

# CAPITAL MARKET DAY

June 16, 2009



*Dennis R. Slagle*

*President and CEO*

*Mack Trucks, Inc.*

## Study Shows SCR Preferred over EGR

Home Prices Decline Again in March

Economic Recovery, Business Survival Focus of Truck Dealers' Convention

Truck Sales Remain Abysmal as April Total Drops 44.4%

Urea Supply Will Be Ample, OEMs, Truck Stops Predict

Hints of Recovery Emerge  
*Trucking Officials Report Improvement in March*

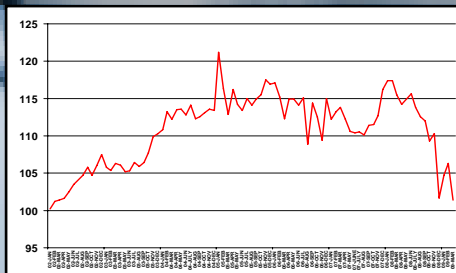
EPA presses ahead with CO2 regulation

Daimler to discontinue Sterling Trucks brand in March

Trucking to Grow 26% Over the Next Decade, All Hauling Modes to Gain, ATA Forecast Says

### Truck Tonnage Falls to '02 Level

Truck tonnage fell in March to its lowest level in seven years, as it declined 12.2%



EPA Offers Grants to Fleets To Help Buy 'Greener' Trucks

Daimler Dedicates Mexico Plant; Annual Capacity Is 30,000 Trucks

As Vehicle Sales Slump, Competition Heats Up For Larger Share of Parts-and-Service Dollars

Navistar Cancels Deal With Cummins To Avoid Offering SCR Engines in 2010

Navistar, Caterpillar Deepen Ties With Two New Truck Ventures

# Challenging North America



## Economy

- US/NAFTA economy in recession
- Limited credit availability
- Housing inventory high
- Strong government actions
  - Stimulus package
  - Low Fed rate

## Trucking

- Weak freight environment and construction demand
- Low industry order intake and retails – production shutdowns
- Soft used truck market
- Pent-up demand
- Some pre-buy in refuse sector

## '09 Outlook

- Total market -30-40%





# Taking Action on Stimulus



**THE GROWLER**

## ECONOMIC STIMULUS PACKAGE GOOD FOR MACK

AS YOU PROBABLY ARE AWARE, THE U.S. CONGRESS HAS PASSED AND PRESIDENT OBAMA HAS SIGNED INTO LAW THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, better known as the economic stimulus package. While news coverage has focused more on disputes about certain types of non-core government spending and tax breaks, there remains a strong focus in the package on funding for infrastructure improvements—and this provides us with opportunities to secure significant business.

The package includes close to \$30 billion in direct highway infrastructure funds in addition to more than \$100 billion construction-related indirect opportunities for our business. The bulk of that funding will be made available *immediately* to state and local governments for "shovel-ready" projects that have the potential for a quick economic boost to their regions.

In fact, many municipalities have already identified projects to be funded with the stimulus money—and these projects will be in addition to previously planned projects that were to be funded with State and/or local monies. In addition to highway projects, the package under discussion would fund school construction, airport infrastructure, environmental improvements, and homeland security activities including fire station and border facilities construction.

The bulk of the infrastructure funding must be committed to within 120 days of the bill's enactment, which means that it's essential that we move quickly to take maximum advan-

**THE PACKAGE INCLUDES  
RELATED INDIRECT OPPORTUNITIES**



**OUR VERSION OF THE STIMULUS PACKAGE**



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# Action Plan for Increased Profitability



- North American Restructuring
  - Reducing S&A
  - Headcount Reduction
  - Organizational Synergies
- UAW Agreement
- Normalize R&D
- Capital management
- Price realization
- Soft Product Opportunities





# Building Segment Leadership



**Economic Haul #2**



**Construction #1**



**Refuse #1**



# Strengthening Dealer Network

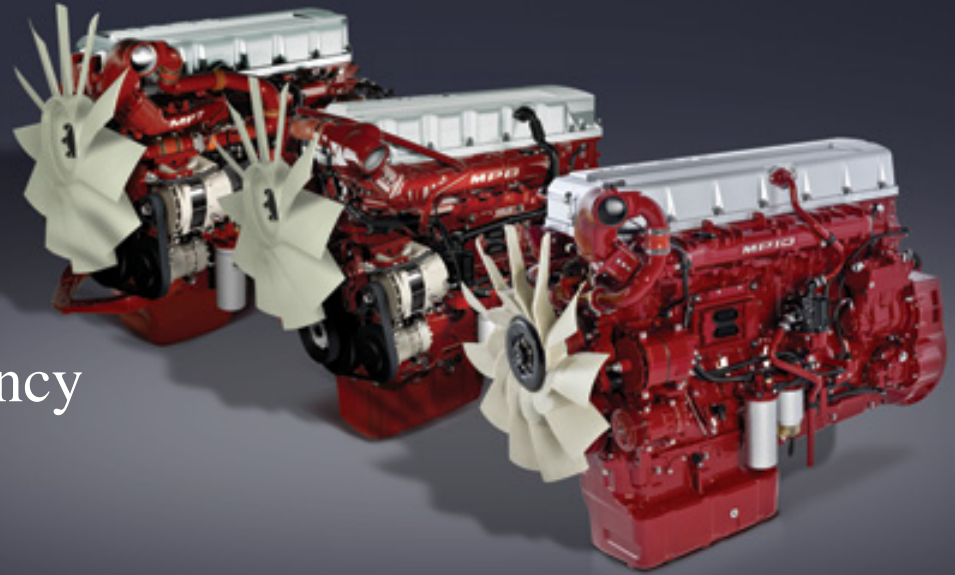
- Strengthened by investments
- ~2/3 dual with Volvo Trucks
- Absorption rates remain high
- Focus on continuous improvement





# Stable Engine Platform

- Cornerstone of 2010
- Performance - Fuel Efficiency
- Comprehensive range
- Captive aftermarket
- Competitive advantage





# Executing EPA2010

- First with SCR (2006)
  - Three years developing/optimizing
  - Entire program well advanced
- Proven engines and technology
- Fuel Economy improvement 2-3% (on top of current +3%)
- Infrastructure
- Customer testing



**TravelCenters  
of America**



**FLYING J**



# Military Initiative

- Growing presence
- Basis for future orders







Hybrids



Natural Gas





*Thank You*