

This document is important and requires your immediate attention

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager or other professional adviser, duly authorised under the Financial Services and Markets Act 2000, immediately.

If you have sold or transferred all your ordinary shares in Avis Europe plc, please send this document, together with the enclosed Form of Proxy, to the purchaser or to the stockbroker, bank or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Notice of Annual General Meeting

Notice of the Annual General Meeting of the Company to be held at 10.00 am on 28 May 2008 at Avis House, Park Road, Bracknell, Berkshire RG12 2EW is set out in this circular.

AVIS

**We try
harder.**

Avis Europe plc

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Avis Europe plc (the "Company") will be held at Avis House, Park Road, Bracknell, Berkshire RG12 2EW, on Wednesday 28 May 2008 at 10.00 am for the following purposes:

- 1** To receive the Directors' Report and the Accounts for the year ended 31 December 2007 and the Auditors' Reports thereon.
- 2** To approve the Remuneration Report.
- 3** To re-elect Jean-Pierre Bizet as a Director.
- 4** To re-elect Les Cullen as a Director.
- 5** To re-elect Simon Palethorpe as a Director.
- 6** To elect Pascal Bazin as a Director.
- 7** To reappoint PricewaterhouseCoopers LLP as auditors and to authorise the Directors to fix their remuneration.

To consider, and if thought fit, pass the following special resolutions:

Special Resolutions

8 THAT the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985) of its ordinary shares of 1p each in the capital of the Company provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 92,052,404 (representing 10% of the issued ordinary share capital at 27 February 2008);

(b) the maximum price which may be paid for each ordinary share exclusive of expenses is the highest of: (i) an amount equal to 105% of the average of the middle market quotations for a share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS), and the minimum price which may be paid for each ordinary share is 1p exclusive of expenses; and

(c) the authority conferred by this resolution shall, unless varied, revoked or renewed prior to such time, expire 15 months after the date of the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company, whichever is the earlier, except that the Company may before such expiry enter into contracts of purchase which would or might be completed after such expiry and the Company may acquire shares pursuant to such contracts as if the authority conferred hereby had not expired.

9 THAT with effect from the conclusion of this Annual General Meeting, the Articles of Association of the Company contained in the document produced to the Annual General Meeting and for the purposes of identification marked "A" and initialled by the Chairman of the Annual General Meeting be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, all the existing Articles of Association of the Company.

10 THAT, subject to the passing of Resolution 9 set out in this notice of Annual General Meeting of which this resolution forms part, with effect from 1 October 2008 or any later date on which section 175 of the Companies Act 2006 comes into effect, the Articles of Association of the Company adopted pursuant to Resolution 9 be amended by the deletion of Article 101 in its entirety and by the insertion in its place of new Articles 101 A, B and C in accordance with the printed document produced to the Annual General Meeting, marked 'B' and initialled by the Chairman for the purposes of identification.

Registered Office:
Avis House
Park Road
Bracknell
Berkshire RG12 2EW

Registered in England and Wales No. 3311438

By Order of the Board
Judith Nicholson
Company Secretary
17 March 2008

Entitlement to attend and vote

To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00 pm on 26 May 2008 (or, in the event of any adjournment, 6.00 pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Annual General Meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy may be appointed by any of the following methods:

- Completing and returning the enclosed Form of Proxy;
- Electronic proxy appointment by logging onto the Registrar's, Equiniti, website www.sharevote.co.uk. Shareholders will need their Voting ID, Task ID and Shareholder Reference Number, printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website. Alternatively, shareholders who have already registered with the Registrars' on-line portfolio service Shareview, can submit their proxy by logging on to their portfolio at www.shareview.co.uk and clicking on Company Meetings. Instructions are given on the website; or
- Shareholders who are members of CREST, should use the CREST electronic appointment service.

Important: In any case all instructions or Forms of Proxy must be received by the Company's Registrar no later than 10.00 am on 26 May 2008.

The return of a completed Form of Proxy, Electronic Proxy Appointment or any CREST Proxy Instruction will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.

Total voting rights

As at 14 March 2008 (being the last practicable business day prior to the publication of this notice) the Company's issued share capital consists of 920,524,047 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 14 March 2008 are 920,524,047.

Appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 28 May 2008 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Corporate representatives

In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the Annual General Meeting so that (i) if a corporate shareholder has appointed the Chairman of the Annual General Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Annual General Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the Annual General Meeting but the corporate shareholder has not appointed the Chairman of the Annual General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.

Documents available for inspection

Copies of each Director's service contract or letter of appointment will be available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting.

A copy of the Articles of Association of the Company marked to show the changes proposed by Resolution 9 and a copy of the revised Articles of Association marked to show the changes proposed by Resolution 10, together in each case with a copy of the revised Articles of Association, will be available for inspection at the offices of Baker of McKenzie LLP, 100 New Bridge Street, London EC4V 6JA and at the registered office of the Company from the date of this notice until the conclusion of the Annual General Meeting.

Explanatory notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 7 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 8, 9 and 10 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 2: Approval of the Remuneration Report

As required by the Companies Act 1985 the Board has presented its Remuneration Report to shareholders in the Annual Report. The Remuneration Report, which may be found on pages 31 to 38 of the Annual Report, gives details of the Directors' remuneration for the year ended 31 December 2007 and sets out the Company's overall policy on Directors' remuneration.

As required by the Companies Act 1985, the Company's auditors, PricewaterhouseCoopers LLP, have audited those parts of the Remuneration Report capable of being audited and their reports may be found on pages 40 and 92 of the Annual Report. The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives and, accordingly, in compliance with the Companies Act 1985, shareholders will be invited to approve the Remuneration Report.

Resolution 3: Re-election of Jean-Pierre Bizet

Jean-Pierre Bizet retires by rotation. Jean-Pierre Bizet was appointed to the Board on 29 October 2002 by s.a. D'Ieteren n.v. pursuant to the Relationship Agreement, details of which are set out on page 25 of the Annual Report. With effect from 25 May 2004, he was appointed Deputy Chairman. Details of his current directorships are set out on page 24 of the Annual Report. Acknowledging his other current commitments, the Board is satisfied that he has sufficient time to devote to his role with the Company. The Board is of the opinion that Jean-Pierre Bizet should be re-elected to the Board.

Resolution 4: Re-election of Les Cullen

Les Cullen retires by rotation in accordance with the Articles of Association. Les Cullen was appointed to the Board on 25 May 2004 as a non-executive Director and is Chairman of the Audit Committee. Details of his current directorships are set out on page 24 of the Annual Report. Acknowledging his other current commitments, the Board is satisfied that he has sufficient time to devote to his role with the Company. The Board is of the opinion that Les Cullen should be re-elected to the Board.

Resolution 5: Re-election of Simon Palethorpe

Simon Palethorpe retires by rotation in accordance with the Articles of Association. Simon Palethorpe was appointed to the Board on 6 December 2004 as Group Commercial Director. The Board is of the opinion that Simon Palethorpe should be re-elected to the Board.

Resolution 6: Election of Pascal Bazin

Pascal Bazin was appointed to the Board as Chief Executive on 1 January 2008 and retires in accordance with the Articles of Association. He was previously Managing Director and President of Avis France and held a number of senior roles prior to joining Avis in which he successfully developed and led consumer-facing businesses in various countries. The Board is of the opinion that Pascal Bazin should be elected to the Board.

Resolution 7: Reappointment of auditors and auditors' remuneration

The auditors of a company must be reappointed at each general meeting at which accounts are laid. Resolution 7 proposes the reappointment of the Company's existing auditors, PricewaterhouseCoopers LLP, until the conclusion of the next general meeting of the Company at which accounts are laid. Resolution 7 also gives authority to the Directors to determine the auditors' remuneration.

Resolution 8: Purchase of own shares

Resolution 8 seeks authority for the Company to make market purchases of its own shares up to a maximum of 92,052,404 ordinary shares (representing 10% of the Company's issued share capital at 27 February 2008).

As permitted by the Companies Act 1985, shares purchased under this authority may be held as treasury shares. The Companies Act 1985 allows shares purchased by the Company out of distributable reserves to be held as treasury shares rather than being cancelled. Shares held in treasury can be sold for cash or cancelled. If the Board exercises the authority conferred by this Resolution 8, the Company will have the option to hold repurchased shares in treasury. It will also be possible for the Company to transfer shares out of treasury pursuant to an employee share scheme. If any shares are so used, then the Company will, so long as this is required under institutional guidance, count them towards the limits in such employee share schemes on the number of new shares which may be issued under them.

As at 27 February 2008 no warrants were outstanding. As at 27 February 2008, options to subscribe for 3,480,627 equity shares in the Company were outstanding, representing an aggregate of 0.38% of the Company's issued share capital as at that date. If the authority sought under the proposed resolution were to be exercised in full and the shares were cancelled, such options would represent 0.42% of the Company's remaining outstanding share capital. As at 27 February 2008, the Company did not hold any shares in treasury.

The Directors have no current intention of exercising the authority sought under the proposed resolution. Purchases would only be made if, in the opinion of the Directors, their effect would be to increase earnings per share and would be for the benefit of shareholders generally.

Resolutions 9 and 10: Adoption of new Articles of Association

Resolution 9 will be proposed as a special resolution to adopt new Articles of Association from the conclusion of the Annual General Meeting to bring the current Articles of Association into line with the provisions of the Companies Act 2006 that are in force as at the date of the Annual General Meeting. Examples of such provisions include provisions as to the form of resolutions, voting by proxy and regarding the period of notice required to convene general meetings. The main changes in the new Articles of Association are summarised in Appendix A to this document.

Resolution 10 will also be proposed as a special resolution and seeks authority to further amend the new Articles of Association to take account of certain provisions of the Companies Act 2006 relating to directors' conflicts of interest which will come into force after the date of the Annual General Meeting. Details of the proposed changes to the new Articles of Association are summarised in Appendix B to this document. On the passing of this resolution these changes will automatically be adopted on 1 October 2008 or any later date on which section 175 of the Companies Act 2006 comes into effect.

Appendix A

Explanatory notes of the principal changes to the Company's Articles of Association to take effect at the conclusion of the Annual General Meeting

Articles which duplicate statutory provisions

Provisions in the current Articles of Association which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006. Certain examples of such provisions include provisions in respect of votes by proxy, directors' indemnities and the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

Extraordinary resolutions

The concept of extraordinary resolutions has not been retained under the Companies Act 2006. Any reference to extraordinary resolutions in the current Articles of Association has therefore been removed.

Convening general meetings and annual general meetings

The provisions in the current Articles of Association dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular a general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the current Articles of Association proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed. The new Articles of Association reflect all of these new provisions.

Notice of board meetings

Under the current Articles of Association, when a director is abroad he can request that notice of directors' meetings are sent to him at a specified address and if he does not do so he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It has been replaced with a more general provision that a director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

Directors' indemnities and loans to fund expenditure

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The new Articles of Association have been amended to reflect these changes.

General

Generally the opportunity has been taken to bring clearer language into the new Articles of Association.

Explanatory notes of principal changes to the Company's Articles of Association to take effect from 1 October 2008

Conflicts of interest

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. The Companies Act 2006 also allows the Articles of Association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The new Articles of Association give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the new Articles of Association should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director from being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually in the Annual Report on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively.

Avis Europe plc

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