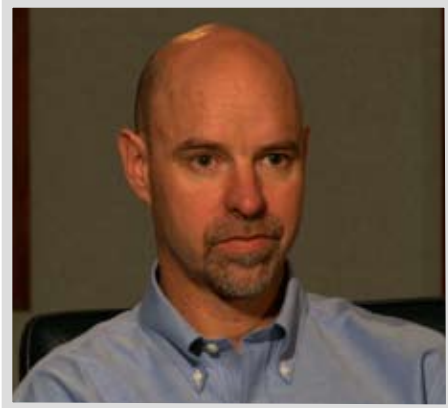


# TRENDS DRIVING DEMAND



“All of our businesses benefit from long-term, secular trends that will lead to further outsourcing over time. These trends include increased complexity and higher operating costs of vehicle technology, increased capital costs for new vehicles, a more constrained credit environment and the dynamic nature of supply chains today.”

**ROBERT SANCHEZ**  
President and Chief Operating Officer, Ryder System, Inc.

## LONG-TERM DYNAMICS AND MARKET TRENDS DRIVING OUTSOURCING

Ryder is a leader in each of its primary transportation and supply chain solutions offerings. Significant opportunities exist for expanding the market for our solutions due to the relatively low levels of outsourcing by customers in each of these categories. These opportunities are supported by a number of macro-trends that point to increased use of outsourcing among the vast number of companies that currently manage these functions and processes in-house.

- **Increased Vehicle Cost and Complexity**

Newer EPA-mandated clean-burning engine technologies have resulted in substantially higher initial fleet costs, more maintenance complexity, including inventory requirements for specialized parts and fluids, as well as higher operating costs.

- **Driver and Maintenance Technician Shortage**

As a generation of baby-boomers continues to transition into retirement, finding safe and reliable professional drivers and qualified technicians presents a challenge for many companies, especially those which are not positioned to support the unique training and development required to keep these critical roles operating at the top of their game.

- **Rapidly Changing Global Supply Chains**

Recent natural disasters, such as the tsunami in Japan, have caused companies to focus on risk management of their supply chains. The more complicated the supply chain or the product requirements, the greater the need for companies to turn to the expertise of supply chain providers. Greater Management and Oversight Requirements – Increases in domestic and international regulatory requirements, safety and cargo security



Ryder manages over 30 million square feet of warehouse space and provides distribution management services ranging from network design to managing the facilities themselves.



Ryder sells the majority of its used vehicles through a nationwide network of 57 retail sales centers.

concerns, environmental concerns, risk and insurance, and many other responsibilities require substantial management time and monitoring of new developments to stay up-to-date and in compliance.

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## ACCELERATING PROFITABLE GROWTH IN 2012 AND BEYOND

For nearly eight decades, Ryder has been developing and refining its solutions by focusing in on emerging customer needs, executing in real-world conditions, monitoring performance, and implementing timely process improvements. With the benefit of that heritage, a solid foundation, and the belief that the worst of the external economic conditions are now behind us, Ryder is very well positioned to accelerate profitable growth now and in the future.

- **Maintained Size of Sales Force through Downturn**

Our sales force is intact and prepared to accelerate growth. Through the most challenging economic downturn, freight recession, and selling environment in memory, Ryder chose to maintain the size of its sales force, which is very well trained and attuned to customer needs and the applicability of Ryder’s solutions.

- **Investing in Technology, Innovation and Product Development**

Ryder continues to differentiate its offerings with investments in unique technologies. For instance, Ryder continues to expand the number of vehicles equipped with web-enabled customer-facing FleetCare technology for monitoring fleet metrics and performance data, and GPS/computer integrated RydeSmart® technology to lower operating costs and improve customer service.

- **Organized to Deliver Unmatched Value in Specific Market Segments**

Ryder has segmented and targeted its focus on specific industries and solution applications where the Company is best positioned to leverage its proven ability in the areas of operational execution and real-world innovation.

- **Primed to Extend Our Lead in the Recovery**

For many years, through every kind of business environment, Ryder has prepared for the opportunities that are now at our door. For the reasons outlined here and many more, Ryder stands ready to take advantage of opportunities to accelerate profitable growth in both the existing and emerging markets for outsourced transportation and supply chain management solutions.



Ryder manages over \$4 billion in freight moves on their customers’ behalf.