

Thursday, July 30, 2009 As of 9:43 AM CDT

THE WALL STREET JOURNAL | BLOGS

U.S. Edition Today's Paper Video Columns Blogs Topics Journal Community

Log In Register for FREE

Home World U.S. Business Markets Tech Personal Finance Life & Style Opinion Careers R

WSJ Blogs >

Beat

Private Equity Beat

Trends and insight from Dow Jones LBO Wire and Private Equity Analyst

« The Morning Level Lending Is Still Sh

JULY 27, 2009, 2:40 PM ET

Hertz Tackles That Not-So-New Car Smell

Article

Comments (2)

Email Printer Friendly Permalink Share: Yahoo! Buzz Text Size

By Josh Beckerman

Hertz Global Holdings Inc. has been working hard this year to counteract a decline in travel brought about by the recession.

An offering of stock and notes brought in about \$990 million of net proceeds, with Clayton Dubilier & Rice Inc. and Carlyle Group boosting their holdings. (Merrill Lynch Global Private Equity is also a backer of the publicly traded company.) Hertz also bought the assets of Advantage Rent A Car for about \$33 million in a bankruptcy auction, and has completed deals for car-sharing technology and equipment rental companies as well.

But the car rental company's latest announcement might be of more immediate importance to customers - not to mention making the green lobby happy.

Hertz is "using the latest technology to ensure its rental cars are odor free by partnering with OMI Industries, manufacturer of Fresh Wave IAQ, an all-natural odor neutralizing technology," according to a press release.

The products, derived from natural plant extracts, are biodegradable and non-toxic, "making them ideal for commercial businesses interested in green/sustainable practices," Hertz said.

Private equity firms have been placing more importance on being green, with groups including Kohlberg Kravis Roberts & Co. and the Riverside Cos. doing research on the cost-effectiveness of building more environmentally friendly portfolio companies.

Still, we're guessing that car renters who were annoyed by stinky vehicles haven't spent a lot of time contemplating the environmental ethics of odor removal. But they do, apparently, ask for replacement cars, which illustrates that this announcement, beyond reminding us of one or more Seinfeld episodes, does have financial relevance.

Odor problems are costly, as they "can keep cars off the road and result in dissatisfied customers," the company said.

PRIVATE EQUITY BEAT HOME PAGE >

Email Printer Friendly Comments (2) Permalink

Article Tools Sponsored by Constant Contact

Share: Facebook Twitter LinkedIn StumbleUpon RSS



About Private Equity Beat

Produced by the editors of Dow and Private Equity Analyst, Private Equity Beat provides an inside view into the deals and emerging trends in the private equity industry. Lead editor Jennifer Ross and other writers give insight and perspective on private equity capital on Wall Street on PEbeat@dowjones.com. For more products covering private equity visit www.fis.dowjones.com.

Featured Comments

“ You boys got your deal. Shut up and compl

- from Josef Ulloa On What's So Bad About A Quick F

“Agree wholeheartedly with Bo some strategies is more episodic due to...”

On Placement Agents: Banned

“This is a knee jerk reaction. She appear that she is doing someth

On Placement Agents: Banned

“No bank or finance company is to say I'm not lending anymore

On CIT Group: The PE Equation