

Natural Gas in Transportation



PACCAR Overview

- Founded in 1905
- 108 Years of Superior Performance
- \$17B Revenue in 2012
- 74 Consecutive Years of Net Profit
- Dividend Paid Yearly Since 1941
- 10 Year Annualized Shareholder Return of 15%
- A+ S&P Credit Rating
- Quality and Technology Leader







Environmental Responsibility

Protecting and preserving the environment is a core value at PACCAR. As one of the world's leading companies, PACCAR recognizes its responsibility for reducing the environmental impact of its products. A long history of proactive environmental programs has also provided PACCAR with an opportunity to strengthen both its own and its customers' competitiveness.



Technology Development



Aerodynamics & Idle Reduction



Alternative Fuels



Powertrain



Hybrids & Batteries



Telematics

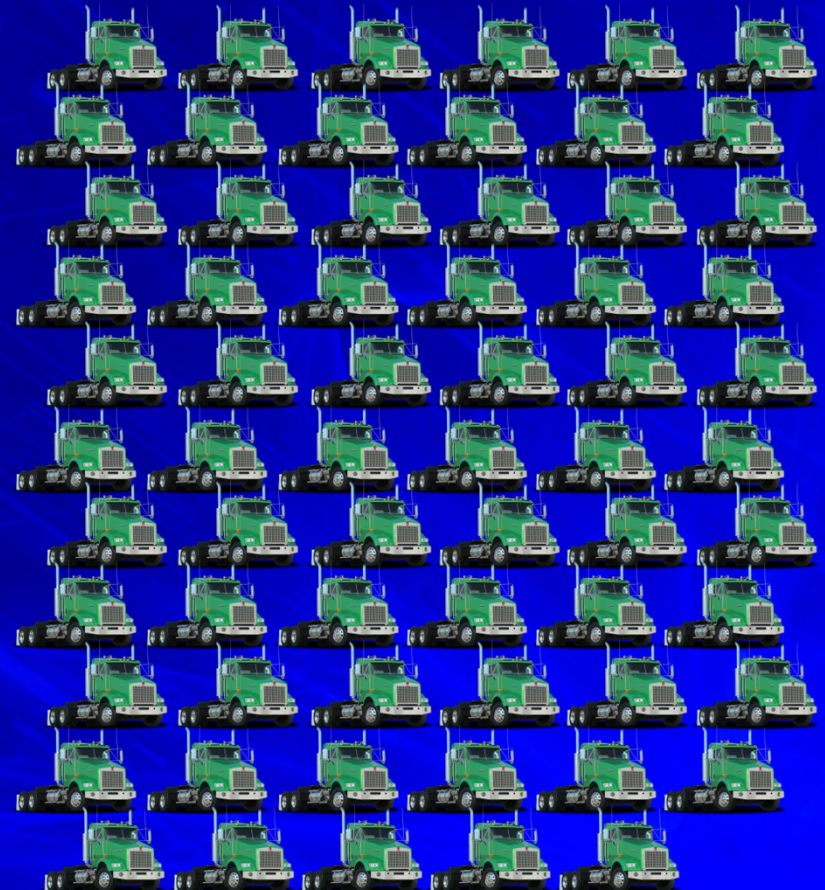
Diesel Emission Impact

1990

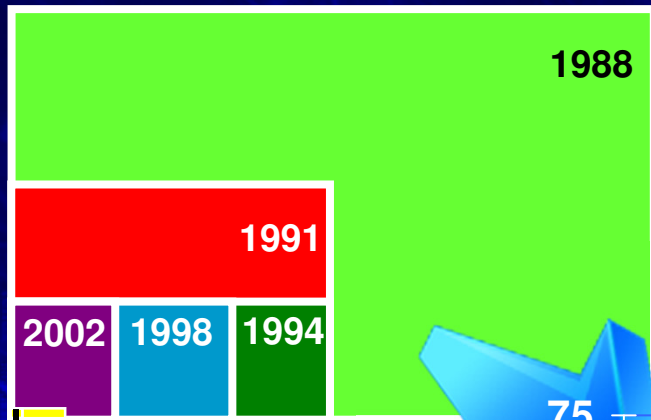


2010

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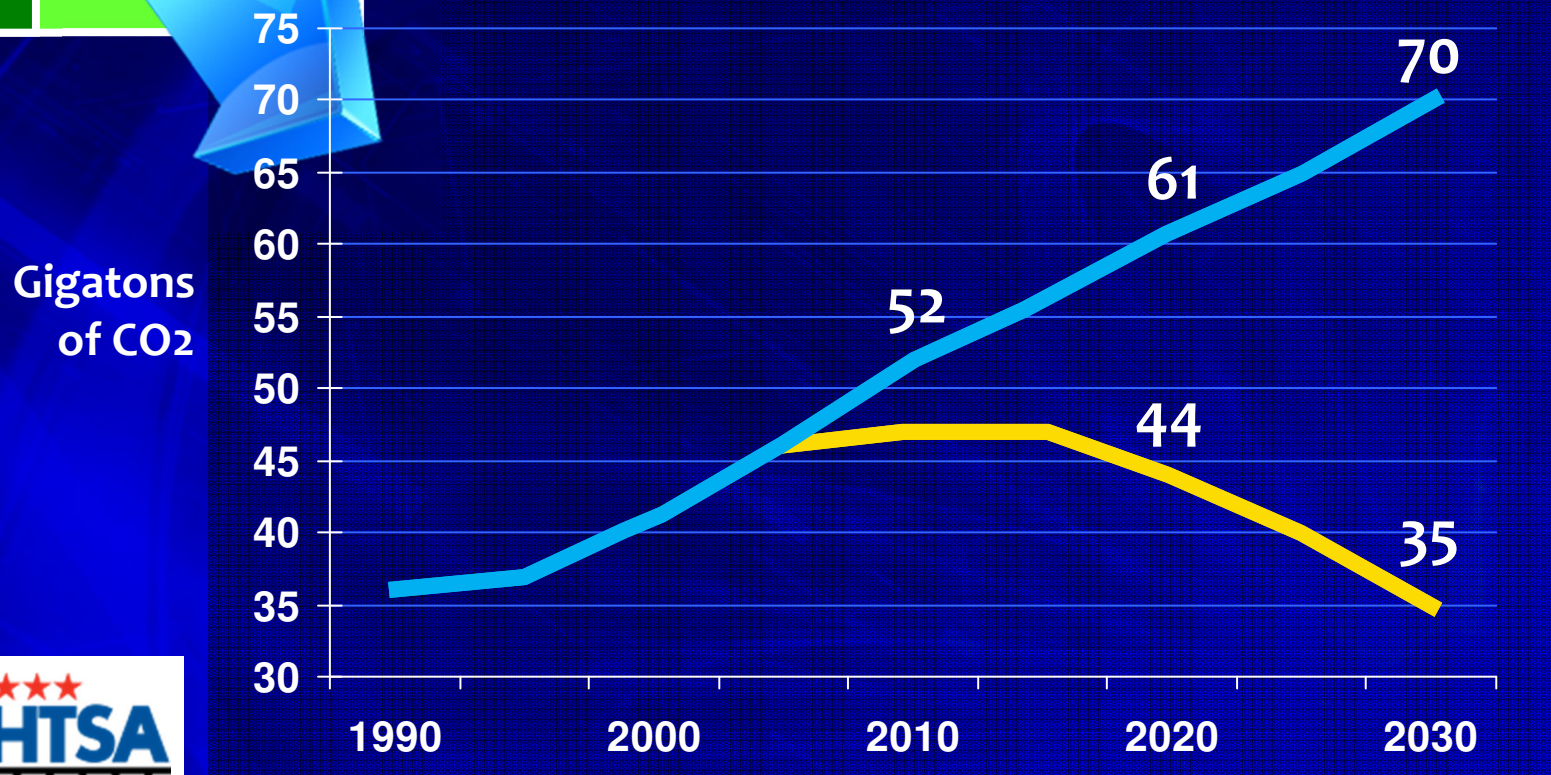


Changing Regulatory Focus



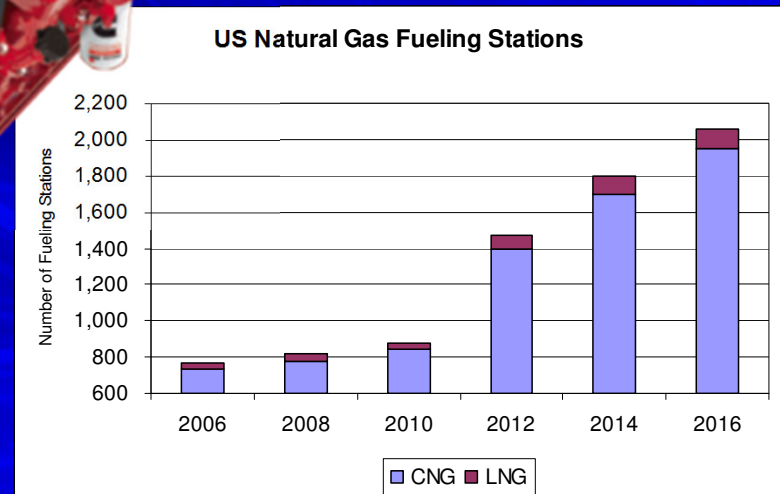
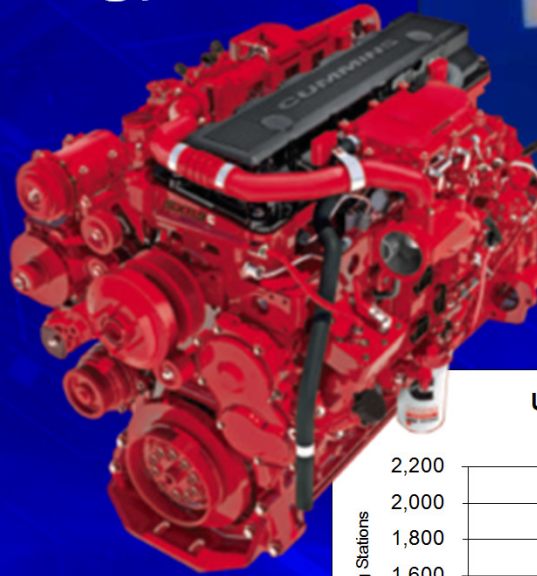
Revised Global Greenhouse Gas Emissions Gigatons of CO₂, Equivalent Emissions, Per Year

- Reference Path
- 450 ppm Path



Converging Market Forces

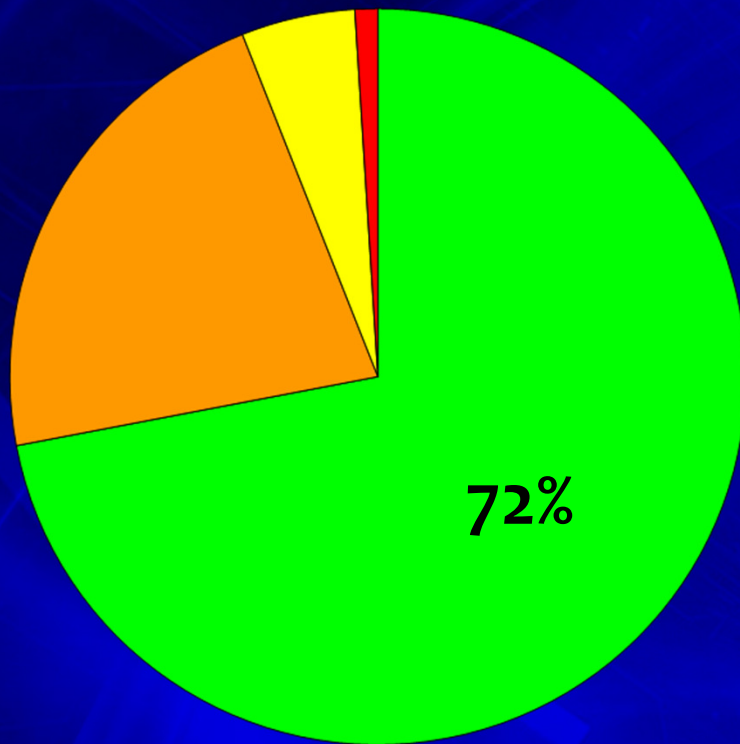
- Historically Low Natural Gas Prices
- New Engine Technology
 - Ratings
 - Reliability
 - Cost Competitive
- Growth of Fueling Infrastructure
 - Local and Federal Government
 - Air Quality
 - Fuel Economy



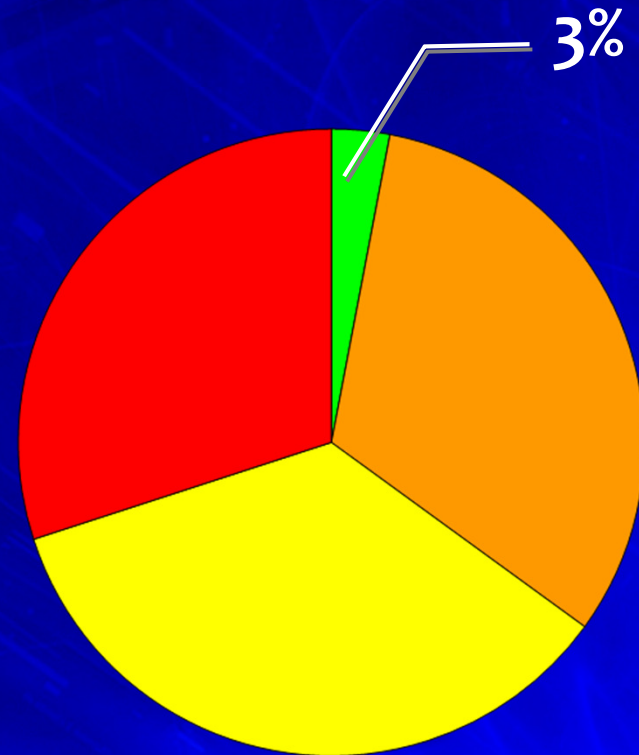
Source: US Department of Energy

Energy Use

U.S. Department of Energy



Petroleum – 37%



Natural Gas – 25%

Transportation Industrial Residential/Commercial Power Generation

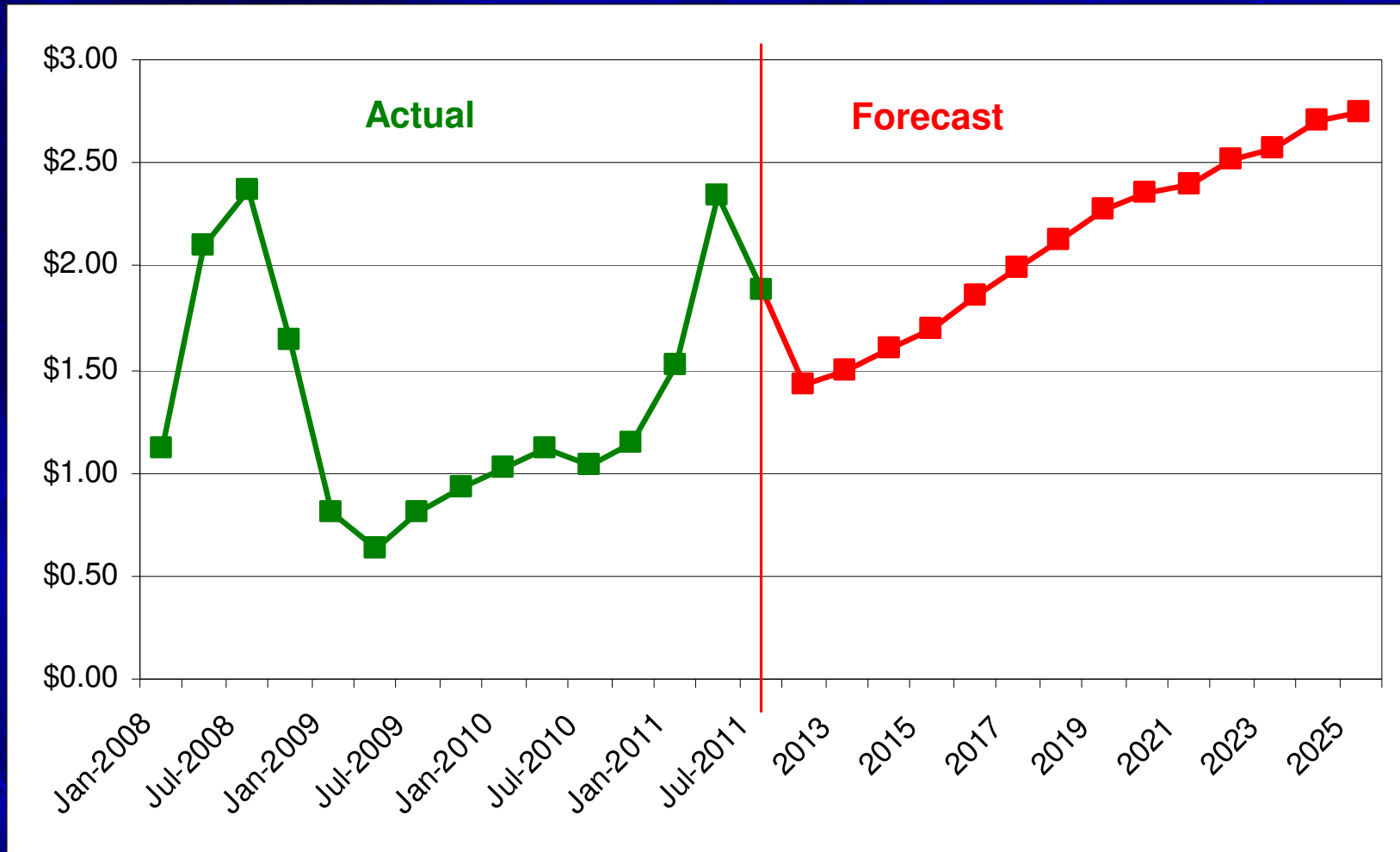
Why Natural Gas for Transportation?

- Fuel Cost/Economics/ROI vs. Diesel
- Simplified Emissions
- Emission Reduction
- Greening Supply Chain
- Noise Reduction (7 – 10 dba)
- Strategic Advantage
- Domestic Fuel



Diesel to NatGas Price Differential

Per Pump Pricing



Source: Department of Energy

Clean Energy - Las Vegas, NV



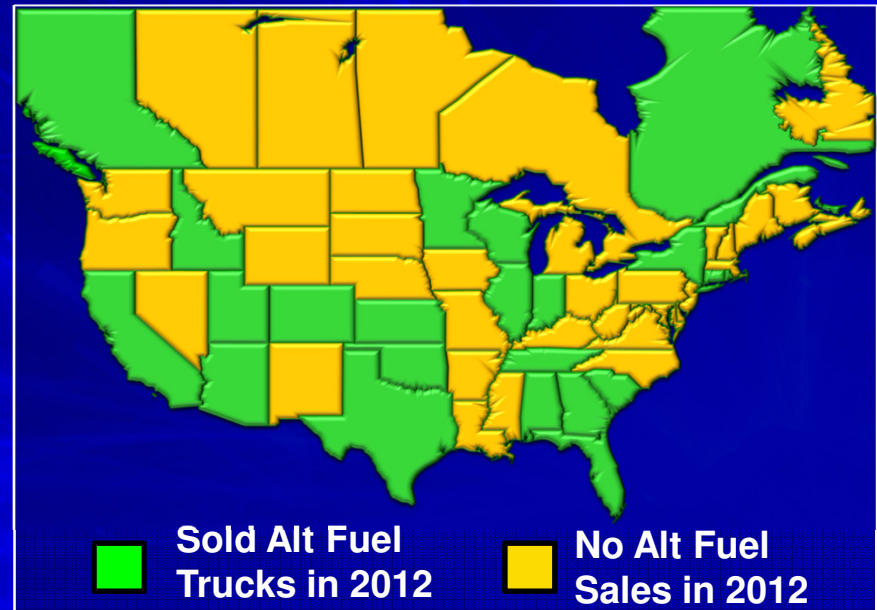
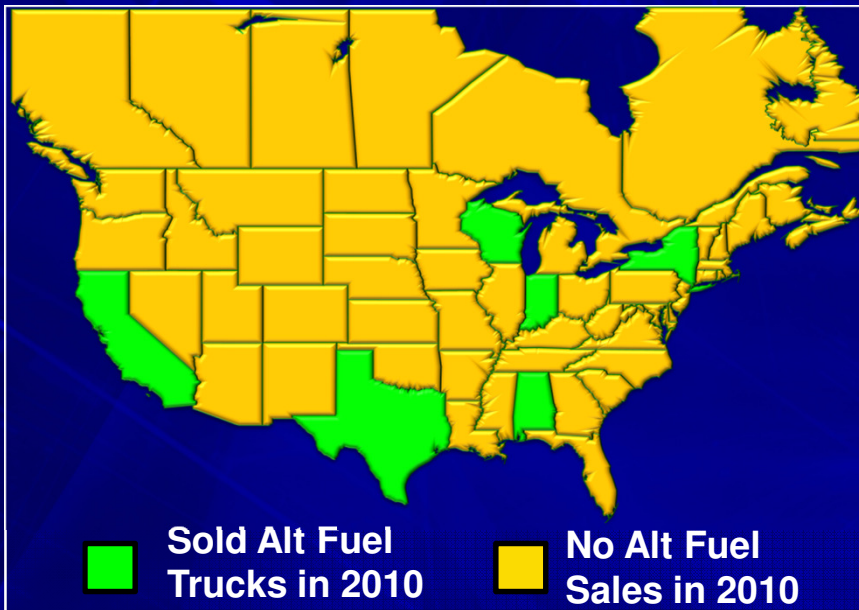
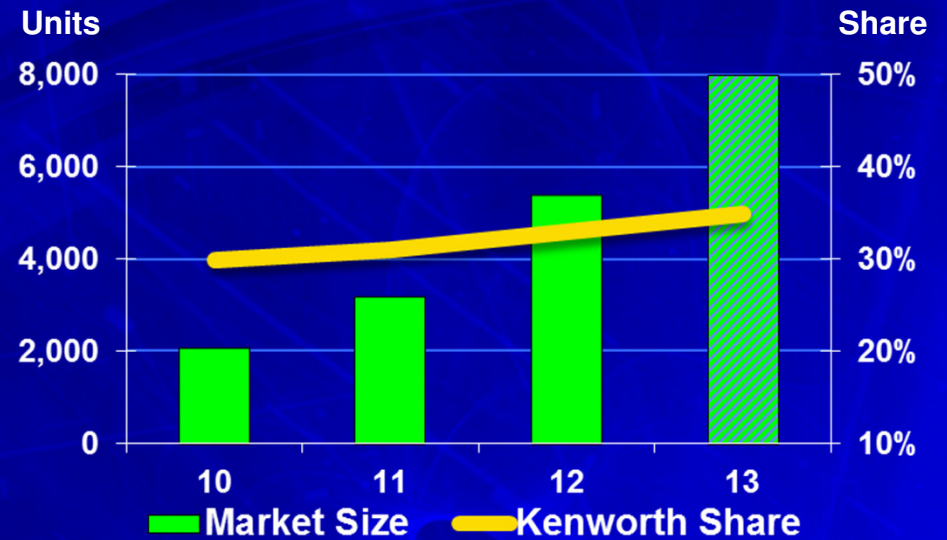


Blu.







Expanding NGV Footprint



NatGas Market Growth



Gas Engine Availability by Model

	T440	T470	T660	T800B	T800SH	W900S
						
GX				✓		
ISX12G			✓		✓	✓
ISL-G	✓	✓				✓

Expanding NGV Footprint



“Monarch Beverage adds the Cummins ISX12G to their expanding natural gas fleet”

Natural Gas in Motion



“UPS fleet adds 96 LNG-fueled heavy-duty trucks”



A PACCAR COMPANY

Questions?

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