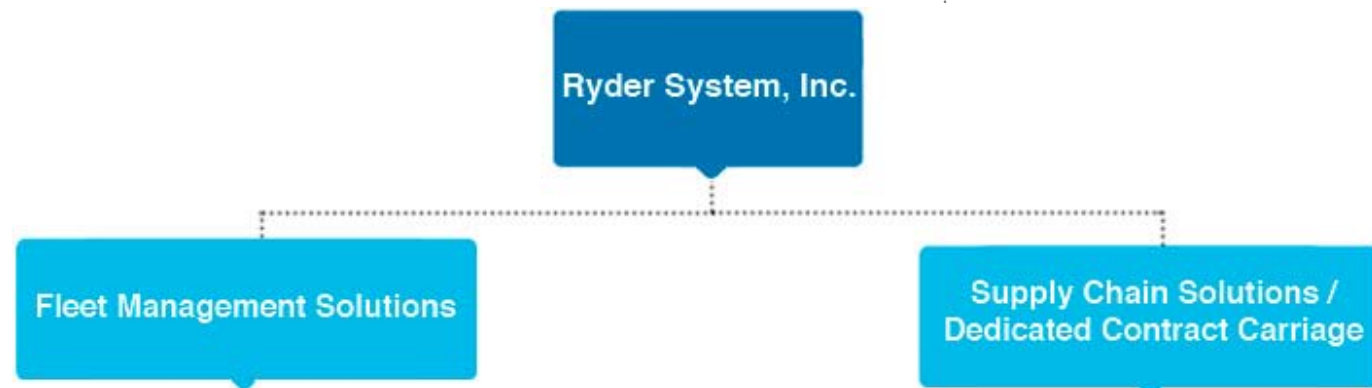


SEGMENTS



“Across Ryder’s range of solutions, we’ve developed deep expertise in specific functional areas and key industries. We design proactive solutions to specifically fit our customers’ needs, whether in food and beverage, oil and gas, automotive, high-tech, retail or other industries. Our people ensure great execution by knowing and caring about what’s most important to the customer.”

JOHN WILLIFORD
President, Ryder Global Supply Chain Solutions



FLEET MANAGEMENT SOLUTIONS

Ryder’s Fleet Management Solutions (FMS) business segment provides full service leasing and rental of commercial trucks, tractors, and trailers; contract maintenance services; and a variety of fleet support services designed to help meet customers’ insurance, fuel, safety, and regulatory reporting needs.

- **Full Service Lease**, our largest product line, is a lease package offered as part of a long-term contract that includes vehicle sourcing, financing, and maintenance as well as a variety of fleet support services, including onboard telematics and web-based fleet management tools.
- **Commercial Rental** provides customers with rental trucks on a short-term basis to meet peak or seasonal needs for supplemental capacity.
- **Contract Maintenance** is a service solution that includes preventive maintenance, vehicle repairs, and 24/7 roadside assistance for customers with non-Ryder owned vehicles. Contract-Related Maintenance provides maintenance services to contractual customers who require additional maintenance beyond the services included in their contracts.
- **Used Vehicle Sales** provides customers with access to one of the world’s largest selections of used trucks, tractors, and trailers, searchable online in English, French and Spanish, and sold through our network of more than 57 Used Vehicle Sales Centers and through export channels.

In 2011, FMS offered customers more flexible options for taking advantage of Ryder’s expertise, including:

- **Fleet Plan** is a solution that offers private fleet operators a convenient low-risk way to transition to outsourcing. With Fleet Plan, Ryder purchases or facilitates the purchase of the customer’s fleet – and then takes responsibility for managing, maintaining, and optimizing it.
- **On-Site Maintenance enables** customers to have a dedicated service operation right at their premises to deliver all the advantages of professional maintenance, state-of-the-art diagnostic and repair equipment, reporting system, and predictable monthly maintenance expenses.
- **Flex-to-Green** provides a flexible three-year lease that enables customers to transition to alternative fuel vehicles anytime during the lease period. Customers can start out with a standard vehicle and transition to an alternative fuels vehicle for a full term at any point following the first full year of their lease through the remaining months of the lease term.



2011 PROGRESS

In 2011, FMS delivered a very strong 45% increase in pre-tax earnings on operating revenue growth of 10%. Our commercial rental performance improved as a result of increased market demand on a 23% larger average fleet and higher pricing. Used vehicle sales also improved as a result of higher pricing. Throughout the year we continued to invest and position the FMS business to take advantage of favorable macro trends toward transportation outsourcing in the marketplace. FMS closed on four strategic acquisitions to complement the ten previous FMS acquisitions the Company has made over the past decade. These acquisitions expand our FMS presence in key areas of the western U.S. and in the U.K. Ryder acquired Bradford, England-based Hill Hire plc, an independently run and wholly owned subsidiary of Lloyds Banking Group and UK market leader in commercial truck leasing, rental and maintenance. In total, the acquired business added nearly \$150 million in annualized revenue to Ryder's FMS business segment and approximately 400 contractual customers. This acquisition was significantly accretive to earnings in the latter half of 2011.

FMS continues to expand its network. During the year, the 16th Southern California Ryder service facility opened in Ventura, as well as three new used vehicle sales facilities – two in California and one in Orlando, Florida. Ryder also updated and refreshed its rental fleet adding approximately 9,000 new trucks, tractors and trailers to serve the needs of its nearly 40,000 rental customers, globally.

FMS is a market leader in its primary product lines, serving both large and small private fleets in the U.S., Canada, the United Kingdom and Germany. Differentiated by nearly eight decades of process refinements and a network of more than 800 maintenance facilities, FMS leverages its physical infrastructure, technology, processes and expertise to deliver efficiency, innovation and economies of scale to more than 14,000 contractual customers.

Ryder continues to build on its groundbreaking heavy-duty natural gas truck rental and leasing project with San Bernardino Associated Governments (SANBAG) Board in Southern California. This first ever, heavy-duty natural gas vehicles were being deployed into a large commercial truck rental and leasing operation. With \$19.3 million in state and federal funding secured by SANBAG to implement the project, Ryder placed and took delivery of one of the largest-ever orders of more than 200 heavy-duty natural gas powered trucks. To support the fueling and maintenance of its natural gas vehicles, Ryder upgraded two of its existing maintenance facilities to be properly equipped for the indoor servicing of natural gas vehicles – Rancho Dominguez, California and Tucson, Arizona. The company is in the process of converting additional facilities in the coming months.

To help customers and fleet owners better understand how they can



reduce transportation costs, while meeting sustainability objectives, in 2011 Ryder also launched a new alternative fuels website at www.ryder.com/alternativefuels.

SUPPLY CHAIN SOLUTIONS

Ryder's Supply Chain Solutions (SCS) business segment provides comprehensive logistics and supply chain management services, including: distribution management, transportation management, dedicated contract carriage, and professional services.

- **Distribution Management** includes order fulfillment, inbound material and outbound product support, warehouse and distribution center operations, reverse logistics, and value-added services such as kitting, packaging and assembly.
- **Transportation Management** includes freight procurement and carrier management, shipment planning and execution, freight brokerage, and freight bill audit and payment.
- **Dedicated Contract Carriage (DCC)** provides a turnkey transportation service that includes vehicles, drivers, maintenance, routing and scheduling, management and administrative support. DCC combines Ryder's equipment know-how with drivers and additional management services to provide customers with a dedicated transportation solution designed to increase their overall competitiveness. Ryder's DCC product is customized to meet the unique and specific demands of each customer. The solution is especially attractive to companies that require time-sensitive deliveries, as well as specialized equipment and material handling capabilities. Managed as part of the SCS organization, DCC operates primarily in North America.
- **Professional Services** include strategic consulting, supply chain solutions engineering, network modeling and optimization, and total landed cost analysis, among other services.
- **Integrated Offerings** include our origin/destination services which manages the distribution and flow of goods from Asia to North America, as well as combinations of these four solutions above.

Differentiated by its ability to deliver better operational execution and proactive solutions in real-world settings, SCS leverages its deep expertise by focusing on key vertical industry sectors including Automotive, High-Tech, Retail/Consumer Packaged Goods (CPG), and Industrial. SCS manages more than 30 million square feet of warehouse space globally and contracts with more than 1,500 outside providers of air, ground, rail, and ocean transportation services.



Additionally, SCS concentrates on developing a critical mass of interrelated operations and capabilities to serve the current and fast-emerging needs of more than 450 contractual customers in high potential geographies, including the United States, Canada, Mexico, and Asia.

2011 PROGRESS

In 2011, SCS generated a 47% increase in pre-tax earnings and a 28% increase in operating revenue. This strong performance was driven by organic growth, and growth resulting from the Total Logistic Control (TLC) acquisition, which Ryder acquired in late 2010. The acquisition, which was accretive to earnings in 2011, added approximately \$250 million in annualized revenue to Ryder's SCS business. Ryder gained 31 TLC facilities representing more than 11 million square feet of strategically placed dry and temperature-controlled warehousing. It also accelerated our capabilities and growth prospects in the CPG industry sector, which has been a strategic target of growth for the SCS business.

In 2011, DCC achieved a 21% increase in operating revenue, and remained profitable due to the acquisition of The Scully Companies in January 2011. The Scully acquisition added approximately \$65 million of DCC business, 17 customers, and 25 locations throughout the western United States. DCC also benefitted from the pass-through of higher fuel costs.

In 2011, Ryder expanded its reverse logistics capability to include a co-location solution. The new offering integrates forward and reverse logistics in the same facility to further optimize the returns process and drive greater value recovery of returned assets. By co-locating the distribution management of finished goods with returns processes such as technical repair, refurbishment, and repackaging in the same facility, this solution offers companies the ability to achieve greater speed to shelf, visibility, and cost-savings. Ryder's reverse logistics capability consists of a full suite of integrated reverse logistics and IT solutions to handle the management of returned goods from end to end.

Ryder Ascent Logistics Singapore and Ryder Supply Chain Solutions Asia – part of Ryder's Supply Chain Solutions division – were certified as Third Party Logistics Providers (3PL) in the Customs-Trade Partnership against Terrorism (C-TPAT). C-TPAT is a joint U.S. government-business initiative supported by the Department of Homeland Security and U.S. Customs and Border Protection that promotes global supply chain security and reduces border vulnerabilities.

Ryder was awarded three anti-terrorism certifications for its Asia and Trans-Pacific logistics operations. These certifications enhance Ryder's existing anti-terrorism certifications for supply chain operations in North America.

This page includes certain non-GAAP financial measures that are reconciled in Ryder's [Form 10-K](#).

