

AVIS PENSION TRUSTEES LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998**

REGISTERED NUMBER: 1555486



AVIS PENSION TRUSTEES LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements of the Company for the year ended 30 June 1998.

Principal Activities

The business of the Company consists of acting as trustee to the Avis UK Pension Plan.

Payments to Creditors

It is the Company's practice to agree the terms of payment at the start of business with each supplier, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other legal obligations. The Company had no trade creditors at 30 June 1998.

Year 2000

The Avis Europe plc Group, of which the Company is a subsidiary, has carried out a thorough review of its operations to evaluate the ability of its information systems to properly recognise and process data-sensitive information notwithstanding the various problems associated with Year 2000. The Group is confident that its business critical systems will be Year 2000 compliant before the end of 1999.

Further information is set out in the statutory accounts of Avis Europe plc.

Directors and their Interests

The Directors of the Company during the year are set out below:

D D Churchill (resigned 30 June 1998)
W E C Taylor
S Simons
M A Thompson
P R Lynn
R G Short

Subsequent to the year end, H Smith and A E L Brown were appointed as Directors on 1 July 1998 and 20 November 1998 respectively.

None of the Directors had any interests in the shares of the Company or in any material contracts with the Company.

W E C Taylor is also a Director of Avis Europe plc. The interests of W E C Taylor in the share capital of Avis Europe plc are disclosed in the statutory accounts of that company.

AVIS PENSION TRUSTEES LIMITED

DIRECTORS' REPORT (continued)

Directors' Responsibilities

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the Financial Statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards, which they consider to be applicable, have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the Financial Statements comply with the Companies Act 1985.

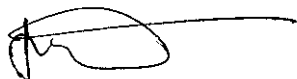
The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are required to prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Auditors

Following the merger between Price Waterhouse and Coopers & Lybrand, Price Waterhouse resigned during the year. To fill the casual vacancy the Directors appointed PricewaterhouseCoopers, who will continue in office as Auditor since the Company has elected to dispense with the annual reappointment of auditors as permitted by Section 386 of the Companies Act 1985.

By Order of the Board



J A Nicholson
Secretary
28 January 1999

AVIS PENSION TRUSTEES LIMITED

AUDITORS' REPORT TO THE MEMBERS OF AVIS PENSION TRUSTEES LIMITED

We have audited the Financial Statements on pages 4 and 5, which have been prepared under the historical cost convention.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report, including as described on page 2, the Financial Statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the Financial Statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements.


Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 30 June 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICEWATERHOUSECOOPERS
Chartered Accountants
and Registered Auditors.
LONDON
28 January 1999

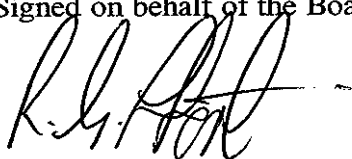
AVIS PENSION TRUSTEES LIMITED

BALANCE SHEET AS AT 30 JUNE 1998

	<u>1998</u> <u>£000</u>	<u>1997</u> <u>£000</u>
Current Assets		
Cash at bank	<u>100</u>	<u>100</u>
Called Up Share Capital		
Authorised: 1000 Ordinary Shares of £1 each		
Allotted and fully paid: 100 Ordinary Shares of £1 each		
Shareholders' Funds - Equity	<u>100</u>	<u>100</u>

Approved by the Board on 28 January 1999

Signed on behalf of the Board



R G Short
Director

AVIS PENSION TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Profit and Loss Account

No profit and loss account is presented, as there has been neither income nor expenditure during the year.

2. Directors' Emoluments

None of the Directors received any emoluments from the Company during the year.

3. Auditor's Remuneration

The auditor's remuneration has been borne by the Avis UK Pension Plan.

4. Ultimate Parent Undertaking

The Company is a subsidiary undertaking of Avis Europe Overseas Holdings Limited, which is part of the Group owned by Avis Europe plc. Both these parent undertakings are registered in England and Wales. Avis Europe plc is the smallest parent undertaking to consolidate the Financial Statements of the Company. The largest parent undertaking to consolidate the Financial Statements of the Company is s.a. D'Ieteren n.v. The financial statements of both companies can be obtained from Avis House, Park Road, Bracknell, Berkshire.

The ultimate controlling party of s.a. D'Ieteren n.v., which is incorporated in Belgium, is the D'Ieteren family.