2019. Also, with respect to the Company's real estate leases, vehicle leases and fleet leases, the Company availed itself of the practical expedient for lessees and lessors and elected an accounting policy by class of underlying asset to combine lease and non-lease components.

As of January 1, 2019, the Company accounts for revenue earned from vehicle rentals and rental related activities wherein an identified asset is transferred to the customer and the customer has the ability to control that asset under Topic 842. Prior to the adoption of Topic 842, the Company accounted for such revenue under *Revenue from Contracts with Customers* ("Topic 606").

The cumulative effect of applying the new guidance to all leases as of January 1, 2019 that were not completed and with lease terms in excess of twelve months has been recorded as of the adoption date as follows:

Hertz Global

(In millions)	Operating Lease Right-of-Use Assets	Prepaid and Other Assets	Total Assets	Operating Lease Liabilities	Accrued Liabilities	Total Liabilities	Total Liabilities and Stockholders' Equity
As of December 31, 2018	$ —	$ 902	$ 21,382	$ —	$ 1,304	$ 20,262	$ 21,382
Effect of Adopting Topic 842	1,585	(45)	1,540	1,588	(48)	1,540	1,540
As of January 1, 2019	$ 1,585	$ 857	$ 22,922	$ 1,588	$ 1,256	$ 21,802	$ 22,922

Hertz

(In millions)	Operating Lease Right-of-Use Assets	Prepaid and Other Assets	Total Assets	Operating Lease Liabilities	Accrued Liabilities	Total Liabilities	Total Liabilities and Stockholder's Equity
As of December 31, 2018	$ —	$ 902	$ 21,382	$ —	$ 1,304	$ 20,264	$ 21,382
Effect of Adopting Topic 842	1,585	(45)	1,540	1,588	(48)	1,540	1,540
As of January 1, 2019	$ 1,585	$ 857	$ 22,922	$ 1,588	$ 1,256	$ 21,804	$ 22,922

Adoption of Topic 842 did not impact the Company's results of operations or cash flows. See Note 4, "Leases," for information regarding the Company's accounting policies for leases, as well as other required disclosures under Topic 842.

Not Yet Adopted

Changes to Disclosure Requirements for Defined Benefit Plans

In August 2018, the FASB issued guidance that modifies disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans to remove disclosures no longer considered cost beneficial, add disclosures identified as relevant and clarify certain disclosure requirements. The guidance is effective for annual periods beginning after December 15, 2020 using a retrospective transition method. Early adoption is permitted. The Company is in the process of determining the timing of adoption and assessing the overall impact of adopting this guidance on its disclosures.

Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement

In August 2018, the FASB issued guidance on a customer's accounting for implementation fees paid in a cloud computing service contract arrangement that addresses which implementation costs to capitalize as an asset and which costs to expense. Capitalized implementation fees are to be expensed over the term of the cloud computing arrangement, and the expense is required to be recognized in the same line item in the income statement as the associated hosting service expenses. The entity is also required to present the capitalized implementation fees on the balance sheet in the same line item as the prepayment for hosting service fees associated with the cloud computing arrangement.

The guidance is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods using a retrospective or prospective transition method. Early adoption is permitted, including adoption in any interim period. The Company intends to adopt this guidance when effective, on January 1, 2020, using a prospective transition method and is in the process of assessing the overall impact of adopting this guidance on its financial position, results of operations and cash flows.

Note 3—Debt

The Company's debt, including its available credit facilities, consists of the following ($ in millions):

Facility	Weighted Average Interest Rate as of June 30, 2019	Fixed or Floating Interest Rate	Maturity	June 30, 2019	December 31, 2018
Non-Vehicle Debt					
Senior Term Loan	5.16%	Floating	6/2023	$ 667	$ 674
Senior RCF	N/A	Floating	6/2021	—	—

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

Facility	Weighted Average Interest Rate as of June 30, 2019	Fixed or Floating Interest Rate	Maturity	June 30, 2019	December 31, 2018
Senior Notes[1]	6.13%	Fixed	10/2020-10/2024	2,500	2,500
Senior Second Priority Secured Notes	7.63%	Fixed	6/2022	1,250	1,250
Promissory Notes	7.00%	Fixed	1/2028	27	27
Other Non-Vehicle Debt	6.92%	Fixed	Various	13	4
Unamortized Debt Issuance Costs and Net (Discount) Premium				(29)	(33)
Total Non-Vehicle Debt				4,428	4,422
Vehicle Debt					
HVF II U.S. ABS Program					
HVF II U.S. Vehicle Variable Funding Notes					
HVF II Series 2013-A[2]	3.71%	Floating	3/2021	4,104	2,940
HVF II Series 2019-A[2]	N/A	Floating	10/2019	—	—
				4,104	2,940
HVF II U.S. Vehicle Medium Term Notes					
HVF II Series 2015-1[2]	2.93%	Fixed	3/2020	780	780
HVF II Series 2015-3[2]	3.10%	Fixed	9/2020	371	371
HVF II Series 2016-1[2]	N/A	N/A	N/A	—	466
HVF II Series 2016-2[2]	3.41%	Fixed	3/2021	595	595
HVF II Series 2016-3[2]	2.72%	Fixed	7/2019	424	424
HVF II Series 2016-4[2]	3.09%	Fixed	7/2021	424	424
HVF II Series 2017-1[2]	3.38%	Fixed	10/2020	450	450
HVF II Series 2017-2[2]	3.57%	Fixed	10/2022	350	350
HVF II Series 2018-1[2]	3.41%	Fixed	2/2023	1,000	1,000
HVF II Series 2018-2[2]	3.80%	Fixed	6/2021	200	200
HVF II Series 2018-3[2]	4.15%	Fixed	7/2023	200	200
HVF II Series 2019-1[2]	3.85%	Fixed	3/2022	700	—
HVF II Series 2019-2[2]	3.51%	Fixed	5/2024	750	—
				6,244	5,260
Donlen ABS Program					
HFLF Variable Funding Notes					
HFLF Series 2013-2[2]	3.20%	Floating	3/2021	64	320
				64	320
HFLF Medium Term Notes					
HFLF Series 2015-1[3]	N/A	N/A	N/A	—	33
HFLF Series 2016-1[3]	4.04%	Both	7/2019-1/2020	99	171
HFLF Series 2017-1[3]	2.86%	Both	7/2019-3/2021	308	397
HFLF Series 2018-1[3]	3.25%	Both	7/2019-6/2021	550	550
HFLF Series 2019-1[3]	2.85%	Both	2/2020-11/2022	650	—
				1,607	1,151

Facility	Weighted Average Interest Rate as of June 30, 2019	Fixed or Floating Interest Rate	Maturity	June 30, 2019	December 31, 2018
Vehicle Debt - Other					
U.S. Vehicle RCF	4.90%	Floating	6/2021	146	146
European Vehicle Notes[4]	5.07%	Fixed	10/2021-3/2023	825	829
European ABS[2]	1.75%	Floating	10/2020	1,026	600
Canadian Securitization[2]	3.25%	Floating	10/2019-3/2021	335	220
Australian Securitization[2]	3.09%	Floating	3/2020	151	155
New Zealand RCF	4.40%	Floating	3/2020	37	40
U.K. Financing Facility	3.07%	Floating	7/2019-5/2022	393	242
Other Vehicle Debt	3.96%	Floating	7/2019-4/2023	37	42
				2,950	2,274
Unamortized Debt Issuance Costs and Net (Discount) Premium				(50)	(43)
Total Vehicle Debt				14,919	11,902
Total Debt				$ 19,347	$ 16,324

N/A - Not applicable

(1) References to the "Senior Notes" include the series of Hertz's unsecured senior notes set forth in the table below. Outstanding principal amounts for each such series of the Senior Notes is also specified below:

(In millions)	Outstanding Principal	
Senior Notes	June 30, 2019	December 31, 2018
5.875% Senior Notes due October 2020	$ 700	$ 700
7.375% Senior Notes due January 2021	500	500
6.250% Senior Notes due October 2022	500	500
5.500% Senior Notes due October 2024	800	800
	$ 2,500	$ 2,500

(2) Maturity reference is to the earlier "expected final maturity date" as opposed to the subsequent "legal final maturity date." The expected final maturity date is the date by which Hertz and investors in the relevant indebtedness expect the outstanding principal of the relevant indebtedness to be repaid in full. The legal final maturity date is the date on which the outstanding principal of the relevant indebtedness is legally due and payable in full.

(3) In the case of the Hertz Fleet Lease Funding LP ("HFLF") Medium Term Notes, such notes are repayable from cash flows derived from third-party leases comprising the underlying HFLF collateral pool. The initial maturity date referenced for each series of HFLF Medium Term Notes represents the end of the revolving period for such series, at which time the related notes begin to amortize monthly by an amount equal to the lease collections payable to that series. To the extent the revolving period already has ended, the initial maturity date reflected is July 2019. The second maturity date referenced for each series of HFLF Medium Term Notes represents the date by which Hertz and the investors in the related series expect such series of notes to be repaid in full, which is based upon various assumptions made at the time of pricing of such notes, including the contractual amortization of the underlying leases as well as the assumed rate of prepayments of such leases. Such maturity reference is to the “expected final maturity date” as opposed to the subsequent “legal final maturity date.” The legal final maturity date is the date on which the relevant indebtedness is legally due and payable. Although the underlying lease cash flows that support the repayment of the HFLF Medium Term Notes may vary, the cash flows generally are expected to approximate a straight-line amortization of the related notes from the initial maturity date through the expected final maturity date.

(4) References to the "European Vehicle Notes" include the series of Hertz Holdings Netherlands B.V.'s, an indirect wholly owned subsidiary of Hertz organized under the laws of the Netherlands ("HHN BV"), unsecured senior notes (converted from Euros to U.S. dollars at a rate of 1.14 to 1 as of June 30, 2019 and December 31, 2018) set forth in the table below. Outstanding principal amounts for each such series of the European Vehicle Notes is also specified below:

(In millions)	Outstanding Principal	
European Vehicle Notes	June 30, 2019	December 31, 2018
4.125% Senior Notes due October 2021	$ 256	$ 257
5.500% Senior Notes due March 2023	569	572
	$ 825	$ 829

The Company is highly leveraged and a substantial portion of its liquidity needs arise from debt service on its indebtedness and from the funding of its costs of operations and capital expenditures. The Company's practice is to maintain sufficient liquidity through cash from operations, credit facilities and other financing arrangements to mitigate any adverse impact on its operations resulting from adverse financial market conditions.

In July 2019, Hertz provided conditional notices to the registered holders of its outstanding 5.875% Senior Notes due 2020 (the "2020 Notes") and 7.375% Senior Notes due 2021 (the "2021 Notes") of its election to redeem in full all of the outstanding 2020 Notes and 2021 Notes pursuant to the requirements of the indentures governing the 2020 Notes and 2021 Notes on the redemption date, as further described in Note 12, "Subsequent Events." Excluding the completion of the aforementioned activity, as of June 30, 2019, approximately $2.7 billion of vehicle debt and $20 million of non-vehicle debt is due to mature between July 1, 2019 and June 30, 2020. The Company has reviewed its debt facilities and determined that it is probable that the Company will be able, and has the intent, to refinance these facilities at such times as the Company determines appropriate prior to their respective maturities.

Non-Vehicle Debt

Senior Notes

See Note 12, "Subsequent Events" regarding transactions occurring subsequent to June 30, 2019.

Vehicle Debt

HVF II U.S. Vehicle Variable Funding Notes

HVF II Series 2013-A Notes: In February 2019, HVF II increased the commitments under the HVF II Series 2013-A Notes by $400 million.

In May 2019, HVF II increased the commitments under the HVF II Series 2013-A Notes by $40 million.

HVF II Series 2019-A Notes: In February 2019, HVF II issued the Series 2019-A Variable Funding Rental Car Asset Backed Notes in an aggregate maximum principal amount of $500 million.

HVF II U.S. Vehicle Medium Term Notes

HVF II Series 2019-1 Notes: In February 2019, HVF II issued the Series 2019-1 Rental Car Asset Backed Notes, Class A, Class B, Class C and Class D in an aggregate principal amount of $745 million. An affiliate of HVF II purchased the Class D Notes of such series at the time of issuance, and as a result, approximately $45 million of the aggregate principal amount is eliminated in consolidation. There is subordination within the HVF II Series 2019-1 Notes based on class.

HVF II Series 2019-2 Notes: In May 2019, HVF II issued the Series 2019-2 Rental Car Asset Backed Notes, Class A, Class B, Class C and Class D in an aggregate principal amount of $799 million. An affiliate of HVF II purchased the Class D Notes of such series at the time of issuance, and as a result, approximately $49 million of the aggregate principal amount is eliminated in consolidation. There is subordination within the HVF II Series 2019-2 Notes based on class.

HFLF Medium Term Notes

HFLF Series 2019-1 Notes: In May 2019, HFLF issued the Series 2019-1 Asset Backed Notes, Class A, Class B, Class C, Class D and Class E in an aggregate principal amount of $650 million. The HFLF Series 2019-1 Notes are fixed rate, except for the Class A-1 Notes, which are floating rate and carry an interest rate based upon a spread to one-month LIBOR.

Canadian Securitization

In April 2019, TCL Funding Limited Partnership ("Funding LP"), a bankruptcy remote, indirect, wholly owned, special purpose subsidiary of Hertz, amended its supplemental indenture for its Series 2015-A Variable Funding Rental Car Asset Backed Notes (the "Funding LP Series 2015-A Notes") to provide for incremental seasonal capacity (subject to borrowing base availability) of up to CAD$90 million from June 2019 to October 2019. Following the expiration of the seasonal commitment period, aggregate maximum borrowings available under the Funding LP Series 2015-A Notes will revert to CAD$350 million (subject to borrowing base availability). Additionally, the Canadian Securitization was amended to extend the maturity of the aggregate maximum borrowings of CAD$350 million to March 2021.

U.K. Financing Facility

In May 2019, Hertz U.K. Limited amended its credit agreement ("U.K. Financing Facility") to provide for aggregate maximum borrowing capacity (subject to asset availability) of up to £325 million during the peak rental season, for a seasonal commitment period through October 2019. Following the expiration of the seasonal commitment period, aggregate maximum borrowings available under the U.K. Financing Facility will revert to £250 million (subject to asset availability). Additionally, the U.K. Financing Facility was amended to extend the maturity of the aggregate maximum borrowings of £250 million to March 2021.

Borrowing Capacity and Availability

Borrowing capacity and availability comes from the Company's "revolving credit facilities," which are a combination of variable funding asset-backed securitization facilities, cash-flow-based revolving credit facilities, asset-based revolving credit facilities and a standalone $400 million letter of credit facility (the "Letter of Credit Facility"). Creditors under each such asset-backed securitization facility and asset-based revolving credit facility have a claim on a specific pool of assets as collateral. The Company's ability to borrow under each such asset-backed securitization facility and asset-based revolving credit facility is a function of, among other things, the value of the assets in the relevant collateral pool. With respect to each such asset-backed securitization facility and asset-based revolving credit facility, the Company refers to the amount of debt it can borrow given a certain pool of assets as the borrowing base.

The Company refers to "Remaining Capacity" as the maximum principal amount of debt permitted to be outstanding under the respective facility (i.e., with respect to a variable funding asset-backed securitization facility or asset-based revolving credit facility, the amount of debt the Company could borrow assuming it possessed sufficient assets as collateral) less the principal amount of debt then-outstanding under such facility. With respect to a variable funding asset-backed securitization facility or asset-based revolving credit facility, the Company refers to "Availability Under Borrowing Base Limitation" as the lower of Remaining Capacity or the borrowing base less the principal amount of debt then-outstanding under such facility (i.e., the amount of debt that can be borrowed given the collateral possessed at such time). With respect to the Senior RCF and the Letter of Credit Facility, "Availability Under Borrowing Base Limitation" is the same as "Remaining Capacity" since borrowings under the Senior RCF and availability for issuances of letters of credit under the Letter of Credit Facility are not subject to a borrowing base.

The following facilities were available to the Company as of June 30, 2019 and are presented net of any outstanding letters of credit:

(In millions)	Remaining Capacity	Availability Under Borrowing Base Limitation
Non-Vehicle Debt		
Senior RCF	$ 397	$ 397
Letter of Credit Facility	4	4
Total Non-Vehicle Debt	401	401
Vehicle Debt		
U.S. Vehicle RCF	—	—
HVF II U.S. Vehicle Variable Funding Notes	501	—
HFLF Variable Funding Notes	436	15
European ABS	112	—
Canadian Securitization	—	—
Australian Securitization	23	—
U.K. Financing Facility	19	—
New Zealand RCF	3	—
Total Vehicle Debt	1,094	15
Total	$ 1,495	$ 416

Letters of Credit

As of June 30, 2019, there were outstanding standby letters of credit totaling $773 million. Such letters of credit have been issued primarily to support the Company's insurance programs, vehicle rental concessions and leaseholds as well as to provide credit enhancement for its asset-backed securitization facilities. Of this amount, $465 million was issued under the Senior RCF and $301 million was issued under the Letter of Credit Facility. As of June 30, 2019, none of the issued letters of credit have been drawn upon.

Special Purpose Entities

Substantially all of the Company's revenue earning vehicles and certain related assets are owned by special purpose entities, or are encumbered in favor of the lenders under the various credit facilities, other secured financings and asset-backed securities programs. None of such assets (including the assets owned by Hertz Vehicle Financing II LP, HVF II GP Corp., Hertz Vehicle Financing LLC, Rental Car Finance LLC, DNRS II LLC, HFLF, Donlen Trust and various international subsidiaries that facilitate the Company's international securitizations) are available to satisfy the claims of general creditors.

The Company has a 25% ownership interest in International Fleet Financing II ("IFF No. 2"), whose sole purpose is to provide commitments to lend in various currencies subject to borrowing bases comprised of revenue earning vehicles and related assets of certain of Hertz International, Ltd.'s subsidiaries. IFF No. 2 is a VIE and the Company is the primary beneficiary, therefore, the assets, liabilities, and results of operations of IFF No. 2 are included in the Company's unaudited condensed consolidated financial statements. As of June 30, 2019 and December 31, 2018, IFF No. 2 had total assets of $1.3 billion and $946 million, respectively, primarily comprised of loans receivable, and total liabilities of $1.3 billion and $946 million, respectively, primarily comprised of debt.

Covenant Compliance

The financial covenant provides that Hertz’s consolidated first lien net leverage ratio, as defined in the credit agreements governing the Senior RCF and the Letter of Credit Facility, as of the last day of any fiscal quarter may not exceed a ratio of 3.00 to 1.00 (the "Covenant Leverage Ratio"). As of June 30, 2019, Hertz was in compliance with the Covenant Leverage Ratio.

Note 4—Leases

As disclosed in the Leases section of Note 2, “Basis of Presentation and Recently Issued Accounting Pronouncements” ("Note 2"), the Company adopted Topic 842 in accordance with the effective date on January 1, 2019. Note 2 includes disclosures regarding the Company’s method of adoption and the impact upon adoption to its financial position, results of operations and cash flows.

The Company enters into agreements as a lessor under which it rents vehicles and leases fleets to customers. The Company enters into agreements as a lessee to rent real estate, vehicles and other equipment and to conduct its vehicle rental operations under concession agreements. If any of the following criteria is met, the Company classifies the lease as a financing lease (as a lessee) or as a direct financing or sales-type lease (as a lessor):

- The lease transfers ownership of the underlying asset to the lessee by the end of the lease term;
- The lease grants the lessee an option to purchase the underlying asset that the Company is reasonably certain to exercise;
- The lease term is for 75% or more of the remaining economic life of the underlying asset, unless the commencement date falls within the last 25% of the economic life of the underlying asset;
- The present value of the sum of the lease payments equals or exceeds 90% of the fair value of the underlying asset; or
- The underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.

Leases that do not meet any of the above criteria are accounted for as operating leases.

The Company combines lease and non-lease components in its contracts under Topic 842.

The following further describes the Company's leasing transactions.

Lessor

The Company's operating leases for vehicle rentals have rental periods that are typically short term in nature (e.g., daily or weekly) and can generally be extended for up to one month or terminated at the customer's discretion. Rental charges are computed on a limited or unlimited mileage rate, or on a time rate plus a mileage charge. In connection with the vehicle rental, the Company offers supplemental equipment rentals (e.g., child seats and ski racks) and issues loyalty points to customers enrolled in its Hertz Gold Plus Rewards program, which are deemed lease components. The Company also offers value-added services in connection with the vehicle rental, which are deemed non-lease components, such as loss or collision damage waiver, theft protection, liability and personal accident/effects insurance coverage, premium emergency roadside service and satellite radio. Additionally, the Company charges for variable services primarily consisting of tolls and refueling charges incurred during the rental period, and for fees associated with the early or late termination of the vehicle lease. The Company mitigates residual value risk of its revenue earning vehicles by utilizing manufacturer repurchase and guaranteed depreciation programs, using sophisticated vehicle diagnostic and repair equipment to maintain the condition of its vehicles, and through periodic reviews of vehicle depreciation rates based on management's ongoing assessment of present and estimated future market conditions.

The Company's operating leases for fleets have lease periods that are typically for twelve months, after which the lease converts to a month-to-month lease, allowing the vehicle to be surrendered any time thereafter. The Company's fleet leases contain a terminal rental adjustment clause ("TRAC") where, upon sale of the vehicle following the termination of the lease, a TRAC adjustment may result through which the lessee is credited or charged with the gain or loss on the vehicle. Such TRAC adjustments are considered variable charges.

The following table summarizes the amount of operating lease income and other income included in total revenues in the accompanying condensed consolidated statements of operations for the three and six months ended June 30, 2019:

(In millions)	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease income from vehicle rentals	$ 2,208	$ 4,041
Operating lease income from fleet leasing	168	326
Variable operating lease income	43	77
Revenue accounted for under Topic 842	2,419	4,444
Revenue accounted for under Topic 606	92	174
Total revenues	$ 2,511	$ 4,618

Lessee

As a lessee, the Company has the following types of operating leases:

- Concession agreements which grant the Company the right to conduct its vehicle rental operations at airports, hotels and train stations and to use building space such as terminal counters and parking garages;
- Real estate leases for its off airport vehicle rental locations and other premises;
- Revenue earning vehicle leases; and
- Other equipment leases.

The Company's lease terms generally range from one month to thirty-five years and a number of agreements contain escalation clauses, which increase the payment obligation based on a fixed or variable rate, and renewal options. The length of renewals vary and may result in different payment terms. Payment terms are based on fixed rates explicit in the lease, including guaranteed minimums, and/or variable rates based on:

- Operating expenses, such as common area charges, real estate taxes and insurance;
- A percentage of revenues or sales arising at the relevant premises; and/or
- Periodic inflation adjustments.

The Company recognizes a ROU asset and lease liability in its accompanying condensed consolidated balance sheets for leases with a term greater than twelve months. Options to extend or terminate a lease are included in the Company's ROU asset and lease liability when it is reasonably certain that such options will be exercised. The Company does not recognize ROU assets or lease liabilities for short-term leases (i.e., those with a term of twelve months or less) and recognizes lease expense on a straight-line basis over the lease term.

To determine the present value of its lease payments, the Company utilizes the interest rate implicit in the lease agreement. If the implicit interest rate was not provided in the lease agreement, the Company utilizes the Company's collateralized incremental borrowing rate as of the beginning of the reporting period or the commencement date of the lease, whichever is later.

The following table summarizes the amount of lease costs incurred by the Company:

(In millions)	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019	Year Ended December 31, 2018
Minimum fixed lease costs[1]:			
Short-term lease costs	$ 32	$ 62	N/A
Other operating lease costs	135	269	N/A
Total	$ 167	$ 331	$ 577
Variable lease costs	83	146	438
Total lease costs	$ 250	$ 477	$ 1,015

[1] Topic 842, which was adopted on January 1, 2019, requires the Company to disclose the short term portion of minimum fixed lease costs. For the year ended December 31, 2018, under the then existing guidance in Topic 840, the Company was only required to disclose minimum fixed costs in total.

The following summarizes the weighted average remaining lease term and weighted average discount rate for the Company's operating leases as a lessee:

	As of June 30, 2019
Weighted average remaining lease term (in years)	9
Weighted average discount rate	10.9%

The following table summarizes the Company's minimum fixed lease obligations under existing agreements as a lessee, excluding variable concession obligations and short-term leases, as of June 30, 2019:

(In millions)	
July 1, 2019 - June 30, 2020	$ 465
July 1, 2020 - June 30, 2021	385
July 1, 2021 - June 30, 2022	311
July 1, 2022 - June 30, 2023	231
July 1, 2023 - June 30, 2024	174
After June 30, 2024	964
Total lease payments	2,530
Interest	(992)
Operating lease liabilities at June 30, 2019	$ 1,538

Note 5—Income Tax (Provision) Benefit

Hertz Global

The effective tax rate for the three months ended June 30, 2019 and 2018 is (9)% and 27%, respectively. The effective tax rate for the six months ended June 30, 2019 and 2018 is (3)% and 16%, respectively.

The Company recorded a tax provision of $4 million and $3 million for the three and six months ended June 30, 2019, respectively, compared to a tax benefit of $23 million and $52 million for the three and six months ended June 30, 2018, respectively. The effective income tax rate and related tax benefit are lower for the three and six months ended June 30, 2019 driven by overall improvement in results from operations, primarily due to lower losses in the U.S. where an income tax benefit was recognized, and the composition of earnings by jurisdiction.

Hertz

The effective tax rate for the three months ended June 30, 2019 and 2018 is (11)% and 27%, respectively. The effective tax rate for the six months ended June 30, 2019 and 2018 is (4)% and 16%, respectively.

The Company recorded a tax provision of $5 million and $4 million for the three and six months ended June 30, 2019, respectively, compared to a tax benefit of $23 million and $51 million for the three and six months ended June 30, 2018, respectively. The effective income tax rate and related tax benefit are lower for the three and six months ended June 30, 2019 driven by overall improvement in results from operations, primarily due to lower losses in the U.S. where an income tax benefit was recognized, and the composition of earnings by jurisdiction.

Note 6—Earnings (Loss) Per Share - Hertz Global

Basic earnings (loss) per share has been computed based upon the weighted average number of common shares outstanding. Diluted earnings (loss) per share has been computed based upon the weighted average number of common shares outstanding plus the effect of all potentially dilutive common stock equivalents, except when the effect would be anti-dilutive.

Basic weighted average shares outstanding and weighted average shares used to calculate diluted earnings (loss) per share for the three and six months ended June 30, 2018 have been adjusted to give effect to the rights offering described in Note 12,"Subsequent Events." For the three and six months ended June 30, 2019, the basic weighted average shares outstanding and weighted average shares used to calculate diluted earnings (loss) per share also are adjusted for the rights offering.

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions, except per share data)	2019	2018	2019	2018
Basic and diluted earnings (loss) per share:				
Numerator:				
Net income (loss)	$ 40	$ (63)	$ (107)	$ (265)
Net (income) loss attributable to noncontrolling interests	(2)	—	(1)	—
Net income (loss) attributable to Hertz Global	$ 38	$ (63)	$ (108)	$ (265)
Denominator:				
Unadjusted basic weighted average shares outstanding	84	84	84	83
Rights offering adjustment	12	12	12	12
Basic weighted average shares outstanding	96	96	96	95
Dilutive stock options, RSUs and PSUs	1	—	—	—
Weighted average shares used to calculate diluted earnings (loss) per share	97	96	96	95
Antidilutive stock options, RSUs, PSUs and PSAs	1	3	2	3
Earnings (loss) per share:				
Basic earnings (loss) per share	$ 0.40	$ (0.66)	$ (1.13)	$ (2.78)
Diluted earnings (loss) per share	$ 0.40	$ (0.66)	$ (1.13)	$ (2.78)

Note 7—Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The fair value of cash, restricted cash, accounts receivable, accounts payable and accrued expenses, to the extent the underlying liability will be settled in cash, approximates the carrying values because of the short-term nature of these instruments.

Cash Equivalents, Restricted Cash Equivalents and Investments

The Company's cash equivalents and restricted cash equivalents primarily consist of investments in money market funds and time deposits. The Company determines the fair value of cash equivalents using a market approach based on quoted prices in active markets (Level 1 inputs).

Investments in equity securities that are measured at fair value on a recurring basis consist of marketable securities.

The following table summarizes the ending balances of the Company's cash equivalents, restricted cash equivalents and investments:

	June 30, 2019				December 31, 2018			
(In millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Money market funds and time deposits	$ 202	$ —	$ —	$ 202	$ 701	$ —	$ —	$ 701
Equity securities	64	—	—	64	44	—	—	44

Debt Obligations

The fair value of debt is estimated based on quoted market rates as well as borrowing rates currently available to the Company for loans with similar terms and average maturities (Level 2 inputs).

	As of June 30, 2019		As of December 31, 2018	
(In millions)	Nominal Unpaid Principal Balance	Aggregate Fair Value	Nominal Unpaid Principal Balance	Aggregate Fair Value
Non-Vehicle Debt	$ 4,457	$ 4,458	$ 4,455	$ 4,011
Vehicle Debt	14,969	15,080	11,945	11,891
Total	$ 19,426	$ 19,538	$ 16,400	$ 15,902

Note 8—Contingencies and Off-Balance Sheet Commitments

Legal Proceedings

Public Liability and Property Damage

The Company is currently a defendant in numerous actions and has received numerous claims on which actions have not yet commenced for public liability and property damage arising from the operation of motor vehicles rented from the Company. The obligation for public liability and property damage on self-insured U.S. and international vehicles, as stated in the accompanying unaudited condensed consolidated balance sheets, represents an estimate for both reported accident claims not yet paid and claims incurred but not yet reported. The related liabilities are recorded on a non-discounted basis. Reserve requirements are based on rental volume and actuarial evaluations of historical accident claim experience and trends, as well as future projections of ultimate losses, expenses, premiums and administrative costs. As of June 30, 2019 and December 31, 2018, the Company's liability recorded for public liability and property damage matters is $426 million and $418 million, respectively. The Company believes that its analysis is based on the most relevant information available, combined with reasonable assumptions, and that the Company may prudently rely on this information to determine the estimated liability. The liability is subject to significant uncertainties. The adequacy of the liability reserve is regularly monitored based on evolving accident claim history and insurance related state legislation changes. If the Company's estimates change or if actual results differ from these assumptions, the amount of the recorded liability is adjusted to reflect these results.

Loss Contingencies

From time to time the Company is a party to various legal proceedings, typically involving operational issues common to the vehicle rental business, including claims by employees and former employees and governmental investigations. The Company has summarized below the most significant legal proceedings to which the Company was and/or is a party during the six months ended June 30, 2019 or the period after June 30, 2019, but before the filing of this Quarterly Report on Form 10-Q.

Governmental Investigations - The Company previously identified certain activities in Brazil that raised issues under the Foreign Corrupt Practices Act (the "FCPA") and other federal and local laws, which the Company self-reported to appropriate government entities. The matters associated with the FCPA and other federal matters have been resolved without further action by the applicable U.S. government entities. The Company is continuing its cooperation with respect to matters under local Brazilian laws. The Company has accrued a loss contingency with respect to the ongoing Brazil-related matters that is not material.

In re Hertz Global Holdings, Inc. Securities Litigation - In November 2013, a purported shareholder class action, Pedro Ramirez, Jr. v. Hertz Global Holdings, Inc., et al., was commenced in the U.S. District Court for the District of New Jersey naming Old Hertz Holdings and certain of its officers as defendants and alleging violations of the federal securities laws. The complaint alleged that Old Hertz Holdings made material misrepresentations and/or omissions of material fact in certain of its public disclosures in violation of Section 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. The complaint sought an unspecified amount of monetary damages on behalf of the purported class and an award of costs and expenses, including counsel fees and expert fees. The complaint, as amended, was dismissed with prejudice on April 27, 2017 and on September 20, 2018, the Third Circuit affirmed the dismissal of the complaint with prejudice. On February 5, 2019, the plaintiffs filed a motion asking the federal district court to exercise its discretion and allow the plaintiffs to reinstate their claims to include additional allegations from the administrative order agreed to by the SEC and the Company in December 2018. The motion has been fully briefed and is pending before the federal district court.

In addition to the matters described above, the Company maintains an internal compliance program through which it from time to time identifies other potential violations of laws and regulations applicable to the Company. When the Company identifies such matters, the Company conducts an internal investigation and otherwise cooperates with governmental authorities, as appropriate.

The Company has established reserves for matters where the Company believes that losses are probable and can be reasonably estimated. Other than the aggregate reserve established for claims for public liability and property damage, none of those reserves are material. For matters, including certain of those described above, where the Company has not established a reserve, the ultimate outcome or resolution cannot be predicted at this time, or the amount of ultimate loss, if any, cannot be reasonably estimated. These matters are subject to many uncertainties and the outcome of the individual litigated matters is not predictable with assurance. It is possible that certain of the actions, claims, inquiries or proceedings, including those discussed above, could be decided unfavorably to the Company or any of its subsidiaries involved. Accordingly, it is possible that an adverse outcome from such a proceeding could exceed the amount accrued in an amount that could be material to the accompanying consolidated financial condition, results of operations or cash flows in any particular reporting period.

Other Proceedings

Litigation Against Former Executives - On March 25, 2019, the Company filed a petition against Mark Frissora, Elyse Douglas and John Jeffrey Zimmerman, all former senior executive officers of the former Hertz Global Holdings, Inc. ("Old Hertz Holdings"), in the U.S. District Court for the District of New Jersey alleging four causes of action for breach of contract, with a fifth cause of action seeking a declaratory judgment denying the defendants' entitlement to advances of fees and expenses under the Company's indemnification bylaws. On March 28, 2019, the Company filed a petition against Scott Sider, a former senior executive of Old Hertz Holdings, in the Circuit Court of the Twentieth Judicial Circuit in Lee County, Florida alleging three causes of action for breach of contract, with a fourth cause of action seeking a declaratory judgment denying the defendants' entitlement to advances of fees and expenses under the Company's indemnification bylaws. The Company is seeking repayment of incentive-based compensation received by the defendants in connection with the restatements included in the Old Hertz Holdings Form 10-K for the year ended December 31, 2014 and related accounting for prior periods. The Company is also seeking recovery for the costs of the SEC investigation that resulted in an administrative order on December 31, 2018 with respect to events generally involving the restatements included in Old Hertz Holdings Form 10-K for the year ended December 31, 2014 and other damages resulting from the necessity of the restatements. The Company is pursuing these legal proceedings in accordance with its clawback policy and contractual rights. After the defendants in the New Jersey litigation filed motions to dismiss, the Company filed a first amended complaint. Scott Sider similarly filed a motion to dismiss and the venue of the petition against Scott Sider has been moved to the Twentieth Judicial Circuit for the State of Florida in Collier County. Pursuant to the agreements governing the separation of Herc Holdings from Hertz Global that occurred on June 30, 2016, Herc Holdings is entitled to 15% of the net proceeds of any such repayment or recovery.

Indemnification Obligations

In the ordinary course of business, the Company has executed contracts involving indemnification obligations customary in the relevant industry and indemnifications specific to a transaction such as the sale of a business. These indemnification obligations might include claims relating to the following: environmental matters; intellectual property rights; governmental regulations and employment-related matters; customer, supplier and other commercial contractual relationships; and financial matters. Specifically, the Company has indemnified various parties for the costs associated with remediating numerous hazardous substance storage, recycling or disposal sites in many states and, in some instances, for natural resource damages. The amount of any such expenses or related natural resource damages for which the Company may be held responsible could be substantial. In addition, Hertz entered into customary indemnification agreements with Hertz Holdings and certain of the Company's stockholders and their affiliates pursuant to which Hertz Holdings and Hertz will indemnify those entities and their respective affiliates, directors, officers, partners, members, employees, agents, representatives and controlling persons, against certain liabilities arising out of performance of a consulting agreement with Hertz Holdings and each of such entities and certain other claims and liabilities, including liabilities arising out of financing arrangements or securities offerings. The Company has entered into customary indemnification agreements with each of its directors and certain of its officers. Performance under these indemnification obligations would generally be triggered by a breach of terms of the contract or by a third-party claim. In connection with the Spin-Off, the Company executed an agreement with Herc Holdings that contains mutual indemnification clauses and a customary indemnification provision with respect to liability arising out of or resulting from assumed legal matters. The Company regularly evaluates the probability of having to incur costs associated with these indemnification obligations and has accrued for expected losses that are probable and estimable.

Note 9—Related Party Transactions

Agreements with the Icahn Group

In the normal course of business, the Company purchases goods and services and leases property from entities controlled by Carl C. Icahn and his affiliates, including The Pep Boys - Manny, Moe & Jack (collectively, the "Icahn Group"). During the three months ended June 30, 2019 and 2018, the Company purchased approximately $12 million and $11 million, respectively, worth of goods and services from these related parties. During the six months ended June 30, 2019 and 2018, the Company purchased approximately $24 million and $17 million, respectively, worth of goods and services from these related parties.

In May 2018, the Company sold approximately $36 million of marketable securities to the Icahn Group at the then current market price of such securities.

Transactions and Agreements between Hertz Holdings and Hertz

In June 2018, Hertz entered into a master loan agreement with Hertz Holdings for a facility size of $425 million with an expiration in June 2019 (the "2018 Master Loan"). The interest rate is based on the U.S. Dollar LIBOR rate plus a margin.

In June 2019, upon expiration of the 2018 Master Loan, Hertz entered into a new master loan agreement with Hertz Holdings for a facility size of $425 million with an expiration in June 2020 (the "2019 Master Loan") where amounts outstanding under the 2018 Master Loan were transferred to the 2019 Master Loan. The interest rate is based on the U.S. Dollar LIBOR rate plus a margin. As of June 30, 2019 and December 31, 2018, there was $123 million and $117 million, respectively, outstanding under the 2019 Master Loan representing advances and any accrued but unpaid interest. Additionally, Hertz has a loan due to an affiliate in the amount of $65 million as of June 30, 2019 and December 31, 2018, which represents a tax-related liability to Hertz Holdings.

The net impact of the above amounts are included in stockholder's equity in the accompanying unaudited condensed consolidated balance sheets of Hertz.

767 Auto Leasing LLC

In January 2018, Hertz entered into a Master Motor Vehicle Lease and Management Agreement (the “767 Lease Agreement”) pursuant to which Hertz granted 767 Auto Leasing LLC (“767”), an entity affiliated with the Icahn Group, the option to acquire certain vehicles from Hertz at rates aligned with the rates at which Hertz sells vehicles to third parties. Hertz leases the vehicles purchased by 767 under the 767 Lease Agreement or from third parties, under a mutually developed fleet plan and Hertz manages, services, repairs, sells and maintains those leased vehicles on behalf of 767. Hertz rents the leased vehicles to drivers of transportation network companies ("TNC"), including Lyft, Inc. drivers, from rental counters within locations leased or owned by affiliates of 767, including locations operated under a master lease agreement with The Pep Boys - Manny, Joe & Jack. The 767 Lease Agreement has an initial term of 18 months and is subject to automatic six month renewals thereafter, unless terminated by either party (with or without cause) prior to the start of any such six month renewal. 767’s payment obligations under the 767 Lease Agreement are guaranteed by American Entertainment Properties Corp. ("American"), an entity affiliated with the Icahn Group. During the three and six months ended June 30, 2019, American contributed $20 million and $45 million, respectively to 767 along with certain services.

The Company is entitled to 25% of the profit from the rental of the leased vehicles, as specified in the 767 Lease Agreement, which is variable and based primarily on the rental revenue, less certain vehicle related costs, such as depreciation, licensing and maintenance expenses. The Company has determined that it is the primary beneficiary of 767 due to its power to direct the activities of 767 that most significantly impact 767's economic performance and the Company's obligation to absorb 25% of 767's gains/losses. Accordingly, 767 is consolidated by the Company as a VIE.

Note 10—Segment Information

The Company’s chief operating decision maker assesses performance and allocates resources based upon the financial information for the Company’s operating segments. The Company aggregates certain of its operating segments into its reportable segments. The Company has identified three reportable segments, which are organized based on the products and services provided by its operating segments and the geographic areas in which its operating segments conduct business, as follows:

- U.S. Rental Car ("U.S. RAC") - rental of vehicles (cars, crossovers and light trucks), as well as sales of value-added services, in the U.S. and consists of the Company's U.S. operating segment;

- International Rental Car ("International RAC") - rental and leasing of vehicles (cars, vans, crossovers and light trucks), as well as sales of value-added services, internationally and consists of the Company's Europe and Other International operating segments, which are aggregated into a reportable segment based primarily upon similar economic characteristics, products and services, customers, delivery methods and general regulatory environments;

- All Other Operations - primarily consists of the Company's Donlen business, which provides vehicle leasing and fleet management services, together with other business activities which represent less than 1% of revenues and expenses of the segment.

Effective during the three months ended June 30, 2019, the Company changed its segment measure of profitability for its reportable segments to Adjusted EBITDA, as shown in the Adjusted EBITDA reconciliation tables below. This measure better aligns with the way the Company reviews its overall vehicle rental and leasing business and determines management incentive compensation. Prior to the three months ended June 30, 2019, the Company's segment measure of profitability was Adjusted Pre-tax Income (Loss) which included non-vehicle depreciation and amortization, net non-vehicle debt interest and certain other items. For comparability purposes, the Company has revised the 2018 segment results to reflect the new segment measure of profitability.

In addition to the above reportable segments, the Company has corporate operations ("Corporate") which includes general corporate assets and expenses and certain interest expense (including net interest on non-vehicle debt). Corporate includes other items necessary to reconcile the reportable segments to the Company's total amounts.

The following tables provide significant statement of operations and balance sheet information by segment for each of Hertz Global and Hertz, including Adjusted EBITDA, the measure used to determine segment profitability.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2019	2018	2019	2018
Revenues				
U.S. Rental Car	$ 1,784	$ 1,628	$ 3,304	$ 3,054
International Rental Car	560	589	993	1,057
All Other Operations	167	172	321	341
Total Hertz Global and Hertz	$ 2,511	$ 2,389	$ 4,618	$ 4,452
Depreciation of revenue earning vehicles and lease charges				
U.S. Rental Car	$ 411	$ 447	$ 797	$ 881
International Rental Car	106	112	203	214
All Other Operations	117	128	226	253
Total Hertz Global and Hertz	$ 634	$ 687	$ 1,226	$ 1,348
Adjusted EBITDA				
U.S. Rental Car	$ 156	$ 18	$ 163	$ (30)
International Rental Car	56	81	42	81
All Other Operations	24	21	45	41
Corporate	(29)	(27)	(47)	(59)
Total Hertz Global and Hertz	$ 207	$ 93	$ 203	$ 33

(In millions)	June 30, 2019	December 31, 2018
Total assets		
U.S. Rental Car	$ 17,775	$ 13,983
International Rental Car	5,470	4,057
All Other Operations	2,059	1,843
Corporate	1,050	1,499
Total Hertz Global	26,354	21,382
Corporate - Hertz	(1)	—
Hertz	$ 26,353	$ 21,382

Reconciliations of Adjusted EBITDA by segment to the Company's total amounts are summarized below.

Hertz Global

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2019	2018	2019	2018
Adjusted EBITDA:				
U.S. Rental Car	$ 156	$ 18	$ 163	$ (30)
International Rental Car	56	81	42	81
All Other Operations	24	21	45	41
Total reportable segments	236	120	250	92
Corporate[1]	(29)	(27)	(47)	(59)
Total Hertz Global	207	93	203	33
Adjustments:				
Non-vehicle depreciation and amortization	(51)	(56)	(99)	(113)
Non-vehicle debt interest, net of interest income	(72)	(73)	(144)	(146)
Vehicle debt-related charges[2]	(9)	(9)	(19)	(19)
Loss on extinguishment of vehicle debt[3]	—	(20)	—	(22)
Restructuring and restructuring related charges[4]	(4)	(10)	(10)	(13)
Information technology and finance transformation costs[5]	(38)	(29)	(60)	(51)
Other items[6]	11	18	25	14
Income (loss) before income taxes	$ 44	$ (86)	$ (104)	$ (317)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

Hertz

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2019	2018	2019	2018
Adjusted EBITDA:				
U.S. Rental Car	$ 156	$ 18	$ 163	$ (30)
International Rental Car	56	81	42	81
All Other Operations	24	21	45	41
Total reportable segments	236	120	250	92
Corporate[(1)]	(29)	(27)	(47)	(59)
Total Hertz	207	93	203	33
Adjustments:				
Non-vehicle depreciation and amortization	(51)	(56)	(99)	(113)
Non-vehicle debt interest, net of interest income	(70)	(71)	(141)	(143)
Vehicle debt-related charges[(2)]	(9)	(9)	(19)	(19)
Loss on extinguishment of vehicle debt[(3)]	—	(20)	—	(22)
Restructuring and restructuring related charges[(4)]	(4)	(10)	(10)	(13)
Information technology and finance transformation costs[(5)]	(38)	(29)	(60)	(51)
Other items[(6)]	11	18	25	14
Income (loss) before income taxes	$ 46	$ (84)	$ (101)	$ (314)

(1) Represents other reconciling items primarily consisting of general corporate expenses, non-vehicle interest expense, as well as other business activities.

(2) Represents vehicle debt-related charges relating to the amortization of deferred financing costs and debt discounts and premiums.

(3) In 2018, primarily represents $20 million of early redemption premium and write-off of deferred financing costs associated with the full redemption of the 4.375% European Vehicle Senior Notes due January 2019 in April 2018.

(4) Represents charges incurred under restructuring actions as defined in U.S. GAAP, excluding impairments and asset write-downs. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives. Such costs include transition costs incurred in connection with business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes. In 2018, also includes consulting costs, legal fees, and other expenses related to the previously disclosed accounting review and investigation.

(5) Represents costs associated with the Company's information technology and finance transformation programs, both of which are multi-year initiatives to upgrade and modernize the Company's systems and processes.

(6) Represents miscellaneous items, including non-cash stock-based compensation charges, and amounts attributable to noncontrolling interests. In 2019, includes a $20 million gain on marketable securities, of which $9 million was recorded during the second quarter of 2019, and a $12 million gain on the sale of non-vehicle capital assets, of which $4 million was recorded in the second quarter of 2019. In 2018, includes a $17 million gain on marketable securities and a $6 million legal settlement received in the second quarter related to an oil spill in the Gulf of Mexico in 2010.

Note 11—Guarantor and Non-Guarantor Condensed Consolidating Financial Information - Hertz

The following tables present the Condensed Consolidating Balance Sheets as of June 30, 2019 and December 31, 2018, the Condensed Consolidating Statements of Operations and Comprehensive Income (Loss) for the three and six months ended June 30, 2019 and 2018 and the Condensed Consolidating Statements of Cash Flows for the six months ended June 30, 2019 and 2018 of (a) The Hertz Corporation, ("Parent"); (b) the Parent's subsidiaries that guarantee the Senior Notes issued by the Parent ("Guarantor Subsidiaries"); (c) the Parent's subsidiaries that do not guarantee the Senior Notes issued by the Parent ("Non-Guarantor Subsidiaries"); (d) elimination entries necessary to consolidate the Parent with the Guarantor Subsidiaries and Non-Guarantor Subsidiaries ("Eliminations"); and (e) Hertz on a consolidated basis.

Investments in subsidiaries are accounted for using the equity method for purposes of the consolidating presentation. The principal elimination entries relate to investments in subsidiaries and intercompany balances and transactions. The Guarantor Subsidiaries are 100% owned by the Parent and all guarantees are full and unconditional and joint and several. Additionally, substantially all of the assets of the Guarantor Subsidiaries are pledged under the Senior Facilities and Senior Second Priority Secured Notes, and consequently will not be available to satisfy the claims of Hertz general creditors. In lieu of providing separate unaudited financial statements for the Guarantor Subsidiaries, Hertz has included the accompanying condensed consolidating financial statements based on Rule 3-10 of the SEC's Regulation S-X. Management of Hertz does not believe that separate financial statements of the Guarantor Subsidiaries are material to Hertz's investors; therefore, separate financial statements and other disclosures concerning the Guarantor Subsidiaries are not presented.

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
June 30, 2019
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
ASSETS					
Cash and cash equivalents	$ 140	$ 4	$ 271	$ —	$ 415
Restricted cash and cash equivalents	76	7	156	—	239
Total cash, cash equivalents, restricted cash and restricted cash equivalents	216	11	427	—	654
Receivables, net of allowance	450	187	1,061	—	1,698
Due from affiliates	3,460	4,333	7,687	(15,480)	—
Prepaid expenses and other assets	4,995	29	290	(4,389)	925
Revenue earning vehicles, net	431	—	16,014	—	16,445
Property and equipment, net	610	65	97	—	772
Operating lease right-of-use assets	1,005	173	369	—	1,547
Investment in subsidiaries, net	7,770	1,599	—	(9,369)	—
Intangible assets, net	212	3,013	4	—	3,229
Goodwill	102	943	38	—	1,083
Total assets	$ 19,251	$ 10,353	$ 25,987	$ (29,238)	$ 26,353
LIABILITIES AND STOCKHOLDER'S EQUITY					
Due to affiliates	$ 11,203	$ 1,132	$ 3,145	$ (15,480)	$ —
Accounts payable	416	114	839	—	1,369
Accrued liabilities	824	55	479	—	1,358
Accrued taxes, net	89	19	2,479	(2,423)	164
Debt	4,574	—	14,773	—	19,347
Operating lease liabilities	996	172	370	—	1,538
Public liability and property damage	189	39	198	—	426
Deferred income taxes, net	—	1,733	1,318	(1,966)	1,085
Total liabilities	18,291	3,264	23,601	(19,869)	25,287
Stockholder's equity:					
Total stockholder's equity attributable to Hertz	960	7,089	2,280	(9,369)	960
Noncontrolling interests	—	—	106	—	106
Total stockholder's equity	960	7,089	2,386	(9,369)	1,066
Total liabilities and stockholder's equity	$ 19,251	$ 10,353	$ 25,987	$ (29,238)	$ 26,353

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2018
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
ASSETS					
Cash and cash equivalents	$ 576	$ 3	$ 548	$ —	$ 1,127
Restricted cash and cash equivalents	137	8	138	—	283
Total cash, cash equivalents, restricted cash and restricted cash equivalents	713	11	686	—	1,410
Receivables, net of allowance	421	174	992	—	1,587
Due from affiliates	3,522	5,312	9,101	(17,935)	—
Prepaid expenses and other assets	4,863	34	269	(4,264)	902
Revenue earning vehicles, net	421	1	11,997	—	12,419
Property and equipment, net	590	64	124	—	778
Investment in subsidiaries, net	7,648	1,526	—	(9,174)	—
Intangible assets, net	160	3,039	4	—	3,203
Goodwill	102	943	38	—	1,083
Total assets	$ 18,440	$ 11,104	$ 23,211	$ (31,373)	$ 21,382
LIABILITIES AND STOCKHOLDER'S EQUITY					
Due to affiliates	$ 11,351	$ 2,306	$ 4,278	$ (17,935)	$ —
Accounts payable	388	97	503	—	988
Accrued liabilities	823	69	412	—	1,304
Accrued taxes, net	67	15	2,359	(2,305)	136
Debt	4,567	—	11,757	—	16,324
Public liability and property damage	185	41	192	—	418
Deferred income taxes, net	—	1,729	1,324	(1,959)	1,094
Total liabilities	17,381	4,257	20,825	(22,199)	20,264
Stockholder's equity:					
Total stockholder's equity attributable to Hertz	1,059	6,847	2,327	(9,174)	1,059
Noncontrolling interests	—	—	59	—	59
Total stockholder's equity	1,059	6,847	2,386	(9,174)	1,118
Total liabilities and stockholder's equity	$ 18,440	$ 11,104	$ 23,211	$ (31,373)	$ 21,382

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended June 30, 2019
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Total revenues	$ 1,294	$ 397	$ 2,457	$ (1,637)	$ 2,511
Expenses:					
Direct vehicle and operating	727	304	357	—	1,388
Depreciation of revenue earning vehicles and lease charges	1,585	88	598	(1,637)	634
Selling, general and administrative	148	50	60	—	258
Interest (income) expense, net	108	(48)	137	—	197
Other (income) expense, net	(12)	—	—	—	(12)
Total expenses	2,556	394	1,152	(1,637)	2,465
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries	(1,262)	3	1,305	—	46
Income tax (provision) benefit	62	(1)	(66)	—	(5)
Equity in earnings (losses) of subsidiaries, net of tax	1,239	33	—	(1,272)	—
Net income (loss)	39	35	1,239	(1,272)	41
Net (income) loss attributable to noncontrolling interests	—	—	(2)	—	(2)
Net income (loss) attributable to Hertz	39	35	1,237	(1,272)	39
Total other comprehensive income (loss), net of tax	(2)	2	(3)	1	(2)
Comprehensive income (loss) attributable to Hertz	$ 37	$ 37	$ 1,234	$ (1,271)	$ 37

For the Three Months Ended June 30, 2018
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Total revenues	$ 1,193	$ 368	$ 2,129	$ (1,301)	$ 2,389
Expenses:					
Direct vehicle and operating	839	182	328	—	1,349
Depreciation of revenue earning vehicles and lease charges	1,220	98	670	(1,301)	687
Selling, general and administrative	179	16	70	—	265
Interest (income) expense, net	100	(37)	135	—	198
Other (income) expense, net	(25)	—	(1)	—	(26)
Total expenses	2,313	259	1,202	(1,301)	2,473
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries	(1,120)	109	927	—	(84)
Income tax (provision) benefit	235	(21)	(191)	—	23
Equity in earnings (losses) of subsidiaries, net of tax	824	34	—	(858)	—
Net income (loss)	(61)	122	736	(858)	(61)
Total other comprehensive income (loss), net of tax	(14)	(3)	(14)	17	(14)
Comprehensive income (loss)	$ (75)	$ 119	$ 722	$ (841)	$ (75)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Six Months Ended June 30, 2019
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Total revenues	$ 2,445	$ 717	$ 4,531	$ (3,075)	$ 4,618
Expenses:					
Direct vehicle and operating	1,539	462	654	—	2,655
Depreciation of revenue earning vehicles and lease charges	2,980	162	1,159	(3,075)	1,226
Selling, general and administrative	304	66	120	—	490
Interest (income) expense, net	214	(94)	259	—	379
Other (income) expense, net	(30)	(1)	—	—	(31)
Total expenses	5,007	595	2,192	(3,075)	4,719
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries	(2,562)	122	2,339	—	(101)
Income tax (provision) benefit	105	(5)	(104)	—	(4)
Equity in earnings (losses) of subsidiaries, net of tax	2,351	57	—	(2,408)	—
Net income (loss)	(106)	174	2,235	(2,408)	(105)
Net (income) loss attributable to noncontrolling interests	—	—	(1)	—	(1)
Net income (loss) attributable to Hertz	(106)	174	2,234	(2,408)	(106)
Total other comprehensive income (loss), net of tax	5	4	3	(7)	5
Comprehensive income (loss) attributable to Hertz	$ (101)	$ 178	$ 2,237	$ (2,415)	$ (101)

For the Six Months Ended June 30, 2018
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Total revenues	$ 2,249	$ 687	$ 3,618	$ (2,102)	$ 4,452
Expenses:					
Direct vehicle and operating	1,590	354	641	—	2,585
Depreciation of revenue earning vehicles and lease charges	1,985	182	1,283	(2,102)	1,348
Selling, general and administrative	340	28	130	—	498
Interest (income) expense, net	204	(70)	230	—	364
Other (income) expense, net	(27)	—	(2)	—	(29)
Total expenses	4,092	494	2,282	(2,102)	4,766
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries	(1,843)	193	1,336	—	(314)
Income tax (provision) benefit	356	(35)	(270)	—	51
Equity in earnings (losses) of subsidiaries, net of tax	1,224	58	—	(1,282)	—
Net income (loss)	(263)	216	1,066	(1,282)	(263)
Total other comprehensive income (loss), net of tax	(17)	(5)	(17)	22	(17)
Comprehensive income (loss)	$ (280)	$ 211	$ 1,049	$ (1,260)	$ (280)

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Six Months Ended June 30, 2019
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Net cash provided by (used in) operating activities	$ 336	$ 4	$ 2,871	$ (2,154)	$ 1,057
Cash flows from investing activities:					
Revenue earning vehicles expenditures	(272)	—	(8,675)	—	(8,947)
Proceeds from disposal of revenue earning vehicles	131	—	4,081	—	4,212
Capital asset expenditures, non-vehicle	(102)	(4)	(12)	—	(118)
Proceeds from property and other equipment disposed of or to be disposed of	19	—	2	—	21
Capital contributions to subsidiaries	(711)	—	—	711	—
Return of capital from subsidiaries	442	—	—	(442)	—
Proceeds from/repayments of intercompany loan	—	—	325	(325)	—
Net cash provided by (used in) investing activities	(493)	(4)	(4,279)	(56)	(4,832)
Cash flows from financing activities:					
Proceeds from issuance of vehicle debt	550	—	7,717	—	8,267
Repayments of vehicle debt	(550)	—	(4,704)	—	(5,254)
Proceeds from issuance of non-vehicle debt	815	—	—	—	815
Repayments of non-vehicle debt	(823)	—	—	—	(823)
Payment of financing costs	—	—	(23)	—	(23)
Advances to Hertz Holdings	(6)	—	—	—	(6)
Contributions from noncontrolling interests	—	—	45	—	45
Other	(1)	—	—	—	(1)
Capital contributions received from parent	—	—	711	(711)	—
Payment of dividends and return of capital	—	—	(2,596)	2,596	—
Proceeds from/repayments of intercompany loan	(325)	—	—	325	—
Net cash provided by (used in) financing activities	(340)	—	1,150	2,210	3,020
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	—	—	(1)	—	(1)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	(497)	—	(259)	—	(756)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	713	11	686	—	1,410
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	$ 216	$ 11	$ 427	$ —	$ 654

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Six Months Ended June 30, 2018
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Net cash provided by (used in) operating activities	$ (34)	$ 5	$ 2,093	$ (1,119)	$ 945
Cash flows from investing activities:					
Revenue earning vehicles expenditures	(213)	—	(7,397)	—	(7,610)
Proceeds from disposal of revenue earning vehicles	96	—	3,558	—	3,654
Capital asset expenditures, non-vehicle	(54)	(6)	(20)	—	(80)
Proceeds from property and other equipment disposed of or to be disposed of	3	—	5	—	8
Purchases of marketable securities	(60)	—	(1)	—	(61)
Sales of marketable securities	36	—	—	—	36
Other	—	—	(2)	—	(2)
Capital contributions to subsidiaries	(1,978)	—	—	1,978	—
Return of capital from subsidiaries	1,900	—	—	(1,900)	—
Proceeds from/repayments of intercompany loan	—	—	76	(76)	—
Net cash provided by (used in) investing activities	(270)	(6)	(3,781)	2	(4,055)
Cash flows from financing activities:					
Proceeds from issuance of vehicle debt	1,172	—	8,242	—	9,414
Repayments of vehicle debt	(1,226)	—	(5,603)	—	(6,829)
Proceeds from issuance of non-vehicle debt	187	—	—	—	187
Repayments of non-vehicle debt	(194)	—	—	—	(194)
Payment of financing costs	(1)	—	(26)	—	(27)
Early redemption premium payment	—	—	(19)	—	(19)
Advances to Hertz Holdings	(6)	—	—	—	(6)
Contributions from noncontrolling interests	—	—	10	—	10
Other	1	—	—	—	1
Capital contributions received from parent	—	—	1,978	(1,978)	—
Payment of dividends and return of capital	—	—	(3,019)	3,019	—
Proceeds from/repayments of intercompany loan	(76)	—	—	76	—
Net cash provided by (used in) financing activities	(143)	—	1,563	1,117	2,537
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	—	—	(10)	—	(10)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	(447)	(1)	(135)	—	(583)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	911	16	577	—	1,504
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	$ 464	$ 15	$ 442	$ —	$ 921

Note 12—Subsequent Events

Rights Offering

In June 2019, Hertz Global filed a prospectus supplement to its Registration Statement on Form S-3 declared effective by the SEC on June 12, 2019 for a rights offering to raise gross proceeds of approximately $750 million, providing for the issuance of up to an aggregate of 57,915,055 new shares of Hertz Global common stock (the "rights offering"). Under the terms of the rights offering, each stockholder of Hertz Global was eligible to receive one transferable subscription right ("right") for each share of common stock held as of 5:00 p.m., Eastern Time, on June 24, 2019 (the "record date"). Each right entitled the holder to purchase 0.688285 shares of common stock (the "basic subscription right") at a price of $12.95 per whole share of common stock (the "subscription price"). The rights offering also entitled rights holders who fully exercised their basic subscription rights to subscribe for additional shares of Hertz Global's common stock that remain unsubscribed as a result of any unexercised basic subscription rights (the “over-subscription right”). The rights offering expired at 5:00 p.m., Eastern Time, on July 12, 2019.

Upon closing in July 2019, the rights offering was fully subscribed resulting in Hertz Global selling 57,915,055 shares of its common stock at the subscription price for gross proceeds of $750 million. Pursuant to the terms of the rights offering, 55,816,783 shares of common stock were purchased under the basic subscription right and 2,098,272 shares of common stock were purchased under the over-subscription right.

Senior Notes

In July 2019, Hertz provided conditional notices of full redemption to the registered holders of its 2020 Notes and 2021 Notes. The redemptions of the 2020 Notes and 2021 Notes are each subject to the satisfaction of specified conditions precedent set forth in the applicable notice of conditional redemption, on terms and conditions satisfactory in all respects to Hertz. The anticipated redemption date is August 11, 2019 or, if the conditions precedent are not satisfied on or prior to August 11, 2019, such later date (but not later than September 10, 2019) as such conditions precedent are so satisfied. The redemption price for the 2020 Notes and 2021 notes, respectively, will be equal to 100% of the outstanding principal amount of the 2020 Notes and 2021 Notes, plus accrued but unpaid interest thereon to the date of redemption.

In August 2019, Hertz issued $500 million in aggregate principal amount of 7.125% Senior Notes due 2026 (the "2026 Notes"). The Company intends to utilize the proceeds from the issuance of the 2026 Notes, together with net proceeds from the rights offering described above, to redeem the 2020 Notes and 2021 Notes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Hertz Global Holdings, Inc. (together with its consolidated subsidiaries and variable interest entities, "Hertz Global") is a holding company and its principal, wholly owned subsidiary is The Hertz Corporation (together with its consolidated subsidiaries and variable interest entities, "Hertz"). Hertz Global consolidates Hertz for financial statement purposes, and Hertz comprises approximately the entire balance of Hertz Global's assets, liabilities and operating cash flows. In addition, Hertz's operating revenues and operating expenses comprise nearly 100% of Hertz Global's revenues and operating expenses. As such, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") that follows herein is for Hertz and also applies to Hertz Global in all material respects, unless noted. Differences between the operations and results of Hertz and Hertz Global are separately disclosed and explained. We sometimes use the words "we," "our," "us," and the "Company" in this MD&A for disclosures that relate to all of Hertz and Hertz Global.

This MD&A should be read in conjunction with the MD&A presented in our 2018 Form 10-K and the unaudited condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Report on Form 10-Q for the quarterly period ended June 30, 2019 (this "Report"), which include additional information about our accounting policies, practices and the transactions underlying our financial results. The preparation of our unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts in our unaudited condensed consolidated financial statements and the accompanying notes including vehicle depreciation and various claims and contingencies related to lawsuits, taxes and other matters arising during the normal course of business. We apply our best judgment, our knowledge of existing facts and circumstances and our knowledge of actions that we may undertake in the future in determining the estimates that will affect our unaudited condensed consolidated financial statements. We evaluate our estimates on an ongoing basis using our historical experience, as well as other factors we believe to be appropriate under the circumstances, such as current economic conditions, and adjust or revise our estimates as circumstances change. As future events and their effects cannot be determined with precision, actual results may differ from these estimates.

In this MD&A we refer to the following non-GAAP measure and key metrics:

- *Adjusted Corporate EBITDA - important non-GAAP measure to management because it allows management to assess the operational performance of our business, exclusive of certain items, and allows management to assess the performance of the entire business on the same basis as the segment measure of profitability. Management believes that it is important to investors for the same reasons it is important to management and because it allows them to assess our operational performance on the same basis that management uses internally.*

- *Depreciation Per Unit Per Month - important key metric to management and investors as depreciation of revenue earning vehicles and lease charges is one of our largest expenses for the vehicle rental business and is driven by the number of vehicles, expected residual values at the expected time of disposal and expected hold period of the vehicles. Depreciation Per Unit Per Month is reflective of how we are managing the costs of our vehicles and facilitates a comparison with other participants in the vehicle rental industry.*

- *Total Revenue Per Transaction Day ("Total RPD," also referred to as "pricing") - important key metric to management and investors as it represents a measurement of the changes in underlying pricing in the vehicle rental business and encompasses the elements in vehicle rental pricing that management has the ability to control.*

- *Total Revenue Per Unit Per Month ("Total RPU") - important key metric to management and investors as it provides a measure of revenue productivity relative to the total number of vehicles in our fleet whether owned or leased ("Average Vehicles" or "fleet capacity").*

- *Transaction Days - important key metric to management and investors as it represents the number of revenue generating days ("volume"). It is used as a component to measure Total RPD and Vehicle Utilization. Transaction Days represent the total number of 24-hour periods, with any partial period counted as one Transaction Day, that vehicles were on rent (the period between when a rental contract is opened and closed) in a given period. Thus, it is possible for a vehicle to attain more than one Transaction Day in a 24-hour period.*

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

- *Vehicle Utilization - important key metric to management and investors because it is the measurement of the proportion of our vehicles that are being used to generate revenues relative to fleet capacity. Higher Vehicle Utilization means more vehicles are being utilized to generate revenue.*

Our non-GAAP measure should not be considered in isolation and should not be considered superior to, or a substitute for, financial measures calculated in accordance with U.S. GAAP. The above non-GAAP measure and key metrics are defined, and the non-GAAP measure is reconciled to its most comparable U.S. GAAP measure, in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

OUR COMPANY

Hertz Holdings was incorporated in Delaware in 2015 to serve as the top-level holding company for Rental Car Intermediate Holdings, LLC, which wholly owns Hertz, Hertz Global's primary operating company. Hertz was incorporated in Delaware in 1967 and is a successor to corporations that have been engaged in the vehicle rental and leasing business since 1918.

We operate our vehicle rental business globally primarily through the Hertz, Dollar and Thrifty brands from approximately 10,200 company-owned, licensee and franchisee locations in North America, Europe, Latin America, Africa, Asia, Australia, the Caribbean, the Middle East and New Zealand. We are one of the largest worldwide vehicle rental companies and our Hertz brand name is one of the most recognized globally, signifying leadership in quality rental services and products. We have an extensive network of airport and off airport rental locations in the U.S. and in all major European markets. We are also a provider of integrated vehicle leasing and fleet management solutions through our Donlen subsidiary.

OVERVIEW OF OUR BUSINESS AND OPERATING ENVIRONMENT

We are engaged principally in the business of renting vehicles primarily through our Hertz, Dollar and Thrifty brands. In addition to vehicle rental, we provide integrated vehicle leasing and fleet management solutions through our Donlen subsidiary. We have a diversified revenue base and a highly variable cost structure and are generally able to adjust fleet capacity, the most significant determinant of our costs, to meet expectations of market demand. Our profitability is primarily a function of the volume, mix and pricing of rental transactions and the utilization of vehicles, the related ownership cost of vehicles and other operating costs. Significant changes in the purchase price or residual values of vehicles or interest rates can have a significant effect on our profitability depending on our ability to adjust pricing for these changes. We continue to balance our mix of non-program and program vehicles based on market conditions, including residual values. Our business requires significant expenditures for vehicles, and consequently we require substantial liquidity to finance such expenditures. See the "Liquidity and Capital Resources" section of this MD&A.

Our strategy includes optimization of our vehicle rental operations, disciplined performance management and evaluation of all locations and the pursuit of same-store sales growth.

Our total revenues are primarily derived from rental and related charges and consist of:

- Worldwide vehicle rental revenues - revenues from all company-operated vehicle rental operations, including charges to customers for the reimbursement of costs incurred relating to airport concession fees and vehicle license fees, the fueling of vehicles and revenues associated with value-added services, including the sale of loss or collision damage waivers, theft protection, liability and personal accident/effects insurance coverage, premium emergency roadside service and other products and fees. Also included are ancillary revenues associated with retail vehicle sales and certain royalty fees from our franchisees (such fees are less than 2% of total revenues each period); and
- All other operations revenues - revenues from vehicle leasing and fleet management services by our Donlen business and other business activities.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Our expenses primarily consist of:

- Direct vehicle and operating expense ("DOE"), primarily wages and related benefits; commissions and concession fees paid to airport authorities, travel agents and others; facility, self-insurance and reservation costs; and other costs relating to the operation and rental of revenue earning vehicles, such as damage, maintenance and fuel costs;
- Depreciation expense and lease charges relating to revenue earning vehicles;
- Selling, general and administrative expense ("SG&A"), which includes costs for information technology and finance transformation programs; and
- Interest expense, net.

Our Business Segments

We have identified three reportable segments, which are organized based on the products and services provided by our operating segments and the geographic areas in which our operating segments conduct business, as follows:

- U.S. RAC - Rental of vehicles, as well as sales of value-added services, in the U.S.;
- International RAC - Rental and leasing of vehicles, as well as sales of value-added services, internationally; and
- All Other Operations - Comprised primarily of our Donlen business, which provides vehicle leasing and fleet management services, and other business activities.

In addition to the above reportable segments, we have corporate operations. We assess performance and allocate resources based upon the financial information for our operating segments.

Revenue Earning Vehicles

Revenue earning vehicles used in our rental and leasing operations are stated at cost, net of related discounts and incentives from manufacturers. Holding periods typically range from six to thirty-six months. Also included in revenue earning vehicles are vehicles placed on our retail lots for sale or actively in the process of being sold through other disposition channels.

Program vehicles are purchased under repurchase or guaranteed depreciation programs with vehicle manufacturers wherein the manufacturers agree to repurchase vehicles at a specified price or guarantee the depreciation rate on the vehicles during established repurchase or auction periods, subject to, among other things, certain vehicle condition, mileage and holding period requirements. Guaranteed depreciation programs guarantee on an aggregate basis the residual value of the program vehicle upon sale. Program vehicles generally provide us with flexibility to increase or reduce the size of our fleet based on economic demand. When we increase the percentage of program vehicles, the average age of our fleet decreases since the average holding period for program vehicles is shorter than that for non-program vehicles.

When a revenue earning vehicle is acquired outside of a vehicle repurchase program, we estimate the period that we will hold the asset, primarily based on historical measures of the amount of rental activity (e.g., automobile mileage). We also estimate the residual value of the applicable revenue earning vehicles at the expected time of disposal, taking into consideration factors such as make, model and options, age, physical condition, mileage, sale location, time of the year and channel of disposition (e.g., auction, retail, dealer direct) and market conditions. The vehicle is depreciated using a rate based on these estimates. Depreciation rates are reviewed on a quarterly basis based on management's ongoing assessment of present and estimated future market conditions, their effect on residual values at the expected time of disposal and the estimated holding period of the vehicle. Differences between actual residual values and those estimated result in an adjustment to depreciation upon disposition of the vehicle. Our depreciation of revenue earning vehicles and lease charges also includes costs associated with the disposal of vehicles and rents paid for vehicles leased.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

We dispose of our non-program vehicles via auction, dealer-direct and our retail locations. Non-program vehicles disposed of through our retail locations allow us the opportunity for value-added revenue, such as warranty, financing and title fees. We periodically review and adjust the mix between program and non-program vehicles in our fleet based on contract negotiations and the economic environment pertaining to our industry in an effort to optimize the mix of vehicles.

Seasonality

Our vehicle rental operations are a seasonal business, with decreased levels of business in the winter months and heightened activity during the spring and summer peak ("our peak season") for the majority of countries where we generate our revenues. To accommodate increased demand, we increase our available fleet and staff during the second and third quarters of the year. As business demand declines, vehicles and staff are decreased accordingly. A number of our other major operating costs, including airport concession fees, commissions and vehicle liability expenses, are directly related to revenues or transaction volumes. In addition, our management expects to utilize enhanced process improvements, including utilization initiatives and the use of our information technology systems, to help manage our variable costs. Generally, between 70% and 75% of our annual operating costs represent variable costs, while the remaining costs are fixed or semi-fixed. We also maintain a flexible workforce, with a significant number of part-time and seasonal workers. Certain operating expenses, including real estate taxes, rent, insurance, utilities, maintenance and other facility-related expenses, the costs of operating our information technology systems and minimum staffing costs, remain fixed and cannot be adjusted for seasonal demand.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

2019 Operating Overview

The following provides an overview of our business and financial performance and key factors influencing our results:

- U.S. RAC
  - 2Q 2019 versus 2Q 2018:
    - Total revenues increased $156 million, or 10%
    - Total RPD and Total RPU increased 3%
    - Transaction Days increased 6%
    - Depreciation of revenue earning vehicles and lease charges decreased 8% to $411 million
    - Depreciation Per Unit Per Month decreased 13% to $247
    - Vehicle Utilization increased to 82% from 81%
  - First Half 2019 versus First Half 2018:
    - Total revenues increased $250 million, or 8%
    - Total RPD increased 3% and Total RPU increased 2%
    - Transaction Days increased 5%
    - Depreciation of revenue earning vehicles and lease charges decreased 10% to $797 million
    - Depreciation Per Unit Per Month decreased 14% to $251
    - Vehicle Utilization was comparable at 80%
- International RAC
  - 2Q 2019 versus 2Q 2018:
    - Total revenues decreased $29 million, or 5%, and were flat, excluding the impact of foreign currency exchange at average rates ("fx")
    - Total RPD and Total RPU increased 1%
    - Transaction Days decreased 1%
    - Depreciation of revenue earning vehicles and lease charges decreased 5% to $106 million, and remained flat, excluding fx
    - Depreciation Per Unit Per Month was comparable ($191 versus $189)
    - Vehicle Utilization slightly decreased to 77% from 78%
  - First Half 2019 versus First Half 2018:
    - Total revenues decreased $64 million, or 6%, and was flat, excluding fx
    - Total RPD was flat, and Total RPU decreased 1%
    - Transaction Days were flat
    - Depreciation of revenue earning vehicles and lease charges decreased 5% to $203 million, and increased $3 million, or 2%, excluding fx
    - Depreciation Per Unit Per Month was comparable ($200 versus $199)
    - Vehicle Utilization was comparable at 76%

For more information on the above, see the discussion of our results on a consolidated basis and by segment that follows herein.

Adoption of the New Lease Standard

Effective January 1, 2019, we adopted the new lease standard, Topic 842, which did not have a significant impact to our results of operations for the three and six months ended June 30, 2019. See Note 2**,** "Basis of Presentation and Recently Issued Accounting Pronouncements" to the Notes to our unaudited condensed consolidated financial statements included in this Report for further information.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Change in Segment Measure of Profitability

Effective during the three months ended June 30, 2019, we changed our segment measure of profitability to Adjusted EBITDA. Prior to the three months ended June 30, 2019, our segment measure of profitability was Adjusted Pre-tax Income (Loss), which included non-vehicle depreciation and amortization, net non-vehicle debt interest and certain other items. For comparability purposes, we have revised our 2018 segment results in this MD&A to reflect the new segment measure of profitability.

CONSOLIDATED RESULTS OF OPERATIONS - HERTZ

($ in millions)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Percent Increase/(Decrease)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Percent Increase/(Decrease)
Total revenues	$ 2,511	$ 2,389	5 %	$ 4,618	$ 4,452	4 %
Direct vehicle and operating expenses	1,388	1,349	3	2,655	2,585	3
Depreciation of revenue earning vehicles and lease charges	634	687	(8)	1,226	1,348	(9)
Selling, general and administrative expenses	258	265	(3)	490	498	(2)
Interest expense, net:						
Vehicle	127	127	—	238	221	8
Non-vehicle	70	71	(1)	141	143	(1)
Interest expense, net	197	198	(1)	379	364	4
Other (income) expense, net	(12)	(26)	(54)	(31)	(29)	7
Income (loss) before income taxes	46	(84)	NM	(101)	(314)	(68)
Income tax (provision) benefit	(5)	23	NM	(4)	51	NM
Net income (loss)	41	(61)	NM	(105)	(263)	(60)
Net (income) loss attributable to noncontrolling interests	(2)	—	—	(1)	—	—
Net income (loss) attributable to Hertz	$ 39	$ (61)	NM	$ (106)	$ (263)	(60)
Adjusted Corporate EBITDA[(a)]	$ 207	$ 93	124	$ 203	$ 33	NM

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.
NM - Not meaningful

Three Months Ended June 30, 2019 Compared with Three Months Ended June 30, 2018

Total revenues increased $122 million in the second quarter of 2019 compared to 2018 primarily due to an increase of $156 million in our U.S. RAC segment, partially offset by a decrease of $29 million and $5 million in our International RAC and All Other Operations segments, respectively. U.S. RAC revenues increased due to higher volume and pricing. Excluding the impact of fx, revenues for our International RAC segment were flat.

DOE increased $39 million in the second quarter of 2019 compared to 2018 primarily due to an increase of $31 million and $8 million in our U.S. RAC and International RAC segments, respectively. The increase in our U.S. RAC segment was primarily due to volume growth. Excluding a $21 million fx impact, DOE for International RAC increased $29 million driven primarily by an increase in public liability and property damage ("PLPD") expense.

Depreciation of revenue earning vehicles and lease charges decreased $53 million in the second quarter of 2019 compared to 2018 primarily due to a $36 million decrease in our U.S. RAC segment and an $11 million decrease in our All Other Operations segment. The decrease in our U.S. RAC segment resulted from our vehicle acquisition strategy and continued strength in residual values. The decrease in All Other Operations is due to the impact of a change in presentation for certain leased vehicles during the second quarter of 2019.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

SG&A decreased $7 million in the second quarter of 2019 compared to 2018 primarily due to decreased legal fees, restructuring related expenses and the impact of fx in our International RAC segment, mostly offset by increased information technology and finance transformation program costs and advertising charges. The above changes are primarily related to our International RAC and corporate operations.

Vehicle and non-vehicle interest expense, net in the second quarter of 2019 were comparable to the prior year quarter.

We had other income of $12 million for the second quarter of 2019 compared to $26 million in the second quarter of 2018. Other income in 2019 was primarily comprised of a $9 million gain on marketable securities. Other income in 2018 was primarily comprised of a $17 million gain on marketable securities and a $6 million legal settlement received related to an oil spill in the Gulf of Mexico in 2010.

The effective tax rate in the second quarter of 2019 was (11)% compared to 27% in the second quarter of 2018. We recorded a tax provision of $5 million in the second quarter of 2019 compared to a tax benefit of $23 million in the second quarter of 2018. The effective income tax rate and related tax benefit were lower driven by overall improvement in our results of operations, primarily due to lower losses in the U.S. where an income tax benefit was recognized, and the impact of the composition of earnings by jurisdiction.

Six Months Ended June 30, 2019 Compared with Six Months Ended June 30, 2018

Total revenues increased $166 million in the first half of 2019 compared to 2018 due primarily to an increase of $250 million in our U.S. RAC segment, partially offset by a decrease of $64 million and $20 million in our International RAC and All Other Operations segments, respectively. U.S. RAC revenues increased due to higher volume and pricing. Excluding the impact of fx, revenues for our International RAC segment were flat.

DOE increased $70 million in the first half of 2019 compared to 2018 primarily due to an increase of $81 million in our U.S. RAC segment partially offset by a decrease of $8 million in our International RAC segment. The increase in U.S. RAC DOE was driven by increased growth in TNC and core rentals. Excluding the $43 million impact of fx, DOE for International RAC increased $35 million driven primarily by an increase in PLPD expense.

Depreciation of revenue earning vehicles and lease charges decreased $122 million in the first half of 2019 compared to 2018 due to decreases of $84 million, $27 million and $11 million in our U.S. RAC, All Other Operations and International RAC segments, respectively. The decrease in our U.S. RAC segment is primarily due to our vehicle acquisition strategy and continued strength in residual values. The decrease in our All Other Operations segment is due to the impact of a change in presentation for certain leased vehicles during the second quarter of 2019. Excluding the $14 million impact of fx, depreciation of revenue earning vehicles and lease charges for our International RAC segment increased $3 million.

SG&A decreased $8 million in the first half of 2019 compared to 2018, due to a decrease in costs for legal and consulting services, non-vehicle depreciation and other expenses primarily in International RAC and our corporate operations and the impact of fx in International RAC. This was offset by an increase in advertising charges in U.S. RAC and an increase in information technology and finance transformation program costs in our corporate operations.

Vehicle interest expense, net increased $17 million in the first half of 2019 compared to 2018 primarily due to an increase in debt levels resulting from higher average fleet and higher market interest rates. This was partially offset by the $20 million loss on extinguishment of debt recorded in our International RAC segment in the first half of 2018.

Non-vehicle interest expense, net in the first half of 2019 was comparable to the prior year period.

We had other income of $31 million in the first half of 2019 compared to $29 million in the first half of 2018. Other income in 2019 was primarily comprised of a $20 million gain on marketable securities and a $12 million gain on the sale of non-vehicle capital assets. Other income in 2018 was primarily comprised of a $17 million gain on marketable securities and a $6 million legal settlement received related to an oil spill in the Gulf of Mexico in 2010.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

The effective tax rate in the first half of 2019 was (4)% compared to 16% in the first half of 2018. We recorded a tax provision of $4 million in the first half of 2019 compared to a tax benefit of $51 million in the first half of 2018. The effective income tax rate and related tax benefit were lower driven by overall improvement in our results of operations, primarily due to lower losses in the U.S. where an income tax benefit was recognized, and the impact of the composition of earnings by jurisdiction.

CONSOLIDATED RESULTS OF OPERATIONS - HERTZ GLOBAL

The above discussion for Hertz also applies to Hertz Global.

Hertz Global had $2 million and $3 million of interest expense, net for the second quarter and first half of 2019, respectively, and $2 million and $3 million of interest expense, net for second quarter and first half of 2018, respectively, that was incremental to the amounts shown for Hertz. This amount represents interest associated with amounts outstanding under a master loan agreement between the companies. Hertz includes this amount as interest income in its statement of operations, but this amount is eliminated in consolidation for purposes of presenting Hertz Global. For the second quarter and first half of 2019, Hertz Global had $1 million, respectively, of income tax benefit, and $1 million of income tax benefit for the first half of 2018 that was incremental to the amounts shown for Hertz.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

RESULTS OF OPERATIONS AND SELECTED OPERATING DATA BY SEGMENT

U.S. Rental Car

($ in millions, except as noted)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Percent Increase/(Decrease)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Percent Increase/(Decrease)
Total revenues	$ 1,784	$ 1,628	10 %	$ 3,304	$ 3,054	8 %
Depreciation of revenue earning vehicles and lease charges	$ 411	$ 447	(8)%	$ 797	$ 881	(10)
Direct vehicle and operating expenses	$ 1,052	$ 1,021	3	$ 2,028	$ 1,947	4
Selling, general and administrative expenses	$ 119	$ 118	1	$ 241	$ 220	10
Vehicle interest expense	$ 90	$ 73	23	$ 166	$ 137	21
Adjusted EBITDA	$ 156	$ 18	NM	$ 163	$ (30)	NM
Transaction Days (in thousands)[(b)]	41,173	38,747	6	76,754	72,949	5
Average Vehicles (in whole units)[(c)]	554,794	523,000	6	528,281	500,800	5
Vehicle Utilization[(c)]	82%	81%		80%	80%	
Total RPD (in whole dollars)[(d)]	$ 42.54	$ 41.37	3	$ 42.24	$ 41.17	3
Total RPU Per Month (in whole dollars)[(e)]	$ 1,052	$ 1,022	3	$ 1,023	$ 999	2
Depreciation Per Unit Per Month (in whole dollars)[(f)]	$ 247	$ 285	(13)	$ 251	$ 293	(14)
Percentage of program vehicles at period end	16%	13%		16%	13%	

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.
NM - Not meaningful

Three Months Ended June 30, 2019 Compared with Three Months Ended June 30, 2018

Total U.S. RAC revenues increased $156 million in the second quarter of 2019 compared to 2018 due to higher volume and pricing. The 6% increase in Transaction Days was driven by growth in TNC and retail rentals, with volume increases in both our off airport and airport business of 13% and 2%, respectively. The 3% increase in Total RPD was driven by leisure and insurance replacement rentals. Off airport revenues comprised 32% of total revenues for the segment in the second quarter of 2019 as compared to 29% in the second quarter of 2018.

Depreciation of revenue earning vehicles and lease charges for U.S. RAC decreased by $36 million in the second quarter of 2019 compared to 2018 primarily due to our vehicle acquisition strategy and continued strength in residual values. Depreciation Per Unit Per Month decreased to $247 in the second quarter of 2019 compared to $285 in the second quarter of 2018.

DOE for U.S. RAC increased $31 million in the second quarter of 2019 compared to 2018 of which $36 million was driven by core rental volume, $23 million was driven by growth in TNC rentals and $12 million was due to increased other vehicle operating expenses. The above were partially offset by a $33 million decrease in personnel, transportation and other charges.

SG&A in the second quarter of 2019 was comparable to the prior year quarter.

Vehicle interest expense increased $17 million in the second quarter of 2019 compared to 2018 due to an increase in debt levels resulting from higher average fleet and higher market interest rates.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Six Months Ended June 30, 2019 Compared with Six Months Ended June 30, 2018

Total U.S. RAC revenues increased $250 million in the first half of 2019 compared to 2018 due to higher volume and pricing. The 5% increase in Transaction Days was driven by growth in TNC and retail rentals, with volume increases in both our off airport and airport locations of 12% and 1%, respectively. The 3% increase in Total RPD was driven by leisure, insurance replacement and TNC rentals. Off airport revenues comprised 32% of total revenues for the segment in the first half of 2019 as compared to 30% in the first half of 2018.

Depreciation of revenue earning vehicles and lease charges for U.S. RAC decreased by $84 million in the first half of 2019 compared to 2018 primarily due to our vehicle acquisition strategy and continued strength in residual values. Depreciation Per Unit Per Month decreased to $251 in the first half of 2019 compared to $293 in the first half of 2018.

DOE for U.S. RAC increased $81 million in the first half of 2019 compared to 2018 of which $51 million was driven by growth in TNC rentals, $48 million was driven by core rental volume and $40 million due to increased other vehicle operating expenses. The above were partially offset by a $44 million decrease personnel, facility and other charges.

SG&A increased $21 million in the first half of 2019 compared to 2018 primarily due to advertising charges.

Vehicle interest expense increased $29 million in the first half of 2019 compared to 2018 due to an increase in debt levels resulting from higher average fleet and higher market interest rates.

International Rental Car

($ in millions, except as noted)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Percent Increase/(Decrease)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Percent Increase/(Decrease)
Total revenues	$ 560	$ 589	(5)%	$ 993	$ 1,057	(6)%
Depreciation of revenue earning vehicles and lease charges	$ 106	$ 112	(5)	$ 203	$ 214	(5)
Direct vehicle and operating expenses	$ 330	$ 322	2	$ 614	$ 622	(1)
Selling, general and administrative expenses	$ 55	$ 62	(11)	$ 111	$ 121	(8)
Vehicle interest expense	$ 24	$ 44	(45)	$ 47	$ 64	(27)
Adjusted EBITDA	$ 56	$ 81	(31)	$ 42	$ 81	(48)
Transaction Days (in thousands)[(b)]	13,125	13,225	(1)	23,252	23,199	—
Average Vehicles (in whole units)[(c)]	186,881	187,300	—	169,814	168,000	1
Vehicle Utilization[(c)]	77%	78%		76%	76%	
Total RPD (in whole dollars)[(d)]	$ 42.97	$ 42.45	1	$ 42.79	$ 42.86	—
Total RPU Per Month (in whole dollars)[(e)]	$ 1,006	$ 999	1	$ 977	$ 987	(1)
Depreciation Per Unit Per Month (in whole dollars)[(f)]	$ 191	$ 189	1	$ 200	$ 199	1
Percentage of program vehicles at period end	50%	51%		50%	51%	

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

Three Months Ended June 30, 2019 Compared with Three Months Ended June 30, 2018

Total revenues for International RAC decreased $29 million in the second quarter of 2019 compared to 2018. Excluding the impact of fx, revenues were flat.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Depreciation of revenue earning vehicles and lease charges for International RAC decreased $6 million in the second quarter of 2019 compared to 2018 largely due to the impact of fx. Depreciation Per Unit Per Month for International RAC increased to $191 for the second quarter of 2019 compared to $189 in the second quarter of 2018 due to richer fleet mix in Europe.

DOE for International RAC increased $8 million in the second quarter of 2019 compared to 2018. Excluding a $21 million fx impact, DOE increased $29 million primarily driven by lower PLPD expense in 2018 due to favorable case development and fewer large claims.

SG&A decreased $7 million in the second quarter of 2019 compared to 2018 largely due to lower legal fees and the impact from fx.

Vehicle interest expense decreased $20 million in the second quarter of 2019 compared to 2018 due to the $20 million loss on extinguishment of debt associated with the redemption in 2018 of the 4.375% European Vehicle Senior Notes.

Six Months Ended June 30, 2019 Compared with Six Months Ended June 30, 2018

Total revenues for International RAC decreased $64 million in the first half of 2019 compared to 2018. Excluding the impact from fx, revenues, Transactions Days and Total RPD were flat.

Depreciation of revenue earning vehicles and lease charges for International RAC decreased $11 million in the first half of 2019 compared to 2018 largely due to a $14 million fx impact. Depreciation Per Unit Per Month for International RAC increased to $200 in the first half of 2019 compared to $199 in the first half of 2018 due to richer fleet mix in Europe.

DOE for International RAC decreased $8 million in the first half of 2019 compared to 2018. Excluding a $43 million fx impact, DOE increased $35 million primarily driven by lower PLPD expense in 2018 due to favorable case development and fewer large claims, and higher field compensation and facility expenses in 2019.

SG&A decreased $10 million in the first half of 2019 compared to 2018 largely due to an $8 million fx impact.

Vehicle interest expense decreased $17 million in the first half of 2019 compared to 2018 primarily due to a $20 million loss on extinguishment of debt associated with the redemption in 2018 of the 4.375% European Vehicle Senior Notes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

All Other Operations

The All Other Operations segment is primarily comprised of our Donlen business and, as such, our discussion is limited to Donlen.

Results of operations for this segment are as follows:

($ in millions)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Percent Increase/(Decrease)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Percent Increase/(Decrease)
Total revenues	$ 167	$ 172	(3)%	$ 321	$ 341	(6)%
Depreciation of revenue earning vehicles and lease charges	$ 117	$ 128	(9)	$ 226	$ 253	(11)
Direct vehicle and operating expenses	$ 7	$ 8	(13)	$ 13	$ 17	(24)
Selling, general and administrative expenses	$ 7	$ 9	(22)	$ 14	$ 18	(22)
Vehicle interest expense	$ 13	$ 10	30	$ 25	$ 20	25
Adjusted EBITDA	$ 24	$ 21	14	$ 45	$ 41	10
Average Vehicles - Donlen	207,704	187,600	11	200,251	189,600	6

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

Donlen had favorable results in the second quarter and first half of 2019 as compared to the second quarter and first half of 2018. Lower year-over-year revenue and depreciation of revenue earning vehicles and lease charges were driven by the impact of a change in presentation for certain leased vehicles in the second quarter and first half of 2019 versus 2018. The increase in overall average vehicles in the second quarter and first half of 2019 as compared to the second quarter and first half of 2018 is due to new customer acquisitions and growth in the existing customer portfolio.

Footnotes to the Results of Operations and Selected Operating Data by Segment Tables

(a) Adjusted Corporate EBITDA is calculated as net income (loss) attributable to Hertz or Hertz Global, adjusted for income taxes, non-vehicle depreciation and amortization, net non-vehicle debt interest, vehicle debt-related charges, loss on extinguishment of vehicle debt, restructuring and restructuring related charges, goodwill, intangible and tangible asset impairments and write-downs, information technology and finance transformation costs and certain other miscellaneous items. When evaluating our operating performance, investors should not consider Adjusted Corporate EBITDA in isolation of, or as a substitute for, measures of our financial performance determined in accordance with U.S. GAAP. The reconciliations to the most comparable consolidated U.S. GAAP measure are presented below:

Hertz

(In millions)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Net income (loss) attributable to Hertz	$ 39	$ (61)	$ (106)	$ (263)
Adjustments:				
Income tax provision (benefit)	5	(23)	4	(51)
Non-vehicle depreciation and amortization	51	56	99	113
Non-vehicle debt interest, net of interest income	70	71	141	143
Vehicle debt-related charges[(1)]	9	9	19	19
Loss on extinguishment of vehicle debt[(2)]	—	20	—	22
Restructuring and restructuring related charges[(3)]	4	10	10	13
Information technology and finance transformation costs[(4)]	38	29	60	51
Other items[(5)]	(9)	(18)	(24)	(14)
Adjusted Corporate EBITDA	$ 207	$ 93	$ 203	$ 33

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Hertz Global

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2019**	**2018**	**2019**	**2018**
Net income (loss) attributable to Hertz Global	$ 38	$ (63)	$ (108)	$ (265)
Adjustments:				
Income tax provision (benefit)	4	(23)	3	(52)
Non-vehicle depreciation and amortization	51	56	99	113
Non-vehicle debt interest, net of interest income	72	73	144	146
Vehicle debt-related charges(1)	9	9	19	19
Loss on extinguishment of vehicle debt(2)	—	20	—	22
Restructuring and restructuring related charges(3)	4	10	10	13
Information technology and finance transformation costs(4)	38	29	60	51
Other items(5)	(9)	(18)	(24)	(14)
Adjusted Corporate EBITDA	$ 207	$ 93	$ 203	$ 33

(1) Represents vehicle debt-related charges relating to the amortization of deferred financing costs and debt discounts and premiums.

(2) In 2018, primarily represents $20 million of early redemption premium and write-off of deferred financing costs associated with the full redemption of the 4.375% European Vehicle Senior Notes due January 2019 in April 2018.

(3) Represents charges incurred under restructuring actions as defined in U.S. GAAP, excluding impairments and asset write-downs. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives. Such costs include transition costs incurred in connection with business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes. In 2018, also includes consulting costs, legal fees, and other expenses related to the previously disclosed accounting review and investigation.

(4) Represents costs associated with our information technology and finance transformation programs, both of which are multi-year initiatives to upgrade and modernize our systems and processes.

(5) Represents miscellaneous items, including non-cash stock-based compensation charges. In 2019, includes a $20 million gain on marketable securities, of which $9 million was recorded during the second quarter of 2019, and a $12 million gain on the sale of non-vehicle capital assets, of which $4 million was recorded in the second quarter of 2019. In 2018, includes a $17 million gain on marketable securities and a $6 million legal settlement received in the second quarter related to an oil spill in the Gulf of Mexico in 2010.

(b) Transaction Days represent the total number of 24-hour periods, with any partial period counted as one Transaction Day, that vehicles were on rent (the period between when a rental contract is opened and closed) in a given period. Thus, it is possible for a vehicle to attain more than one Transaction Day in a 24-hour period.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

(c) Average Vehicles are determined using a simple average of the number of vehicles at the beginning and end of a given period. Among other things, Average Vehicles is used to calculate our Vehicle Utilization which represents the portion of our vehicles that are being utilized to generate revenue. Vehicle Utilization is calculated by dividing total Transaction Days by Available Car Days. The calculation of Vehicle Utilization is shown in the table below:

	U.S. Rental Car		International Rental Car	
	Three Months Ended June 30,			
	2019	2018	2019	2018
Transaction Days (in thousands)	41,173	38,747	13,125	13,225
Average Vehicles	554,794	523,000	186,881	187,300
Number of days in period	91	91	91	91
Available Car Days (in thousands)	50,486	47,593	17,006	17,044
Vehicle Utilization	82%	81%	77%	78%

	U.S. Rental Car		International Rental Car	
	Six Months Ended June 30,			
	2019	2018	2019	2018
Transaction Days (in thousands)	76,754	72,949	23,252	23,199
Average Vehicles	528,281	500,800	169,814	168,000
Number of days in period	181	181	181	181
Available Car Days (in thousands)	95,619	90,645	30,736	30,408
Vehicle Utilization	80%	80%	76%	76%

(d) Total RPD is calculated as total revenue less ancillary retail vehicle sales revenue, with all periods adjusted to eliminate the effect of fluctuations in foreign currency exchange rates ("Total Rental Revenue"), divided by the total number of Transaction Days. Our management believes eliminating the effect of fluctuations in foreign currency exchange rates is useful in analyzing underlying trends. The calculation of Total RPD is shown below:

	U.S. Rental Car		International Rental Car	
	Three Months Ended June 30,			
($ in millions, except as noted)	2019	2018	2019	2018
Revenues	$ 1,784	$ 1,628	$ 560	$ 589
Ancillary retail vehicle sales revenue	(33)	(25)	—	—
Foreign currency adjustment[(1)]	—	—	4	(28)
Total Rental Revenue	$ 1,751	$ 1,603	$ 564	$ 561
Transaction Days (in thousands)	41,173	38,747	13,125	13,225
Total RPD (in whole dollars)	$ 42.54	$ 41.37	$ 42.97	$ 42.45

	U.S. Rental Car		International Rental Car	
	Six Months Ended June 30,			
($ in millions, except as noted)	2019	2018	2019	2018
Revenues	$ 3,304	$ 3,054	$ 993	$ 1,057
Ancillary retail vehicle sales revenue	(62)	(51)	—	—
Foreign currency adjustment[(1)]	—	—	2	(63)
Total Rental Revenue	$ 3,242	$ 3,003	$ 995	$ 994
Transaction Days (in thousands)	76,754	72,949	23,252	23,199
Total RPD (in whole dollars)	$ 42.24	$ 41.17	$ 42.79	$ 42.86

(1) Based on December 31, 2018 foreign currency exchange rates for all periods presented.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

(e) Total RPU Per Month is calculated as Total Rental Revenue divided by the Average Vehicles in each period and then divided by the number of months in the period reported. The calculation of Total RPU Per Month is shown below:

	U.S. Rental Car		International Rental Car	
	Three Months Ended June 30,			
($ in millions, except as noted)	2019	2018	2019	2018
Total Rental Revenue	$ 1,751	$ 1,603	$ 564	$ 561
Average Vehicles	554,794	523,000	186,881	187,300
Total revenue per unit (in whole dollars)	$ 3,156	$ 3,065	$ 3,018	$ 2,995
Number of months in period	3	3	3	3
Total RPU Per Month (in whole dollars)	$ 1,052	$ 1,022	$ 1,006	$ 999

	U.S. Rental Car		International Rental Car	
	Six Months Ended June 30,			
($ in millions, except as noted)	2019	2018	2019	2018
Total Rental Revenue	$ 3,242	$ 3,003	$ 995	$ 994
Average Vehicles	528,281	500,800	169,814	168,000
Total revenue per unit (in whole dollars)	$ 6,137	$ 5,996	$ 5,859	$ 5,917
Number of months in period	6	6	6	6
Total RPU Per Month (in whole dollars)	$ 1,023	$ 999	$ 977	$ 987

(f) Depreciation Per Unit Per Month represents the amount of average depreciation expense and lease charges per vehicle per month and is calculated as depreciation of revenue earning vehicles and lease charges, with all periods adjusted to eliminate the effect of fluctuations in foreign currency exchange rates, divided by the Average Vehicles in each period and then dividing by the number of months in the period reported. Our management believes eliminating the effect of fluctuations in foreign currency exchange rates is useful in analyzing underlying trends. The calculation of Depreciation Per Unit Per Month is shown below:

	U.S. Rental Car		International Rental Car	
	Three Months Ended June 30,			
($ in millions, except as noted)	2019	2018	2019	2018
Depreciation of revenue earning vehicles and lease charges	$ 411	$ 447	$ 106	$ 112
Foreign currency adjustment(1)	—	—	1	(6)
Adjusted depreciation of revenue earning vehicles and lease charges	$ 411	$ 447	$ 107	$ 106
Average Vehicles	554,794	523,000	186,881	187,300
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	$ 741	$ 855	$ 573	$ 566
Number of months in period	3	3	3	3
Depreciation Per Unit Per Month (in whole dollars)	$ 247	$ 285	$ 191	$ 189

	U.S. Rental Car		International Rental Car	
	Six Months Ended June 30,			
($ in millions, except as noted)	2019	2018	2019	2018
Depreciation of revenue earning vehicles and lease charges	$ 797	$ 881	$ 203	$ 214
Foreign currency adjustment(1)	—	—	—	(13)
Adjusted depreciation of revenue earning vehicles and lease charges	$ 797	$ 881	$ 203	$ 201
Average Vehicles	528,281	500,800	169,814	168,000
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	$ 1,509	$ 1,759	$ 1,195	$ 1,196
Number of months in period	6	6	6	6
Depreciation Per Unit Per Month (in whole dollars)	$ 251	$ 293	$ 200	$ 199

(1) Based on December 31, 2018 foreign currency exchange rates for all periods presented.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

LIQUIDITY AND CAPITAL RESOURCES

Our U.S. and international operations are funded by cash provided by operating activities and by extensive financing arrangements maintained by us in the U.S. and internationally.

As of June 30, 2019, we had $415 million of cash and cash equivalents and $239 million of restricted cash. Of these amounts as of June 30, 2019, $147 million of cash and cash equivalents and $33 million of restricted cash was held by our subsidiaries outside of the U.S. If not in the form of loan repayments, repatriation of some of these funds under current regulatory and tax law for use in domestic operations could expose us to additional taxes.

We believe that cash and cash equivalents generated by our operations and cash received on the disposal of vehicles, together with amounts available under various liquidity facilities and refinancing options available to us in the capital markets, will be sufficient to fund operating requirements for the next twelve months.

Cash Flows - Hertz

As of June 30, 2019, Hertz had cash, cash equivalents, restricted cash and restricted cash equivalents of $654 million compared to $1.4 billion as of December 31, 2018. The following table summarizes the net change in cash, cash equivalents, restricted cash and restricted cash equivalents for the periods shown:

	Six Months Ended June 30,		
(In millions)	2019	2018	$ Change
Cash provided by (used in):			
Operating activities	$ 1,057	$ 945	$ 112
Investing activities	(4,832)	(4,055)	(777)
Financing activities	3,020	2,537	483
Effect of exchange rate changes	(1)	(10)	9
Net change in cash, cash equivalents, restricted cash and restricted cash equivalents	$ (756)	$ (583)	$ (173)

During the first half of 2019, cash flows from net income (loss), adjusted for non-cash and non-operating items, increased $183 million period over period. Excluding the net impact from operating leases, cash flows from the change in certain asset and liability accounts decreased by $60 million due in part to an increase in customer receivables primarily in our U.S. RAC operations driven by revenue growth and the previously disclosed SEC investigation payment, partially offset by an increase in accrued sales tax.

Our primary investing activities relate to the acquisition and disposal of revenue earning vehicles. There was a $777 million increase in the use of cash for investing activities year over year. Cash outflows for the purchase of revenue earning vehicles increased $1.3 billion primarily due to a higher volume of vehicles acquired in our U.S. RAC operations in 2019 versus 2018, which was partially offset by a $558 million increase in proceeds from the sale of revenue earning vehicles primarily in our U.S. RAC operations due to increased vehicle dispositions and pricing due to a richer fleet mix.

Net financing cash inflows were $3.0 billion in the first half of 2019 compared to $2.5 billion in the first half of 2018. The variance was primarily driven by increased vehicle debt associated with our investment in revenue earning vehicles.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Cash Flows - Hertz Global

As of June 30, 2019, Hertz Global had cash, cash equivalents, restricted cash and restricted cash equivalents of $654 million compared to $1.4 billion as of December 31, 2018. The following table summarizes the net change in cash, cash equivalents, restricted cash and restricted cash equivalents for the periods shown:

(In millions)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	$ Change
Cash provided by (used in):			
Operating activities	$ 1,054	$ 942	$ 112
Investing activities	(4,832)	(4,055)	(777)
Financing activities	3,023	2,540	483
Effect of exchange rate changes	(1)	(10)	9
Net change in cash, cash equivalents, restricted cash and restricted cash equivalents	$ (756)	$ (583)	$ (173)

Fluctuations in operating, investing and financing cash flows from period to period are due to the same factors as those disclosed for Hertz above, with the exception of any cash inflows or outflows related to the master loan agreement between Hertz and Hertz Global.

Financing

Substantially all of our revenue earning vehicles and certain related assets are owned by special purpose entities, or are encumbered in favor of our lenders under our various credit facilities, other secured financings and asset-backed securities programs. None of such assets are available to satisfy the claims of our general creditors.

We are highly leveraged, and a substantial portion of our liquidity requirements arise from servicing our indebtedness, funding our operations, including purchases of revenue earning vehicles, and funding non-vehicle capital expenditures. Our practice is to maintain sufficient liquidity through cash from operations, credit facilities and other financing arrangements, to mitigate any adverse effect on operations resulting from adverse financial market conditions.

Refer to Part I, Item 1, Note 3, "Debt," to the Notes to our unaudited condensed consolidated financial statements included in this Report for information on our outstanding debt obligations and our borrowing capacity and availability under our revolving credit facilities as of June 30, 2019. Cash paid for interest during the first half of 2019 was $140 million for interest on non-vehicle debt and $213 million for interest on vehicle debt. Cash paid for interest during the first half of 2018 was $142 million for interest on non-vehicle debt and $175 million for interest on vehicle debt.

Our corporate liquidity, which excludes unused commitments under our vehicle debt, was as follows:

(In millions)	June 30, 2019	December 31, 2018
Cash and cash equivalents	$ 415	$ 1,127
Availability under the Senior RCF	397	496
Corporate liquidity	$ 812	$ 1,623

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

In June 2019, Hertz Global filed a prospectus supplement to its Registration Statement on Form S-3 declared effective by the SEC on June 12, 2019 for a rights offering to raise gross proceeds of approximately $750 million, providing for the issuance of up to an aggregate of 57,915,055 new shares of Hertz Global common stock. Under the terms of the rights offering, each stockholder of Hertz Global was eligible to receive one transferable subscription right for each share of common stock held as of 5:00 p.m., Eastern Time, on June 24, 2019. Each right entitled the holder to purchase 0.688285 shares of common stock at a price of $12.95 per whole share of common stock. The rights offering also entitled rights holders who fully exercised their basic subscription rights to subscribe for additional shares of Hertz Global's common stock that remain unsubscribed as a result of any unexercised basic subscription rights. The rights offering expired at 5:00 p.m., Eastern Time, on July 12, 2019 and was fully subscribed resulting in Hertz Global selling 57,915,055 shares of its common stock at the subscription price for gross proceeds of $750 million. Pursuant to the terms of the rights offering, 55,816,783 shares of common stock were purchased under the basic subscription right and 2,098,272 shares of common stock were purchased under the over-subscription right.

In July 2019, Hertz provided conditional notices of full redemption to the registered holders of its 2020 Notes and 2021 Notes pursuant to the requirements of the indentures governing the 2020 Notes and 2021 Notes. Excluding the completion of the aforementioned activity, approximately $18 million of non-vehicle debt and $2.3 billion of vehicle debt will mature during the twelve months following the issuance of this Report and we will need to refinance a portion of these obligations. We have reviewed the maturing debt obligations and determined that it is probable that we will be able, and have the intent, to repay or refinance these facilities at such times as we deem appropriate prior to their maturities.

In August 2019, Hertz issued $500 million in aggregate principal amount of the 2026 Notes. The Company intends to utilize the proceeds, together with net proceeds from the rights offering described above, to redeem the 2020 Notes and 2021 Notes.

Refer to Part I, Item I, Note 12, "Subsequent Events," to the Notes to our unaudited condensed consolidated financial statements included in this Report for further information on the above transactions.

Covenants

The indentures for the Senior Notes and the Senior Second Priority Secured Notes contain covenants that, among other things, limit or restrict the ability of the Hertz credit group to incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, redeeming stock or making other distributions to parent entities of Hertz and other persons outside of the Hertz credit group), make investments, create liens, transfer or sell assets, merge or consolidate, and enter into certain transactions with Hertz's affiliates that are not members of the Hertz credit group.

Certain of our other debt instruments and credit facilities (including the Senior Facilities and the Letter of Credit Facility) contain a number of covenants that, among other things, limit or restrict the ability of the borrowers and the guarantors to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, share repurchases or making other distributions), create liens, make investments, make acquisitions, engage in mergers, fundamentally change the nature of their business, make capital expenditures, or engage in certain transactions with certain affiliates.

The Senior RCF and the Letter of Credit Facility contain a financial maintenance covenant applicable to such facilities. Such covenant provides that Hertz’s consolidated first lien net leverage ratio, as defined in the credit agreements governing such facilities (together, the "Senior Credit Agreement"), as of the last day of any fiscal quarter, may not exceed a ratio of 3.00 to 1.00 (the "Covenant Leverage Ratio").

As of June 30, 2019, Hertz was in compliance with the Covenant Leverage Ratio. Consolidated EBITDA, as defined in the Senior Credit Agreement, is a component of the calculation of the Covenant Leverage Ratio and is a non-GAAP financial measure that is not a measure of operating results, but instead is a measure used to determine compliance with the Covenant Leverage Ratio under the Senior Credit Agreement. Consolidated EBITDA is generally defined in

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

the Senior Credit Agreement as consolidated net income plus the sum of income taxes, non-vehicle interest expense, non-vehicle depreciation and amortization expense, and non-cash charges or losses, as further adjusted for certain other items permitted in calculating covenant compliance under the Senior RCF and the Letter of Credit Facility, including add-backs for non-recurring, unusual or extraordinary charges, business optimization expenses or other restructuring charges or reserves.

Based on available liquidity from our expected operating results, the Senior RCF and other financing arrangements, Hertz expects to continue to be in compliance with the Covenant Leverage Ratio for at least the next twelve months.

Capital Expenditures

Revenue Earning Vehicles Expenditures

The table below sets forth our revenue earning vehicles expenditures and related disposal proceeds for the periods shown:

Cash inflow (cash outflow)	Revenue Earning Vehicles		
(In millions)	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
2019			
First Quarter	$ (3,973)	$ 2,153	$ (1,820)
Second Quarter	(4,974)	2,059	(2,915)
Total	$ (8,947)	$ 4,212	$ (4,735)
2018			
First Quarter	$ (3,565)	$ 1,782	$ (1,783)
Second Quarter	(4,045)	1,872	(2,173)
Total	$ (7,610)	$ 3,654	$ (3,956)

The table below sets forth expenditures for revenue earning vehicles, net of proceeds from disposal, by segment:

Cash inflow (cash outflow)	Six Months Ended June 30,			
($ in millions)	2019	2018	$ Change	% Change
U.S. Rental Car	$ (3,516)	$ (2,968)	$ (548)	18%
International Rental Car	(826)	(705)	(121)	17
All Other Operations	(393)	(283)	(110)	39
Total	$ (4,735)	$ (3,956)	$ (779)	20

Capital Assets, Non-Vehicle

The table below sets forth our capital asset expenditures, non-vehicle, and related disposal proceeds from property and other equipment disposed of or to be disposed of for the periods shown:

Cash inflow (cash outflow)	Capital Assets, Non-Vehicle		
(In millions)	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
2019			
First Quarter	$ (54)	$ 19	$ (35)
Second Quarter	(64)	2	(62)
Total	$ (118)	$ 21	$ (97)
2018			
First Quarter	$ (44)	$ 4	$ (40)
Second Quarter	(36)	4	(32)
Total	$ (80)	$ 8	$ (72)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

The table below sets forth capital asset expenditures, non-vehicle, net of disposal proceeds, by segment:

Cash inflow (cash outflow)	Six Months Ended June 30,			
($ in millions)	2019	2018	$ Change	% Change
U.S. Rental Car	$ (28)	$ (38)	$ 10	(26)%
International Rental Car	(8)	(7)	(1)	14
All Other Operations	(2)	(2)	—	—
Corporate	(59)	(25)	(34)	136
Total	$ (97)	$ (72)	$ (25)	35

CONTRACTUAL OBLIGATIONS

As of June 30, 2019, there have been no material changes outside of the ordinary course of business to our known contractual obligations as set forth in the table included in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2018 Form 10-K. Changes to our aggregate indebtedness, including related interest and terms for new issuances, are described in Part I, Item 1, Note 3, "Debt," to the Notes to our unaudited condensed consolidated financial statements included in this Report.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Indemnification Obligations

There have been no significant changes to our indemnification obligations as compared to those disclosed in Note 16, "Contingencies and Off-Balance Sheet Commitments" of the Notes to our consolidated financial statements included in our 2018 Form 10-K under the caption Item 8, "Financial Statements and Supplementary Data."

We regularly evaluate the probability of having to incur costs associated with indemnification obligations and will accrue for expected losses when they are probable and estimable.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

For a discussion of recent accounting pronouncements, see Note 2, "Basis of Presentation and Recently Issued Accounting Pronouncements," to the Notes to our unaudited condensed consolidated financial statements included in this Report.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this Report on Form 10-Q and in reports we subsequently file with the SEC on Forms 10-K and 10-Q and file or furnish on Form 8-K, and in related comments by our management, include "forward-looking statements." Forward-looking statements include information concerning our liquidity and our possible or assumed future results of operations, including descriptions of our business strategies. These statements often include words such as "believe," "expect," "project," "potential," "anticipate," "intend," "plan," "estimate," "seek," "will," "may," "would," "should," "could," "forecasts" or similar expressions. These statements are based on certain assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate in these circumstances. We believe these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and our actual results could differ materially from those expressed in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K.

Important factors that could affect our actual results and cause them to differ materially from those expressed in forward-looking statements include, among others, those that may be disclosed from time to time in subsequent reports filed

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

with the SEC, those described under "Item 1A—Risk Factors" included in our 2018 Form 10-K and the following, which were derived in part from the risks set forth in "Item 1A—Risk Factors" of our 2018 Form 10-K:

- *levels of travel demand, particularly with respect to airline passenger traffic in the United States and in global markets;*
- *the effect of our separation of our vehicle and equipment rental businesses, any failure by Herc Holdings Inc. to comply with the agreements entered into in connection with the separation and our ability to obtain the expected benefits of the separation;*
- *significant changes in the competitive environment and the effect of competition in our markets on rental volume and pricing, including on our pricing policies or use of incentives;*
- *occurrences that disrupt rental activity during our peak periods;*
- *our ability to accurately estimate future levels of rental activity and adjust the number and mix of vehicles used in our rental operations accordingly;*
- *increased vehicle costs due to declines in the value of our non-program vehicles;*
- *our ability to maintain sufficient liquidity and the availability to us of additional or continued sources of financing for our revenue earning vehicles and to refinance our existing indebtedness;*
- *our ability to purchase adequate supplies of competitively priced vehicles and risks relating to increases in the cost of the vehicles we purchase;*
- *our ability to adequately respond to changes in technology and customer demands;*
- *our ability to retain customer loyalty and market share;*
- *our recognition of previously deferred tax gains on the disposition of revenue earning vehicles;*
- *an increase in our vehicle costs or disruption to our rental activity, particularly during our peak periods, due to safety recalls by the manufacturers of our vehicles;*
- *our access to third-party distribution channels and related prices, commission structures and transaction volumes;*
- *our ability to execute a business continuity plan;*
- *a major disruption in our communication or centralized information networks;*
- *a failure to maintain, upgrade and consolidate our information technology networks;*
- *financial instability of the manufacturers of our vehicles;*
- *any impact on us from the actions of our franchisees, dealers and independent contractors;*
- *our ability to sustain operations during adverse economic cycles and unfavorable external events (including war, terrorist acts, natural disasters and epidemic disease);*
- *shortages of fuel and increases or volatility in fuel costs;*
- *our ability to maintain favorable brand recognition and a coordinated branding and portfolio strategy;*
- *our ability to maintain an effective employee retention and talent management strategy and resulting changes in personnel and employee relations;*
- *costs and risks associated with litigation and investigations;*
- *risks related to our indebtedness, including our substantial amount of debt, our ability to incur substantially more debt, the fact that substantially all of our consolidated assets secure certain of our outstanding indebtedness and increases in interest rates or in our borrowing margins;*

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

- *our ability to meet the financial and other covenants contained in our senior credit facilities and letter of credit facility, our outstanding unsecured senior notes, our outstanding senior second priority secured notes and certain asset-backed and asset-based arrangements;*
- *changes in accounting principles, or their application or interpretation, and our ability to make accurate estimates and the assumptions underlying the estimates, which could have an effect on operating results;*
- *risks associated with operating in many different countries, including the risk of a violation or alleged violation of applicable anticorruption or antibribery laws and our ability to repatriate cash from non-U.S. affiliates without adverse tax consequences;*
- *our ability to prevent the misuse or theft of information we possess, including as a result of cyber security breaches and other security threats;*
- *changes in the existing, or the adoption of new laws, regulations, policies or other activities of governments, agencies and similar organizations, such as the adoption of new regulations under the Tax Cuts and Jobs Act, where such actions may affect our operations, the cost thereof or applicable tax rates;*
- *risks relating to our deferred tax assets, including the risk of an "ownership change" under the Internal Revenue Code of 1986, as amended;*
- *our exposure to uninsured claims in excess of historical levels;*
- *fluctuations in interest rates and commodity prices;*
- *our exposure to fluctuations in foreign currency exchange rates; and*
- *other risks and uncertainties described from time to time in periodic and current reports that we file with the SEC.*

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks, including the effects of changes in interest rates (including credit spreads), foreign currency exchange rates and fluctuations in fuel prices. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Derivative financial instruments are viewed as risk management tools and have not been used for speculative or trading purposes. In addition, derivative financial instruments are entered into with a diversified group of major financial institutions in order to manage our exposure to counterparty nonperformance on such instruments.

There have been no material changes to the information reported under Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," included in our 2018 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

HERTZ GLOBAL

Evaluation of Disclosure Controls and Procedures

Our senior management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2019, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2019 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

HERTZ

Evaluation of Disclosure Controls and Procedures

Our senior management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2019, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2019 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of certain pending legal proceedings see Part I, Item 1, Note 8, "Contingencies and Off-Balance Sheet Commitments," to the Notes to our unaudited condensed consolidated financial statements included in this Report.

ITEM 1A. RISK FACTORS

There are no material amendments or additions to the information reported under Part I, Item 1A “Risk Factors” contained in our 2018 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits:
The attached list of exhibits in the "Exhibit Index" immediately following the signature page to this Report is filed as part of this Form 10-Q and is incorporated herein by reference in response to this item.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

	HERTZ GLOBAL HOLDINGS, INC. THE HERTZ CORPORATION
Date: August 7, 2019	(Registrants)
	By: /s/ JAMERE JACKSON
	Jamere Jackson *Executive Vice President and Chief Financial Officer*

EXHIBIT INDEX

Exhibit Number		Description
4.1	Hertz	Indenture, dated as of August 1, 2019, among The Hertz Corporation, as Issuer, the Subsidiary Guarantors from time to time parties thereto, and Wells Fargo Bank, National Association, as Trustee.
4.2	Hertz	First Supplemental Indenture, dated as of August 1, 2019, among The Hertz Corporation, as Issuer, the Subsidiary Guarantors from time to time parties thereto, and Wells Fargo Bank, National Association, as Trustee, relating to the 7.125% Senior Notes due 2026.
10.1	Hertz Holdings Hertz	Amended and Restated Hertz Global Holdings, Inc. 2016 Omnibus Incentive Plan (Incorporated by reference to Annex B to the Proxy Statement on Form DEF14A of Hertz Global Holdings, Inc. (File No. 001-37665), as filed on April 5, 2019.
10.2	Hertz Holdings Hertz	Form of Director Restricted Stock Unit Agreement under the 2016 Omnibus Incentive Plan.*
31.1	Hertz Holdings	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).*
31.2	Hertz Holdings	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).*
31.3	Hertz	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).*
31.4	Hertz	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).*
32.1	Hertz Holdings	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.*
32.2	Hertz Holdings	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.*
32.3	Hertz	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.*
32.4	Hertz	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.*
101.INS	Hertz Holdings Hertz	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Hertz Holdings Hertz	XBRL Taxonomy Extension Schema Document*
101.CAL	Hertz Holdings Hertz	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Hertz Holdings Hertz	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Hertz Holdings Hertz	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Hertz Holdings Hertz	XBRL Taxonomy Extension Presentation Linkbase Document*

*Furnished herewith

Note: Certain instruments with respect to various additional obligations, which could be considered as long-term debt, have not been filed as exhibits to this Report because the total amount of securities authorized under any such instrument does not exceed 10% of our total assets on a consolidated basis. We agree to furnish to the SEC upon request a copy of any such instrument defining the rights of the holders of such long-term debt.

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (the "Agreement"), dated as of the Grant Date set forth on the signature page hereof, is entered into by and between Hertz Global Holdings, Inc., a Delaware corporation (the "Company"), and the individual whose name is set forth on the director section of the signature page hereof (the "Director").

1. Grant of Restricted Stock Units. The Company hereby evidences and confirms its grant to the Director, effective as of the Grant Date, of the number of restricted stock units (the "Restricted Stock Units") set forth on the signature page hereof. This Agreement is subordinate to, and the terms and conditions of the Restricted Stock Units granted hereunder are subject to, the terms and conditions of the Hertz Global Holdings, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), which are incorporated by reference herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, except as expressly provided herein, the terms of the Plan shall govern. This Agreement shall also be subject to the terms of any applicable deferral election made by the Director with respect to the Restricted Stock Units. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Restricted Stock Units.

(a) Vesting. Except as otherwise provided in this Section 2, the Restriction Period applicable to the Restricted Stock Units shall lapse, if at all, on the first business day immediately preceding the date of the Company's annual shareholder meeting in 2020 (the "Vesting Date"), subject to the below provisions.

(b) Termination of Services.

(i) Generally. If the Director ceases to serve on the Board of the Company for any reason (except due to termination for Cause by the Company) prior to the Vesting Date, the Restriction Period shall lapse immediately upon such cessation with respect to all Restricted Stock Units. Such Restricted Stock Units shall be settled as provided in Section 3.

(ii) For Cause Cessation. If the Director ceases to serve on the Board of the Company due to termination for Cause by the Company prior to the Vesting Date, all outstanding Restricted Stock Units shall immediately be forfeited and canceled effective as of the date of the Director's cessation.

(c) Change in Control.

(i) In General. Subject to Section 2(c)(ii), in the event of a Change in Control, the Restriction Period applicable to all outstanding Restricted Stock Units shall lapse immediately prior to such Change in Control and all such Restricted Stock Units shall be settled as set forth in Section 3.

(ii) Alternative Awards. Notwithstanding Section 2(c)(i), no cancellation, termination, lapse of Restriction Period or settlement or other payment shall occur with respect to the Restricted Stock Units if the Committee (as constituted immediately prior to the Change in Control) so determines, in its sole discretion, prior to the Change in Control that the Restricted Stock Units shall be honored or assumed or new rights substituted therefor by an Alternative Award, in accordance with the terms of Section 9.1 of the Plan; provided, however, notwithstanding anything in the Plan to the contrary, any such Alternative Award shall vest in full if the Director's services on the Board of the Company ceases for any reason (except due to termination for Cause by the Company) within two years following the Change in Control.

(d) Committee Discretion. Notwithstanding anything contained in this Agreement to the contrary, and subject to Section 7(g) of this Agreement and Sections 4.6 and 11.9 of the Plan, the Committee, in its sole discretion, may accelerate the vesting with respect to any Restricted Stock Units under this Agreement, at such times and upon such terms and conditions as the Committee shall determine.

3. Settlement of Restricted Stock Units. Subject to other applicable provisions of this Agreement (and any applicable deferral election made by the Director with respect to the Restricted Stock Units, including without limitation any deferral election permitted under the Company's Directors Compensation Policy), not later than 30 days after the lapse of the Restriction Period (or, as applicable, not later than 30 days after the applicable settlement payment date set forth in a deferral election, including without limitation any deferral election permitted under the Company's Directors Compensation Policy) with respect to any Restricted Stock Units, the Company shall issue to the Director one share of Common Stock underlying each Restricted Stock Unit as to which the Restriction Period has lapsed, or, if the Committee so determines in its sole discretion, an amount in cash equal to the Fair Market Value of such shares of Common Stock or any combination of shares of Common Stock and cash having an aggregate Fair Market Value equal to such shares of Common Stock. Notwithstanding the preceding sentence, if the Restriction Period applicable to any Restricted Stock Units which constitutes "deferred compensation" subject to Section 409A of the Code lapses as a result of a Change in Control that does not qualify as a "change in the ownership or effective control" of the Company or "in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code, then the Company shall not settle such Restricted Stock Units until the 30th day following the earlier of (i) the Director's cessation of Board service and (ii) the originally scheduled settlement payment date of such Restricted Stock Units. For the avoidance of doubt, the preceding two sentences are subject to Section 7(g) of this Agreement and Section 11.9 of the Plan. Upon issuance, such shares of Common Stock may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated in compliance with all

applicable law, this Agreement and any other agreement to which such shares are subject. The Director's settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

4. Forfeiture. Notwithstanding anything in the Plan or this Agreement to the contrary, if, during the Restriction Period, the Director engages in Wrongful Conduct (as defined herein), then any Restricted Stock Units for which the Restriction Period has not then lapsed (or for which settlement has not yet occurred) shall automatically terminate and be canceled effective as of the date on which the Director first engaged in such Wrongful Conduct. If the Director engages in Wrongful Conduct, the Director shall pay to the Company in cash any Restriction-Based Financial Gain the Director realized from the lapse of the Restriction Period applicable to all or a portion of the Restricted Stock Units with respect to which the Restriction Period lapsed within the Wrongful Conduct Period (as defined herein). By entering into this Agreement, the Director hereby consents to and authorizes the Company and the Subsidiaries to deduct from any amounts payable by such entities to the Director any amounts the Director owes to the Company under this Section 4 to the extent permitted by law. This right of set-off is in addition to any other remedies the Company may have against the Director for the Director's Wrongful Conduct. The Director's obligations under this Section 4 shall be cumulative (but not duplicative) of any similar obligations the Director has under the Plan, this Agreement, any Company policy, or any clawback plan or policy (including, without limitation, the Company's Standards of Business Conduct), or any other agreement with the Company or any Subsidiary, including, without limitation, an individual director agreement or restrictive covenant agreement.

For purposes of this Agreement, and notwithstanding anything in the Plan to the contrary, "Wrongful Conduct" means the breach or violation by the Director of the Company's Standards of Business Conduct, Corporate Governance Guidelines or Directors' Code of Business Conduct and Ethics (each as amended from time to time, and including any successor or replacement policy or standard).

For purposes of this Agreement, and notwithstanding anything in the Plan to the contrary, "Wrongful Conduct Period" means the twelve-month period ending on the date of the Participant's Wrongful Conduct (or such other period as determined by the Committee).

5. Issuance of Shares.

(a) Notwithstanding any other provision of this Agreement, the Director may not sell or transfer the shares of Common Stock acquired upon settlement of the Restricted Stock Units except in compliance with all applicable laws and regulations.

(b) The shares of Common Stock issued in settlement of the Restricted Stock Units shall be registered in the Director's name, or, if applicable, in the names of the Director's heirs or estate (or in the name of such other persons or entities provided by the Director and approved by the Committee or Board). In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificated form, the Company may deliver a share certificate to the Director or to the Director's designated broker on the Director's behalf. If the Director is deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates shall be delivered to the Director's estate, executor, administrator, legally authorized guardian or personal representative (as applicable).

(c) To the extent permitted by Section 409A of the Code, the grant of the Restricted Stock Units and issuance of shares of Common Stock upon settlement of the Restricted Stock Units will be subject to and in compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Restricted Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. To the extent permitted by Section 409A of the Code, as a condition to the settlement of the Restricted Stock Units, the Company may require the Director to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) The Company shall not be required to issue fractional shares of Common Stock upon settlement of the Restricted Stock Units.

(e) To the extent permitted by Section 409A of the Code, the Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following: (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; (2) compliance with any requests for representations; and (3) receipt of proof satisfactory to the Company that a person seeking such shares on the Director's behalf upon the Director's Disability (if necessary), or upon the Director's estate's behalf after the death of the Director, is appropriately authorized.

6. Director's Rights with Respect to the Restricted Stock Units.

(a) Restrictions on Transferability. The Restricted Stock Units granted hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated other than with the consent of the Company or by will or by the laws of descent and distribution to the estate of the Director upon the Director's death (or to such other persons or entities as provided under Section 11.1 of the Plan and approved by the Committee or Board); provided that any such permitted transferee shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such permitted transferee were the Director. Any attempt by the Director, directly or indirectly, to offer, transfer, sell, pledge, hypothecate or otherwise dispose of any Restricted Stock Units or any interest therein or any rights relating thereto without complying with the provisions of the Plan and this Agreement, including this Section 6(a), shall be void and of no effect. The Company shall not be required to recognize on its books any action taken in contravention of these restrictions.

(b) No Rights as Stockholder. The Director shall not have any rights as a stockholder of the Company with respect to any shares of Common Stock corresponding to the Restricted Stock Units granted hereby unless and until shares of Common Stock are issued to the Director in respect thereof.

7. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Director without the prior written consent of the other party.

(c) No Right to Continued Service on the Board. Nothing in the Plan or this Agreement shall confer upon the Director any right to continue serving on the Board of the Company. This Agreement is not to be construed as a contract of service relationship between the Company and Director. Nothing in the Plan or this Agreement shall confer on the Director the right to receive any future Awards under the Plan. For purposes of determining the status of Director's position on the Board of the "Company" under this Agreement, such term shall include the Company and, to the extent applicable, its Subsidiaries.

(d) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company or the Director, as the case may be, at the following addresses or to such other address as the Company or the Director, as the case may be, shall specify by notice to the other:

If to the Company, to it at:

Hertz Global Holdings, Inc.
8501 Williams Road Estero, Florida 33928
Attention: General Counsel
Fax: (239) 301-6906

If to the Director, to the Director at his or her most recent address as shown on the books and records of the Company.

All such notices and communications shall be deemed to have been received on the date of delivery if delivered personally or on the third business day after the mailing thereof.

(e) Amendment. This Agreement may be amended from time to time by the Committee in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on the Restricted Stock Units as determined in the discretion of the Committee, except as provided in the Plan, or with the consent of the Director. This Agreement may not be amended, modified or supplemented orally.

(f) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(g) Taxation. The Company or one of its Subsidiaries may require the Director to remit to the Company an amount in cash sufficient to satisfy any applicable U.S. federal, state and local and non-U.S. tax withholding or other similar charges or fees that may arise in connection with the grant, vesting or settlement of the Restricted Stock Units. It is intended that the provisions of this Agreement comply with Section 409A of the Code to the extent applicable, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code and any similar state or local law.

(h) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(i) Limitation on Rights; No Right to Future Grants. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Director acknowledges: (1) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (2) that the Award does not create any contractual or other right to receive future grants of Awards; (3) that participation in the Plan is voluntary; and (4) that the future value of the Common Stock is unknown and cannot be predicted with certainty.

(j) Data Privacy. The Director authorizes the Company or any Affiliate of the Company that has or lawfully obtains personal data relating to the Director to divulge or transfer such personal data to the Company or to a third party, in each case in any jurisdiction, if and to the extent appropriate in connection with this Agreement or the administration of the Plan.

(k) Consent to Electronic Delivery. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Director hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Director pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Restricted Stock Units via Company web site or other electronic delivery.

(l) Claw Back or Compensation Recovery Policy. Without limiting any other provision of this Agreement, and to the extent applicable, the Restricted Stock Units granted hereunder shall be subject to any claw back policy or compensation recovery policy or such other similar policy of the Company as are in effect from time to time with respect to the Director.

(m) Company Rights. The existence of the Restricted Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company’s capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company’s or any Affiliate’s assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(n) Severability. If a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties’ intent that any court order striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties’ under this Agreement.

(o) Further Assurances. The Director agrees to use his or her reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Director’s benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

(p) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(q) Counterparts. This Agreement may be executed in any number of counterparts, including by facsimile or electronic signature, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the Company and the Director have executed this Agreement as of __________, ____ (the “Grant Date”).

HERTZ GLOBAL HOLDINGS, INC.

By:____
Name:
Title:

DIRECTOR

____
Name:
Address:

Restricted Stock Units granted hereby:

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Kathryn V. Marinello, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2019 of Hertz Global Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

By: /s/ KATHRYN V. MARINELLO
Kathryn V. Marinello
President, Chief Executive Officer and Director

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Jamere Jackson, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2019 of Hertz Global Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

By: /s/ JAMERE JACKSON

Jamere Jackson
Executive Vice President and Chief Financial Officer

EXHIBIT 31.3

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Kathryn V. Marinello, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2019 of The Hertz Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

By: /s/ KATHRYN V. MARINELLO
Kathryn V. Marinello
President, Chief Executive Officer and Director

EXHIBIT 31.4

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Jamere Jackson, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2019 of The Hertz Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

By: /s/ JAMERE JACKSON
Jamere Jackson
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the quarterly report of Hertz Global Holdings, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kathryn V. Marinello, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2019

By: /s/ KATHRYN V. MARINELLO

Kathryn V. Marinello
President, Chief Executive Officer and Director

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of Hertz Global Holdings, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jamere Jackson, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2019

By: /s/ JAMERE JACKSON
Jamere Jackson
Executive Vice President and Chief Financial Officer

EXHIBIT 32.3

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of The Hertz Corporation (the "Company") on Form 10-Q for the period ending June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kathryn V. Marinello, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2019

By: /s/ KATHRYN V. MARINELLO

Kathryn V. Marinello
President, Chief Executive Officer and Director

EXHIBIT 32.4

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of The Hertz Corporation (the "Company") on Form 10-Q for the period ending June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jamere Jackson, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2019

By: /s/ JAMERE JACKSON
Jamere Jackson
Executive Vice President and Chief Financial Officer