

AVIS BUDGET GROUP, INC.  
Form SC 13G  
February 01, 2010

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**SCHEDULE 13G**

**UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(Amendment No. )\***

**avis budget group inc.**

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(Name of Issuer)

**COMMON STOCK**

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(Title of Class of Securities)

**053774105**

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(CUSIP Number)

**December 31, 2009**

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the Rule pursuant to which this Schedule is filed:

Rule 13d – 1(b)

Rule 13d – 1(c)

Rule 13d – 1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the *Notes*.)

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**1 NAMES OF REPORTING PERSONS**

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):

Columbia Wanger Asset Management, L.P. 04-3519872

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP**  
(See Instructions) (a)

(b)

**3 SEC USE ONLY**

**4 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware

**5 SOLE VOTING POWER** 6,358,250

**6 SHARED VOTING POWER** 0

**7 SOLE DISPOSITIVE POWER** 6,358,250

**8 SHARED DISPOSITIVE POWER** 0

**9** NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH **AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

6,358,250

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Instructions)

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

6.2%

**12** TYPE OF REPORTING PERSON (See Instructions)

IA

**Item 1(a). Name of Issuer:**

Avis Budget Group Inc.

**Item 1(b). Address of Issuer's Principal Executive Offices:**

6 Sylvan Way

Parsippany, NJ 07054

**Item 2(a). Name of Person Filing:**

Columbia Wanger Asset Management, L.P.

**Item 2(b). Address of Principal Business Office or, if None, Residence:**

227 West Monroe Street, Suite 3000, Chicago, IL 60606.

**Item 2(c). Citizenship:**

Delaware

**Item 2(d). Title of Class of Securities:**

Common Stock



**Item 2(e). CUSIP Number:**

053774105

**Item 3. If This Statement is Filed Pursuant to Rule 13d-1(b), or 13d-2(b) or (c),**

**Check Whether the Person Filing is a:**

- (a)  Broker or dealer registered under Section 15 of the Exchange Act.
- (b)  Bank as defined in Section 3(a)(6) of the Exchange Act.
- (c)  Insurance company as defined in Section 3(a)(19) of the Exchange Act.
- (d)  Investment company registered under Section 8 of the Investment Company Act.
- (e)  An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E).
- (f)  An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F).
- (g)  A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G).
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act.
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act.
- (j)  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to Rule 13d-1(c), check this box.

**Item 4. Ownership:**

With respect to the beneficial ownership of the reporting person, see Items 5 through 11 of the cover pages to this Schedule 13G, which are incorporated herein by reference.

**Item 5. Ownership of 5 Percent or Less of a Class:**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ ].

**Item 6. Ownership or More than Five Percent on Behalf of Another Person:**

The shares reported herein include shares held by Columbia Acorn Trust (CAT), a Massachusetts business trust that is advised by the reporting person. CAT holds 5.39% of the shares of the Issuer.





**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person:**

Not Applicable.

**Item 8. Identification and Classification of Members of the Group:**

Not Applicable.

**Item 9. Notice of Dissolution of Group:**

Not Applicable.



**Item 10. Certification:**

By signing below each of the undersigned certifies that, to the best of such undersigned's knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 27, 2010

**Columbia Wanger Asset Management, L.P.**

By: /s/ Bruce H. Lauer

\_\_\_\_\_  
Bruce H. Lauer

Senior Vice President and Secretary,  
WAM Acquisition GP, Inc., General Partner



**EXHIBIT 99.1 - JOINT FILING AGREEMENT**

The undersigned hereby agree that they are filing this statement jointly pursuant to Rule 13d-1(k)(1). Each of them is responsible for the timely filing of such Schedule 13G and any amendments thereto, and for the completeness and accuracy of the information concerning such person contained therein; but none of them is responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate.

In accordance with Rule 13d-1(k)(1) promulgated under the Securities and Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with each other on behalf of each of them of to such a statement on Schedule 13G with respect to the common stock of beneficially owned by each of them. This Joint Filing Agreement shall be included as an exhibit to such Schedule 13G.

Dated: January 27, 2010

**Columbia Wanger Asset Management, L.P.**

By: /s/ Bruce H. Lauer

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Bruce H. Lauer

Senior Vice President and Secretary,

WAM Acquisition GP, Inc., General Partner

**Columbia Acorn Trust**

By: /s/ Bruce H. Lauer

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Bruce H. Lauer

Vice President, Treasurer and Secretary

%

\$

19.1

1.69

%

\$

21.1

1.77

%

(\* "n.m." means not meaningful.

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## CONSOLIDATED STATEMENT OF INCOME

(In US\$ thousand, except ratios)

	YEAR ENDED FOR THE THREE MONTHS ENDED					YEAR FOR THE THREE ENDED MONTHS ENDED	
	DEC 31/06	MAR 31/07	JUN 30/07	SEP 30/07	DEC 31/07	DEC 31/07	MAR 31/08
<b>INCOME STATEMENT DATA:</b>							
Interest income	\$ 203,350	\$ 60,993	\$ 63,243	\$ 68,641	\$ 71,992	\$ 264,869	\$ 67,850
Interest expense	(144,513)	(43,917)	(46,497)	(51,020)	(52,864)	(194,299)	(46,733)
<b>NET INTEREST INCOME</b>	<b>58,837</b>	<b>17,076</b>	<b>16,745</b>	<b>17,622</b>	<b>19,127</b>	<b>70,571</b>	<b>21,118</b>
Reversal (provision) for loan losses	(11,846)	(5,354)	(6,235)	(3,384)	2,980	(11,994)	0
<b>NET INTEREST INCOME AFTER REVERSAL (PROVISION) FOR LOAN LOSSES</b>	<b>46,991</b>	<b>11,722</b>	<b>10,510</b>	<b>14,237</b>	<b>22,107</b>	<b>58,577</b>	<b>21,118</b>
<b>OTHER INCOME (EXPENSE):</b>							
Reversal (provision) for losses on off-balance sheet credit risk	24,891	6,158	7,581	2,964	(3,235)	13,468	0
Fees and commissions, net	6,393	1,275	1,525	1,173	1,582	5,555	1,799
Derivatives and hedging activities	(225)	(485)	1	(294)	(212)	(989)	(52)
Recoveries (impairment) on assets	5,551	0	(500)	0	0	(500)	0
Trading gains	879	1,008	14,278	5,104	3,475	23,865	5,350
Net gains on sale of securities available for sale	2,568	2,699	3,906	288	2,226	9,119	0
Gain (loss) on foreign currency exchange	(253)	1	(56)	(9)	181	115	184
Other income (expense), net	36	41	0	17	(64)	(7)	40
<b>NET OTHER INCOME (EXPENSE)</b>	<b>39,840</b>	<b>10,697</b>	<b>26,734</b>	<b>9,242</b>	<b>3,954</b>	<b>50,628</b>	<b>7,321</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>(28,929)</b>	<b>(7,586)</b>	<b>(10,262)</b>	<b>(8,652)</b>	<b>(10,527)</b>	<b>(37,027)</b>	<b>(9,237)</b>
<b>NET INCOME</b>	<b>\$ 57,902</b>	<b>\$ 14,834</b>	<b>\$ 26,983</b>	<b>\$ 14,827</b>	<b>\$ 15,534</b>	<b>\$ 72,177</b>	<b>\$ 19,202</b>

SELECTED  
FINANCIAL DATA  
PER COMMON SHARE  
DATA

Net income per share	\$	1.56	\$	0.41	\$	0.74	\$	0.41	\$	0.43	\$	1.99	\$	0.53
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PERFORMANCE  
RATIOS

Return on average assets	1.7%	1.5%	2.7%	1.4%	1.3%	1.7%	1.6%
Return on average stockholders' equity	10.0%	10.2%	18.0%	9.6%	9.9%	11.9%	12.6%
Net interest margin	1.76%	1.82%	1.70%	1.65%	1.69%	1.71%	1.77%
Net interest spread	0.70%	0.88%	0.76%	0.73%	0.84%	0.80%	1.14%
Operating expenses to average assets	0.85%	0.79%	1.01%	0.80%	0.91%	0.88%	0.76%

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**BUSINESS SEGMENT ANALYSIS**  
(In US\$ million)

	FOR THE YEAR ENDED		FOR THE THREE MONTHS ENDED		
	DEC 31/06	DEC 31/07	MAR 31/07	DEC 31/07	MAR 31/08
<b>COMMERCIAL DIVISION:</b>					
Net interest income	\$ 50.9	\$ 64.1	\$ 14.8	\$ 17.7	\$ 19.4
Non-interest operating income <sup>(1)</sup>	6.4	5.3	1.3	1.5	1.8
Operating expenses <sup>(2)</sup>	(23.7)	(27.2)	(6.0)	(7.7)	(6.5)
Operating income <sup>(3)</sup>	33.7	42.3	10.1	11.4	14.7
Reversal (provision) for loan and off-balance sheet credit losses, net	13.0	1.5	0.8	(0.3)	0.0
Impairment on assets	0.0	(0.5)	0.0	0.0	0.0
<b>NET INCOME</b>	<b>\$ 46.7</b>	<b>\$ 43.2</b>	<b>\$ 10.9</b>	<b>\$ 11.2</b>	<b>\$ 14.7</b>
Commercial interest-earning assets <sup>(4)</sup>	2,715	3,366	3,067	3,638	3,768
<b>TREASURY DIVISION:</b>					
Net interest income	\$ 6.9	\$ 6.2	\$ 1.3	\$ 2.1	\$ 2.2
Non-interest operating income <sup>(1)</sup>	2.1	8.5	2.2	2.2	0.2
Operating expenses <sup>(2)</sup>	(3.4)	(4.3)	(1.0)	(1.5)	(1.4)
Operating income <sup>(3)</sup>	5.6	10.3	2.6	2.8	1.0
Recoveries on assets, net of impairments	5.6	0.0	0.0	0.0	0.0
<b>NET INCOME</b>	<b>\$ 11.2</b>	<b>\$ 10.3</b>	<b>\$ 2.6</b>	<b>\$ 2.8</b>	<b>\$ 1.0</b>
Treasury interest-earning assets <sup>(5)</sup>	516	586	584	686	1,183
<b>ASSET MANAGEMENT DIVISION:</b>					
Net interest income	\$ 1.0	\$ 0.2	\$ 0.9	\$ (0.7)	\$ (0.4)
Non-interest operating income <sup>(1)</sup>	0.9	23.9	1.0	3.5	5.4
Operating expenses <sup>(2)</sup>	(1.9)	(5.5)	(0.6)	(1.3)	(1.3)
Operating income <sup>(3)</sup>	0.0	18.6	1.3	1.5	3.6
<b>NET INCOME</b>	<b>\$ 0.0</b>	<b>\$ 18.6</b>	<b>\$ 1.3</b>	<b>\$ 1.5</b>	<b>\$ 3.6</b>
Asset Management interest-earning assets <sup>(6)</sup>	105	170	148	170	80
<b>CONSOLIDATED:</b>					
Net interest income	\$ 58.8	\$ 70.6	\$ 17.1	\$ 19.1	\$ 21.1
Non-interest operating income <sup>(1)</sup>	9.4	37.7	4.5	7.2	7.3
Operating expenses <sup>(2)</sup>	(28.9)	(37.0)	(7.6)	(10.5)	(9.2)
Operating income <sup>(3)</sup>	39.3	71.2	14.0	15.8	19.2
Reversal (provision) for loan and off-balance sheet credit losses, net	13.0	1.5	0.8	(0.3)	0.0
Recoveries (impairment), on assets	5.6	(0.5)	0.0	0.0	0.0
<b>NET INCOME</b>	<b>\$ 57.9</b>	<b>\$ 72.2</b>	<b>\$ 14.8</b>	<b>\$ 15.5</b>	<b>\$ 19.2</b>
Consolidated interest-earning assets	\$ 3,336	\$ 4,122	\$ 3,798	\$ 4,494	\$ 5,031

The bank has aligned its operations into two major business segments, based on the nature of clients, products and on credit risk standards.

Interest expenses are allocated based on average credits.

- (1) Non-interest operating income consists of net other income (expense), excluding reversals of provisions for credit losses and impairment on assets
  - (2) Operating expenses are calculated based on average credits.
  - (3) Operating income refers to net income excluding reversals of provisions for credit losses and impairment on assets.
  - (4) Includes loans, net of unearned income and deferred loan fees.
  - (5) Includes cash and due from banks, interest-bearing deposits with banks, securities available for sale and held to maturity.
  - (6) Includes cash and due from banks, interest-bearing deposits with banks, and trading securities of Asset Management Division.
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**CREDIT PORTFOLIO  
DISTRIBUTION BY COUNTRY**

(In US\$ million)

AT THE END OF,

COUNTRY	(A)		(B)		(C)		Change in Amount	
	31MAR07 Amount	% of Total Outstanding	31DEC07 Amount	% of Total Outstanding	31MAR08 Amount	% of Total Outstanding	(C) - (B)	(C) - (A)
ARGENTINA	\$ 190	4.5	\$ 287	6.0	\$ 310	6.4	\$ 23	\$ 121
BOLIVIA	5	0.1	5	0.1	0	0.0	(5)	(5)
BRAZIL	1,698	40.5	1,728	36.4	1,714	35.2	(14)	16
CHILE	238	5.7	53	1.1	53	1.1	(0)	(185)
COLOMBIA	476	11.4	530	11.2	629	12.9	99	153
COSTA RICA	46	1.1	148	3.1	96	2.0	(52)	50
DOMINICAN REPUBLIC	83	2.0	105	2.2	81	1.7	(24)	(2)
ECUADOR	121	2.9	142	3.0	151	3.1	9	30
EL SALVADOR	65	1.5	59	1.2	62	1.3	3	(2)
GUATEMALA	111	2.6	102	2.2	119	2.4	17	9
HONDURAS	41	1.0	49	1.0	56	1.1	7	14
JAMAICA	42	1.0	93	2.0	70	1.4	(23)	27
MEXICO	269	6.4	451	9.5	492	10.1	41	223
NICARAGUA	13	0.3	13	0.3	20	0.4	7	7
PANAMA	190	4.5	222	4.7	227	4.6	4	37
PERU	243	5.8	484	10.2	646	13.3	162	403
TRINIDAD & TOBAGO	209	5.0	93	1.9	26	0.5	(67)	(183)
URUGUAY	0	0.0	0	0.0	4	0.1	4	4
VENEZUELA	154	3.7	169	3.5	94	1.9	(74)	(60)
OTHER	1	0.0	19	0.4	25	0.5	6	23
<b>TOTAL CREDIT PORTFOLIO <sup>(1)</sup></b>	<b>\$ 4,195</b>	<b>100%</b>	<b>\$ 4,753</b>	<b>100%</b>	<b>\$ 4,874</b>	<b>100%</b>	<b>\$ 121</b>	<b>\$ 679</b>
<b>UNEARNED INCOME AND COMMISSION <sup>(2)</sup></b>	<b>(4)</b>		<b>(6)</b>		<b>(7)</b>		<b>(1)</b>	<b>(2)</b>
<b>TOTAL CREDIT PORTFOLIO, NET OF UNEARNED INCOME AND COMMISSION</b>	<b>\$ 4,190</b>		<b>\$ 4,747</b>		<b>\$ 4,867</b>		<b>\$ 121</b>	<b>\$ 677</b>

<sup>(1)</sup>Includes book value of loans, fair value of selected investment securities, acceptances, and contingencies (including confirmed letters of credit, stand-by letters of credit, and guarantees covering commercial and country risks, credit default swaps and credit commitments).

<sup>(2)</sup> Represents unearned income and commission on loans.



## EXHIBIT VIII

COMMERCIAL PORTFOLIO  
DISTRIBUTION BY COUNTRY  
(In US\$ million)

COUNTRY	AT THE END OF,									
	(A)		(B)		(C)		Change in Amount			
	31MAR07	% of Total	31DEC07	% of Total	31MAR08	% of Total	(C) - (B)	(C) - (A)		
	Amount	Outstanding	Amount	Outstanding	Amount	Outstanding				
ARGENTINA	\$ 170	4.5	\$ 268	6.3	\$ 291	7.0	\$ 23	\$ 121		
BOLIVIA	5	0.1	5	0.1	0	0.0	(5)	(5)		
BRAZIL	1,521	40.6	1,600	37.4	1,541	36.9	(59)	20		
CHILE	197	5.3	11	0.3	10	0.2	(1)	(187)		
COLOMBIA	377	10.1	402	9.4	394	9.4	(8)	17		
COSTA RICA	46	1.2	148	3.5	96	2.3	(52)	50		
DOMINICAN REPUBLIC	67	1.8	92	2.1	70	1.7	(22)	3		
ECUADOR	121	3.2	142	3.3	151	3.6	9	30		
EL SALVADOR	65	1.7	48	1.1	40	1.0	(8)	(25)		
GUATEMALA	111	2.9	102	2.4	113	2.7	11	3		
HONDURAS	41	1.1	49	1.1	56	1.3	7	14		
JAMAICA	42	1.1	93	2.2	70	1.7	(23)	27		
MEXICO	197	5.3	424	9.9	416	10.0	(8)	219		
NICARAGUA	13	0.3	13	0.3	20	0.5	7	7		
PANAMA	170	4.5	150	3.5	149	3.6	(2)	(21)		
PERU	243	6.5	454	10.6	616	14.8	162	373		
TRINIDAD & TOBAGO	209	5.6	93	2.2	26	0.6	(67)	(183)		
URUGUAY	0	0.0	0	0.0	4	0.1	4	4		
VENEZUELA	154	4.1	169	3.9	94	2.3	(74)	(60)		
OTHER	1	0.0	19	0.4	20	0.5	1	18		
TOTAL COMMERCIAL PORTFOLIO <sup>(1)</sup>	\$ 3,749	100%	\$ 4,281	100%	\$ 4,176	100%	\$ (106)	\$ 427		
UNEARNED INCOME AND COMMISSION <sup>(2)</sup>	(4)		(6)		(7)		(1)	(2)		
TOTAL COMMERCIAL PORTFOLIO, NET OF UNEARNED INCOME	\$ 3,745		\$ 4,275		\$ 4,169		\$ (106)	\$ 424		

AND COMMISSION

(1) Includes book value of loans, acceptances, and contingencies (including confirmed letters of credit, stand-by letters of credit, and guarantees covering commercial and country risks and credit commitments).

(2) Represents unearned income and commission on loans.

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AVAILABLE FOR SALE PORTFOLIO  
DISTRIBUTION BY COUNTRY  
(In US\$ million)

AT THE END OF,

COUNTRY	(A)	(B)	(C)	(C) - (B)	(C) - (A)
	Mar. 31, 2007	Dec. 31, 2007	Mar. 31, 2008		
ARGENTINA	\$ 20	\$ 20	\$ 20	\$ 0	\$ (0)
BRAZIL	177	129	173	44	(4)
CHILE	41	42	43	0	2
COLOMBIA	100	126	232	107	133
DOMINICAN REPUBLIC	16	13	11	(2)	(5)
EL SALVADOR	0	11	22	11	22
GUATEMALA	0	0	6	6	6
MEXICO	72	27	76	49	4
PANAMA	20	72	78	6	58
PERU	0	29	30	0	30
OTHER	0	0	5	5	5
<b>TOTAL AVAILABLE FOR SALE PORTFOLIO</b>	<b>\$ 446</b>	<b>\$ 468</b>	<b>\$ 695</b>	<b>\$ 227</b>	<b>\$ 250</b>

CREDIT DISBURSEMENTS  
DISTRIBUTION BY COUNTRY  
(In US\$ million)

COUNTRY	QUARTERLY INFORMATION				
	(A) 1QTR07	(B) 4QTR07	(C) 1QTR08	(C) - (B)	(C) - (A)
ARGENTINA	\$ 75	\$ 115	\$ 94	\$ (21)	\$ 19
BOLIVIA	5	0	0	0	(5)
BRAZIL	467	297	375	77	(92)
CHILE	133	1	0	(1)	(132)
COLOMBIA	247	129	156	28	(90)
COSTA RICA	43	116	113	(3)	70
DOMINICAN REPUBLIC	95	81	118	37	23
ECUADOR	98	104	96	(9)	(2)
EL SALVADOR	38	43	29	(14)	(9)
GUATEMALA	66	64	61	(4)	(5)
HONDURAS	30	35	24	(10)	(6)
JAMAICA	49	129	79	(50)	30
MEXICO	108	187	115	(72)	8
NICARAGUA	10	3	19	16	10
PANAMA	18	51	33	(17)	15
PERU	168	373	537	164	369
TRINIDAD & TOBAGO	273	84	53	(31)	(220)
URUGUAY	0	0	4	4	4
VENEZUELA	149	31	86	55	(63)
OTHER	1	18	7	(12)	6
<b>TOTAL CREDIT DISBURSED</b>	<b>\$ 2,071</b>	<b>\$ 1,861</b>	<b>\$ 2,000</b>	<b>\$ 139</b>	<b>\$ (71)</b>

Includes book value of loans, fair value of selected investment securities, and contingencies (including confirmed letters of credit, stand-by letters of credit, guarantees covering commercial and country risks, credit default swaps and credit commitments).