Remuneration Report

This report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 and the relevant requirements of the Listing Rules of the UK Listing Authority. The Board has given full consideration to the best practice provisions on Directors' remuneration as set out in the new Combined Code. As required by the Remuneration Report Regulations, a resolution to approve the Directors' Remuneration Report will be proposed at the forthcoming Annual General Meeting of the Company at which the Financial Statements will be approved. The vote will have advisory status, will be in respect of the remuneration policy and overall remuneration packages and will not be specific to individual levels of remuneration.

Part 1 of this report sets out the Group's policy on executive remuneration and explains the various elements of the Directors' remuneration packages. Part 2 of this report, which contains the information on which auditors are required to report to the Company's shareholders, sets out details of Directors' earnings and pension entitlements and fees paid to non-executive Directors in 2004. Directors' interests in shares, share incentive awards and share options, all of which are beneficial except as noted, are set out on pages 32 and 33.

Part 1

Remuneration Committee

Scope

The Remuneration Committee determines broad policy on senior executive remuneration and terms of service and approves specific terms of appointment for the Chairman, executive Directors and senior management. The Committee is also responsible for the structuring and allocation of the Group's share incentive schemes.

The full terms of reference are available on www.avis-europe.com

During 2004 the Committee's activities included:

- approval of terms of appointment for Alun Cathcart, Murray Hennessy, Simon Palethorpe and a number of senior managers across the Group;
- review of market data and individual performance to determine salary increases for Directors and senior managers;
- review and revision of the performance conditions of the share option schemes and the performance share plan to comply with best practice;
- review of proposed pension simplification legislation and agreement on an initial policy approach;
- approval of a special three-year share retention award for the Chief Executive; and
- approval of revisions to the annual bonus scheme for 2005.

Membership

The Remuneration Committee is comprised of non-executive Directors. Members as at 21 March 2005 are:

Malcolm Miller (Chairman)
Les Cullen
Roland D'Ieteren
Dr Axel von Ruedorffer

As noted on page 21 of the Corporate Governance Report, a separate Remuneration Committee was formed on 26 February 2004 to replace the Remuneration and Appointments Committee which exercised all the relevant functions up to that date. As at 1 January 2004, the members of the Remuneration and Appointments Committee were Sir Bob Reid (retired 25 May 2004), Roland D'Ieteren, Malcolm Miller and Axel von Ruedorffer and the initial membership of the Remuneration Committee was the same. Les Cullen joined the Committee on his appointment as a Director on 25 May 2004 and Alun Cathcart was appointed interim Chairman of the Committee at the same date. He resigned from the Committee on 1 June 2004 when Malcolm Miller assumed the chairmanship of this Committee.

The Committee is comprised of independent non-executive Directors, with the exception of Roland D'Ieteren, as explained on page 21 of the Corporate Governance Report.

Advisers

External advice was received from New Bridge Street Consultants LLP (executive remuneration consultants) in respect of the Group's incentive schemes and Watson Wyatt LLP (retirement benefit consultants) in respect of pension simplification legislation. Watson Wyatt LLP act as actuary and adviser to the trustee of the Avis UK Pension Plan. Remuneration decisions were made on the recommendation and advice of the Chairman, the Chief Executive, the Group Personnel & Corporate Affairs Director (save in respect of their own remuneration) and Wally Taylor, consultant and former non-executive Director. The Committee had access to remuneration data provided by Hay, IDL, Monks Partnership (a trading name of PricewaterhouseCoopers LLP), New Bridge Street Consultants LLP and Towers Perrin. Other than described above, no additional services were provided by the external advisers during the year.

Remuneration policy

Introduction

The Group's policy relating to the remuneration and benefits of executive and non-executive Directors is reviewed periodically. The executive pay policy for 2005 and subsequent financial years is designed to secure the skills and experience the Group needs to meet its objectives and satisfy shareholder expectations. In determining its policy, the Committee takes account of market practice, the Group's position relative to other companies and the pay and employment conditions of other Group employees.

In light of recent trading announcements and the strategic review which is currently under way, the Committee has decided that, for 2005 only, the remuneration policy should be amended. Since developing the Company's strategic recovery plan and achieving stretching performance milestones in 2005 is key to the Company's future, the Committee believes that it is imperative that the executive Directors are focused on delivering the short-term targets set out in the plan. In addition, the Committee believes that the Company's current circumstances make it inappropriate to make any new awards under the Company's existing long-term incentive arrangements. Accordingly, for 2005 the Committee has decided not to award any share incentive awards under the long-term share incentive schemes. Instead, in recognising the importance of the strategic recovery plan, the Committee has decided to increase the annual bonus opportunity for the Chief Executive, Group Finance Director and Group Commercial Director. The measure of performance will be based on the development of the Company's recovery strategy, the achievement of specific performance milestones, and the achievement of the financial plan for 2005. Under this scheme half of any bonus payable will be paid in the normal way, with the remaining half deferred for a year provided that the recipient is still employed at that time and no notice has been served.

During 2005, following the development of the Company's strategic recovery plan, the Committee will review the remuneration policy for 2006 onwards in the context of the Company's long-term strategy. It is intended that the executive Directors'* remuneration will comprise salary, taxable benefits**, an annual incentive plan and participation in long-term share incentive and pension schemes. It is anticipated that the long-term share incentive schemes used to remunerate senior executives will be revised following the review to ensure that they are appropriate to the Company's circumstances and reflect market practice and investor guidelines at that time. Variable remuneration will form a significant element of total remuneration.

*Other than Jean-Pierre Bizet, executive Deputy Chairman, who receives an annual fee for his services and does not participate in the Group's bonus, share or pension plans.

**See page 31 for a description of taxable benefits.

Salary
The policy on base salary is to benchmark using general market external surveys against the median of similar sized companies relevant to the appropriate marketplace. In considering whether to make any increase to base salaries, the Committee takes into account the performance of individual executives and the general increases for employees across the Group.

Annual incentive bonus
Annual incentive bonuses have for many years been an important part of Avis Europe's culture and are widely applied throughout the Group.

Annual incentive bonus plans for executive Directors and key senior management have been based on achievement of pre-set targets approved by the Committee and related directly to the annual profit plan approved by the Board. Targets and performance measures were quantitative and there was a threshold below which no bonus payment was made. Normally, achievement of on-target performance results in payments of approximately 50% of annual salary for the Chief Executive and 40% of annual salary for other executive Directors, with a maximum award for exceptional performance of 87.5% and 70% respectively.

The Chief Executive, Group Finance Director and the Group Personnel and Corporate Affairs Director received bonus awards in 2004 under the Group's annual incentive plan. The target for the 2004 incentive plan set by the Remuneration Committee in December 2003 was based on achieving Group profit on ordinary activities before amortisation of goodwill and net exceptional items of €56.9 million. This was later reduced by €3 million, to take account of the strategic investment in the Company's development subsequently approved by the Board and announced with the Company's interim results in September 2004. The result for 2004 was €54.2 million and on this basis the Committee awarded payments at the target level to all participants in the Group incentive scheme, including the three executive Directors eligible to participate.

As mentioned in the policy section above, for 2005 only, the Committee has decided to increase the maximum award under the annual incentive bonus plan to 175% of salary for the Chief Executive and 140% for the Group Finance and Commercial Directors (the maxima will remain unchanged for other executive Directors). The payment of this bonus will be dependent on exceptional performance in delivering the targets required in the Company's recovery strategy, in addition to achieving the financial plan approved by the Board for 2005. 50% of total incentive earnings for 2005 will be payable in the normal way after the end of the year, with the remaining 50% payable on the first anniversary of the initial payment, provided the recipient is still employed at that time and no notice has been given.

This temporary change in policy reflects the need to retain and motivate senior management during the current period of significant change, recognising the decision to delay long-term incentive awards until 2006 once a full incentive review has been performed.

The base salary, bonus payments and value of benefits in kind for each Director are set out in table (a) on page 31. Bonus payments, benefits in kind and cash allowances do not form part of pensionable earnings for Directors.

Share incentive policy
The Company currently operates three share incentive schemes: the Performance Share Plan, the Inland Revenue Approved Share Option Scheme and the Unapproved Share Option Scheme. The Company also has an Equity Partnership Plan and shareholder approval for an all employee share plan. However, neither of these plans is active.

As noted on page 26, no incentive awards will be made under the Performance Share Plan or the Share Option Schemes in 2005. A full review of long-term incentives will be performed in 2005 to ensure that the arrangements put in place are in line with the key objectives and anticipated outcomes of the new strategy. At this time, the Committee will also consider the requirement for a Directors' shareholding policy.

It has been the Company's general intention that no participant should receive an award under both the Performance Share Plan and Share Option Schemes in the same year. However, during the year, as an exception to this general policy (and in accordance with section 13.13A(b) of the Listing Rules) to facilitate the recruitment of the new Chief Executive, the Remuneration Committee believed it should grant share options and performance shares at the same time. He received an award under each plan over shares worth approximately 100% of his base salary. Further details of these awards are set out below. Subsequently in December 2004 the Committee made a share retention award to the Chief Executive pursuant to section 13.13A(b). Further details of the award are set out below.

The performance conditions for each of the schemes are set out below including both prior years and those applied during 2004. The assessment of whether performance conditions have been met is independently reviewed by the external auditors and verified by the Committee at the time of vesting.

Given the increased volatility that arises when reporting earnings on the basis of International Financial Reporting Standards, where earnings per share is included as a measurement in the performance conditions of a plan, it is the intention of the management to continue in the short to medium-term to assess performance for awards made to date on the basis of existing UK GAAP to ensure that performance is measured on a consistent basis.

Individual Directors' share incentive awards are set out on page 33.

Performance Share Plan
The Performance Share Plan is a seven-year plan, designed to encourage executive focus on longer term performance and growth in shareholder value. A combination of performance targets was chosen for the measurement of the Company's performance since total shareholder return (TSR) aligns the interests of executives with shareholders by requiring median or above total shareholder return

performance and earnings per share (EPS) requires real improvement in financial performance of the Company.

Awards are determined by the Committee and may not be greater than 100% of the qualifying participant's total annual remuneration measured at the date of the award. No award granted to date has exceeded one times annual salary. Awards vest over a period of seven years from the date of the award. If the performance conditions are met at the third and fifth anniversary of the date of award, vesting accelerates to the extent of 25% of the award on each of these occasions. The extent to which an award vests is determined by the Group's medium and long-term performance measured in terms of TSR. TSR is measured against a broad comparator group from the Transport and Support Services sectors, as Avis is a service company classified in the Transport sector. In 2004 the comparator group was changed to reflect a more comparable peer group taking into account the circumstances of the Company. The revised comparator group includes a greater focus on travel orientated and international companies.

For the awards to vest, TSR at the end of each performance period must be at least at the median in relation to the comparator group and there has to be a minimum real increase in EPS of 3% per annum over the relevant period.

For awards made prior to 2004, if both these conditions are met 50% of the award may vest. For full vesting the EPS target must be met and the Group's TSR must be in the top quartile of the comparator group over the seven-year period. TSR achievement between the median and 75th percentile will result in vesting between 50% and 100% of the award on a pro rata basis.

The comparator group for TSR for awards made prior to 2003 comprises the companies listed below:

Airtours plc	Mitie Group plc
Arena Leisure plc	National Express Group plc
Arriva plc	NFC plc
Associated British Ports Holdings plc	Ocean Group plc
Eurotunnel plc/Eurotunnel SA	Powell Duffryn plc
First Choice Holidays plc	Christian Salvesen plc
First Group plc	Stagecoach Holdings plc
Go-Ahead Group plc	TBI plc
Lex Service plc	Thomson Travel Group plc
Minorplanet Systems plc	Tibbett & Britten Group plc

The comparator group for TSR for awards made in 2003 comprises the companies listed below:

Arena Leisure plc	Mitie Group plc
Arriva plc	MyTravel Group plc
Associated British Ports Holdings plc	National Express Group plc
Eurotunnel plc/Eurotunnel SA	RAC plc
First Choice Holidays plc	Christian Salvesen plc
First Group plc	Stagecoach Holdings plc
Go-Ahead Group plc	TBI plc
Minorplanet Systems plc	Tibbett & Britten Group plc

On change of control the Committee will take into account the performance conditions when determining the vesting of awards.

The only award made under the Plan in 2004 was to the new Chief Executive following his recruitment. His award was over 490,266 shares, worth approximately 100% of his annual rate of salary. These shares will vest on 2 April 2011 provided he remains in employment and to the extent the performance conditions have been satisfied.

The performance conditions for his award are different from the conditions previously applied to awards in the following respects:

- only 30% of the award will vest for median performance; and
- the comparator group comprises the following companies:

Accor	Holidaybreak plc
Air France	Intercontinental Hotels Group plc
Alpha Airports Group plc	Kuoni Reisen Holding AG
BAA plc	Deutsche Lufthansa AG
British Airways plc	Millennium & Copthorne Hotels plc
Carnival plc	NH Hoteles SA
easyJet plc	P&O Steam Navigation Company
Eurotunnel plc	Ryanair Holdings plc
First Choice Holidays plc	Sixt AG
First Group plc	TBI plc
Hilton Group plc	TUI AG

The other terms of the award are the same as for other awards made under the Performance Share Plan.

Share option schemes

The Group operates Inland Revenue approved and unapproved share option schemes which have an EPS based performance condition. An EPS condition is considered appropriate, as it requires improvement in the underlying financial performance before options can be exercised. Employees may not normally exercise options earlier than three years nor more than ten years after the grant (seven years for grants made before April 2000 for the unapproved scheme). Options will lapse upon cessation of employment. However, special conditions apply if employment ceases because of death, injury, disability, redundancy, retirement or because the employing business or company is transferred outside the Group, or for any other reason at the discretion of the Board.

In 2004, the Committee imposed more demanding performance conditions having regard to the views and best interests of the Company's shareholders. Options will be fully exercisable only if the real growth in EPS during the three-year period 2004-2006 exceeds 10% per annum compound. For 30% of the options to be exercisable there must be real minimum growth of 5% per annum compound. Vesting will be on a straight line basis for EPS growth between these targets. There will be no opportunity to retest the performance condition if it is not met over the specified three-year performance period. On change of control, the Committee will take into account performance when determining the vesting of awards.

Options granted prior to 2004 become exercisable when real growth in EPS exceeds 3% per annum during any period of three consecutive years following the date of grant.

The rules of the share option schemes limit the number of options that can be granted over new issue shares in a rolling ten-year period to 5% of issued share capital under discretionary share schemes, and 10% of issued share capital under all share schemes. The total number of share options granted at 31 December 2004 is well within these dilution limits.

The Directors' entitlements under these schemes are set out in table (c) on page 32.

Equity Partnership Plan

The Equity Partnership Plan was designed to encourage senior management throughout the Group to retain a shareholding in the Company over a period of time. However, no awards have been made under this Plan since 2002 and the continuation of this plan is under consideration as part of the overall review of long-term incentive arrangements going forward. The plan has two components: the Partnership share award and the Loyalty share award.

Partnership share award
The Committee could invite participants to invest part of their annual bonus to acquire shares in the Company and in return an award would be granted by the Company over additional shares calculated as a proportion of the amount invested. The conditions were that participants remained employed by the Group for a specified period, retained the shares they had acquired throughout the period and that the Group achieved EPS increase in real terms of 3% per annum over the three-year period commencing with the year in which the award was granted.

Loyalty share award
A one-off Loyalty share award was made in 2000 to over 80 senior managers including the executive Directors, to encourage share retention. The number of shares awarded was 25% of the shares held under options granted at the flotation of the Company or commencement of employment, if later. These awards vest in three equal instalments on the sixth, seventh and eighth anniversary of the date of the grant of the qualifying option, provided that the participant has not disposed of more than one-third of the shares under that option in respect of each of the three years following the third anniversary of grant of option.

If these conditions are met the Loyalty share award will only vest if the performance condition attached to the qualifying option has been achieved, which is a minimum real increase in EPS of 3% per annum during any period of three consecutive years following the date of grant. During 2004 the second instalment of Loyalty share awards relating to options granted in 1997 vested.

Share Retention Plan
On 21 December 2004 a Share Retention Plan was established as a discretionary benefit for the purposes of retaining the services of the Chief Executive. The Plan was implemented without shareholder approval by virtue of paragraph 13.13A(b) of the Listing Rules published by the UKLA. The Committee views the contribution of the new Chief Executive to the development and implementation of the Group's recovery strategy as essential and therefore determined that it was appropriate to implement this plan to facilitate his retention over the medium-term.

The principal terms of the Plan are as follows. The sole participant is the Chief Executive and the conditional award is in the form of a nil cost option to acquire ordinary shares in the Company. In normal circumstances the option will vest in three equal tranches (the total award being 600,000 options) at 1 January 2006, 1 January 2007 and 1 January 2008, provided that he is still employed by the Group and is not subject to notice of termination of his employment (whether given or received) on these dates. There are no performance conditions relating to this award. The option is exercisable within three months of vesting (twelve months in the case of death and one month in the case of takeover). Benefits provided under the Plan are not pensionable.

The award will normally lapse on cessation of employment (save on death when the award will vest in full). If employment ceases by reason of injury or disability, or for any other reason if the Remuneration Committee so decides, the Remuneration Committee has the discretion to decide whether or not the option will vest and, if so, the extent to which it will vest. In the event of a takeover, the Remuneration Committee will decide the extent to which any outstanding part of the award will vest. In the event of a corporate reorganisation, the Remuneration Committee may decide that the award continues over the shares of any new holding company.

If there is a de-merger or other corporate event, which in the opinion of the Remuneration Committee will materially affect the share price, then the Remuneration Committee may decide that the award vests early. In the event of any increase or variation in the share capital of the Company, the payment of a capital dividend or other events similarly affecting the award, the number of shares subject to the award may be adjusted. The Remuneration Committee may alter the Plan at any time.

Avis Europe Employee Share Trust
The Avis Europe Employee Share Trust was established in March 2000 to facilitate provision of shares for the Company's share incentive schemes. The Trust may hold up to 5% of the issued share capital of the Company at any one time. During 2004, no additional shares were acquired by the Trust and the number of shares drawn down during the period was 167,922, of which 159,671 related to the second release of Loyalty share awards.

At 31 December 2004, the Trust held 581,095 shares, excluding shares which were purchased from bonuses by participants in the Equity Partnership Plan. It is intended that the shares in the Trust will be used to satisfy conditional share awards made under the Performance Share Plan, Share Retention Plan and Equity Partnership Plan as and when these awards vest. The awards outstanding under each of these Plans at 31 December 2003 and 31 December 2004 are as follows:

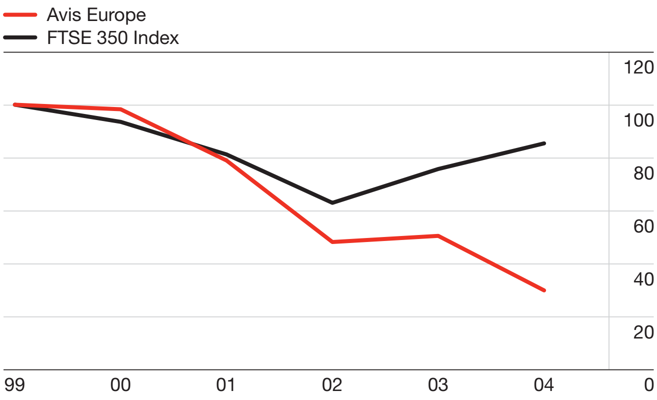
Share Incentive Scheme	Conditional share awards outstanding at 31 December 2003	Conditional share awards outstanding at 31 December 2004
Performance Share Plan	1,007,153 shares	1,238,868 shares
Equity Partnership Plan		
– Partnership shares	8,546 shares	5,474 shares
– Loyalty shares	483,518 shares	217,180 shares
Share Retention Plan	–	600,000 shares
Total	1,499,217 shares	2,061,522 shares

The Company periodically reviews the number of shares held by the Employee Share Trust in light of the anticipated vesting dates and performance conditions under the various plans. The Company also regularly reviews its hedging policy but does not currently hedge any of these awards against potential Social Security costs that may be incurred across the Group as and when the awards vest.

Total Shareholder Return (TSR)
The following graph illustrates the performance of Avis Europe plc and a "broad equity market index" over the past five years. As Avis Europe plc has been a constituent of the FTSE 350 index throughout this five-year period, that index is considered the most appropriate form of "broad equity market index" against which the Group's performance should be graphed. Performance, as required by legislation, is measured by total shareholder return (share price plus dividends paid).

Remuneration Report

Total shareholder return (TSR)



All dates at 31 December
This graph shows the value, by the end of 2004, of £100 invested on 31 December 1999 compared with the value of £100 invested in the FTSE 350 Index. The other points are the values at intervening financial year-ends.

Source: Datastream

Non-executive Directors
Non-executive Directors' fees are positioned to attract non-executives with broad business and commercial experience and to be competitive in the marketplace. The Chairman's fee is determined by the Remuneration Committee. The Chairman and the Chief Executive set the remuneration of non-executive Directors based on periodic review of current survey data. Policy is to pay an annual fee with further payment for additional Committee chairmanship responsibilities. Non-executive Directors do not receive awards under the Company's share incentive schemes.

Engagement policy
Executive Directors
The Company's policy is to issue each executive Director with a service contract which is subject to 12 months' notice on either side and runs until terminated. The contract provides for salary to be paid for any unexpired period of notice in the event of termination by the Company. Any such payment would be discounted in line with the mitigation obligations of the departing Director. There are no special contractual payments associated with change of control.

All current executive Directors have service contracts in line with policy as shown:

	Date of service contract	Notice period
Jean-Pierre Bizet*	25 May 2004	12 months
Lesley Colyer	18 April 2002	12 months
Murray Hennessy	17 May 2004	12 months
Simon Palethorpe	5 October 2004	12 months
Martyn Smith	11 September 2002	12 months

*Subject to the terms of the Relationship Agreement in respect of Directors appointed by s.a. D'Ieteren n.v.

The Board believes that it can be of benefit to Avis if its executive Directors serve as non-executive Directors of other companies, and, subject to individual review, the general policy is that an executive Director may hold one non-executive directorship with another company and may retain the fees therefrom. Murray Hennessy holds a non-executive directorship and donates his fee to charity. Until October 2004, Martyn Smith held a non-executive directorship with a charitable organisation for which he received no fees. Simon Palethorpe holds a directorship with a government body for which his fees are up to a maximum of £10,000 per annum.

Non-executive Directors
The Company's policy is to engage non-executive Directors on renewable three-year terms but which can be terminated by either party at any time without penalty (subject to the terms of the Relationship Agreement in respect of Directors appointed by s.a. D'Ieteren n.v.). Non-executive Directors are required to offer themselves for election at the next Annual General Meeting following their appointment and thereafter for re-election every three years. They normally retire at the Annual General Meeting following their 70th birthday.

	Date of appointment as a non-executive Director
Alun Cathcart*	25 May 2004
Les Cullen	25 May 2004
Roland D'Ieteren	3 February 1997
Benoit Ghiot	15 December 2004
Malcolm Miller	21 February 2001
Gilbert van Marcke de Lummen*	1 May 2002
Dr Axel von Ruedorffer	27 June 2001
Kevin M Sheehan	26 February 2004

*Both Alun Cathcart and Gilbert van Marcke de Lummen have previously served as executive Directors. Alun Cathcart served as an executive Director from 3 February 1997 to 31 March 1999,1 May 2002 to 24 May 2004 and as a non-executive Director from 1 April 1999 to 30 April 2002. Gilbert van Marcke de Lummen served as an executive Director from 3 February 1997 to 30 April 2002.

All non-executive Directors, including the Chairman, have letters of appointment in accordance with policy.

Retirement benefits
The executive Directors are, like other employees, eligible for membership of the Avis UK Pension Plan. This Plan is a defined benefit Plan and comprises two sections: the non-contributory Final Salary section which was closed to new entrants from 1 July 2003, and the contributory Retirement Capital section which is open to new members from the same date. Alun Cathcart, Lesley Colyer and Martyn Smith are members of the Final Salary section and, after at least 20 years' service, their retirement pension at normal retirement date will be two-thirds of Final Pensionable Salary, inclusive of any benefits retained in other pension schemes prior to joining Avis. Murray Hennessy and Simon Palethorpe are members of the Retirement Capital section, under which an allocation of 25% of their pensionable salary is made to a notional account. Each year the account balance is revalued by inflation up to 10% although the Company may at its absolute discretion and subject to actuarial advice apply a greater rate of revaluation. At retirement the balance in the account will be used to purchase an annuity. Pensionable salary for all executive Directors excludes bonus payments, taxable benefits and cash allowances. For Murray Hennessy, Simon Palethorpe and Martyn Smith pensionable salary is restricted to the level of the Inland Revenue earnings cap and they each receive a taxable cash allowance of 20% of base salary above the earnings cap.

The Committee is currently reviewing the impact of the forthcoming Inland Revenue legislation relating to tax-favoured retirement provision ("pensions simplification"), pending publication of the final Regulations. The Committee intends that any measures taken will be broadly cost neutral in order to avoid increasing the Company's pension liabilities as a result of this legislation. The Company is not responsible for compensating individuals for changes in personal tax liabilities arising from the legislation.

Part 2 (Audited)

Directors' remuneration

(a) The remuneration of Directors, comprising salary or fees, taxable benefits and bonus payments for the year ended 31 December 2004 are set out in the table below.

	Salary/fees £	Bonus† £	Taxable benefits* £	Other payments[3] £	Total year to 31 December 2004 £	Total year to 31 December 2003 £
Executive						
J-P Bizet[1]	47,389	–	–	–	47,389	–
W A Cathcart[2]	267,717	–	10,571	–	278,288	383,932
L Colyer	214,000	94,800	11,592	–	320,392	304,701
M Hennessy	319,747	183,333	65,926	–	569,006	–
S Palethorpe	60,000	–	3,550	–	63,550	–
M R Smith	300,000	162,000	54,051	–	516,051	466,295
D Woitscheck[3]	133,292	–	17,629	413,748	564,669	389,093
M McCafferty[4]	–	–	–	–	–	852,914
Total	1,342,145	440,133	163,319	413,748	2,359,345	2,396,935
Non-executive						
J-P Bizet[1]	13,392	–	–	–	13,392	32,500
W A Cathcart[2]	151,983	–	16,112	–	168,095	–
L Cullen	24,210	–	–	–	24,210	–
R D'Ieteren	32,500	–	–	–	32,500	32,500
B Ghiot	1,125	–	–	–	1,125	–
S P Holmes[5]	–	–	–	–	–	–
G van Marcke de Lummen	32,500	–	–	–	32,500	32,500
M Miller	35,417	–	–	–	35,417	32,500
Sir Bob Reid[6]	66,667	–	–	–	66,667	160,000
Dr A von Ruedorffer	32,500	–	–	–	32,500	32,500
K M Sheehan[5]	–	–	–	–	–	–
Total	390,294	–	16,112	–	406,406	322,500
Total	1,732,439	440,133	179,431	413,748	2,765,751	2,719,435

*Taxable benefits include principally car, fuel and private medical insurance, or cash allowances in lieu of these items or of pension provision.

†Incentive bonuses were paid at on-target level for meeting the financial plan approved by the Remuneration Committee in December 2003, adjusted for the €3 million strategic investment subsequently approved by the Board and announced with the Interim Results on 2 September 2004.

[1] J-P Bizet was appointed executive Deputy Chairman from 25 May 2004.

[2] W A Cathcart was appointed non-executive Chairman from 25 May 2004.

[3] D Woitscheck resigned from the Board on 4 August 2004 but remained employed by the Company until 31 December 2004. The £413,748 includes the remuneration for the period 4 August to 31 December 2004, together with compensation for cessation of employment.

[4] M McCafferty resigned from the Board on 1 November 2003.

[5] S P Holmes and K M Sheehan waived their right to a fee.

[6] Sir Bob Reid retired from the Board on 25 May 2004.

(b) Details of Directors' pension entitlements at 31 December 2004:

	Accrued benefit				Transfer value		
	Amount of change in accrued benefit during the year due to inflation £	Amount of remaining change in accrued benefit during year £	Accrued pension at 31 December 2004 £	Transfer value of increase in accrued pension excluding inflation £	Transfer value of accrued pension at 31 December 2003 £	Transfer value of accrued pension at 31 December 2004 £	Increase in transfer value less Director's own contribution £
W A Cathcart	11,300	(4,583)	371,245	(75,747)	4,335,472	4,998,790	663,318
L Colyer	2,391	15,142	94,661	114,906	542,645	718,338	175,693
G van Marcke de Lummen[1]	–	–	–	–	1,624,573	1,700,379	75,806
M R Smith	128	3,397	7,650	26,664	30,327	60,048	29,721
D Woitscheck[2]	1,701	50,560	145,716	357,043	623,660	1,029,015	405,355

[1] G Van Marcke de Lummen is no longer accruing benefit in the pension plan and has been in receipt of a pension from 1 May 2002. In the year to 31 December 2004 he received a pension of £132,735 (2003: £130,493).

[2] The figures above relate to D Woitscheck's benefits calculated at 31 December 2004 under the Avis Germany Pension Plan. Exchange rate of €1.44362 to £1 is used for translation purposes.

Murray Hennessy and Simon Palethorpe are members of the Retirement Capital section of the Avis UK Pension Plan. This is a "cash balance" arrangement to which the Directors and the Company contribute. Each year an amount equal to 25% of salary up to the Inland Revenue earnings cap is credited to a notional account. At 1 April each year after the first year, the account balance is revalued by the rate of inflation over the preceding calendar year, subject to a maximum of 10%. The Company may at its absolute discretion and subject to actuarial advice apply a greater rate of revaluation. At retirement the account will have been built up from each year's annual credit plus the annual revaluation amount, and the balance in the account will be used to purchase an annuity on behalf of the Director. In the year to 31 December 2004, the value of the Company's contributions for Murray Hennessy was £17,105 (2003: nil) and for Simon Palethorpe was £1,648 (2003: nil).

(c) Directors' interests in shares and share options granted under the Avis Europe plc share option schemes, all of which are beneficial except as noted, are shown below. No options were exercised during the period under review or the previous year. All options were granted for nil consideration. There have been no changes in options between 31 December 2004 and 21 March 2005 other than Dieter Woitscheck's options have lapsed.

	Shares		Options[1]						
	31 December 2004[2]	1 January 2004	31 December 2004	Lapsed during period	Granted during period	1 January 2004	Exercise price (pence)	Exercisable date	Expiry date
Executive									
J-P Bizet	–	–	–						
L Colyer[3]	100,016	95,345	24,190	–	–	24,190	124.0	Mar 2000	Mar 2007
			–	70,810	–	70,810	124.0	Mar 2000	Mar 2004
			22,000	–	–	22,000	248.2	Oct 2001	Oct 2005
			19,000	–	–	19,000	162.7	May 2004	May 2011
			134,000	–	–	134,000	99.7	Sept 2005	Sept 2012
			199,190	70,810	–	270,000			
M Hennessy	50,000	–	428,954	–	428,954	–	93.25	Apr 2007	Apr 2014
S Palethorpe	–	–	–						
M R Smith	19,385	19,385	200,000	–	–	200,000	99.7	Sept 2005	Sept 2012
D Woitscheck[2]	118,960	113,552	–	110,000	–	110,000	124.0	Mar 2000	Mar 2004
			25,500	–	–	25,500	248.2	Oct 2001	Oct 2005
			89,500	–	–	89,500	207.8	Mar 2005	Mar 2012
			45,000	–	–	45,000	99.7	Sept 2005	Sept 2012
			160,000	110,000	–	270,000			
Non-executive									
W A Cathcart[4]	282,147	282,147	300,000	–	–	300,000	207.8	Mar 2005	Mar 2012
			60,000	–	–	60,000	99.7	Sept 2005	Sept 2012
			360,000	–	–	360,000			
L Cullen	5,000	–	–						
R D'Ieteren	–	–	–						
B Ghiot	–	–	–						
S P Holmes[2]	–	–	–						
G van Marcke de Lummen[5]	21,166	12,381	24,190	–	–	24,190	124.0	Mar 2000	Mar 2007
			–	186,895	–	186,895	124.0	Mar 2000	Mar 2004
			48,500	–	–	48,500	248.2	Oct 2001	Oct 2005
			72,690	186,895	–	259,585			
M Miller	5,000	5,000	–						
Sir Bob Reid[2]	8,064	8,064	–						
Dr A von Ruedorffer	–	–	–						
K M Sheehan	–	–	–						

[1] Only options shown as having an exercisable date of March 2000 have satisfied the relevant performance condition; the remaining options are subject to the performance condition set out in the policy section.

[2] Or as at date of retirement/resignation.

[3] Included within L Colyer's holding of 100,016 shares are 1,032 shares in which she has a non-beneficial interest as trustee for the beneficial owners.

[4] Included within W A Cathcart's holding of 282,147 shares are 8,065 shares in which he has a non-beneficial interest as trustee for the beneficial owner. W A Cathcart's share options were granted when he was an executive Director of the Company.

[5] G van Marcke de Lummen's share options were granted when he was an executive Director of the Company.

(d) Details of awards made during the year under any of the Group's share schemes:

Share option schemes

At 31 December 2004, 428 qualifying employees held options over 8,747,068 shares. 428,954 options were granted to the Chief Executive in 2004. The grant was made on 2 April 2004, at an exercise price of 93.25 pence being the average market value of the Company's shares on the three dealing days prior to the date of grant. The market price of the Company's shares at 31 December 2004 was 53.75 pence. During the year, the market price ranged between 50 pence and 106 pence.

Performance Share Plan

On 2 April 2004 the Chief Executive received a conditional award set out in the table below. The price of an ordinary share on that date was 93.25 pence. The award is subject to the revised performance conditions as outlined in part 1 under the section entitled Performance Share Plan on page 27. The award took the form of options with a nil exercise price. As at 31 December 2004, no awards under this Plan had vested. The award to Dieter Woitscheck has subsequently lapsed.

	At 31 December 2003	Award in year to 31 December 2004	Date of 2004 award	At 31 December 2004	Vesting date of outstanding awards*
W A Cathcart	204,870	–	–	204,870	17 March 2010
L Colyer	157,462	–	–	157,462	17 March 2010
M Hennessy	–	490,266	2 April	490,266	2 April 2011
G van Marcke de Lummen	65,793	–	–	65,793	9 June 2007
M R Smith	226,711	–	–	226,711	17 March 2010
D Woitscheck	93,766	–	–	93,766	3 May 2008

*Accelerated vesting conditions are disclosed in the policy section.

Share Retention Plan

On 21 December 2004 the Chief Executive received a conditional award set out in the table below. The price of an ordinary share on that date was 51 pence. The award is subject to the conditions as outlined in part 1 under the section entitled Share Retention Plan on page 29. The award took the form of an option with a nil exercise price and will vest in three equal parts as set out in the table below. As at 31 December 2004, no award under this Plan had vested.

	At 31 December 2003	Award in year to 31 December 2004	Date of 2004 award	At 31 December 2004	Vesting date of outstanding equal thirds of awards*
M Hennessy	–	600,000	21 December	600,000	1 January 2006
					1 January 2007
					1 January 2008

*Accelerated vesting conditions are disclosed in the policy section.

Equity Partnership Plan – Partnership

At 31 December 2004, five senior managers and D Woitscheck, had conditional awards over a total of 5,474 shares which will vest in March 2005 if the vesting conditions are met.

Equity Partnership Plan – Loyalty

As at 31 December 2004, two current Directors and D Woitscheck have an outstanding one-off conditional award of shares as set out in the table below which will vest on 27 March 2005. Additionally 41 senior managers have outstanding conditional awards over a total of 182,505 shares awarded in 2000, none of which has vested. These awards are subject to the same vesting and performance conditions as the Directors' awards disclosed in part 1 under the section entitled Equity Partnership Plan on page 29. One senior manager received a total of 6,667 shares which vested early when he left Group employment.

	At 31 December 2003	Vested during year to 31 December 2004	Date of award	At 31 December 2004
L Colyer	15,834	7,917	27 March 2000	7,917
G van Marcke de Lummen	35,181	17,590	27 March 2000	17,591
D Woitscheck	18,334	9,167	27 March 2000	9,167

Signed on behalf of the Board
Judith Nicholson
Company Secretary
21 March 2005