RYDER SYSTEM INC

FORM 8-K
(Current report filing)

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Sector	Services
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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 23, 2013

RYDER SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Florida	1-4364	59-0739250
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

11690 NW 105 th Street Miami, Florida	33178
(Address of Principal Executive Offices)	(Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report)

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))

Item 2.02 Results of Operations and Financial Condition

On April 23, 2013, we issued a press release reporting our financial results for the three months ended March 31, 2013 (the "Press Release"). We also hosted a conference call and webcast on April 23, 2013 during which we made a presentation on our financial results for the three months ended March 31, 2013 (the "Presentation"). The Press Release and the Presentation are available on our website at http://investors.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 2013, 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 of operating performance, as the measures exclude non-operating pension costs from our GAAP earnings from continuing operations, earnings per share from continuing operations, earnings before income tax and tax rate, as it is a non-operational expense that can significantly change from year to year. These non-GAAP financial measures also exclude, as applicable (1) a first quarter 2013 benefit from foreign currency translation, (2) a first quarter 2012 tax benefit and (3) first quarter 2012 acquisition-related restructuring charges, which are not representative of our ongoing business operations. Additional information regarding non-GAAP financial measures can be found in the Press Release, the Presentation and our reports filed with the SEC. For more information about the components of non-operating pension costs, please refer to the tables following the Press Release under the section entitled "Non-GAAP Financial Measure Reconciliations - Unaudited".

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 23, 2013, relating to Ryder System, Inc.'s financial results for the three months ended March 31, 2013.
Exhibit 99.2	Presentation prepared for a conference call and webcast held on April 23, 2013, relating to Ryder System, Inc.'s financial results for the three months ended March 31, 2013.

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 23, 2013	RYDER SYSTEM, INC. (Registrant)
	By: /s/ Art A. Garcia
	Art A. Garcia, Executive Vice President and Chief Financial Officer

Exhibit 99.1

News Release

Contacts: **Media:** David Bruce (305) 500-4999
Investor Relations: Bob Brunn (305) 500-4053

RYDER REPORTS FIRST QUARTER 2013 RESULTS

- *Q1 Comparable EPS from Continuing Operations Up 17% to $0.81*
- *Q1 EPS from Continuing Operations Up 16% to $0.79*
- *Q1 Operating Revenue Grows 3%; Total Revenue Up 2%*
- *Full-Year 2013 Comparable EPS Forecast Reaffirmed at $4.70 to $4.85*

MIAMI, April 23, 2013 – 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, 2013 were $0.79, compared with $0.68 in the year-earlier period. Earnings from continuing operations were $40.8 million, compared with $34.9 million in the year-earlier period. Earnings per diluted share and earnings from continuing operations in the first quarter of 2013 included net expense of $0.02 or $1.2 million related to non-operating pension costs, partially offset by a foreign currency translation benefit. Earnings per diluted share and earnings from continuing operations in the year-earlier quarter included net expense items of $0.01 or $0.6 million, respectively, related to non-operating pension costs and acquisition-related restructuring costs, partially offset by a tax benefit. Excluding these items in both periods, comparable earnings per diluted share from continuing operations for the first quarter of 2013 were $0.81, up 17% from $0.69 in the same period of 2012. Excluding these items, comparable earnings from continuing operations were $42.0 million in the first quarter, up 18% from $35.5 million in the year-earlier period. The increase in comparable earnings reflects improved performance in both business segments, Fleet Management Solutions (FMS) and Supply Chain Solutions (SCS).

Total revenue for the first quarter of 2013 was $1.56 billion, up 2% from $1.54 billion in the same period last year. Operating revenue (revenue excluding FMS fuel and all subcontracted transportation), was $1.27 billion, up 3% compared with $1.23 billion in the year-earlier period, reflecting organic full service lease growth as well as increased volumes and new business in SCS. FMS total revenue increased 3% due primarily to higher operating revenue. FMS operating revenue increased 4% due to higher full service lease revenue. SCS total revenue increased 1%, driven by higher operating revenue, partially offset by lower subcontracted transportation revenue. SCS operating revenue increased 2% due to improved freight volumes and new business in the automotive sector and dedicated services, partially offset by lower volumes in the high-tech sector.

Net earnings per diluted share (including discontinued operations) for the three-month period ended March 31, 2013 were $0.77 versus $0.67 in the year-earlier period. Earnings per diluted share from discontinued operations (previously announced in 2009) totaled a loss of $0.02 in the first quarter of 2013, compared with a loss of $0.01 in the same period of the prior year. Net earnings for the first quarter of 2013 were $39.9 million versus $34.3 million in the year-earlier period.

Commenting on the Company's first quarter 2013 performance, Ryder President and CEO Robert Sanchez said, "We delivered strong earnings growth with a 17% increase in comparable earnings per share on operating revenue growth of 3%. Our largest product line, full service lease, led our performance for the quarter, reflecting the benefits of both improved residual values as well as the strong vehicle replacement cycle underway with customers. Maintenance costs improved due to a younger lease fleet; however, maintenance costs did not decline as much as anticipated due to upfront costs on initiatives and other items. We experienced better-than-expected demand for commercial rental in North America with higher utilization on a smaller fleet, partially offset by lower demand in the U.K. Used vehicles sales results were in line with expectations, with continued strong pricing. SCS revenue and earnings improved and were also in line with expectations."

First Quarter Business Segment Operating Results

Fleet Management Solutions (FMS)

In the FMS business segment, total revenue in the first quarter of 2013 was $1.10 billion, up 3% compared with the year-earlier period. Fuel services revenue in the first quarter of 2013 decreased 1% compared with the same period in 2012 due to fewer gallons sold, partially offset by higher fuel prices passed through to customers. Operating revenue (revenue excluding fuel) in the first quarter of 2013 was $824.0 million, up 4% compared with the year-earlier period. Full service lease revenue increased 4% in the first quarter of 2013 due to higher prices on replacement vehicles, and higher miles driven per vehicle. Commercial rental revenue increased 1% reflecting higher pricing.

FMS earnings before tax were $60.7 million in the first quarter of 2013, up 20% compared with $50.7 million in the same period of 2012. Earnings increased due to better full service lease results and depreciation benefits associated with improved residual values. Full service lease results benefited from higher per vehicle pricing reflecting new engine technology and increased miles driven. Lower maintenance costs on a younger lease fleet were partially offset by increased costs to prepare vehicles for sale and up-front investments in initiatives for which benefits have not yet been realized. Commercial rental performance improved as a result of higher pricing on an 8% smaller average fleet, offset by increased investments in preventive maintenance. Rental power fleet utilization was 73.8% for the first quarter of 2013, up from 68.9% in the year-earlier period. Used vehicle sales results were in line with the same period last year, as increased volumes of vehicles sold with strong pricing were offset by higher carrying costs on a larger inventory. FMS earnings before tax as a percentage of operating revenue were 7.4% in the first quarter of 2013, up 100 basis points from 6.4% in the same quarter a year ago.

Supply Chain Solutions (SCS)

In the SCS business segment, first quarter 2013 total revenue was $576.5 million, up 1%, as higher operating revenue offset lower subcontracted transportation. Operating revenue (revenue excluding subcontracted transportation) was $494.8 million, an increase of 2% from the prior year. SCS operating revenue comparisons primarily benefited from increased volumes and new business in the automotive sector and dedicated services, partially offset by lower volumes in the high-tech sector.

SCS earnings before tax of $23.8 million increased 9% in the first quarter of 2013 compared with $21.9 million in 2012, driven by favorable insurance development, net revenue growth, and improved operating performance. SCS earnings before tax as a percentage of operating revenue were 4.8% in the first quarter of 2013, up 30 basis points from 4.5% in the same quarter a year ago.

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 2013, CSS costs were $51.3 million, up from $48.6 million in the year-earlier period, primarily driven by planned investments in information technology.

Items Excluded from Comparable Earnings

Non-operating components of pension costs are excluded from both comparable earnings and segment earnings before tax in order to more accurately reflect the operating performance of the business. Non-operating pension costs totaled $5.2 million ($3.1 million after tax) or $0.06 per diluted share in the first quarter of 2013, down from $8.0 million ($4.9 million after tax) or $0.10 per diluted share in the year-earlier period. This decrease primarily reflects the benefit of higher pension asset returns in 2012 as well as contributions, partially offset by a lower discount rate.

In the first quarter of 2013, the Company recognized a pre-tax benefit of $1.9 million ($1.9 million after tax) or $0.04 per diluted share from the recognition of the accumulated foreign currency translation adjustment from a foreign operation which has substantially ceased.

In the first quarter of 2012, pre-tax restructuring charges totaled $0.9 million ($0.6 million after tax) or $0.01 per diluted share for costs associated with the integration of the Hill Hire acquisition. The first quarter results in the year-earlier period also included a tax benefit as described below.

Income Taxes

The Company’s effective income tax rate from continuing operations for the first quarter of 2013 was 34.7% of earnings before tax compared with 26.9% in the year-earlier period. The year-earlier 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 Company's first quarter 2013 comparable effective income tax rate was 36.2% of earnings before tax compared with 37.3% in the prior year. This decline was primarily due to lower non-deductible items.

Capital Expenditures

Capital expenditures from continuing operations were $449 million for the first quarter of 2013, compared with $787 million in the same period of 2012. Net capital expenditures (including proceeds from the sale of assets) from continuing operations were $336 million, compared with $693 million in the same period of 2012. The decrease in capital expenditures primarily reflects lower planned investments in the commercial rental fleet.

Cash Flow

Operating cash flow from continuing operations through March 31, 2013 was $249 million, up from $186 million in the same period of 2012, due to lower working capital needs and improved cash-based earnings. Total cash generated (including proceeds from used vehicle sales) from continuing operations through March 31, 2013, was $393 million, compared with $296 million in the same period of 2012. Free cash flow from continuing operations through March 31, 2013 improved to negative $27 million, compared with negative $175 million for the same period of 2012. The improvement was due primarily to higher cash flows from operations and lower cash payments for commercial rental capital spending.

Leverage

Balance sheet debt as of March 31, 2013 increased by $25 million compared with year-end 2012 resulting from negative free cash flow. The leverage ratio for balance sheet debt as of March 31, 2013 was 258%, compared with 260% at year-end 2012. Total obligations to equity as of March 31, 2013 were 268%, compared with 270% at year-end 2012. Total obligations to equity remain within Ryder's long-term target range of 250% to 300%.

2013 Earnings Forecast

Commenting on the Company's outlook, Mr. Sanchez said, "We delivered increased revenue and earnings in an uneven economic environment during the first quarter. Looking ahead, we expect many of the same trends that drove this quarter's performance to continue into the second quarter. Full service lease results should continue to lead the overall improvement in our 2013 earnings. We believe commercial rental will perform better than originally expected, driven by a better-than-anticipated demand environment in North America, with some continuing offset from the U.K. In used vehicle sales, we expect continued solid pricing with elevated inventories reflecting the strong lease replacement cycle. In Supply Chain Solutions, we are forecasting an improving revenue growth rate for the balance of the year, with continuing solid earnings.

"Based on these factors, we are reaffirming our full-year 2013 earnings forecast of $4.70 to $4.85 per share. We have also established a second quarter earnings forecast of $1.20 to $1.24 per share."

Business Description

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 also includes all activity related to the Company's dedicated solution (formerly 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.

Notations

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-operating 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.

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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, including our expectations regarding revenue growth, maintenance costs, rental utilization and pricing, used vehicle results, future earnings, and about the economic trends that may affect our future operations and provide upside in future years. 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, increases or decreases in market demand in the commercial rental market, lower than expected lease sales, fluctuations in market demand on the sale of used vehicles impacting inventory levels, pricing and our anticipated proportion of retail versus wholesale sales, higher than expected maintenance costs, lower than expected benefits from maintenance initiatives, a slowdown of the economic recovery and decreases in freight demand or volumes, 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, competition from other service providers, customer retention levels, 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 customers’ business environments that will limit their ability to commit to long-term vehicle leases, a decrease in credit ratings, increased debt costs, adequacy of accounting estimates, reserves and accruals* *particularly with respect to pension, taxes, insurance and revenue, sudden or unusual changes in fuel prices, our ability to manage our cost structure, 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, comparable earnings before income tax, comparable tax rate, 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 as required by Regulation G regarding non-GAAP financial measures can be found in our investor presentation for the quarter, our most recent Form 10-K, Form 10-Q and our Form 8-K filed as of the date of this news release with the SEC, which are available in the Investors area of our website at http://investors.ryder.com.*

Beginning in 2013, comparable earnings and the other financial measures and ratios derived from comparable earnings will exclude non-operating pension costs. For more information on our new calculation method, see our investor presentation for the quarter, which is available in the Investors area of our website at http://investors.ryder.com and is filed as an exhibit to our Form 8-K filed as of the date of this news release with the SEC.

Conference Call and Webcast Information:

Ryder's earnings conference call and webcast is scheduled for Tuesday, April 23, 2013, from 11:00 a.m. to 12:00 noon Eastern Time. Speakers will be President and Chief Executive Officer Robert Sanchez, 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: Ryder** and **Conference Leader: Bob Brunn** . Then, access the presentation via the Net Conference website at www.mymeetings.com/nc/join/ using the **Conference Number: RG9166350** and **Passcode: RYDER** .
- **To access audio replays of the conference and view a presentation of Ryder's earnings results:** Dial **1-888-568-0352** (**outside U.S. dial 1-203-369-3907**), 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.

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RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS - UNAUDITED
Periods ended March 31, 2013 and 2012
(In millions, except per share amounts)

	Three Months	
	2013	2012
Lease and rental revenues	$ 659.7	637.9
Services revenue	689.5	678.4
Fuel services revenue	213.8	220.1
Total revenues	1,563.0	1,536.3
Cost of lease and rental	470.1	458.9
Cost of services	585.4	575.7
Cost of fuel services	210.3	215.6
Other operating expenses	38.0	34.2
Selling, general and administrative expenses	189.8	195.0
Gains on vehicle sales, net	(23.0)	(22.0)
Interest expense	34.5	34.8
Miscellaneous income, net	(4.6)	(4.5)
Restructuring and other charges, net	—	0.9
	1,500.5	1,488.6
Earnings from continuing operations before income taxes	62.5	47.7
Provision for income taxes	21.7	12.8
Earnings from continuing operations	40.8	34.9
Loss from discontinued operations, net of tax	(0.9)	(0.6)
Net earnings	$ 39.9	34.3
Earnings (loss) per common share - Diluted		
Continuing operations	$ 0.79	0.68
Discontinued operations	(0.02)	(0.01)
Net earnings	$ 0.77	0.67
Earnings per share information - Diluted		
Earnings from continuing operations	$ 40.8	34.9
Less: Distributed and undistributed earnings allocated to nonvested stock	(0.4)	(0.5)
Earnings from continuing operations available to common stockholders	$ 40.4	34.4
Weighted-average shares outstanding - Diluted	51.4	50.9
Memo:		
Depreciation expense	$ 231.5	226.6
Subcontracted transportation	$ 81.6	87.3
Comparable earnings per share from continuing operations: *		
EPS from continuing operations	$ 0.79	0.68
Non-operating pension costs	0.06	0.10
Foreign currency translation benefit	(0.04)	—
Tax benefits	—	(0.10)
Restructuring and other charges	—	0.01
Comparable EPS from continuing operations	$ 0.81	0.69

* Non-GAAP financial measure.

Note: Amounts may not be additive due to rounding.

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

		March 31, 2013	December 31, 2012
Assets:			
Cash and cash equivalents	$	76.5	66.4
Other current assets		994.4	973.8
Revenue earning equipment, net		5,809.0	5,754.6
Operating property and equipment, net		625.7	624.9
Other assets		886.5	899.3
	$	8,392.1	8,319.0
Liabilities and shareholders' equity:			
Short-term debt and current portion of long-term debt	$	259.7	368.0
Other current liabilities		919.1	904.7
Long-term debt		3,585.9	3,452.8
Other non-current liabilities (including deferred income taxes)		2,136.2	2,126.0
Shareholders' equity		1,491.1	1,467.5
	$	8,392.1	8,319.0

SELECTED KEY RATIOS AND METRICS

	March 31, 2013	December 31, 2012
Debt to equity	258%	260%
Total obligations to equity *	268%	270%
Effective interest rate (average cost of debt)	3.6%	3.8%

		Three months ended March 31,	
		2013	2012
Cash provided by operating activities from continuing operations	$	248.9	186.3
Free cash flow *		(26.6)	(175.0)
Capital expenditures paid		420.1	471.0
Capital expenditures (accrual basis)	$	449.4	787.4
Less: Proceeds from sales (primarily revenue earning equipment)		(113.3)	(94.2)
Net capital expenditures	$	336.1	693.2

	Twelve months ended March 31,	
	2013	2012
Return on average shareholders' equity	15.0%	12.7%
Return on average assets	2.6%	2.4%
Adjusted return on capital *	5.6%	5.6%
Weighted average cost of capital	4.7%	5.3%

* Non-GAAP financial measure; see reconciliation to closest GAAP financial measure included within this release.
Note: Amounts may not round due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES
BUSINESS SEGMENT REVENUE AND EARNINGS - UNAUDITED
Periods ended March 31, 2013 and 2012
(Dollars in millions)

	Three Months		
	2013	2012	B(W)
Revenue:			
Fleet Management Solutions:			
Full service lease	$ 533.2	510.6	4 %
Contract maintenance	46.1	47.0	(2)%
Contractual revenue	579.3	557.6	4 %
Contract-related maintenance	53.3	46.5	15 %
Commercial rental	173.1	171.2	1 %
Other	18.2	17.4	5 %
Fuel	275.7	278.6	(1)%
Total Fleet Management Solutions	1,099.7	1,071.4	3 %
Supply Chain Solutions	576.5	571.9	1 %
Eliminations	(113.2)	(107.0)	(6)%
Total revenue	$ 1,563.0	1,536.3	2 %
Operating Revenue: *			
Fleet Management Solutions	$ 824.0	792.7	4 %
Supply Chain Solutions	494.8	484.6	2 %
Eliminations	(51.3)	(48.4)	(6)%
Total operating revenue	$ 1,267.5	1,228.9	3 %
Business segment earnings:			
Earnings from continuing operations before income taxes:			
Fleet Management Solutions	$ 60.7	50.7	20 %
Supply Chain Solutions	23.8	21.9	9 %
Eliminations	(7.3)	(6.5)	(13)%
	77.2	66.1	17 %
Unallocated Central Support Services	(11.4)	(9.5)	(20)%
Non-operating pension costs	(5.2)	(8.0)	34 %
Restructuring and other charges, net and other items	1.9	(0.9)	NM
Earnings from continuing operations before income taxes	62.5	47.7	31 %
Provision for income taxes	21.7	12.8	(69)%
Earnings from continuing operations	$ 40.8	34.9	17 %

* 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 INFORMATION - UNAUDITED
Periods ended March 31, 2013 and 2012
(Dollars in millions)

	Three Months		
	2013	2012	B(W)
Fleet Management Solutions			
Total revenue	$ 1,099.7	1,071.4	3 %
Fuel revenue	(275.7)	(278.6)	(1)%
Operating revenue *	$ 824.0	792.7	4 %
Segment earnings before income taxes	$ 60.7	50.7	20 %
Earnings before income taxes as % of total revenue	5.5%	4.7%	
Earnings before income taxes as % of operating revenue *	7.4%	6.4%	
Supply Chain Solutions			
Total revenue	$ 576.5	571.9	1 %
Subcontracted transportation	(81.6)	(87.3)	(6)%
Operating revenue *	$ 494.8	484.6	2 %
Segment earnings before income taxes	$ 23.8	21.9	9 %
Earnings before income taxes as % of total revenue	4.1%	3.8%	
Earnings before income taxes as % of operating revenue *	4.8%	4.5%	
Memo:			
Dedicated services operating revenue *	$ 291.1	282.1	3 %
Dedicated services subcontracted transportation	33.6	46.3	(27)%
Dedicated services total revenue	324.8	328.3	(1)%
Fuel costs	$ 68.2	66.8	(2)%

* 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 March 31,		Change 2013/2012
	2013	2012	Three Months
Full service lease			
Average fleet count	121,900	121,500	—%
End of period fleet count	121,700	121,700	—%
Miles/unit per day change - % [(a)]	4.2 %	(0.4)%	460 bps
Commercial rental			
Average fleet count	37,100	40,500	(8)%
End of period fleet count	36,500	41,300	(12)%
Rental utilization - power units	73.8 %	68.9 %	490 bps
Rental rate change - % [(b)]	2.2 %	5.2 %	(300) bps
Customer vehicles under contract maintenance			
Average fleet count	37,700	35,400	6%
End of period fleet count	38,100	35,600	7%
SCS			
Average fleet count [(c)]	11,700	11,500	2%
Used vehicle sales (UVS)			
Average UVS inventory	9,700	7,400	31%
End of period fleet count	10,000	8,700	15%
Used vehicles sold	5,800	4,700	23%
UVS pricing change - % [(d)]			
Tractors	(10)%	20 %	
Trucks	6 %	3 %	

Notes:

(a) Represents the percentage change compared to prior year period in miles driven per vehicle per workday on US lease power units.
(b) Represents percentage change compared to prior year period in average global rental rate per day on power units using constant currency.
(c) These vehicle counts are also included within the average fleet counts for full service lease and commercial rental.
(d) 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, 2013	Three months ended March 31, 2012
Total revenue	$ 1,563.0	1,536.3
Fuel services and subcontracted transportation revenue	(357.4)	(365.9)
Fuel eliminations	61.9	58.6
Operating revenue *	$ 1,267.5	1,228.9

DEBT TO EQUITY RECONCILIATION

	March 31, 2013	% to Equity	December 31, 2012	% to Equity
On-balance sheet debt	$ 3,845.6	258%	$ 3,820.8	260%
Off-balance sheet debt - PV of minimum lease payments and guaranteed residual values under operating leases for vehicles [(a)]	143.9		148.0	
Total obligations *	$ 3,989.5	268%	$ 3,968.8	270%

CASH FLOW RECONCILIATION

	Three months ended March 31, 2013	Three months ended March 31, 2012
Net cash provided by operating activities from continuing operations	$ 248.9	186.3
Proceeds from sales (primarily revenue earning equipment)	113.3	94.2
Collections on direct finance leases	27.4	15.5
Other, net	3.8	—
Total cash generated *	393.4	296.0
Capital expenditures	(420.1)	(471.0)
Free cash flow *	$ (26.6)	(175.0)

RETURN ON CAPITAL RECONCILIATION

	Twelve months ended March 31, 2013	Twelve months ended March 31, 2012
Net earnings (12-month rolling period)	$ 215.6	179.0
+ Restructuring and other items	13.9	5.8
+ Income taxes	99.8	103.5
Adjusted earnings before income taxes	329.3	288.3
+ Adjusted interest expense [(b)]	143.4	135.4
- Adjusted income taxes	(170.3)	(156.1)
= Adjusted net earnings for ROC (numerator)	$ 302.3	267.6
Average total debt	$ 3,793.5	3,255.9
Average off-balance sheet debt	146.7	72.2
Average shareholders' equity	1,440.3	1,408.7
Adjustment to equity [(c)]	(4.4)	5.4
Adjusted average total capital (denominator)	$ 5,376.0	4,742.1
Adjusted ROC *	5.6%	5.6%

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.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NON-GAAP FINANCIAL MEASURE RECONCILIATIONS - UNAUDITED
(In millions, except per share amounts)

	Three Months		
	2013		
	Reported Earnings	Adjustment	Comparable Earnings *
Revenue	$ 1,563.0		$ 1,563.0
Cost of lease and rental	470.1	—	470.1
Cost of services	585.4	—	585.4
Cost of fuel services	210.3	—	210.3
Other operating expenses	38.0	—	38.0
Selling, general and administrative expenses [(a)]	189.8	(5.2)	184.6
Gains on vehicle sales, net	(23.0)	—	(23.0)
Interest expense	34.5	—	34.5
Miscellaneous income, net [(b)]	(4.6)	1.9	(2.7)
Restructuring and other charges, net	—	—	—
	1,500.5	(3.3)	1,497.2
Earnings from continuing operations before income taxes	62.5	3.3	65.8
Provision for income taxes [(c)]	(21.7)	(2.2)	(23.9)
Earnings from continuing operations	40.8	1.2	42.0
Tax rate on continuing operations	34.7%		36.2%
Earnings per common share - Diluted:			
Continuing operations	$ 0.79	0.02	$ 0.81

	Three Months		
	2012		
	Reported Earnings	Adjustment	Comparable Earnings *
Revenue	$ 1,536.3		$ 1,536.3
Cost of lease and rental	458.9	—	458.9
Cost of services	575.7	—	575.7
Cost of fuel services	215.6	—	215.6
Other operating expenses	34.2	—	34.2
Selling, general and administrative expenses [(a)]	195.0	(8.0)	187.0
Gains on vehicle sales, net	(22.0)	—	(22.0)
Interest expense	34.8	—	34.8
Miscellaneous income, net	(4.5)	—	(4.5)
Restructuring and other charges, net [(d)]	0.9	(0.9)	—
	1,488.6	(8.9)	1,479.7
Earnings from continuing operations before income taxes	47.7	8.9	56.6
Provision for income taxes [(e)]	(12.8)	(8.3)	(21.1)
Earnings from continuing operations	34.9	0.6	35.5
Tax rate on continuing operations	26.9%		37.3%
Earnings per common share - Diluted:			
Continuing operations	$ 0.68	0.01	$ 0.69

Notes regarding adjustments:

(a) Non-operating pension costs which includes the amortization of actuarial loss, interest cost and expected return on plan assets
(b) Foreign currency translation benefit
(c) Tax impact of non-operating pension costs
(d) Restructuring charges for acquisition-related lease termination costs
(e) Tax benefit related to favorable resolution of a prior year tax item and tax impact of restructuring charges and non-operating pension costs

* Non-GAAP financial measure.

Note: Amounts may not be additive due to rounding.

Exhibit 99.2

First Quarter 2013
Earnings Conference Call

April 23, 2013

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, including our assumptions regarding general economic conditions and market conditions in each segment in 2013 and our expectations for 2013 revenue, segment revenue growth, earnings, EPS, comparable EPS, return on capital, capital expenditures, cash flow and leverage. 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, increases or decreases in market demand in the commercial rental market, lower than expected lease sales, fluctuations in market demand on the sale of used vehicles impacting inventory levels, pricing and our anticipated proportion of retail versus wholesale sales, higher than expected maintenance costs, lower than expected benefits from maintenance initiatives, a slowdown of the economic recovery and decreases in freight demand or volumes, 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 in the U.K., 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 customers' business environments that will limit their ability to commit to long-term vehicle leases, a decrease in credit ratings, increased debt costs, adequacy of accounting estimates, reserves and accruals particularly with respect to pension, taxes, insurance and revenue, sudden or unusual changes in fuel prices, our ability to manage our cost structure, 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 earnings before income tax, comparable tax rate, adjusted return on 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 as required by Regulation G regarding non-GAAP financial measures can be found in our most recent Form 10-K, Form 10-Q and our Form 8-K filed as of the date of this presentation with the SEC, which are available at http://investors.ryder.com.

Beginning in 2013, comparable earnings and the other financial measures and ratios derived from comparable earnings will exclude non-operating pension costs. For more information on our new calculation method, see page 25.

Contents

1st Quarter Results Overview

- Earnings per diluted share from continuing operations were $0.79 in 1Q13 vs. $0.68 in 1Q12
  - 1Q13 included net expense of $0.02 from non-operating pension costs, partially offset by a foreign currency translation benefit
  - 1Q12 included net expense of $0.01 from acquisition-related restructuring and non-operating pension costs, partially offset by the resolution of a tax matter
- Comparable earnings per share from continuing operations were $0.81 vs. $0.69 in 1Q12
- Total revenue increased 2% (and operating revenue increased 3%) vs. prior year reflecting organic lease revenue growth, as well as increased volumes and new business in SCS

Key Financial Statistics

($ Millions, Except Per Share Amounts)

First Quarter

	2013	2012	% B/(W)
Operating Revenue	$ 1,267.5	$ 1,228.9	3%
Fuel Services and Subcontracted Transportation Revenue	295.5	307.4	(4)%
Total Revenue	$ 1,563.0	$ 1,536.3	2%
Earnings Per Share from Continuing Operations	$ 0.79	$ 0.68	16%
Comparable Earnings Per Share from Continuing Operations	$ 0.81	$ 0.69	17%
Net Earnings Per Share	$ 0.77	$ 0.67	15%
Memo:			
Average Shares (*Millions*) - Diluted	51.4	50.9	
Tax Rate from Continuing Operations	34.7%	26.9%	
Comparable Tax Rate from Continuing Operations	36.2%	37.3%	
Adjusted Return on Capital vs. Cost of Capital *(Trailing 12 months)*	0.9%	0.3%	

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

1st Quarter Results Overview - FMS

- Fleet Management Solutions (FMS) total revenue up 3% (and operating revenue up 4%) vs. prior year
  - Contractual revenue up 4%
    - Full service lease revenue up 4%
    - Contract maintenance revenue down 2%
  - Commercial rental revenue up 1%
  - Fuel revenue down 1%
- FMS earnings increased due to used vehicle residual benefits, higher lease vehicle rates reflecting new technology and increased lease miles driven
- FMS earnings before tax (EBT) up 20%
  - FMS EBT percent of operating revenue up 100 basis points to 7.4%

1st Quarter Results Overview – SCS

- Supply Chain Solutions (SCS) total revenue was up 1% (and operating revenue up 2%) vs. prior year due to higher operating revenue, partially offset by lower subcontracted transportation
  - Operating revenue was up 2% vs. prior year due to higher freight volumes and new business in both automotive and dedicated, partially offset by lower volumes in high-tech
- SCS earnings were higher due to favorable insurance developments, operating revenue growth and improved operating performance
- SCS earnings before tax (EBT) up 9%
  - SCS EBT percent of operating revenue was up 30 basis points to 4.8%

Business Segments

First Quarter

($ Millions)

	2013	2012	% B/(W)	Memo: Total Revenue 2013	Memo: Total Revenue 2012	Memo: Total Revenue % B/(W)
Operating Revenue:						
Fleet Management Solutions	$ 824.0	$ 792.7	4%	$ 1,099.7	$ 1,071.4	3%
Supply Chain Solutions	494.8	484.6	2%	576.5	571.9	1%
Eliminations	(51.3)	(48.4)	(6)%	(113.2)	(107.0)	(6)%
Total	$ 1,267.5	$ 1,228.9	3%	$ 1,563.0	$ 1,536.3	2%
Segment Earnings Before Tax: (1)						
Fleet Management Solutions	$ 60.7	$ 50.7	20%			
Supply Chain Solutions	23.8	21.9	9%			
Eliminations	(7.3)	(6.5)	(13)%			
	77.2	66.1	17%			
Central Support Services (Unallocated Share)	(11.4)	(9.5)	(20)%			
Non-operating pension costs	(5.2)	(8.0)	34%			
Restructuring and Other Charges, Net and Other Items	1.9	(0.9)	NM			
Earnings Before Income Taxes	62.5	47.7	31%			
Provision for Income Taxes	(21.7)	(12.8)	(69)%			
Earnings from Continuing Operations	$ 40.8	$ 34.9	17%			
Comparable Earnings from Continuing Operations	$ 42.0	$ 35.5	18%			
Net Earnings	$ 39.9	$ 34.3	16%			

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

Capital Expenditures

($ Millions)

First Quarter

	2013	2012	2013 $ O/(U) 2012
Full Service Lease	$ 381	$ 436	$ (55)
Commercial Rental	47	335	(288)
Operating Property and Equipment	22	16	6
Gross Capital Expenditures	449	787	(338)
Less: Proceeds from Sales (primarily Revenue Earning Equipment)	113	94	19
Net Capital Expenditures	$ 336	$ 693	$ (357)
Memo: Acquisitions	$ 1	$ 2	$ (1)

Cash Flow from Continuing Operations

($ Millions)

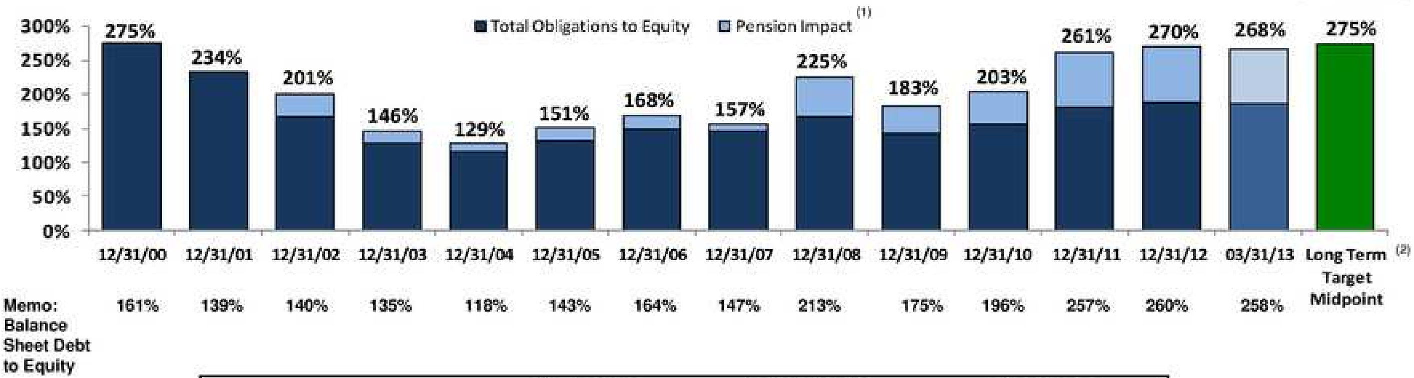
First Quarter

	2013	2012
Earnings from Continuing Operations	$ 41	$ 35
Depreciation	232	227
Gains on Vehicle Sales, Net	(23)	(22)
Amortization and Other Non-Cash Charges, Net	18	14
Pension Contributions	(4)	(4)
Changes in Working Capital and Deferred Taxes	(14)	(63)
Cash Provided by Operating Activities	249	186
Proceeds from Sales (Primarily Revenue Earning Equipment)	113	94
Collections of Direct Finance Leases	27	15
Other, Net	4	-
Total Cash Generated	393	296
Capital Expenditures [(1)]	(420)	(471)
Free Cash Flow [(2)]	$ (27)	$ (175)

(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)



	3/31/2013	12/31/2012	3/31/2012
Balance Sheet Debt	$ 3,846	$ 3,821	$ 3,593
Percent To Equity	258%	260%	262%
Total Obligations	$ 3,990	$ 3,969	$ 3,656
Percent To Equity	268%	270%	267%
Total Equity (3)	$ 1,491	$ 1,467	$ 1,371

(1) Illustrates impact of accumulated net pension related equity charge on leverage.
(2) Represents long term total obligations to equity target of 250 - 300% while maintaining a solid investment grade rating.
(3) Total Equity includes impact of accumulated net pension related equity charge of $640 million as of 3/31/2013, $645 million as of 12/31/12 and $591 million as of 3/31/12.

Contents

Global Asset Management Update [1]

- **Units held for sale were 10,000 at quarter end, up from 8,700 units held for sale in the prior year**
  - Sequentially from the fourth quarter, units held for sale increased by 800 units
- **The number of used vehicles sold in the first quarter was 5,800, up 23% from the prior year**
- **Proceeds per unit were down 10% for tractors and up 6% 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 6% for trucks vs. the fourth quarter
- **Average first quarter total commercial rental fleet was down 8% from the prior year**
  - Average commercial rental fleet was down 4% vs. the fourth quarter

(1) Units rounded to nearest hundred.

Contents

EPS Forecast – Continuing Operations

($ Earnings Per Share)

- Reaffirming full year Comparable EPS forecast of $4.70 - $4.85
- Current forecast is as follows:

	Second Quarter	Full Year
2013 Comparable EPS Forecast[1]	$ 1.20 - 1.24	$ 4.70 - 4.85
2012 Comparable EPS	$ 1.09	$ 4.41

(1) 2013 Comparable EPS Forecast, a non-GAAP financial measure, excludes from EPS forecast $0.06 and $0.24 of non-operating pension costs for the second quarter and full year periods, respectively. 2013 Comparable EPS Forecast also excludes a $0.04 benefit for the full year from foreign currency translation.

Q&A

Appendix

Business Segment Detail

Central Support Services

Balance Sheet

Financial Indicators Forecast

Asset Management

Non-GAAP Financial Measures & Reconciliations

Fleet Management Solutions (FMS)

($ Millions)

First Quarter

	2013	2012	% B/(W)
Full Service Lease	$ 533.2	$ 510.6	4%
Contract Maintenance	46.1	47.0	(2)%
Contractual Revenue	579.3	557.6	4%
Contract-related Maintenance	53.3	46.5	15%
Commercial Rental	173.1	171.2	1%
Other	18.2	17.4	5%
Operating Revenue	824.0	792.7	4%
Fuel Services Revenue	275.7	278.6	(1)%
Total Revenue	$ 1,099.7	$ 1,071.4	3%
Segment Earnings Before Tax (EBT)	$ 60.7	$ 50.7	20%
Segment EBT as % of Total Revenue	5.5%	4.7%	
Segment EBT as % of Operating Revenue	7.4%	6.4%	

Supply Chain Solutions (SCS)

($ Millions)

First Quarter

	2013	2012	% B/(W)
Automotive	$ 148.6	$ 139.7	6%
High-Tech	77.8	80.3	(3)%
Retail & CPG	175.8	178.8	(2)%
Industrial & Other	92.6	85.8	8%
Operating Revenue	494.8	484.6	2%
Subcontracted Transportation	81.6	87.3	(6)%
Total Revenue	$ 576.5	$ 571.9	1%
Segment Earnings Before Tax (EBT)	$ 23.8	$ 21.9	9%
Segment EBT as % of Total Revenue	4.1%	3.8%	
Segment EBT as % of Operating Revenue	4.8%	4.5%	
Memo:			
Dedicated Services - Operating Revenue[1]	$ 291.1	$ 282.1	3%
Dedicated Services - Total Revenue	$ 324.8	$ 328.3	(1)%
Fuel Costs	$ 68.2	$ 66.8	(2)%

(1) Excludes Dedicated Services Subcontracted Transportation.

Central Support Services (CSS)

($ Millions)

First Quarter

	2013	2012	% B/(W)
Allocated CSS Costs	$ 40.0	$ 39.1	(2)%
Unallocated CSS Costs	11.4	9.5	(20)%
Total CSS Costs	$ 51.3	$ 48.6	(6)%

Balance Sheet

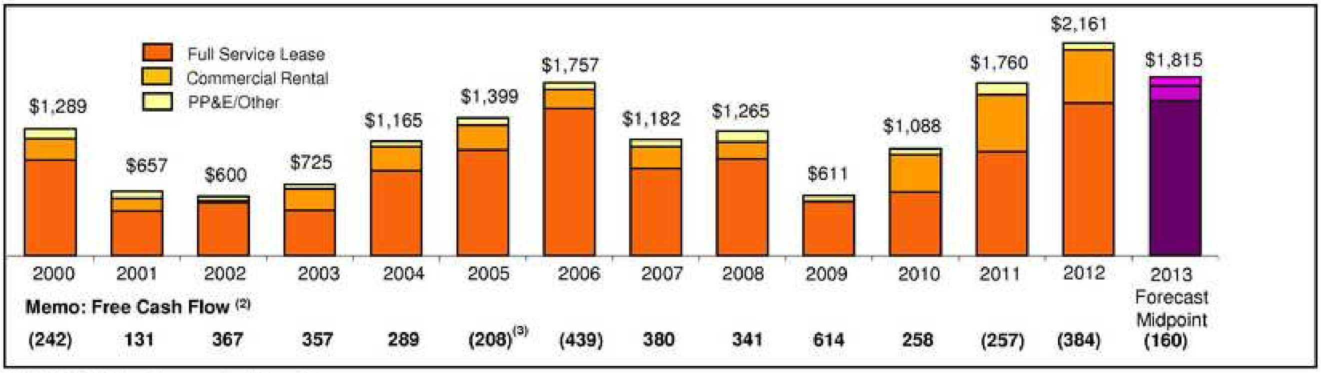
($ Millions)

	March 31, 2013		December 31, 2012	
Cash and Cash Equivalents	$	77	$	66
Other Current Assets		994		974
Revenue Earning Equipment, Net		5,809		5,755
Operating Property and Equipment, Net		626		625
Other Assets		887		899
Total Assets	$	8,392	$	8,319
Short-Term Debt / Current Portion Long-Term Debt	$	260	$	368
Other Current Liabilities		919		905
Long-Term Debt		3,586		3,453
Other Non-Current Liabilities (including Deferred Income Taxes)		2,136		2,126
Shareholders' Equity		1,491		1,467
Total Liabilities and Shareholders' Equity	$	8,392	$	8,319

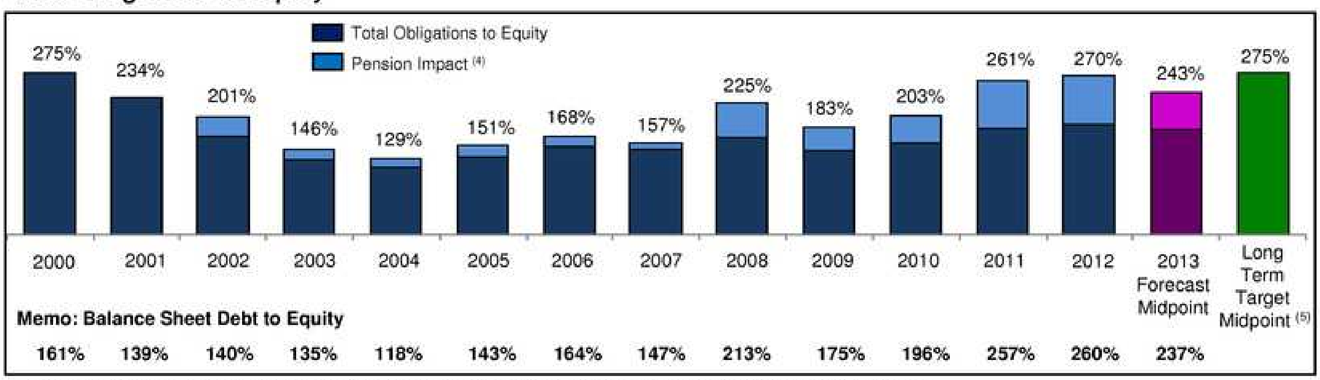
Financial Indicators Forecast (1)

Gross Capital Expenditures (2)

($ Millions)

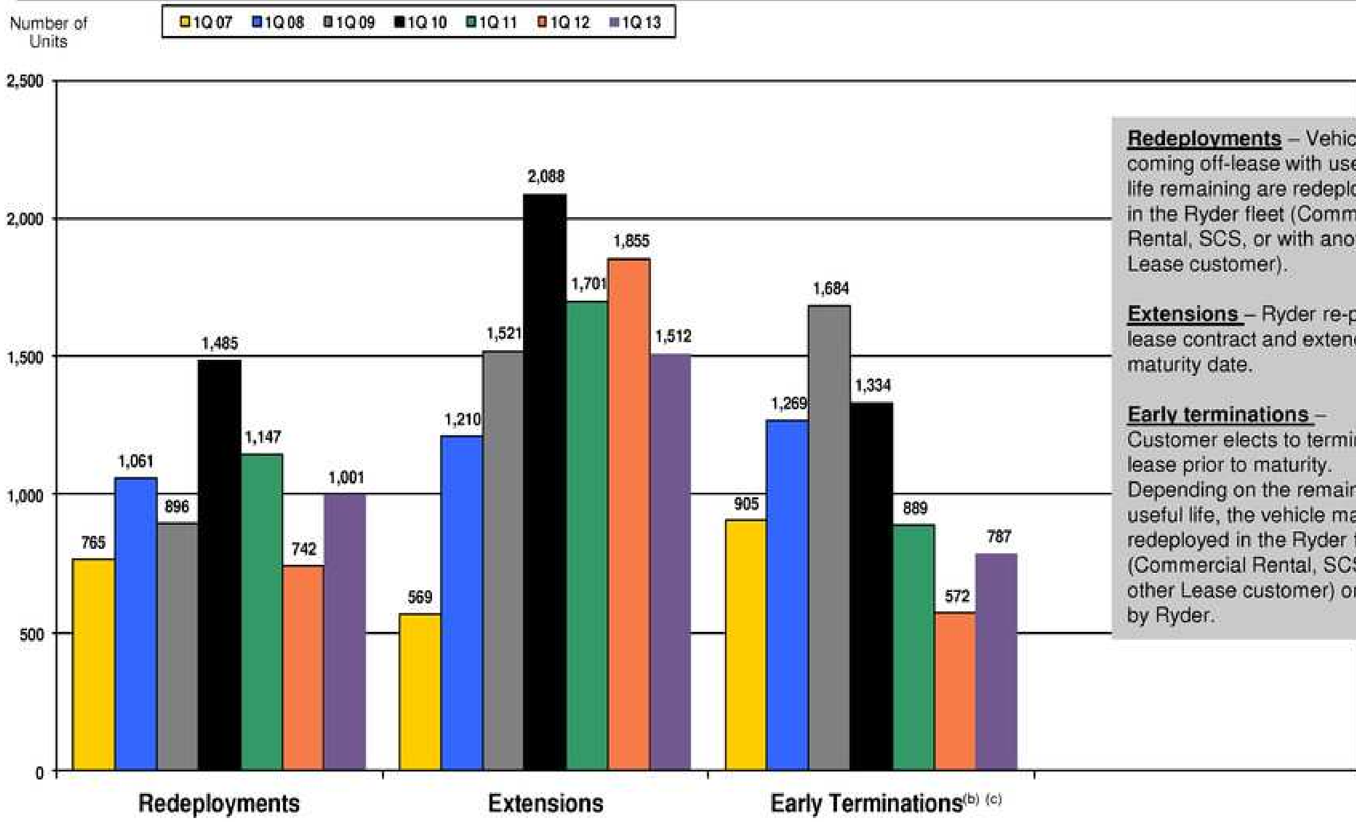


Total Obligations to Equity



(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.
(4) Illustrates impact of accumulated net pension related equity charge on leverage.
(5) Represents long term obligations to equity target of 250-300% while maintaining a solid investment grade credit rating.

U.S. Asset Management Update [a]



Redeployments – Vehicles coming off-lease with useful life remaining are redeployed in the Ryder fleet (Commercial Rental, SCS, or with another Lease customer).

Extensions – Ryder re-prices lease contract and extends maturity date.

Early terminations – Customer elects to terminate lease prior to maturity. Depending on the remaining useful life, the vehicle may be redeployed in the Ryder fleet (Commercial Rental, SCS, other Lease customer) or sold by Ryder.

(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

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	Key Financial Statistics	5
Comparable Earnings / Comparable EPS	Earnings / EPS from Continuing Operations	Earnings and EPS from Continuing Operations Reconciliation	25
Comparable Earnings Before Income Tax / Comparable Tax Rate	Earnings Before Income Tax / Tax Rate	EBT and Tax Rate from Continuing Operations Reconciliation	26
Comparable EPS Forecast	EPS Forecast	EPS Forecast – Continuing Operations	15
Adjusted Return on Capital	Net Earnings / Total Capital	Adjusted Return on Capital Reconciliation	27
Total Cash Generated / Free Cash Flow	Cash Provided by Operating Activities	Cash Flow Reconciliation	30-31
Total Obligations / Total Obligations to Equity	Balance Sheet Debt / Debt to Equity	Debt to Equity Reconciliation	28-29
FMS and SCS Operating Revenue	FMS and SCS Total Revenue	Fleet Management Solutions (FMS) / Supply Chain Solutions (SCS)	18-19

Earnings and EPS from Continuing Operations Reconciliation

($ Millions or $ Earnings Per Share)

	1Q13 - Earnings	1Q13 - EPS	1Q12 - Earnings	1Q12 - EPS
Reported	$ 40.8	$0.79	$ 34.9	$0.68
Int'l Asset Gain on Sale				
Non-Operating Pension Costs	3.1	0.06	4.9	0.10
Benefit from Foreign Currency Translation	(1.9)	(0.04)	-	-
Tax Benefits	-	-	(5.0)	(0.10)
Restructuring Charges	-	-	0.6	0.01
Comparable [1]	$ 42.0	$0.81	$ 35.5	$0.69

	2Q12 - Earnings	2Q12 - EPS	FY12- Earnings	FY12- EPS
Reported	$ 46.8	$0.91	$ 200.9	$3.91
Non-Operating Pension Costs	4.8	0.09	19.4	0.37
Superstorm Sandy Vehicle-Related Losses	-	-	5.1	0.10
Tax Benefits	-	-	(4.1)	(0.08)
Restructuring Charges	4.5	0.09	5.3	0.11
Acquisition Related Transaction Costs	-	-	0.3	-
Comparable [1]	$ 56.0	$1.09	$ 226.8	$4.41

(1) The company uses Comparable Earnings and Comparable Earnings per Share (EPS) from Continuing Operations, both non-GAAP financial measures, which provide useful information to investors and allow for better year over year comparison of operating performance because they exclude from Earnings and EPS from Continuing Operations non-operating pension costs, which is a non-operational expense that can significantly change from year to year. Comparable Earnings and Comparable EPS also exclude other significant items that are not representative of our ongoing business operations and allow for better year over year comparison.

EBT and Tax Rate from Continuing Operations Reconciliation

($ Millions or $ Earnings Per Share)

	1Q13 - EBT	1Q13 - Tax	1Q13 - Tax Rate
Reported	$ 62.5	$ 21.7	34.7%
Non-operating pension costs	5.2	2.2	
Income from foreign currency translation	(1.9)	-	
Comparable (1)	$ 65.8	$ 23.9	36.2%

	1Q12 - EBT	1Q12 - Tax	1Q12 - Tax Rate
Reported	$ 47.7	$ 12.8	26.9%
Tax Benefits	-	5.0	
Non-operating pension costs	8.0	3.1	
Restructuring Charges	0.9	0.2	
Comparable (1)	$ 56.6	$ 21.1	37.3%

(1) The company uses Comparable Earnings Before Income Tax (EBT) and Comparable Tax Rate from Continuing Operations, both non-GAAP financial measures, which provide useful information to investors and allow for better year over year comparison of operating performance because they exclude from EBT and Tax Rate from Continuing Operations non-operating pension costs, which is a non-operational expense that can significantly change from year to year. Comparable EBT and Comparable Tax Rate also exclude other significant items that are not representative of our ongoing business operations and allow for better year over year comparison.

Adjusted Return on Capital Reconciliation

($ Millions)

	3/31/13	3/31/12
Net Earnings [1]	$ 216	$ 179
Restructuring and Other Charges, Net and Other Items	14	6
Income Taxes	100	103
Adjusted Earnings Before Income Taxes	329	288
Adjusted Interest Expense [2]	143	135
Adjusted Income Taxes [3]	(170)	(156)
Adjusted Net Earnings	$ 302	$ 268
Average Total Debt[4]	$ 3,793	$ 3,256
Average Off-Balance Sheet Debt[4]	147	72
Average Total Shareholders' Equity[4]	1,440	1,409
Average Adjustments to Shareholders' Equity [5]	(4)	5
Adjusted Average Total Capital	$ 5,376	$ 4,742
Adjusted Return on Capital	5.6%	5.6%

(1) Earnings calculated based on a 12-month rolling period.
(2) Interest expense includes interest on and 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)

	12/31/00	% to Equity	12/31/01	% to Equity	12/31/02	% to Equity	12/31/03	% to Equity	12/31/04	% to Equity	12/31/05	% to Equity	12/31/06	% to Equity	12/31/07	% to Equity
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		-		-		-		-		-	
Total Obligations	$3,450	275%	$2,885	234%	$2,233	201%	$1,969	146%	$1,944	129%	$2,302	151%	$2,895	168%	$2,954	157%

Note: In connection with adopting FIN 46 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	12/31/12	% to Equity	3/31/13	% to Equity	3/31/12	% to Equity
Balance Sheet Debt	$2,863	213%	$2,498	175%	$2,747	196%	$3,382	257%	$3,821	260%	$3,846	258%	$3,593	262%
Receivables Sold	-		-		-		-		-		-		-	
PV of minimum lease payments and guaranteed residual values under operating leases for vehicles	163		119		100		64		148		144		63	
Total Obligations	$3,026	225%	$2,617	183%	$2,847	203%	$3,446	261%	$3,969	270%	$3,990	268%	$3,656	267%

Note: Amounts may not recalculate due to rounding.

Cash Flow Reconciliation

($ Millions)

	12/31/00 [1]	12/31/01 [1]	12/31/02 [1]	12/31/03 [1]	12/31/04 [1]	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	-	-
Total Cash Generated	1,054	835	949	1,091	1,381	1,179	1,252	1,684	1,571	1,266
Capital Expenditures [2]	(1,296)	(704)	(582)	(734)	(1,092)	(1,387)	(1,691)	(1,304)	(1,230)	(652)
Free Cash Flow [3]	$ (242)	$ 131	$ 367	$ 357	$ 289	$ (208)	$ (439)	$ 380	$ 341	$ 614
Memo:										
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)

	12/31/10	12/31/11	12/31/12	3/31/13	3/31/12
Cash Provided by Operating Activities from Continuing Operations	$ 1,028	$ 1,042	$ 1,134	$ 249	$ 186
Proceeds from Sales (Primarily Revenue Earning Equipment)	235	300	413	113	94
Proceeds from Sale and Leaseback of Assets	-	37	130	-	-
Collections of Direct Finance Leases	62	62	72	27	15
Other, net	3	-	-	4	-
Total Cash Generated	1,328	1,442	1,749	393	296
Capital Expenditures (1)	(1,070)	(1,699)	(2,133)	(420)	(471)
Free Cash Flow (2)	$ 258	$ (257)	$ (384)	$ (27)	$ (175)
Memo:					
Depreciation Expense	$ 834	$ 872	$ 940	$ 232	$ 227
Gains on Vehicle Sales, Net	$ 29	$ 63	$ 89	$ 23	$ 22

(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.