



Fourth Quarter 2002

Earnings Conference Call

February 6, 2003

Safe Harbor Language

- ▶ Note: Certain statements and information included in this presentation are "forward-looking statements" under the Federal Private Securities Litigation Reform Act of 1995. Accordingly, we advise that these forward-looking statements be evaluated with consideration given to the many 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, the competitive pricing environment applicable to the Company's businesses, customer retention levels, changes in customers' business environments, changes in market conditions affecting the sale of used vehicles, adverse changes in debt ratings, changes in accounting assumptions, greater than expected expenses associated with the Company's activities and changes in general economic conditions.

- ▶ **Fourth Quarter Results**
- ▶ Key Initiatives Update
- ▶ Asset Management Update
- ▶ Questions

- ▶ **Earnings per diluted share were \$0.52, up from breakeven in the fourth quarter 2001**
- ▶ **Revenue**
 - Continues to be soft in most business segments
 - Commercial rental increased for first time in 10 quarters
 - Increases realized in European operations and in U.S. automotive logistics
- ▶ **Leasing demand remains weak**
- ▶ **Rental pricing and utilization is stronger, increasing both revenue and margin**
- ▶ **Asset management activities continue to produce improved results with the lowest level of non-revenue earning equipment since December 1998**

4th Quarter Results (continued)

Overview

- ▶ **Supply Chain Solutions returns negatively impacted by non-renewal of certain contracts and charges related to facility lease terminations, partially offset by improved European operating results**
- ▶ **Strong cost management in overhead areas continues to positively contribute to results**
- ▶ **Restructuring and other charges totaled \$6.2 million for the quarter**

Earnings Per Share

Fourth Quarter Actual Results

	2002	2001
Earnings Per Share Before Goodwill Amortization and Restructuring	\$ 0.58	\$ 0.49
Goodwill and Other Intangible Amortization	-	(0.04)
EPS Before Restructuring and Other Charges	0.58	0.45
Restructuring and Other Charges	(0.06)	(0.45)
Total EPS	\$ 0.52	\$ -
Memo: EPS Impact of Pension Income/(Expense)	\$ (0.08)	\$ -
Average Shares (Millions) - Diluted	62.7	60.9
Tax Rate	35.5%	98.0%

Earnings Per Share

Full Year Actual Results

EARNINGS PER SHARE Before Goodwill Amortization, Tax Benefit, Restructuring and Change in Accounting Principle

Goodwill and Other Intangible Amortization

EPS Before One-time Tax Benefit, Restructuring and Cumulative Effect of Change in Accounting Principle

One-time Tax Benefit¹

EPS Before Restructuring and Cumulative Effect of Change in Accounting Principle

Restructuring and Other Charges

EPS Before Cumulative Effect of Change in Accounting Principle

Cumulative Effect of Change in Accounting Principle

TOTAL EPS

Memo: EPS Impact of Pension Income/(Expense)

Average Shares (Millions) - Diluted

Tax Rate

2002	2001
\$ 1.84	\$ 1.73
-	(0.19)
1.84	1.54
-	0.11
1.84	1.65
(0.04)	(1.34)
1.80	0.31
(0.30)	-
\$ 1.50	\$ 0.31
\$ (0.30)	\$ 0.01
62.6	60.7
36.0%	39.2%

Note: ¹One-time tax benefit derived due to a change in Canadian tax law

Business Segment

Fully Allocated (\$ Millions)

Fourth Quarter

	2002	2001	% B/(W)
Revenue:			
Fleet Management Solutions	\$ 804.7	\$ 794.3	1%
Supply Chain Solutions	344.4	339.1	2%
Dedicated Contract Carriage	133.6	133.5	0%
Eliminations	(78.0)	(79.2)	2%
Total Revenue	<u>\$ 1,204.7</u>	<u>\$ 1,187.7</u>	<u>1%</u>
Segment NBT:			
Fleet Management Solutions	\$ 63.8	\$ 46.0	39%
Supply Chain Solutions	(1.1)	3.8	NM
Dedicated Contract Carriage	7.9	10.0	(21)%
Eliminations	(9.5)	(10.0)	5%
	<u>61.1</u>	<u>49.8</u>	<u>23%</u>
Central Support Services (Unallocated Share)	(4.6)	(3.7)	(24)%
Goodwill Amortization	-	(2.9)	NM
Earnings Before Restructuring(Net) and Income Taxes	<u>56.5</u>	<u>43.2</u>	<u>31%</u>
Restructuring and Other Charges, Net	(6.2)	(32.9)	81%
Earnings Before Income Taxes	50.3	10.3	388%
Provision for Income Taxes	(17.9)	(10.1)	(77)%
Net Earnings	<u>\$ 32.4</u>	<u>\$ 0.2</u>	<u>NM</u>

Business Segment

Fully Allocated (\$ Millions)

Full Year

	2002	2001	% B/(W)
Revenue:			
Fleet Management Solutions	\$ 3,183.0	\$ 3,352.5	(5)%
Supply Chain Solutions	1,388.3	1,453.8	(5)%
Dedicated Contract Carriage	518.0	535.0	(3)%
Eliminations	(313.0)	(335.2)	7%
Total Revenue	<u>\$ 4,776.3</u>	<u>\$ 5,006.1</u>	<u>(5)%</u>
Segment NBT:			
Fleet Management Solutions	\$ 214.4	\$ 194.4	10%
Supply Chain Solutions	(6.2)	(6.8)	9%
Dedicated Contract Carriage	31.1	34.8	(11)%
Eliminations	(34.6)	(37.0)	6%
	<u>204.7</u>	<u>185.4</u>	<u>10%</u>
Central Support Services (Unallocated Share)	(24.6)	(25.4)	3%
Goodwill Amortization	-	(12.7)	NM
Earnings Before Restructuring(Net) and Income Taxes	<u>180.1</u>	<u>147.3</u>	<u>22%</u>
Restructuring and Other Charges, Net	(4.2)	(116.6)	96%
Earnings Before Income Taxes	<u>175.9</u>	<u>30.7</u>	<u>473%</u>
Provision for Income Taxes	(63.3)	(12.0)	(428)%
Earnings Before Cumulative Effect of Change in Accounting Principle	<u>112.6</u>	<u>18.7</u>	<u>502%</u>
Cumulative Effect of Change in Accounting Principle	(18.9)	-	NM
Net Earnings	<u>\$ 93.7</u>	<u>\$ 18.7</u>	<u>401%</u>

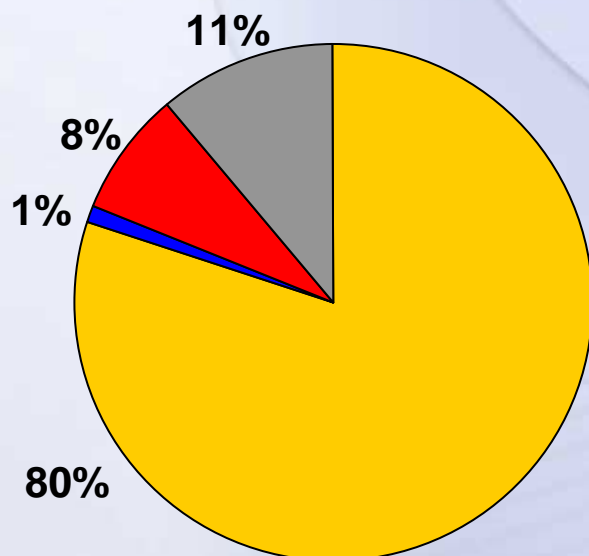
Capital Expenditures

(\$ Millions)

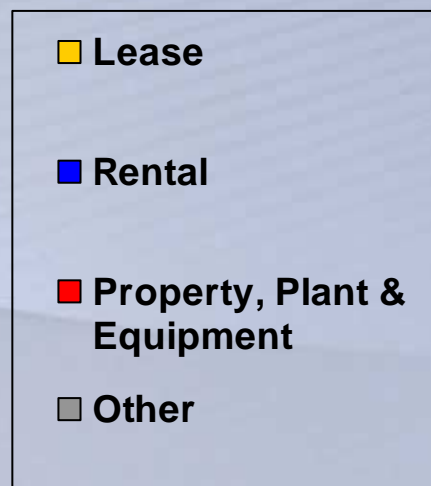
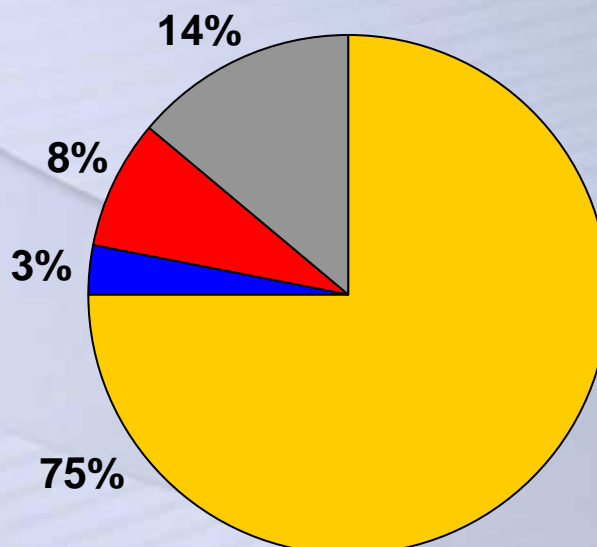
Fourth Quarter & Full Year

	<u>2002</u>	<u>2001</u>	<u>2002 % B/(W) 2001</u>	<u>Full Year Plan 2002</u>
4th Quarter	\$ 157	\$ 115	(37)%	
Full Year	\$ 600	\$ 657	9%	\$ 580

Fourth Quarter



Full Year



Free Cash Flow

(\$ Millions)

Full Year

	2002	2001	Full Year Plan 2002
Net Earnings ⁽¹⁾	\$ 94	\$ 19	\$ 95
Depreciation, Net of Gains	538	534	530
Amortization and Other Non-Cash Charges (net)	9	91	-
Cumulative Effect of Accounting Change	19	-	-
Capital Expenditures	(600)	(657)	(580)
Proceeds from Sales of Assets	141	175	187
Changes in Working Capital and Deferred Taxes ⁽²⁾	84	(99)	(11)
Collections of Direct Finance Leases	66	66	60
Free Cash Flow	\$ 351	\$ 129	\$ 281

Memo: 1Q 2002 FCF \$99M; 2Q 2002 FCF \$99M; 3Q 2002 FCF \$82M; 4Q FCF \$71M

Note: Prior year reclassified to conform with 2002 presentation

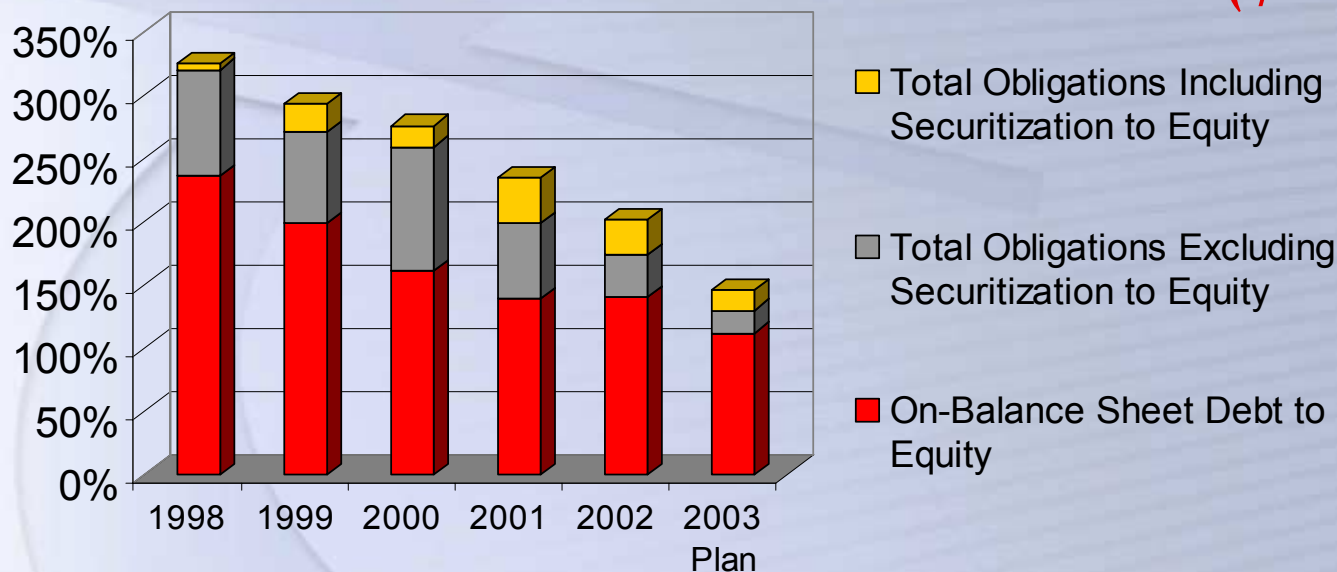
(1) Includes non-cash restructuring and other charges and cumulative effect of accounting change

(2) Changes in working capital exclude sale of receivables

Preliminary

Debt to Equity Ratio

(\$ Millions)



	4Q 2002	3Q 2002	4Q 2001
On-Balance Sheet Debt	\$ 1,551.4	\$ 1,554.6	\$ 1,708.7
Percent To Equity	140%	119%	139%
Total Obligations Excluding Securitization	\$ 1,921.8	\$ 2,024.1	\$ 2,443.2
Percent To Equity	173%	155%	199%
Total Obligations Including Securitization	\$ 2,232.8	\$ 2,364.5	\$ 2,884.6
Percent To Equity	201%	182%	234%

Note: 4Q2002 includes a pension related equity charge of \$227.6 million

Continued and focused emphasis to strengthen the balance sheet

- ▶ Fourth Quarter Results
- ▶ **Key Initiatives Update**
- ▶ Asset Management Update
- ▶ Questions

► Focus on cost management and process improvement initiatives continues

- Actual benefits from 2001 carryover initiatives are on plan
- 2002 new initiatives added an incremental \$31 million in pre-tax earnings



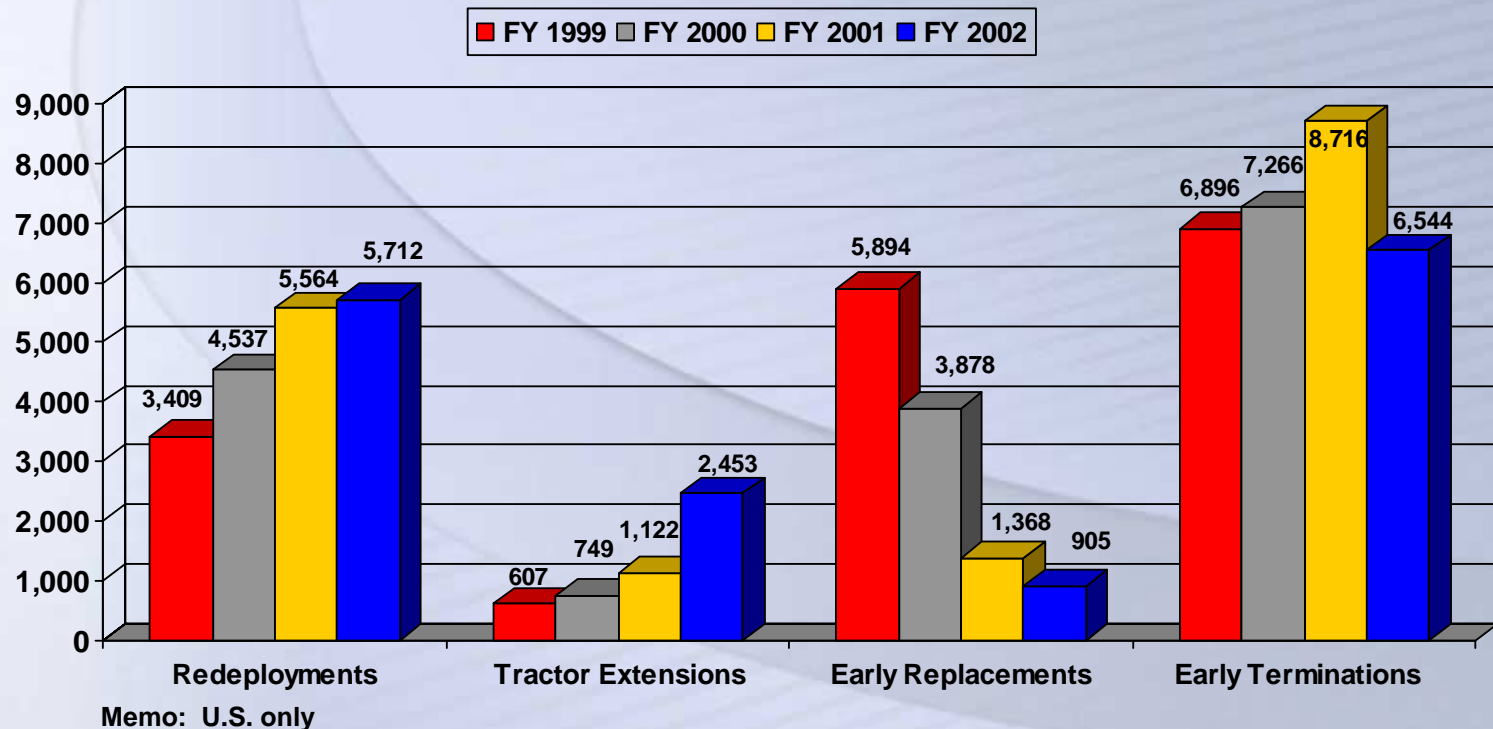
- ▶ Fourth Quarter Results
- ▶ Key Initiatives Update
- ▶ **Asset Management Update**
- ▶ Questions

Asset Management Update

- ▶ **Total number of non-revenue earning equipment of 8,131 continues to be at recent record lows - the lowest level in 48 months**
 - Not yet earning (NYE) vehicles are 1,091
 - No longer earning (NLE) vehicles are 7,040
 - 3,485 of these units are held for sale at the used truck centers
- ▶ **Used tractor sales proceeds have stabilized with some softening in the medium-duty truck classes. The overall number of vehicles sold continues to trend positively**
 - 2002 full year number of used vehicles sold increased 5% to 14,177 from 13,564 in the same period last year

Asset Management Update

- ▶ **Focused efforts in the area of asset management continues to positively impact earnings and strengthen free cash flow**
 - Re-deployments and tractor term extensions are on the rise versus prior year, 3% and 119% respectively
 - Early replacements and early terminations are showing a significant decline over prior year, 34% and 25% respectively



- ▶ Fourth Quarter Results
- ▶ Key Initiatives Update
- ▶ Asset Management Update
- ▶ **Questions**

Business Segment Detail & Pension Update



Fleet Management Solutions (FMS)

(\$ Millions)

Fourth Quarter

	<u>2002</u>	<u>2001</u>	<u>% B/(W)</u>
Full Service Lease and Program Maintenance (RPM)	\$ 444.3	\$ 456.6	(3)%
Commercial Rental	119.4	113.0	6%
Other	87.3	85.6	2%
Dry Revenue	651.0	655.2	(1)%
Fuel Revenue	153.7	139.1	10%
Wet Revenue	<u>\$ 804.7</u>	<u>\$ 794.3</u>	<u>1%</u>
Segment NBT	<u>\$ 63.8</u>	<u>\$ 46.0</u>	<u>39%</u>
Segment NBT as % of Dry Revenue	<u>9.8%</u>	<u>7.0%</u>	



Fleet Management Solutions (FMS)

(\$ Millions)

Full Year

	<u>2002</u>	<u>2001</u>	<u>% B/(W)</u>
Full Service Lease and Program Maintenance (RPM)	\$ 1,795.3	\$ 1,855.8	(3)%
Commercial Rental	458.4	468.4	(2)%
Other	346.7	369.9	(6)%
Dry Revenue	2,600.4	2,694.1	(4)%
Fuel Revenue	582.6	658.4	(12)%
Wet Revenue	<u>\$ 3,183.0</u>	<u>\$ 3,352.5</u>	<u>(5)%</u>
Segment NBT	<u>\$ 214.4</u>	<u>\$ 194.4</u>	<u>10%</u>
Segment NBT as % of Dry Revenue	<u>8.2%</u>	<u>7.2%</u>	



Supply Chain Solutions (SCS)

(\$ Millions)

Fourth Quarter

	<u>2002</u>	<u>2001</u>	<u>% B/(W)</u>
U.S. Operating Revenue			
Automotive, Aerospace and Industrial (AAI)	\$ 106.7	\$ 104.5	2%
Electronics, High Tech and Telecom (EHT)	50.3	58.5	(14)%
Consumer Packaged Goods (CPG)	15.9	16.9	(6)%
Other	6.6	6.1	8%
Total U.S. Operating Revenue	179.5	186.0	(4)%
International Operating Revenue	54.1	56.9	(5)%
Total Operating Revenue	233.6	242.9	(4)%
Freight Under Management	110.8	96.2	15%
Gross Revenue	\$ 344.4	\$ 339.1	2%
Segment NBT	\$ (1.1)	\$ 3.8	NM
Segment NBT as % of Operating Revenue	(0.5)%	1.6%	



Supply Chain Solutions (SCS)

(\$ Millions)

Full Year

	<u>2002</u>	<u>2001</u>	<u>% B/(W)</u>
U.S. Operating Revenue			
Automotive, Aerospace and Industrial (AAI)	\$ 439.9	\$ 422.4	4%
Electronics, High Tech and Telecom (EHT)	221.1	252.4	(12)%
Consumer Packaged Goods (CPG)	66.4	76.3	(13)%
Other	25.3	24.4	4%
Total U.S. Operating Revenue	752.7	775.5	(3)%
International Operating Revenue	225.1	246.8	(9)%
Total Operating Revenue	977.8	1,022.3	(4)%
Freight Under Management	410.5	431.5	(5)%
Gross Revenue	<u>\$ 1,388.3</u>	<u>\$ 1,453.8</u>	<u>(5)%</u>
Segment NBT	<u>\$ (6.2)</u>	<u>\$ (6.8)</u>	<u>9%</u>
Segment NBT as % of Operating Revenue	<u>(0.6)%</u>	<u>(0.7)%</u>	



Dedicated Contract Carriage (DCC)

(\$ Millions)

Fourth Quarter

	<u>2002</u>	<u>2001</u>	<u>% B/(W)</u>
Operating Revenue	\$ 132.6	\$ 132.5	0%
Freight Under Management	1.0	1.0	0%
Gross Revenue	<u>\$ 133.6</u>	<u>\$ 133.5</u>	<u>0%</u>
Segment NBT	<u>\$ 7.9</u>	<u>\$ 10.0</u>	<u>(21)%</u>
Segment NBT as % of Operating Revenue	<u>5.9%</u>	<u>7.5%</u>	



Dedicated Contract Carriage (DCC)

(\$ Millions)

Full Year

	<u>2002</u>	<u>2001</u>	<u>% B/(W)</u>
Operating Revenue	\$ 514.1	\$ 530.1	(3)%
Freight Under Management	3.9	4.9	(20)%
Gross Revenue	<u>\$ 518.0</u>	<u>\$ 535.0</u>	<u>(3)%</u>
Segment NBT	<u>\$ 31.1</u>	<u>\$ 34.8</u>	<u>(11)%</u>
Segment NBT as % of Operating Revenue	<u>6.0%</u>	<u>6.6%</u>	



Central Support Services (CSS)

(\$ Millions)

Fourth Quarter

	<u>2002</u>	<u>2001</u>	<u>% B/(W)</u>
Allocated CSS Costs	\$ 53.8	\$ 55.7	3%
Unallocated CSS Costs	4.6	3.7	(24)%
Total CSS Costs	<u>\$ 58.4</u>	<u>\$ 59.4</u>	<u>2%</u>



Central Support Services (CSS)

(\$ Millions)

Full Year

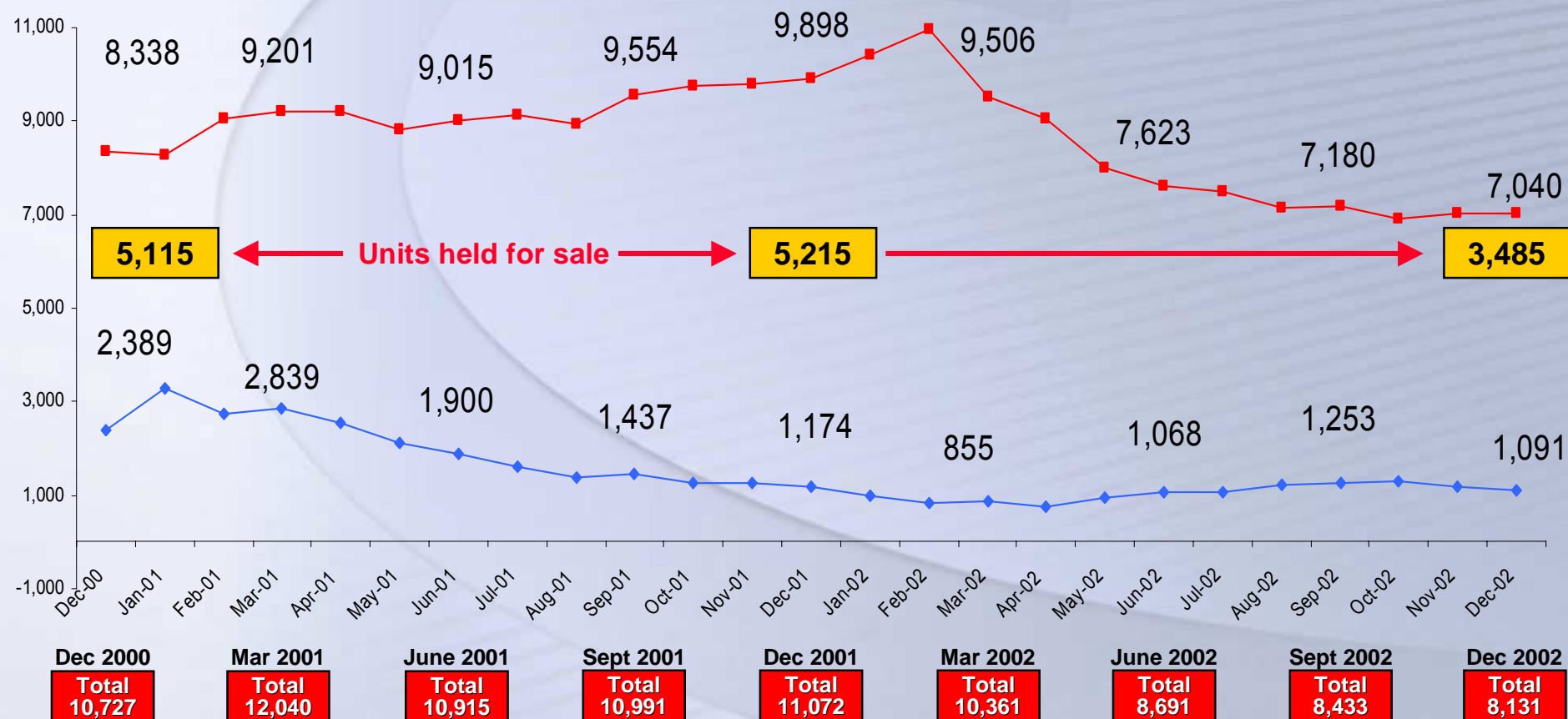
	<u>2002</u>	<u>2001</u>	<u>% B/(W)</u>
Allocated CSS Costs	\$ 208.8	\$ 219.8	5%
Unallocated CSS Costs	<u>24.6</u>	<u>25.4</u>	<u>3%</u>
Total CSS Costs	<u>\$ 233.4</u>	<u>\$ 245.2</u>	<u>5%</u>

Non-Revenue Earning Equipment

Status

■ No Longer Earning - "NLE"

◆ Not Yet Earning - "NYE"



► **Pension funded status:**

U.S. Qualified Pension Plan
\$ Thousands

	Actual 12/31/01	Actual 12/31/02
Fair Value of Assets (FVA)	\$ 777,404	\$ 651,465
PV of Liability (PBO)	756,009	843,596
SFAS 87 Funded Status	\$ 21,395	\$(192,131)
Percent Funded	103%	77%

► **The year-to-year change in FVA is impacted by the following:**

- Actual return on plan assets (negative 14% for 2002)
- Contributions to the plan
- Payment of plan benefits and expenses

► **PBO (Projected Benefit Obligation) is the present value of expected benefit payments to plan participants (active and retired)**

- Discount rate based upon high quality corporate bonds (6.5% at 12/31/02 vs. 7.0% at 12/31/01)
- Benefits based upon salary growth, retirement age and turnover

- ▶ **Ryder made \$26 million in cash contributions to global pension plans in 2002**
 - Includes voluntary contribution to U.S. pension plan of \$16 million in December 2002
- ▶ **Charge to equity in 4Q 2002 of \$227.6 million for underfunded status of the company's global plans**
- ▶ **No cash contribution to U.S. plan required until 2004**
 - Ryder could elect to make contributions earlier

