



Commercial Vehicle Solutions

Commercial Vehicle
Market Intelligence Report
December 2008

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Commercial Vehicle Market Intelligence Report—December 2008

Industry Overview—U.S. New Commercial Vehicle Registrations December and CYTD December

Commercial Registrations for GVW 3-8 New Vehicles for the 2008 calendar year were 485,000 units, the lowest level since the 1994 calendar year when 489,500 Commercial New Vehicles were registered. New registrations in the calendar year were 25.1% below the level of new registrations in the 2007 calendar year and also represent a decline of 39.6% from the record new registrations in the 2006 calendar year. In December, Commercial New Vehicle Registrations were 33,200 units and represented the lowest monthly total for New Registrations since February 2003 and the lowest month of December since the 2002 calendar year. The 2008 calendar year started off at a reasonable level and early on showed signs of improving; however, with the credit crunch the year has ended up with December new registrations down over 33% from the level reported in January.

While total New Commercial Vehicle Registration were down 25.1% from the year earlier level, the decline was most severe with GVW 6 vehicles which were down 34.6% from the level of New Registrations in the 2007 calendar year. GVW 6 vehicles are primarily used for daily rental and leasing and with the decline in housing starts and the general economic climate this vehicle segment has been hit extremely hard. The decline within GVW 6 vehicles was not restricted to a specific size company; rather the decline was across the board with large fleets (500+ units) down 32.6% and smaller fleets (1-5 units) down 37.8%.

For the 2008 calendar year, all GVW segments were below the comparable level of New Registrations during the 2007 calendar year.

Polk Index of U.S. Commercial Vehicle Activity (GVW 3-8)

In the September quarterly update, the Polk Index of U.S. Commercial Vehicle Activity (Index) indicated GVW 3-8 Commercial Vehicle Registrations were tracking at an annual rate of 485,000 units at the end of September as compared to 520,000 units at the end of June. In total, the Index in September correctly identified the total Commercial Vehicle Market at 485,000 units; however, there were misses within the respective GVW's as shown in the table on the next page.

When comparing the 2008 final New Vehicle Registration total and the Index as of September the Index over stated the final numbers in both GVW 4 and 6 and importantly to many the Index actually understated the final number for GVW 8 vehicles.

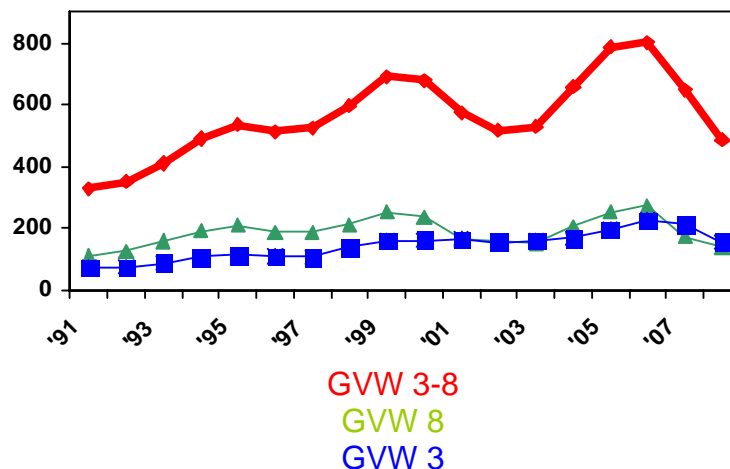
Polk Index of Commercial Vehicle Activity

	Final 2008 New Registrations	Index As of Sept 2008	Index As of June 2008	Index As of March 2008	New Registrations 2007 Calendar Year	2008 CY vs. Sept. Index Units
GVW 3	155,000	154,800	180,000	205,000	210,000	200
GVW 4	57,000	58,000	64,000	66,000	80,000	(1,000)
GVW 5	36,000	36,200	38,000	40,300	44,000	(200)
GVW 6	45,000	46,800	53,000	58,300	70,000	(1,800)
GVW 7	56,000	56,200	56,000	54,900	72,000	(200)
GVW 8	136,000	133,000	129,000	125,500	171,000	3,000
Total	485,000	485,000	520,000	550,000	647,000	-

The Index is a process whereby monthly and calendar-year-to-date registrations equate to the expected annualized volume for a given group of vehicles. The Index has shown the ability to accurately indicate the level of New Commercial Vehicle Registrations for the full calendar year at a point three, six and nine months prior to the end of the calendar year. This level of accuracy is more than acceptable for planning purposes.

As seen on the follow chart, New Commercial Vehicle Registrations in the 2008 calendar year were down significantly and fell to a level that was the lowest since the 1994 calendar year

**New Commercial Vehicle Registrations
Calendar Year (000's)**



Industry Overview— U.S. New and Used Combined Commercial Vehicle Registrations

The overall health of the Commercial Vehicle Market is best illustrated by combining both New and Used Vehicle Registrations during the quarter and the calendar year. In the fourth quarter there were 30.8% fewer new and 22.5% few used commercial vehicles Registered then were registered during the comparable quarter in the 2007 calendar year. This resulted in a combined decline of 24.4% during the quarter. There were fewer commercial used Registrations in each GVW then were registered during the same quarter in the 2007 calendar year.

For the 2008 calendar year, there were 20.4% fewer new and used commercial vehicles Registered then were registered during the 2007 calendar year. Since the record level of new and used commercial vehicle Registrations in the 2006 calendar year, combined Registrations of commercial new and used vehicles has declined 36.2%. Additional analysis is available in the Used Vehicle section starting on page 13.

New and Used Commercial Vehicle (GVW 3-8) Registrations

Registrations	Oct- Dec 2008	Oct- Dec 2007	% Chg.	2008 CY	2007 CY	% Chg.
New	104,700	141,300	-30.8	485,000	647,400	-25.1
Used	82,900	107,000	-22.5	395,700	459,600	-13.9
Total	187,600	248,300	-24.4	880,700	1,107,000	-20.4

Industry Overview—U.S. New Commercial Vehicle Registrations

As noted previously, New Commercial Vehicle (GVW 3-8) Registrations in December were down 25.2% from December 2007. Registrations in each GVW were lower, with only GVW 8 vehicles close to year earlier levels. The following table shows the New Registration

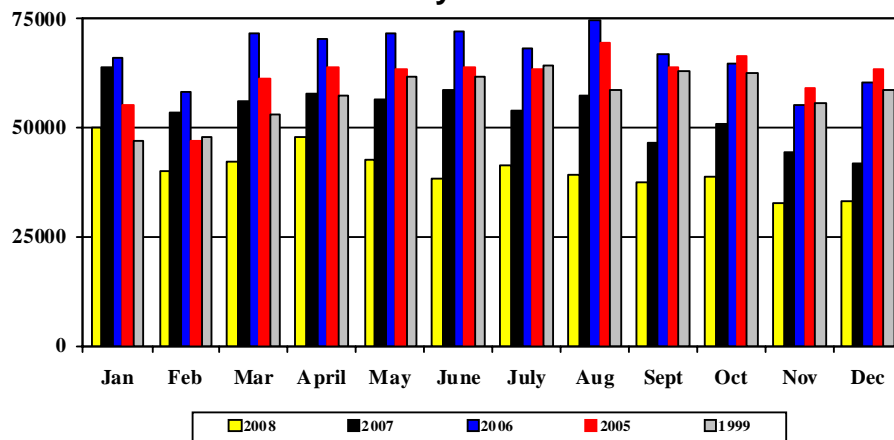
performance for each GVW for the month of December and for the full calendar year compared to the 2007 calendar year.

U.S. New Commercial Vehicle Registrations

	Month-Dec	CYTD-Dec	CYTD-Dec 2008	CYTD-Dec 2007
	% Chg. Fr 2007	% Chg. Fr 2007	Share of Ind. (%)	Share of Ind. (%)
GVW 3	-41.2	-26.5	31.8	32.5
GVW 4	-34.2	-29.1	11.7	12.4
GVW 5	-16.5	-18.3	7.5	6.8
GVW 6	-29.9	-34.6	9.4	10.7
GVW 7	-10.4	-21.9	11.6	11.1
GVW 8	-1.1	-20.7	28.0	26.5
Industry	-25.2	-25.1	100.0	100.0

As noted previously and shown below, Commercial Vehicle New Registrations started the 2008 calendar year at a reasonable level: however, January 2008 represented the highest level of monthly Registrations during the 2008 calendar year. For the balance of the calendar year, the monthly total for total new registrations equaled 40,000 units.

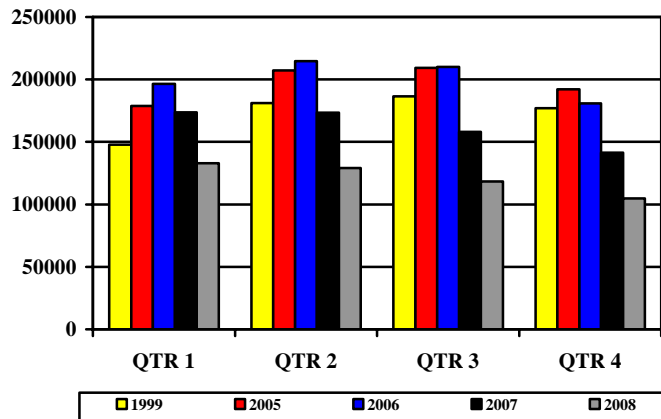
**New Vehicle Registrations (GVW 3-8)
By Month**



The weakness in the Commercial Vehicle Market can best be seen in the following chart which shows GVW 3-8 performance by quarter. One way to look at the market is to see if the movement between quarters is similar to that experienced in previous years. In the 2008 calendar year, the fourth quarter was down 11.5% from the level of New Vehicle Registrations reported in the third quarter, about the same as the pattern from the 2007 calendar year.

To put the fourth quarter into its proper perspective, the average decline from the third quarter to the fourth quarter in the 1999 and 2003-2005 calendar years was 5.9%. The decline between the third quarter and the fourth quarter, in both the 2007 and 2008 calendar years averaged 11.2%.

New Commercial Registrations (GVW 3-8)



While GVW 3-8 New Commercial Vehicle Registrations were down for December and the 2008 calendar year, 25.2% and 25.1% respectively, the Commercial Market is not performing uniformly across the country.

The South Region, based on the map shown on page 6, accounts for the largest share of New Commercial Vehicle Registration at 31.3% for the 2008 calendar year. New registrations in the South were down 28.4% when compared to the 2007 calendar year. The largest year-to-year decline was in the West, down 28.7% compared to the 2007 calendar year. The West Region, during the booming 2005 and 2006 calendar years was the fastest growing region for New Commercial Vehicle Registrations; however, with the markets slowdown this region has fallen the hardest.

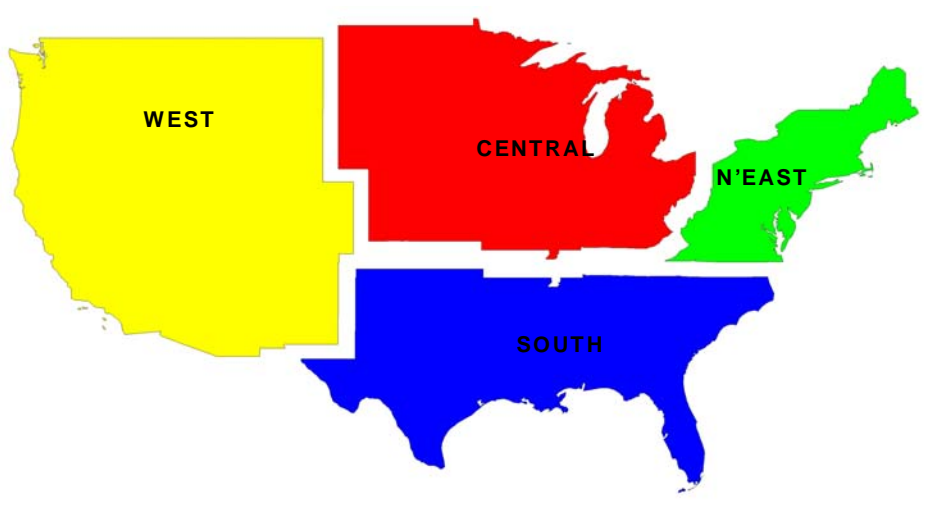
New Commercial Vehicle Registration in the Central and Northeast Regions declined less than the Industry average resulting in an increase in market share in the 2008 calendar year.

The following table summarizes New Commercial Vehicle Registrations by region.

**GVW 3-8 New Commercial Vehicle Registrations
By Region**

	Dec % Chg. Fr. 2007	Dec 2008 Share (%)		2008 CY % Chg Fr. 2007	2008 CY Share (%)	2007 CY Share (%)
West	-25.3	24.3		-28.7	24.6	25.9
Central	-28.7	22.0		-16.3	23.7	21.0
Northeast	-26.2	22.1		-24.3	20.4	20.1
South	-21.6	31.6		-28.4	31.3	33.0
Total	-25.2	100.0		-25.1	100.0	100.0

Geographic Boundaries



Manufacturer Performance

With the exception of Hino (-6.8%) all manufacturers had double digit declines in New Vehicle Registrations in GVW 3-8 during the 2008 calendar year as compared to the 2007 calendar year. The largest year-to-year declines were in GVW 6 (-34.6), GVW 4 (-29.1%) and GVW 3 (-26.5%) vehicles and therefore the manufacturers that dominate these vehicle segments also showed some of the largest year-to-year declines. As an example, Ford is either the segment leader or co-leader in each of the above mentioned segments and Ford overall new registrations declined by 28.4% , the largest decline in year-to-year new registrations for a full line manufacturer.

The table on below recaps each manufacturer's performance for December and the calendar year through December compared to performance a year earlier.

New Commercial Vehicle Registrations GVW 3-8

Brand	Units Dec 2008	% Chg. From Dec 2007	Units 2008 CY	% Chg. From 2007 CY
Chevrolet	2800	-39.2	43400	-24.2
Dodge	2800	-38.0	42700	-25.9
Ford	9100	-28.7	136500	-28.4
Freightliner	4700	14.6	58700	-22.0
GMC	1600	-57.4	24700	-26.3
Hino	300	-16.0	4800	-6.8
International	3400	10.3	44500	-16.4
Isuzu	500	-39.6	9000	-36.0
Kenworth	1600	-2.5	19200	-23.2
Mack	800	-1.8	11100	-29.4
Mit-Fuso	100	-47.8	2400	-56.2
Peterbilt	1300	-23.0	20000	-28.8
Sterling	800	-12.4	10600	-29.0
Volvo	800	-48.2	13200	-22.9
Western Star	100	-50.8	1100	-54.9
Other	2500	-25.6	43100	-17.1
Total	33200	-25.2	485000	-25.1

While New Vehicle Registrations for Commercial Vehicles (GVW 3-8) are influenced by the location of national fleet companies and their registration practices, nonetheless it is informative to see how similar or different performance is across geographical boundaries. The assumption is that major fleets have not changed their registration practices from year-to-year and therefore the year to year comparison is valid in understanding the strength or

weakness of a manufacturer on a geographical (regional boundaries are based on the boundaries shown on page 6) basis.

As you can see from the table below, with the exception of Volvo and Kenworth, all manufacturers did better in the Central Region than on a national basis as measured by the year-over-year percent change.

**New Commercial Vehicle Registrations GVW 3-8
2008 Calendar Year vs. 2007 Calendar Year
Percent Change (%) by Region**

Brand	Total Industry	West Region	Central Region	Northeast Region	South Region
Chevrolet	-24.2	-34.8	-17.6	-21.3	-22.7
Dodge	-25.9	-26.8	-15.8	-13.9	-30.6
Ford	-28.4	-35.3	-15.2	-23.5	-32.0
Freightliner	-22.0	-19.7	-17.6	-28.3	-23.1
International	-16.4	-16.8	-8.9	-14.0	-24.4
Kenworth	-23.2	-21.6	-24.3	-24.9	-23.0
Mack	-29.4	-32.4	-20.5	-11.4	-40.8
Peterbilt	-28.8	-33.4	-19.8	-25.5	-32.9
Sterling	-29.0	-35.1	-27.0	-21.7	-31.1
Volvo	-22.9	1.6	-32.8	-26.7	-32.3
Western Star	-54.9	-47.6	-52.4	-54.1	-60.0
Industry	-25.1	-28.7	-16.3	-24.3	-28.4

Vocation Summary

The table on the following page shows the Top 3 Vocations for each GVW for the 2008 calendar year as well as each vocation's share (percent) for each GVW. With the exception of GVW 8, individuals are represented within the top three vocations in each GVW. The highest share is in GVW 3 at 42.6%. Historically Individuals have accounted for approximately 50% of all GVW 3 New Registrations. However, with the decline in housing starts and lower demand for construction and the related trades individual registrations have declined to only 42.6% of GVW 3 New Registrations.

Within each of the GVW's, the clustering of the top 3 vocations is a smaller total than in previous years indicating a diverse pattern of purchases based on the needs of the Individuals and companies.

Interestingly, the government has never been a large purchaser of new vehicles in GVW 5; however, as shown in the table on the next page below government registrations accounted for 10.0% of total GVW 5 new registrations during the 2008 calendar year.

Top 3 Vocations by GVW for the 2006 Calendar Year

	Number 1	Number 2	Number 3	Top 3 %s
GVW 3	Individual-42.6%	Services- 8.4%	Construction-7.0%	58.0%
GVW 4	Individual-18.9%	Services-16.4%	Lease/Rental-13.3%	48.6%
GVW 5	Services-11.8%	Individual-10.8%	Govt-10.0%	32.6%
GVW 6	Lease/Rental-20.2%	Individual-19.0%	Services-13.4%	52.6%
GVW 7	Bus Transportation-32.4%	Lease/Rental-11.3%	Individual-8.8%	52.5%
GVW 8	General Freight-22.2%	Lease/Rental-15.6%	Lease/Finance-9.4%	47.2%

Engine Summary

The Commercial Vehicle Market is primarily a market powered by diesel engines. In the 2008 calendar year, 80.4% of Commercial New Vehicle Registrations were diesel powered as compared to 83.0% during the 2007 calendar year. This decline in diesel penetration is directly attributed to the decline in GVW 3 vehicles during the 2008 calendar year. Ford, the segment leader in GVW 3, new registrations declined 25.4% in GVW 3 yet Ford gasoline engine penetration increased to 34.9% of total GVW 3 vehicles versus 21.7% during the 2007 calendar year, an increase of 21.7%.

Cummins has passed International/Navistar as the diesel engine manufacturer of preference for the 2008 calendar year.

**Diesel Powered Engines
By Engine Manufacturer**

	2008 CY	2007 CY	% Chg. Fr 2007 CY
Cummins	130,200	131,500	(1.0)
International/Navistar	111,800	164,500	(32.0)
Isuzu	43,600	59,000	(26.1)
Caterpillar	23,800	68,100	(65.0)
MB	20,000	38,000	(47.4)
Mack	11,100	15,500	(28.4)

With the dominance of Ford in both GVW 3 and GVW 4, diesel share in these GVW's has declined significantly year-over-year..

International/Navistar diesel power is dominant in the lower GVW's with Cummins the clear leader in the higher GVW's.

Diesel Engine Penetration

	Jan-Dec '08 % Diesel	Jan-Dec '07 % Diesel	Top Diesel Engine Manufacturer
GVW 3	68.0	75.9	Int/Navistar
GVW 4	51.8	55.3	Int/Navistar
GVW 5	88.2	88.2	Int/Navistar
GVW 6	73.1	75.8	Cummins
GVW 7	98.1	98.8	Cummins
GVW 8	99.8	99.7	Cummins
Total	80.4	83.0	Cummins

Fleet Summary

Within each GVW, there is a specific pattern of buying by fleets that is most easily seen by analyzing the New Registrations in a specific time period by the national fleet size of each company that registers a vehicle. In the 2008 calendar year, the largest year-over-year decline came from companies that operated between 1 and 25 units. This is a complete reversal from the experience during the 2007 calendar year when these smaller fleets accounted for over 52.0% of all New Registrations. This shift can be directly attributed to the lower number of owner operators registering new vehicles and the significant decline in GVW 3 vehicles which have typically been purchased by individuals for use in construction and the related trades.

The real issue regarding fleet purchase patterns is that they are extremely dependent upon the specific vehicle types, the GVW of the vehicle and the business conditions. From the table on the following page, it can be seen that smaller fleets have declined significantly across all GVW and the only bright spot, if it can be called that, is that there was less of a decline in large fleets registering new GVW 8 vehicles.

**Summary by Fleet Size
2007 Cy % Change from 2006 CY**

	Fleets of 1-5 Units	Fleets of 6-25 Units	Fleets of 500+ Units
GVW	% Change	% Change	% Change
3	-31.4	-20.0	-21.3
4	-33.8	-27.2	-28.9
5	-24.3	-21.4	-15.2
6	-37.8	-33.4	-32.6
7	-23.6	-21.1	-28.7
8	-20.2	-32.4	-15.9

New Trailer Summary

New Commercial Trailer Registrations (24 ft. + length) for the 2008 calendar year were 141,800 units, 31.6% below the level of New Commercial Trailer Registrations in the 2007 calendar year.

The top five trailer body styles accounted for 78.9% of total New Trailer Registrations in the 2008 calendar year, while they accounted for 81.2% and 85.5% in the 2007 and 2006 calendar years respectively. Vans continue as the largest segment, accounting for 59.1% of all New Trailer Registrations in the calendar year. Wabash and Great Dane are the brand leaders in the Van segment.

Grain trailers are now the third largest trailer segment and the only large volume trailer segment to report an increase in New Registrations versus the 2007 calendar year.

Shown below are the top five Trailer Body Styles with performance in the 2008 calendar year as well as the segment share for 2008 and the top brand within each segment.

**New Trailer Registrations (24 ft. + length)
2007 versus 2006**

	2008 CY	2008 CY	2007 CY
	% Chg. From 2007	Share of Trailers (%)	Top Brands
Van	-36.0	59.1	Wabash/Great Dane
Flatbed	-42.0	7.2	Utility/Transcraft
Dump	-36.2	3.4	Mac Trailer/East Man.
Tagalong	-12.6	4.5	Titan Trailer/Delta
Grain	12.6	4.7	Timpte

Vehicles in Operation Summary (GVW 3-8)

The total number of Commercial Vehicles Registered for use on the U.S. highways at the end of the 2008 calendar year was 11.743 million units. When compared to the 11.489 million units at the beginning of the 2008 calendar year, it represents an increase of only 254,000 units or about 52.0% of total New Commercial Vehicle Registrations during the 2008 calendar year. This low increase is an indication that New Registrations during the 2008 calendar year were primarily units replacing existing units that were taken out of service. As you can see from the following table, the net increase in total vehicles on the road is influenced by both GVW 3 and GVW 8 New Registrations.

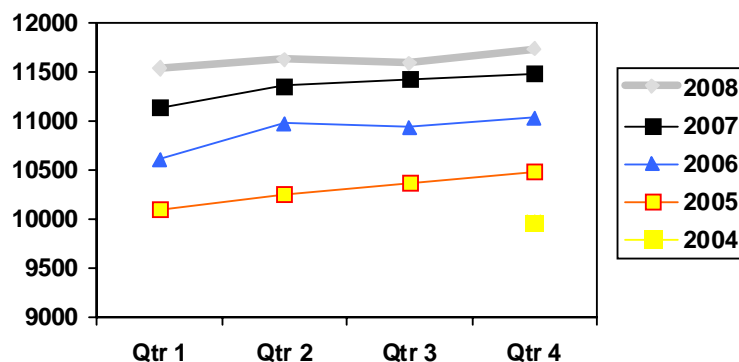
The following table summarizes the Commercial Vehicles in Operation (VIO) data.

**Commercial Vehicles in Operation
Units (000's)**

	Dec 2008	Dec 2007	Dec 2006	Memo: Change in VIO during 2008	Memo: New Registrations in 2008
GVW 3	3,023	2,914	2,688	109	155
GVW 4	1,233	1,196	1,137	37	57
GVW 5	630	606	573	24	36
GVW 6	1,557	1,551	1,527	6	45
GVW 7	1,651	1,633	1,605	18	56
GVW 8	3,649	3,589	3,511	60	136
Total	11,743	11,489	11,041	254	485

The following table shows how the total Commercial Vehicles population has grown during the last three years. The third quarter of 2006 is only the second time in the past sixteen quarters that there was a decline in the total Commercial Vehicle population.

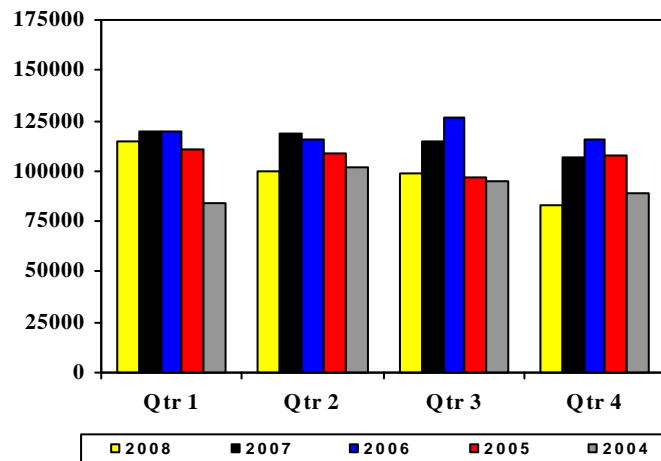
**Commercial Vehicles in Operation
Units (000s)
By Quarter**



Industry Overview: U.S. Used Commercial Vehicle Registrations October-December and 2008 Calendar Year

Used Commercial Vehicle activity is another gauge of the strength/weakness of the Commercial Vehicle Market. For the October-December quarter, Used Commercial Vehicle Registrations totaled 82,900 units, a decline of 22.5% from the comparable quarter in the 2007 calendar year. As the following chart shows, with the exception of abnormally high third quarter in the 2006 calendar year, the level of Used Commercial Vehicle transactions has been relatively flat and consistent with quarterly and prior year patterns. The low level of activity in both the calendar year and the fourth quarter is another indication of the slow business environment and therefore the lower demand for either new or used commercial vehicles.

**Used Commercial Vehicle Registrations
By Quarter**



The table on the following page illustrates the change in Used Vehicle Registrations between 2008 and 2007 for the fourth quarter and the calendar year as well as each GVW's share of the quarter and calendar.

In both the quarter and the calendar year, 2008 used Registrations were below the year earlier level of Registrations.

**Used Commercial Vehicle Registrations
GVW 3-8**

	4th Qtr. % Chg '08 vs. '07	CY % Chg '08 vs. '07	4th Qtr. 2008 Share %	CY 2008 Share %
GVW 3	-26.7	-13.4	29	28
GVW 4	-25.1	-12.6	8	8
GVW 5	-22.6	-8.7	5	5
GVW 6	-20.3	-13.4	10	9
GVW 7	-22.6	-14.6	8	8
GVW 8	-19.2	-15.0	41	42
Total	-22.5	-13.9	100.0	100.0

Component Demand

Based on Polk's Commercial Aftermarket Demand models, we have the capability to forecast demand for the following commercial vehicle components: tires, brakes, filters and lubricants (engine parts will be available this summer). Through extensive research with repair shops, service stations and dealer repair facilities, we have developed replacement factors for each of our component modules. These replacement factors are then used with our Vehicle in Operation data to determine overall demand for each of the modules and the components within each module. It is important to note that the capabilities of our model mirror those of the Polk TIP[®]Net product. Specifically, we can either narrow or expand our analysis to include fleet size, vocation application and geography to name a few. The measurement of performance versus demand and inventory management is important uses of our demand models.

Following are highlights of our Demand Model for each of the modules.

Tire Demand-Power Units (trailer tire demand is also available)

With over 11 Million Commercial Vehicles Registered to operate on U. S. highways and taking into account replacement cycles, we have estimated the total demand for new drive replacement tires for power units at 7.9 million units. Shown below is the total number of new replacement drive tires that are estimated for GVW 3 and GVW 8 vehicles. Similar information is available by tire size, vehicle type, fleet size and geography, to name a few.

	Drive Replacement New Tires
	(000's)
GVW 3	1,470
GVW 8	3,871

Brake Demand

With Polk's brake module we have estimated demand for 29 specific parts. Based on the number of Commercial Vehicles on the road and our replacement cycle factors, demand for ABS Wheel Sensors in GVW 3 and GVW 8 vehicles is shown in the following table. Additionally, demand for a part like GVW 8 Air Brake Air Tanks is estimated at 254,000 units with a retail value of \$14 million. With our product we have the ability to show, for each brake part, where the vehicles are located to assist in inventory planning.

	ABS Wheel Sensors New Units	ABS ECU New Value
GVW 3	309,500	\$24 M
GVW 8	344,000	\$52 M

Filter Demand

Our filter module estimated the replacement demand for various filters. Due to the dominance of diesel engines in commercial vehicles, we have estimated the replacement demand (national basis) for diesel air filters in GVW 8 vehicles at 5.6 million units with a retail value of \$179 million.

With the large volume of GVW 3 models currently equipped with diesel engines, the demand for diesel air filters is 2.0 million units with a retail value of \$31 million. Due to the large number of GVW 8 vehicles registered to operate on the U. S. highways, and over 99.0% installation of diesel engines, the replacement demand for diesel oil filters is estimated at 21.5 million units with a retail value of \$ 786 million.

	Diesel Air Filters Units	Diesel Air Filters Retail Value
GVW 3	2.0 Million	\$31 Million
GVW 8	5.6 Million	\$180 Million

Lubricant Demand

Again, because of the dominance of diesel engines in the commercial vehicle market, we estimate the replacement demand for diesel engine oil in commercial vehicles on a national basis at over 224 million gallons.

Knowing exactly where these vehicles are located is an important distribution issue, and our model can provide insight on the geography with and without major fleet implications. We have the capability to pinpoint where registrations are taking place to aid in the service and replace of parts and oil for these specific engines.

The summaries for GVW 3 and GVW 8 vehicles are shown below.

	Diesel Engine Oil Gallons
GVW 3	27 M
GVW 8	140 M

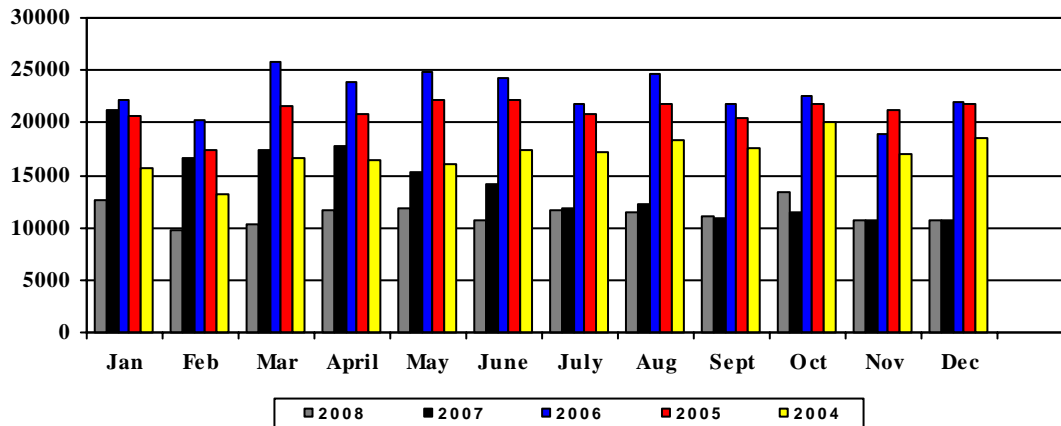
Market Performance by GVW Group

GVW 8 Performance

Calendar year 2008 New Registrations for GVW 8 of 135,700 units represents the lowest level of New Registrations since there were 125,100 units Registered in the 1992 calendar year. Compared to the record level of the 2006 calendar year New Registrations are down 50.3%.

New Registrations during the 2008 calendar year were the highest in January at 12,600 units and then proceeded to decline until they reached 10,600 units in December. During the calendar year, the lowest monthly total was actually February at 9,700 units.

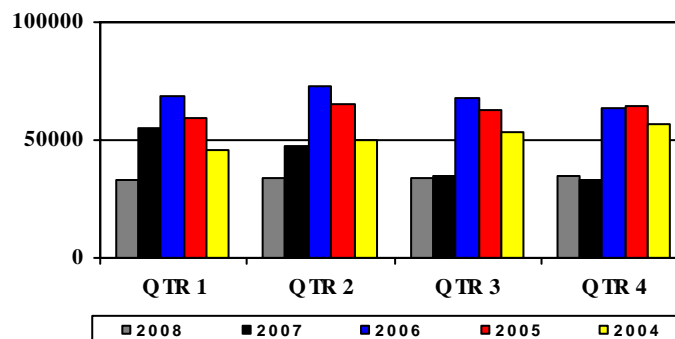
**New Commercial Vehicle Registrations
GVW 8**



Of the five major GVW 8 manufacturers, International performed the best when compared to the 2007 calendar year with New Registrations only down .6%. The declines versus the 2006 calendar year for the other manufacturers are: Peterbilt (-29.7%), Kenworth (-23.9%), Volvo (-22.5%) and Freightliner (-16.5%).

The following table shows the New Registrations by quarter for the last five calendar years.

**New Commercial Vehicle Registrations
GVW 8**



Large fleets (101+ vehicles) accounted for 56.0% of GVW 8 New Vehicle Registrations for the 2008 calendar year up from 53.4% during the previous year. The largest decline in year-over-year New Registrations is from companies that operate five or fewer vehicles. GVW 8 Registrations from smaller companies and owner operators were down 29.8% during 2008.

**GVW 8 New Commercial Vehicle Registrations
By Company Fleet Size**

	Dec 2008	2008 CY
	% Chg. Fr 2007	% of GVW 8
1-5 Units	-20.2	22.0
6-25 Units	-32.4	9.3
26-100 Units	-27.0	12.7
101+ Units	-19.5	15.8
Industry	-15.9	40.2

For the 2008 calendar year, diesel engines accounted for 99.8% of all GVW 8 vehicles and Cummins, due to manufacturer affiliations and applications, has passed Caterpillar as the engine manufacturer of choice.

**Percent of GVW 8 Diesel
By Engine Manufacturer
2008 Calendar Year**

Brand	% Chg Fr. 2007CY	2008 CY Share (%)	2007 CY Share (%)
Caterpillar	-60.0	13.0	26.0
Cummins	10.0	42.6	30.9
Detroit Diesel	-4.0	16.1	13.4
Mack	-28.9	8.1	9.1
Other	-24.3	20.2	20.6
Total	20.7	100.0	100.0

GVW 7 Performance

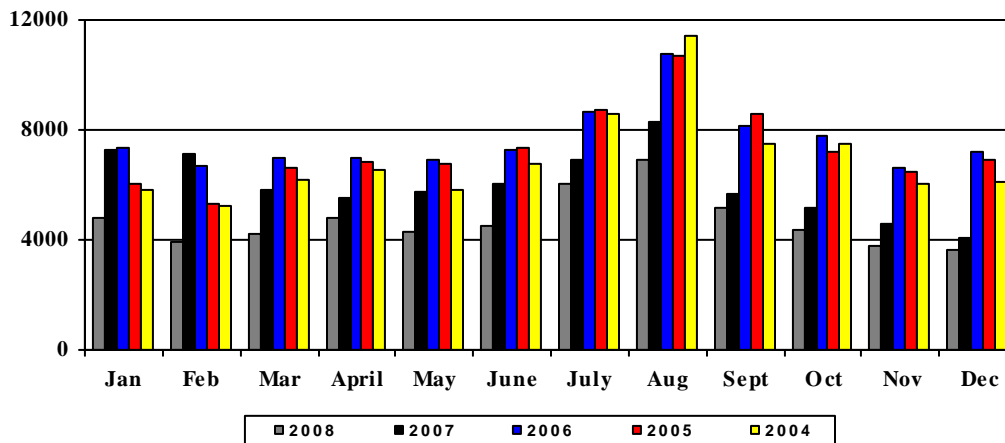
New Registrations of GVW 7 vehicles were 56,300 units in the 2008 calendar year, down 21.9% from the 2007 calendar year.

Freightliner, International and IC Corporation continue to dominate GVW 7 New Vehicle Registrations, accounting for 64.5% of total Registrations in 2008, about equal with their

share in the 2007 calendar year. Of the three brands, Freightliner New Registrations declined the greatest from the 2007 calendar year, down 33.1%.

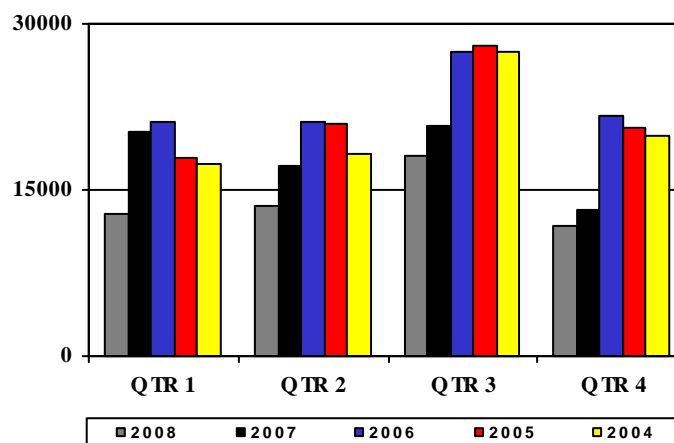
As you can see from the following chart, GVW 7 performance is extremely predictable due to the type of vehicles, Bus Transportation, and the applications.

New Commercial Vehicle Registrations GVW 7



GVW 7 New Vehicle Registrations by quarter for the 2008 calendar year closely followed the pattern shown in previous years, albeit at a much lower level.

New Commercial Vehicle Registrations GVW 7

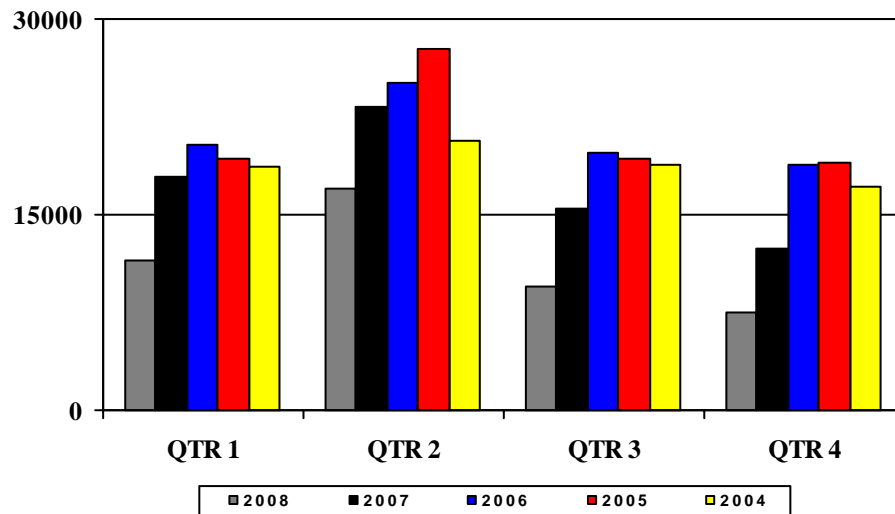


GVW 6 Performance

With rental companies preparing for student moving and the general summer moving season, the second calendar quarter is historically the highest for GVW 6 New Registrations. As is shown in the table below, this was the case in 2008; however, the

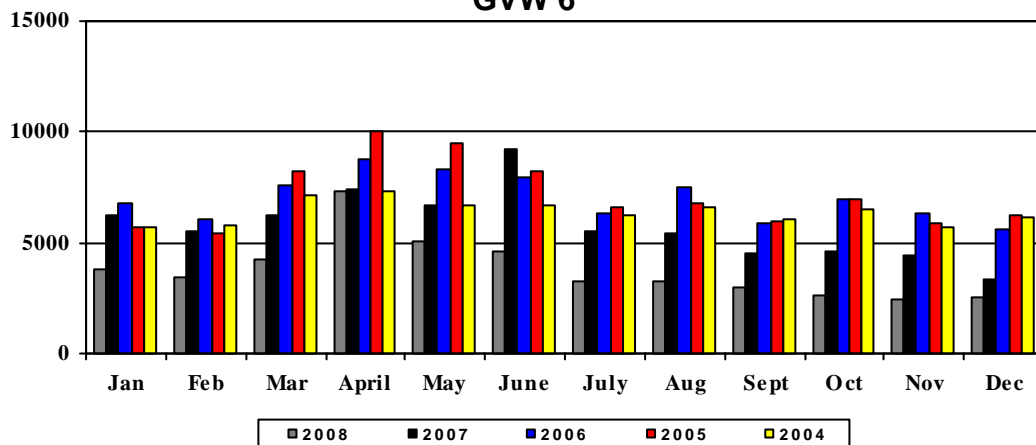
decline in the third and fourth quarters is at levels not previously seen in recent history. GVW 6 New Registrations actually finished the 2008 calendar year 34.6% lower than the previous year with the large portion of this decline coming in the last half of the calendar year.

New Commercial Vehicle Registrations GVW 6 by Quarter



Ford (19.3%), Freightliner (19.1%) and International (18.7%) accounted for 57.1% of all vehicles registered in GVW 6. As has been shown in the engine section, GVW 6 vehicles are now predominantly diesel powered which is a significant shift from the days when GMC was a stronger player in this segment with a gasoline powered vehicle

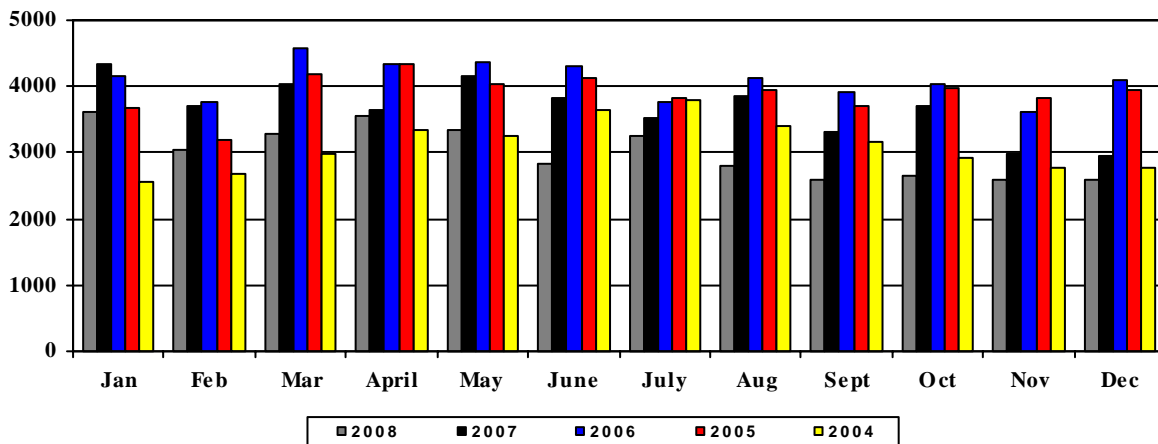
New Commercial Vehicle Registrations GVW 6



GVW 5 Performance

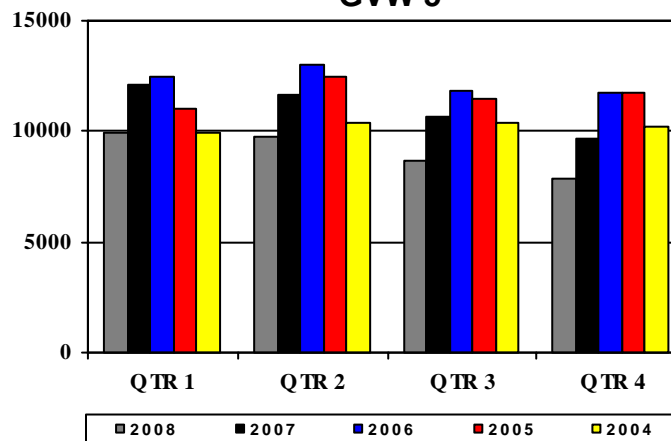
GVW 5 is the smallest volume segment of the Commercial Vehicle Market. For the 2008 calendar year, New Registrations were 36,200 units and declined 18.3% from the level reported for the 2007 calendar year. This segment is dominated by Ford with a 48.6% share and is followed by Chevrolet (17.1%) and GMC (9.8%). In the 2008 calendar year, the top three manufacturers each lost share to the smaller manufacturers within the segment.

**New Commercial Vehicle Registrations
GVW 5**



The quarterly pattern followed the pattern established in previous years.

**New Commercial Vehicle Registrations
GVW 5**

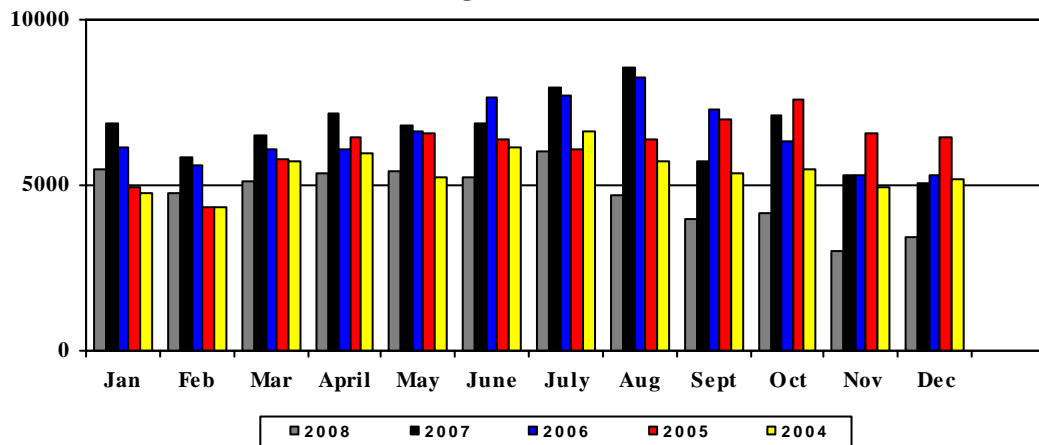


GVW 4 Performance

GVW 4 New Registrations were down 29.1% from the 80,200 units Registered during the 2007 calendar year. The most popular vehicles in GVW 4 are Cutaway Vans and Low Cab Forward models. Ford is the dominant manufacturer in GVW 4 accounting for 69.8% of total New Vehicle Registrations in the segment. Ford actually lost share in the segment, down 4.0 share points, which was primarily gained by Dodge.

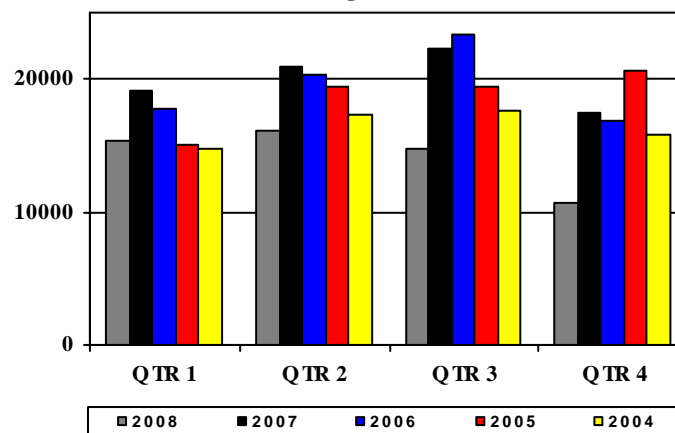
As shown below, the strength of GVW 4 New Registrations was in the first seven months of the calendar year.

**New Commercial Vehicle Registrations
GVW 4**



During the fourth quarter, as has been shown in most of the other market segments, New Registrations actually decreased 39.0% from the New Registration volume achieved during the fourth quarter of 2007.

**New Commercial Vehicle Registrations
GVW 4**



GVW 3 Performance

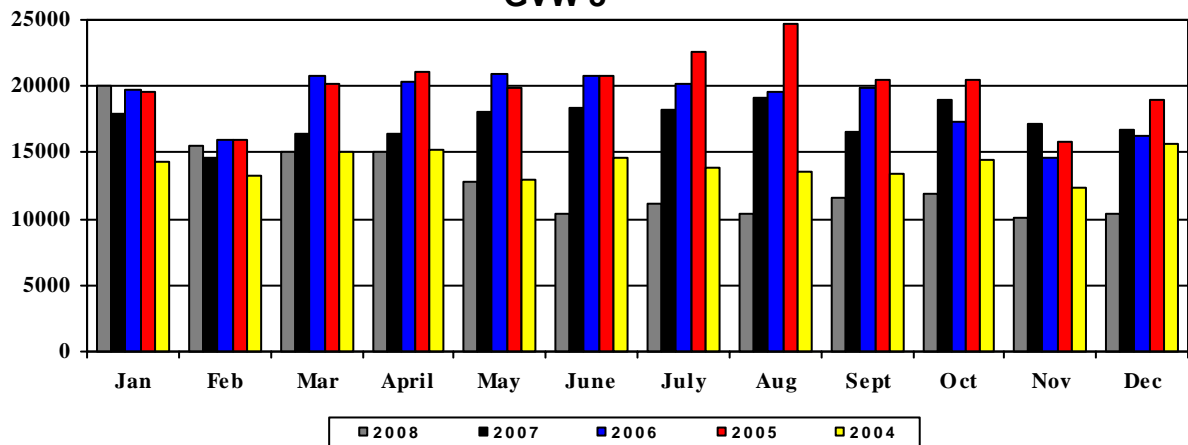
GVW 3 is the largest Commercial Vehicle segment. During the 2008 calendar year there were 154,500 unit Registered as compared to 210,100 units during the 2007 calendar year, a decline of 26.5%.

During the 2008 calendar year, both Ford and Chevrolet were able to gain segment share from Dodge. Both Ford and Chevrolet gained slightly more than 1 share point while Dodge lost about 2.5 share points.

As shown in the following table, GVW 3 Registrations started the 2006 calendar year at a reasonable level and then the market fell over 5,000 units per month during the June to December period.

New Commercial Vehicles Registrations

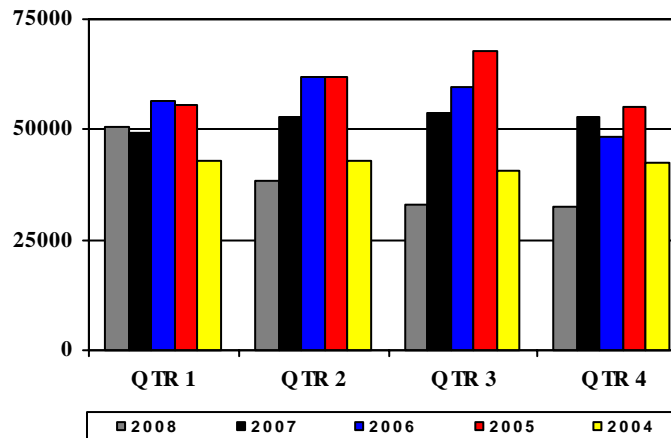
GVW 3



The quarterly pattern actually shows the decline in the market after the first quarter.

New Commercial Vehicles Registrations

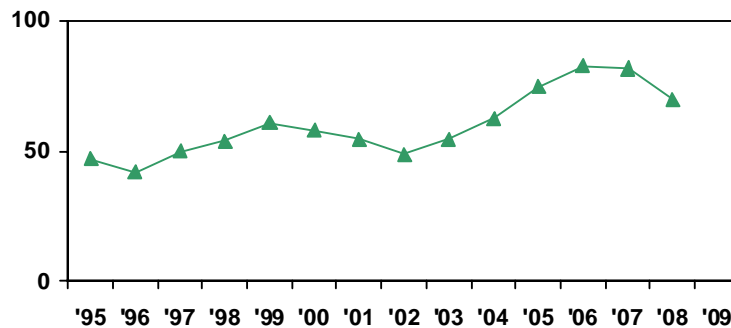
GVW 3



Industry Overview—Canadian New Commercial Vehicle Registrations December and CYTD December

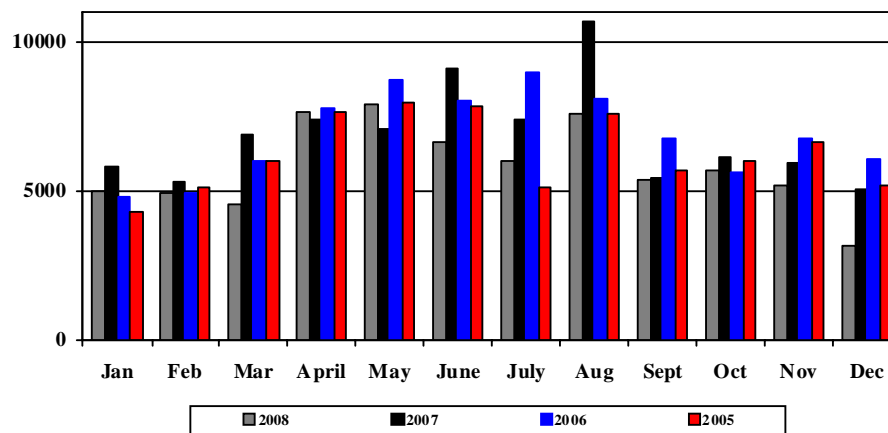
Canadian Commercial New Vehicle Registrations for GVW 3-8 for the 2008 calendar year were 69,600 units and represented a decline of 15.5% from the 2007 calendar year. The record for Commercial New Vehicle Registrations is 82,600 units and it was set in the 2006 calendar year; however the 2007 calendar year was only down 200 units from the record set in the previous year.

**Canadian
Commercial New Vehicle Registrations
GVW 3-8
000's Units**



The following chart shows Canadian Commercial New Vehicle Registrations for GVW 3-8 by month for the past four calendar years. As you can see, there is a repeatable pattern by month that has been followed for each of the years. However, for the 2008 calendar year the decline in Registrations has accelerated during the last quarter of the calendar year.

**Canadian
Commercial Vehicles New Registrations
GVW 3-8**



As you can see from the following chart, the total number of commercial vehicles Registered to operate on the Canadian Highways is 1.177 million and it is predominantly GVW 8 and GVW 3 vehicles.

**Canadian
Commercial Vehicles in Operation
Units (000's)**

	Dec'08	Sept '08	June '08
GVW 3	283	277	267
GVW 4	90	89	85
GVW 5	57	56	54
GVW 6	94	93	96
GVW 7	133	131	132
GVW 8	520	515	518
Total	1,177	1,161	1,152

For additional information, to add an individual to our distribution list or to clarify information contained in this report, please contact Gary Meter at gary_meter@polk.com.