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Good morning ladies and gentlemen. It's a pleasure to be here in Las Vegas... and it's an honor to speak with you at this year's CRS conference.

I look after the Sustainability practice for Enterprise Holdings... and this morning, I wanted to talk to you about the sustainability of our industry and how it fits into the premise of the "triple bottom line."

Interdependence

Raise your coffee cups if you've heard of the triple bottom line?

It's a way of measuring a company's performance that goes beyond simple profitability...and incorporates a company's environmental and social impact – as well as its economic contributions.

The triple bottom line was first introduced by an author named John Elkington, in his 1998 book entitled, "Cannibals With Forks." However... since this is a breakfast meeting, and I don't want to negatively impact anyone's appetite, I'm going to refrain from mentioning that book title anymore this morning....

But that's where the idea of the triple bottom was born. It has since become increasingly common in the way businesses and indeed industries have to think.

Many companies now have sustainability initiatives in place. Universities have entire departments and curriculums dedicated to the subject of sustainability.

There are hundreds of non-governmental organizations dedicated to various sustainability issues. And just for fun, I Googled the word 'sustainability' before coming here this week, and I got more than 12 million hits.

It seems everybody is talking about sustainability.

Now, many people – when they hear the word 'sustainability' – think primarily in terms of environmental issues... whether it's as simple as ways to reduce-reuse-and-recycle in their homes ... or larger issues like the effects of habitat loss, carbon emissions, or global warming.

But ... as any scientist will tell you... the world in which we live is a single, giant, ecosystem... and like any ecosystem – large or small – everything is interconnected and interdependent. Our world today is a delicate balance of environmental, social and economic concerns... and damage to any one element of this ecosystem – if left unresolved – can impact that balance.

So from that perspective, you can see how the concept of sustainability encompasses a much broader universe.

Equilibrium

The point is, while environmental issues are at the heart of sustainability... the overall objective of sustainability is to maintain the balance between the environment and the social and economic needs of our world. It's about fostering policies that integrate environmental, economic, and social values... and building synergies between them in order to meet the present and future needs of our world.

And in today's world, it's imperative that companies begin measuring themselves against these three criteria – social, environmental and economic ... the triple bottom line.

So what does this mean for all of us here this morning?

First... it means that we must realize that how we impact the people and communities we touch... and how we impact the planet and resources we use... are just as important to our long-term success as our financial performance.

And second... it means we must remember that any sustainability initiatives we undertake aren't just about helping the environment... they're about ensuring the viability of the passenger vehicle and the sustainability of the car rental industry.

And that's a responsibility we all share...together...because like any ecosystem, what impacts the car rental business as a whole impacts every single one of us.

Think about the "ecosystem" of the car rental industry...

The vehicle manufacturers. The used car market. Energy resources and suppliers. The economy. Government legislation and taxation. Infrastructure. The travel industry – whether it's business or leisure travel – and the airlines, railways, hotels, dining and entertainment establishments that comprise it. The car rental distribution system... the dealerships, branches, insurance companies, travel agencies, airports, repair shops, and car-sharing operations. And of course, every employee and every customer.

The car rental business touches – and is influenced by – a wide variety of interconnected factors. What impacts one of us can impact all of us. And in the past, we've faced a number of challenges to our industry.

Forty years ago it was an energy crisis.

Thirty years ago it was a used car crisis.

Then it was inflation.

A decade ago it was a heightened fear of terrorism after 9/11.

Two years ago, we were facing the worst recession most of us have ever known. And then there's the ongoing issue of unfair excise taxes.

Some of these issues have come and gone. Others never go away completely.

Moving forward, issues of sustainability – environmental, social and economic – will become more and more prevalent. The sooner we address these issues – as individual companies and as an industry – the better chance we will have to get out in front of them. If we lead the way – with dynamic initiatives and positive solutions – we can turn these challenges into new opportunities in the marketplace.

But if we hesitate... if we take an attitude of "wait-and-see-what-happens"... then we may lose the opportunity to determine our future... and the marketplace will dictate it for us.

Let me give you an example.

For several years, European Union countries were looking at ways to deal with CO2 emissions from commercial airlines. The airline companies – for the most part – did little to proactively supersede this issue, and by 2006, the European Commission proposed a carbon emissions tax on airlines. Britain has since become the first European country to execute the plan. Like most taxes, the cost of this plan will of course be passed on to the consumer ... and at one point, the Association of European Airlines issued a statement that this proposal would force its members to buy emissions permits... which might prove to be a heavy burden.

Last year, British Airways, the UK's largest airline, announced that it will reduce its emissions to half that of its 2005 levels over the next decade, while Virgin Airlines has steered as much as 3 billion dollars into

researching non-fossil fuel alternatives and other greenhouse gas reduction measures. Both are commendable actions...but the legislative damage had already been done and anything that happened after it was passed became a voided story.

The point is... the airline industry in the U.K. didn't come together and act quickly enough to deal with the issue of carbon emissions... and eventually, the decision was made for them – in the way of legislative mandates.

Here in the United States, the entire travel industry is under close scrutiny for sustainability issues. Government agencies are already reviewing the level of carbon emissions from our commercial airlines. Stricter guidelines are being put in place for the construction, expansion, and operation of airports - we've all felt the effects of these. Similar guidelines have been developed for the hotel industry... from construction to the daily operating procedures... And you can bet that the car rental industry is already in somebody's sights.

Differentiate

We need to be proactive... as individual companies... and as an industry.

We need to be innovative... by exploring new ideas and working to develop new solutions.

We need to actively communicate our efforts and our position on sustainability issues.

And every member of our industry - regardless of size or location - needs to get involved at some level... because these issues affect us all... and every one of us will benefit from the solutions, or pay the price of inaction.

There's no denying that there's a lot to do... but we can all do something... and we'll accomplish more if we get started now.

And it can start small.

It can be as simple as the now familiar reduce-reuse-and-recycle concept. From energy efficient lighting, computers, and other office machines... to regulators for the cleaning chemicals and water flow in the vehicle washing areas... to recycled paper contracts and use of eco-friendly suppliers for the materials and services you purchase for your business... there are dozens of simple ways to make your operation more environmentally efficient.

At Enterprise, we have created a cross-functional taskforce to review all of our operations and assess our environmental impact. We are building a comprehensive set of best practices to educate and engage our employees toward a common objective of reducing the energy we use and the waste we produce.

In March of 2010, Enterprise Holdings also started a new initiative to reduce our carbon inventory. And we have already begun to realize substantial savings across our 7,700 locations worldwide.

Obviously, not everyone has these same economies of scale... but the point is – it all adds up. If every single member of our industry works to reduce their own carbon footprint, together we can make a dramatic impact. And even the smallest car rental operators will see a benefit in their triple bottom line.

On a larger scale, the make-up of our fleets and fleet management policies and procedures provide some of the most visible and tangible opportunities for implementing effective sustainability initiatives.

Responsibilities

The car rental industry puts 1.6 million vehicles on the road in this country...from virtually every airport and in nearly every community. This is the marketplace. This is where people see us... where they use

our services... and where they form opinions about us. And this is where we must make the greatest impact.

Providing customers with fuel-efficient rental options and opportunities to offset the carbon emissions associated with their rentals are important steps. On a broader scale, it clearly demonstrates a desire to operate responsibly... and on a more personal level, it shows the customer – with every transaction – that we care.

Enterprise Holdings, which operates Enterprise Rent-A-Car, as well the Alamo Rent A Car and National Car Rental brands - represents the world's largest fleet of fuel-efficient vehicles. In addition to thousands of hybrids and electric vehicles, approximately 35 percent of our vehicles average a highway fuel efficiency rating of 32 mpg or better.

Furthermore, 55 percent of our vehicles average at least 28 mpg. Here again, I realize that most car rental companies do not have this kind of scale... but look at it this way...more than half of our entire fleet includes fuel efficient vehicles. That's a target that can be achieved industry-wide – and would demonstrate our industry's commitment to improving fuel efficiency. We now have an opportunity to organize ourselves this way because in three years' time it will be a moot point with CAFÉ regulations introduced.

Positioned correctly, the media and other stakeholders could come to understand 1.6m vehicles MPGs and over time trends could show the efficiency gains that are being made.

The other point to be made about those 1.6m vehicles is that they're not always adding to the nation's carbon footprint. In some cases they are being rented instead of a flight...that equals a reduced footprint.

Increasingly, many of our customers use mass transit during the week and rent cars on the weekends... this too highlights our legitimate place for helping provide sustainable solutions.

At the same time, carbon offset programs demonstrate our industry's commitment to improving our climate and air quality by reducing CO2 emissions.

At Enterprise, we work with TerraPass to offer our rental car customers the opportunity to offset the CO2 emissions associated with the average rental... and our charitable foundation matches these contributions dollar-for-dollar up to one million dollars per year.

We're proud of our fuel efficient fleet and our carbon offset program... as I'm sure each of you are proud of your company's efforts. These initiatives are an important part of what we do, and they're good for business.

And we need to make sure people know about them. We need to make sure that our customers know... that our corporate clients know... that our stakeholders know...which include the legislators.

They need to know what we're doing – not just as individual companies, but the collective results as well... because ultimately, all of our sustainability efforts are about ensuring the future of our entire industry.

Turning Points

And right now, the car rental industry is in the early stages of a huge period of transition.

The changes coming our way are being driven by a variety of factors... like advancements in technology, environmental concerns, growing urban populations, and evolving consumer attitudes and preferences.

These issues are changing the demands on the car rental business... and how our industry evolves and adapts to meet these demands will ultimately determine the future for all of us.

One of the biggest changes coming our way is alternative-powered vehicles.

Auto manufacturers, scientists, national leaders and consumers are all seeking better alternatives to gas-powered automobiles.

Environmental and economic concerns, the finite nature of fossil fuels, and the need to reduce this country's dependence on foreign oil are all factors driving this transition.

And two points are clear:

- Alternative-powered vehicles will become a fixture in the marketplace...
- And alternative-power technology must be able to realistically satisfy the driving requirements of the American public before it can become successful and sustainable in the free market.

But this won't happen overnight... and before it does, the marketplace must evolve.

The evolution of the electric vehicle is a good example.

Full-electric vehicles are an option that is desired by many people working to deliver viable transportation solutions, but issues like limited range before recharging, lengthy charging times, and severely limited access to battery charging stations have been major obstacles to its success. And without extended range capabilities and a reasonably accessible recharging infrastructure, the all-electric vehicle wouldn't meet the needs of the American driver right now.

But the marketplace is evolving and moving closer to this destination with the plug in gas/electric hybrid. These vehicles will help meet this emerging consumer demand by offering the better range...all the while reducing the use of fossil fuel use and the subsequent emissions.

But despite these vehicles beginning to gain a foothold in the American marketplace, the next obstacle is building consumer awareness so that they understand and accept the advances of new technology. In so many conversations I have with DOE or NGOs or Municipalities that all heavily involved in this program I hear the same thing...'it's all about the educating the general public'.

Leadership

That's where car rental industry can play a key role.

We are a hugely significant part of the value chain to bring alternative fuelled vehicles to the mass market.

The service we provide offers a unique way for manufacturers to expose consumers to these vehicles, while allowing the car rental industry to demonstrate its willingness to help find the right solution to the alternative-power issue.

A variety of hybrids and other alternative-fuel vehicle options are now available through various car rental companies – including Enterprise – at a number of locations nationwide.

And as of January of this year, Enterprise has taken the next step in moving the process forward, by becoming the first car rental company to offer the Chevrolet Volt extended range electric vehicle for daily and weekly rentals, and we'll be adding more electric vehicles – including 500 Nissan LEAFs – as they become available from the manufacturers and as we continue to expand our infrastructure to support them. We are already beginning to take delivery of these on the West Coast.

We're using our fleet and branches to serve as a sort of 'petri dish' to present these new alternatives and determine their feasibility in the marketplace.

As car rental companies embrace new, clean fuel and engine alternatives like EVs – and in effect, test-marketing them in this way – our entire industry stands to benefit... because if our efforts help advance the viability of the technology, then we help open the door for the mass market more quickly.

In his State of the Union speech this past January, President Obama reemphasized the call for clean energy technology.

He challenged our nation to break its dependence on oil and become the first country to have one million electric vehicles on the road by the year 2015. If he is serious about this then we can play a part in the solution.

President Obama also called for new infrastructure initiatives, including a high-speed passenger railway system. We need to be part of that solution too – by being in place to effectively serve those customers at their destinations. The last thing we need is to compete with public transportation ...let me explain.

In the past few decades, we've seen a dramatic increase in the urbanization of the United States. Urban sprawl has grown, and more and more people are migrating to cities - the world over in fact. This is heightening the concerns over infrastructure, traffic congestion, and CO2 emissions. We need to be part of this solution as well, by finding innovative new ways to meet these consumer needs. Automated local car rental – or as the media like to call it, car sharing – is a part of this story.

And these are just a few of the challenges our industry will face going forward.

Innovation

Ladies and gentlemen... like any ecosystem, ours is constantly evolving... and the list of changes coming at us seems to be growing longer every day. And like any member of an ecosystem, we simply have to continue adapting or evolving in order to thrive.

But then, our industry has been doing that for nearly a hundred years.

The car rental business has been around almost as long as automobiles... and it has certainly been through its share of changes.

In the early days, I imagine a customer would just walk into a little shop, shake hands with the agent, get the keys and away he went. Over the years, the telephone made it easier to make a reservation...and the number of forms required probably grew, but that's about it.

The Internet reached 1.97 billion users worldwide in 2010. Among the chief areas of growth were Twitter and Facebook, which saw 100 million and 250 million new users, respectively.

According to Twitter's internal data, 25 billion "tweets" were sent in 2010. Asia led the world in Internet users, with some 825 million people online compared with 266 million in North America. However, North America led in percentage of population online, with 77% of Americans, Canadians, and Mexicans having access to the Internet, versus 21% of Asians.

Almost 30% of the global population now uses the Internet, which grew 14% in 2010, putting it on track to exceed 2 billion users by the end of this year.

As a result, today, a customer books his reservation online. Maybe he's a member of a loyalty club. He selects the location and the pick-up and return time. He picks a fuel-efficient car at a fair price. And he knows the car will be there when he needs it. Within the next few months at Enterprise you'll be able to

reserve a car through your Facebook page never leaving the Facebook environment...we are being asked to go to the customer in ever newer ways and gone are the days they simply come to us.

However, the point is as long as we continue to meet our customers' needs effectively and efficiently, our business will remain viable and sustainable.

Healthy competition is certainly one of the best ways to do this. Everyone here has good relationships with their customers and their communities... by listening to and working with them to identify and provide innovative solutions to their needs, the marketplace will determine what works best, and our industry will move forward as a whole.

Everyone here can also enhance their business approach to the triple bottom line. Even the simplest efforts can have a positive effect on the local environment and communities where you do business... and help your triple bottom line at the same time. And when you consider the collective efforts of everyone in this room, together we can make a major impact on the environment and community of the United States.

So where do we start?

Momentum

We start by making a commitment.

Make commitment to yourself and your business to raise your sustainability efforts. If you already have a sustainability platform in place... challenge your company to enhance it.

If you haven't quite gotten around to implementing much of a sustainability program, do it this year. Make it a priority to make a difference in the communities where you do business. And tell your shareholders about your story...

And let's challenge ourselves – as members of the same industry – to raise our collective sustainability efforts as well.

We have a great tool called the American Car Rental Association to use... so let's use it. Let's make ACRA the hub of our industry sustainability efforts. Let's use it as a common resource where we can share useful sustainability ideas.

Let's use it as a way to work together to articulate an industry-wide position on sustainability.

Let's build a basic, common platform for responsible business practices – environmental, social and economic – for the car rental industry.

And let's work together:

....to create a more open, involved, and assertive voice for our industry,

....to raise the level of awareness, action, and communication, and

....to show every member of our business ecosystem – from our customers to the entire travel industry to government agencies and legislators – that the car rental industry is involved and engaged for the long term... and we mean business.

That's how we can strengthen the performance of our own individual businesses... and ensure a viable and sustainable future for the car rental industry.

We need to be proactive. We need to be innovative... by exploring new ideas and working to develop new solutions. And we need to actively communicate our efforts and our position on these issues.

Sustainability is a disciplined business practice that's as good for our respective companies as it is for society at large. It adds to the consumer's criteria for choosing our brand – and that means renting more cars. And it's one more way that all of us can work together, with purpose, to make a real economic, social and environmental difference.

Thank you very much.