



## Hertz extends Dollar Thrifty tender offer deadline to Nov. 16

BY D.R. STEWART World Staff Writer  
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Hertz Global Holdings Inc. on Monday extended the expiration date to Nov. 16 of its \$87.50-per-share \$2.3 billion cash tender offer to purchase the outstanding shares of Tulsa-based Dollar Thrifty Automotive Group Inc.

Before Hertz's third extension, the Park Ridge, N.J.-based rental car operator's tender offer was set to expire at 4 p.m. CST Monday. The tender offer originally was set to expire Oct. 22.

In documents filed with the Securities and Exchange Commission, Hertz said that, at the close of business Friday, 8.94 million shares of Dollar Thrifty stock have been tendered into and not withdrawn from the tender offer.

Dollar Thrifty has 29.4 million shares outstanding, company documents show.

The Tulsa rental car company's shares on Monday continued to drop in price, closing at \$74, down 70 cents, which industry observers said indicates skepticism that the proposed merger with Hertz will be completed.

The Hertz/Dollar Thrifty deal is subject to antitrust review by the Federal Trade Commission.

Originally, Hertz expected the FTC review to be completed by mid-October, company executives said.

"It tells me a lot of people think this (Hertz/Dollar Thrifty deal) may not go through," said Fred Russell, CEO of Fredric E. Russell Investment Management Co. in Tulsa. "When shares are selling at such a discount to the tender offer price, it indicates a lot of doubt that the deal will be consummated."

"Maybe some people think Hertz may not have the financing of this deal. It might indicate pressure (on the FTC) from smaller players in the industry."

Hertz, Enterprise Rent-A-Car and Avis Budget Group together control about 75 percent of the market, with Dollar Thrifty at 5 percent, said IBISWorld, which follows the rental car industry in Santa Monica, Calif.

In a 10-Q filing with the SEC on Friday, Hertz cited as "risk factors" its long-term debt of \$12.7 billion, as of Sept. 30, and the cost of the Dollar Thrifty acquisition.

"We also expect to incur an additional \$1.95 billion in indebtedness in connection with the acquisition of Dollar Thrifty," Hertz said in its 10-Q.

"As of June 30, Dollar Thrifty's indebtedness was approximately \$1.56 billion, which we expect to assume in connection with the Dollar Thrifty acquisition. Our substantial indebtedness could materially adversely affect us."

Jake Dollarhide, who follows Dollar Thrifty as CEO of Longbow Asset Management Co. in Tulsa, said Dollar Thrifty's falling share price could reflect uncertainty about the FTC process.

"It also could be uncertainty about the election and the economy as a whole," Dollarhide said. "But I think the FTC process has been more brutal than Hertz would have anticipated. They did a lot of front-loaded due diligence work with the FTC before they made this offer."

In an effort to mollify the FTC's antitrust concerns, Hertz has reached an agreement to divest its discount Advantage rental car brand, company executives said.

"The big institutional investors are sitting back and waiting to see if the FTC is going to ask for more concessions," Dollarhide said.

Hertz shares closed Monday at \$13.15, up 5 cents.

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Hertz Global Holdings Inc. signage hangs on the side of a garage in San Francisco. Hertz has extended its buyout offer for Dollar Thrifty Automotive Group to Nov. 16. Bloomberg file