RYDER SYSTEM INC

FORM 8-K
(Current report filing)

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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 21, 2010

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 21, 2010, we issued a press release reporting our financial results for the three months ended March 31, 2010 (the "Press Release"). We also hosted a conference call and webcast on April 21, 2010 during which we made a presentation on our financial results for the three months ended March 31, 2010 (the "Presentation"). The Press Release and the Presentation are available on our website at www.ryder.com .

The Press Release and Presentation include information regarding comparable earnings from continuing operations, comparable earnings per share from continuing operations and comparable effective income tax rate from continuing operations for the first quarter of 2009, which are non-GAAP financial measures as defined by SEC regulations. We believe that these non-GAAP financial measures provide useful information to investors, and allow for better year-over-year comparison, as the measures exclude from our GAAP net earnings, earnings per share and comparable effective tax rate from continuing operations, as applicable, (1) first quarter 2009 restructuring charges and (2) a first quarter 2009 international asset impairment, 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.

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 21, 2010, relating to Ryder System, Inc.'s financial results for the three months ended March 31, 2010.
Exhibit 99.2	Presentation prepared for a conference call and webcast held on April 21, 2010, relating to Ryder System, Inc.'s financial results for the three months ended March 31, 2010.

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 21, 2010

RYDER SYSTEM, INC.
(Registrant)

By: /s/ Robert E. Sanchez
Robert E. Sanchez, Executive Vice
President and Chief Financial Officer

Exhibit 99.1

News Release

Contacts:	Media:	Investor Relations:
	David Bruce	Bob Brunn
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RYDER REPORTS FIRST QUARTER 2010 RESULTS

MIAMI, April 21, 2010 – Ryder System, Inc. (NYSE: R)

- *Q1 Continuing Operations EPS of $0.24 vs. $0.20 in 2009*
- *Q1 Comparable Continuing Operations EPS of $0.24 vs. $0.30 in 2009*
- *Q1 Total Revenue Up 4%; Operating Revenue Flat*
- *Revises Full-Year Comparable EPS Forecast to a Range of $1.85 to $1.95*

Ryder System, Inc. (NYSE: R), a leader in transportation and supply chain management solutions, today reported earnings per diluted share (EPS) from continuing operations for the three-month period ended March 31, 2010 were $0.24, compared with $0.20 in the year-earlier period. Earnings from continuing operations were $12.9 million, compared with $10.9 million in the year-earlier period. EPS and net earnings in the year-earlier period included a charge for restructuring and other items of $0.10 and $5.8 million, respectively. Excluding these items, comparable EPS from continuing operations for the first quarter of 2010 were $0.24, down 20% from $0.30 in the same period of 2009. Comparable earnings from continuing operations of $12.9 million for the first quarter of 2010 were down 23% from $16.7 million in the year-earlier period. The decrease in comparable earnings reflects the impact to the Fleet Management Solutions (FMS) business segment of lower full service lease fleet levels because of the cumulative impact of customer fleet reductions, and increased maintenance costs due to fleet aging. The decrease was partially offset by stronger Supply Chain Solutions (SCS) results, improved used vehicle sales results, and better commercial rental performance.

In 2009, the Company discontinued SCS operations in South America and Europe. Accordingly, results of these operations are reported as discontinued operations for all periods presented. EPS from discontinued operations totaled a loss of $0.01 in the first quarter of 2010, compared with a loss of $0.08 in the same period of the prior year.

Net earnings per diluted share (including discontinued operations) for the three-month period ended March 31, 2010 were $0.23 versus $0.12 in the year-earlier period. Net earnings

for the first quarter of 2010 were $12.4 million versus $6.8 million in the year-earlier period.

Total revenue for the first quarter of 2010 was $1.22 billion, up 4% from $1.17 billion in the same period last year. Total revenue comparisons benefited from higher fuel prices and favorable exchange rate movements partially offset by lower fuel volumes. Operating revenue (revenue excluding FMS fuel and all subcontracted transportation), was $987.6 million, compared with $990.8 million in the year-earlier period. Operating revenue comparisons included a favorable first quarter 2010 foreign exchange impact of 2%. FMS business segment total revenue increased 2% due primarily to higher fuel services revenue. FMS operating revenue decreased 2% due to lower full service lease revenue, driven by customer fleet downsizing. SCS business segment total revenue increased 10% and operating revenue increased 4% due to favorable foreign exchange rate movements and improved automotive volumes, partially offset by prior-year customer account rationalizations. Dedicated Contract Carriage (DCC) business segment total revenue increased 1%, reflecting the pass through of higher fuel costs. DCC operating revenue decreased 1%, reflecting the impact of the non-renewal of customer contracts.

Ryder Chairman and CEO Greg Swienton said, “Directionally, our product lines performed as we had forecasted, and the earnings impact was even better than we anticipated. In the latter part of the first quarter, we saw several positive developments in our Fleet Management Solutions business, including: an increase in lease miles driven; higher commercial rental demand and utilization; and improved used vehicle pricing. However, the average size of our full service lease fleet was down 5%, reflecting the cumulative impact of customer fleet downsizing. As expected, the recovery of automotive activity resulted in improved revenue and earnings in our Supply Chain Solutions business. Additionally, we have maintained a very strong balance sheet which enabled us to begin implementing a new $100 million stock buyback program that we announced in February.”

First Quarter Business Segment Operating Results

Ryder’s primary measurement of business segment financial performance, Net Before Tax (NBT) from continuing operations, allocates Central Support Services to each business segment and excludes restructuring and other items.

Fleet Management Solutions

Ryder's Fleet Management Solutions (FMS) business segment combines several capabilities into a comprehensive package that provides one-stop outsourcing of the acquisition, 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.

In the FMS business segment, total revenue in the first quarter of 2010 was $884.0 million, up 2% compared with the year-earlier period. Fuel services revenue in the first quarter of 2010 increased 21% compared with the same period in 2009 due to higher fuel prices partially offset by reduced gallons pumped at Ryder's facilities. Operating revenue (revenue excluding fuel) in the first quarter of 2010 was $677.4 million, down 2% compared with the year-earlier period. FMS total revenue and operating revenue included a favorable foreign exchange impact of 2%. Contractual revenue, which includes full service lease and contract maintenance, decreased 3% in the first quarter of 2010 because of the cumulative impact of ongoing customer fleet downsizing, partially offset by favorable foreign exchange rate movements. Commercial rental revenue increased 2% reflecting improving global market demand on a 12% smaller average rental fleet. Rental fleet utilization improved by 780 basis points to 69% in the first quarter of 2010 as a result of the Company's actions to align the fleet size and mix as well as improving market demand.

The FMS business segment's NBT was $21.7 million in the first quarter of 2010, down 28% compared with $30.0 million in the same period of 2009. This decrease was related primarily to lower North American full service lease results as well as increased vehicle depreciation expense resulting from residual value changes. These items were partially offset by improved used vehicle sales results, better commercial rental performance, and lower retirement plan expense. Full service lease results were adversely impacted by the protracted length and severity of the freight recession, which has resulted in reduced customer demand for new leases, downsizing of customer fleets, and increased maintenance costs on a relatively older fleet. Lease mileage showed year-over-year quarterly improvement. Used vehicle sales results were favorably impacted by higher truck pricing, as well as lower average quarterly inventory levels compared with the prior-year period. Commercial rental performance improved as a result of increasing market demand as well as Ryder's fleet right-sizing actions taken in 2009. As expected, retirement plan expense decreased in the first quarter of 2010, primarily due to strong

investment performance in 2009 versus 2008. Business segment NBT as a percentage of operating revenue was 3.2% in the first quarter of 2010, down 110 basis points compared with 4.3% in the same quarter a year ago.

Supply Chain Solutions

Ryder's Supply Chain Solutions (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. These solutions involve strategically designed processes that direct the movement of materials, funds and related information from the acquisition of raw materials to the delivery of finished products to the end user.

In the SCS business segment, first quarter 2010 total revenue was $294.2 million, up 10% from $267.3 million in the comparable period in 2009. First quarter 2010 operating revenue (revenue excluding subcontracted transportation) was $238.2 million, up 4% compared with $228.4 million in the comparable period a year ago. SCS total revenue and operating revenue comparisons benefited from a favorable foreign exchange rate impact of 4% and improved automotive volumes, partially offset by customer account rationalizations from the prior year.

The SCS business segment's NBT in the first quarter of 2010 was $7.0 million compared with $1.5 million in the same quarter of 2009, driven by improved automotive volumes. First quarter 2010 NBT for the business segment as a percentage of operating revenue was 2.9%, up 220 basis points compared with 0.7% in the same quarter of 2009.

Dedicated Contract Carriage

Ryder's Dedicated Contract Carriage (DCC) business segment provides customers with vehicles, drivers, management, and administrative support, with the assets committed to a specific customer for a contractual term. DCC supports customers with both basic and sophisticated logistics and transportation needs, including routing and scheduling, specialized driver services, and logistical engineering support.

In the DCC business segment, first quarter 2010 total revenue of $116.3 million was up 1% compared with $115.0 million in the first quarter of 2009, reflecting the pass-through of higher fuel costs. Operating revenue (revenue excluding subcontracted transportation) in the first quarter of 2010 was $112.0 million, down 1% compared with $112.7 million in the year-

earlier period, due to the impact of the non-renewal of customer contracts.

The DCC business segment's NBT in the first quarter of 2010 was $7.4 million, down 28% compared with $10.3 million in the first quarter of 2009. Business segment NBT was impacted by higher self-insurance costs, as well as accrued compensation expense and costs associated with new technology initiatives. Business segment NBT as a percentage of operating revenue was 6.6% in the first quarter of 2010, down 250 basis points compared with 9.1% in the year-earlier period.

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 2010, CSS costs were $42.4 million, up from $38.3 million in the year-earlier period reflecting higher spending for technology and professional services as well as accrued compensation expense.

Restructuring and Other Items

In the year-earlier period, pre-tax restructuring and other items totaled $6.7 million ($5.8 million after tax), or $0.10 per diluted share. The Company recognized a non-cash, pre-tax impairment charge in the first quarter of 2009 of $3.9 million (also $3.9 million after tax) related to an international supply chain facility. The Company also recognized $2.8 million ($1.9 million after tax) of employee-related costs associated with cost reduction actions undertaken beginning with the fourth quarter of 2008.

Income Taxes

The Company's effective income tax rate from continuing operations for the first quarter of 2010 was 42.8% of pre-tax earnings compared with 51.2% in the year-earlier period. The year-earlier period income tax rate was impacted by non-deductible foreign restructuring and other charges. Excluding these items, the Company's comparable effective income tax rate from continuing operations was 42.8% of pre-tax comparable earnings versus 42.6% in the year-earlier period.

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 typically 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.

Capital expenditures from continuing operations were $276.4 million for the first quarter of 2010, compared with $224.6 million in the same period of 2009. Net capital expenditures (including proceeds from the sale of assets) from continuing operations were $227.5 million, up 27% from $178.7 million in the same period of 2009. The increase in capital expenditures reflects planned spending to refresh the commercial rental fleet. The increase was partially offset by reduced full service lease vehicle spending due to lower new and replacement sales in the current global economic environment, as well as increased use of lease term extensions and used vehicle redeployments.

Cash Flow

Operating cash flow from continuing operations through March 31, 2010 was $271.5 million, up from $268.3 million in the same period of 2009. Total cash generated (including proceeds from used vehicle sales) from continuing operations through March 31, 2010, was $336.0 million, compared with $335.7 million in the same period of 2009. Free cash flow from continuing operations through March 31, 2010 was $135.9 million, up 62% from $83.7 million for the same period of 2009, primarily due to lower cash payments for vehicle spending.

The Company has in place a $100 million share repurchase program and a two million share anti-dilutive repurchase program. Under these programs, the Company repurchased and retired approximately 720,000 shares in the first quarter of 2010 at an aggregate cost of $25.1 million.

Leverage

Balance sheet debt as of March 31, 2010 decreased by $73.9 million compared with year-end 2009, due primarily to the utilization of free cash flow to repay debt. The leverage ratio for balance sheet debt as of March 31, 2010 was 172%, compared with 175% at year-end 2009. Total obligations to equity as of March 31, 2010 were 181%, compared with 183% at year-end 2009.

2010 Outlook

Commenting on Ryder's 2010 outlook, Mr. Swienton said, "We have begun to see some improvement in customer demand, primarily in our transactional Fleet Management Solutions products. We expect to see improving demand and pricing for our transactional commercial rental product throughout the year, as well as the benefit of actions taken to right-size the fleet in 2009. Used vehicle results should continue to improve due to lower inventory levels and better pricing. However, customers still remain cautious about making long-term financial commitments in the current business environment. Therefore, we have not yet seen a similar improvement in our contractual full service lease product, which historically lags our transactional services during a recovery. In our Supply Chain Solutions business, we expect the improvement of automotive volumes to continue to contribute to our performance through the remainder of the year. Lastly, our strong balance sheet positions us very well to pursue organic growth, acquisition opportunities, and stock repurchases."

He continued, "Taking these factors into consideration, we are revising our full-year 2010 earnings forecast to a range of $1.85 to $1.95 per share. Additionally, we are forecasting second quarter 2010 EPS of $0.45 to $0.50."

About Ryder

Ryder provides leading-edge transportation, logistics, and supply chain management solutions. Ryder's stock (NYSE: R) is a component of the Dow Jones Transportation Average and the Standard & Poor's 500 Index. Ryder ranks 426th on the FORTUNE 500 ®. 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. 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, further deterioration in economic conditions and freight demand, our ability to obtain adequate profit margins for our services, our inability to maintain current pricing levels due to soft economic conditions, continued decline in economic and market conditions affecting contractual lease demand, changes in market demand in the commercial rental market and the sale of used vehicles, customer acceptance or competition, customer retention levels, unexpected volume declines, automotive plant shutdowns and shift eliminations, loss of key customers in the Supply Chain Solutions (SCS) business segment, unexpected reserves or write-offs due to the deterioration of the credit worthiness or bankruptcy of customers, changes in financial, tax or regulatory requirements or changes in customers' business environments that will limit their ability to commit to long-term vehicle leases, a decrease in credit ratings, increased debt costs resulting from volatile financial markets, unfavorable market conditions affecting the timing and impact of share repurchases, lack of accretive acquisition opportunities, inability to achieve planned synergies and customer retention levels from acquisitions, labor strikes or work stoppages affecting our or our customers' business operations, adequacy of accounting estimates, reserves and accruals particularly with respect to pension, taxes, insurance and revenue, changes in general economic conditions, further decline in pension plan returns, changes in obligations relating to multi-employers plans, sudden or unusual changes in fuel prices, our ability to manage our cost structure, new accounting pronouncements, rules or interpretations, changes in government regulations including regulations regarding vehicle emissions 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. Additional information regarding non-GAAP financial measures can be found in our investor presentation for the quarter and in our reports filed with the SEC, which are available in the Investors area of our website at www.ryder.com.

Conference Call and Webcast Information:

Ryder's earnings conference call and webcast is scheduled for Wednesday, April 21, 2010, from 11:00 a.m. to 12:00 noon Eastern Time. Speakers will be Chairman and Chief Executive Officer Greg Swienton and Executive Vice President and Chief Financial Officer Robert Sanchez.

⇒ **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: RG6812177** and **Passcode: RYDER** .

⇒ **To access audio replays of the conference and view a presentation of Ryder's earnings results:** Dial 1-800-294-6360 (outside U.S. dial 1-402-220-9790) **,** 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, 2010 and 2009

(In millions, except per share amounts)

	Three Months	
	2010	2009
Revenue	$1,219.9	1,174.4
Operating expense	577.6	534.5
Salaries and employee-related costs	304.7	301.2
Subcontracted transportation	60.3	41.2
Depreciation expense	211.0	221.6
Gains on vehicle sales, net	(4.5)	(3.4)
Equipment rental	16.5	15.3
Interest expense	33.3	38.1
Miscellaneous (income) expense, net	(1.5)	0.6
Restructuring and other charges, net	—	2.8
	1,197.4	1,152.0
Earnings from continuing operations before income taxes	22.5	22.4
Provision for income taxes	(9.6)	(11.5)
Earnings from continuing operations	12.9	10.9
Loss from discontinued operations, net of tax	(0.5)	(4.1)
Net earnings	$ 12.4	6.8
Earnings (loss) per common share — Diluted		
Continuing operations	$ 0.24	0.20
Discontinued operations	(0.01)	(0.08)
Net earnings	$ 0.23	0.12
Weighted-average shares outstanding — Diluted	52.7	55.3
Memo:		
Comparable earnings per share from continuing operations:		
EPS from Continuing Operations	$ 0.24	0.20
International Asset Impairment	—	0.07
Restructuring Charges	—	0.03
Comparable EPS from continuing operations	$ 0.24	0.30

Note: Amounts may not be additive due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS — UNAUDITED
PRELIMINARY AND SUBJECT TO RECLASSIFICATION
(Dollars in millions)

	March 31, 2010	December 31, 2009
Assets:		
Cash and cash equivalents	$ 115.1	98.5
Other current assets	772.0	781.8
Revenue earning equipment, net	4,184.8	4,178.7
Operating property and equipment, net	541.3	543.9
Other assets	649.4	656.9
	$6,262.7	6,259.8
Liabilities and shareholders' equity:		
Short-term debt and current portion of long-term debt	$ 206.9	232.6
Other current liabilities	722.7	617.7
Long-term debt	2,216.9	2,265.1
Other non-current liabilities (including deferred income taxes)	1,707.9	1,717.5
Shareholders' equity	1,408.2	1,427.0
	$6,262.7	6,259.8

SELECTED KEY RATIOS AND METRICS

	March 31, 2010	December 31, 2009
Debt to equity	172%	175%
Total obligations to equity *	181%	183%

	Three months ended March 31, 2010	2009
Cash provided by operating activities from continuing operations	$271.5	268.3
Free cash flow*	135.9	83.7
Capital expenditures paid	200.1	252.0
Capital expenditures (accrual basis)	276.4	224.6

	Twelve months ended March 31, 2010	2009
Return on average shareholders' equity	4.8%	9.2%
Return on average assets	1.1%	2.2%
Adjusted average return on capital *	4.1%	6.6%

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

Note: Amounts may not be additive due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES

BUSINESS SEGMENT REVENUE AND EARNINGS — UNAUDITED

Periods ended March 31, 2010 and 2009

(Dollars in millions)

	Three Months		
	2010	2009	B(W)
Revenue:			
Fleet Management Solutions:			
Full service lease	$ 479.4	491.6	(2)%
Contract maintenance	39.8	41.4	(4)%
Contractual revenue	519.2	532.9	(3)%
Contract-related maintenance	40.2	45.0	(11)%
Commercial rental	101.6	99.2	2%
Other	16.4	16.1	2%
Fuel	206.6	170.3	21%
Total Fleet Management Solutions	884.0	863.5	2%
Supply Chain Solutions	294.2	267.3	10%
Dedicated Contract Carriage	116.3	115.0	1%
Eliminations	(74.6)	(71.5)	(4)%
Total revenue	$1,219.9	1,174.4	4%
Operating Revenue: *			
Fleet Management Solutions	$ 677.4	693.2	(2)%
Supply Chain Solutions	238.2	228.4	4%
Dedicated Contract Carriage	112.0	112.7	(1)%
Eliminations	(40.0)	(43.5)	8%
Total operating revenue	$ 987.6	990.8	0%
Business segment earnings:			
Earnings from continuing operations before income taxes:			
Fleet Management Solutions	$ 21.7	30.0	(28)%
Supply Chain Solutions	7.0	1.5	362%
Dedicated Contract Carriage	7.4	10.3	(28)%
Eliminations	(4.7)	(5.6)	16%
	31.4	36.1	(13)%
Unallocated Central Support Services	(8.9)	(7.0)	(27)%
Earnings from continuing operations before restructuring and other items and income taxes	22.5	29.1	(23)%
Restructuring and other charges, net and other items	—	(6.7)	NM
Earnings from continuing operations before income taxes	22.5	22.4	0%
Provision for income taxes	(9.6)	(11.5)	16%
Earnings from continuing operations	$ 12.9	10.9	18%

* Non-GAAP financial measure

Note: Amounts may not be additive due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES

BUSINESS SEGMENT INFORMATION — UNAUDITED

Periods ended March 31, 2010 and 2009

(Dollars in millions)

	Three Months		
	2010	2009	B(W)
Fleet Management Solutions			
Total revenue	$ 884.0	863.5	2%
Fuel revenue	(206.6)	(170.3)	21%
Operating revenue *	$ 677.4	693.2	(2)%
Segment earnings before income taxes	$ 21.7	30.0	(28)%
Earnings before income taxes as % of total revenue	2.5%	3.5%	
Earnings before income taxes as % of operating revenue *	3.2%	4.3%	
Supply Chain Solutions			
Total revenue	$ 294.2	267.3	10%
Subcontracted transportation	(56.0)	(38.9)	44%
Operating revenue *	$ 238.2	228.4	4%
Segment earnings before income taxes	$ 7.0	1.5	362%
Earnings before income taxes as % of total revenue	2.4%	0.6%	
Earnings before income taxes as % of operating revenue *	2.9%	0.7%	
Memo: Fuel costs	$ 18.5	14.3	(29)%
Dedicated Contract Carriage			
Total revenue	$ 116.3	115.0	1%
Subcontracted transportation	(4.3)	(2.3)	89%
Operating revenue *	$ 112.0	112.7	(1)%
Segment earnings before income taxes	$ 7.4	10.3	(28)%
Earnings before income taxes as % of total revenue	6.3%	8.9%	
Earnings before income taxes as % of operating revenue *	6.6%	9.1%	
Memo: Fuel costs	$ 19.4	16.0	(21)%

* Non-GAAP financial measure

Note: Amounts may not be additive due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES

NON-GAAP FINANCIAL MEASURE RECONCILIATIONS — PRELIMINARY AND UNAUDITED

(Dollars in millions)

	Three months ended March 31,	
	2010	2009
OPERATING REVENUE RECONCILIATION		
Total revenue	$1,219.9	1,174.4
Fuel services and subcontracted transportation revenue	(266.9)	(211.5)
Fuel eliminations	34.6	27.9
Operating revenue *	$ 987.6	990.8

	March 31, 2010	% to Equity	December 31, 2009	% to Equity
DEBT TO EQUITY RECONCILIATION				
On-balance sheet debt	$2,423.8	172%	2,497.7	175%
Off-balance sheet debt — PV of minimum lease payments and guaranteed residual values under operating leases for vehicles (a)	120.8		118.8	
Total obligations *	$2,544.6	181%	2,616.5	183%

	Three months ended March 31,	
	2010	2009
CASH FLOW RECONCILIATION		
Net cash provided by operating activities from continuing operations	$ 271.5	268.3
Proceeds from sales (primarily revenue earning equipment)	49.0	45.9
Collections on direct finance leases	15.6	21.5
Total cash generated *	336.0	335.7
Capital expenditures	(200.1)	(252.0)
Free cash flow *	$ 135.9	83.7

	Twelve months ended March 31,	
	2010	2009
RETURN ON CAPITAL RECONCILIATION		
Net earnings (12-month rolling period)	$ 67.5	150.6
+ Restructuring and other items	22.2	78.4
+ Income taxes	52.0	125.4
Adjusted earnings before income taxes	141.7	354.4
+ Adjusted interest expense (b)	144.0	165.0
- Adjusted income taxes	(116.7)	(207.0)
= Adjusted net earnings for ROC (numerator)	$ 168.9	312.4
Average total debt	$2,593.0	2,899.1
Average off-balance sheet debt	132.7	165.3
Average shareholders' equity	1,415.9	1,642.5
Adjustment to equity (c)	10.6	17.6
Adjusted average total capital (denominator)	$4,152.2	4,724.5
Adjusted average ROC *	4.1%	6.6%

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.

Certain prior period amounts have been reclassified to conform to current year presentation.

RYDER SYSTEM, INC. AND SUBSIDIARIES

NON-GAAP FINANCIAL MEASURE RECONCILIATIONS — PRELIMINARY AND UNAUDITED

(In millions, except per share amounts)

	Three Months 2009		
	Reported Earnings	Adjustments	Comparable Earnings
Revenue	$1,174.4	—	1,174.4
Operating expense	534.5		534.5
Salaries and employee-related costs	301.2		301.2
Subcontracted transportation	41.2		41.2
Depreciation expense (a)	221.6	(3.9)	217.7
Gains on vehicle sales, net	(3.4)		(3.4)
Equipment rental	15.3		15.3
Interest expense	38.1		38.1
Miscellaneous expense, net	0.6		0.6
Restructuring and other charges, net (b)	2.8	(2.8)	0.0
	1,152.0	(6.7)	1,145.3
Earnings from continuing operations before income taxes	22.4	6.7	29.1
Provision for income taxes (c)	(11.5)	(0.9)	(12.4)
Earnings from continuing operations	$ 10.9	5.8	16.7
Tax rate on continuing operations	51.2%		42.6%
Earnings per common share — Diluted:			
Continuing operations	$ 0.20	0.10	0.30

Notes regarding adjustments:

(a) International asset impairment charge.

(b) Restructuring charges for severance and benefit costs related to workforce reductions.

(c) Tax charges related to restructuring and other items.

Note: Amounts may not be additive due to rounding.

Exhibit 99.2

First Quarter 2010

Earnings Conference Call

April 21, 2010

Safe Harbor

Certain statements and information included in this presentation are "forward-looking statements" under the Federal Private Securities Litigation Reform Act of 1995. Accordingly, these forward-looking statements should be evaluated with consideration given to the many risks and uncertainties inherent in our business that could cause actual results and events to differ materially from those in the forward-looking statements. Important factors that could cause such differences include, among others, further deterioration in economic conditions and freight demand, our ability to obtain adequate profit margins for our services, our inability to maintain current pricing levels due to soft economic conditions, continued decline in economic and market conditions affecting contractual lease demand, changes in market demand in the commercial rental market and the sale of used vehicles, customer acceptance or competition, customer retention levels, unexpected volume declines, automotive plant shutdowns and shift eliminations, loss of key customers in the Supply Chain Solutions (SCS) business segment, unexpected reserves or write-offs due to the deterioration of the credit worthiness or bankruptcy of customers, changes in financial, tax or regulatory requirements or changes in customers' business environments that will limit their ability to commit to long-term vehicle leases, a decrease in credit ratings, increased debt costs resulting from volatile financial markets, unfavorable market conditions affecting the timing and impact of share repurchases, lack of accretive acquisition opportunities, inability to achieve planned synergies and customer retention levels from acquisitions, labor strikes or work stoppages affecting our or our customers' business operations, adequacy of accounting estimates, reserves and accruals particularly with respect to pension, taxes, insurance and revenue, changes in general economic conditions, further decline in pension plan returns, changes in obligations relating to multi-employers plans, sudden or unusual changes in fuel prices, our ability to manage our cost structure, new accounting pronouncements, rules or interpretations, changes in government regulations including regulations regarding vehicle emissions 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.

Contents

1st Quarter Results Overview

- **Earnings per diluted share from continuing operations were $0.24 in 1Q10 vs. $0.20 in 1Q09**
  - 1Q09 included a $0.10 charge related to restructuring and other items
- **Comparable earnings per share from continuing operations were $0.24 in 1Q10 vs. $0.30 in 1Q09**
- **Total revenue increased 4% vs. prior year, reflecting higher fuel prices and favorable foreign exchange rate movements, partially offset by lower fuel volumes**
- **Operating revenue remained flat vs. prior year as favorable foreign exchange rate movements offset lower full service lease revenue**

1st Quarter Results Overview

- **Fleet Management Solutions (FMS) total revenue up 2% (but operating revenue down 2%) vs. prior year**
  - Contractual revenue down 3%; down 4% excluding foreign exchange
    - Full service lease revenue down 2%, down 4% excluding foreign exchange
    - Contract maintenance revenue decreased 4%
  - Commercial rental revenue up 2%; flat excluding foreign exchange
  - Fuel revenue up 21% due primarily to price increase partially offset by volume decrease

- **FMS net before tax earnings (NBT) down 28%**
  - FMS NBT percent of operating revenue down 110 basis points to 3.2%

- **FMS earnings negatively impacted by lower full service lease performance (due to fewer units and higher maintenance costs on older fleet) and higher depreciation expense per unit, partially offset by better used vehicle results, improved commercial rental results, and lower retirement plans expense**

1st Quarter Results Overview

- **Supply Chain Solutions (SCS) total revenue up 10% vs. prior year due to higher automotive volumes and favorable foreign exchange rate movements**
  - SCS operating revenue up 4% reflecting favorable foreign exchange rate movements and higher automotive volumes, partially offset by customer account rationalization from prior year
- **SCS net before tax earnings (NBT) were $7.0M**
  - SCS NBT percent of operating revenue up 220 basis points to 2.9%
- **SCS earnings benefited from improved automotive volumes**
- **Dedicated Contract Carriage (DCC) total revenue up 1% due to higher fuel cost pass-throughs; however, operating revenue down 1% due to contract non-renewals**
- **DCC net before tax earnings (NBT) down 28%**
  - DCC NBT percent of operating revenue down 250 basis points to 6.6%
- **DCC earnings negatively impacted by higher self-insurance costs, accrued compensation expense and costs associated with new technology initiatives**

Key Financial Statistics

First Quarter

($ Millions, Except Per Share Amounts)

	2010	2009	% B/(W)
Operating Revenue [1]	$ 987.6	$ 990.8	0%
Fuel Services and Subcontracted Transportation Revenue	232.3	183.6	27%
Total Revenue	$ 1,219.9	$ 1,174.4	4%
Earnings Per Share From Continuing Operations	$ 0.24	$ 0.20	20%
Comparable Earnings Per Share From Continuing Operations [1]	$ 0.24	$ 0.30	(20)%
Earnings Per Share [2]	$ 0.23	$ 0.12	92%
Memo:			
Average Shares (*Millions*) - Diluted	52.7	55.3	
Tax Rate	42.8%	51.2%	
Comparable Tax Rate [1]	42.8%	42.6%	
Adjusted Return on Capital (*Trailing 12 Month*) [1]	4.1%	6.6%	

Note: Amounts throughout presentation may not be additive due to rounding.
(1) Non-GAAP financial measure; refer to Appendix - Non-GAAP Financial Measures.
(2) Includes discontinued operations and restructuring charges.

Business Segments

First Quarter

($ Millions)

	2010	2009	% B/(W)	Memo: Total Revenue 2010	Memo: Total Revenue 2009	Memo: Total Revenue % B/(W)
Operating Revenue: [1]						
Fleet Management Solutions	$ 677.4	$ 693.2	(2)%	$ 884.0	$ 863.5	2%
Supply Chain Solutions	238.2	228.4	4%	294.2	267.3	10%
Dedicated Contract Carriage	112.0	112.7	(1)%	116.3	115.0	1%
Eliminations	(40.0)	(43.5)	8%	(74.6)	(71.5)	(4)%
Total	$ 987.6	$ 990.8	0%	$ 1,219.9	$ 1,174.4	4%
Segment Net Before Tax Earnings:						
Fleet Management Solutions	$ 21.7	$ 30.0	(28)%			
Supply Chain Solutions	7.0	1.5	362%			
Dedicated Contract Carriage	7.4	10.3	(28)%			
Eliminations	(4.7)	(5.6)	16%			
	31.4	36.1	(13)%			
Central Support Services (Unallocated Share)	(8.9)	(7.0)	(27)%			
Earnings Before Restructuring and Income Taxes [1]	22.5	29.1	(23)%			
Restructuring and Other Charges, Net and Other Items [2]	-	(6.7)	NM			
Earnings Before Income Taxes	22.5	22.4	0%			
Provision for Income Taxes	(9.6)	(11.5)	16%			
Earnings from Continuing Operations	$ 12.9	$ 10.9	18%			
Comparable Earnings from Continuing Operations [1]	$ 12.9	$ 16.7	(23)%			
Net Earnings	$ 12.4	$ 6.8	81%			

(1) Non-GAAP financial measure; refer to Appendix - Non-GAAP Financial Measures.

(2) Our primary measure of segment financial performance excludes restructuring and other charges, net and other items. The applicable portion of the restructuring and other items that related to each segment was as follows: FMS – ($1.7), SCS – ($4.8), DCC – ($0.1) and CSS – ($0.1) in 2009.

Capital Expenditures from Continuing Operations

First Quarter

($ Millions)

	2010	2009	2010 $ O/(U) 2009
Full Service Lease	$ 121	$ 206	$ (85)
Commercial Rental	142	4	138
Operating Property and Equipment	13	15	(2)
Gross Capital Expenditures	276	225	51
Less: Proceeds from Sales (Primarily Revenue Earning Equipment)	49	46	3
Net Capital Expenditures	$ 227	$ 179	$ 48
Memo: Acquisitions	$ 2	$ 85	$ (83)

Cash Flow from Continuing Operations

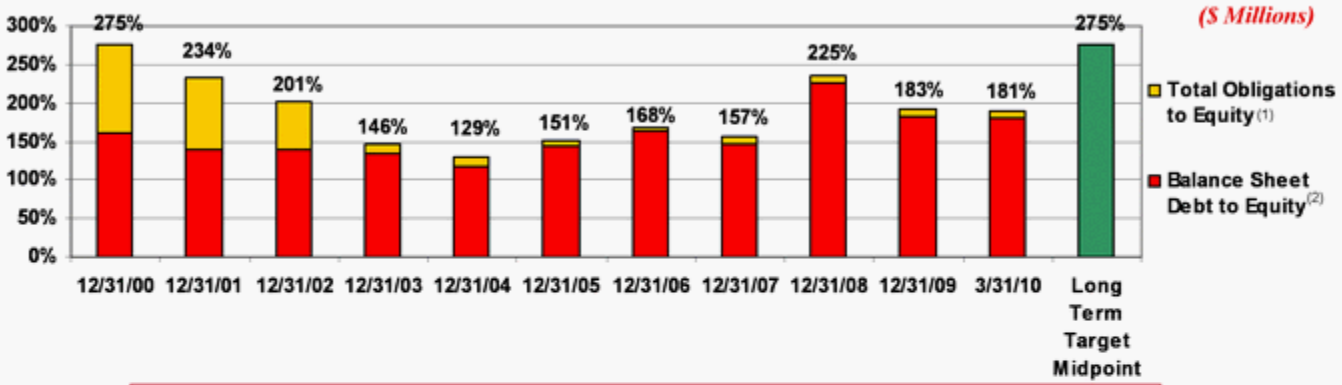
($ Millions)

First Quarter

	2010	2009
Earnings	$ 13	$ 11
Depreciation	211	222
Gains on Vehicle Sales, Net	(5)	(3)
Amortization and Other Non-Cash Charges, Net	14	14
Pension Contributions	4	4
Changes in Working Capital and Deferred Taxes	34	21
Cash Provided by Operating Activities	271	268
Proceeds from Sales (Primarily Revenue Earning Equipment)	49	46
Collections of Direct Finance Leases	16	22
Total Cash Generated [1]	336	336
Capital Expenditures [2]	(200)	(252)
Free Cash Flow [1][3]	$ 136	$ 84

(1) Non-GAAP financial measure; refer to Appendix – Non-GAAP Financial Measures.
(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.

Debt to Equity Ratio



	3/31/10	12/31/09	3/31/09
Balance Sheet Debt	$ 2,424	$ 2,498	$ 2,847
Percent To Equity	172%	175%	214%
Total Obligations (1)	$ 2,545	$ 2,617	$ 2,995
Percent To Equity (1)	181%	183%	226%
Total Equity	$ 1,408	$ 1,427	$ 1,328

Note: Includes impact of accumulated net pension related equity charge of $409 million as of 3/31/10, $412 million as of 12/31/09 and $477 million as of 3/31/09.

(1) The Company uses total obligations and total obligations to equity, non-GAAP financial measures, which include certain off-balance sheet financial obligations relating to revenue earning equipment. Management believes these non-GAAP financial measures are useful to investors as they are more complete measures of the Company's existing financial obligations and help investors better assess the Company's overall leverage position. Total obligations include the present value of minimum lease payments and guaranteed residual values under operating leases of $121 million as of 3/31/10, $119 million as of 12/31/09 and $148 million as of 3/31/09.

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

Contents

- First Quarter 2010 Results Overview
- Asset Management Update
- Earnings Outlook
- Q & A

Global Asset Management Update [1]

- Units held for sale were 6,800 at quarter end; down 28% from 9,500 units held for sale in the prior year
  - Units held for sale were down 1% from 6,900 at the end of the prior quarter
- The number of used vehicles sold in the first quarter was 4,700, up 4% compared with prior year
  - Number of used vehicles sold were down 10% from 5,200 at the end of the prior quarter
- Proceeds per unit were down 4% for tractors and up 12% for trucks in the first quarter compared with prior year (excluding the impact of exchange rates)
  - Proceeds per unit were up 7% for tractors and 15% for trucks vs. the prior quarter
- Vehicles no longer earning revenue were 9,800 at quarter end; down 4,200 or 30% from the prior year
  - Vehicles no longer earning were flat vs. the prior quarter
- Average first quarter total commercial rental fleet was down 12% year-over-year

[1] Units rounded to nearest hundred.

Contents

EPS Forecast – Continuing Operations

($ Earnings Per Share)

- Revising full year 2010 forecast range
- Current forecast is as follows:

	Second Quarter	Full Year
2010 EPS Forecast	**$ 0.45 - 0.50**	**$ 1.85 - 1.95**
2009 Comparable EPS [1]	**$ 0.48**	**$ 1.70**

(1) Non-GAAP financial measure. (Comparable EPS in FY09 excludes an International impairment charge of $0.12, tax benefits of $0.11 and restructuring charges of $0.07).

Q&A

Appendix

Business Segment Detail

Central Support Services

Balance Sheet

Asset Management

Financial Indicators Forecast

Non GAAP Financial Measures & Reconciliations

Fleet Management Solutions (FMS)

First Quarter

($ Millions)

	2010	2009	% B/(W)
Full Service Lease	$ 479.4	$ 491.6	(2)%
Contract Maintenance	39.8	41.4	(4)%
Contractual Revenue	519.2	532.9	(3)%
Contract-related Maintenance	40.2	45.0	(11)%
Commercial Rental	101.6	99.2	2%
Other	16.4	16.1	2%
Operating Revenue	677.4	693.2	(2)%
Fuel Services Revenue	206.6	170.3	21%
Total Revenue	$ 884.0	$ 863.5	2%
Segment Net Before Tax Earnings (NBT)	$ 21.7	$ 30.0	(28)%
Segment NBT as % of Total Revenue	2.5%	3.5%	
Segment NBT as % of Operating Revenue	3.2%	4.3%	

Supply Chain Solutions (SCS)

First Quarter

($ Millions)

	2010	2009	% B/(W)
U.S. Operating Revenue:			
Automotive	$ 84.7	$ 79.1	7%
High-Tech & Consumer	57.4	62.3	(8)%
Industrial & Other	29.2	31.0	(6)%
U.S. Operating Revenue	171.3	172.4	(1)%
International Operating Revenue	66.9	56.0	19%
Operating Revenue	238.2	228.4	4%
Subcontracted Transportation	56.0	38.9	44%
Total Revenue	$ 294.2	$ 267.3	10%
Segment Net Before Tax Earnings (NBT)	$ 7.0	$ 1.5	362%
Segment NBT as % of Total Revenue	2.4%	0.6%	
Segment NBT as % of Operating Revenue	2.9%	0.7%	
Memo: Fuel Costs	$ 18.5	$ 14.3	(29)%

Dedicated Contract Carriage (DCC)

First Quarter

($ Millions)

	2010	2009	% B/(W)
Operating Revenue	$ 112.0	$ 112.7	(1)%
Subcontracted Transportation	4.3	2.3	89%
Total Revenue	$ 116.3	$ 115.0	1%
Segment Net Before Tax Earnings (NBT)	$ 7.4	$ 10.3	(28)%
Segment NBT as % of Total Revenue	6.3%	8.9%	
Segment NBT as % of Operating Revenue	6.6%	9.1%	
Memo: Fuel Costs	$ 19.4	$ 16.0	(21)%

Central Support Services (CSS)

First Quarter

($ Millions)

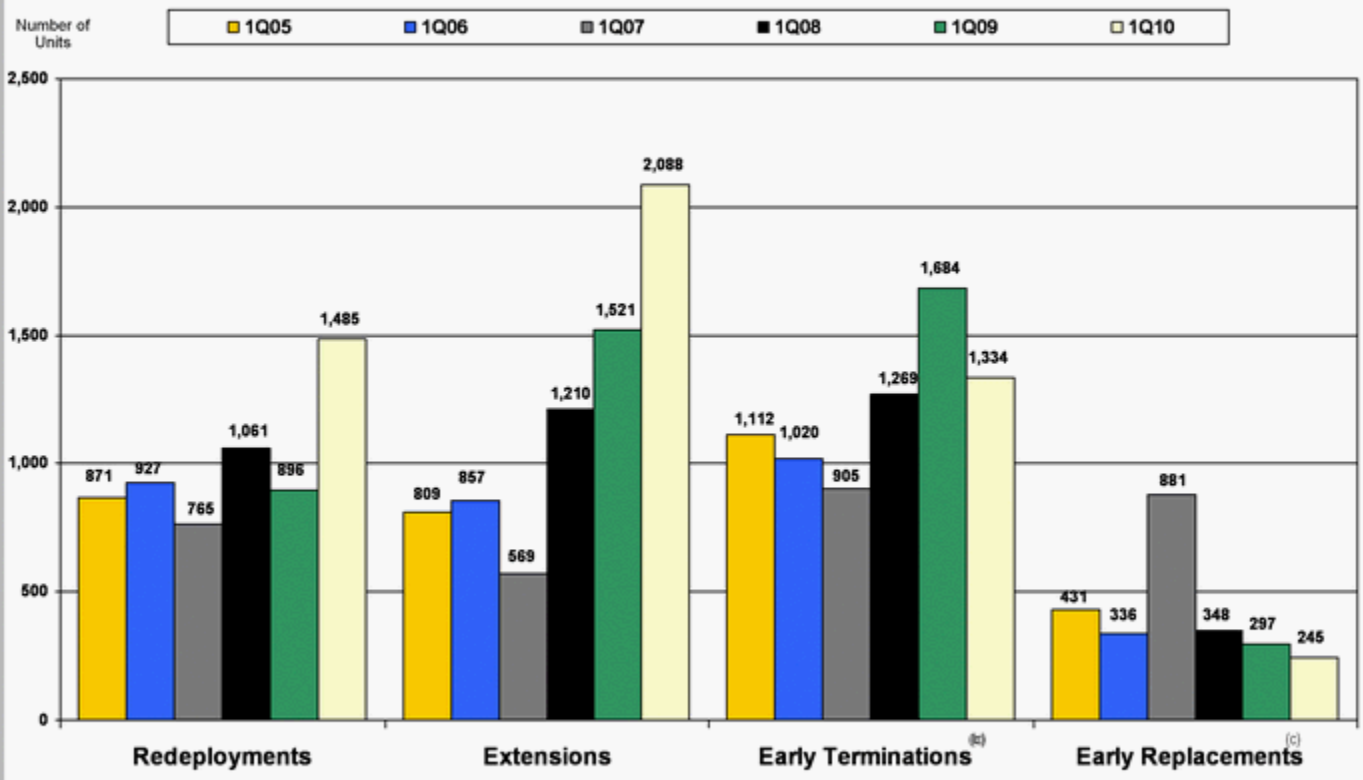
	2010	2009	% B/(W)
Allocated CSS Costs	$ 33.5	$ 31.3	(7)%
Unallocated CSS Costs	8.9	7.0	(27)%
Total CSS Costs	$ 42.4	$ 38.3	(11)%

Balance Sheet

($ Millions)

	March 31, 2010	December 31, 2009
Cash and Cash Equivalents	$ 115	$ 99
Other Current Assets	772	782
Revenue Earning Equipment, Net	4,185	4,179
Operating Property and Equipment, Net	541	544
Other Assets	649	657
Total Assets	$ 6,263	$ 6,260
Short-Term Debt / Current Portion Long-Term Debt	$ 207	$ 233
Other Current Liabilities	723	618
Long-Term Debt	2,217	2,265
Other Non-Current Liabilities	1,708	1,717
Shareholders' Equity	1,408	1,427
Total Liabilities and Shareholders' Equity	$ 6,263	$ 6,260

U.S. Asset Management Update [a]



(a) U.S. only

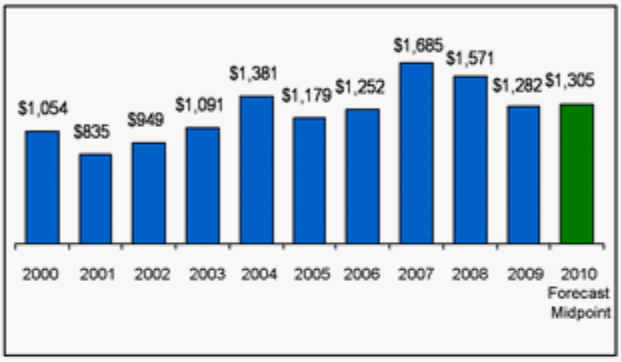
(b) Excludes early terminations where customer purchases vehicle

(c) Current year statistics may exclude some units due to a lag in reporting

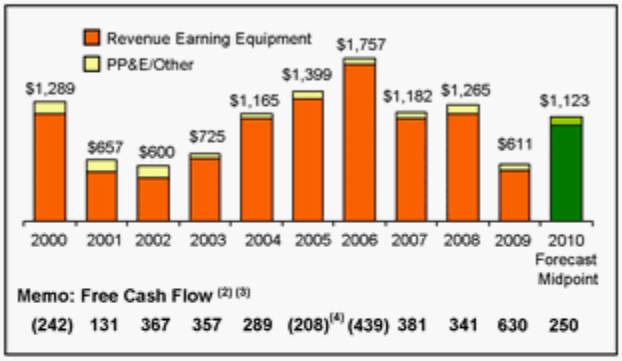
Financial Indicators Forecast [1]

($ Millions)

Total Cash Generated [2] [3]



Gross Capital Expenditures [3]



Total Obligations to Equity Ratio [2]

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

(1) Obligations to Equity include acquisitions. Free Cash Flow and Gross Capital Expenditures exclude acquisitions.
(2) Non-GAAP financial measure; refer to Appendix - Non-GAAP Financial Measures.
(3) 2000-2004 not restated for discontinued operations.
(4) Includes $176 million payment to the IRS related to full resolution of 1998 - 2000 tax period matters.

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 and an explanation why management believes that presentation of the non-GAAP financial measure provides useful information to investors. 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	7
Earnings Before Restructuring and Income Taxes	Earnings before income taxes from Continuing Operations	Business Segments	8
Comparable Earnings / EPS from Continuing Operations	Earnings / EPS from Continuing Operations	EPS, Earnings and Tax Rate from Continuing Operations Reconciliation	26
Comparable NBT / Tax Rate	NBT / Tax Rate	EPS, Earnings and Tax Rate from Continuing Operations Reconciliation	26
Adjusted Return on Capital	Net Earnings	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 Ratio Debt to Equity Reconciliation	11 28-29
FMS / SCS / DCC Operating Revenue and Segment NBT as % of Operating Revenue	FMS / SCS / DCC Total Revenue and Segment NBT as % of Total Revenue	Fleet Management Solutions / Supply Chain Solutions / Dedicated Contract Carriage	18-20

EPS, Earnings and Tax Rate from Continuing Operations Reconciliation

($ Millions or $ Earnings Per Share)

	1Q09 - Earnings	1Q09 - EPS
Reported	$ 10.9	$ 0.20
Int'l Asset Impairment	3.9	0.07
Restructuring Charges	1.9	0.03
Comparable	$ 16.7	$ 0.30

	1Q09 - NBT	1Q09 - Tax	1Q09 - Tax Rate
Reported	$ 22.4	$ 11.5	51.2%
Int'l Asset Impairment	3.9	-	
Restructuring Charges	2.8	0.9	
Comparable	$ 29.1	$ 12.4	42.6%

Adjusted Return on Capital Reconciliation

($ Millions)

	3/31/10	3/31/09
Net Earnings [1]	$ 68	$ 151
Restructuring and Other Charges, Net and Other Items	22	78
Income Taxes	52	125
Adjusted Earnings Before Income Taxes	142	354
Adjusted Interest Expense [2]	144	165
Adjusted Income Taxes [3]	(117)	(207)
Adjusted Net Earnings	$ 169	$ 312
Average Total Debt	$ 2,593	$ 2,899
Average Off-Balance Sheet Debt	133	165
Average Adjusted Total Shareholders' Equity	1,416	1,643
Average Adjustments to Shareholders' Equity [4]	11	18
Adjusted Average Total Capital	$ 4,152	$ 4,725
Adjusted Return on Capital [5]	4.1%	6.6%

[1] Earnings calculated based on a 12-month rolling period.
[2] Interest expense includes implied interest on off-balance sheet vehicle obligations.
[3] Income taxes were calculated by excluding taxes related to comparable earnings items and interest expense.
[4] Represents comparable earnings items for those periods.
[5] The Company adopted adjusted return on capital, a non GAAP financial measure, as the Company believes that both debt (including off-balance sheet debt) and equity should be included in evaluating how effectively capital is utilized across the business.

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	3/31/09	% to Equity	3/31/10	% to Equity
Balance Sheet Debt	$2,863	213%	$2,498	175%	$2,847	214%	$2,424	172%
Receivables Sold	-		-		-		-	
PV of minimum lease payments and guaranteed residual values under operating leases for vehicles	163		119		148		121	
Total Obligations	$3,026	225%	$2,617	183%	$2,995	226%	$2,545	181%

Note: Amounts may not recalculate due to rounding.

Cash Flow Reconciliation

($ Millions)

	12/31/00 [4]	12/31/01 [4]	12/31/02 [4]	12/31/03 [4]	12/31/04 [4]	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	$ 1,000
Less: Changes in Balance of Trade Receivables Sold	(270)	235	110	-	-	-	-	-	-	-
Collections of Direct Finance Leases	67	66	66	61	64	69	65	62	61	66
Proceeds from Sales (Primarily Revenue Earning Equipment)	230	173	152	210	331	333	332	374	262	216
Proceeds from Sale and Leaseback of Assets	-	-	-	13	118	-	-	150	-	-
Other Investing, Net	4	(4)	4	4	1	-	2	2	-	-
Total Cash Generated [1]	1,054	835	949	1,091	1,381	1,179	1,252	1,685	1,571	1,282
Capital Expenditures [2]	(1,296)	(704)	(582)	(734)	(1,092)	(1,387)	(1,691)	(1,304)	(1,230)	(652)
Free Cash Flow [3][5]	$ (242)	$ 131	$ 367	$ 357	$ 289	$ (208)	$ (439)	$ 381	$ 341	$ 630
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) The Company uses total cash generated, a non-GAAP financial measure, because management considers it to be an important measure of comparative operating performance. Management believes total cash generated provides investors with an important measure of total cash inflows generated from our on-going business activities which include sales of revenue earning equipment, sales of operating property and equipment, sale and leaseback of revenue earning equipment, collections on direct finance leases and other cash inflows.

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

(3) The Company uses free cash flow, a non-GAAP financial measure, because management considers it to be an important measure of comparative operating performance. Management believes free cash flow provides investors with an important perspective on the cash available for debt service and shareholders after making capital investments required to support ongoing business operations. The calculation of free cash flow may be different from the calculation used by other companies and therefore comparability may be limited.

(4) Amounts have not been recasted for discontinued operations.

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

Cash Flow Reconciliation

(*$ Millions*)

	3/31/10	3/31/09
Cash Provided by Operating Activities	$ 271	$ 268
Collections of Direct Finance Leases	16	22
Proceeds from Sales (Primarily Revenue Earning Equipment)	49	46
Total Cash Generated [1]	336	336
Capital Expenditures [2]	(200)	(252)
Free Cash Flow [3][4]	$ 136	$ 84
Memo:		
Depreciation Expense	$ 211	$ 222
Gains on Vehicle Sales, Net	$ 5	$ 3

[1] The Company uses total cash generated, a non-GAAP financial measure, because management considers it to be an important measure of comparative operating performance. Management believes total cash generated provides investors with an important measure of total cash inflows generated from our on-going business activities which include sales of revenue earning equipment, sales of operating property and equipment, sale and leaseback of revenue earning equipment, collections on direct finance leases and other cash inflows.

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

[3] The Company uses free cash flow, a non-GAAP financial measure, because management considers it to be an important measure of comparative operating performance. Management believes free cash flow provides investors with an important perspective on the cash available for debt service and shareholders after making capital investments required to support ongoing business operations. The calculation of free cash flow may be different from the calculation used by other companies and therefore comparability may be limited.

[4] Free Cash Flow excludes acquisitions and changes in restricted cash.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