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 22, 2009

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 22, 2009, we issued a press release reporting our financial results for the three months ended March 31, 2009 (the "Press Release"). We also hosted a conference call and webcast on April 22, 2009 during which we made a presentation on our financial results for the three months ended March 31, 2009 (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 (1) comparable net earnings and comparable earnings per share for the first quarter 2009 and (2) comparable effective income tax rate for the first quarter 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, as applicable, (1) first quarter 2009 restructuring charges and (2) first quarter 2009 international asset impairment and write-offs, all of 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 22, 2009, relating to Ryder System, Inc.'s financial results for the three months ended March 31, 2009.
Exhibit 99.2	Presentation prepared for a conference call and webcast held on April 22, 2009, relating to Ryder System, Inc.'s financial results for the three months ended March 31, 2009.

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 22, 2009

RYDER SYSTEM, INC.
(Registrant)

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

Exhibit 99.1

News Release

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RYDER REPORTS FIRST QUARTER 2009 RESULTS

MIAMI, April 22, 2009 – Ryder System, Inc. (NYSE: R)

- *Q1 EPS of $0.12 Include Restructuring and Other Charges of $0.13*
- *Q1 Comparable EPS of $0.25, Declines from $0.96 in 2008*
- *Q1 Total Revenue 22% Lower; Operating Revenue Decreases 14%*
- *EPS Forecasts Temporarily Suspended in Current Uncertain Environment*
- *Full Year Free Cash Flow Expected to Further Improve*

Ryder System, Inc. (NYSE: R), a leader in transportation and supply chain management solutions, today reported earnings per diluted share (EPS) were $0.12 for the three-month period ended March 31, 2009, compared with EPS of $0.96 in the year-earlier period. Net earnings were $6.8 million, compared with $56.1 million in the year-earlier period. EPS and net earnings in the current period include a charge for restructuring and other items of $0.13 and $6.9 million, respectively. Excluding these items, comparable EPS in the first quarter of 2009 declined 74% to $0.25 and comparable net earnings decreased 76% to $13.7 million. The decline in comparable earnings reflects significantly lower pre-tax earnings in the Fleet Management Solutions (FMS) business segment driven by decreased global commercial rental and used vehicle sales results, higher pension expense, and reduced contractual full service lease business performance. Higher pension expense negatively impacted comparable EPS by $0.17. To a lesser extent, earnings were negatively impacted by significantly reduced global automotive industry volumes.

Total revenue for the first quarter of 2009 was $1.20 billion, down 22% from $1.54 billion in the same period last year. Total revenue comparisons were adversely impacted by lower fuel prices and fuel volumes, as well as unfavorable foreign exchange rate movements. Operating revenue (revenue excluding FMS fuel and all subcontracted transportation), was $1.01

billion, down 14% compared with $1.17 billion in the year-earlier period, including the decline associated with unfavorable foreign exchange rate movements. FMS business segment total revenue decreased 22% due primarily to lower fuel services revenue. FMS operating revenue declined 7% due to unfavorable foreign exchange rate movements and lower commercial rental revenue. Full service lease and contract maintenance revenue were negatively impacted by lower miles driven by existing customers and an increase in customer fleet downsizing actions. Supply Chain Solutions (SCS) business segment total revenue and operating revenue declined 28% due to lower global automotive volumes, unfavorable foreign exchange rate movements, and lower fuel volumes and fuel prices. Dedicated Contract Carriage (DCC) business segment total revenue and operating revenue decreased 16% reflecting the pass through of lower fuel prices, and lower freight volumes.

Ryder Chairman and CEO Greg Swienton said, “For the past two-and-a-half years we delivered earnings growth through a prolonged freight recession which primarily impacted Ryder’s transactional commercial rental and used vehicle sales product lines. The further reductions in freight volumes that the transportation industry encountered in the first quarter have extended these negative impacts into our contractual Fleet Management Solutions product lines. In particular, our full service lease customers are now operating fewer than anticipated leased units and are driving fewer miles with the vehicles they currently have under contract. However, our contractual Supply Chain Solutions and Dedicated Contract Carriage offerings performed largely in line with our already lowered expectations.”

“The current economic environment has worsened and is significantly less predictable. In light of this, we have temporarily suspended providing EPS forecasts. Despite these factors, based on the nature of our business model, we expect full-year free cash flow to remain strong and significantly improve versus our prior forecast.”

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 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 2009 was $862.6 million, down 22% compared with the year-earlier period. Fuel services revenue in the first quarter of 2009 decreased 53% compared with the same period in 2008 due to lower fuel prices and reduced gallons pumped at Ryder's fuel service centers. Operating revenue (revenue excluding fuel) in the first quarter of 2009 was $692.3 million, down 7% compared with $747.0 million in the year-earlier period. Both FMS total revenue and operating revenue included an unfavorable foreign exchange impact of 3% and 4%, respectively. Full service lease revenue decreased 2% in the first quarter of 2009 as unfavorable foreign exchange rate movements more than offset an increase of 2% in the North American market, including acquisitions. Contract maintenance revenue increased 2% in the first three months of 2009 compared with the same period in the prior year due primarily to new sales activity, partially offset by the impact of unfavorable exchange rates. Both full service lease and contract maintenance revenue were negatively impacted by lower miles driven by customers with their fleets, and an increase in customer fleet downsizing actions. Commercial rental revenue decreased 25% reflecting weak global market demand, lower pricing, and unfavorable foreign exchange rate impacts.

The FMS business segment's NBT decreased to $30.4 million in the first quarter of 2009, down 67% compared with $91.4 million in the same period of 2008. This decrease was related primarily to a decline in global commercial rental results, lower used vehicle sales results, higher pension expense, and lower contractual business performance. These items were partially offset by cost reduction initiatives, including workforce reductions announced in the fourth quarter of 2008. Commercial rental results were impacted by weak global demand which drove lower utilization and reduced pricing. Used vehicle sales results were also impacted by weak demand which drove lower pricing and volume, as well as higher inventory levels compared with the prior year period. Both commercial rental and used vehicle sales performed largely in line with the Company's lowered expectations. As previously announced, pension expense significantly increased in 2009 primarily because of poor performance in the overall stock market in 2008.

Finally, contractual business performance was adversely impacted by the protracted length and increased severity of the current freight recession, which has resulted in reduced customer demand for new leases and an increased number of customers downsizing their fleets. Customers are also driving significantly fewer miles with their existing fleets, which lowers Ryder's variable revenue and fuel gallons sold. Business segment NBT as a percentage of operating revenue was 4.4% in the first quarter of 2009, down 780 basis points compared with 12.2% 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 materials and components 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 2009 total revenue was $297.5 million, down 28% from $414.2 million in the comparable period in 2008. First quarter 2009 operating revenue (revenue excluding subcontracted transportation) was $247.1 million, down 28 % compared with $342.0 million in the comparable period a year ago. Both total revenue and operating revenue declined primarily due to lower global automotive volumes including several plant shutdowns. Revenue comparisons were also impacted by unfavorable foreign exchange rate movements (which reduced both SCS total revenue and operating revenue by 6%), as well as lower fuel volumes and fuel prices.

The SCS business segment's NBT was a loss of $1.9 million in the first quarter of 2009, compared with earnings of $8.3 million in the same quarter of 2008. SCS business segment NBT was largely in line with Company expectations. Business segment earnings were negatively impacted by significantly reduced North American automotive volumes which decreased segment results by $7.2 million. SCS first quarter 2009 business segment NBT also includes an operating loss of $3.5 million related to South America and Europe markets the Company expects to exit by the end of 2009. First quarter 2009 NBT for the business segment

as a percentage of operating revenue was negative 0.8%, down 320 basis points compared with 2.4% in the same quarter of 2008.

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 2009 total revenue of $115.0 million was down 16% compared with $137.2 million in the first quarter of 2008. Operating revenue (revenue excluding subcontracted transportation) in the first quarter of 2009 was $112.7 million, down 16% compared with $134.0 million in the year-earlier period. Total revenue and operating revenue decreased due to the pass through of lower fuel prices and lower freight volumes.

The DCC business segment's NBT in the first quarter of 2009 was $10.3 million, down 9% compared with $11.3 million in the first quarter of 2008. Business segment NBT, which was largely in line with Company expectations, was adversely impacted by revenue declines which offset better operating performance and lower overhead spending. Business segment NBT as a percentage of operating revenue was 9.1% in the first quarter of 2009, up 70 basis points compared with 8.4% 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 2009, CSS costs were $38.2 million, down from $46.8 million in the year-earlier period reflecting lower spending across all functional areas due in most part to the benefit of cost reduction actions.

Restructuring and Other Items

Pre-tax restructuring and other items totaled $7.9 million ($6.9 million after tax), or $0.13 per diluted share for the first quarter of 2009. These charges primarily reflect an increase in the previously announced estimates for initiatives and actions undertaken in the fourth quarter of 2008. The Company recognized a non-cash, pre-tax impairment charge of $3.9 million (also $3.9 million after tax) related to an international supply chain facility currently being marketed for sale. The Company also recognized $3.0 million of employee-related costs, including severance, retention and other termination benefits associated with cost reduction actions undertaken beginning with the fourth quarter of 2008.

Income Taxes

The Company's effective income tax rate in the first quarter of 2009 was 62.3% of pre-tax earnings compared to 39.1% in the year-earlier period. The current 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 was 47.4% of pre-tax comparable earnings versus 39.1% in the year-earlier period. The current period comparable income tax rate reflects the adverse impact associated with higher non-deductible foreign losses, primarily in markets the Company plans to exit by the end of 2009.

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 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 were $224.7 million for the first quarter of 2009, compared with $332.4 million in the same period of 2008. Net capital expenditures (including proceeds from

the sale of assets) were $177.5 million, down from $257.4 million in the same period of 2008. The decrease in capital expenditures reflects planned lower spending on transactional commercial rental vehicles. Additionally, the decrease reflects lower full service lease vehicle spending due to the current global economic slowdown.

Free Cash Flow

Operating cash flow through March 31, 2009 was $253.8 million, down 15% from $300.3 million in the same period of 2008. Total cash generated (including proceeds from used vehicle sales) through March 31, 2009, was $322.5 million, down 18% from $393.3 million in the same period of 2008. Free cash flow through March 31, 2009 was $70.4 million, down 41% compared with $119.4 million for the same period of 2008, primarily due to lower cash-based earnings. First quarter free cash flow did not reflect the benefit of lower vehicle purchases in 2009 due to the timing of cash payments to vendors for full service lease vehicles ordered in the latter part of 2008 and paid for in the first quarter of 2009. Ryder expects free cash flow comparisons to significantly improve throughout the remainder of the year due primarily to lower capital expenditures.

Leverage

Balance sheet debt as of March 31, 2009 of $2.85 billion, decreased by $15 million compared with year-end 2008, as free cash flow and other available cash more than offset the impact of acquisitions. The leverage ratio for balance sheet debt as of March 31, 2009 was 214%, compared with 213% at year-end 2008. Total obligations to equity as of March 31, 2009 were 226%, flat with year-end 2008. 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. However, in the current uncertain environment, the Company does not intend to reach this range.

2009 Outlook

The Company anticipates the current worsened economic environment to continue throughout the remainder of 2009. These weaker conditions are expected to primarily impact

FMS and SCS business segment results. Due to overall lower transportation volumes, the Company now anticipates miles driven, fleet count, and fuel volumes within Ryder's full service lease and contractual maintenance product lines to be lower than previously planned. The Company also anticipates additional deterioration in commercial rental demand and used vehicle pricing beyond prior expectations. Additionally, the significant issues in the automotive industry create further challenges in predicting SCS results. Furthermore, the degree of this extended downturn is considerably more severe than in historical business cycles and therefore the overall environment is much less predictable. Given these unprecedented marketplace conditions, and the uncertainty and volatility in the current economy, the Company has temporarily suspended providing EPS forecasts.

Full year 2009 free cash flow is expected to improve from the previous forecast of $365 million, by at least $100 million, due to lower expected pension contributions, and reduced cash taxes due in part to recent government economic stimulus packages. The Company also anticipates reduced net capital expenditures relative to the previous forecast due to lower expected levels of new lease sales and replacements, partially offset by lower proceeds from the sale of used vehicles. Full-year 2009 free cash flow is also expected to benefit from the reduction in net capital expenditures, partially offset by lower expected earnings. Therefore, free cash flow is expected to further improve beyond the additional $100 million.

Commenting on the remainder of 2009, Mr. Swienton said, "We expect these worsened economic conditions and the corresponding prolonged freight recession to continue to broadly impact our customers and our business through the remainder of the year. Despite these factors, we believe Ryder's business model will allow us to continue to deliver increased free cash flow, which is an important differentiator that provides strength and stability in the current environment."

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 399th on the FORTUNE 500 ® and 1,631st on the *Forbes* Global 2000. 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 volumes, our ability to obtain adequate profit margins for our services, our inability to maintain current pricing levels due to soft economic conditions, 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, the timing and impact of the restructuring activities announced in Q4 2008, 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 economic and market conditions affecting the commercial rental market or the sale of used vehicles, a decrease in credit ratings, increased debt costs resulting from volatile financial markets, 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, sudden or unusual changes in fuel prices, availability of qualified drivers, 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-GAP 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 22, 2009, 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: RH5664964** and **Passcode: RYDER** .

⇒ **To access audio replays of the conference and view a presentation of Ryder's earnings results:** Dial 1-800-937-1821 (outside U.S. dial 1-203-369-3857) **,** 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, 2009 and 2008

(In millions, except per share amounts)

	Three Months	
	2009	2008
Revenue	$1,203.1	1,543.6
Operating expense	544.5	763.8
Salaries and employee-related costs	310.3	358.4
Subcontracted transportation	52.6	75.3
Depreciation expense	222.5	206.0
Gains on vehicle sales, net	(4.0)	(12.4)
Equipment rental	15.6	21.5
Interest expense	38.8	37.4
Miscellaneous expense, net	0.4	1.6
Restructuring and other charges (recoveries), net	4.2	(0.1)
	1,184.9	1,451.5
Earnings before income taxes	18.2	92.1
Provision for income taxes	(11.4)	(36.0)
Net earnings	$ 6.8	56.1
Earnings per common share — Diluted	$ 0.12	0.96
Weighted-average shares outstanding — Diluted	55.3	58.0

RYDER SYSTEM, INC. AND SUBSIDIARIES

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

	March 31, 2009	December 31, 2008
Assets:		
Cash and cash equivalents	$ 91.6	120.3
Other current assets	742.0	830.9
Revenue earning equipment, net	4,556.3	4,565.2
Operating property and equipment, net	542.9	546.8
Other assets	637.6	626.3
	$6,570.4	6,689.5
Liabilities and shareholders' equity:		
Short-term debt / current portion of long-term debt	$ 107.1	384.3
Other current liabilities	633.5	726.9
Long-term debt	2,740.3	2,478.5
Other non-current liabilities (including deferred income taxes)	1,761.3	1,754.6
Shareholders' equity	1,328.2	1,345.2
	$6,570.4	6,689.5

SELECTED KEY RATIOS

	March 31, 2009	December 31, 2008
Debt to equity	214%	213%
Total obligations to equity (a) *	226%	225%

	Twelve months ended March 31, 2009	2008
Return on average shareholders' equity	9.2%	14.2%
Return on average assets	2.2%	3.7%
Return on capital*	6.6%	7.5%

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

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

RYDER SYSTEM, INC. AND SUBSIDIARIES

BUSINESS SEGMENT REVENUE AND EARNINGS — UNAUDITED

Periods ended March 31, 2009 and 2008

(Dollars in millions)

	Three Months		
	2009	2008	B(W)
Revenue:			
Fleet Management Solutions:			
Full service lease	$ 491.7	504.2	(2)%
Contract maintenance	41.4	40.6	2%
Contractual revenue	533.1	544.8	(2)%
Contract-related maintenance	45.0	51.7	(13)%
Commercial rental	99.2	132.7	(25)%
Other	15.0	17.8	(15)%
Fuel	170.3	358.6	(53)%
Total Fleet Management Solutions	862.6	1,105.6	(22)%
Supply Chain Solutions	297.5	414.2	(28)%
Dedicated Contract Carriage	115.0	137.2	(16)%
Eliminations	(72.0)	(113.4)	36%
Total revenue	$1,203.1	1,543.6	(22)%
Operating Revenue: *			
Fleet Management Solutions	$ 692.3	747.0	(7)%
Supply Chain Solutions	247.1	342.0	(28)%
Dedicated Contract Carriage	112.7	134.0	(16)%
Eliminations	(44.0)	(51.3)	14%
Total operating revenue	$1,008.1	1,171.7	(14)%
Business segment earnings:			
Earnings before income taxes:			
Fleet Management Solutions	$ 30.4	91.4	(67)%
Supply Chain Solutions	(1.9)	8.3	NM
Dedicated Contract Carriage	10.3	11.3	(9)%
Eliminations	(5.8)	(7.5)	23%
	33.0	103.5	(68)%
Unallocated Central Support Services	(6.9)	(11.5)	40%
Earnings before restructuring and other items and income taxes	26.1	92.0	(72)%
Restructuring and other (charges) / recoveries; net and other items	(7.9)	0.1	NM
Earnings before income taxes	18.2	92.1	(80)%
Provision for income taxes	(11.4)	(36.0)	69%
Net earnings	$ 6.8	56.1	(88)%

* Non-GAAP financial measure

Note: Amounts may not recalculate due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES

BUSINESS SEGMENT INFORMATION — UNAUDITED

Periods ended March 31, 2009 and 2008

(Dollars in millions)

	Three Months		
	2009	2008	B(W)
Fleet Management Solutions			
Total revenue	$ 862.6	1,105.6	(22%)
Fuel revenue	(170.3)	(358.6)	(53%)
Operating revenue *	$ 692.3	747.0	(7%)
Segment earnings before income taxes	$ 30.4	91.4	(67%)
Earnings before income taxes as % of total revenue	3.5%	8.3%	
Earnings before income taxes as % of operating revenue *	4.4%	12.2%	
Supply Chain Solutions			
Total revenue	$ 297.5	414.2	(28%)
Subcontracted transportation	(50.4)	(72.2)	(30%)
Operating revenue *	$ 247.1	342.0	(28%)
Segment earnings before income taxes	$ (1.9)	8.3	NM
Earnings before income taxes as % of total revenue	(0.6%)	2.0%	
Earnings before income taxes as % of operating revenue *	(0.8%)	2.4%	
Memo: Fuel costs	$ 15.1	40.4	63%
Dedicated Contract Carriage			
Total revenue	$ 115.0	137.2	(16%)
Subcontracted transportation	(2.3)	(3.2)	(27%)
Operating revenue *	$ 112.7	134.0	(16%)
Segment earnings before income taxes	$ 10.3	11.3	(9%)
Earnings before income taxes as % of total revenue	8.9%	8.2%	
Earnings before income taxes as % of operating revenue *	9.1%	8.4%	
Memo: Fuel costs	$ 16.0	30.8	48%

* Non-GAAP financial measure

Note: Amounts may not recalculate due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES

NON-GAAP FINANCIAL MEASURE RECONCILIATIONS — PRELIMINARY AND UNAUDITED

(Dollars in millions)

DEBT TO EQUITY RECONCILIATION

	March 31, 2009	% to Equity	December 31, 2008	% to Equity
On-balance sheet debt	$2,847.4	214%	$ 2,862.8	213%
Off-balance sheet debt — PV of minimum lease payments and guaranteed residual values under operating leases for vehicles (a)	148.1		163.0	
Total obligations *	$2,995.5	226%	$ 3,025.8	225%

CASH FLOW RECONCILIATION

	Three months ended March 31, 2009	2008
Net cash provided by operating activities	$ 253.8	300.3
Proceeds from sales (primarily revenue earning equipment)	47.2	75.0
Collections on direct finance leases	21.5	17.6
Other, net	—	0.4
Total cash generated *	322.5	393.3
Capital expenditures	(252.1)	(273.9)
Free cash flow *	$ 70.4	119.4

RETURN ON CAPITAL RECONCILIATION

	Twelve Months ended March 31, 2009	2008
Net earnings (12-month rolling period)	$ 150.6	258.7
+ Restructuring and other items	78.4	1.5
+ Income taxes	125.4	154.0
Adjusted earnings before income taxes	354.4	414.2
+ Adjusted interest expense (b)	165.0	168.3
- Adjusted income taxes	(207.0)	(221.9)
= Adjusted net earnings for ROC (numerator)	$ 312.4	360.6
Average total debt	$2,899.1	2,832.4
+ Average off-balance sheet debt	165.3	174.8
+ Average adjusted total shareholders' equity (c)	1,660.1	1,825.6
= Adjusted average total capital (denominator)	$4,724.5	4,832.8
Adjusted ROC *	6.6%	7.5%

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 shareholders' equity excluding comparable earnings items for those periods.

* Non-GAAP financial measure

Note: Amounts may not recalculate 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)

OPERATING REVENUE RECONCILIATION

	Three months ended March 31,	
	2009	2008
Total revenue	$1,203.1	1,543.6
Fuel services and subcontracted transportation revenue	(222.9)	(434.0)
Fuel eliminations	27.9	62.1
Operating revenue *	$1,008.1	1,171.7

NET EARNINGS / EPS RECONCILIATION

	March 31, 2009		
	Three Months		
	Reported Earnings	Adjustments	Comparable Earnings
Revenue	$1,203.1	—	1,203.1
Operating expense (a)	544.5	0.2	544.7
Salaries and employee-related costs	310.3		310.3
Subcontracted transportation	52.6		52.6
Depreciation expense (b)	222.5	(3.9)	218.6
Gains on vehicle sales, net	(4.0)		(4.0)
Equipment rental	15.6		15.6
Interest expense	38.8		38.8
Miscellaneous expense, net	0.4		0.4
Restructuring and other charges, net (c)	4.2	(4.2)	(0.0)
	1,184.9	(7.9)	1,177.0
Earnings before income taxes	18.2	7.9	26.1
Provision for income taxes	(11.4)	(1.0)	(12.4)
Net earnings	$ 6.8	6.9	13.7
Tax Rate	62.3%		47.4%
Weighted-average shares outstanding — Diluted	55.3		55.3
Earnings per common share — Diluted	$ 0.12		0.25

Notes:

(a) $0.2 million international asset write-off.

(b) $3.9 million international impairment charge.

(c) $3.0 million severance and employee related charges.
$0.3 million contract termination costs.
$0.9 million plan implementation costs.

Note: Amounts are calculated independently for each component and may not be additive due to rounding.

Exhibit 99.2

First Quarter 2009

Earnings Conference Call

April 22, 2009

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, 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, the timing and impact of the restructuring activities announced in Q4 2008, 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 economic and market conditions affecting the commercial rental market or the sale of used vehicles, a decrease in credit ratings, increased debt costs resulting from volatile financial markets, 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, 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

- **First Quarter 2009 Results Overview**
- Asset Management Update
- Outlook
- Q & A

1st Quarter Results Overview

- **Earnings per diluted share were $0.12 versus $0.96 in 1Q08**
  - 1Q09 included a $0.13 charge related to restructuring and other items
- **Comparable earnings per share were $0.25 versus $0.96 in 1Q08**
- **Total revenue declined 22% vs. prior year, reflecting lower fuel services revenue, unfavorable foreign exchange rate movements and lower operating revenue**
- **Operating revenue down 14% vs. prior year driven by lower automotive production volumes, unfavorable foreign exchange rates, lower SCS and DCC fuel revenues and lower commercial rental revenue**

1st Quarter Results Overview

- **Fleet Management Solutions (FMS) total revenue down 22% (and operating revenue down 7%) vs. prior year**
  - Contractual revenue down 2%; up 2% excluding foreign exchange
    - Full service lease revenue including acquisitions down 2%; up 2% excluding foreign exchange
    - Contract maintenance revenue grew 2% organically; up 5% excluding foreign exchange
  - Commercial rental revenue down 25%
  - Fuel revenue down 53% due to both price and volume declines
- **FMS net before tax earnings (NBT) down 67%**
  - FMS NBT percent of operating revenue down 780 basis points to 4.4%
- **FMS earnings negatively impacted by commercial rental results, used vehicle results, higher pension expense and lower contractual business performance (due to fewer revenue generating units and lower miles driven per unit), partially offset by cost reduction initiatives**

1st Quarter Results Overview

- **Supply Chain Solutions (SCS) total and operating revenue down 28% vs. prior year due largely to lower automotive production volumes, unfavorable exchange impact, and lower fuel volumes and fuel prices**
- **SCS net before tax loss (NBT) of $1.9 million**
  - SCS NBT percent of operating revenue down 320 basis points to negative 0.8%
- **SCS earnings negatively impacted by lower automotive results and losses in South American and European operations (to be exited)**
- **Dedicated Contract Carriage (DCC) total and operating revenue down 16% vs. prior year due to lower passed through fuel prices and lower freight volumes**
- **DCC net before tax earnings (NBT) down 9%**
  - DCC NBT percent of operating revenue up 70 basis points to 9.1%
- **DCC earnings negatively impacted by revenue decline, partially offset by improved operating performance and lower overhead spending**

Key Financial Statistics

($ Millions, Except Per Share Amounts)

First Quarter

	2009	2008	% B/(W)
Operating Revenue [1][2]	$ 1,008.1	$ 1,171.7	(14%)
Fuel Services and Subcontracted Transportation Revenue [3]	195.0	371.9	(48%)
Total Revenue	$ 1,203.1	$ 1,543.6	(22%)
Earnings Per Share	$ 0.12	$ 0.96	(88%)
Comparable Earnings Per Share [1]	$ 0.25	$ 0.96	(74%)
Memo:			
Pension Expense (EPS)	$ (0.20)	$ (0.03)	
Average Shares *(Millions)* - Diluted	55.3	58.0	
Tax Rate [3]	62.3%	39.1%	
Adjusted Return on Capital *(Trailing 12 Month)* [1]	6.6%	7.5%	

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

(2) 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 typically a pass through to customers and the Company realizes minimal changes in profitability as a result of fluctuations in subcontracted transportation. Operating revenue is also used to measure segment performance.

(3) Tax rate includes the impact of non-deductible restructuring charges. Comparable tax rate, a non-GAAP financial measure, would be 47.4% in 2009 vs. 39.1% in 2008, excluding these items.

Business Segment

($ Millions)

First Quarter

	2009	2008	% B/(W)	Memo: Total Revenue 2009	Memo: Total Revenue 2008	Memo: Total Revenue % B/(W)
Operating Revenue [1]:						
Fleet Management Solutions	$ 692.3	$ 747.0	(7)%	$ 862.6	$ 1,105.6	(22)%
Supply Chain Solutions	247.1	342.0	(28)%	297.5	414.2	(28)%
Dedicated Contract Carriage	112.7	134.0	(16)%	115.0	137.2	(16)%
Eliminations	(44.0)	(51.3)	14%	(72.0)	(113.4)	36%
Total	$ 1,008.1	$ 1,171.7	(14)%	$ 1,203.1	$ 1,543.6	(22)%
Segment Net Before Tax Earnings:						
Fleet Management Solutions	$ 30.4	$ 91.4	(67)%			
Supply Chain Solutions	(1.9)	8.3	NM			
Dedicated Contract Carriage	10.3	11.3	(9)%			
Eliminations	(5.8)	(7.5)	23%			
	33.0	103.5	(68)%			
Central Support Services (Unallocated Share)	(6.9)	(11.5)	40%			
Earnings Before Restructuring and Income Taxes [1]	26.1	92.0	(72)%			
Restructuring and Other Charges, Net and Other Items [2]	(7.9)	0.1	NM			
Earnings Before Income Taxes	18.2	92.1	(80)%			
Provision for Income Taxes	(11.4)	(36.0)	69%			
Net Earnings	$ 6.8	$ 56.1	(88)%			
Comparable Net Earnings [1]	$ 13.7	$ 56.1	(76)%			

(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 – ($6.0), DCC – (0.1), and CSS – ($0.1) in 2009; SCS –$0.1 in 2008.

Capital Expenditures

($ Millions)

First Quarter

	2009	2008	2009 $ O/(U) 2008
Full Service Lease	$ 206	$ 249	$ (43)
Commercial Rental	4	54	(50)
Operating Property and Equipment	15	29	(14)
Gross Capital Expenditures	225	332	(107)
Less: Proceeds from Sales (Primarily Revenue Earning Equipment)	47	75	(28)
Net Capital Expenditures	$ 178	$ 257	$ (79)
Memo: Acquisitions	$ 85	$ 93	$ (8)

Cash Flow

Ryder

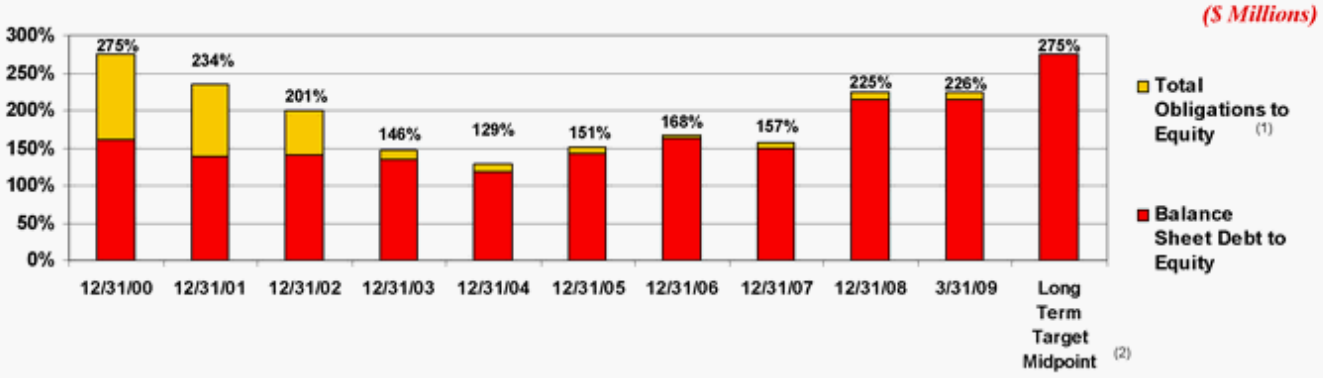
($ Millions)

First Quarter

	2009	2008
Net Earnings	$ 7	$ 56
Depreciation	223	206
Gains on Vehicle Sales, Net	(4)	(12)
Amortization and Other Non-Cash Charges, Net	14	9
Changes in Working Capital and Deferred Taxes	14	41
Cash Provided by Operating Activities	254	300
Proceeds from Sales (Primarily Revenue Earning Equipment)	47	75
Collections of Direct Finance Leases	21	18
Total Cash Generated [1]	322	393
Capital Expenditures [2]	(252)	(274)
Free Cash Flow [1][3]	$ 70	$ 119

[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



	3/31/09	12/31/08	3/31/08
Balance Sheet Debt	$ 2,847	$ 2,863	$ 2,796
Percent To Equity	214%	213%	149%
Total Obligations (1)	$ 2,995	$ 3,026	$ 2,973
Percent To Equity (1)	226%	225%	159%
Total Equity	$ 1,328	$ 1,345	$ 1,874

Note: Includes impact of accumulated net pension related equity charge of $477 million as of 3/31/09, $480 million as of 12/31/08 and $147 million as of 3/31/08.

(1) Non-GAAP financial measure. Total obligations include the present value of minimum lease payments and guaranteed residual values under operating leases of $148 million as of 3/31/09, $163 million as of 12/31/08 and $176 million at 3/31/08.

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

Contents

- First Quarter 2009 Results Overview
- **Asset Management Update**
- Outlook
- Q & A

Global Asset Management Update [1]

Asset management statistics are now being presented on a global basis. U.S. statistics which were historically disclosed are shown in parenthesis.

- **Units held for sale were 9,500 (US: 7,700) at quarter end; up 46% from 6,500 (US: 5,300) units held for sale in the prior year**
  - Units held for sale were up 23% from 7,700 (US: 6,300) at the end of prior quarter
- **The number of used vehicles sold in the first quarter was 4,500 (US: 3,700), down 21% compared with prior year**
  - Number of used vehicles sold was up 22% or 700 units vs. the prior quarter
- **Proceeds per unit were down 11% for tractors and down 19% for trucks in the first quarter compared with prior year (excluding the impact of exchange rates)**
- **Vehicles no longer earning revenue were 14,000 (US: 11,300) at quarter end; up 4,600 (US: 3,700) from the prior year**
  - Vehicles no longer earning revenue were up 3,400 (US: 2,900) vs. the end of the prior quarter due to both an increase in units held for sale and surplus vehicles
- **Average first quarter total commercial rental fleet was down 9% (US: down 9%) year-over-year**

[1] Units rounded to nearest hundred.

Contents

Outlook

- Anticipate worsened economic environment to continue throughout 2009
- Weaker conditions expected to primarily impact FMS and SCS segments
- Degree of extended downturn considerably more severe than historical cycles; therefore, overall environment is significantly less predictable
- Company is suspending EPS forecast due to unprecedented market conditions, and uncertainty and volatility of current economy
- Free cash flow expected to improve from prior forecast due to lower net capital expenditures, lower expected pension contributions and reduced cash taxes
- Strong free cash flow provides stability in current environment

Q&A

Appendix

Business Segment Detail

Central Support Services

Balance Sheet

Historical EPS Restatement – New Accounting Standard

Asset Management

Non-GAAP Financial Measures & Reconciliations

Fleet Management Solutions (FMS)

($ Millions)

First Quarter

	2009	2008	% B/(W)
Full Service Lease	$ 491.7	$ 504.2	(2)%
Contract Maintenance	41.4	40.6	2%
Contractual Revenue	533.1	544.8	(2)%
Contract-related Maintenance	45.0	51.7	(13)%
Commercial Rental	99.2	132.7	(25)%
Other	15.0	17.8	(15)%
Operating Revenue [a]	692.3	747.0	(7)%
Fuel Services Revenue	170.3	358.6	(53)%
Total Revenue	$ 862.6	$ 1,105.6	(22)%
Segment Net Before Tax Earnings (NBT)	$ 30.4	$ 91.4	(67)%
Segment NBT as % of Total Revenue	3.5%	8.3%	
Segment NBT as % of Operating Revenue [a]	4.4%	12.2%	

[a] 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 rapid changes 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)

Ryder

First Quarter

($ Millions)

	2009	2008	% B/(W)
U.S. Operating Revenue			
Automotive	$ 79.1	$ 134.0	(41)%
High-Tech & Consumer	52.3	50.5	4%
Industrial & Other	41.0	42.6	(4)%
U.S. Operating Revenue [a]	172.4	227.1	(24)%
International Operating Revenue			
South America & Europe[b]	18.7	35.7	(47)%
Other International	56.0	79.2	(29)%
International Operating Revenue [a]	74.7	114.9	(35)%
Operating Revenue [a]	247.1	342.0	(28)%
Subcontracted Transportation	50.4	72.2	(30)%
Total Revenue	$ 297.5	$ 414.2	(28)%
Segment Net Before Tax (Losses) Earnings (NBT)	$ (1.9)	$ 8.3	NM
Segment NBT as % of Total Revenue	(0.6)%	2.0%	
Segment NBT as % of Operating Revenue [a]	(0.8)%	2.4%	
Memo: Fuel Costs	$ 15.1	$ 40.4	63%

(a) 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 typically a pass-through to customers, the Company realizes minimal changes in profitability as a result of fluctuations in subcontracted transportation. Operating revenue is also used to measure segment performance.

(b) The Company has announced plans to exit these markets by the end of 2009.

Supply Chain Solutions (SCS)

Historical Information

($ Millions)

	Full Year 2007	1Q08	2Q08	3Q08	4Q08	Full Year 2008
U.S. Operating Revenue						
Automotive	$ 506.3	$ 134.0	$ 134.7	$ 124.7	$ 106.9	$ 500.3
High-Tech & Consumer	212.8	50.5	57.2	56.9	55.9	220.5
Industrial & Other	154.1	42.6	45.6	45.2	42.6	176.0
U.S. Operating Revenue [a]	873.2	227.1	237.5	226.8	205.4	896.8
International Operating Revenue						
South America & Europe[b]	130.0	35.7	28.2	35.4	23.7	123.0
Other International	311.3	79.2	84.0	82.0	65.7	310.9
International Operating Revenue [a]	441.3	114.9	112.2	117.4	89.4	433.9
Operating Revenue [a]	1,314.5	342.0	349.7	344.2	294.8	1,330.7
Subcontracted Transportation	935.8	72.2	91.2	86.6	62.4	312.4
Total Revenue	$ 2,250.3	$ 414.2	$ 440.9	$ 430.8	$ 357.2	$ 1,643.1

(a) 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 typically a pass-through to customers, the Company realizes minimal changes in profitability as a result of fluctuations in subcontracted transportation. Operating revenue is also used to measure segment performance.

(b) The Company has announced plans to exit these markets by the end of 2009.

Dedicated Contract Carriage (DCC)

Ryder

($ Millions)

First Quarter

	2009	2008	% B/(W)
Operating Revenue [a]	$ 112.7	$ 134.0	(16)%
Subcontracted Transportation	2.3	3.2	(27)%
Total Revenue	$ 115.0	$ 137.2	(16)%
Segment Net Before Tax Earnings (NBT)	$ 10.3	$ 11.3	(9)%
Segment NBT as % of Total Revenue	8.9%	8.2%	
Segment NBT as % of Operating Revenue [a]	9.1%	8.4%	
Memo: Fuel Costs	$ 16.0	$ 30.8	48%

[a] 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 typically a pass-through to customers, the Company realizes minimal changes in profitability as a result of fluctuations in subcontracted transportation. Operating revenue is also used to measure segment performance.

Central Support Services (CSS)

($ Millions)

First Quarter

	2009	2008	% B/(W)
Allocated CSS Costs	$ 31.3	$ 35.3	11%
Unallocated CSS Costs	6.9	11.5	40%
Total CSS Costs	$ 38.2	$ 46.8	18%

Balance Sheet

($ Millions)

	March 31, 2009	December 31, 2008
Cash and Cash Equivalents	$ 92	$ 120
Other Current Assets	742	831
Revenue Earning Equipment, Net	4,556	4,565
Operating Property and Equipment, Net	543	547
Other Assets	637	627
Total Assets	$ 6,570	$ 6,690
Short-Term Debt / Current Portion Long-Term Debt	$ 107	$ 384
Other Current Liabilities	634	727
Long-Term Debt	2,740	2,479
Other Non-Current Liabilities	1,761	1,755
Shareholders' Equity	1,328	1,345
Total Liabilities and Shareholders' Equity	$ 6,570	$ 6,690

Historical EPS Restatement – New Accounting Standard

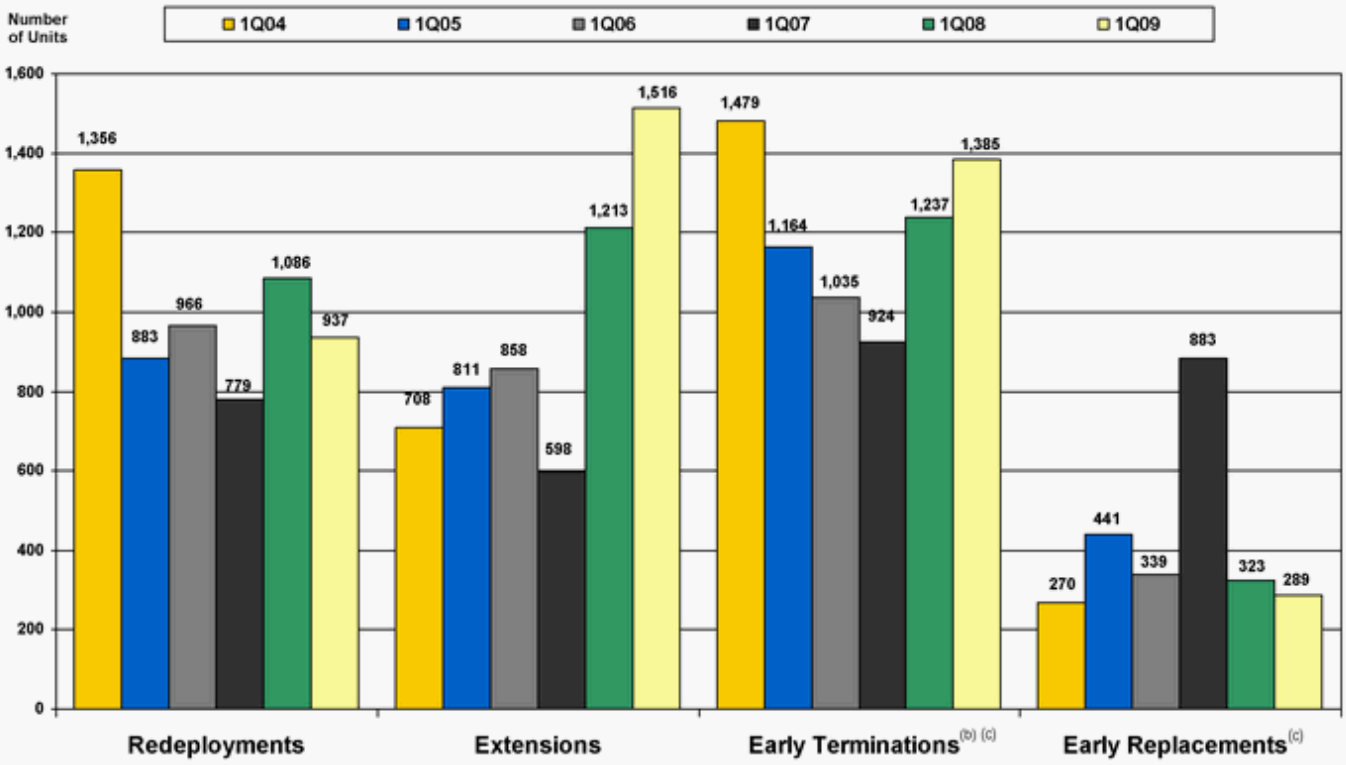
($ Earnings Per Share)

EPS	Full Year 2007	1Q08	2Q08	3Q08	4Q08	Full Year 2008
Previously Reported EPS	$ 4.24	$ 0.96	$ 1.10	$ 1.25	$ 0.19	$ 3.52
Impact of New Standard	(0.02)	-	(0.01)	(0.01)	-	(0.02)
Restated EPS	$ 4.22	$ 0.96	$ 1.09	$ 1.24	$ 0.19	$ 3.50

Comparable EPS	Full Year 2007	1Q08	2Q08	3Q08	4Q08	Full Year 2008
Previously Reported Comparable EPS	$ 4.21	$ 0.96	$ 1.22	$ 1.22	$ 1.09	$ 4.49
Impact of New Standard	(0.02)	-	(0.01)	(0.01)	-	(0.02)
Restated Comparable EPS	$ 4.19	$ 0.96	$ 1.21	$ 1.21	$ 1.09	$ 4.47

Note: EPS amounts are calculated independently and may not be additive due to rounding

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

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	Net Earnings	Business Segment	8
Comparable Net Earnings / EPS	Net Earnings / EPS	EPS and Net Earnings Reconciliation	27
Comparable NBT / Tax Rate	NBT / Tax Rate	Tax Rate Reconciliation	28
Adjusted Return on Capital	Net Earnings	Adjusted Return on Capital Reconciliation	29
Total Cash Generated / Free Cash Flow	Cash Provided by Operating Activities	Cash Flow	10
Total Obligations / Total Obligations to Equity	Balance Sheet Debt / Debt to Equity	Debt to Equity Ratio Debt to Equity Reconciliation	11 30-31
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	18-21

EPS and Net Earnings Reconciliation

($ Millions or $ Earnings Per Share)

	1Q09 - Net Earnings	1Q09 - EPS
Net Earnings / EPS	$ 6.8	$ 0.12
International Asset Impairment / Write-Off	3.8	0.07
Restructuring Charges	3.1	0.06
Comparable Net Earnings / EPS	$ 13.7	$ 0.25

Note: Amounts may not recalculate due to rounding.

Tax Rate Reconciliation

	1Q09 - NBT	1Q09 - Tax	1Q09 - Tax Rate
Reported	$ 18.2	$ 11.4	62.3%
International Asset Impairment / Write-Off	3.7	(0.1)	
Restructuring Charges	4.2	1.1	
Comparable NBT / Tax Rate	$ 26.1	$ 12.4	47.4%

Note: NBT represents net before tax earnings
Amounts are calculated independently for each component and may not be additive due to rounding.

Adjusted Return on Capital Reconciliation

($ Millions)

	3/31/09	3/31/08
Net Earnings [1]	$ 151	$ 259
Restructuring and Other Charges, Net and Other Items	78	1
Income Taxes	125	154
Adjusted Earnings Before Income Taxes	354	414
Adjusted Interest Expense [2]	165	168
Adjusted Income Taxes [3]	(207)	(221)
Adjusted Net Earnings	$ 312	$ 361
Average Total Debt	$ 2,899	$ 2,832
Average Off-Balance Sheet Debt	165	175
Average Adjusted Total Shareholders' Equity [4]	1,660	1,826
Adjusted Average Total Capital	$ 4,724	$ 4,833
Adjusted Return on Capital [5]	6.6%	7.5%

(1) Earnings calculated based on a 12-month rolling period excluding comparable earnings items during the period.
(2) Interest expense includes implied interest on off-balance sheet vehicle obligations.
(3) Income taxes were calculated using the effective income tax rate for the period exclusive of comparable earnings items.
(4) Represents shareholders' equity excluding 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 [1]	$3,450	275%	$2,885	234%	$2,233	201%	$1,969	146%	$1,944	129%	$2,302	151%	$2,895	168%	$2,954	157%

(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.

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)

	3/31/09	% to Equity	12/31/08	% to Equity	3/31/08	% to Equity
Balance Sheet Debt	$2,847	214%	$2,863	213%	$2,797	149%
Receivables Sold	-		-		-	
PV of minimum lease payments and guaranteed residual values under operating leases for vehicles	148		163		176	
Total Obligations [1]	$2,995	226%	$3,026	225%	$2,973	159%

(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.

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