

# RYDER SYSTEM INC

## FORM 8-K (Current report filing)

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Address	11690 N.W. 105TH STREET MIAMI, FL 33178
Telephone	3055003726
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Industry	Rental & Leasing
Sector	Services
Fiscal Year	12/31

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

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): April 24, 2012**

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**RYDER SYSTEM, INC.**

(Exact name of registrant as specified in its charter)

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**Florida**  
(State or other jurisdiction  
of incorporation)

**1-4364**  
(Commission  
File Number)

**59-0739250**  
(I.R.S. Employer  
Identification No.)

**11690 NW 105<sup>th</sup> Street**  
**Miami, Florida**  
(Address of Principal Executive Offices)

**33178**  
(Zip Code)

**Registrant's telephone number, including area code: (305) 500-3726**

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ( see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition**

On April 24, 2012, we issued a press release reporting our financial results for the three months ended March 31, 2012 (the “Press Release”). We also hosted a conference call and webcast on April 24, 2012 during which we made a presentation on our financial results for the three months ended March 31, 2012 (the “Presentation”). The Press Release and the Presentation are available on our website at [www.ryder.com](http://www.ryder.com).

The Press Release and Presentation include information regarding comparable earnings from continuing operations, comparable earnings per share from continuing operations, comparable earnings before income tax and comparable tax rate for the first quarter of 2012, which are non-GAAP financial measures as defined by SEC regulations. We believe that these non-GAAP financial measures provide useful information to investors and allow for better year-over-year comparison, as the measures exclude from our GAAP earnings, earnings per share from continuing operations, earnings before income tax and tax rate, as applicable (1) a first quarter 2012 tax benefit, (2) first quarter 2012 acquisition-related restructuring charges and (3) first quarter 2011 restructuring charges, which are not representative of our ongoing business operations. The Presentation also includes information regarding comparable earnings per share excluding non-service pension costs, which is also a non-GAAP financial measure. We believe that this non-GAAP financial measure provides investors useful information to evaluate year over year operating performance as it also excludes from earnings per share from continuing operations, pension expense, which is a non-operational expense that can significantly change from year to year. Additional information regarding non-GAAP financial measures can be found in the Press Release, the Presentation and our reports filed with the SEC.

The information in this Report, including Exhibits 99.1 and 99.2, is being furnished pursuant to Item 2.02 of Form 8-K and General Instruction B.2 thereunder and shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference to such filing.

**Item 9.01(d) Exhibits**

The following exhibits are furnished as part of this Report on Form 8-K:

- |              |   |
|--------------|---|
| Exhibit 99.1 | Press Release, dated April 24, 2012, relating to Ryder System, Inc.’s financial results for the three months ended March 31, 2012.  |
| Exhibit 99.2 | Presentation prepared for a conference call and webcast held on April 24, 2012, relating to Ryder System, Inc.’s financial results for the three months ended March 31, 2012. |

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 24, 2012

RYDER SYSTEM, INC.  
(Registrant)

By: \_\_\_\_\_ /s/ ART A. GARCIA  
Art A. Garcia, Executive Vice  
President and Chief Financial Officer

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**RYDER REPORTS FIRST QUARTER 2012 RESULTS**

- *Q1 EPS from Continuing Operations Up 36% to \$0.68*
- *Q1 Comparable EPS from Continuing Operations Up 16% to \$0.59*
- *Q1 Total Revenue Up 8%; Operating Revenue Grows 9%*
- *Full-Year 2012 Comparable EPS Forecast Raised to \$4.02 to \$4.12*

**MIAMI, April 24, 2012** – Ryder System, Inc. (NYSE: R), a leader in transportation and supply chain management solutions, today reported earnings per diluted share from continuing operations for the three-month period ended March 31, 2012 were \$0.68, compared with \$0.50 in the year-earlier period. Earnings from continuing operations were \$34.9 million, compared with \$25.9 million in the year-earlier period. Earnings per diluted share and earnings from continuing operations in the first quarter of 2012 included a net benefit of \$0.09 and \$4.3 million, respectively, related to a tax item, partially offset by acquisition-related restructuring costs. Earnings per diluted share and net earnings for the year-earlier period included a restructuring charge of \$0.01 and \$0.5 million, respectively. Excluding these items, comparable earnings per diluted share from continuing operations for the first quarter of 2012 were \$0.59, up 16% from \$0.51 in the same period of 2011. Comparable earnings from continuing operations of \$30.6 million for the first quarter of 2012 were up 16% from \$26.3 million in the year-earlier period. The increase in comparable earnings primarily reflects the benefit of a Fleet Management Solutions (FMS) acquisition, stronger used vehicle sales results and organic growth in commercial rental and in the Supply Chain Solutions (SCS) segment.

Total revenue for the first quarter of 2012 was \$1.54 billion, up 8% from \$1.43 billion in the same period last year, reflecting organic growth, the benefit of acquisitions, and fuel services. Operating revenue (revenue excluding FMS fuel and all subcontracted transportation), was \$1.23 billion, up 9% compared with \$1.13 billion in the year-earlier period. FMS business segment total revenue increased 9% due primarily to higher operating revenue, and to a lesser extent

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higher fuel services revenue. FMS operating revenue increased 10% due primarily to the Hill Hire acquisition, and stronger organic commercial rental and full service lease revenue. SCS business segment total and operating revenue both increased 7% due to improved freight volumes and new business.

Net earnings per diluted share (including discontinued operations) for the three-month period ended March 31, 2012 were \$0.67 versus \$0.48 in the year-earlier period. Earnings per diluted share from discontinued operations (previously announced in 2009) totaled a loss of \$0.01 in the first quarter of 2012, compared with a loss of \$0.02 in the same period of the prior year. Net earnings for the first quarter of 2012 were \$34.3 million versus \$25.1 million in the year-earlier period.

Commenting on the Company's first quarter 2012 performance, Ryder Chairman and CEO Greg Swinton said, "We delivered a solid quarter that was somewhat better than expected in an economy that is recovering only modestly. We are pleased that our largest product line, full service lease, showed organic fleet growth for the second consecutive quarter. Last year's acquisition of Hill Hire in the United Kingdom also contributed significantly to our results for the quarter. Used vehicle sales performance improved due to stronger pricing. Supply Chain Solutions earnings showed better than expected performance due to higher volumes and new business, including especially strong performance from our dedicated contract carriage services. Commercial rental performance included a double-digit revenue increase driven by greater demand and better pricing, although utilization was lower than anticipated on a larger commercial rental fleet. Overall, our solid performance reflected effective execution by our team across the key areas of our business."

### **First Quarter Business Segment Operating Results**

#### **Fleet Management Solutions (FMS)**

In the FMS business segment, total revenue in the first quarter of 2012 was \$1.07 billion, up 9% compared with the year-earlier period. Fuel services revenue in the first quarter of 2012 increased 7% compared with the same period in 2011 due to higher fuel prices. Operating revenue (revenue excluding fuel) in the first quarter of 2012 was \$792.7 million, up 10% compared with the year-earlier period. Full service lease revenue increased 6% in the first quarter of 2012 due to acquisitions, higher prices on replacement vehicles, and organic fleet growth. Commercial rental revenue increased 26% reflecting higher pricing and improved global market demand, as well as acquisitions.

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The FMS business segment's earnings before tax (EBT) were \$50.7 million in the first quarter of 2012, up 20% compared with \$42.4 million in the same period of 2011. Increased earnings reflect the benefit of the Hill Hire acquisition closed in June of 2011, organic growth of the contractual lease and maintenance fleets, improved used vehicle sales results, and better commercial rental performance. These items were partially offset by higher maintenance costs to service a slightly older lease fleet, including increased vehicle outsourcing activity, and commission expense related to new sales. Used vehicle sales results benefited from higher pricing and volume, partially offset by higher carrying costs on a larger inventory. Commercial rental performance improved as a result of higher pricing and increased market demand on a 31% larger average fleet (13% excluding acquisitions). While total demand grew strongly, the increase was somewhat less than anticipated. This resulted in power fleet utilization that was 68.9% for the first quarter of 2012, down from 72.5% in the year-earlier period, on a larger fleet. Business segment earnings before tax as a percentage of operating revenue were 6.4% in the first quarter of 2012, up 50 basis points from 5.9% in the same quarter a year ago.

#### **Supply Chain Solutions (SCS)**

In the SCS business segment, which includes all activity related to the Company's dedicated contract carriage services, first quarter 2012 total revenue was \$571.9 million, up 7% from the comparable period in 2011. First quarter 2012 operating revenue (revenue excluding subcontracted transportation) was \$484.6 million, up 7% compared with the comparable period a year ago. SCS total revenue and operating revenue comparisons benefited from higher fuel cost pass-throughs, increased volumes, and new business. Total and operating revenue also benefited from the Scully Companies acquisition, closed in January of 2011. Revenue growth was largely driven by higher volumes in the automotive, retail and consumer packaged goods industry sectors, including increased services related to dedicated contract carriage.

The SCS business segment's earnings before tax of \$21.9 million, rose 8% compared with \$20.2 million in the same quarter of 2011, driven by higher volumes and new business. First quarter 2012 earnings before tax for the business segment as a percentage of operating revenue remained unchanged from the year-earlier period at 4.5%.

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## Corporate Financial Information

### Central Support Services

Central Support Services (CSS) are overhead costs incurred to support all business segments and product lines. Most CSS costs are allocated to the various business segments. In the first quarter of 2012, the unallocated portion of CSS costs was \$9.5 million, up from \$8.7 million in the year-earlier period, primarily driven by planned higher headcount.

### Non-Service Pension Costs

Beginning in 2012, the non-service components of pension costs have been excluded from segment earnings before tax in order to more accurately reflect the operating performance of the business segments. Prior year segment earnings before tax have been recast to conform to the current year presentation. Non-service pension costs totaled \$8.0 million in the first quarter of 2012, up from \$4.5 million in the year-earlier period. This reflected primarily lower than expected pension asset returns in 2011, and lower assumed returns for 2012.

### Restructuring and Other Items

Pre-tax restructuring charges totaled \$0.9 million (\$0.6 million after tax) or \$0.01 per diluted share in the first quarter of 2012, and \$0.8 million (\$0.5 million after tax) or \$0.01 per diluted share in the first quarter of 2011. The 2012 charges reflect restructuring costs associated with the Hill Hire integration, which is expected to be completed in the second quarter of 2012. The 2011 charges reflect restructuring charges associated with the Scully Companies acquisition.

### Income Taxes

The Company's effective income tax rate from continuing operations for the first quarter of 2012 was 26.9% of earnings before tax compared with 40.7% in the year-earlier period. The current period income tax rate was positively impacted by \$5.0 million (10.4% of earnings before tax) from the favorable resolution of a tax item related to prior years, and a higher proportionate amount of earnings in lower rate jurisdictions. The year-earlier period income tax rate was adversely impacted by a tax law change in Illinois of \$1.2 million (2.8% of earnings before tax).

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**Capital Expenditures**

Capital expenditures from continuing operations were \$787 million for the first quarter of 2012, compared with \$448 million in the same period of 2011. Net capital expenditures (including proceeds from the sale of assets) from continuing operations were \$693 million, compared with \$377 million in the same period of 2011. The increase in capital expenditures reflects planned investments primarily to refresh and grow the full service lease fleet.

**Cash Flow**

Operating cash flow from continuing operations through March 31, 2012 was \$186 million, down from \$218 million in the same period of 2011, due to increased working capital needs. Total cash generated (including proceeds from used vehicle sales) from continuing operations through March 31, 2012, was \$296 million, compared with \$304 million in the same period of 2011. As expected, free cash flow from continuing operations through March 31, 2012 was negative \$175 million, compared with negative \$10 million for the same period of 2011, due primarily to refreshment and growth of the full service lease fleet.

**Leverage**

Balance sheet debt as of March 31, 2012 increased by \$211 million compared with year-end 2011, due primarily to increased investments in vehicles. The leverage ratio for balance sheet debt as of March 31, 2012 was 262%, compared with 257% at year-end 2011. Total obligations to equity as of March 31, 2012 were 267%, compared with 261% at year-end 2011. Total obligations to equity remain within Ryder's long-term target range of 250% to 300%.

**2012 Outlook**

Commenting on the Company's outlook, Mr. Swienton said, "We are on track to reach our overall plans for the year, and we remain focused on leveraging secular trends that create long-term growth opportunities for the business. Looking ahead, we expect our full service lease

fleet to continue growing, reflecting increased new and renewal sales activity. Commercial rental should also continue to demonstrate solid growth, although somewhat less robust than previously anticipated. We expect used vehicle sales results to be better than our original forecast, due to higher sales activity. In Supply Chain Solutions, increased new business and volume levels should contribute to higher than previously expected earnings. Based on our first quarter performance and current market factors, we are raising our full-year 2012 earnings forecast to a new range of \$4.02 to \$4.12 per share. We have also established a second quarter earnings forecast of \$1.07 to \$1.12 per share.”

### About Ryder

Ryder System, Inc. is a FORTUNE 500® commercial transportation, logistics and supply chain management solutions company. Ryder’s stock (NYSE: R) is a component of the Dow Jones Transportation Average and the Standard & Poor’s 500 Index. The Company’s financial performance is reported in the following two, inter-related business segments:

- **Fleet Management Solutions** – The FMS business segment combines several capabilities into a comprehensive package that provides one-stop outsourcing of the acquisition, financing, maintenance, management, and disposal of vehicles. Ryder’s commercial rental service offers customers a method to expand their fleets in order to address short-term capacity needs.
- **Supply Chain Solutions** – The SCS business segment offers a broad range of innovative logistics management services that are designed to optimize a customer’s supply chain and address key customer business requirements. The segment now includes all activity related to the Company’s dedicated solution (dedicated contract carriage). These solutions involve strategically designed processes that direct the movement of materials and related information from the acquisition of raw materials to the delivery of finished products to the end user.

**Earnings Before Tax (EBT):** Ryder’s primary measurement of business segment financial performance, earnings before tax (EBT), allocates Central Support Services to each business segment and excludes restructuring and other items, as well as non-service pension costs.

**Capital Expenditures:** In Ryder’s business, capital expenditures are generally used to purchase revenue earning equipment (trucks, tractors, and trailers) primarily to support the full service lease product line and secondarily to support the commercial rental product line within Ryder’s FMS business segment. The level of capital required to support the full service lease product line varies directly with customer contract signings for replacement vehicles and growth. These contracts are long-term agreements that result in ongoing revenues and cash flows to Ryder, typically over a three- to ten-year term. The commercial rental product line utilizes capital for the purchase of vehicles to replenish and expand the Company’s fleet available for shorter-term use by contractual or occasional customers.

For more information on Ryder System, Inc., visit [www.ryder.com](http://www.ryder.com).

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*Note Regarding Forward-Looking Statements: Certain statements and information included in this presentation are “forward-looking statements” under the Federal Private Securities Litigation Reform Act of 1995. Accordingly, these forward-looking statements should be evaluated with consideration given to the many risks and uncertainties inherent in our business that could cause actual results and events to differ materially from those in the forward-looking statements. Important factors that could cause such differences include, among others, a slowdown of the economic recovery and decreases in freight demand, our ability to obtain adequate profit margins for our services, our inability to maintain current pricing levels due to soft economic conditions, uncertainty or decline in economic and market conditions affecting contractual lease demand, decreases in market demand in the commercial rental market and the sale of used vehicles, competition from other service providers, customer retention levels, unexpected volume declines, loss of key customers in the Supply Chain Solutions (SCS) business segment, unexpected reserves or write-offs due to the deterioration of the credit worthiness or bankruptcy of customers, changes in financial, tax or regulatory requirements or changes in customers’ business environments that will limit their ability to commit to long-term vehicle leases, a decrease in credit ratings, increased debt costs resulting from volatile financial markets, inability to achieve planned synergies and customer retention levels from acquisitions, labor strikes or work stoppages affecting our or our customers’ business operations, driver shortages and increasing driver costs, adequacy of accounting estimates, reserves and accruals particularly with respect to pension, taxes, insurance and revenue, a decline in pension plan returns, changes in obligations relating to multi-employer plans, sudden or unusual changes in fuel prices, our ability to manage our cost structure, new accounting pronouncements, rules or interpretations, changes in government regulations, adverse impacts of recently enacted regulations regarding vehicle emissions, any unanticipated or unrealized effects of the recent Japan earthquake and tsunami on our operations, customers, and vehicle suppliers, and the risks described in our filings with the Securities and Exchange Commission. The risks included here are not exhaustive. New risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risks on our business. Accordingly, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.*

*Note Regarding Non-GAAP Financial Measures: This news release includes certain non-GAAP financial measures as defined under SEC rules, including comparable earnings from continuing operations, 2012 comparable EPS forecasts, operating revenue, total cash generated, free cash flow, total obligations, and the ratios based on these financial measures, as well as the other financial measures identified in the tables following this release. Additional information regarding non-GAAP financial measures can be found in our investor presentation for the quarter and in our reports filed with the SEC, which are available in the Investors area of our website at [www.ryder.com](http://www.ryder.com).*

**Conference Call and Webcast Information:**

Ryder’s earnings conference call and webcast is scheduled for Tuesday, April 24, 2012, from 11:00 a.m. to 12:00 noon Eastern Time. Speakers will be Chairman and Chief Executive Officer Greg Swinton and Executive Vice President and Chief Financial Officer Art Garcia.

- **To join the conference call live:** Begin 10 minutes prior to the conference by dialing the audio phone number **1-888-398-5319** ( outside U.S. dial **1-773-681-5795** ) using the **Passcode:** and **Conference Leader: Bob Brunn** . Then, access the presentation via the Net Conference website at [www.mymeetings.com/nc/join/](http://www.mymeetings.com/nc/join/) using the **Conference Number: RH7706506** and **Passcode: RYDER** .
- **To access audio replays of the conference and view a presentation of Ryder’s earnings results:** Dial **1-800-253-1051** ( outside U.S. dial **1-402-220-9703** ), then view the presentation by visiting the Investors area of Ryder’s website at <http://investors.ryder.com> . A podcast of the call will also be available online within 24 hours after the end of the call at <http://investors.ryder.com> .

**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS - UNAUDITED**  
Periods ended March 31, 2012 and 2011  
(In millions, except per share amounts)

	Three Months	
	2012	2011
Lease and rental revenues	\$ 637.9	579.4
Services revenue	678.4	632.7
Fuel services revenue	220.1	213.2
Total revenues	<u>1,536.3</u>	<u>1,425.4</u>
Cost of lease and rental	455.6	408.5
Cost of services	577.9	537.9
Cost of fuel services	215.6	209.0
Other operating expenses	34.2	34.6
Selling, general and administrative expenses	196.0	173.1
Gains on vehicle sales, net	(22.0)	(12.3)
Interest expense	34.8	34.4
Miscellaneous income, net	(4.5)	(4.1)
Restructuring and other charges, net	0.9	0.8
	<u>1,488.6</u>	<u>1,381.8</u>
Earnings from continuing operations before income taxes	47.7	43.6
Provision for income taxes	(12.8)	(17.8)
Earnings from continuing operations	34.9	25.9
Loss from discontinued operations, net of tax	(0.6)	(0.7)
Net earnings	<u>\$ 34.3</u>	<u>25.1</u>
Earnings (loss) per common share - Diluted		
Continuing operations	\$ 0.68	0.50
Discontinued operations	(0.01)	(0.02)
Net earnings	<u>\$ 0.67</u>	<u>0.48</u>
Earnings per share information - Diluted		
Earnings from continuing operations	\$ 34.9	25.9
Less: Distributed and undistributed earnings allocated to nonvested stock	(0.5)	(0.4)
Earnings from continuing operations available to common stockholders	<u>\$ 34.4</u>	<u>25.5</u>
Weighted-average shares outstanding - Diluted	50.9	51.0
Memo:		
Depreciation expense	\$ 226.6	205.9
Subcontracted transportation	<u>\$ 87.3</u>	<u>83.1</u>
Comparable earnings per share from continuing operations:		
EPS from continuing operations	\$ 0.68	0.50
Tax benefit	(0.10)	—
Restructuring and other charges	0.01	0.01
Comparable EPS from continuing operations	<u>\$ 0.59</u>	<u>0.51</u>

Note: Amounts may not be additive due to rounding.

**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED BALANCE SHEETS - UNAUDITED**  
(Dollars in millions)

	March 31, 2012	December 31, 2011
<b>Assets:</b>		
Cash and cash equivalents	\$ 113.6	104.6
Other current assets	1,001.6	983.6
Revenue earning equipment, net	5,529.8	5,049.7
Operating property and equipment, net	625.5	624.2
Other assets	878.1	855.8
	<u>\$8,148.6</u>	<u>7,617.8</u>
<b>Liabilities and shareholders' equity:</b>		
Short-term debt and current portion of long-term debt	\$ 586.9	274.4
Other current liabilities	1,174.9	899.5
Long-term debt	3,006.3	3,107.8
Other non-current liabilities (including deferred income taxes)	2,009.2	2,018.1
Shareholders' equity	<u>1,371.4</u>	<u>1,318.2</u>
	<u>\$8,148.6</u>	<u>7,617.8</u>

**SELECTED KEY RATIOS AND METRICS**

	March 31, 2012	December 31, 2011
Debt to equity	262%	257%
Total obligations to equity *	267%	261%
Effective interest rate (average cost of debt)	4.0%	4.3%
	2012	2011
	Three months	
Cash provided by operating activities from continuing operations	\$ 186.3	217.6
Free cash flow*	(175.0)	(9.6)
Capital expenditures paid	471.0	313.2
Capital expenditures (accrual basis)	\$ 787.4	448.0
Less proceeds from sales (primarily revenue earning equipment)	(94.2)	(71.2)
Net capital expenditures	<u>\$ 693.2</u>	<u>376.8</u>
	Twelve months ended	
	March 31,	
	2012	2011
Return on average shareholders' equity	12.7%	9.3%
Return on average assets	2.4%	2.0%
Adjusted return on capital *	5.6%	5.1%

\* Non-GAAP financial measure; see reconciliation to closest GAAP financial measure included within this release.

Note: Amounts may not be additive due to rounding.

**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**BUSINESS SEGMENT REVENUE AND EARNINGS - UNAUDITED**  
Periods ended March 31, 2012 and 2011  
(Dollars in millions)

	Three Months		
	2012	2011	B(W)
<b>Revenue:</b>			
Fleet Management Solutions:			
Full service lease	\$ 510.6	483.3	6%
Contract maintenance	39.9	38.1	5%
Contractual revenue	550.5	521.4	6%
Contract-related maintenance	53.6	44.7	20%
Commercial rental	171.2	135.7	26%
Other	17.4	17.3	1%
Fuel	278.6	261.1	7%
Total Fleet Management Solutions	1,071.4	980.1	9%
Supply Chain Solutions	571.9	535.8	7%
Eliminations	(107.0)	(90.5)	(18)%
Total revenue	<u>\$1,536.3</u>	<u>1,425.4</u>	<u>8%</u>
<b>Operating Revenue: *</b>			
Fleet Management Solutions	\$ 792.7	719.0	10%
Supply Chain Solutions	484.6	452.7	7%
Eliminations	(48.4)	(42.6)	(14)%
Total operating revenue	<u>\$1,228.9</u>	<u>1,129.1</u>	<u>9%</u>
<b>Business segment earnings:</b>			
Earnings from continuing operations before income taxes:			
Fleet Management Solutions	\$ 50.7	42.4	20%
Supply Chain Solutions	21.9	20.2	8%
Eliminations	(6.5)	(4.9)	(32)%
	66.1	57.6	15%
Unallocated Central Support Services	(9.5)	(8.7)	(9)%
Non-service pension costs	(8.0)	(4.5)	(77)%
Restructuring and other charges, net	(0.9)	(0.8)	13%
Earnings from continuing operations before income taxes	47.7	43.6	9%
Provision for income taxes	(12.8)	(17.8)	28%
Earnings from continuing operations	<u>\$ 34.9</u>	<u>25.9</u>	<u>35%</u>

\* Non-GAAP financial measure.

Note: Amounts may not be additive due to rounding.

**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**BUSINESS SEGMENT INFORMATION - UNAUDITED**  
Periods ended March 31, 2012 and 2011  
(Dollars in millions)

	Three Months		
	2012	2011	B(W)
<b>Fleet Management Solutions</b>			
Total revenue	\$1,071.4	980.1	9%
Fuel revenue	(278.6)	(261.1)	7%
Operating revenue *	<u>\$ 792.7</u>	<u>719.0</u>	<u>10%</u>
Segment earnings before income taxes	<u>\$ 50.7</u>	<u>42.4</u>	<u>20%</u>
Earnings before income taxes as % of total revenue	<u>4.7%</u>	<u>4.3%</u>	
Earnings before income taxes as % of operating revenue *	<u>6.4%</u>	<u>5.9%</u>	
<b>Supply Chain Solutions</b>			
Total revenue	\$ 571.9	535.8	7%
Subcontracted transportation	(87.3)	(83.1)	5%
Operating revenue *	<u>\$ 484.6</u>	<u>452.7</u>	<u>7%</u>
Segment earnings before income taxes	<u>\$ 21.9</u>	<u>20.2</u>	<u>8%</u>
Earnings before income taxes as % of total revenue	<u>3.8%</u>	<u>3.8%</u>	
Earnings before income taxes as % of operating revenue *	<u>4.5%</u>	<u>4.5%</u>	
Memo:			
Dedicated services operating revenue	\$ 282.1	249.6	13%
Dedicated services subcontracted transportation	46.2	38.3	21%
Dedicated services total revenue	<u>328.3</u>	<u>287.9</u>	<u>14%</u>
Fuel costs	\$ 66.8	53.8	(24)%

\* Non-GAAP financial measure.

Note: Amounts may not be additive due to rounding.

**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**BUSINESS SEGMENT INFORMATION - UNAUDITED**  
**KEY PERFORMANCE INDICATORS**

	Three months ended		Change 2012/2011 Three Months
	2012	2011	
<b>Full service lease</b>			
Average fleet count	121,500	111,600	9%
End of period fleet count <sup>(a)</sup>	121,700	111,800	9%
Miles/unit per day change - % <sup>(b)</sup>	(0.4)%	3.3%	(370)bps
<b>Commercial rental</b>			
Average fleet count	40,500	30,900	31%
End of period fleet count <sup>(a)</sup>	41,300	33,200	24%
Rental utilization - power units	68.9%	72.5%	(360)bps
Rental rate change - % <sup>(c)</sup>	5.3%	12.1%	(680)bps
<b>Customer vehicles under contract maintenance</b>			
Average fleet count	35,400	33,300	6%
End of period fleet count	35,600	33,200	7%
<b>SCS</b>			
Average fleet count <sup>(d)</sup>	11,500	10,900	6%
<b>Used vehicle sales (UVS)</b>			
Average UVS inventory	7,400	5,200	42%
End of period fleet count <sup>(a)</sup>	8,700	5,000	74%
Used vehicles sold	5,000	4,100	22%
UVS pricing change - % <sup>(e)</sup>			
Tractors	20%	42%	(2,200)bps
Trucks	3%	44%	(4,100)bps

(a) Includes trailers acquired in Hill Hire acquisition (6,100 full-service lease and 3,300 commercial rental).

(b) Represents the percentage change compared to prior year period in miles driven per vehicle per workday on US lease power units (restated to exclude vehicles not yet earning revenue and vehicles no longer earning revenue)

(c) Represents percentage change compared to prior year period in average global rental rate per day on power units using constant currency.

(d) These vehicle counts are also included within the average fleet counts for full service lease and commercial rental.

(e) Represents percentage change compared to prior year period in average sales proceeds on used vehicle sales using constant currency.

**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**NON-GAAP FINANCIAL MEASURE RECONCILIATIONS - UNAUDITED**  
(Dollars in millions)

**OPERATING REVENUE RECONCILIATION**

	Three months ended March 31,	
	2012	2011
Total revenue	\$1,536.3	1,425.4
Fuel services and subcontracted transportation revenue	(365.9)	(344.1)
Fuel eliminations	58.6	47.9
Operating revenue *	<u>\$1,228.9</u>	<u>1,129.1</u>

**DEBT TO EQUITY RECONCILIATION**

	March 31,		December 31,	
	2012	% to Equity	2011	% to Equity
On-balance sheet debt	\$3,593.2	262%	\$ 3,382.1	257%
Off-balance sheet debt - PV of minimum lease payments and guaranteed residual values under operating leases for vehicles <sup>(a)</sup>	63.2		64.0	
Total obligations *	<u>\$3,656.4</u>	267%	<u>3,446.1</u>	261%

**CASH FLOW RECONCILIATION**

	Three months	
	2012	2011
Net cash provided by operating activities from continuing operations	\$ 186.3	217.6
Proceeds from sales (primarily revenue earning equipment)	94.2	71.2
Collections on direct finance leases	15.5	14.8
Total cash generated *	296.0	303.6
Capital expenditures	(471.0)	(313.2)
Free cash flow *	<u>\$ (175.0)</u>	<u>(9.6)</u>

**RETURN ON CAPITAL RECONCILIATION**

	Twelve months ended March 31,	
	2012	2011
Net earnings (12-month rolling period)	179.0	130.9
+ Restructuring and other items	5.8	6.8
+ Income taxes	103.5	68.7
Adjusted earnings before income taxes	288.3	206.5
+ Adjusted interest expense <sup>(b)</sup>	135.4	134.0
- Adjusted income taxes	(156.1)	(131.9)
= Adjusted net earnings for ROC (numerator)	<u>267.6</u>	<u>208.7</u>
Average total debt	3,255.9	2,591.4
Average off-balance sheet debt	72.2	109.1
Average shareholders' equity	1,408.7	1,402.9
Adjustment to equity <sup>(c)</sup>	5.4	(1.3)
Adjusted average total capital (denominator)	<u>4,742.1</u>	<u>4,102.1</u>
Adjusted ROC *	<u>5.6%</u>	<u>5.1%</u>

Notes:

- (a) Discounted at the incremental borrowing rate at lease inception.
- (b) Interest expense includes implied interest on off-balance sheet vehicle obligations.
- (c) Represents comparable earnings items for those periods.

\* Non-GAAP financial measure.

Note: Amounts may not be additive due to rounding.





## First Quarter 2012

Earnings Conference Call

April 24, 2012



## Safe Harbor and Non-GAAP Financial Measures

Certain statements and information included in this presentation are "forward-looking statements" under the Federal Private Securities Litigation Reform Act of 1995. Accordingly, these forward-looking statements should be evaluated with consideration given to the many risks and uncertainties inherent in our business that could cause actual results and events to differ materially from those in the forward-looking statements. Important factors that could cause such differences include, among others, a slowdown of the economic recovery and decreases in freight demand, our ability to obtain adequate profit margins for our services, our inability to maintain current pricing levels due to soft economic conditions, uncertainty or decline in economic and market conditions affecting demand for our services, a decline in the market for used vehicles resulting in a decline in residual values of our lease or rental vehicles, competition from other service providers, customer retention levels, unexpected volatility or declines in automotive or high-tech volume, loss of key customers in the Supply Chain Solutions (SCS) business segment, unexpected reserves or write-offs due to the deterioration of the credit worthiness or bankruptcy of customers, changes in financial, tax or regulatory requirements or changes in customers' business environments that will limit their ability to commit to long-term vehicle leases, a decrease in credit ratings, increased debt costs resulting from volatile financial markets, inability to achieve planned synergies and customer retention levels or anticipate costs and liabilities from acquisitions, labor strikes or work stoppages affecting our or our customers' business operations, driver and technician shortages and increasing driver costs, adequacy of accounting estimates, reserves and accruals particularly with respect to pension, taxes, insurance and revenue, a decline in pension plan returns, changes in obligations relating to multi-employer plans, sudden or unusual changes in fuel prices, our ability to manage our cost structure, new accounting pronouncements, rules or interpretations, changes in government regulations, new proposed changes in lease accounting rules, the inability to comply with government regulations particularly relating to various state and federal privacy, employment and environmental regulations, new legal proceedings or unanticipated outcomes in existing legal proceedings and the risks described in our filings with the Securities and Exchange Commission. The risks included here are not exhaustive. New risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risks on our business. Accordingly, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

This presentation includes certain non-GAAP financial measures as defined under SEC rules, including operating revenue, comparable earnings, comparable EPS excluding non-service pension costs, 2012 comparable EPS forecasts, comparable earnings before income tax, comparable tax rate, adjusted return on capital, adjusted total capital, total cash generated, free cash flow, total obligations and the ratios based on these financial measures. Refer to Appendix – Non-GAAP Financial Measures for more information about the non-GAAP financial measures contained in this presentation. Additional information regarding non-GAAP financial measures can also be found in our reports filed with the SEC, which are available in the Investors area of our website at [investors.ryder.com](http://investors.ryder.com).



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- ▶ **First Quarter 2012 Results Overview**
- ▶ Asset Management Update
- ▶ Earnings Outlook
- ▶ Q & A

## 1st Quarter Results Overview

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- ▶ **Earnings per diluted share from continuing operations were \$0.68 in 1Q12 vs. \$0.50 in 1Q11**
  - 1Q12 included a \$0.09 net benefit related to the resolution of a tax matter, partially offset by acquisition-related restructuring costs
  - 1Q11 included a \$0.01 charge for acquisition-related restructuring costs
  
- ▶ **Comparable earnings per share from continuing operations were \$0.59 vs. \$0.51 in 1Q11**
  
- ▶ **Total revenue increased 8% (and operating revenue increased 9%) vs. prior year reflecting the impact of organic revenue growth and acquisitions**

# Key Financial Statistics

## First Quarter

(\$ Millions, Except Per Share Amounts)

	2012	2011	% B/(W)
Operating Revenue	\$ 1,228.9	\$ 1,129.1	9%
Fuel Services and Subcontracted Transportation Revenue	307.4	296.3	4%
<b>Total Revenue</b>	<b>\$ 1,536.3</b>	<b>\$ 1,425.4</b>	<b>8%</b>
Earnings Per Share From Continuing Operations	\$ 0.68	\$ 0.50	36%
Comparable Earnings Per Share From Continuing Operations	\$ 0.59	\$ 0.51	16%
Net Earnings Per Share	\$ 0.67	\$ 0.48	40%
<b>Memo:</b>			
Average Shares ( <i>Millions</i> ) -Diluted	50.9	51.0	
Tax Rate From Continuing Operations	26.9%	40.7%	
Comparable Tax Rate From Continuing Operations	37.1%	40.7%	
Adjusted Return on Capital ( <i>Trailing 12 month</i> )	5.6%	5.1%	
Comparable EPS from Continuing Operations excluding Non-Service Pension Costs	\$ 0.69	\$ 0.56	23%

Note: Amounts throughout presentation may not be additive due to rounding.



## 1st Quarter Results Overview - FMS

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- ▶ **Fleet Management Solutions (FMS) total revenue up 9% (and operating revenue up 10%) vs. prior year**
  - Contractual revenue up 6%
    - Full service lease revenue up 6%
    - Contract maintenance revenue increased 5%
  - Commercial rental revenue up 26%
  - Fuel revenue up 7% due primarily to increase in fuel pass-throughs
  
- ▶ **FMS earnings before tax (EBT) up 20%**
  - FMS EBT percent of operating revenue up 50 basis points to 6.4%
  
- ▶ **FMS earnings positively impacted by the Hill Hire acquisition, organic lease growth, improved used vehicle sales results and commercial rental performance**
  - These benefits were partially offset by higher maintenance costs to service a slightly older lease fleet, including higher outsourcing costs, and new sales commissions

## 1st Quarter Results Overview – SCS (including DCC)

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- ▶ **Supply Chain Solutions (SCS) total revenue up 7% (and operating revenue up 7%) vs. prior year due to higher overall freight volumes and new business, as well as a prior year acquisition**
- ▶ **SCS earnings before tax (EBT) up 8%**
  - SCS EBT percent of operating revenue remained unchanged at 4.5%
- ▶ **SCS earnings increased due to higher freight volumes and new business**

# Business Segments

(\$ Millions)

## First Quarter

				Memo: Total Revenue		
	2012	2011	% B/(W)	2012	2011	% B/(W)
<b>Operating Revenue:</b>						
Fleet Management Solutions	\$ 792.7	\$ 719.0	10%	\$ 1,071.4	\$ 980.1	9%
Supply Chain Solutions <sup>(1)</sup>	484.6	452.7	7%	571.9	535.8	7%
Eliminations	(48.4)	(42.6)	(14)%	(107.0)	(90.5)	(18)%
<b>Total</b>	<b>\$ 1,228.9</b>	<b>\$ 1,129.1</b>	<b>9%</b>	<b>\$ 1,536.3</b>	<b>\$ 1,425.4</b>	<b>8%</b>
<b>Segment Earnings Before Tax: <sup>(2)</sup></b>						
Fleet Management Solutions	\$ 50.7	\$ 42.4	20%			
Supply Chain Solutions <sup>(1)</sup>	21.9	20.2	8%			
Eliminations	(6.5)	(4.9)	32%			
	66.1	57.6	15%			
Central Support Services (Unallocated Share)	(9.5)	(8.7)	(9)%			
Non-Service Pension Costs	(8.0)	(4.5)	(77)%			
Restructuring and Other Charges, Net and Other Items	(0.9)	(0.8)	(13)%			
Earnings Before Income Taxes	47.7	43.6	9%			
Provision for Income Taxes	(12.8)	(17.8)	28%			
Earnings from Continuing Operations	\$ 34.9	\$ 25.9	35%			
Comparable Earnings from Continuing Operations	\$ 30.6	\$ 26.3	16%			
<b>Net Earnings</b>	<b>\$ 34.3</b>	<b>\$ 25.1</b>	<b>37%</b>			

(1) Combined Supply Chain Solutions and Dedicated Contract Carriage.

(2) Our primary measure of segment financial performance excludes unallocated CSS, non-service pension costs, restructuring and other charges, net and other items.



# Capital Expenditures

## First Quarter

(\$ Millions)

	2012	2011	2012 \$ O/(U) 2011
Full Service Lease	\$ 436	\$ 112	\$ 324
Commercial Rental	335	317	18
Operating Property and Equipment	16	18	(2)
Gross Capital Expenditures	787	448	339
Less: Proceeds from Sales (Primarily Revenue Earning Equipment)	94	71	23
Net Capital Expenditures	\$ 693	\$ 377	\$ 316
Memo: Acquisitions	\$ 2	\$ 84	\$ (82)



# Cash Flow from Continuing Operations

## First Quarter

(\$ Millions)

	2012	2011
Earnings from Continuing Operations	\$ 35	\$ 26
Depreciation	227	206
Gains on Vehicle Sales, Net	(22)	(12)
Amortization and Other Non-Cash Charges, Net	14	12
Pension Contributions	(4)	(4)
Changes in Working Capital and Deferred Taxes	(63)	(10)
Cash Provided by Operating Activities	186	218
Proceeds from Sales (Primarily Revenue Earning Equipment)	94	71
Collections of Direct Finance Leases	15	15
Total Cash Generated	296	304
Capital Expenditures <sup>(1)</sup>	(471)	(313)
Free Cash Flow <sup>(2)</sup>	\$ (175)	\$ (10)

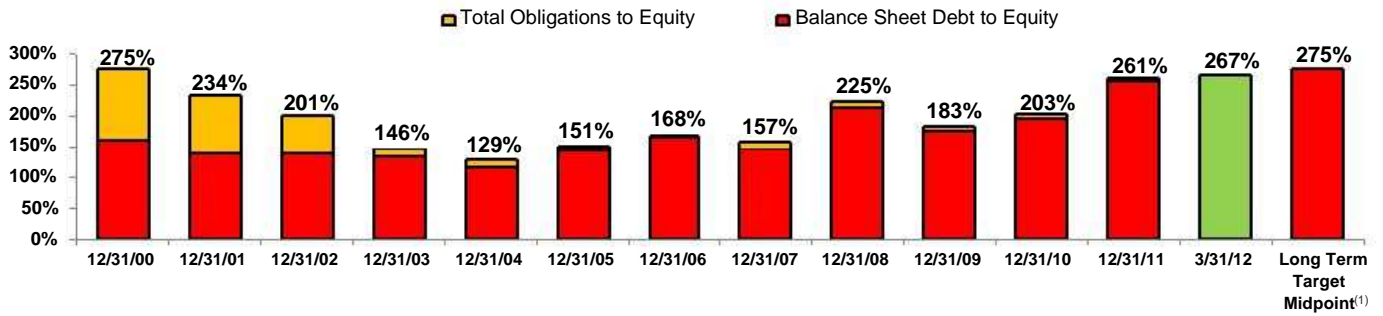
(1) Capital expenditures presented net of changes in accounts payable related to purchases of revenue earning equipment.

(2) Free Cash Flow excludes acquisitions and changes in restricted cash.



# Debt to Equity Ratio

(\$ Millions)



	3/31/12	12/31/11	3/31/11
<b>Balance Sheet Debt</b>	\$ 3,593	\$ 3,382	\$ 2,809
<b>Percent To Equity</b>	262%	257%	195%
<b>Total Obligations</b>	\$ 3,656	\$ 3,446	\$ 2,908
<b>Percent To Equity</b>	267%	261%	202%
<b>Total Equity<sup>(2)</sup></b>	\$ 1,371	\$ 1,318	\$ 1,440

(1) Represents long term total obligations to equity target of 250 - 300% while maintaining a strong investment grade rating.

(2) Total Equity includes impact of accumulated net pension related equity charge of \$591 million as of 3/31/12, \$595 million as of 12/31/11 and \$420 million as of 3/31/11.

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# Global Asset Management Update <sup>(1)</sup>

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- ▶ **Units held for sale were 8,700 at quarter end, up from 5,000 units held for sale in the prior year**
  - Average units held for sale were 7,400 during the quarter, up from 5,200 in the prior year
  
- ▶ **The number of used vehicles sold in the first quarter were 5,000, up 22% from the prior year**
  
- ▶ **Proceeds per unit were up 20% for tractors and were up 3% for trucks in the first quarter compared with prior year (excluding the impact of exchange rates)**
  - Proceeds per unit were up 1% for tractors and up 1% for trucks vs. the prior quarter
  
- ▶ **Vehicles no longer earning revenue (including units held for sale) were 12,200 at quarter-end, up 4,800 from the prior year**
  
- ▶ **Average first quarter total commercial rental fleet was up 31% year-over-year (13% excluding acquisitions)**

(1) Units rounded to nearest hundred.



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# EPS Forecast – Continuing Operations

(\$ Earnings Per Share)

- ▶ Raising full year EPS forecast from \$4.00 - \$4.10 to \$4.02 - \$4.12
- ▶ Current forecast is as follows:

	<u>Second Quarter</u>	<u>Full Year</u>
2012 Comparable EPS Forecast <sup>(1)</sup>	<u>\$ 1.07 - 1.12</u>	<u>\$ 4.02 - 4.12</u>
2011 Comparable EPS	<u>\$0.92</u>	<u>\$3.49</u>

(1) Full Year 2012 Comparable EPS Forecast excludes a \$0.10 tax benefit and a \$0.02 restructuring charge. Second Quarter 2012 Comparable EPS Forecast excludes \$0.01 in restructuring charges. Full year 2011 excludes \$0.09 in net tax charges, \$0.05 in restructuring charges and \$0.04 in acquisition transaction costs.



# Q&A

## Appendix

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**Business Segment Detail**

**Central Support Services**

**Balance Sheet**

**Asset Management**

**Financial Indicators Forecast**

**New Business Segment Presentation (2009 – 2011)**

**New SCS Segment Presentation (2009 – 2011)**

**Revenue and EBT (10 year history)**

**Non-GAAP Financial Measures & Reconciliations**

# Fleet Management Solutions (FMS)

(\$ Millions)

## First Quarter

	<u>2012</u>	<u>2011</u>	<u>% B/(W)</u>
Full Service Lease	\$ 510.6	\$ 483.3	6%
Contract Maintenance	39.9	38.1	5%
Contractual Revenue	550.5	521.4	6%
Contract-related Maintenance	53.6	44.7	20%
Commercial Rental	171.2	135.7	26%
Other	17.4	17.3	1%
Operating Revenue	792.7	719.0	10%
Fuel Services Revenue	278.6	261.1	7%
Total Revenue	<u>\$ 1,071.4</u>	<u>\$ 980.1</u>	<u>9%</u>
Segment Earnings Before Tax (EBT)	<u>\$ 50.7</u>	<u>\$ 42.4</u>	<u>20%</u>
Segment EBT as % of Total Revenue	<u>4.7%</u>	<u>4.3%</u>	
Segment EBT as % of Operating Revenue	<u>6.4%</u>	<u>5.9%</u>	



# Supply Chain Solutions (SCS) <sup>(1)</sup>

(\$ Millions)

## First Quarter

	<u>2012</u>	<u>2011</u>	<u>% B/(W)</u>
Automotive	\$ 139.7	\$ 122.7	14%
High-Tech	80.3	80.4	-
Retail & CPG	178.8	167.1	7%
Industrial & Other	85.8	82.5	4%
Operating Revenue	484.6	452.7	7%
Subcontracted Transportation	87.3	83.1	5%
Total Revenue	<u>\$ 571.9</u>	<u>\$ 535.8</u>	<u>7%</u>
Segment Earnings Before Tax (EBT)	<u>\$ 21.9</u>	<u>\$ 20.2</u>	<u>8%</u>
Segment EBT as % of Total Revenue	<u>3.8%</u>	<u>3.8%</u>	
Segment EBT as % of Operating Revenue	<u>4.5%</u>	<u>4.5%</u>	
Memo:			
Dedicated Services - Operating Revenue <sup>(2)</sup>	<u>\$ 282.1</u>	<u>\$ 249.6</u>	<u>13%</u>
Dedicated Services - Total Revenue	<u>\$ 328.3</u>	<u>\$ 287.9</u>	<u>14%</u>
Fuel Costs	<u>\$ 66.8</u>	<u>\$ 53.8</u>	<u>24%</u>

(1) Combined Supply Chain Solutions and Dedicated Contract Carriage.

(2) Excludes Dedicated Services Subcontracted Transportation.



# Central Support Services (CSS)

(\$ Millions)

## First Quarter

	<u>2012</u>	<u>2011</u>	<u>% B/(W)</u>
Allocated CSS Costs	\$ 38.7	\$ 36.6	(6)%
Unallocated CSS Costs	9.5	8.7	(9)%
Total CSS Costs	<u>\$ 48.2</u>	<u>\$ 45.3</u>	<u>(6)%</u>

# Balance Sheet

(\$ Millions)

	March 31, 2012	December 31, 2011
Cash and Cash Equivalents	\$ 114	\$ 105
Other Current Assets	1,002	984
Revenue Earning Equipment, Net	5,530	5,050
Operating Property and Equipment, Net	626	624
Other Assets	878	856
<b>Total Assets</b>	<b>\$ 8,149</b>	<b>\$ 7,618</b>
Short-Term Debt / Current Portion Long-Term Debt	\$ 587	\$ 274
Other Current Liabilities	1,175	900
Long-Term Debt	3,006	3,108
Other Non-Current Liabilities (including Deferred Income Taxes)	2,009	2,018
Shareholders' Equity	1,371	1,318
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 8,149</b>	<b>\$ 7,618</b>

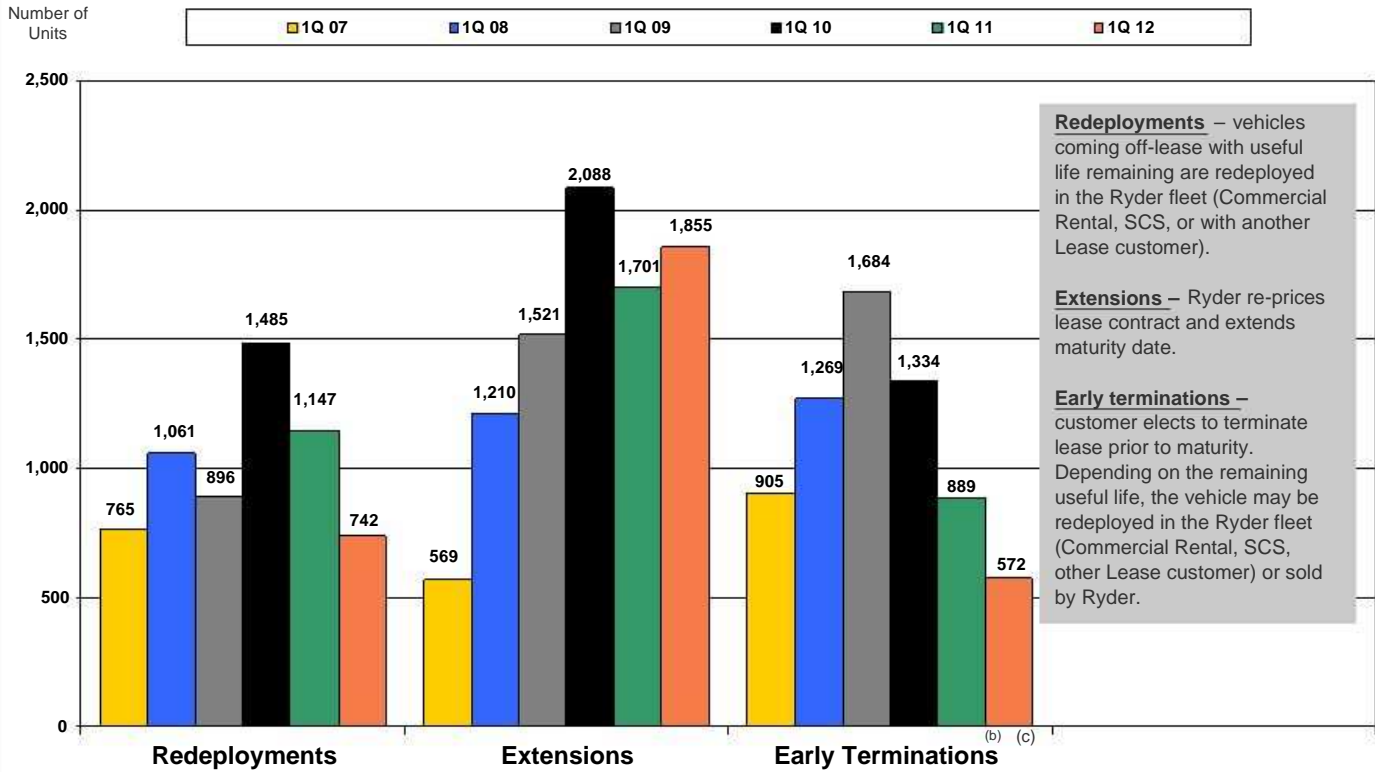


04/24/2012

Proprietary and Confidential

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# U.S. Asset Management Update <sup>(a)</sup>

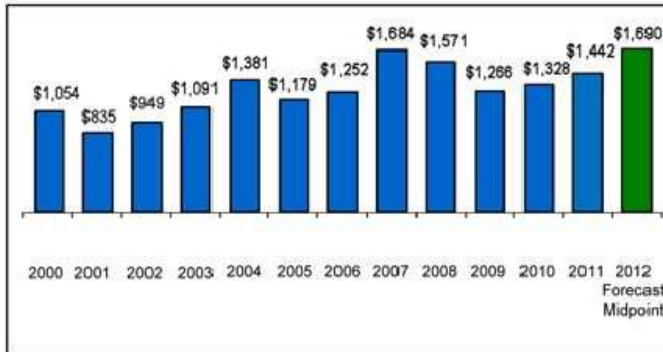


- (a) U.S. only
- (b) Excludes early terminations where customer purchases vehicle
- (c) Current year statistics may exclude some units due to a lag in reporting



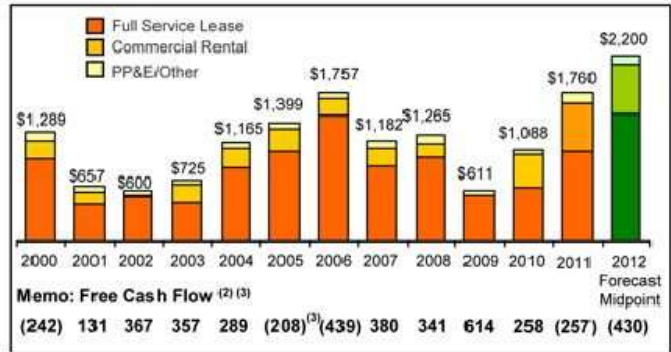
# Financial Indicators Forecast <sup>(1)</sup>

## Total Cash Generated <sup>(2)</sup>

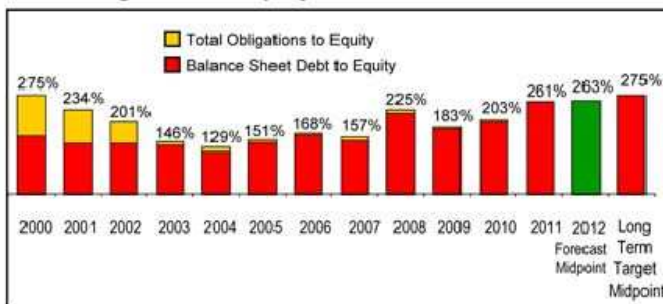


## Gross Capital Expenditures <sup>(2)</sup>

(\$ Millions)



## Total Obligations to Equity Ratio



## Key Takeaways

- ▶ Significant and predictable cash generation
- ▶ Invest in growth (organic, acquisitions)
- ▶ Over time appropriately move financial leverage towards long term target of 250-300% Total Obligations to Equity

(1) Total Obligations to Equity includes acquisitions. Free Cash Flow and Gross Capital Expenditures exclude acquisitions.

(2) 2000-2004 not restated for operations discontinued in 2009.

(3) Includes \$176 million payment to the IRS related to full resolution of 1998 - 2000 tax period matters.

# New Business Segment Presentation <sup>(1)</sup>

(\$ Millions)

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	FY 2011
<b>Operating Revenue:</b>					
Fleet Management Solutions	\$ 719.0	\$ 778.9	\$ 824.7	\$ 813.3	\$3,135.9
Supply Chain Solutions	452.7	456.8	476.3	471.8	1,857.5
Eliminations	(42.6)	(43.7)	(44.4)	(48.1)	(178.8)
<b>Total</b>	<b>\$1,129.1</b>	<b>\$1,192.0</b>	<b>\$1,256.5</b>	<b>\$1,237.0</b>	<b>\$4,814.6</b>
<b>Segment Earnings Before Tax:</b>					
Fleet Management Solutions	\$ 42.4	\$ 71.5	\$ 78.0	\$ 73.8	\$ 265.7
Supply Chain Solutions	20.2	27.8	31.4	25.5	104.9
Eliminations	(4.9)	(6.5)	(5.7)	(7.1)	(24.2)
	57.6	92.7	103.8	92.2	346.4
Central Support Services (Unallocated Share)	(8.7)	(11.2)	(11.5)	(11.1)	(42.5)
Non-service Pension Costs	(4.5)	(4.8)	(4.6)	(4.7)	(18.7)
Restructuring and Other Charges, Net and Other Items	(0.8)	(1.7)	-	(3.3)	(5.8)
<b>Earnings Before Income Taxes</b>	<b>43.6</b>	<b>75.0</b>	<b>87.7</b>	<b>73.1</b>	<b>279.4</b>
Provision for Income Taxes	(17.8)	(34.1)	(30.7)	(25.4)	(108.0)
<b>Earnings from Continuing Operations</b>	<b>\$ 25.9</b>	<b>\$ 40.9</b>	<b>\$ 56.9</b>	<b>\$ 47.7</b>	<b>\$ 171.4</b>
<b>Comparable Earnings from Continuing Operations</b>	<b>\$ 26.3</b>	<b>\$ 47.8</b>	<b>\$ 56.4</b>	<b>\$ 50.1</b>	<b>\$ 180.6</b>
<b>Net Earnings</b>	<b>\$ 25.1</b>	<b>\$ 40.0</b>	<b>\$ 56.5</b>	<b>\$ 48.1</b>	<b>\$ 169.8</b>

(1) Supply Chain Solutions and Dedicated Contract Carriage have been combined. Non-service pension costs have been excluded from segment earnings.

Note: Amounts may not recalculate due to rounding.



# New Business Segment Presentation <sup>(1)</sup>

(\$ Millions)

	1Q 2010	2Q 2010	3Q 2010	4Q 2010	FY 2010
<b>Operating Revenue:</b>					
Fleet Management Solutions	\$ 677.4	\$ 709.0	\$ 733.9	\$ 726.3	\$2,846.5
Supply Chain Solutions	350.2	368.5	377.2	377.6	1,473.5
Eliminations	(40.0)	(40.4)	(39.5)	(41.9)	(161.8)
<b>Total</b>	<b>\$ 987.6</b>	<b>\$1,037.1</b>	<b>\$1,071.6</b>	<b>\$1,061.9</b>	<b>\$4,158.2</b>
<b>Segment Earnings Before Tax:</b>					
Fleet Management Solutions	\$ 27.3	\$ 51.6	\$ 60.3	\$ 55.7	\$ 194.9
Supply Chain Solutions	15.2	21.6	24.5	20.4	81.7
Eliminations	(4.7)	(5.1)	(4.6)	(4.8)	(19.3)
	37.8	68.1	80.2	71.3	257.3
Central Support Services (Unallocated Share)	(8.8)	(9.8)	(11.9)	(10.7)	(41.2)
Non-service Pension Costs	(6.5)	(6.1)	(6.3)	(7.8)	(26.6)
Restructuring and Other Charges, Net and Other Items	-	-	-	(3.2)	(3.2)
<b>Earnings Before Income Taxes</b>	<b>22.5</b>	<b>52.2</b>	<b>62.0</b>	<b>49.6</b>	<b>186.3</b>
Provision for Income Taxes	(9.6)	(21.6)	(22.3)	(8.1)	(61.7)
<b>Earnings from Continuing Operations</b>	<b>\$ 12.9</b>	<b>\$ 30.6</b>	<b>\$ 39.7</b>	<b>\$ 41.5</b>	<b>\$ 124.6</b>
<b>Comparable Earnings from Continuing Operations</b>	<b>\$ 12.9</b>	<b>\$ 30.6</b>	<b>\$ 39.7</b>	<b>\$ 33.8</b>	<b>\$ 117.0</b>
<b>Net Earnings</b>	<b>\$ 12.4</b>	<b>\$ 29.8</b>	<b>\$ 38.8</b>	<b>\$ 37.1</b>	<b>\$ 118.2</b>

(1) Supply Chain Solutions and Dedicated Contract Carriage have been combined. Non-service pension costs have been excluded from segment earnings.

Note: Amounts may not recalculate due to rounding.



# New Business Segment Presentation <sup>(1)</sup>

(\$ Millions)

	1Q 2009	2Q 2009	3Q 2009	4Q 2009	FY 2009
<b>Operating Revenue:</b>					
Fleet Management Solutions	\$ 693.2	\$ 712.6	\$ 712.5	\$ 699.5	\$ 2,817.7
Supply Chain Solutions	341.1	347.0	362.8	361.0	1,412.0
Eliminations	(43.5)	(41.8)	(41.2)	(40.7)	(167.2)
<b>Total</b>	<u>\$ 990.8</u>	<u>\$ 1,017.8</u>	<u>\$ 1,034.0</u>	<u>\$ 1,019.8</u>	<u>\$ 4,062.5</u>
<b>Segment Earnings Before Tax:</b>					
Fleet Management Solutions	\$ 40.7	\$ 51.5	\$ 47.6	\$ 42.4	\$ 182.2
Supply Chain Solutions	12.7	17.7	26.8	19.5	76.6
Eliminations	(5.6)	(4.8)	(5.7)	(4.9)	(21.1)
	47.8	64.4	68.7	57.0	237.8
Central Support Services (Unallocated Share)	(6.9)	(8.2)	(9.1)	(11.1)	(35.3)
Non-service Pension Costs	(11.8)	(11.0)	(11.5)	(11.4)	(45.6)
Restructuring and Other Charges, Net and Other Items	(6.7)	0.2	(3.9)	(2.7)	(13.1)
<b>Earnings Before Income Taxes</b>	<u>22.4</u>	<u>45.3</u>	<u>44.2</u>	<u>31.8</u>	<u>143.8</u>
Provision for Income Taxes	(11.5)	(18.3)	(15.8)	(8.1)	(53.7)
<b>Earnings from Continuing Operations</b>	<u>\$ 10.9</u>	<u>\$ 27.1</u>	<u>\$ 28.4</u>	<u>\$ 23.7</u>	<u>\$ 90.1</u>
<b>Comparable Earnings from Continuing Operations</b>	<u>\$ 16.7</u>	<u>\$ 27.0</u>	<u>\$ 28.7</u>	<u>\$ 22.2</u>	<u>\$ 94.6</u>
<b>Net Earnings</b>	<u>\$ 6.8</u>	<u>\$ 22.9</u>	<u>\$ 24.0</u>	<u>\$ 8.2</u>	<u>\$ 61.9</u>

(1) Supply Chain Solutions and Dedicated Contract Carriage have been combined. Non-service pension costs have been excluded from segment earnings.

Note: Amounts may not recalculate due to rounding.



# New SCS Segment Presentation <sup>(1)</sup>

	<u>1Q 2011</u>	<u>2Q 2011</u>	<u>3Q 2011</u>	<u>4Q 2011</u>	<u>FY 2011</u>
Automotive	\$ 122.7	\$ 107.8	\$ 115.3	\$ 123.3	\$ 469.2
High-Tech	80.4	85.4	84.0	83.8	333.6
Retail & CPG	167.1	176.1	187.6	180.3	711.0
Industrial & Other	82.5	87.6	89.3	84.3	343.7
Operating Revenue	<u>452.7</u>	<u>456.8</u>	<u>476.3</u>	<u>471.7</u>	<u>1,857.5</u>
Subcontracted Transportation	<u>83.1</u>	<u>83.2</u>	<u>88.7</u>	<u>93.5</u>	<u>348.5</u>
Total Revenue	<u>\$ 535.8</u>	<u>\$ 540.0</u>	<u>\$ 565.0</u>	<u>\$ 565.3</u>	<u>\$ 2,206.0</u>
Segment Earnings Before Tax (EBT)	<u>\$ 20.2</u>	<u>27.8</u>	<u>31.4</u>	<u>25.5</u>	<u>104.9</u>
Segment EBT as % of Total Revenue	<u>3.8%</u>	<u>5.1%</u>	<u>5.6%</u>	<u>4.5%</u>	<u>4.8%</u>
Segment EBT as % of Operating Revenue	<u>4.5%</u>	<u>6.1%</u>	<u>6.6%</u>	<u>5.4%</u>	<u>5.6%</u>
Memo:					
Dedicated Services - Operating Revenue <sup>(2)</sup>	<u>\$ 249.6</u>	<u>\$ 249.4</u>	<u>\$ 261.2</u>	<u>\$ 267.0</u>	<u>\$ 1,027.2</u>
Dedicated Services - Total Revenue	<u>\$ 287.9</u>	<u>\$ 286.0</u>	<u>\$ 303.9</u>	<u>\$ 315.2</u>	<u>\$ 1,193.0</u>
Fuel Costs	<u>\$ 53.8</u>	<u>\$ 55.1</u>	<u>\$ 54.9</u>	<u>\$ 59.9</u>	<u>\$ 223.7</u>

(1) Combined Supply Chain Solutions and Dedicated Contract Carriage.

(2) Excludes Dedicated Services Subcontracted Transportation.

Note: Amounts may not recalculate due to rounding.



# New SCS Segment Presentation <sup>(1)</sup>

	<u>1Q 2010</u>	<u>2Q 2010</u>	<u>3Q 2010</u>	<u>4Q 2010</u>	<u>FY 2010</u>
Automotive	\$ 106.6	\$ 113.1	\$ 114.7	\$ 114.2	\$ 448.7
High-Tech	72.3	74.7	79.3	82.5	308.8
Retail & CPG	95.6	98.6	100.2	100.3	394.7
Industrial & Other	75.8	82.1	83.0	80.5	321.3
Operating Revenue	<u>350.2</u>	<u>368.5</u>	<u>377.2</u>	<u>377.6</u>	<u>1,473.5</u>
Subcontracted Transportation	<u>60.3</u>	<u>64.6</u>	<u>67.0</u>	<u>69.4</u>	<u>261.3</u>
Total Revenue	<u>\$ 410.5</u>	<u>\$ 433.1</u>	<u>\$ 444.3</u>	<u>\$ 446.9</u>	<u>\$ 1,734.8</u>
Segment Earnings Before Tax (EBT)	<u>\$ 15.2</u>	<u>21.6</u>	<u>24.5</u>	<u>20.4</u>	<u>81.7</u>
Segment EBT as % of Total Revenue	<u>3.7%</u>	<u>5.0%</u>	<u>5.5%</u>	<u>4.6%</u>	<u>4.7%</u>
Segment EBT as % of Operating Revenue	<u>4.3%</u>	<u>5.9%</u>	<u>6.5%</u>	<u>5.4%</u>	<u>5.5%</u>
Memo:					
Dedicated Services - Operating Revenue <sup>(2)</sup>	<u>\$ 218.9</u>	<u>\$ 231.6</u>	<u>\$ 231.4</u>	<u>\$ 230.8</u>	<u>\$ 912.7</u>
Dedicated Services - Total Revenue	<u>\$ 247.7</u>	<u>\$ 260.8</u>	<u>\$ 260.7</u>	<u>\$ 261.7</u>	<u>\$ 1,030.9</u>
Fuel Costs	<u>\$ 37.9</u>	<u>\$ 41.1</u>	<u>\$ 40.4</u>	<u>\$ 43.3</u>	<u>\$ 162.7</u>

(1) Combined Supply Chain Solutions and Dedicated Contract Carriage.

(2) Excludes Dedicated Services Subcontracted Transportation.

Note: Amounts may not recalculate due to rounding.



# New SCS Segment Presentation <sup>(1)</sup>

	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>	<u>4Q 2009</u>	<u>FY 2009</u>
Automotive	\$ 94.9	\$ 98.0	\$ 107.3	\$ 109.2	\$ 409.3
High-Tech	75.0	75.8	75.6	74.0	300.4
Retail & CPG	91.7	91.6	96.8	99.3	379.4
Industrial & Other	79.5	81.7	83.0	78.6	322.8
Operating Revenue	<u>341.1</u>	<u>347.1</u>	<u>362.8</u>	<u>361.0</u>	<u>1,412.0</u>
Subcontracted Transportation	<u>41.2</u>	<u>44.8</u>	<u>52.5</u>	<u>60.3</u>	<u>198.9</u>
Total Revenue	<u>\$ 382.3</u>	<u>\$ 391.9</u>	<u>\$ 415.3</u>	<u>\$ 421.4</u>	<u>\$ 1,610.9</u>
Segment Earnings Before Tax (EBT)	<u>\$ 12.7</u>	<u>17.7</u>	<u>26.8</u>	<u>19.5</u>	<u>76.6</u>
Segment EBT as % of Total Revenue	<u>3.3%</u>	<u>4.5%</u>	<u>6.5%</u>	<u>4.6%</u>	<u>4.8%</u>
Segment EBT as % of Operating Revenue	<u>3.7%</u>	<u>5.1%</u>	<u>7.4%</u>	<u>5.4%</u>	<u>5.4%</u>
<b>Memo:</b>					
Dedicated Services - Operating Revenue <sup>(2)</sup>	<u>\$ 213.5</u>	<u>\$ 219.8</u>	<u>\$ 229.3</u>	<u>\$ 225.8</u>	<u>\$ 888.4</u>
Dedicated Services - Total Revenue	<u>\$ 227.1</u>	<u>\$ 239.7</u>	<u>\$ 253.8</u>	<u>\$ 253.9</u>	<u>\$ 974.5</u>
Fuel Costs	<u>\$ 30.3</u>	<u>\$ 31.7</u>	<u>\$ 35.7</u>	<u>\$ 37.0</u>	<u>\$ 134.7</u>

(1) Combined Supply Chain Solutions and Dedicated Contract Carriage.

(2) Excludes Dedicated Services Subcontracted Transportation.

Note: Amounts may not recalculate due to rounding.

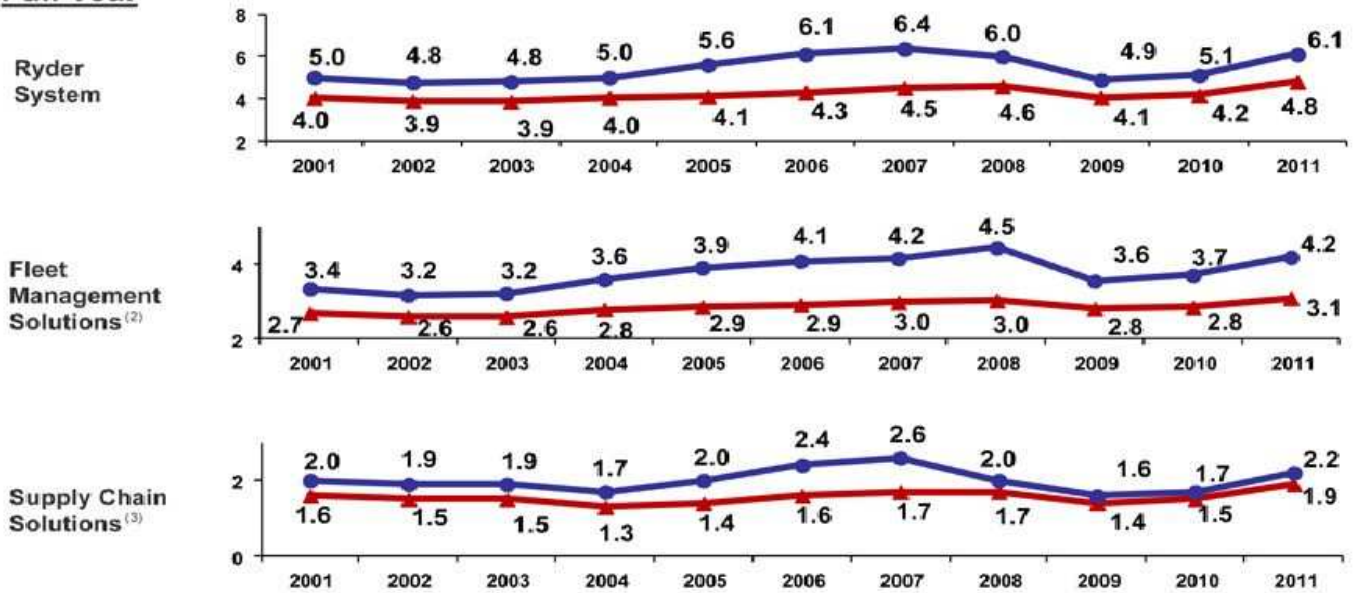


# Segment – Revenue (1)

▲ Operating Revenue  
● Total Revenue

(\$ Billions)

## Full Year



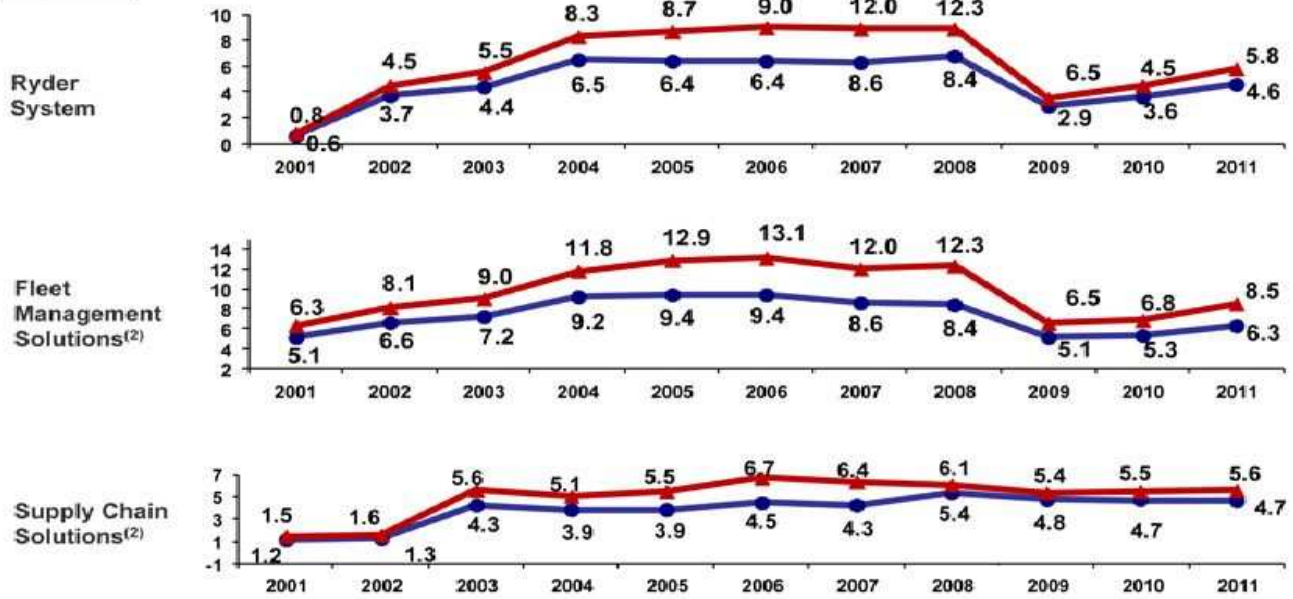
(1) 2001-2003 not restated for discontinued operations.  
 (2) FMS Operating Revenue excludes fuel services revenue.  
 (3) SCS Operating Revenue excludes subcontracted transportation.



# Segment – Earnings Before Tax (EBT) <sup>(1)</sup>

▲ EBT as % of Operating Revenue  
● EBT as % of Total Revenue

## Full Year



<sup>(1)</sup> 2001-2003 not restated for discontinued operations.  
<sup>(2)</sup> Excludes non-service pension costs.



## Non-GAAP Financial Measures

- ▶ This presentation includes “non-GAAP financial measures” as defined by SEC rules. As required by SEC rules, we provide a reconciliation of each non-GAAP financial measure to the most comparable GAAP measure. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, other measures of financial performance prepared in accordance with GAAP.
- ▶ Specifically, the following non-GAAP financial measures are included in this presentation:

Non-GAAP Financial Measure	Comparable GAAP Measure	Reconciliation & Additional Information Presented on Slide Titled	Page
Operating Revenue	Total Revenue / Total Revenue Forecast	Key Financial Statistics	5
Comparable Earnings / Comparable EPS	Earnings / EPS from Continuing Operations	Earnings and EPS from Continuing Operations Reconciliation / Earnings from Continuing Operations Reconciliation 2009 / Earnings from Continuing Operations Reconciliation 2010 / Earnings from Continuing Operations Reconciliation 2011	33, 42-44
Comparable EPS Excluding Non-Service Pension Costs	EPS from Continuing Operations	Earnings and EPS from Continuing Operations Reconciliation	33
Comparable Earnings Before Income Tax / Comparable Tax Rate	Earnings Before Income Tax / Tax Rate	EBT and Tax Rate from Continuing Operations Reconciliation	34
Comparable EPS Forecast	EPS Forecast	EPS Forecast – Continuing Operations	15
Adjusted Return on Capital / Adjusted Total Capital	Net Earnings / Total Capital	Adjusted Return on Capital Reconciliation / Segment Adjusted Return on Capital Reconciliation	36-37
Total Cash Generated / Free Cash Flow	Cash Provided by Operating Activities	Cash Flow Reconciliation	39-40
Total Obligations / Total Obligations to Equity	Balance Sheet Debt / Debt to Equity	Debt to Equity Reconciliation	37-38
FMS and SCS Operating Revenue	FMS and SCS Total Revenue	Fleet Management Solutions / Supply Chain Solutions / New SCS Segment Presentation , FMS Operating Results 2009-2011	18,19, 27-29, 41



## Earnings and EPS from Continuing Operations Reconciliation

(\$ Millions or \$ Earnings Per Share)

	<u>1Q12 - Earnings</u>	<u>1Q12 - EPS</u>	<u>1Q11 - Earnings</u>	<u>1Q11 - EPS</u>
Reported	\$ 34.9	\$ 0.68	\$ 25.9	\$ 0.50
Tax Benefits	(5.0)	(0.10)	-	-
Restructuring Charges	0.6	0.01	0.5	0.01
Comparable	<u>30.6</u>	<u>0.59</u>	<u>26.3</u>	<u>0.51</u>
Non-Service Pension Costs	4.9	0.10	2.7	0.05
Comparable EPS excluding Non-Service Pension Costs	<u>\$ 35.5</u>	<u>\$ 0.69</u>	<u>\$ 30.8</u>	<u>\$ 0.56</u>

## EBT and Tax Rate from Continuing Operations Reconciliation

*(\$ Millions or \$ Earnings Per Share)*

	1Q12 - EBT	1Q12 - Tax	1Q12 - Tax Rate
Reported	<u>\$ 47.7</u>	<u>\$ 12.8</u>	<u>26.9%</u>
Tax Benefits	-	5.0	
Restructuring Charges	0.9	0.2	
Comparable	<u>\$ 48.6</u>	<u>\$ 18.0</u>	<u>37.1%</u>

# Adjusted Return on Capital Reconciliation

(\$ Millions)

	<u>3/31/12</u>	<u>3/31/11</u>
<b>Net Earnings</b> <sup>(1)</sup>	<b>\$ 179</b>	<b>\$ 131</b>
<b>Restructuring and Other Charges, Net and Other Items</b>	<b>6</b>	<b>7</b>
<b>Income Taxes</b>	<b>103</b>	<b>69</b>
<b>Adjusted Earnings Before Income Taxes</b>	<b>288</b>	<b>207</b>
<b>Adjusted Interest Expense</b> <sup>(2)</sup>	<b>135</b>	<b>134</b>
<b>Adjusted Income Taxes</b> <sup>(3)</sup>	<b>(156)</b>	<b>(132)</b>
<b>Adjusted Net Earnings</b>	<b>\$ 268</b>	<b>\$ 209</b>
<b>Average Total Debt</b> <sup>(4)</sup>	<b>\$ 3,256</b>	<b>\$ 2,591</b>
<b>Average Off-Balance Sheet Debt</b> <sup>(4)</sup>	<b>72</b>	<b>109</b>
<b>Average Total Shareholders' Equity</b> <sup>(4)</sup>	<b>1,409</b>	<b>1,403</b>
<b>Average Adjustments to Shareholders' Equity</b> <sup>(5)</sup>	<b>5</b>	<b>(1)</b>
<b>Adjusted Average Total Capital</b>	<b>\$ 4,742</b>	<b>\$ 4,102</b>
<b>Adjusted Return on Capital</b>	<b>5.6%</b>	<b>5.1%</b>

(1) Earnings calculated based on a 12-month rolling period.

(2) Interest expense includes interest on off-balance sheet vehicle obligations.

(3) Income taxes were calculated by excluding taxes related to comparable earnings items and interest expense.

(4) The average is calculated based on the average GAAP balances.

(5) Represents comparable earnings items for those periods.



## Segment Adjusted Return on Capital Reconciliation

(\$ Millions)

	<u>2011</u>		<u>2010</u>	
	FMS	SCS	FMS	SCS
Net Earnings <sup>(1)</sup>	\$ 161	\$ 65	\$ 132	\$ 46
Restructuring and Other Charges, Net and Other Items	6	-	-	3
Income Taxes	99	40	63	32
Adjusted Earnings Before Income Taxes	266	105	195	81
Adjusted Interest Expense <sup>(2)</sup>	135	8	134	7
Adjusted Income Taxes <sup>(3)</sup>	(143)	(44)	(112)	(35)
Adjusted Net Earnings	<u>\$ 258</u>	<u>\$ (69)</u>	<u>\$ 217</u>	<u>\$ 53</u>
Average Total Debt <sup>(4)</sup>	\$ 3,085	\$ (10)	\$ 2,565	\$ (47)
Average Off-Balance Sheet Debt <sup>(4)</sup>	76	220	111	197
Average Total Shareholders' Equity <sup>(4)</sup>	1,150	321	1,293	146
Average Adjustments to Shareholders' Equity <sup>(5)</sup>	5	-	-	1
Adjusted Average Total Capital	<u>\$ 4,316</u>	<u>\$ 531</u>	<u>\$ 3,969</u>	<u>\$ 297</u>
Adjusted Return on Capital	<u>6.0%</u>	<u>12.9%</u>	<u>5.5%</u>	<u>18.0%</u>

- (1) Earnings calculated based on a 12-month rolling period.  
(2) Interest expense includes interest on off-balance sheet vehicle obligations.  
(3) Income taxes were calculated by excluding taxes related to comparable earnings items and interest expense.  
(4) The average is calculated based on the average GAAP balances.  
(5) Represents comparable earnings items for those periods.



## Debt to Equity Reconciliation

(\$ Millions)

	<u>% to</u> <u>12/31/00 Equity</u>	<u>% to</u> <u>12/31/01 Equity</u>	<u>% to</u> <u>12/31/02 Equity</u>	<u>% to</u> <u>12/31/03 Equity</u>	<u>% to</u> <u>12/31/04 Equity</u>	<u>% to</u> <u>12/31/05 Equity</u>	<u>% to</u> <u>12/31/06 Equity</u>	<u>% to</u> <u>12/31/07 Equity</u>
Balance Sheet Debt	\$2,017 161%	\$1,709 139%	\$1,552 140%	\$1,816 135%	\$1,783 118%	\$2,185 143%	\$2,817 164%	\$2,776 147%
Receivables Sold	345	110	-	-	-	-	-	-
PV of minimum lease payments and guaranteed residual values under operating leases for vehicles	879	625	370	153	161	117	78	178
PV of contingent rentals under securitizations	209	441	311	-	-	-	-	-
<b>Total Obligations</b>	<u>\$3,450</u> 275%	<u>\$2,885</u> 234%	<u>\$2,233</u> 201%	<u>\$1,969</u> 146%	<u>\$1,944</u> 129%	<u>\$2,302</u> 151%	<u>\$2,895</u> 168%	<u>\$2,954</u> 157%

Note: In connection with adopting FIN46 effective July 1, 2003, the Company consolidated the vehicle securitization trusts previously disclosed as off-balance sheet debt.



## Debt to Equity Reconciliation

(\$ Millions)

	12/31/08	% to Equity	12/31/09	% to Equity	12/31/10	% to Equity	12/31/11	% to Equity	3/31/12	% to Equity	3/31/11
Balance Sheet Debt	\$2,863	213%	\$2,498	175%	\$2,747	196%	\$3,382	257%	\$3,593	262%	\$2,809
Receivables Sold	-		-		-		-		-		-
PV of minimum lease payments and guaranteed residual values under operating leases for vehicles	163		119		100		64		63		99
<b>Total Obligations</b>	<b>\$3,026</b>	<b>225%</b>	<b>\$2,617</b>	<b>183%</b>	<b>\$2,847</b>	<b>203%</b>	<b>\$3,446</b>	<b>261%</b>	<b>\$3,656</b>	<b>267%</b>	<b>\$2,908</b>

Note: Amounts may not recalculate due to rounding.



# Cash Flow Reconciliation

(\$ Millions)

	12/31/00 <sup>(1)</sup>	12/31/01 <sup>(1)</sup>	12/31/02 <sup>(1)</sup>	12/31/03 <sup>(1)</sup>	12/31/04 <sup>(1)</sup>	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09
Cash Provided by Operating Activities	\$ 1,023	\$ 365	\$ 617	\$ 803	\$ 867	\$ 776	\$ 852	\$ 1,097	\$ 1,248	\$ 985
Less: Changes in Bal. of Trade Rec. Sold	(270)	235	110	-	-	-	-	-	-	-
Collections of Direct Finance Leases	67	66	66	61	64	69	65	62	61	65
Proceeds from Sale (Prim. Rev. Earn. Equip.)	230	173	152	210	331	333	332	373	262	216
Proceeds from Sale & Leaseback of Assets	-	-	-	13	118	-	-	150	-	-
Other Investing, Net	4	(4)	4	4	1	-	2	2	-	-
<b>Total Cash Generated</b>	<b>1,054</b>	<b>835</b>	<b>949</b>	<b>1,091</b>	<b>1,381</b>	<b>1,179</b>	<b>1,252</b>	<b>1,684</b>	<b>1,571</b>	<b>1,266</b>
Capital Expenditures <sup>(2)</sup>	(1,296)	(704)	(582)	(734)	(1,092)	(1,387)	(1,691)	(1,304)	(1,230)	(652)
<b>Free Cash Flow <sup>(3)</sup></b>	<b>\$ (242)</b>	<b>\$ 131</b>	<b>\$ 367</b>	<b>\$ 357</b>	<b>\$ 289</b>	<b>\$ (208)</b>	<b>\$ (439)</b>	<b>\$ 380</b>	<b>\$ 341</b>	<b>\$ 614</b>
<b>Memo:</b>										
Depreciation Expense	\$ 580	\$ 545	\$ 552	\$ 625	\$ 706	\$ 735	\$ 739	\$ 811	\$ 836	\$ 881
Gains on Vehicle Sales, Net	\$ 19	\$ 12	\$ 14	\$ 16	\$ 35	\$ 47	\$ 51	\$ 44	\$ 39	\$ 12

(1) Amounts have not been recasted for discontinued operations

(2) Capital expenditures presented net of changes in accounts payable related to purchases of revenue earning equipment.

(3) Free Cash Flow excludes acquisitions and changes in restricted cash.



# Cash Flow Reconciliation

(\$ Millions)

	<u>12/31/10</u>	<u>12/31/11</u>	<u>3/31/12</u>	<u>3/31/11</u>
Cash Provided by Operating Activities from Continuing Operations	\$ 1,028	\$ 1,042	\$ 186	\$ 218
Proceeds from Sales (Primarily Revenue Earning Equipment)	235	300	94	71
Proceeds from Sale and Leaseback of Assets	-	37	-	-
Collections of Direct Finance Leases	62	62	15	15
Other, net	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Cash Generated</b>	<b>1,328</b>	<b>1,442</b>	<b>296</b>	<b>304</b>
<b>Capital Expenditures <sup>(1)</sup></b>	<b><u>(1,070)</u></b>	<b><u>(1,699)</u></b>	<b><u>(471)</u></b>	<b><u>(313)</u></b>
<b>Free Cash Flow <sup>(2)</sup></b>	<b><u>\$ 258</u></b>	<b><u>\$ (257)</u></b>	<b><u>\$ (175)</u></b>	<b><u>\$ (10)</u></b>
<b>Memo:</b>				
Depreciation Expense	\$ 834	\$ 872	\$ 227	\$ 206
Gains on Vehicle Sales, Net	\$ 29	\$ 63	\$ 22	\$ 12

(1) Capital expenditures presented net of changes in accounts payable related to purchases of revenue earning equipment.

(2) Free Cash Flow excludes acquisitions and changes in restricted cash.



# FMS Operating Results 2009 - 2011

(\$ Millions)

	1Q 2009	2Q 2009	3Q 2009	4Q 2009	FY 2009
<b>Fleet Management Solutions</b>					
Operating Revenue	\$ 693.2	\$ 712.6	\$ 712.5	\$ 699.5	\$ 2,817.7
Fuel Services Revenue	170.3	178.7	200.3	200.8	750.1
<b>Total</b>	<b>863.5</b>	<b>891.3</b>	<b>912.8</b>	<b>900.2</b>	<b>3,567.8</b>

	1Q 2010	2Q 2010	3Q 2010	4Q 2010	FY 2010
<b>Fleet Management Solutions</b>					
Operating Revenue	\$ 677.4	\$ 709.0	\$ 733.9	\$ 726.3	\$ 2,846.5
Fuel Services Revenue	206.6	222.2	215.1	221.8	865.6
<b>Total</b>	<b>884.0</b>	<b>931.2</b>	<b>948.9</b>	<b>948.1</b>	<b>3,712.2</b>

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	FY 2011
<b>Fleet Management Solutions</b>					
Operating Revenue	\$ 719.0	\$ 778.9	\$ 824.7	\$ 813.3	\$ 3,135.9
Fuel Services Revenue	261.1	285.6	274.4	261.3	1,082.5
<b>Total</b>	<b>980.1</b>	<b>1,064.5</b>	<b>1,099.0</b>	<b>1,074.7</b>	<b>4,218.3</b>



## Earnings from Continuing Operations Reconciliation 2009

(\$ Millions or \$ Earnings Per Share)

	<u>1Q09 - Earnings</u>	<u>2Q09 - Earnings</u>	<u>3Q09 - Earnings</u>	<u>4Q09 - Earnings</u>	<u>FY09 - Earnings</u>
Reported	\$ 10.9	\$ 27.1	\$ 28.4	\$ 23.7	\$ 90.1
International Asset Impairment	3.9	-	0.2	2.4	6.7
Reversal of Tax Reserves	-	-	(2.2)	-	(2.2)
Tax law changes	-	-	-	(4.1)	(4.1)
Restructuring Charges (Recovery)	1.9	(0.1)	2.3	0.2	4.2
Comparable	<u>\$ 16.7</u>	<u>\$ 27.0</u>	<u>\$ 28.7</u>	<u>\$ 22.2</u>	<u>\$ 94.6</u>

## Earnings from Continuing Operations Reconciliation 2010

(\$ Millions or \$ Earnings Per Share)

	<u>1Q10 - Earnings</u>	<u>2Q10 - Earnings</u>	<u>3Q10 - Earnings</u>	<u>4Q10 - Earnings</u>	<u>FY10 - Earnings</u>
Reported	\$ 22.5	\$ 52.2	\$ 62.0	\$ 41.4	\$ 124.6
Int'l Asset Gain on Sale	-	-	-	(0.9)	(0.9)
Tax Benefits	-	-	-	(10.8)	(10.8)
Acquisition Related Transaction Costs	-	-	-	4.1	4.1
Comparable	<u>\$ 22.5</u>	<u>\$ 52.2</u>	<u>\$ 62.0</u>	<u>\$ 33.8</u>	<u>\$ 117.0</u>

## Earnings from Continuing Operations Reconciliation 2011

(\$ Millions or \$ Earnings Per Share)

	<u>1Q11 - Earnings</u>	<u>2Q11 - Earnings</u>	<u>3Q11 - Earnings</u>	<u>4Q11 - Earnings</u>	<u>FY11 - Earnings</u>
Reported	\$ 25.9	\$ 40.9	\$ 56.9	\$ 47.7	\$ 171.4
Tax Law Changes/Benefits	-	5.4	(0.6)	-	4.8
Acquisition Transaction Costs	-	1.5	-	0.4	1.9
Restructuring Charges	0.5	-	-	2.0	2.5
Comparable	<u>\$ 26.3</u>	<u>\$ 47.8</u>	<u>\$ 56.4</u>	<u>\$ 50.1</u>	<u>\$ 180.6</u>

