

## NEWS RELEASE

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### For Immediate Release

August 2, 1996, TORONTO ONTARIO : Leisure Canada Inc. ("Leisure") announced today that it is proceeding with a reorganization of certain aspects of its Thrifty car operations. The reorganization will enable Leisure to reduce its indebtedness by approximately \$3.5 million over the next several months. Leisure also expects to take one-time charge against earnings of approximately \$1.5 million in the year ended March 31, 1996 to reflect the discontinued operations.

Leisure holds the master franchise for Thrifty Car Rentals for the province of British Columbia. In addition to its franchising operations, prior to the reorganization, Leisure would acquire vehicles and lease them to its franchisees. As part of the reorganization, Leisure will guarantee a new \$10 million credit facility with the Hongkong Bank of Canada under which qualifying franchisees can finance the direct purchase of rental vehicles. In addition to vehicle collateral provided to the bank by the franchisees, Leisure and the franchisee together must deposit with the bank, in cash, 25% of the amount of each draw down under the facility. Leisure's initial contribution to cash collateral on average will be approximately two-thirds, and franchisees will be required to replace those funds with their own contributions over a period of three years. Franchisees must be qualified by both Leisure and the bank. Leisure will receive fees from franchisees for providing financing services. The vehicles currently owned by Leisure and leased to franchisees will be acquired by the franchisees or sold.

For further information, contact Bill Kerby, President at (604) 606-1606 or Peter Rooney, Director at (905) 859-2382.