One Year Price Chart

February 5, 2014

Ryder System, Inc. R – NYSE Buy Trucking/Logistics

Analysis of Sales/Earnings

#### Updating Model; Lots of Moving Parts; Bottom Line Unchanged

In this note, we provide updated estimates for Ryder, and while assumptions have changed with respect to various line items on the income statement, the end result is we are slightly reducing our 2014 and 2015 EPS estimates from \$5.41 and \$6.03 to \$5.40 and \$6.00, respectively. The company reported better-than-expected 4Q13 earnings (an adjusted \$1.35 vs. Street at \$1.29), driven by solid top-line growth and a 110bp y/y improvement in its core FMS segment's pre-tax operating margin. We continue to like R as a steady earnings grower the next couple of years, as the company is subject to less capacity risk than other transports in our coverage and has the benefit of outsourcing trends aiding revenue growth.

- While much of 4Q13 went as we expected, outperformance was particularly seen in used vehicle sales and commercial rental activity.
- Ryder expects full-service leasing growth of 5% y/y in 2014 highest since 2007
  due to new wins, strong replacements, and higher pricing.
- The company's On-Demand maintenance product, tucked into the contract-related maintenance line item, is a small but fast-growing service that is expected to add ~2% to EPS growth this year. On-Demand currently has 10 customers and did \$12mm-\$13mm in 2013 revenue. Management expects to double the customer base in 2014, contributing an incremental \$0.11-\$0.12 to 2014 EPS.
- Since peaking in June 2012, the average age of Ryder's lease fleet has been declining, falling four months last year to ~45-46 month average age. With replacements to continue strong in 2014, we expect the average age to drop another four months or so. The company then expects it to stabilize around 41-42 months (implying an approximate 3.5 year average age). Therefore, we believe Ryder could hit or surpass prior peak FMS margin levels in 2015, once the age headwinds disappear.
- Miles/vehicle/day of U.S. leased vehicles rose 1% y/y (back to normal levels) in 4Q13. This is good news for margins, as Ryder is again receiving the variable revenue expected when lease deals were signed.
- Average lease term increased 9 months in the last two years good news, because it indicates more customers are renewing contracts with new equipment rather than extending existing contracts with older equipment.
- We updated our model to account for more revenue growth in 2014 (especially in commercial rental) and slightly better margins at FMS, offset by a higher sharecount, as the company said it would rather keep some dry powder for acquisitions than restart its discretionary buyback program. SCS estimates stay roughly the same.

<u>Changes</u>	Previous	Current
Rating	_	Buy
Target Price	_	\$84.00
FY13A EPS (Net)	\$4.82	\$4.88
FY14E EPS (Net)	\$5.41	\$5.40
FY13A Rev (Net)	\$6.44B	\$6.42B
FY14E Rev (Net)	\$6.68B	\$6.73B
Price (02/04/14):		\$69.52
52-Week Range:		\$75 – \$53
Market Cap.(mm):		3,656.8
Shr.O/S-Diluted (m	m):	52.6
Enterprise Val. (mn	n):	\$7,784.1
Avg Daily Vol (3 Mo	o):	494,682
LT Debt/Total Cap.:		68.8%
Net Cash/Share:		\$0.00
Book Value/Share:		\$36.07
Dividend(\$ / %)		\$1.36 / 2.0%
S&P Index		1,755.20
Historical EPS excl pension costs	ude non-ope	erating

2012A	2013A	2014E
\$0.84	\$0.81	\$0.98
1.09	1.25	1.40
1.38	1.46	1.56
1.01	1.35	1.46
\$4.38A	\$4.88A	\$5.40
15.9x	14.2x	12.9x
2012A	2013A	2014E
\$6.26B	\$6.42B	\$6.73B
	\$0.84 1.09 1.38 1.01 \$4.38A 15.9x <b>2012A</b>	\$0.84      \$0.81        1.09      1.25        1.38      1.46        1.01      1.35        \$4.38A      \$4.88A        15.9x      14.2x        2012A      2013A

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#### Target Price Methodology/Risks

Our current 12-month target price is \$84, or 14x our 2015 EPS estimate of \$6.00.

#### **Risks to Price Target**

Economic recession; poor pension performance; inability to retain full-service leasing customers; intensified pricing competition in rental and leasing market; exit of large customer(s) from SCS unit; failure to realize acquisition synergies; misguided or poorly executed acquisitions, reversal of private fleet outsourcing trend, drop in used truck values, significant increase in driver wages, and/or lack of driver availability.

#### **Company Description**

Ryder System, Inc. is a leading provider of outsourced services in transportation and logistics worldwide (but mainly N. America and the UK). Ryder's product offerings include: Fleet Management Solutions (FMS), which provides leasing, rental and programmed maintenance of trucks, tractors and trailers to commercial customers; and Supply Chain Solutions (SCS), which manages the movement of materials and related information from the acquisition of raw materials to the delivery of finished products to end-users as well as dedicated turn-key transportation service that includes vehicles, drivers, routing and scheduling.

#### **Equity Comps - Transportation**

							Comp	arative V	aluatio	n Matrix												
(figures in \$US millions, except per share amounts)																						
		Closing				~			2	a multiple					a multiple of							
		Price	Diluted	Market	Total	Cash &	(a)	2012A <sup>(b)</sup>	ngs per Sl		Book	TTM	2014E	TTM	TTM	TTM	TTM	TTM	TTM	PEG	Div.	2014E
Company name (Ticker)	Rating	2/4/2014	S/O	cap.	Debt	equiv.	TEV <sup>(a)</sup>	2012A	2013E	2014E <sup>(b)</sup>	value	Revenue	EBITDA	EBITDA	EBITDAR <sup>(c)</sup>	EBIT	ROA	ROE	ROIC	ratio <sup>(d)</sup>	Yield	FCF Yld
Equipment Suppliers and Leasing Companies:																						
American Railcar Industries (ARII)	Hold	47.94	21.4	1,023.6	196.4	115.0	1,105.0	15.7x	12.2x	11.3x	2.5x	1.5x	6.0x	6.3x	6.3x	7.5x	11.7%	22.8%	16.0%	1.0	2.1%	NM
GATX Corp. (GMT)	Hold	56.47	47.5	2,682.0	3,871.0	418.0	6,135.0	20.1x	16.1x	14.3x	1.9x	4.6x	11.2x	12.0x	10.8x	24.7x	2.6%	12.5%	6.8%	1.2	2.3%	-7.3%
Greenbrier (GBX)	Buy	34.36	27.1	932.8	411.5	90.2	1,254.1	17.7x	15.4x	12.2x	1.9x	0.7x	5.5x	7.0x	6.9x	9.1x	5.5%	15.5%	9.2%	1.1	0.0%	13.1%
Freightcar America (RAIL)	Hold	22.21	12.0	265.7	0.0	102.4	163.3	13.0x	NM	29.6x	1.3x	0.5x	NM	NM	NM	NM	-1.7%	-2.9%	-2.7%	2.3	1.1%	-4.7%
L.B. Foster (FSTR)	Buy	41.01	10.2	417.3	0.0	96.0	321.3	14.4x	14.6x	12.8x	1.4x	0.6x	5.2x	6.4x	6.2x	7.9x	6.8%	9.7%	9.7%	1.5	0.3%	6.5%
Ryder System (R)	Buy	69.52	52.6	3,656.3	4,189.4	61.6	7,784.1	17.6x	14.2x	12.9x	1.9x	1.2x	4.9x	5.1x	4.9x	14.7x	2.9%	15.1%	6.0%	1.1	1.8%	NM
Trinity Industries (TRN)	Buy	56.65	79.7	4,513.2	3,021.1	498.6	7,035.7	17.8x	12.2x	8.6x	1.7x	1.7x	6.9x	7.8x	7.8x	10.0x	4.8%	13.9%	8.3%	0.9	1.1%	21.6%
Wabash National (WNC)	Buy	13.11	81.4	1,067.8	390.0	65.9	1,391.9	13.8x	17.0x	13.1x	3.7x	0.9x	8.1x	9.5x	9.5x	12.7x	6.5%	23.9%	11.9%	1.3	0.0%	9.1%
WABCO (WBC)	NC	85.67	64.3	5,506.1	460.7	187.5	5,779.3	19.2x	17.2x	15.1x	6.5x	2.2x	10.4x	14.2x	13.7x	17.8x	16.1%	36.7%	23.4%	1.4	0.0%	NM
Wabtec (WAB)	Hold	71.42	95.4	6,816.8	540.0	281.0	7,075.8	27.5x	23.6x	20.9x	4.8x	2.8x	12.8x	14.8x	14.5x	16.5x	11.7%	22.1%	16.6%	1.4	0.2%	3.9%
Min			Γ	265.7	0.0	61.6	163.3	13.0x	12.2x	8.6x	1.3x	0.5x	4.9x	5.1x	4.9x	7.5x	-1.7%	-2.9%	-2.7%	0.9	0.0%	-7.3%
Mean				2,688.2	1,308.0	191.6	3,804.6	17.7x	15.9x	15.1x	2.8x	1.7x	7.9x	9.2x	9.0x	13.4x	6.7%	16.9%	10.5%	1.3	0.9%	6.0%
Mean (Railcar OEMs only)				1,683.9	907.3	201.6	2,389.6	16.0x	13.3x	15.4x	1.9x	1.1x	6.1x	7.0x	7.0x	8.9x	5.1%	12.3%	7.7%	1.3	1.1%	10.0%
Mean (Leasing only)				3,169.2	4,030.2	239.8	6,959.6	18.8x	15.2x	13.6x	1.9x	2.9x	8.1x	8.5x	7.9x	19.7x	2.8%	13.8%	6.4%	1.2	2.1%	NE
Median				1,874.9	436.1	108.7	3,585.6	17.6x	15.4x	13.0x	1.9x	1.3x	6.9x	7.8x	7.8x	12.7x	6.0%	15.3%	9.4%	1.3	0.7%	6.5%
Max				6,816.8	4,189.4	498.6	7,784.1	27.5x	23.6x	29.6x	6.5x	4.6x	12.8x	14.8x	14.5x	24.7x	16.1%	36.7%	23.4%	2.3	2.3%	21.6%
Stifel Transportation Average				8,997.5	1,602.1	429.7	10,262.8	22.0x	20.9x	18.1x	3.5x	2.2x	9.0x	9.8x	8.5x	14.7x	5.3%	15.1%	10.6%	1.4	0.9%	4.0%

 $(a) \ Total \ Enterprise \ Value = Market \ Capitalization \ of \ Equity + Total \ Debt - Cash + Market \ Value \ of \ Minority \ Interest$ 

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items Calculations may vary due to rounding

Source: Company data, First Call, and Stifel estimates

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#### Ryder System - Income Statement

(figures in \$ millions, except per share amounts)																201					201					201				
Fiscal Year End December 31	1998A	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA		4QA	2012A	1QA	2QA	3QA	4QA	2013A	1QE	2QE	3QE	4QE	2014E	2015E
Gross revenues	4,607.0	4,952.2	5,336.8	5,006.1	4,776.3	4,802.3	5,150.3	5,740.9	6,306.8	6,566.0	6,203.7	4,885.6	5,136.4	6,050.5	1,536.3	1,563.9	1,573.3	1,583.5	6,257.0	1,563.0	1,604.0	1,634.5	1,617.8	6,419.3	1,638.5	1,682.1	1,714.3	1,696.8	6,731.7	6,972.2
% change y/y	5.5%	7.5%	7.8%	-6.2%	-4.6%	0.5%	7.2%	11.5%	9.9%	4.1%	-5.5%	-21.2%	5.1%	17.8%	7.8%	3.3%	0.2%	2.8%	3.4%	1.7%	2.6%	3.9%	2.2%	2.6%	4.8%	4.9%	4.9%	4.9%	4.9%	3.6%
By segment:																														
Fleet Management Solutions (FMS)	3,162.9	3,307.2	3,556.0	3,352.5	3,183.0	3,231.7	3,602.9	3,921.2	4,096.1	4,162.6	4,450.0	3,567.8	3,712.2	4,218.3	1.071.4	1.100.9	1,115.4	1,117.7	4,405.3	1.099.7	1.121.3	1.138.2	1,135.5	4.494.7	1.140.6	1,163.2	1.181.0	1.178.4	4,663.2	4,749.2
% change y/y	0,1020	4.6%	7.5%	-5.7%	-5.1%	1.5%	11.5%	8.8%	4 5%	1.6%	6.9%	-19.8%	4.0%	13.6%	9.3%	3.4%	1.5%	4.0%	4 4%	2.6%	1.8%	2.1%	1.6%	2.0%	3.7%	3.7%	3.8%	3.8%	3.7%	1.8%
FMS operating revenue	2.620.8	2,720.1	2,782.7	2,694.2	2,600.4	2,590.9	2.800.7	2,864.9	2,921.1	2.979.4	3,037.7	2,817.7	2.846.5	3,135.9	792.7	830.9	848.1	849.5	3,321.2	824.0	852.5	872.2	875.7	3,424.5	859.3	889.1	909.7	913.5	3,571.5	3,635.8
% change v/v	2,02010	2,7 2011	2.3%	-3.2%	-3.5%	-0.4%	8.1%	2.3%	2.0%	2.0%	2.0%	-7.2%	1.0%	10.2%	10.3%	6.7%	2.8%	4.4%	5.9%	3.9%	2.6%	2.8%	3.1%	3.1%	4 3%	4.3%	4.3%	4.3%	4 3%	1.8%
NBT margin (incl. fuel)	NR	NR	6.3%	5.8%	6.7%	6.0%	8.6%	9.0%	9.0%	9.0%	9.0%	4.0%	4.6%	6.3%	4.7%	7.0%	8.5%	7.7%	7.0%	5.5%	7.9%	8.5%	8.6%	7.7%	6.3%	8.5%	9.3%	9.0%	8.3%	8.8%
NBT margin (excl. fuel)	NR	NR	8.1%	7.2%	8.2%	7.4%	11.1%	12.4%	12.6%	12.5%	13.1%	5.0%	6.0%	8.5%	6.4%	9.2%	11.1%	10.1%	9.3%	7.4%	10.4%	11.1%	11.2%	10.0%	8.4%	11.1%	12.1%	11.6%	10.8%	11.5%
Supply Chain Solutions (SCS)	1.242.7	1.449.9	1,595.3	1,453.9	1.388.3	1,362.4	1,354.0	1,637.8	2,028.5	2,250.3	1,643.1	1,610.9	1,734.8	2.206.0	571.9	570.3	563.2	575.3	2.280.6	576.5	597.2	610.8	598.7	2.383.1	616.8	639.0	653.5	640.6	2.549.9	2,728.4
% change y/y	1,242.7	16.7%	10.0%	-8.9%	-4 5%	-1.9%	-0.6%	21.0%	23.9%	10.9%	-27.0%	-2.0%	7.7%	27.2%	6.7%	5.6%	-0.3%	1.8%	3 4%	0.8%	4 7%	8.4%	4 1%	4 5%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
SCS operating revenue	NR	NR	1,095.2	1,022.4	977.8	952.5	937.0	1,015.8	1,182.9	1,314.5	1,330.6	1,412.0	1,473.5	1.857.5	484.6	485.7	485.1	489.1	1,944.5	494.8	514.8	528.3	525.9	2,063.9	524.3	543.1	555.5	544.5	2,167.4	2,319.1
% change y/y			1,000.2	-6.6%	-4.4%	-2.6%	-1.6%	8.4%	16.4%	11.1%	1.2%	6.1%	4.4%	26.1%	7.1%	6.3%	1.8%	3.7%	4.7%	2.1%	6.0%	8.9%	7.5%	6.1%	6.0%	5.5%	5.1%	3.5%	5.0%	7.0%
NBT margin (as % of gross revenue)	NR	NR	0.6%	-0.5%	-0.4%	3.0%	2.8%	2.4%	3.1%	2.8%	2.6%	1.7%	2.7%	4.8%	3.8%	5.3%	5.7%	5.4%	5.1%	4.1%	5.5%	6.3%	5.8%	5.5%	4.1%	5.5%	6.0%	5.3%	5.2%	5.4%
NBT margin (as % of operating revenue)	NR	NR	0.9%	-0.7%	-0.6%	4.3%	4.0%	3.9%	5.3%	4.8%	3.2%	2.0%	3 2%	5.6%	4.5%	6.3%	6.6%	6.3%	5.9%	4.170	6.3%	7 3%	6.7%	6.3%	4.170	6.5%	7.0%	6.2%	6.1%	6.3%
Dedicated Contract Carriage (DCC)	512.8	522.8	551.7	535.0	518.0	514.7	506.1	543.3	568.8	567.7	5.270	2.070	5.270	5.070	4.570	0.570	0.070	0.570	3.970	4.070	0.570	1.370	0.770	0.570	4.070	0.570	7.070	0.270	0.170	0.570
% change y/y	512.0	2.0%	5.5%	-3.0%	-3.2%	-0.6%	-1.7%	7.3%	4.7%	-0.2%																				
DCC operating revenue	NR	2.0% NR	545.1	530.1	-3.2% 514.1	510.4	496.5	527.0	548.9	-0.2 % 552.9				_		-														
% change y/y	INK	INK	545.1	-2.8%	-3.0%	-0.7%	-2.7%	6.1%	548.9 4.2%	0.7%				Dedic	ated Contr	act Carriag	e incorport	d into Su	pply Chai	1 Solutions	reporting s	egment as	of 1Q12 a	nd presente	ed retroacti	vely from 1	LQ08			
	NR	NR	6.8%	-2.8%	-3.0%	-0.7%	-2.1%	6.5%	4.2%	0.7% 8.4%																				
NBT margin (as % of gross revenue)																														
NBT margin (as % of operating revenue)	NR	NR	6.8%	6.6%	6.1%	7.2%	6.1%	6.7%	7.8%	8.6%																				
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.552.9	1 604 3	1 746 1	150.0	474 3	401.2	476.2	1 890 7	470.1	473 5	10 5 2	485.9	1 015 7	100.5	501.2	507.4	400.2	1.007.4	2.059.7
Cost of lease and rental		0.0	0.0			0.0	0.0	0.0	0.0		0.0			-,	458.9 575.7	474.3	481.2 557.5			470.1 585.4	473.5	486.2 598.5		1,915.7	490.5 587.0	587.4	594.6	498.3 591.4	1,997.4	2,059.7
Cost of services	0.0			0.0	0.0					0.0		1,662.3	1,763.1	2,186.3				568.1	2,265.9				591.3	2,367.4					2,360.4	
Cost of fuel services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	604.4	699.1	873.5	215.6	209.3	207.7	206.1	838.7	210.3	204.6	203.4	195.9	814.1	218.0	219.3	222.0	220.8	880.0	907.5
Operating expense	4,242.3	4,636.2	5,011.2	4,753.6	4,528.5	4,525.7	4,780.1	5,318.0	5,828.6	6,047.1	5,663.8	163.4	134.2	127.0	34.2	33.7	33.0	35.0	135.9	38.0	33.3	32.7	34.0	137.9	38.9	34.5	34.9	34.7	143.0	147.4
Salaries and employee-related costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	625.5	655.4	771.3	187.0	189.3	183.3	206.7	766.3	184.6	190.8	188.9	199.4	763.7	194.6	198.9	198.2	205.0	796.8	821.6
Gains on vehicle sales, net	(56.6)	(56.0)	(19.3)	(12.0)	(14.2)	(15.0)	(34.6)	(47.2)	(50.7)	(44.1)	(39.3)	(12.3)	(28.7)	(62.9)	(22.0)	(22.5)	(23.1)	(21.4)	(89.1)	(23.0)	(23.2)	(22.5)	(27.5)	(96.2)	(15.6)	(15.7)	(15.9)	(15.8)	(62.9)	(51.9)
Interest expense	187.8	187.2	154.0	118.5	91.7	91.5	100.1	120.5	140.6	160.1	157.3	144.3	130.0	133.1	34.8	35.6	34.9	35.3	140.6	34.5	33.9	34.0	34.9	137.2	44.6	45.8	47.2	48.2	185.8	193.5
Miscellaneous (income) expense, net	(5.5)	(8.8)	7.5	(1.3)	(9.8)	(10.4)	(8.8)	(8.9)	(9.8)	(5.7)	1.7	(3.7)	(7.1)	(9.1)	(4.5)	(1.3)	(1.4)	(4.5)	(11.7)	(2.7)	(3.6)	(3.4)	(3.8)		(1.1)	(5.1)	(2.9)	(5.6)	(14.5)	(7.1)
Restructuring and other recoveries, net	34.4	76.1	42.0	116.6	4.2	(0.2)	(17.7)	3.4	3.5	13.3	58.4	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	4,402.4	4,834.7	5,195.5	4,975.4	4,600.4	4,591.6	4,819.2	5,385.8	5,912.1	6,170.7	5,841.8	4,743.2	4,950.3	5,765.4	1,479.7	1,482.9	1,473.0	1,501.5	5,937.2	1,497.2	1,501.6	1,517.7	1,510.0	6,026.5	1,557.0	1,566.4	1,585.6	1,577.0	6,286.0	6,482.1
EBITDA	1,017.9	953.6	908.6	785.7	828.8	930.0	1,120.0	1,230.4	1,292.6	1,369.5	1,409.0	1,209.2	1,190.9	1,330.5	327.0	365.8	385.7	370.7	1,449.2	345.3	384.6	408.4	377.3	1,515.5	363.7	405.4	424.5	414.0	1,607.6	1,694.5
% margin	22.1%	19.3%	17.0%	15.7%	17.4%	19.4%	21.7%	21.4%	20.5%	20.9%	22.7%	24.8%	23.2%	22.0%	21.3%	23.4%	24.5%	23.4%	23.2%	22.1%	24.0%	25.0%	23.3%	23.6%	22.2%	24.1%	24.8%	24.4%	23.9%	24.3%
EBIT	392.3	304.7	295.3	149.3	267.6	302.2	431.2	475.6	535.2	555.4	519.2	286.7	316.2	418.3	91.3	116.5	135.1	117.3	460.3	100.3	136.3	150.8	142.7	530.1	126.1	161.5	176.0	168.0	631.5	683.5
% margin	8.5%	6.2%	5.5%	3.0%	5.6%	6.3%	8.4%	8.3%	8.5%	8.5%	8.4%	5.9%	6.2%	6.9%	5.9%	7.5%	8.6%	7.4%	7.4%	6.4%	8.5%	9.2%	8.8%	8.3%	7.7%	9.6%	10.3%	9.9%	9.4%	9.8%
Null for the state of the	220.0	102.6	183.3	147.3	100.1	210.4	212.4	358.5	200.2	100 4	420.2	140.0	10/ 2	205.2		00.0	100.2	02.1	210.0	15.0	102.4	11/ 0	107.0	202.0	01.5	115.7	128.7	110.0	445.0	400.0
Net before tax (excl. restructuring and other recoveries)	238.9	193.6			180.1	210.4	313.4		398.2	408.6	420.3	148.8	186.2	285.2	56.6	80.9	100.3	82.1	319.8	65.8	102.4	116.8	107.9	392.9	81.5			119.8	445.7	490.0
% margin	5.2%	3.9%	3.4%	2.9%	3.8%	4.4%	6.1%	6.2%	6.3%	6.2%	6.8%	3.0%	3.6%	4.7%	3.7%	5.2%	6.4%	5.2%	5.1%	4.2%	6.4%	7.1%	6.7%	6.1%	5.0%	6.9%	7.5%	7.1%	6.6%	7.0%
Net before tax	204.6	117.5	141.3	30.7	175.9	210.7	331.1	355.1	394.6	395.3	362.0	142.4	186.2	285.2	56.6	80.9	100.3	82.1	319.8	65.8	102.4	116.8	107.9	392.9	81.5	115.7	128.7	119.8	445.7	490.0
% margin	4.4%	2.4%	2.6%	0.6%	3.7%	4.4%	6.4%	6.2%	6.3%	6.0%	5.8%	2.9%	3.6%	4.7%	3.7%	5.2%	6.4%	5.2%	5.1%	4.2%	6.4%	7.1%	6.7%	6.1%	5.0%	6.9%	7.5%	7.1%	6.6%	7.0%
	37.5%	37.9%		39.2%		36.2%	37.7%	38.3%	38.4%	20.207													22.20/	24.007						36.0%
Tax rate	37.3%	37.9%	37.0%	39.2%	36.0%	30.2%	37.7%	38.3%	38.4%	38.2%	43.3%	41.1%	33.1%	36.6%	37.3%	36.6%	34.7%	36.5%	35.1%	36.3%	36.0%	34.1%	33.3%	34.8%	36.0%	36.0%	36.0%	36.0%	36.0%	30.0%
Net income (loss) from continuing ops (excl. restructuring, non-	140.2	120.2		00 (	115.3	1/2.2	200.7	232.3	258.9	247.0	222.7	115.0	120.4	100.2	42.5	A	<i>(</i> 0.5	<b>71 4</b>	222.2	41.5	(10			254.2		<b>7</b> 2 7	01.0		202.2	
operating pension costs and other recoveries)	149.3	120.2	115.5	89.6	115.5	162.3	209.7	232.3	258.9	247.0	223.7	115.7	139.4	189.3	42.7	55.4	69.5	51.4	222.2	41.5	64.9	76.4	71.4	254.2	51.6	73.5	81.9	76.2	283.2	311.6
Net income (loss) from continuing operations	127.8	72.9	89.0	18.7	112.6	134.4	206.3	218.9	243.1	244.5	205.1	83.9	123.3	178.2	35.0	50.7	64.7	51.4	204.9	41.5	65.5	77.0	71.4	254.2	51.6	73.5	81.9	76.2	283.2	311.6
Cumulative effect of changes in accounting principles	0.0	0.0	0.0	0.0	(18.9)	(4.1)	0.0	(2.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations	31.3	11.8	0.0	0.0	0.0	0.0	0.0	1.7	0.0	0.0	0.0	(19.9)	(6.4)	(1.6)	(0.6)	(0.0)	10.8	(1.1)	9.0	(0.9)	(0.4)	(2.8)	(1.3)	(5.4)	0.0	0.0	0.0	0.0	0.0	0.0
Gain on sale of discontinued operations	0.0	339.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary item (net of tax)	0.0	(4.4)	0.0	0.0	0.0	1.1	9.2	8.9	6.0	3.3	(5.2)	(1.1)	0.0	(9.5)	(0.6)	(4.5)	(1.2)	(5.1)	(11.4)	(1.1)	(2.9)	(3.2)	(6.2)	(13.4)	0.0	0.0	0.0	0.0	0.0	0.0
	159.1	419.7	89.0	18.7	93.7	131.4	215.5	227.1	249.1	253.7	199.8	62.9	116.9	167.0	33.9	46.1	74.3	45.2	202.6	39.5	62.2	71.1	63.8	235.4	51.6	73.5	81.9	76.2	283.2	311.6
Net income		8.5%	1.7%	0.4%	2.0%	2.7%	4.2%	4.0%	3.9%	3.9%	3.2%	1.3%	2.3%	2.8%	2.2%	3.0%	4.7%	2.9%	3.2%	2.5%	3.9%	4.3%	3.9%	3.7%	3.2%	4.4%	4.8%	4.5%	4.2%	4.5%
	3.5%			60.7																										
Net income % margin					62.6	63.9	65.7	64.7	61.6	59.8	56.8	55.1	51.9	50.9	50.9	50.7	50.6	50.8	50.7	51.4	51.9	52.2	52.7	52.1	52.6	52.5	52.4	52.2	52.4	51.9
Net income	3.5% 73.6	68.7	59.8	00.7	02.0																									
Net income % margin Average shares outstanding - diluted		68.7	59.8	00.7	02.0																									
Net income % marxin Average shares outstanding - diluted EPS - diluted (continuing operations excluding restructuring	73.6					63.51	63.10	63.50	64.00	64.15	62.01	63.16	60.00	63.55	¢0.07	¢1.00	61.20	61.01	e4.30	¢0.01	61.05	61 4K	61.25	64.00	60.06	61.40	A1.54	<i></i>	07.40	¢( 02
Net income % margin Average shares outstanding - diluted EPS - diluted (continuing operations excluding restructuring and other recoveries)	73.6 \$2.03	\$1.75	\$1.93	\$1.48	\$1.84	\$2.54	\$3.19	\$3.59	\$4.20	\$4.13	\$3.94	\$2.10	\$2.69	\$3.72	\$0.84	\$1.09	\$1.38	\$1.01	\$4.38	\$0.81	\$1.25	\$1.46	\$1.35	\$4.88	\$0.98	\$1.40	\$1.56	\$1.46	\$5.40	\$6.00
Net income % marxin Average shares outstanding - diluted EPS - diluted (continuing operations excluding restructuring	73.6 <b>\$2.03</b> 23.6%	<b>\$1.75</b> - <i>13.8%</i>	<b>\$1.93</b> 10.5%	\$1.48 -23.6%		37.9%	25.7%	12.5%	17.0%	-1.8%	<b>\$3.94</b> -4.6%	<b>\$2.10</b> -46.7%	27.9%	38.3%	48.0%	11.5%	20.0%	<b>\$1.01</b> -1.4%	<b>\$4.38</b> 17.8%	-3.7%	14.3%	\$1.46 6.4%	33.5%	<b>\$4.88</b> 11.4%	21.5%	12.0%	6.9%	7.8%	10.7%	11.1%
Net income % margin Average shares outstanding - diluted EPS - diluted (continuing operations excluding restructuring and other recoveries)	73.6 \$2.03	\$1.75	\$1.93	\$1.48	\$1.84					<b>\$4.13</b> -1.8% \$4.09														<b>\$4.88</b> 11.4% \$4.88	<b>\$0.98</b> 21.5% \$0.98					
Net income % margin Average shares outstanding - diluted EPS - diluted (continuing operations excluding restructuring and other recovering) % change vit	73.6 <b>\$2.03</b> 23.6%	<b>\$1.75</b> - <i>13.8%</i>	<b>\$1.93</b> 10.5%	\$1.48 -23.6%	<b>\$1.84</b> 24.7%	37.9%	25.7%	12.5%	17.0%	-1.8%	-4.6%	-46.7%	27.9%	38.3%	48.0%	11.5%	20.0%	-1.4%	17.8%	-3.7%	14.3%	6.4%	33.5%	11.4%	21.5%	12.0%	6.9%	7.8%	10.7%	11.1%
Net income % margin Average shares outstanding - diluted EPS - diluted (continuing operations excluding restructuring and other recoveries) % change v/ % change v/	73.6 <b>\$2.03</b> <u>23.6%</u> \$1.74 <u>5.8%</u>	\$1.75 -13.8% \$1.06 -38.9%	<b>\$1.93</b> 10.5% \$1.49 40.4%	\$1.48 -23.6% \$0.31 -79.3%	\$1.84 24.7% \$1.80 NM	37.9% \$2.10 16.9%	25.7% \$3.14 49.4%	12.5% \$3.39 7.8%	17.0% \$3.95 16.6%	-1.8% \$4.09 3.6%	-4.6% \$3.61 -11.7%	-46.7% \$1.52 -57.8%	27.9% \$2.38 56.1%	38.3% \$3.50 47.3%	48.0% \$0.69 33.7%	11.5% \$1.00 8.1%	20.0% \$1.28 17.1%	-1.4% \$1.01 4.1%	17.8% \$4.04 15.4%	- <u>3.7%</u> \$0.81 17.5%	14.3% \$1.26 26.1%	6.4% \$1.48 15.3%	33.5% \$1.35 33.5%	11.4% \$4.88 20.8%	21.5% \$0.98 21.5%	12.0% \$1.40 11.1%	6.9% \$1.56 6.0%	7.8% \$1.46 7.8%	10.7% \$5.40 10.7%	11.1% \$6.00 11.1%
Net income % margin Averages shares outstanding - diluted EPS - diluted (continuing operations excluding restructuring and other recoveries) % change v/v EPS - diluted (continuing operations)	73.6 <b>\$2.03</b> 23.6% \$1.74	\$1.75 -13.8% \$1.06	\$1.93 10.5% \$1.49	\$1.48 -23.6% \$0.31	\$1.84 24.7% \$1.80	37.9% \$2.10	25.7% \$3.14	12.5% \$3.39	17.0% \$3.95	-1.8% \$4.09	-4.6% \$3.61	-46.7% \$1.52	27.9% \$2.38	38.3% \$3.50	48.0% \$0.69	11.5% \$1.00	20.0% \$1.28	-1.4% \$1.01	17.8% \$4.04	- <u>3.7%</u> \$0.81	14.3% \$1.26	6.4% \$1.48	33.5% \$1.35	11.4% \$4.88	21.5% \$0.98	12.0% \$1.40	6.9% \$1.56	7.8% \$1.46	10.7% \$5.40	11.1% \$6.00

Prior periods have not been restated for discontinued operations Source: Company data, First Call, and Stifel Nicolaus estimates

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(figures in \$ millions, except per share amounts)	1000 1	10001	20004	20014	20024	20021	20044	20051	20051	20071	2000 1	20001	20104	20114	101		12	10.1	101	20		401	105	201		105	20155
Fiscal Year End December 31	1998A	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	1QA	2QA	3QA	4QE	1QE	2QE	3QE	4QE	2015E
ASSETS																											
Current assets																											
Cash and cash equivalents	138.4	113.0	122.0	117.9	104.2	140.6	101.0	128.7	128.6	116.5	120.3	98.5	213.1	104.6	113.6	72.6	95.7	66.4	76.5	73.4	74.9	50.0	50.0	50.0	50.0	50.0	132.1
Receivables, net	559.1	725.8	399.6	557.7	640.3	640.8	732.8	820.8	883.5	843.7	635.4	598.7	615.0	754.6	789.3	793.6	784.1	775.8	774.4	772.3	798.1	770.3	779.4	788.8	798.3	807.8	836.7
Inventories	67.6	69.8	77.8	65.4	59.1	54.8	59.3	59.6	59.3	58.8	48.3	50.1	58.7	65.9	67.3	63.8	67.1	64.1	63.0	61.7	64.0	57.8	58.5	59.2	59.9	60.6	62.7
Tires in service	166.6	162.9	158.9	131.1	131.6	160.0	175.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other current assets	111.2	137.9	170.0	111.9	89.0	110.9	158.9	154.6	190.4	203.1	147.2	133.0	136.5	163.0	152.2	129.3	132.1	133.9	156.9	155.0	162.5	179.7	181.9	184.0	186.3	188.5	195.2
Total current assets	1,042.8	1,209.4	928.3	983.9	1,024.2	1,107.1	1,227.7	1,163.8	1,261.8	1,222.1	951.2	880.4	1,023.3	1,088.2	1,122.3	1,059.3	1,079.0	1,040.2	1,070.9	1,062.3	1,099.5	1,057.8	1,069.7	1,081.9	1,094.5	1,106.9	1,226.7
Full service lease	3,552.9	3,442.2	3,227.8	3,014.0	3,406.5	4,186.5	4,595.1	5,085.1	5,755.8	5,705.1	5,568.2	5,616.1	5,639.4	6,010.3	6,326.1	6,411.8	6,585.3	6,728.7	6,783.3	6,826.3	7,054.6						
Commercial rental	1,278.0	1,136.3	1,201.0	1,191.4	1,204.7	1,333.5	1,441.4	1,572.3	1,579.4	1,520.8	1,746.7	1,235.4	1,549.1	2,175.0	2,268.1	2,155.3	2,079.4	2,041.7	1,979.9	2,129.0	2,197.6						
Other	352.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	340.3	260.1	326.7	459.4	486.4	504.1	499.1	542.4	518.0	453.7						
Total revenue earning equipment	5,183.7	4,578.5	4,428.9	4,205.5	4,611.2	5,520.0	6,036.5	6,657.4	7,335.2	7,226.0	7,314.9	7,191.8	7,448.6	8,512.0	9,053.6	9,053.5	9,168.9	9,269.5	9,305.5	9,473.2		10,043.4		10,763.4			12,540.9
Less accumulated depreciation and amortization	(1,971.7)	(1,483.1)	(1,416.1)	(1,726.3)	(2,113.5)	(2,474.0)	(2,704.8)	(2,863.0)	(2,825.9)	(2,724.6)	(2,749.7)	(3,013.2)	(3,247.4)	(3,462.4)		(3,490.8)		(3,514.9)	(3.1)0.31	(0.100.1)	(3,533.2)	(3,717)	(3,915)	(4,119)	(4,327)	(4,532)	(5,390)
Revenue earning equipment, net	3,212.0	3,095.5	3,012.8	2,479.1	2,497.6	3,046.0	3,331.7	3,794.4	4,509.3	4,501.4	4,565.2	4,178.7	4,201.2	5,049.7	5,529.8	5,562.7	5,669.4	5,754.6	5,809.0	5,987.8	6,172.8	6,326.7	6,429.9	6,644.6	6,832.7	6,951.0	7,150.5
Land	107.1	105.8	107.9	106.4	106.4	107.8	105.8	106.6	107.3	124.5	147.2	161.3	175.8	188.6				190.4									
Buildings and improvements	503.2	521.7	559.7	574.5	588.3	603.6	573.7	587.3	602.5	619.0	622.9	647.1	695.8	699.8				716.7									
Machinery and equipment	407.3	439.4	462.6	494.4	488.7	477.1	473.0	471.7	482.2	491.6	499.4	481.6	508.7	535.2				578.7									
Other	114.5	89.0	114.7	75.7	74.8	56.8	65.2	69.9	85.5	95.1	119.7	109.5	107.2	112.3				105.3									
Total operating property and equipment	1,132.1	1,155.9	1,244.8	1,251.1	1,258.1	1,245.3	1,217.7	1,235.4	1,277.5	1,330.3	1,389.2	1,399.6	1,487.6	1,535.9	1,554.7	1,559.0	1,573.5	1,591.1	1,603.8	1,614.2	1,618.2	1,655.7	1,689.2	1,735.7	1,779.7	1,815.7	1,933.2
Less accumulated depreciation and amortization	(534.1)	(574.8)	(632.2)	(684.2)	(727.2)	(738.4)	(738.1)	(748.6)	(778.6)	(811.6)	(842.4)	(855.7)	(880.8)	(911.7)	(929.2)	(938.6)	(952.5)	(966.2)	(978.1)	(987.3)	(992.0)	(1,015.5)	(1,039.2)	(1,063.6)		(1,113.1)	(1,214.2)
Operating property and equipment, net	598.0	581.1	612.6	566.9	530.9	506.9	479.6	486.8	499.0	518.7	546.8	543.9	606.8	624.2	625.5	620.4	621.0	624.9	625.7	626.9	626.2	640.3	650.0	672.1	691.3	702.7	719.1
Direct financing leases and other assets	543.2	652.3	693.1	706.0	531.8	441.0	416.5	410.1	385.2	426.7	391.3	401.3	392.9	393.7	410.0	416.3	423.3	434.6	425.3	424.4	451.0	435.0	419.0	403.0	387.0	371.0	307.0
Intangible assets and deferred charges	312.6	222.2	228.1	191.3	102.0	177.6	182.4	178.2	173.6	185.8	235.0	255.6	428.1	462.1	461.0	458.2	466.9	464.7	461.2	458.9	458.3	458.3	458.3	458.3	458.3	458.3	458.3
Total assets	5,708.6	5,770,5	5.474.9	4.927.2	4,767.0	5.278.6	5.637.9	6.033.3	6.828.9	6.854.6	6.689.5	6,259,8	6.652.4	7.617.8	401.0 8.148.6	438.2 8.117.0	8.259.6	8,319.0	8,392.1	458.9 8.560.3	438.3 8.807.8	438.3 8.918.1	438.5 9.026.9	438.3 9.259.9	438.3 9.463.7	438.3 9.589.9	458.5 9.861.6
1 otal assets	3,708.0	3,770.3	3,4/4.3	4,721.2	4,/0/.0	3,4/0.0	3,037.3	0,035.5	0,020.9	0,034.0	0,007.5	0,239.8	0,032.4	7,017.0	0,140.0	0,117.0	0,439.0	8,317.0	0,392.1	8,300.3	0,007.0	0,710.1	9,020.9	9,439.9	9,403.7	9,389.9	9,001.0
LIABILITTES AND EQUITY Current liabilities Current portion of long-term debt Accounts payable Accrued expenses and other current liabilities	483.3 399.5 479.8	574.3 334.1 541.2	412.7 379.2 510.4	317.1 255.9 445.4	162.4 277.0 422.7	366.4 299.7 407.9	389.6 384.0 681.3	269.4 414.3 569.7	332.7 515.1 419.8	222.7 383.8 412.9	384.3 295.1 431.8	232.6 262.7 354.9	420.1 294.4 417.0	274.4 391.8 507.6	586.9 720.6 454.3	381.6 494.4 485.6	443.6 422.8 467.4	368.0 399.0 505.7	259.7 462.2 456.9	258.7 458.6 479.3	351.0 442.1 481.2	351.0 385.2 513.5	351.0 389.7 519.6	351.0 394.4 525.8	351.0 399.2 532.2	351.0 403.9 538.5	351.0 418.3 557.8
Total current liabilities	1,362.7	1,449.5	1,302.3	1,018.4	862.1	1,074.1	1,454.9	1,253.5	1,267.6	1,019.4	1,111.2	850.3	1,131.5	1,173.8	1,761.7	1,361.6	1,333.8	1,272.7	1,178.9	1,196.6	1,274.3	1,249.7	1,260.2	1,271.2	1,282.3	1,293.4	1,327.1
Long-term debt, less current portion	2,099.7	1,819.1	1,604.2	1,391.6	1,389.1	1,449.5	1,393.7	1,915.9	2,484.2	2,553.4	2,478.5	2,265.1	2,326.9	3,107.8	3,006.3	3,364.1	3,444.5	3,452.8	3,585.9	3,655.7	3,686.0	4,094.6	4,158.0	4,322.9	4,449.9	4,505.0	4,505.0
Other noncurrent liabilities	343.0	285.8	298.4	283.3	473.9	517.0	408.6	487.3	449.2	409.9	837.3	681.6	680.8	896.6	891.3	862.8	822.0	948.9	948.5	939.7	931.5	770.3	779.4	788.8	798.3	807.8	836.7
Deferred income taxes	807.6	1,011.1	1,017.3	1,003.1	933.7	893.7	870.7	849.1	907.2	984.4	917.4	1,035.9	1,108.9	1,121.5	1,117.9	1,144.1	1,181.4	1,177.1	1,187.7	1,221.0	1,260.5	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
Common stock	610.5	513.1	524.4	537.6	575.5	626.1	700.3	697.6	743.5	758.3	784.0	769.7	761.1	795.0	809.7	813.1	819.4	833.9	862.1	886.8	904.8						
Retained earnings (deficit)	504.1	714.5	767.8	750.2	806.8	897.8	963.5	1,038.4	1,123.8	1,160.1	1,105.4	1,036.2	1,019.8	1,090.4	1,101.3	1,125.9	1,183.1	1,221.2	1,245.0	1,291.0	1,344.2						
Deferred compensation	0.0	0.0	(3.8)	(5.3)	(3.4)	(2.9)	(4.2)	(5.6)	0.0	0.0 (30.9)	0.0	0.0 (378.9)	0.0	0.0	0.0 (539.7)	0.0	0.0	0.0	0.0	0.0	0.0						
Accumulated other comprehensive loss	(1).0)	(22.7)	(55.7)	(51.0)	(270.0)	(110.17	(11).17	(202.)/	(1-10.07	(30.7)	(0.11.2)	(510.57	(210.0)	(301.2)	(337.17	(004.0)			(010.0)		(575.0)	1 200 5	1.700.0	1.000.1	1.022.2	1.002.7	2 002 0
Total stockholders' equity	1,095.6	1,204.9	1,252.7	1,230.7	1,108.2	1,344.4	1,510.2	1,527.5	1,720.8	1,887.6	1,345.2	1,427.0	1,404.3	1,318.2	1,371.4	1,384.4	1,477.9	1,467.5	1,491.1	1,547.4	1,655.5	1,703.5	1,729.3	1,777.1	1,833.2	1,883.7	2,092.9
Total liabilities and stockholders' equity	5,708.6	5 770 5	5,474,9	4 927 2	4 767 0	5 278 6	5.637.9	6.033.3	6.828.9	6.854.6	6.689.5	6.259.8	6.652.4	7.617.8	8,148.6	8,117.0	8.259.6	8,319.0	8,392.1	8,560.3	8,807,8	8,918,1	9.026.9	9,259,9	9,463,7	9,589,9	9,861.6
rotai naomues anu stocknoiuers equity	3,708.0	3,110.3	5,474.9	4,721.2	4,/0/.0	3,410.0	5,057.9	0,000.0	0,040.9	0,004.0	0,007.5	0,437.8	0,002.4	7,017.8	0,140.0	3,117.0	0,437.0	0,017.0	0,374.1	0,000.0	0,007.8	0,710.1	9,020.9	1,437.9	2,403.7	1,007.9	7,001.0
Book value / share	\$14.88		\$20.95	\$20.46	\$17.64	\$20.65	\$23.06	\$23.90	\$28.12	\$32.49	\$24.24	\$26.33	\$27.54	\$26.00	\$26.93	\$27.31	\$29.23	\$28.92	\$29.01	\$29.80	\$31.71	\$32.30	\$32.86	\$33.85	\$35.01	\$36.06	\$40.42
Cash/share	\$1.88		\$2.04	\$1.96	\$1.66	\$2.16	\$1.54	\$2.01	\$2.10	\$2.00	\$2.17	\$1.82	\$4.18	\$2.06	\$2.23	\$1.43	\$1.89	\$1.31	\$1.49	\$1.41	\$1.44	\$0.95	\$0.95	\$0.95	\$0.95	\$0.96	\$2.55
Average age of trade receivables (days)		47.4	32.0	43.9	49.4	48.7	48.4	48.1	51.6	47.9	46.7	45.1	43.0	44.8	45.9	46.2	45.8	44.9	45.3	44.0	43.8	44.2	43.2	42.5	42.2	43.2	43.3
Net working capital	(319.8)			(34.5)		33.0	(227.2)	(89.7)	(5.8)	202.7	(160.0)	30.1	(108.2)			(302.3)	(254.8)	(232.4)	(108.0)	(134.3)	(174.8)	(191.8)	(190.5)	(189.2)	(187.9)	(186.5)	(100.3)
Current ratio	0.8x		0.7x	1.0x	1.2x	1.0x	0.8x	0.9x	1.0x	1.2x	0.9x	1.0x	0.9x	0.9x	0.6x	0.8x	0.8x	0.8x	0.9x	0.9x	0.9x	0.8x	0.8x	0.9x	0.9x	0.9x	0.9x
Total assets	5,708.6		5,474.9	4,927.2	4,767.0	5,278.6	5,637.9	6,033.3	6,828.9	6,854.6	6,689.5	6,259.8	6,652.4	7,617.8	8,148.6	8,117.0	8,259.6	8,319.0	8,392.1	8,560.3	8,807.8	8,918.1	9,026.9	9,259.9	9,463.7	9,589.9	9,861.6
Long-term debt	2,099.7	1,819.1	1,604.2	1,391.6	1,389.1	1,449.5	1,393.7	1,915.9	2,484.2	2,553.4	2,478.5	2,265.1	2,326.9	3,107.8	3,006.3	3,364.1	3,444.5	3,452.8	3,585.9	3,655.7	3,686.0	4,094.6	4,158.0	4,322.9	4,449.9	4,505.0	4,505.0
Total debt	2,583.0		2,017.0	1,708.7	1,551.5	1,815.9	1,783.2	2,185.4	2,816.9	2,776.1	2,862.8	2,497.7	2,747.0	3,382.1	3,593.2	3,745.6	3,888.1	3,820.8	3,845.6	3,914.4	4,037.0	4,445.6	4,508.9	4,673.9	4,800.8	4,855.9	4,855.9
Net debt (cash)	2,444.7		1,895.0	1,590.8	1,447.2	1,675.3	1,682.2	2,056.6	2,688.3	2,659.7	2,742.5	2,399.2	2,533.9	3,277.6	3,479.6	3,673.1	3,792.4	3,754.4	3,769.1	3,841.0	3,962.1	4,395.6	4,458.9	4,623.9	4,750.8	4,805.9	4,723.8
Debt / total book capitalization	70.2%	66.5%	61.7%	58.1%	58.3%	57.5%	54.1%	58.9%	62.1%	59.5%	68.0%	63.6%	66.2%		72.4%	73.0%	72.5%	72.3%	72.1%	71.7%	70.9%	72.3%	72.3%	72.5%	72.4%	72.1%	69.9%
Debt/equity	2.4x		1.6x	1.4x	1.4x	1.4x	1.2x	1.4x	1.6x	1.5x	2.1x	1.8x	2.0x	2.6x	2.6x	2.7x	2.6x	2.6x	2.6x	2.5x	2.4x	2.6x	2.6x	2.6x	2.6x	2.6x	2.3x
Debt / EBIT		8.2x		48.2x		21.0x	15.9x	17.6x	19.9x	18.5x	36.0x	38.2x	31.7x			31.5x	28.2x	32.8x	38.2x	28.5x	26.4x	29.7x	35.5x	28.4x	26.9x	28.7x	27.0x
Debt / EBITDA		2.6x	2.3x	2.2x	1.9x	1.9x	1.6x	1.8x	7.9x	2.0x	2.1x	2.1x	2.2x	2.5x	2.7x	2.5x	2.5x	2.7x	2.8x	2.5x	2.4x	2.8x	3.1x	2.8x	2.8x	3.0x	2.9x
Stockholders' equity	1,095.6	1,204.9	1,252.7	1,230.7	1,108.2	1,344.4	1,510.2	1,527.5	1,720.8	1,887.6	1,345.2	1,427.0	1,404.3	1,318.2	1,371.4	1,384.4	1,477.9	1,467.5	1,491.1	1,547.4	1,655.5	1,703.5	1,729.3	1,777.1	1,833.2	1,883.7	2,092.9

Ryder System - Balance Sheet

Source: Company data and Stifel Nicolaus estimates

David Ross, CFA / dross@stifel.com

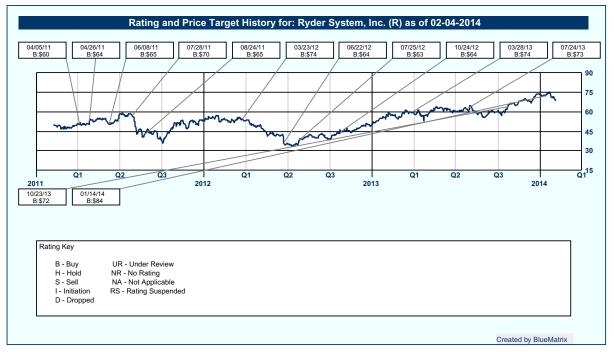
J. Bruce Chan / chanj@stifel.com

																			-											
(figures in \$ millions, except per share amounts)																201					201					201				
Fiscal Year End December 31	1998A	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QA	4QE	2013A	1QE	2QE	3QE	4QE	2014E	2015E
Operating Activities	127.8	72.0	89.0	18.7	93.7	131.4	215.6	226.9	249.0	253.9	199.9	61.9	110.0	169.8	34.3	46.7	75.1	53.8	210.0	39.9	62.2	71.1		237.6	52.1	74.0	02.4	26.2	205.2	313.6
Net earnings (loss)	127.8	72.9	89.0	18.7	93.7	131.4	215.6	226.9	249.0	253.9	199.9	61.9	118.2	169.8	34.5	46.7	75.1	53.8	210.0	39.9	62.2	71.1	64.4	237.6	52.1	74.0	82.4	76.7	285.2	313.0
Adjustments	0.0	0.0	0.0	0.0	10.0	4.1	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cumulative effect of changes in accounting principles	0.0	0.0		0.0	18.9 0.0			2.4 0.0	0.0		0.0	28.2	6.4	1.6	0.0	0.0	(10.8)	0.0		0.0	0.0	2.8	0.0	4.1	0.0	0.0	0.0	0.0	0.0	0.0
Loss from discontinued operations, net of tax Depreciation expense	626.3	622.7	0.0 580.4	545.5	552.5	0.0 624.6	0.0 706.0	740.4	743.3	0.0 816.0	843.5	28.2 881.2	0.4 833.8	872.3	226.6	233.5	238.4	1.1 241.2	(9.1) 939.7	231.5	234.4	2.8	234.6	942.4	237.6	243.9	248.6	246.0	976.1	1.011.0
	(56.6)	(56.0)	(19.3)	(12.0)	(14.2)	(15.8)	(34.5)	(47.1)	(50.8)	(44.1)	(39.3)	(12.3)	(28.7)	(62.9)	(22.0)	(22.5)	(23.1)	(21.4)	(89.1)	(23.0)	(23.2)	(22.5)	(27.5)	(96.2)	(15.6)	(15.7)	(15.9)	(15.8)	(62.9)	(51.9)
Gains on vehicle sales, net			(19.3) 32.9	(12.0) 90.9	(14.2) 8.7	(15.8)	(34.5) (17.3)	(47.1)	(50.8)	(44.1) (2.0)	(39.3) 46.3	41.3	(28.7) 40.9	(62.9) 39.9	(22.0) 9.1	(22.5)	(23.1) 12.2	(21.4) 12.2	(89.1) 49.2	(23.0)	(23.2) 13.9	(22.5)	(27.5) 0.0	(96.2) 43.1	(15.6)	(15.7)	(15.9) 0.0	(15.8) 0.0	(62.9)	(51.9)
Amortization expense and other noncash (gains) charges, net	(0.8)	26.2 0.0	0.0	90.9	0.0	0.0		0.0	14.1	(2.0)	40.5	41.5	40.9	39.9 17.4	9.1 4.4	4.6	5.1	4.7	49.2		5.0	4.7	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Share-based compensation expense	100.4	250.0	73.2			51.5	0.0	(24.9)	76.2	64.4	128.2	92.7	41.1	90.0	4.4	4.0	29.7	4.7	87.1	4.6 18.6	29.6	33.8	(160.5)	14.3	0.0			0.0	0.0	0.0
Deferred income tax expense (benefit)		250.0	0.0	(1.9)		0.0		(24.9)			128.2		41.1	90.0	0.0	23.1	29.7				29.6	0.0		(78.5)	0.0	0.0	0.0	0.0		
Tax benefit from employee stock options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.7	5.4	1.5	1.2	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in working capital items:																														
Increase in aggregate balance of trade receivables sold	125.0	(125.0)	270.0	(235.0)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables	(30.9)	(129.5)	57.3	78.0	35.0	(4.2)	(81.8)	(82.0)	(58.3)	58.0	181.0	19.5	(18.0)	(92.0)	(26.5)	(2.6)	16.8	19.4	7.1	(8.7)	(7.9)	(18.3)	27.7	(7.1)	(9.1)	(9.4)	(9.6)	(9.5)	(37.5)	(28.9)
Inventories	(1.5)	(10.4)	(7.8)	12.4	6.3	5.4	(4.6)	(0.6)	0.5	1.4	10.4	(1.1)	(7.5)	(6.2)	(1.2)	3.3	(3.0)	1.6	0.7	0.9	1.2	(2.6)	6.3	5.8	(0.7)	(0.7)	(0.7)	(0.7)	(2.8)	(2.2)
Prepaid expenses and other assets	(39.8)	(33.3)	(73.3)	17.2	5.8	6.0	(10.1)	10.7	(16.7)	6.5	(31.0)	(11.6)	(4.9)	(25.0)	(5.6)	11.4	(3.3)	8.3	10.7	(17.4)	(0.0)	(6.3)	(17.3)	(41.0)	(2.1)	(2.2)	(2.2)	(2.2)	(8.7)	(6.7)
Accounts payable	90.0	(56.3)	48.1	(136.2)	22.8	20.7	11.3	51.1	32.6	(18.1)	(105.0)	15.6	6.9	24.7	9.4	(20.6)	9.3	(21.0)	(22.8)	36.4	(12.7)	19.0	(56.9)	(14.3)	4.5	4.7	4.8	4.7	18.7	14.4
Accrued expenses and other noncurrent liabilities	(49.7)	(291.7)	(34.9)	(69.0)	(39.3)	(24.2)	88.6	(118.0)	(155.4)	(51.2)	3.3	(146.4)	23.3	12.4	(57.2)	(6.9)	(51.0)	46.9	(68.3)	(48.3)	12.1	(13.0)	(128.9)	(178.1)	15.1	15.6	16.0	15.8	62.5	48.1
Total change in net working capital	93.1	(646.1)	259.3	(332.5)	(79.4)	3.8	3.3	(138.7)	(197.3)	(3.4)	58.7	(124.0)	(0.2)	(86.2)	(81.1)	(15.5)	(31.1)	55.1	(72.5)	(37.0)	(7.4)	(21.2)	(169.1)	(234.7)	7.8	8.0	8.2	8.1	32.2	24.8
Net cash provided by operations	890.2	269.8	1,015.5	308.7	632.8	802.9	883.0	779.1	853.6	1,102.9	1,255.5	985.0	1,028.0	1,042.0	186.3	285.7	295.5	366.6	1,134.1	248.9	314.8	326.3	(58.1)	831.9	281.9	310.3	323.3	315.1	1,230.6	1,297.5
Investing Activities																														
Purchases of property and revenue earning equipment	(1.333.1)	(1.734.2)	(1.288.8)	(656,6)	(600.3)	(725.1)	(1.091.6)	(1.399.4)	(1.695.1)	(1.317.2)	(1.234.1)	(652.0)	(1.070.1)	(1.698.6)	(471.0)	(733.0)	(490.8)	(438.4)	(2,133.2)	(420.1)	(528.1)	(547.7)	(375.0)	(1.870.8)	(335.0)	(465.0)	(440.0)	(360.0)	(1.600.0)	(1.175.0)
Sales of property and revenue earning equipment	322.0	401.9	229.9	175.1	152.7	222.9	352.3	333.7	332.7	373.6	260.6	215.6	234.7	300.2	91.3	107.9	110.7	102.8	412.8	112.4	116.6	107.6	0.0	336.6	0.0	0.0	0.0	0.0	0.0	0.0
Sale and leaseback of revenue earning equipment	312.2	593.7	373.0	410.7	0.0	0.0	96.8	0.0	0.0	150.3	4 3	0.0	0.0	37.4	2.9	127.3	0.0	0.0	130.2	0.9	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions, net of cash acquired	(52.8)	(12.7)	(28.1)	0.0	0.0	(96.5)	(148.8)	(15.1)	(4.1)	(75.2)	(247.0)	(88.9)	(211.9)	(361.9)	(2.1)	(0.4)	(1.4)	(1.3)	(5.1)	(1.4)	0.0	(0.4)	0.0	(1.9)	0.0	0.0	0.0	0.0	0.0	0.0
Collections on direct finance leases	0.0	78.4	67.5	66.2	66.5	61.4	63.8	70.4	66.3	63.4	61.9	65.2	61.8	62.2	15.5	17.1	18.5	20.8	71.9	27.4	12.4	15.0	16.0	70.8	16.0	16.0	16.0	16.0	64.0	64.0
Proceeds from business sold	0.0	940.0	0.0	14.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other, net	24.6	(39.0)	3.6	(2.7)	4.2	3.7	0.5	21.5	(39.3)	(18.1)	51.4	11.3	3.1	3.5	(2.4)	21.7	0.0	(0.1)	19.2	(15.2)	8.2	0.4	0.0	(6.6)	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by investing activities	(727.1)	228.1	(643.0)	6.9	(376.9)	(533.7)	(726.9)	(988.9)	(1,339.6)	(823.2)	(1,102.8)	(448.6)	(982.5)	(1,657.2)	(365.8)	(459.3)	(363.0)	(316.2)	(1,504.3)	(295.9)	(391.7)	(425.2)	(359.0)	(1,471.8)	(319.0)	(449.0)	(424.0)	(344.0)	(1,536.0)	(1,111.0)
Cash available for (required by) financing	163.1	497.9	372.6	315.6	255.9	269.2	156.1	(209.8)	(486.0)	279.7	152.7	536.3	45.6	(615.2)	(179.5)	(173.5)	(67.5)	50.4	(370.1)	(47.0)	(76.8)	(98.9)	(417.1)	(639.9)	(37.1)	(138.7)	(100.7)	(28.9)	(305.4)	186.5
Net change in commercial paper borrowings	(150.2)	147.7	109.3	(261.7)	(92.5)	(2.5)	79.0	188.3	328.6	(159.8)	(522.3)	148.3	174.9	46.7	(164.3)	352.2	(234.4)	(18.3)	(64.8)	112.9	67.8	103.7	0.0	284.5	0.0	0.0	0.0	0.0	0.0	0.0
Debt proceeds	475.0	314.8	121.0	381.9	185.3	105.1	282.2	762.1	670.6	513.0	757.1	2.0	314.2	966.4	369.9	8.1	367.8	0.0	745.8	249.7	4.6	3.3	408.6	666.2	63.4	165.0	126.9	55.1	410.4	0.0
Debt repaid, including capital lease obligations	(328.4)	(682.5)	(565.4)	(413.5)	(360.4)	(340.4)	(456.9)	(543.9)	(378.5)	(439.0)	(138.2)	(519.7)	(248.7)	(419.3)	(2.8)	(202.5)	(23.7)	(54.9)	(283.9)	(317.3)	(3.5)	(2.4)	0.0	(323.3)	0.0	0.0	0.0	0.0	0.0	0.0
Dividends on common stock	(43.8)	(40.9)	(35.8)	(36.2)		(38.0)	(38,7)	(40.9)	(44.0)	(50.2)	(52.2)	(53.3)	(54.5)	(57.5)	(14.9)	(14.8)	(15.8)	(15.8)	(61.3)	(16.0)	(16.1)	(17.8)	(16.3)	(66.2)	(16.3)	(16.3)	(16.2)	(16.2)	(65.0)	(64.4)
Common stock issued	32.4	7.9	7.3	9.8	35.2	46.6	87.7	28.3	61.6	42.3	54.7	7.4	17.0	33.4	13.2	2.6	2.7	9.9	28.4	22.5	18.9	13.2	0.0	54.6	0.0	0.0	0.0	0.0	0.0	0.0
Common stock repurchased	(109.5)	(274.9)	0.0	0.0	0.0	(3.6)	(149.0)	(152.3)	(159.1)	(209.0)	(256.1)	(116.3)	(123.3)	(59.7)	(11.9)	(11.4)	(3.6)	0.0	(26.9)	(0.1)	0.1	0.0	0.0	0.0	(10.0)	(10.0)	(10.0)	(10.0)	(40.0)	(40.0)
Excess tax benefits from share-based compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	3.4	6.5	0.8	0.8	1.7	0.8	0.2	0.0	0.4	13	1.6	1.7	1.6	0.0	4.9	0.0	0.0	0.0	0.0	0.0	0.0
Other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(11.2)	(2.3)	(7.5)	(2.2)	(0.1)	(2.2)	(0.4)	(4.9)	(1.8)	(0.2)	(0.1)	0.0	(2.1)	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by financing activities	(124.5)	(527.8)	(363.6)	(319.7)	(269.5)	(232.8)	(195.8)	241.5	488.2	(299.2)	(150.6)	(542.0)	78.2	504.2	187.8	134.2	90.8	(79.0)	333.8	51.6	73.4	101.5	392.2	618.6	37.1	138.7	100.7	28.9	305.4	(104.4)
Beginning cash balance	78.4	138.4	113.0	122.0	117.9	104.2	140.6	101.0	128.7	128.6	116.5	120.3	98.5	213.1	104.6	113.6	72.6	95.7	104.6	66.4	76.5	73.4	74.9	66.4	50.0	50.0	50.0	50.0	50.0	50.0
Net cash flows from continuing operations	38.5	(30.0)	9.0	(4.1)	(13.6)	36.4	(39.7)	31.7	2.2	(19.5)	2.1	(5.7)	123.7	(111.0)	8.3	(39.3)	23.3	(28.6)	(36.3)	4.6	(3.5)	2.5	(24.9)	(21.3)	0.0	0.0	0.0	0.0	0.0	82.1
Net cash flows from discontinued operations	21.4	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(17.9)	(10.9)	(0.7)	(0.9)	(1.3)	(0.4)	(0.5)	(3.2)	(0.7)	(0.3)	(3.2)	0.0	(4.3)	0.0	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4.0)	(2.3)	7.3	1.7	1.8	1.7	3.2	1.7	(0.4)	0.3	(0.2)	1.3	6.3	0.7	2.2	0.0	9.2	0.0	0.0	0.0	0.0	0.0	0.0
Ending cash balance	138.4	113.0	122.0	117.9	104.2	140.6	101.0	128.7	128.6	116.5	120.3	98.5	213.1	104.6	113.6	72.6	95.7	66.4	66.4	76.5	73.4	74.9	50.0	50.0	50.0	50.0	50.0	50.0	50.0	132.1
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Net free cash flow (after dividends)	(164.8)	(1,025.0)	(11.7)	(142.8)		324.0	168.9	(257.1)	(486.5)	172.5	291.8	560.5	199.9	(351.7)	(192.7)	(337.0)	(82.0)	36.0	(575.7)	(47.3)	(100.2)	(116.7)	(433.5)	(697.7)	(53.4)	(155.0)	(116.9)	(45.1)	(370.4)	122.1
Free cash flow (before dividends)	(121.0)	(984.1)	24.1	(106.6)	251.7	362.0	207.6	(216.2)	(442.5)	222.7	344.0	613.9	254.4	(294.2)	(177.9)	(322.2)	(66.2)	51.8	(514.4)	(31.3)	(84.1)	(98.9)	(417.1)	(631.5)	(37.1)	(138.7)	(100.7)	(28.9)	(305.4)	186.5
Free cash flow - Ryder's Definition (1)	66.3	(265.4)	127.1	539.2	361.7	362.0	304.4	(216.2)	(442.5)	373.0	348.3	613.9	254.4	(256.8)	(175.0)	(194.9)	(66.2)	51.8	(384.2)	(30.4)	(85.1)	(98.9)	(417.1)	(631.5)	(37.1)	(138.7)	(100.7)	(28.9)	(305.4)	186.5
Per share	(\$1.64)	(\$14.32)	\$0.40	(\$1.76)	\$4.02	\$5.66	\$3.16	(\$3.34)	(\$7.19)	\$3.72	\$6.06	\$11.14	\$3.85	(\$5.78)	(\$3.49)	(\$6.36)	(\$1.31)	\$1.02	(\$10.14)	(\$0.61)	(\$1.62)	(\$1.89)	(\$7.91)	(\$12.12)	(\$0.70)	(\$2.64)	(\$1.92)	(\$0.55)	(\$5.82)	\$3.59
Current share price \$69.52																														
Net FCF yield										4.2%	7.4%	14.6%	5.5%	-9.9%					-16.3%					-19.3%					-10.2%	3.4%
FCF yield										5.4%	8.7%	16.0%	7.1%	-8.3%					-14.6%					-17.4%					-8.4%	5.2%
Dividend/FCF	-36.2%	-4.2%	NM	-34.0%	14.8%	10.5%	18.7%	-18.9%	-9.9%	22.5%	15.2%	8.7%	27.2%	-19.5%	-8.4%	-4.6%	-23.9%	30.5%	-11.9%	-51.1%	-19.1%	-18.0%	-3.9%	-10.5%	-44.0%	-11.7%	-16.1%	-56.0%	-21.3%	34.5%
CapEx, net/OCF	-30.2%				14.8%																									
Capex, neuoce	/8.5%	NM	07.5%	22.9%	/0.7%	62.6%	72.8%	136.8%	159.6%	71.9%	77.2%	44.3%	81.3%	130.6%	202.2%	1/4.2%	128.7%	91.5%	140.2%	123.2%	151.0%	154.9%	-044.9%	184.4%	118.8%	149.9%	136.1%	114.3%	130.0%	90.6%

(1) Ryder defines PCP: cash provided from operations + collections of direct finance leases + proceeds from sales (primarily revenue earning equipment + sale and leaseback of revenue earning equipment - capital expenditures Source: Company data and Stifel Nicolaus estimates

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