

# 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 27, 2006

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 <sup>th</sup> Street Miami, Florida		33178
(Address of Principal Executive Offices)		(Zip Code)
	(305) 500-3726	
	(Registrant's telephone number, including area code)	

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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## **Item 2.02 Results of Operations and Financial Condition**

On April 27, 2006, we issued a press release reporting our financial results for the three months ended March 31, 2006 (the “Press Release”). We also hosted a conference call and webcast on April 27, 2006 during which we made a presentation on our financial results for the three months ended March 31, 2006 (the “Presentation”). The Press Release and the Presentation are available on our website at [www.ryder.com](http://www.ryder.com).

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(c)Exhibits**

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

- Exhibit 99.1 Press Release, dated April 27, 2006, relating to Ryder System, Inc.’s financial results for the three months ended March 31, 2006.
- Exhibit 99.2 Presentation prepared for a conference call and webcast held on April 27, 2006, relating to Ryder System, Inc.’s financial results for the three months ended March 31, 2006.

## **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 27, 2006

RYDER SYSTEM, INC.  
(Registrant)

By: /s/ Mark T. Jamieson  
Mark T. Jamieson, Executive Vice  
President and Chief Financial Officer



## News Release

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**RYDER REPORTS FIRST QUARTER 2006 RESULTS**

*- First Quarter EPS of \$0.77, Up 20% on 14% Revenue Increase -  
- Full Year EPS Forecast Raised to \$3.82 to \$3.97 -*

**MIAMI, April 27, 2006** – Ryder System, Inc. (NYSE: R), a global leader in transportation and supply chain management solutions, today reported net earnings of \$47.6 million for the three-month period ended March 31, 2006, up 15% compared with \$41.5 million in the same period of 2005. Earnings per diluted share (EPS) were \$0.77 for the first quarter of 2006, up 20% compared with \$0.64 in the year-earlier period. All business segments reported improved results reflecting better operating performance and continuing leverage from revenue growth. EPS improvement also reflects the impact of a stock repurchase program completed in February of 2006.

Revenue for the first quarter of 2006 was \$1.50 billion, up 14% from \$1.32 billion in the comparable period last year with all business segments reporting revenue growth. Operating revenue (revenue excluding fuel and subcontracted transportation) in the first quarter of 2006 was \$1.06 billion, up 5% compared with \$1.01 billion in the year-earlier period. Fleet Management Solutions (FMS) business segment revenue grew 6% driven by higher fuel services revenue and full service lease contract growth. Supply Chain Solutions (SCS) business segment revenue grew 35% in the first quarter of 2006 driven by increased volume of managed subcontracted transportation as well as higher volumes and new and expanded business in all industry groups. Dedicated Contract Carriage (DCC) business segment revenue increased 8% due to new and expanded business and pricing increases associated with higher fuel costs.

EPS for the first quarter of 2006 included a one-time recovery of \$0.02 associated with the recognition of common stock received from mutual insurance companies in a prior year. EPS for the year-earlier quarter included a one-time recovery of \$0.02 associated with the reimbursement of project costs incurred in prior years.

“Our continued focus in the first quarter enabled us to exceed our forecast and again deliver higher earnings and organic operating revenue growth in every segment,” said Ryder Chairman and Chief Executive Officer Greg Swienton. “This consistent performance points to the strength and stability of our largely contract-based business model.”

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

Ryder’s primary measurement of business segment financial performance, Net Before Tax (NBT), allocates Central Support Services to each business segment and excludes restructuring 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 specific or short-term capacity needs.

In the FMS business segment, revenue in the first quarter of 2006 was \$981.2 million, up 6% compared with \$924.6 million in the year-earlier period. Fuel services revenue for the first quarter of 2006 increased 22% compared with the same period in 2005 due primarily to higher fuel pricing as a result of market cost increases. Operating revenue (revenue excluding fuel) in the first quarter of 2006 was \$699.4 million, up 1% compared with \$693.4 million in the year-earlier period. Full service lease revenue for the first quarter of 2006 was up 2% from the same period last year due primarily to growth in the U.S. business. Commercial rental revenue decreased 2% from the year-earlier period, reflecting an 8% smaller average fleet partially offset by higher pricing. Contract maintenance and contract-related maintenance revenue decreased 3% in the first quarter of 2006 compared with the same period last year, due primarily to lower transactional maintenance services.



The FMS business segment's NBT increased to \$74.9 million in the first quarter of 2006, up 6% compared with \$70.9 million in the same period of 2005. This improvement was related primarily to better North American lease and commercial rental performance and lower maintenance and depreciation costs. Those results were partially offset by higher interest due to planned higher debt levels and increased overhead costs, as well as lower margins in the Company's U.K. operations. First quarter 2005 NBT included a one-time reimbursement of approximately \$2 million in costs related to a project in prior years. Business segment NBT as a percentage of operating revenue was 10.7% in the first quarter of 2006, up 50 basis points compared with 10.2% in the same quarter a year ago.

### **Supply Chain Solutions**

Ryder's Supply Chain Solutions (SCS) business segment enables customers to improve shareholder value and their customers' satisfaction by enhancing supply chain performance and reducing costs. The solutions involve management of the logistics pipeline as a synchronized, integrated process – from raw material supply to finished goods distribution. By improving business processes and employing new technologies, the flow of goods and cash is made faster and consumes less capital.

In the SCS business segment, first quarter 2006 revenue totaled \$469.5 million, up 35% from \$346.8 million in the comparable period in 2005. Revenue grew primarily due to increased volume of managed subcontracted transportation, as well as higher volumes and new and expanded business in all industry groups. First quarter 2006 operating revenue (revenue excluding subcontracted transportation) was \$272.4 million, up 14% compared with \$238.1 million in the comparable period a year ago.

The SCS business segment's NBT was \$10.7 million in the first quarter of 2006, up 64% from \$6.5 million in the same quarter of 2005. Comparative business segment earnings benefited from higher volumes (including reduced automotive plant shutdowns) and new and expanded business in all U.S. industry groups in 2006. First quarter 2006 NBT for the business segment as a percentage of operating revenue was 3.9%, compared with 2.7% in the same quarter of 2005.

## **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 2006 revenue totaled \$138.7 million, up 8% compared with \$128.0 million in the first quarter of 2005. Operating revenue (revenue excluding subcontracted transportation) in the first quarter of 2006 was \$133.6 million, up 7% compared with \$124.8 million in the year-earlier period. Revenue grew due to new and expanded business and pricing increases associated with higher fuel costs.

The DCC business segment's NBT in the first quarter of 2006 was \$8.5 million, up 44% compared with \$5.9 million in the first quarter of 2005. Business segment NBT was positively impacted by new and expanded business, as well as lower safety costs. Business segment NBT as a percentage of operating revenue was 6.3% in the first quarter of 2006, compared with 4.7% 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. Substantially all CSS costs are allocated to the various business segments.

In the first quarter of 2006, CSS costs were \$44.6 million, compared with \$49.0 million in the year-earlier period. The first quarter 2006 decrease reflects lower information technology spending from ongoing cost containment initiatives and the one-time recovery of \$1.9 million associated with the recognition of common stock received from mutual insurance companies in a prior year.

## **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 Fleet Management Solutions business segment. The level of capital required to support the full service lease product line varies directly with customer contract signings for replacement vehicles and growth. These contracts are long-term agreements that result in predictable 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 excluding acquisition costs were \$368.9 million for the first quarter of 2006, compared with \$506.4 million in the same period of 2005. Net capital expenditures (including proceeds from sale of used vehicles) were \$279.9 million for the first quarter of 2006, down from \$428.0 million in the year-earlier period. The decrease in capital expenditures reflects the timing of the delivery of new rental vehicle orders in 2005, which occurred earlier than in the current year, and was partially offset by increased lease vehicle spending for replacement and expansion of customer fleets. The Company anticipates full-year 2006 capital expenditures to be approximately \$1.6 billion, up from \$1.4 billion in 2005, in order to support the planned replacement and expansion of vehicles assigned to long-term lease customers. Net capital expenditures for the full-year 2006 are expected to be approximately \$1.2 billion, up from \$1.1 billion in 2005.

## **Free Cash Flow and Leverage**

Free cash flow in the first quarter of 2006 was negative \$107.8 million and improved on a comparative basis from negative \$381.8 million for the year-earlier period, primarily due to lower capital spending and lower income tax payments as the year-earlier period included a \$176 million payment related to the 1998 to 2000 tax years. Balance sheet debt as of March 31, 2006 increased by \$113.4 million compared with year-end 2005, primarily due to negative free cash flow, and stock repurchases of \$66 million under a \$175 million share repurchase program completed in February 2006. The leverage ratio for balance sheet debt as of March 31, 2006 was 151%, compared with 143% at year-end 2005. Total obligations to equity as of March 31, 2006

were 159%, up from 151% at year-end 2005. The Company's long-term target range for total obligations to equity is 250% to 300%, which largely reflects the liquidity of the Company's vehicle portfolio and the substantial revenue component that is supported by long-term customer contracts related to those assets.

### **Outlook**

Commenting on Ryder's outlook, Mr. Swienton said, "Our sales and operations professionals helped Ryder deliver better than expected revenue and earnings for the first quarter and increased our momentum for delivering profitable revenue growth in all business segments in 2006."

He continued, "We are increasing our full-year 2006 forecast by \$0.07 to a range of \$3.82 to \$3.97 per share. We are forecasting second quarter EPS to be in the range of \$0.95 to \$1.00." Last year, in the second quarter, the Company earned \$0.86 per share, excluding a \$0.12 income tax benefit related to a change in Ohio income tax law.

### **About Ryder**

Ryder provides leading-edge transportation, logistics and supply chain management solutions worldwide. Ryder's product offerings range from full service leasing, commercial rental and programmed maintenance of vehicles to integrated services such as dedicated contract carriage and carrier management. Additionally, Ryder offers comprehensive supply chain solutions, consulting, lead logistics management services and e-Business solutions that support customers' entire supply chains, from inbound raw materials and parts through distribution and delivery of finished goods. Ryder serves customer needs throughout North America, Latin America, Europe and Asia.

The National Safety Council selected Ryder as the first transportation company to receive the Green Cross for Safety Medal – its highest honor – for exemplary commitment to workplace safety and corporate citizenship. For the eighth consecutive year, Ryder has been named a top five third-party logistics provider by *Inbound Logistics*.

Ryder's stock is a component of the Dow Jones Transportation Average and the Standard & Poor's 500 Index. Ryder ranks 375<sup>th</sup> on the *Fortune* 500 and 1,433<sup>rd</sup> on the *Forbes* Global 2000.

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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, our ability to obtain adequate profit margins for our services, our inability to maintain current pricing levels due to customer acceptance or competition, customer retention levels, unexpected volume declines, loss of key customers in the Supply Chain Solutions (SCS) business segment, our failure to successfully implement new growth initiatives in our FMS business segment, unexpected reserves or write-offs due to the deterioration of the credit worthiness or bankruptcy of certain customers in our SCS business segment, 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, changes in market conditions affecting the commercial rental market or the sale of used vehicles, labor strikes or work stoppages affecting our or our customers’ business operations, adequacy of accounting estimates and accruals, changes in general economic conditions, sudden changes in fuel prices, availability of qualified drivers, our ability to manage our cost structure, 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 and the attached financial schedules include certain non-GAAP financial measures as defined under SEC rules. We have denoted each non-GAAP financial measure in the attached financial schedules and have provided a reconciliation of each such measure to the most comparable GAAP measure. Additional information regarding non-GAAP financial measures can be found in our investor presentation for the quarter and in our reports filed with the SEC, which are available in the investors area of our website at [www.ryder.com](http://www.ryder.com).*

**Conference Call and Webcast Information:**

Ryder’s earnings conference call and webcast is scheduled for Thursday, April 27, 2006, from 11:00 a.m. to 12:00 noon Eastern Time. Speakers will be Chairman and Chief Executive Officer Greg Swinton and Executive Vice President and Chief Financial Officer Mark Jamieson.

- ⇒ **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/](http://www.mymeetings.com/nc/join/) using the **Conference Number: RH7588753** and **Passcode: RYDER** .
- ⇒ **To access audio replays of the conference and view a presentation of Ryder’s earnings results:** Dial 1-888-566-0619 (outside U.S. dial 1-402-998-0719) and use the **Passcode: 4427**, then view the presentation by visiting the Investors area of Ryder’s website at [www.ryder.com](http://www.ryder.com) .

**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS — UNAUDITED**

Periods ended March 31, 2006 and 2005  
(In millions, except per share amounts)

	Three Months	
	2006	2005
Revenue	<u>\$1,496.3</u>	<u>1,315.6</u>
Operating expense	661.3	610.4
Salaries and employee-related costs	337.5	307.6
Subcontracted transportation	202.2	111.9
Depreciation expense	178.2	181.4
Gains on vehicle sales, net	(12.8)	(12.8)
Equipment rental	24.9	27.3
Interest expense	31.4	27.0
Miscellaneous income, net	(5.4)	(4.3)
Restructuring and other recoveries, net	(0.2)	(0.1)
	<u>1,417.1</u>	<u>1,248.4</u>
Earnings before income taxes	79.2	67.2
Provision for income taxes	(31.6)	(25.7)
Net earnings	<u>\$ 47.6</u>	<u>41.5</u>
Earnings per common share — Diluted:		
Net earnings	<u>\$ 0.77</u>	<u>0.64</u>
Weighted-average shares outstanding — Diluted	<u>61.4</u>	<u>65.1</u>

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

**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED BALANCE SHEETS — UNAUDITED**  
**PRELIMINARY AND SUBJECT TO RECLASSIFICATION**  
(Dollars in millions)

	March 31, 2006	December 31, 2005
<b>Assets:</b>		
Cash and cash equivalents	\$ 75.6	128.7
Other current assets	1,080.9	1,035.1
Revenue earning equipment, net	3,909.1	3,794.4
Operating property and equipment, net	487.1	486.8
Other assets	572.6	588.3
	<u>\$6,125.3</u>	<u>6,033.3</u>

**Liabilities and shareholders' equity:**

Short-term debt / Current portion of long-term debt	\$ 263.0	269.4
Other current liabilities	951.3	984.0
Long-term debt	2,035.8	1,916.0
Other non-current liabilities (including deferred income taxes)	1,351.6	1,336.4
Shareholders' equity	<u>1,523.6</u>	<u>1,527.5</u>
	<u>\$6,125.3</u>	<u>6,033.3</u>

**SELECTED KEY RATIOS**

	March 31, 2006	December 31, 2005
Debt to equity	151%	143%
Total obligations to equity (a) *	159%	151%
	Twelve months ended March 31, 2006	2005
Return on average shareholders' equity (b)	15.0%	15.3%
Return on average assets (b)	3.9%	4.0%
Return on capital*	7.9%	7.7%

(a) Total obligations represent debt plus off-balance sheet equipment obligations.

(b) Includes discontinued operations and the effect of accounting changes.

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

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

**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**BUSINESS SEGMENT REVENUE AND EARNINGS — UNAUDITED**  
Periods ended March 31, 2006 and 2005  
(Dollars in millions)

	Three Months		
	2006	2005	B(W)
<b>Revenue:</b>			
Fleet Management Solutions:			
Full service lease	\$ 451.4	\$ 441.7	2.2%
Contract maintenance	32.7	33.4	(2.0%)
Contract-related maintenance	47.3	49.0	(3.6%)
Commercial rental	149.9	152.7	(1.8%)
Other	18.1	16.6	9.3%
Fuel	281.8	231.2	21.8%
Total Fleet Management Solutions	981.2	924.6	6.1%
Supply Chain Solutions	469.5	346.8	35.4%
Dedicated Contract Carriage	138.7	128.0	8.4%
Eliminations	(93.1)	(83.8)	(11.0%)
Total revenue	<u>\$1,496.3</u>	<u>1,315.6</u>	<u>13.7%</u>
<b>Business segment earnings:</b>			
Earnings before income taxes:			
Fleet Management Solutions	\$ 74.9	70.9	5.7%
Supply Chain Solutions	10.7	6.5	63.8%
Dedicated Contract Carriage	8.5	5.9	43.7%
Eliminations	(7.9)	(7.6)	(3.2%)
	86.2	75.7	13.9%
Unallocated Central Support Services	(7.2)	(8.6)	16.0%
Earnings before restructuring and other recoveries, net and income taxes	79.0	67.1	17.7%
Restructuring and other recoveries, net	0.2	0.1	137.3%
Earnings before income taxes	79.2	67.2	17.8%
Provision for income taxes	(31.6)	(25.7)	(22.9%)
Net earnings	<u>\$ 47.6</u>	<u>41.5</u>	<u>14.7%</u>

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

Amounts may not recalculate due to rounding.



**RYDER SYSTEM, INC. AND SUBSIDIARIES**  
**BUSINESS SEGMENT INFORMATION — UNAUDITED**  
Periods ended March 31, 2006 and 2005  
(Dollars in millions)

	2006	Three Months 2005	B(W)
<b>Fleet Management Solutions</b>			
Total revenue	\$ 981.2	924.6	6.1%
Fuel revenue	(281.8)	(231.2)	21.8%
Operating revenue *	<u>\$ 699.4</u>	<u>693.4</u>	<u>0.9%</u>
Segment earnings before income taxes	<u>\$ 74.9</u>	<u>70.9</u>	<u>5.7%</u>
Earnings before income taxes as % of total revenue	<u>7.6%</u>	<u>7.7%</u>	
Earnings before income taxes as % of operating revenue *	<u>10.7%</u>	<u>10.2%</u>	
<b>Supply Chain Solutions</b>			
Total revenue	\$ 469.5	346.8	35.4%
Subcontracted transportation	(197.1)	(108.7)	81.3%
Operating revenue *	<u>\$ 272.4</u>	<u>238.1</u>	<u>14.4%</u>
Segment earnings before income taxes	<u>\$ 10.7</u>	<u>6.5</u>	<u>63.8%</u>
Earnings before income taxes as % of total revenue	<u>2.3%</u>	<u>1.9%</u>	
Earnings before income taxes as % of operating revenue *	<u>3.9%</u>	<u>2.7%</u>	
Memo: Fuel costs	<u>\$ 24.9</u>	<u>20.2</u>	<u>(23.1%)</u>
<b>Dedicated Contract Carriage</b>			
Total revenue	\$ 138.7	128.0	8.4%
Subcontracted transportation	(5.1)	(3.2)	60.4%
Operating revenue *	<u>\$ 133.6</u>	<u>124.8</u>	<u>7.0%</u>
Segment earnings before income taxes	<u>\$ 8.5</u>	<u>5.9</u>	<u>43.7%</u>
Earnings before income taxes as % of total revenue	<u>6.1%</u>	<u>4.6%</u>	
Earnings before income taxes as % of operating revenue *	<u>6.3%</u>	<u>4.7%</u>	
Memo: Fuel costs	<u>\$ 25.0</u>	<u>20.6</u>	<u>(21.4%)</u>

\* Non-GAAP financial measure

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

Amounts may not recalculate due to rounding.

# RYDER SYSTEM, INC. AND SUBSIDIARIES

## NON-GAAP FINANCIAL MEASURE RECONCILIATIONS — PRELIMINARY AND UNAUDITED

(In millions, except per share amounts)

### FREE CASH FLOW RECONCILIATION

	Three months ended March 31	
	2006	2005
Net cash provided by (used in) operating activities	\$ 117.2	(22.6)
Net cash used in investing activities	(225.0)	(359.2)
Free cash flow *	<u>\$ (107.8)</u>	<u>(381.8)</u>

### DEBT TO EQUITY RECONCILIATION

	March 31, 2006	% to Equity	December 31, 2005	% to Equity
On-balance sheet debt	\$2,298.8	151%	\$ 2,185.4	143%
Off-balance sheet debt — PV of minimum lease payments and guaranteed residual values under operating leases for vehicles (a)	117.1		117.0	
Total obligations *	<u>\$2,415.9</u>	159%	<u>\$ 2,302.4</u>	151%

### RETURN ON CAPITAL RECONCILIATION

Reconciliation of Return On Capital (ROC) to the GAAP measure net earnings is as follows:

	Twelve months ended March 31	
	2006	2005
Net earnings * (12-month rolling period)	\$ 233.0	\$ 222.1
- Discontinued operations	(1.7)	—
+ Cumulative effect of changes in accounting principles	2.4	—
+ Income taxes	135.3	120.2
Adjusted earnings before income taxes	369.0	342.3
- Restructuring — gain on sale of headquarters	—	(23.4)
+ Adjusted interest expense (b)	131.5	109.2
- Adjusted income taxes (c)	(194.0)	(162.0)
= Adjusted net earnings for ROC (numerator)	<u>\$ 306.5</u>	<u>\$ 266.1</u>
Average total debt	\$2,214.8	\$1,847.3
+ Average off-balance sheet debt	136.8	157.2
+ Average adjusted total shareholders' equity (d)	1,551.9	1,450.4
= Adjusted average total capital (denominator)	<u>\$3,903.5</u>	<u>\$3,454.9</u>
Adjusted ROC	<u>7.9%</u>	<u>7.7%</u>

### EPS RECONCILIATION

	Three months ended June 30 2005
Earnings per share	\$ 0.98
Less: Tax change	0.12
Earnings per share excluding tax change *	<u>\$ 0.86</u>

#### Notes:

- (a) Discounted at the incremental borrowing rate at lease inception.
- (b) Interest expense includes implied interest on off-balance sheet vehicle obligations.
- (c) Income taxes was calculated using the effective income tax rate for the period exclusive of Ohio tax benefit recognized June 2005.
- (d) Represents shareholders' equity adjusted for discontinued operations, accounting changes and Ohio tax benefit in those periods.

\* Non-GAAP financial measure

Earnings per share amounts are calculated independently for each component and may not be additive due to rounding. Certain prior period amounts have been reclassified to conform to current year presentation.







## *First Quarter 2006*

### Earnings Conference Call

April 27, 2006

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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, our ability to obtain adequate profit margins for our services, our inability to maintain current pricing levels due to customer acceptance or competition, customer retention levels, unexpected volume declines, loss of key customers in the Supply Chain Solutions (SCS) business segment, our failure to successfully implement new growth initiatives in our FMS business segment, unexpected reserves or write-offs due to the deterioration of the credit worthiness or bankruptcy of certain customers in our SCS business segment, 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, changes in market conditions affecting the commercial rental market or the sale of used vehicles, labor strikes or work stoppages affecting our or our customers' business operations, adequacy of accounting estimates and accruals, changes in general economic conditions, sudden changes in fuel prices, availability of qualified drivers, our ability to manage our cost structure, 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.

- ▶ **First Quarter 2006 Results Overview**
- ▶ Asset Management Update
- ▶ Earnings Outlook
- ▶ Q & A





## 1st Quarter Results Overview

- ▶ **Earnings per diluted share were \$0.77, up 20% from \$0.64 in 1Q05**
  - 1Q06 includes \$0.02 one-time benefit from insurance company stock receipt in a prior year
  - 1Q05 includes \$0.02 one-time recovery of prior years' project costs from a customer
- ▶ **Total revenue up 14% and operating revenue up 5% reflecting growth in all business segments**
- ▶ **Fleet Management Solutions (FMS) total revenue up 6% and operating revenue up 1% vs. prior year**
  - Full service lease revenue increased 2%
  - Commercial rental revenue down 2%; higher pricing partially offsetting lower fleet count
- ▶ **FMS net before tax earnings (NBT) up 6%**
  - FMS NBT percent of operating revenue up 50 basis points to 10.7%
- ▶ **FMS earnings positively impacted by improved North American rental and lease results, partially offset by higher overhead costs and lower margins in the U.K. business**





## 1st Quarter Results Overview (cont'd)

- ▶ **Supply Chain Solutions (SCS) total revenue up 35% (and operating revenue up 14%) vs. prior year, reflecting increased managed subcontracted transportation, higher volumes, and new and expanded business**
- ▶ **SCS net before tax earnings (NBT) up 64%**
  - SCS NBT percent of operating revenue up 120 basis points to 3.9%
- ▶ **SCS earnings positively impacted by higher volumes, and new and expanded business**
- ▶ **Dedicated Contract Carriage (DCC) total revenue up 8% (and operating revenue up 7%) vs. prior year; increase due to new and expanded business as well as higher fuel costs passed through to customers**
- ▶ **DCC net before tax earnings (NBT) up 44%**
  - DCC NBT percent of operating revenue up 160 basis points to 6.3%
- ▶ **DCC earnings positively impacted by revenue growth from new and expanded business as well as lower safety costs**



## Key Financial Statistics

*(\$ Millions, Except Per Share Amounts)*

### First Quarter

	2006	2005	% B/(W)
Operating Revenue <sup>(1)(2)</sup>	\$ 1,057.5	\$ 1,007.7	5%
Fuel Services and Subcontracted Transportation Revenue	438.8	307.9	43%
Total Revenue	\$ 1,496.3	\$ 1,315.6	14%
Earnings Per Share	\$ 0.77	\$ 0.64	20%
<b>Memo:</b>			
Average Shares (Millions) - Diluted	61.4	65.1	
Tax Rate	39.9%	38.3%	
Adjusted Return on Capital <sup>(1)(3)</sup>	7.9%	7.7%	

<sup>(1)</sup> Non-GAAP financial measure; refer to Appendix - Non-GAAP Financial Measures.

<sup>(2)</sup> The Company uses operating revenue, a non-GAAP financial measure, to evaluate the operating performance of the business and as a measure of sales activity. Fuel services revenue net of related intersegment billings, which is directly impacted by fluctuations in market fuel prices, is excluded from the operating revenue computation as fuel is largely a pass-through to customers for which the Company realizes minimal changes in profitability during periods of steady market fuel prices. Subcontracted Transportation revenue is excluded from the operating revenue computation as it is largely a pass-through to customers and the Company realizes minimal changes in profitability as a result of fluctuations in Subcontracted Transportation.

<sup>(3)</sup> Calculated based on a 12-month rolling period.



## Business Segment

### First Quarter

(\$ Millions)

	2006	2005	% B/(W)
<b>Revenue:</b>			
Fleet Management Solutions	\$ 981.2	\$ 924.6	6%
Supply Chain Solutions	469.5	346.8	35%
Dedicated Contract Carriage	138.7	128.0	8%
Eliminations	(93.1)	(83.8)	(11)%
<b>Total Revenue</b>	<b>\$ 1,496.3</b>	<b>\$ 1,315.6</b>	<b>14%</b>
<b>Segment Net Before Tax Earnings:</b>			
Fleet Management Solutions	\$ 74.9	\$ 70.9	6%
Supply Chain Solutions	10.7	6.5	64%
Dedicated Contract Carriage	8.5	5.9	44%
Eliminations	(7.9)	(7.6)	(4)%
	86.2	75.7	14%
Central Support Services (Unallocated Share)	(7.2)	(8.6)	16%
<b>Earnings Before Restructuring and Income Taxes <sup>(1)</sup></b>	<b>79.0</b>	<b>67.1</b>	<b>18%</b>
<b>Restructuring and Other Recoveries, Net <sup>(2)</sup></b>	<b>0.2</b>	<b>0.1</b>	<b>137%</b>
<b>Earnings Before Income Taxes</b>	<b>79.2</b>	<b>67.2</b>	<b>18%</b>
<b>Provision for Income Taxes</b>	<b>31.6</b>	<b>25.7</b>	<b>(23)%</b>
<b>Net Earnings</b>	<b>\$ 47.6</b>	<b>\$ 41.5</b>	<b>15%</b>

<sup>(1)</sup> Non-GAAP financial measure; refer to Appendix - Non-GAAP Financial Measures.

<sup>(2)</sup> Allocation of Restructuring and Other Recoveries, Net across business segments was as follows: FMS - \$0.1 and SCS - \$0.1 in 2006; FMS - \$0.1 in 2005.



## Capital Expenditures

*(\$ Millions)*

### First Quarter

	<u>2006</u>	<u>2005</u>	<u>2006 O/(U) 2005</u>
Full Service Lease	\$ 278	\$ 272	\$ 6
Commercial Rental	77	211	(134)
Operating Property and Equipment	<u>14</u>	<u>23</u>	<u>(9)</u>
Gross Capital Expenditures	369	506	(137)
Less: Proceeds from Sales	<u>89</u>	<u>78</u>	<u>11</u>
Net Capital Expenditures	<u>\$ 280</u>	<u>\$ 428</u>	<u>\$ (148)</u>
 Memo: Acquisitions	 <u>\$ 4</u>	 <u>\$ 15</u>	 <u>\$ (11)</u>





## Free Cash Flow

### First Quarter

*(\$ Millions)*

	2006	2005
Net Earnings	\$ 47.6	\$ 41.5
Depreciation	178.2	181.4
Gains on Vehicle Sales, Net	(12.8)	(12.8)
Amortization and Other Non-Cash Charges/(Gains), Net	3.6	2.2
Changes in Working Capital and Deferred Taxes	(99.4)	(234.9)
Cash Provided by/(Used in) Operating Activities	117.2	(22.6)
Capital Expenditures <sup>(1)</sup>	(310.0)	(442.4)
Acquisitions	(4.1)	(14.5)
Proceeds from Sales	89.1	78.4
Collections of Direct Finance Leases	16.3	16.6
Other Investing, Net	(16.3)	2.7
Free Cash Flow <sup>(2)</sup>	\$ (107.8)	\$ (381.8)

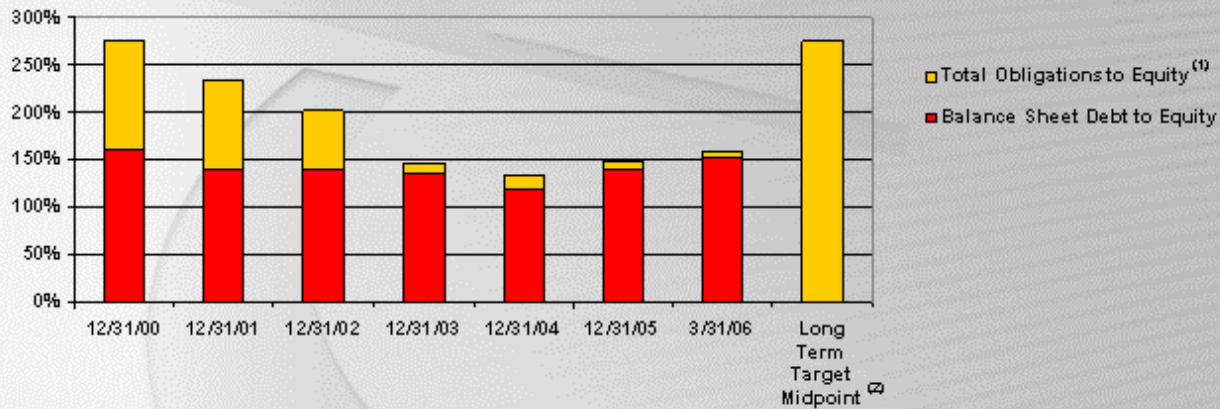
<sup>(1)</sup> Capital expenditures presented net of changes in accounts payable related to purchases of revenue earning equipment

<sup>(2)</sup> Non-GAAP financial measure; refer to Appendix – Non-GAAP Financial Measures



# Debt to Equity Ratio

(\$ Millions)



	3/31/06	12/31/05	3/31/05
<b>Balance Sheet Debt</b>	<b>\$ 2,298.8</b>	<b>\$ 2,185.4</b>	<b>\$ 2,165.3</b>
<b>Percent To Equity</b>	<b>151%</b>	<b>143%</b>	<b>142%</b>
<b>Total Obligations <sup>(1)</sup></b>	<b>\$ 2,415.9</b>	<b>\$ 2,302.4</b>	<b>\$ 2,326.6</b>
<b>Percent To Equity <sup>(1)</sup></b>	<b>159%</b>	<b>151%</b>	<b>152%</b>
<b>Total Equity</b>	<b>\$ 1,523.6</b>	<b>\$ 1,527.5</b>	<b>\$ 1,526.2</b>

Note: Includes impact of accumulated net pension related equity charge of \$221 million as of 3/31/06 and 12/31/05, and \$189 million as of 3/31/05.

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

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

- ▶ First Quarter 2006 Results Overview
- ▶ **Asset Management Update**
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- ▶ **The overall number of vehicles sold in the first quarter was 5,359; up 8% compared with prior year**
  - Used tractor retail sales proceeds up 4% per unit vs. prior year period
  - Used truck retail sales proceeds down 4% per unit vs. prior year period
- ▶ **Vehicles no longer earning (NLE) revenue are 6,859; down 1,066 or 13% vs. prior year, driven by both lower UTC inventory and process improvement in field operations**
  - 4,246 of these units are held for sale at the used truck centers
- ▶ **Commercial rental fleet down 2,416 units or 7% from prior year as planned**

Note: U.S. only



- ▶ First Quarter 2006 Results Overview
- ▶ Asset Management Update
- ▶ **Earnings Outlook**
- ▶ Q & A

*(\$ Earnings Per Share)*

- ▶ Increasing full year 2006 earnings forecast by \$0.07 to a range of \$3.82 to \$3.97 per share.
- ▶ Current forecast for EPS is as follows:

	<u>2nd Quarter</u>	<u>Full Year</u>
2006 EPS Forecast	<u>\$ 0.95 - 1.00</u>	<u>\$ 3.82 - 3.97</u>

# *Q & A*

**Business Segment Detail**

**Central Support Services**

**Balance Sheet**

**Asset Management**

**Financial Indicators Forecast**

**Non-GAAP Financial Measures & Reconciliations**





## Fleet Management Solutions (FMS)

(\$ Millions)

### First Quarter

	2006	2005	% B/(W)
Full Service Lease	\$ 451.4	\$ 441.7	2%
Contract Maintenance	32.7	33.4	(2)%
Contract-related Maintenance	47.3	49.0	(4)%
Commercial Rental	149.9	152.7	(2)%
Other	18.1	16.6	9%
Operating Revenue <sup>(a)</sup>	699.4	693.4	1%
Fuel Services Revenue	281.8	231.2	22%
Total Revenue	\$ 981.2	\$ 924.6	6%
Segment Net Before Tax Earnings (NBT)	\$ 74.9	\$ 70.9	6%
Segment NBT as % of Total Revenue	7.6%	7.7%	
Segment NBT as % of Operating Revenue <sup>(a)</sup>	10.7%	10.2%	

<sup>(a)</sup> The Company uses operating revenue, a non-GAAP financial measure, to evaluate the operating performance of the FMS business segment and as a measure of sales activity. Fuel services revenue, which is directly impacted by fluctuations in market fuel prices, is excluded from the operating revenue computation as fuel is largely a pass through to customers for which the Company realizes minimal changes in profitability during periods of steady market fuel prices. However, profitability may be positively or negatively impacted by sudden increases or decreases in market fuel prices during a short period of time as customer pricing for fuel services is established based on market fuel costs.



## Supply Chain Solutions (SCS)

(\$ Millions)

### First Quarter

	2006	2005	% B/(W)
U.S. Operating Revenue			
Automotive & Industrial	\$ 119.5	\$ 105.7	13%
High Tech & Consumer Industries	68.9	58.0	19%
Transportation Management	6.8	6.2	11%
U.S. Operating Revenue	195.2	169.9	15%
International Operating Revenue	77.2	68.2	13%
Operating Revenue <sup>(a)</sup>	272.4	238.1	14%
Subcontracted Transportation	197.1	108.7	81%
Total Revenue	\$ 469.5	\$ 346.8	35%
Segment Net Before Tax Earnings (NBT)	\$ 10.7	\$ 6.5	64%
Segment NBT as % of Total Revenue	2.3%	1.9%	
Segment NBT as % of Operating Revenue <sup>(a)</sup>	3.9%	2.7%	
Memo: Fuel Costs	\$ 24.9	\$ 20.2	23%

<sup>(a)</sup> The Company uses operating revenue, a non-GAAP financial measure, to evaluate the operating performance of the SCS business segment and as a measure of sales activity. Subcontracted Transportation is deducted from total revenue to arrive at operating revenue as Subcontracted Transportation is largely a pass through to customers. The Company realizes minimal changes in profitability as a result of fluctuations in Subcontracted Transportation.



## Dedicated Contract Carriage (DCC)

(\$ Millions)

### First Quarter

	<u>2006</u>	<u>2005</u>	<u>% B/(W)</u>
Operating Revenue <sup>(a)</sup>	\$ 133.6	\$ 124.8	7%
Subcontracted Transportation	5.1	3.2	60%
Total Revenue	<u>\$ 138.7</u>	<u>\$ 128.0</u>	<u>8%</u>
Segment Net Before Tax Earnings (NBT)	<u>\$ 8.5</u>	<u>\$ 5.9</u>	<u>44%</u>
Segment NBT as % of Total Revenue	<u>6.1%</u>	<u>4.6%</u>	
Segment NBT as % of Operating Revenue <sup>(a)</sup>	<u>6.3%</u>	<u>4.7%</u>	
Memo: Fuel Costs	<u>\$ 25.0</u>	<u>\$ 20.6</u>	<u>21%</u>

<sup>(a)</sup> The Company uses operating revenue, a non-GAAP financial measure, to evaluate the operating performance of the DCC business segment and as a measure of sales activity. Subcontracted Transportation is deducted from total revenue to arrive at operating revenue as Subcontracted Transportation is largely a pass through to customers. The Company realizes minimal changes in profitability as a result of fluctuations in Subcontracted Transportation.



## Central Support Services (CSS)

*(\$ Millions)*

### First Quarter

	<u>2006</u>	<u>2005</u>	<u>% B/(W)</u>
Allocated CSS Costs	\$ 37.4	\$ 40.4	8%
Unallocated CSS Costs	7.2	8.6	16%
Total CSS Costs	<u>\$ 44.6</u>	<u>\$ 49.0</u>	<u>9%</u>





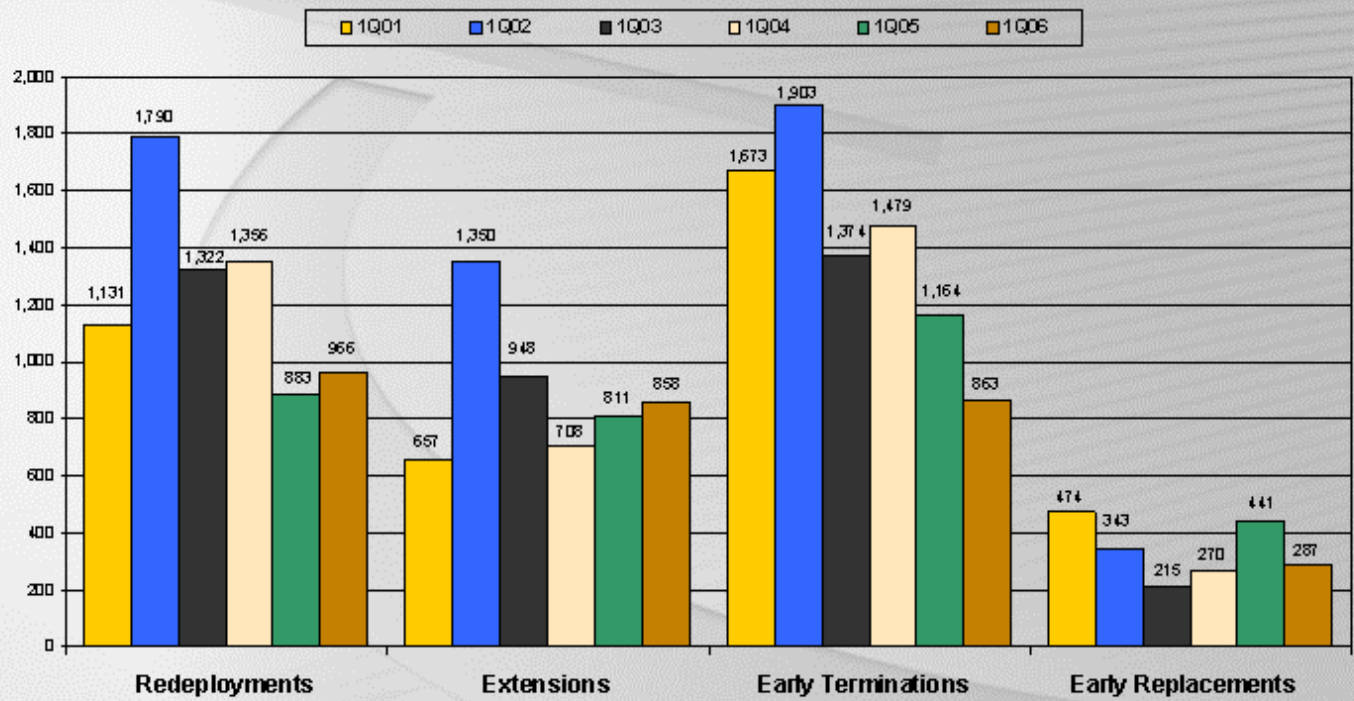
## Balance Sheet

*(\$ Millions)*

	March 31, 2006	December 31, 2005
Cash and Cash Equivalents	\$ 75.6	\$ 128.7
Other Current Assets	1,080.9	1,035.1
Revenue Earning Equipment, Net	3,909.1	3,794.4
Operating Property and Equipment, Net	487.1	486.8
Other Assets	572.6	588.3
Total Assets	<u>\$ 6,125.3</u>	<u>\$ 6,033.3</u>
Short-Term Debt / Current Portion Long-Term Debt	\$ 263.0	\$ 269.4
Other Current Liabilities	951.3	984.0
Long-Term Debt	2,035.8	1,916.0
Other Non-Current Liabilities	1,351.6	1,336.4
Shareholders' Equity	1,523.6	1,527.5
Total Liabilities and Shareholders' Equity	<u>\$ 6,125.3</u>	<u>\$ 6,033.3</u>



## Asset Management Update <sup>(a)</sup>



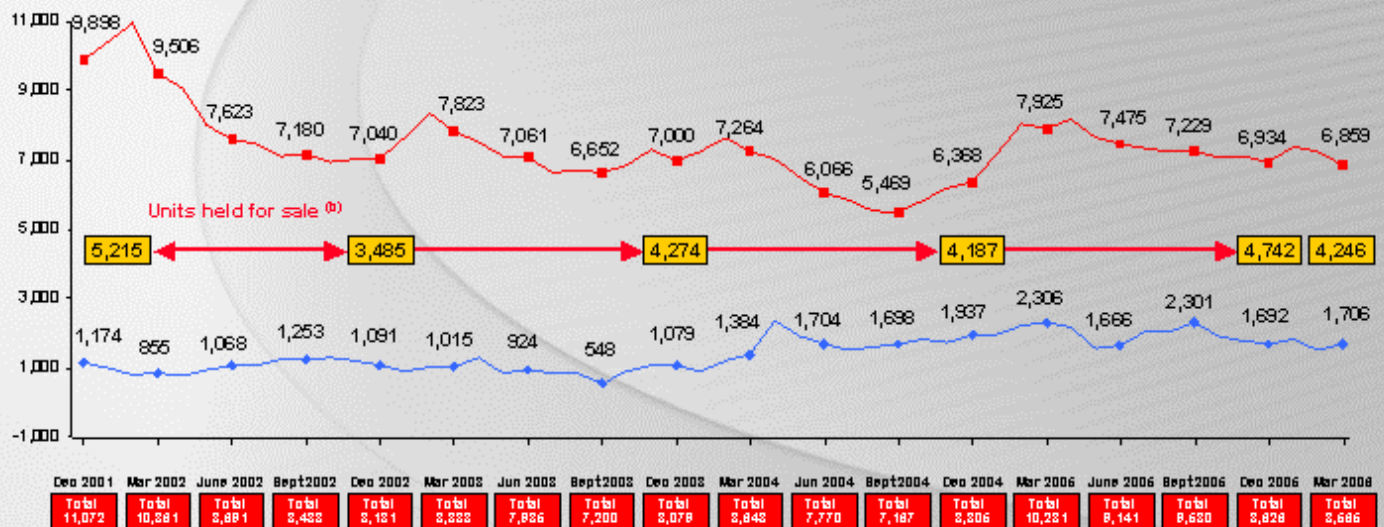
(a) U.S. only

(b) Excludes early terminations where customer purchases vehicle.



# Non-Revenue Earning Equipment (a)

- Units No Longer Earning Revenue - "NLE"
- Units Not Yet Earning Revenue - "NYE"



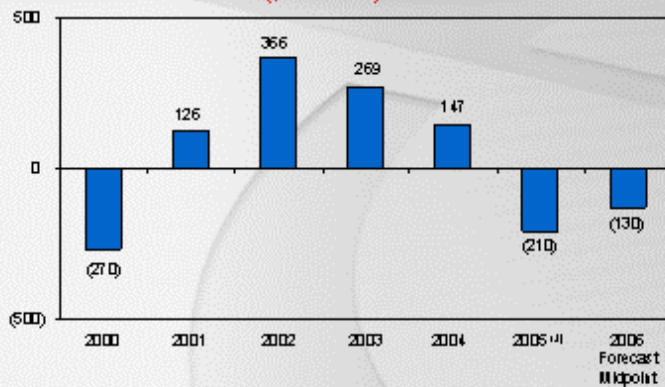
(a) U.S. only

(b) Excludes units for which customer deposits have been received.

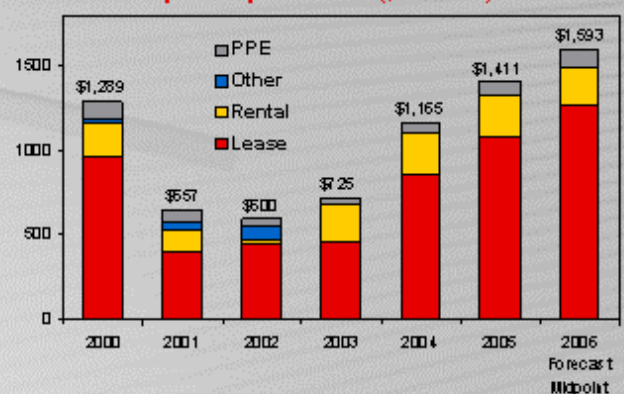


# Financial Indicators Forecast <sup>(1)</sup>

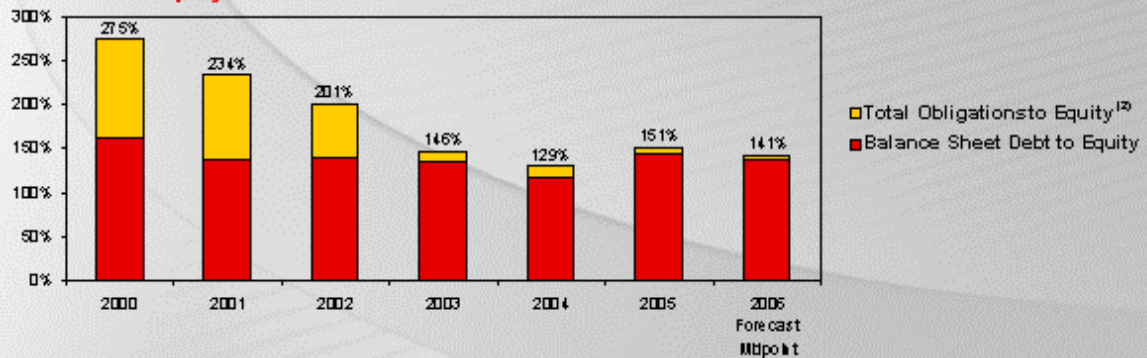
**Free Cash Flow <sup>(2)</sup> (\$ Millions)**



**Gross Capital Expenditures (\$ Millions)**



**Debt to Equity Ratio**



<sup>(1)</sup> Free Cash Flow and Debt to Equity include acquisitions. Gross Capital Expenditures exclude acquisitions.

<sup>(2)</sup> Non-GAAP financial measure; refer to Appendix - Non-GAAP Financial Measures.

<sup>(3)</sup> Includes \$17.6 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
Consolidated Operating Revenue	Consolidated Total Revenue	Key Financial Statistics	6
Earnings Before Restructuring and Income Taxes	Net Earnings	Business Segment	7
Adjusted Return on Capital	Net Earnings	Appendix - Adjusted Return on Capital Reconciliation	26
Free Cash Flow	Cash Provided by Operating Activities	Appendix - Free Cash Flow Reconciliation	27
Total Obligations / Total Obligations to Equity	Balance Sheet Debt / Debt to Equity	Appendix - Debt to Equity Reconciliation	28
RMS / SCS / DCC Operating Revenue and Segment NBT as % of Operating Revenue	RMS / SCS / DCC Total Revenue and Segment NBT as % of Total Revenue	Fleet Management Solutions / Supply Chain Solutions / Dedicated Contract Carriage	17 - 19



## Adjusted Return on Capital Reconciliation

(\$ Millions)

	3/31/06	3/31/05
Net Earnings <sup>(1)</sup>	\$ 233.0	\$ 222.1
Discontinued Operations	(1.7)	-
Cumulative Effect of Changes in Accounting Principles	2.4	-
Income Taxes	135.3	120.2
Adjusted Earnings Before Income Taxes	369.0	342.3
Restructuring - Gain on Sale of Headquarters	-	(23.4)
Adjusted Interest Expense <sup>(2)</sup>	131.5	109.2
Adjusted Income Taxes <sup>(3)</sup>	(194.0)	(162.0)
Adjusted Net Earnings	\$ 306.5	\$ 266.1
Average Total Debt	\$ 2,214.8	\$ 1,847.3
Average Off-Balance Sheet Debt	136.8	157.2
Average Adjusted Total Shareholders' Equity <sup>(4)</sup>	1,551.9	1,450.4
Adjusted Average Total Capital	3,903.5	3,454.9
Adjusted Return on Capital	7.9%	7.7%

<sup>(1)</sup> Earnings calculated based on a 12-month rolling period.

<sup>(2)</sup> Interest expense includes implied interest on off-balance sheet lease obligations.

<sup>(3)</sup> Income taxes were calculated using the effective income tax rate for the period exclusive of Ohio tax benefit recognized June 2005.

<sup>(4)</sup> Represents shareholders' equity adjusted for discontinued operations, accounting changes and the Ohio tax benefit in those periods.



# Free Cash Flow Reconciliation

(\$ Millions)

	12/31/00 <sup>(1)</sup>	12/31/01 <sup>(1)</sup>	12/31/02 <sup>(1)</sup>	12/31/03	12/31/04	12/31/05	3/31/05	3/31/06
Cash Provided by/(Used in) Operating Activities	\$ 1,023	\$ 357	\$ 615	\$ 803	\$ 867	\$ 779	\$ (23)	\$ 117
Changes in Balance of Trade Receivables Sold	(270)	235	110	-	-	-	-	-
Collections of Direct Finance Leases	67	66	66	61	64	70	17	16
Proceeds from Sales of Assets	230	175	153	210	332	334	78	89
Capital Expenditures <sup>(1)</sup>	(1,296)	(704)	(582)	(734)	(1,092)	(1,399)	(442)	(310)
Proceeds from Sale and Leaseback of Assets	-	-	-	13	118	-	-	-
Acquisitions	(28)	-	-	(97)	(149)	(15)	(15)	(4)
Other Investing, Net	4	(3)	4	4	7	21	3	(16)
Free Cash Flow <sup>(2)</sup>	<u>\$ (270)</u>	<u>\$ 126</u>	<u>\$ 366</u>	<u>\$ 260</u>	<u>\$ 147</u>	<u>\$ (210)</u>	<u>\$ (382)</u>	<u>\$ (108)</u>

## Memo:

Depreciation Expense	\$ 580	\$ 545	\$ 552	\$ 625	\$ 706	\$ 740	\$ 181	\$ 178
Gain on Vehicle Sales, Net	\$ 19	\$ 12	\$ 14	\$ 16	\$ 35	\$ 47	\$ 13	\$ 13

<sup>(1)</sup> Capital expenditures presented net of changes in accounts payable related to purchases of new line earning equipment.

<sup>(2)</sup> 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 share holders 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.

<sup>(3)</sup> Amounts have not been recasted to give effect for the impact of foreign exchange movements on cash for which the impact is not expected to be significant.



## 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	3/31/05	%to Equity	3/31/06	%to Equity
Balance Sheet Debt	\$2,017	161%	\$1,709	139%	\$1,552	140%	\$1,816	135%	\$1,783	118%	\$2,185	143%	\$2,165	142%	\$2,299	151%
Receivables Sold	345		110		-		-		-		-		-		-	
PV of minimum lease payments and guaranteed residual values under operating leases for vehicles	879		625		370		153		161		117		162		117	
PV of contingent rentals under securitizations	209		441		311		-		-		-		-		-	
Total Obligations <sup>(1)</sup>	<u>\$3,450</u>	275%	<u>\$2,885</u>	234%	<u>\$2,233</u>	201%	<u>\$1,969</u>	146%	<u>\$1,944</u>	129%	<u>\$2,302</u>	151%	<u>\$2,327</u>	152%	<u>\$2,416</u>	159%

<sup>(1)</sup> 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.

Note: In connection with adopting FIN 48 effective July 1, 2003, the Company consolidated the vehicle securitization trusts previously disclosed as off-balance sheet debt.



