November, 2005

OUTLOOK FOR TRUCKS & TRAILERS

QUARTERLY REPORT

Assisting Managers with Strategic Planning

November, 2005

Economic Planning
Associates, Inc.

Truck & Trailer Outlook

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Economic Planning Associates is a full service economic and industry consulting firm providing clients with detailed qualitative as well as quantitative assessments of domestic and international economic trends, industry developments, and specific product forecasts.

Quarterly reports are prepared for Rail Cars, Commercial Trucks and Trailers, and Machine Tools. In addition, we publish a quarterly Economic Outlook.

If desired, Economic Planning Associates prepares special reports for clients in which we combine industry knowledge, individual company or industry performances, and a domestic and international economic framework to develop company or industry specific forecasts and analyses.

More importantly, we stand ready to assist corporate managers, planners, and sales personnel with relevant economic and industry perspectives on a daily basis.

Should you be interested in discussing our services and/or how we can be of assistance to you, please give us a call.

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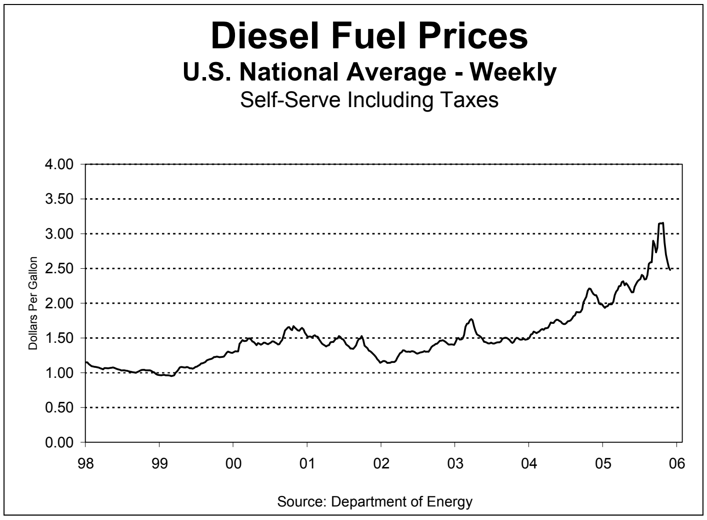

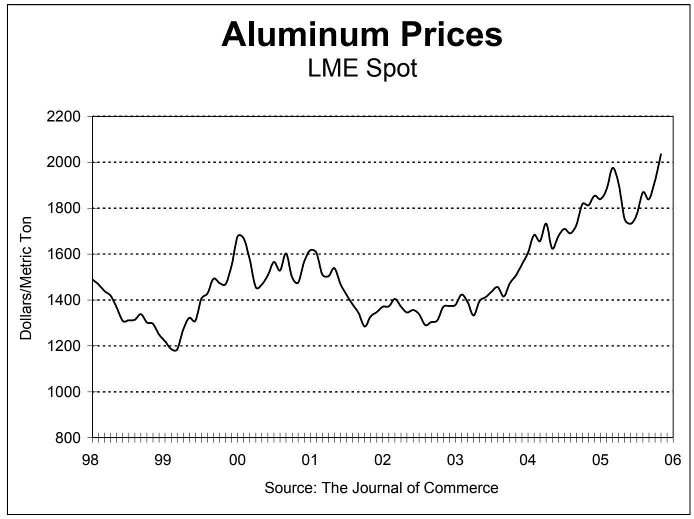

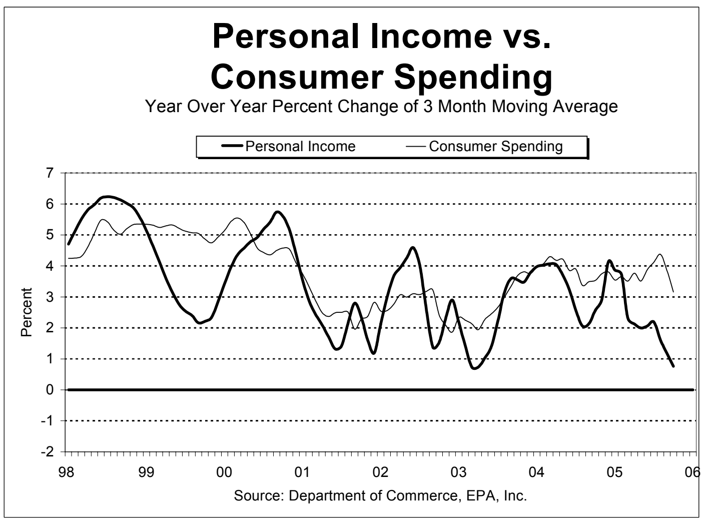

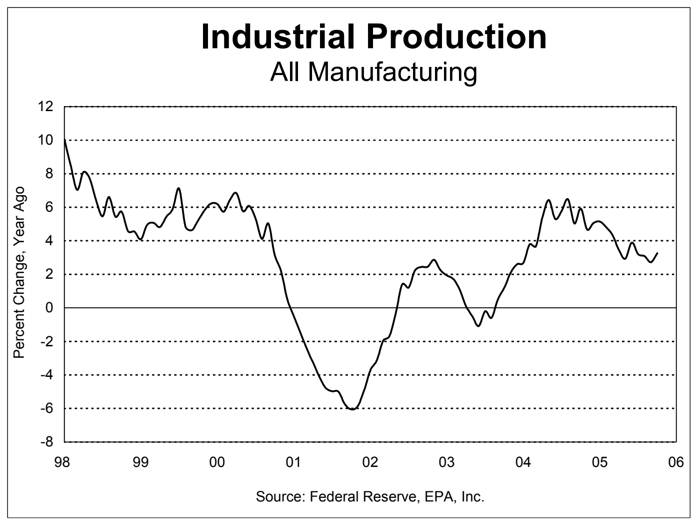

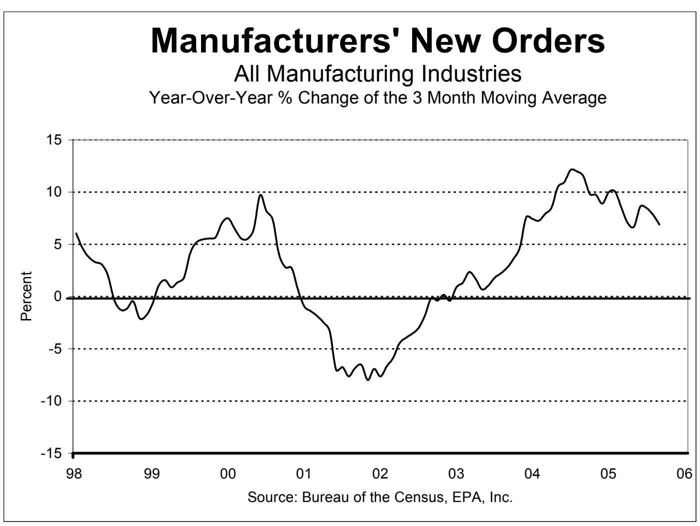

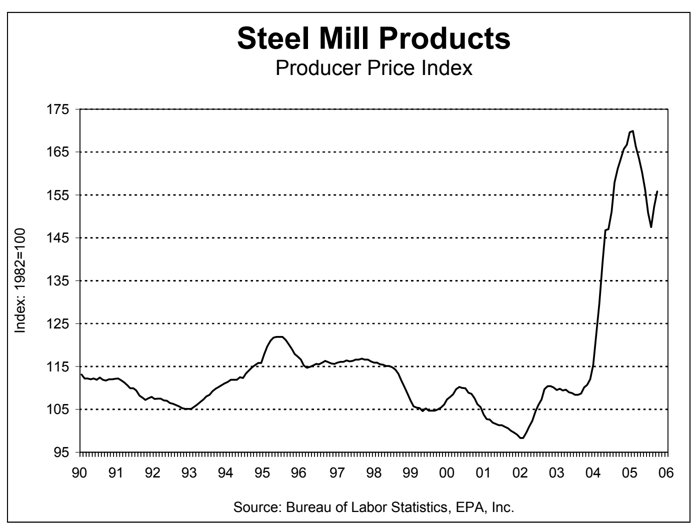

EXECUTIVE SUMMARY

Demand for commercial trucks and trailers scored impressive gains last year as a vibrant economy, strong customer markets, relatively modest levels of inflation and interest rates, and the accelerated depreciation provisions of the Tax Stimulus programs, all served to stimulate purchases of trucks and trailers. And, the upward momentum has continued into 2005.

However, as can be anticipated, the robust gains of 2004 are proving difficult to match. While commercial truck and bus sales (Classes 4-8) jumped 31.5% last year, retail sales of this equipment through the first three quarters of 2005 were running 18.3% above the comparable period of 2004. By the same token, after advancing 28.5% last year, our latest survey of trailer manufactures indicates that trailer shipments through September of this year were running 8.8% above the similar period of 2004.

While we expect only modest gains in the fourth quarter, we remain optimistic with regard to truck and trailer demand in 2006 and thereafter. The reconstruction of certain areas of the Gulf Coast as well as a rejuvenation in merchandise trade (both exports and imports) as port facilities become fully operational will help boost demand for manufactured products and transportation equipment beyond the continued growth of consumer spending and business investment.

We remain concerned with regard to the continued efforts by the Federal Reserve to contain inflationary pressures by raising interest rates. While we have not yet felt any significant economic slowing because of rates, it is only a matter of time before higher rates impact consumer credit card rates, mortgage rates, and financial costs to businesses. At the same time, we are somewhat heartened by the recent easing in oil prices and hope that this will lead to a lessened fear of inflation and a softer Fed approach to interest rates in the coming months.

Based on customer market activities and improving financial performances, we expect commercial vehicle sales to advance 15.3% this year to the level of 497.5 thousand units.

With sales of the heavy duty vehicles in 2006 pushed up by the prospect of the more expensive, EPA compliant engines coming on stream in 2007, we look for commercial vehicle sales to increase 5.5% next year to 525.0 thousand units.

Trailer shipments are expected to record a 7.2% advance this year to 239.8 thousand units, followed by a 3.0% hike in 2006 to 246.9 thousand units.

In 2007, the "payback" from the accelerated purchases of heavy-duty equipment in 2005 and 2006 will drop commercial vehicle sales 14.1% to the level of 451.0 thousand units. After that, our expanding economy, along with growth in merchandise trade will support a recovery in commercial vehicle demand to the level of 526.0 thousand units by 2010.

From 249.4 thousand units in 2007, trailer shipments are projected to advance steadily to 274.8 thousand units by 2010.

TRUCK & TRAILER OVERVIEW

Due to continued reclassification of equipment within the Class 3 market by respondents to Ward's without any historical reference to the revisions, we are discontinuing our coverage of the Class 3 truck market. Hence, our definition of the commercial truck market is now Classes 4 through 8.

Demand for commercial trucks and trailers scored impressive gains last year as a vibrant economy, strong customer markets, relatively modest levels of inflation and interest rates, and the accelerated depreciation provisions of the Tax Stimulus programs, all served to stimulate purchases of trucks and trailers. And, the upward momentum has continued into 2005.

However, as can be anticipated, the robust gains of 2004 are proving difficult to match. While commercial truck and bus sales (Classes 4-8) jumped 31.5% last year, retail sales of this equipment through the first three quarters of 2005 were running 18.3% above the comparable period of 2004. By the same token, after advancing 28.5% last year, our latest survey of trailer manufactures indicates that trailer shipments through September of this year were running 8.8% above the similar period of 2004.

While we are not surprised by the moderation in equipment demand, we remain constructive on the outlook for trucks and trailers, especially in light of the havoc caused by hurricanes and storms, the accompanying rapid escalation in fuel prices, and the relentless upward thrust of the Federal Funds rate as the Federal Reserve looks to dampen inflationary pressures.

It is still too early to fully gauge the economic impact of the hurricanes and storms which hit us in recent months, but we are sure some investment plans were put on hold as corporate managers assessed their individual situations. Of particular importance to the trucking industry was the damage to infrastructure and the rapid escalation in oil prices.

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As we gradually recover from the effects of Katrina, we expect modest gains in factory output in the next few months. After a brief slowing in momentum in the fourth quarter, we look for faster quarterly gains in 2006. Consumer spending will remain on track, a weaker dollar value and some improvements in the economic activities of our major trading partners will lift exports, and a long neglected capital goods segment will continue expanding during the forecast horizon. The growth in these major sectors will promote further gains in factory output and increased demand for transportation equipment.

The construction markets are strong and increased spending is apparent in all major categories; private residential, commercial, industrial, and public. Continued high levels of activities during the next year or so will support demand for a variety of trucks and trailers.

While liquid markets including food, beverage, fertilizers, chemicals, and gases are showing good growth, the danger of terrorist activities as well as accidental incidents which could harm the general population, will serve to speed up replacements of some aged units in the tank car markets. At the same time, the dynamic growth in ethanol production could boost demand for certain tank cars.

Based on customer market activities and improving financial performances, we expect commercial vehicle sales to advance 15.3% this year to the level of 497.5 thousand units. With sales of the heavy duty vehicles in 2006 pushed up by the prospect of the more expensive, EPA compliant engines coming on stream in 2007, we look for commercial vehicle sales to increase 5.5% next year to 525.0 thousand units.

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Our short term and long term analyses and projections of commercial vehicle sales by GVW as well as our forecasts of North American production of Class 8 and 7 vehicles are contained in Chapter 4. Please note that we have expanded our coverage of the Class 8 market by including analyses and forecasts of retail demand in both Canada and Mexico as well as in the U.S., along with individual country production forecasts out to 2010. Our short and long term analyses and projections of shipments by individual trailer type as well as for container and chassis are detailed in Chapter 5.

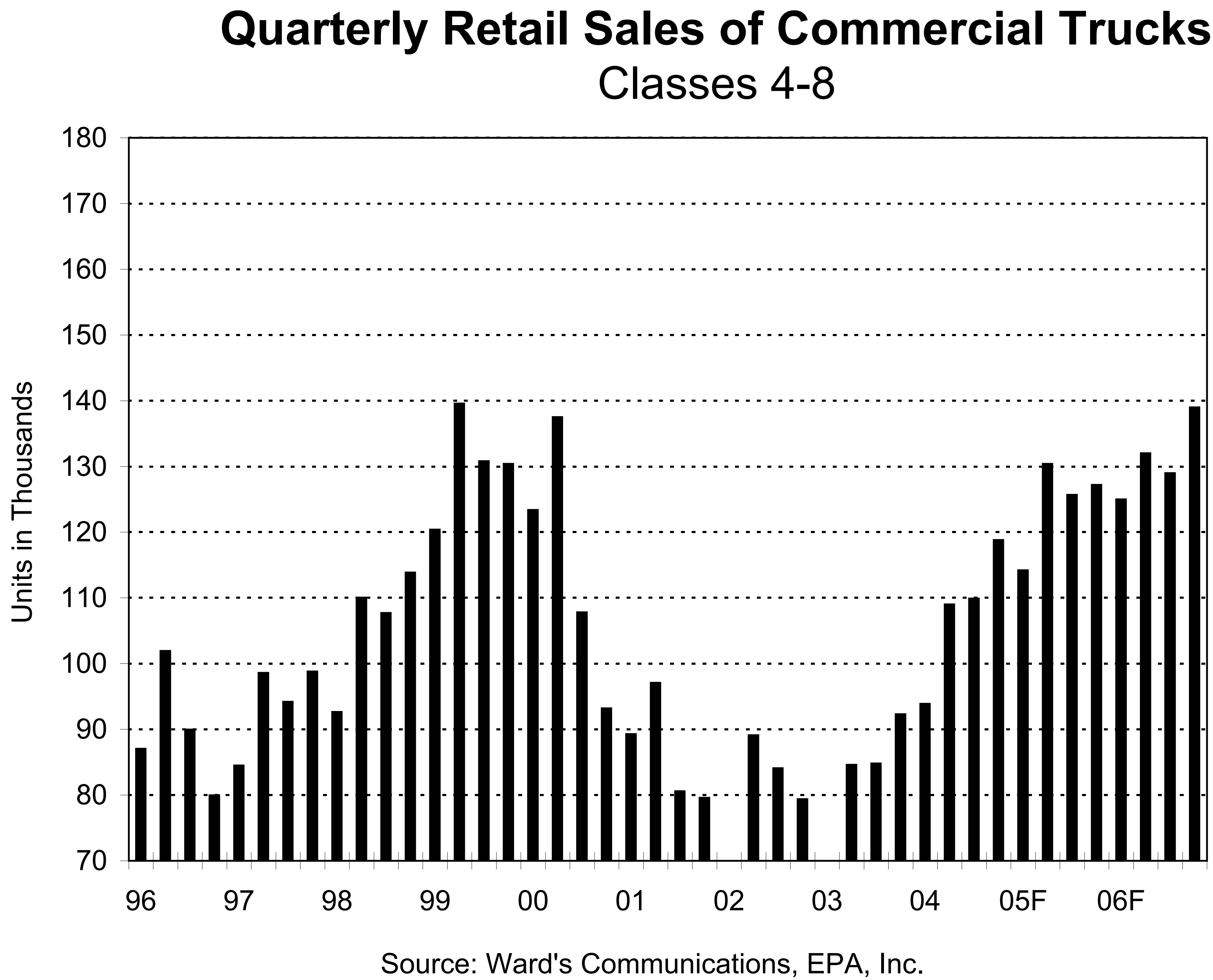
U.S. RETAIL SALES OF COMMERCIAL TRUCKS AND BUSES BY CLASS

Quarterly in Thousands of Units

	Class 4	Class 5	Class 6	Class 7	Class 8	Total
Q1	13.5	6.2	10.5	24.5	34.6	89.3
Q2	13.7	6.7	11.2	26.0	39.5	97.1
Q3	10.5	5.6	10.6	21.5	32.4	80.6
Q4	11.0	5.9	10.1	19.5	33.1	79.6
2001	48.7	24.4	42.4	91.5	139.6	346.6
Q1	9.9	5.3	8.4	18.1	27.9	69.6
Q2	10.8	6.9	11.5	21.2	38.7	89.1
Q3	8.4	5.8	12.8	15.2	41.9	84.1
Q4	8.7	6.0	12.4	14.8	37.5	79.4
2002	37.8	24.0	45.1	69.3	146.0	322.2
Q1	8.4	6.1	11.9	15.0	25.4	66.8
Q2	11.0	7.8	12.3	16.0	37.5	84.6
Q3	9.1	7.0	12.2	18.8	37.7	84.8
Q4	11.2	8.1	14.7	17.0	41.3	92.3
2003	39.6	29.0	51.0	66.8	141.9	328.3
Q1	10.5	8.1	19.0	16.2	40.1	93.9
Q2	12.7	10.1	17.7	18.7	49.8	109.0
Q3	11.5	8.1	16.7	19.4	54.2	109.9
Q4	12.4	9.9	16.5	20.9	59.1	118.8
2004	47.1	36.3	69.8	75.3	203.2	431.7
Q1	10.2	8.7	16.5	22.8	56.0	114.2
Q2	13.3	13.9	15.4	22.7	65.1	130.4
Q3F	12.4	11.9	14.5	21.5	65.4	125.7
Q4F	12.6	10.5	14.1	22.0	68.0	127.2
2005F	48.5	45.0	60.5	89.0	254.5	497.5
Q1F	13.0	11.0	15.0	22.0	64.0	125.0
Q2F	14.0	13.0	17.0	23.0	65.0	132.0
Q3F	13.0	12.0	16.0	22.0	66.0	129.0
Q4F	14.0	13.0	18.0	24.0	70.0	139.0
2006F	54.0	49.0	66.0	91.0	265.0	525.0

Source: Ward's Communications, Economic Planning Associates, Inc.

*Due to a reclassification of Dodge Ram vehicles in the fourth quarter of 2001 and first quarter of 2002, Class 3 retail sales are overstated, and revisions have not been made.


Quarterly Retail Sales of Commercial Trucks
Classes 4-8
Units in Thousands
180
170
160
150
140
130
120
110
100
90
80
70
96
97
98
99
00
01
02
03
04
05F
06F
Source: Ward's Communications, EPA, Inc.

COMMERCIAL TRUCK AND BUS RETAIL SALES BY CLASS*
(Classes 4-8)

	2002	2003	2004	2005F	2006F	2007F	2008F	2009F	2010F
CLASS 4	37,827	39,616	47,087	48,500	54,000	56,000	58,000	60,000	62,000
yty chg.	-22.4	4.7	18.9	3.0	11.3	3.7	3.6	3.4	3.3
CLASS 5	24,003	28,980	36,259	45,000	49,000	48,000	50,000	53,000	55,000
yty chg.	-1.5	20.7	25.1	24.1	8.9	-2.0	4.2	6.0	3.8
CLASS 6	45,095	51,040	69,847	60,500	66,000	65,000	67,500	70,000	72,000
yty chg.	6.3	13.2	36.8	-13.4	9.1	-1.5	3.8	3.7	2.9
CLASS 7	69,314	66,789	75,263	89,000	91,000	82,000	83,000	85,000	87,000
yty chg.	-24.3	-3.6	12.7	18.3	2.2	-9.9	1.2	2.4	2.4
CLASS 8	145,881	141,964	203,197	254,500	265,000	200,000	220,000	240,000	250,000
yty chg.	4.5	-2.7	43.1	25.2	4.1	-24.5	10.0	9.1	4.2
TOTAL 4-8	322,120	328,389	431,653	497,500	525,000	451,000	478,500	508,000	526,000
yty chg.	-7.1	1.9	31.4	15.3	5.5	-14.1	6.1	6.2	3.5

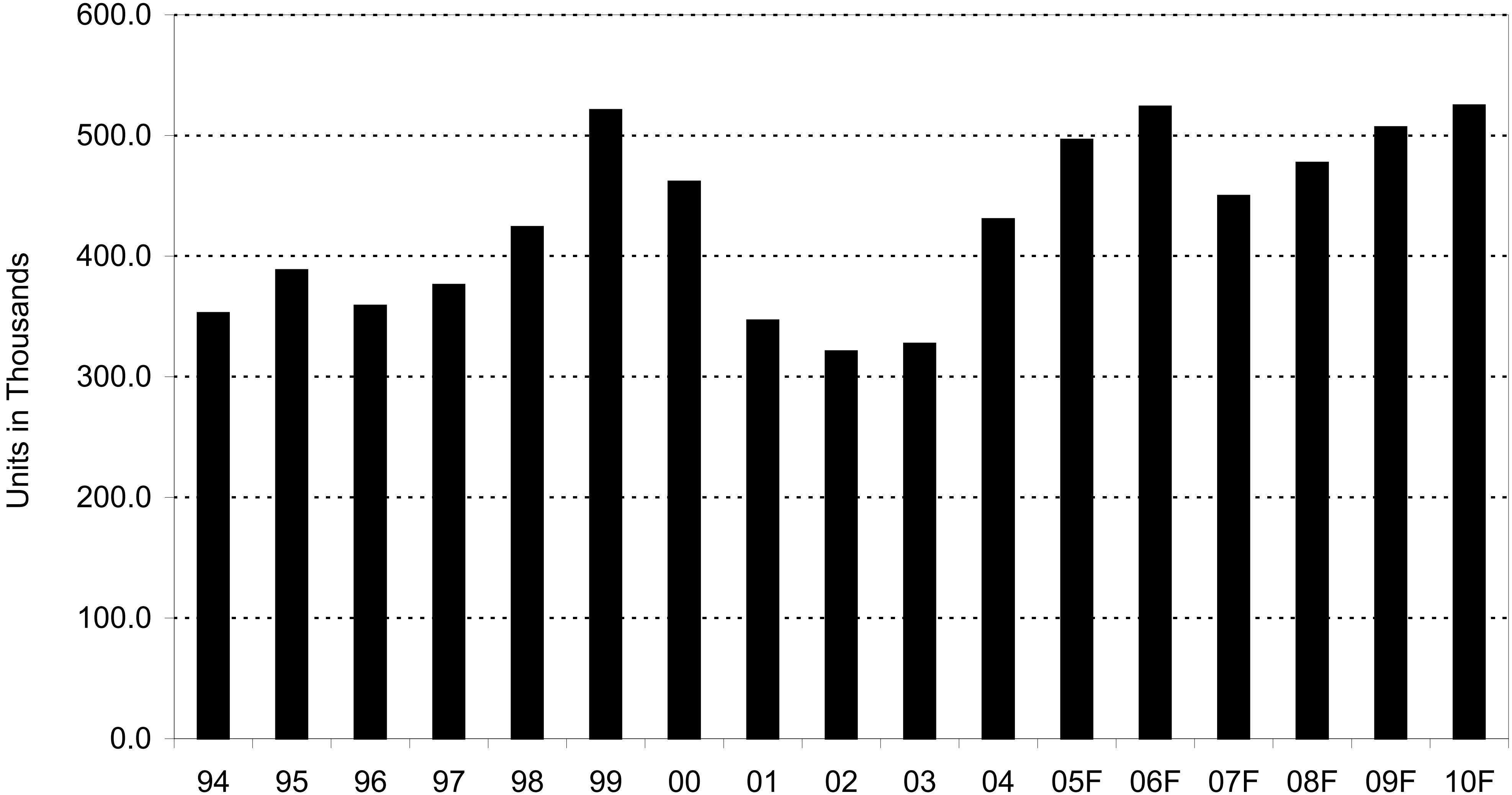
E = Estimate, F = Forecast

Source: Ward's Communications, Economic Planning Associates, Inc.

*Due to a reclassification of Dodge Ram vehicles in the fourth quarter of 2001 and first quarter of 2002, Class 3 retail sales are overstated, and revisions have not been

Retail Sales of Commercial Trucks

Classes 4-8



Source: American Automobile Manufacturers Association, EPA, Inc.

Economic Planning Associates' Quarterly Trailer Survey

DOMESTIC MANUFACTURERS TRAILER SHIPMENTS (1)

	3Q 2005 *(2)*	3Q 2004 *(2)*	% Change	Y-T-D 2005	Y-T-D 2004	% Change
Dry Freight	31,000	32,000	-3.1	98,300	93,500	5.1
Insulated	8,600	8,700	-1.1	27,150	25,300	7.3
All Other Vans	2,900	3,000	-3.3	8,100	7,600	6.6
Total Vans	42,500	43,700	-2.7	133,550	126,400	5.7
Platform	6,350	5,400	17.6	18,900	15,050	25.6
Tank	2,000	1,500	33.3	6,100	4,600	32.6
Low Bed	3,000	2,700	11.1	9,100	8,150	11.7
Dump	2,300	2,000	15.0	7,050	6,100	15.6
Bulk	650	525	23.8	1,900	1,625	16.9
All Other	1,400	1,500	-6.7	4,000	4,000	0.0
Total Non-Vans	15,700	13,625	15.2	47,050	39,525	19.0
Total Trailers	58,200	57,325	1.5	180,600	165,925	8.8
Containers *(1)*	1,615	740	118.2	3,465	1,815	90.9
Chassis *(1)*	2,675	3,475 *(R)*	-23.0	6,775	9,175 *(R)*	-26.2
Total C&C	4,290	4,215 *(R)*	1.8	10,240	10,990 *(R)*	-6.8

(1) Excludes Hyundai and Manac

(2) Industry totals extrapolated from survey sample

(R) Revised

Source: Department of Commerce M37L monthly reports, EPA, Inc.

November 2005

Economic Planning Associates, Inc.

QUARTERLY TRAILER SHIPMENTS

	VANS	Y-O-Y % CHANGE	NONVANS	Y-O-Y % CHANGE	TOTAL	Y-O-Y % CHANGE
Q1E	31,300	-50.4	10,700	-40.9	42,000	-48.3
Q2E	27,950	-49.7	10,950	-34.4	38,900	-46.2
Q3E	25,400	-46.8	9,680	-33.2	35,080	-43.6
Q4E	21,500	-45.2	7,900	-29.0	29,400	-41.6
2001E	106,150	-48.4	39,230	-35.1	145,380	-45.4
Q1E	17,950	-42.7	8,280	-22.6	26,230	-37.5
Q2E	22,550	-19.3	9,450	-13.7	32,000	-17.7
Q3E	27,850	9.6	10,600	9.5	38,450	9.6
Q4E	32,750	52.3	8,800	11.4	41,550	41.3
2002E	101,100	-4.8	37,130	-5.4	138,230	-4.9
Q1E	33,650	87.5	9,100	9.9	42,750	63.0
Q2E	33,550	48.8	9,650	2.1	43,200	35.0
Q3E	32,600	17.1	10,475	-1.2	43,075	12.0
Q4E	34,500	5.3	10,450	18.8	44,950	8.2
2003E	134,300	32.8	39,675	6.9	173,975	25.9
Q1E	39,800	18.3	12,225	34.3	52,025	21.7
Q2E	42,900	27.9	13,675	41.7	56,575	31.0
Q3E	43,700	34.0	13,625	30.1	57,325	33.1
Q4E	44,000	27.5	13,700	31.1	57,700	28.4
2004E	170,400	26.9	53,225	34.2	223,625	28.5
Q1F	44,050	10.7	15,000	22.7	59,050	13.5
Q2F	47,000	9.6	16,350	19.6	63,350	12.0
Q3F	42,500	-2.7	15,700	15.2	58,200	1.5
Q4F	43,450	-1.3	15,700	14.6	59,150	2.5
2005F	177,000	3.9	62,750	17.9	239,750	7.2
Q1F	44,800	1.7	15,800	5.3	60,600	2.6
Q2F	45,600	-3.0	16,000	-2.1	61,600	-2.8
Q3F	45,900	8.0	15,825	0.8	61,725	6.1
Q4F	46,600	7.2	16,325	4.0	62,925	6.4
2006F	182,900	3.3	63,950	1.9	246,850	3.0

E - Economic Planning Associates Estimates, F - Forecast

Source: Department of Commerce, Economic Planning Associates, Inc.

QUARTERLY VAN SHIPMENTS BY TYPE

	DRY FREIGHT	INSU-LATED	OTHER VANS	TOTAL VANS
Q1E	23,000	6,000	2,300	31,300
Q2E	20,000	5,400	2,550	27,950
Q3E	17,500	4,300	3,600	25,400
Q4E	15,000	4,400	2,100	21,500
2001E	75,500	20,100	10,550	106,150
Q1E	12,000	4,150	1,800	17,950
Q2E	16,000	4,300	2,250	22,550
Q3E	19,000	5,800	3,050	27,850
Q4E	25,000	6,000	1,750	32,750
2002E	72,000	20,250	8,850	101,100
Q1E	26,000	6,100	1,550	33,650
Q2E	25,500	6,400	1,650	33,550
Q3E	23,000	6,800	2,800	32,600
Q4E	25,500	7,000	2,000	34,500
2003E	100,000	26,300	8,000	134,300
Q1E	30,000	7,600	2,200	39,800
Q2E	31,500	9,000	2,400	42,900
Q3E	32,000	8,700	3,000	43,700
Q4E	33,300	8,300	2,400	44,000
2004E	126,800	33,600	10,000	170,400
Q1F	32,800	8,750	2,500	44,050
Q2F	34,500	9,800	2,700	47,000
Q3F	31,000	8,600	2,900	42,500
Q4F	32,000	8,850	2,600	43,450
2005F	130,300	36,000	10,700	177,000
Q1F	33,000	9,000	2,800	44,800
Q2F	33,500	9,200	2,900	45,600
Q3F	34,000	9,100	2,800	45,900
Q4F	34,500	9,200	2,900	46,600
2006F	135,000	36,500	11,400	182,900

E - Economic Planning Associates Estimates, F - Forecast

Source: Department of Commerce, Economic Planning Associate

QUARTERLY NONVAN SHIPMENTS BY TYPE

	PLAT FORM	TANK	LOW BED	DUMP	BULK	OTHER NONVANS	TOTAL NONVANS
Q1E	3,600	1,100	2,500	1,550	400	1,550	10,700
Q2E	3,550	1,150	3,200	1,350	450	1,250	10,950
Q3E	3,400	1,000	2,600	1,300	280	1,100	9,680
Q4E	2,300	1,050	2,200	1,150	250	950	7,900
2001E	12,850	4,300	10,500	5,350	1,380	4,850	39,230
Q1E	2,300	1,000	2,150	1,300	480	1,050	8,280
Q2E	2,900	1,000	2,300	1,750	450	1,050	9,450
Q3E	3,800	1,000	2,050	2,100	450	1,200	10,600
Q4E	2,900	950	1,850	1,600	400	1,100	8,800
2002E	11,900	3,950	8,350	6,750	1,780	4,400	37,130
Q1E	2,800	1,050	2,050	1,500	450	1,250	9,100
Q2E	3,000	1,050	2,350	1,650	500	1,100	9,650
Q3E	3,500	1,300	2,250	1,750	375	1,300	10,475
Q4E	3,500	1,250	2,300	1,550	350	1,500	10,450
2003E	12,800	4,650	8,950	6,450	1,675	5,150	39,675
Q1E	4,400	1,550	2,450	1,900	525	1,400	12,225
Q2E	5,250	1,550	3,000	2,200	575	1,100	13,675
Q3E	5,400	1,500	2,700	2,000	525	1,500	13,625
Q4E	5,600	1,600	2,550	2,000	700	1,250	13,700
2004E	20,650	6,200	10,700	8,100	2,325	5,250	53,225
Q1E	6,300	2,000	2,750	2,250	600	1,100	15,000
Q2E	6,250	2,100	3,350	2,500	650	1,500	16,350
Q3F	6,350	2,000	3,000	2,300	650	1,400	15,700
Q4F	6,100	2,000	3,100	2,400	650	1,450	15,700
2005F	25,000	8,100	12,200	9,450	2,550	5,450	62,750
Q1F	6,100	2,100	3,100	2,400	650	1,450	15,800
Q2F	6,200	2,100	3,150	2,400	650	1,500	16,000
Q3F	6,300	2,000	3,150	2,350	625	1,400	15,825
Q4F	6,400	2,100	3,200	2,450	675	1,500	16,325
2006F	25,000	8,300	12,600	9,600	2,600	5,850	63,950

E - Economic Planning Associates Estimates, F - Forecast

Source: Department of Commerce, Economic Planning Associates, Inc.

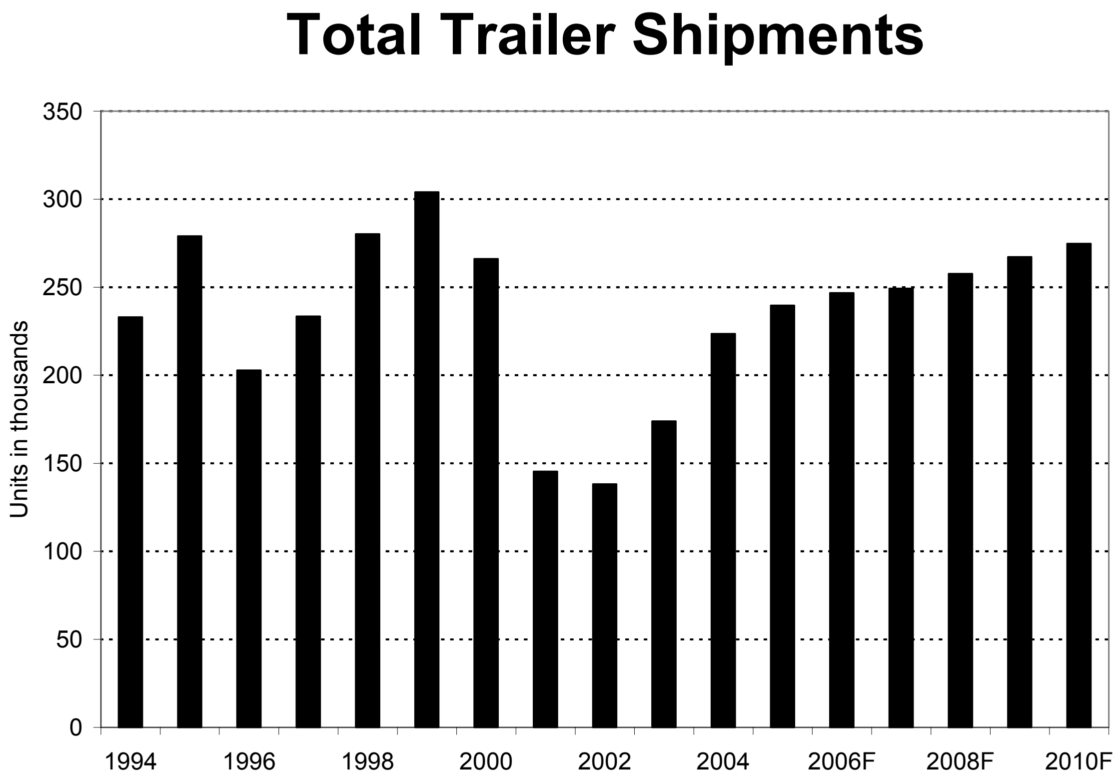
FORECAST OF COMMERCIAL TRAILER SHIPMENTS

TYPE	2001E	2002E	2003E	2004E	2005F	2006F	2007F	2008F	2009F	2010F
DRY FREIGHT	75,500	72,000	100,000	126,800	130,300	135,000	140,000	148,000	155,000	160,000
INSULATED	20,100	20,250	26,300	33,600	36,000	36,500	36,000	36,000	37,000	38,000
OTHER VANS	10,550	8,850	8,000	10,000	10,700	11,400	11,500	11,700	11,900	12,000
TOTAL VANS	106,150	101,100	134,300	170,400	177,000	182,900	187,500	195,700	203,900	210,000
% Change	-48.4	-4.8	32.8	26.9	3.9	3.3	2.5	4.4	4.2	3.0
PLATFORM	12,850	11,900	12,800	20,650	25,000	25,000	24,000	24,500	24,800	25,000
TANK	4,300	3,950	4,650	6,200	8,100	8,300	7,500	7,000	7,200	7,500
LOW BED	10,500	8,350	8,950	10,700	12,200	12,600	12,000	12,000	12,500	13,000
DUMP	5,350	6,750	6,450	8,100	9,450	9,600	9,700	9,800	9,900	10,000
BULK	1,380	1,780	1,675	2,325	2,550	2,600	2,650	2,700	2,750	2,800
OTHER NONVANS	4,850	4,400	5,150	5,250	5,450	5,850	6,000	6,000	6,200	6,500
TOTAL NONVANS	39,230	37,130	39,675	53,225	62,750	63,950	61,850	62,000	63,350	64,800
% Change	-35.1	-5.4	6.9	34.2	17.9	1.9	-3.3	0.2	2.2	2.3
TOTAL TRAILERS	145,380	138,230	173,975	223,625	239,750	246,850	249,350	257,700	267,250	274,800
% Change	-45.4	-4.9	25.9	28.5	7.2	3.0	1.0	3.3	3.7	2.8
CONTAINER/CHASSIS*	12,950	12,550	14,250	15,000	15,000	16,000	17,000	18,000	19,000	20,000
% Change	-49.7	-3.1	13.5	5.3	0.0	6.7	6.3	5.9	5.6	5.3

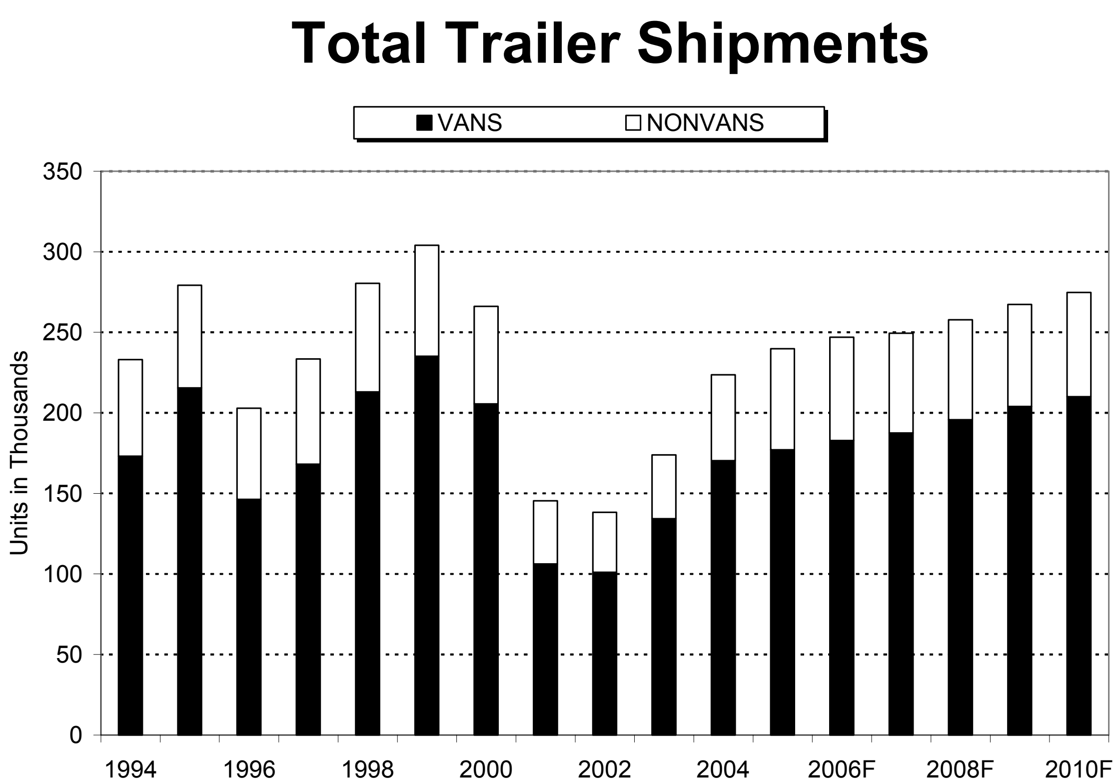
E - Economic Planning Associates Estimates, F - Forecast, P - Preliminary

***Excludes Hyundai**

Source: Department of Commerce, Economic Planning Associates, Inc.



Source: Department of Commerce, EPA, Inc.



Source: Department of Commerce, EPA, Inc.

VAN SHIPMENTS
HISTORY AND FORECASTS

YEAR	DRY FREIGHT	INSULATED	OTHER VANS	TOTAL VANS
1989	94,027	19,986	11,249	125,262
1990	72,771	17,642	9,722	100,135
1991	60,611	15,989	6,731	83,331
1992	96,043	20,685	8,888	125,616
1993	107,008	21,195	12,007	140,210
1994	129,182	27,183	16,693	173,058
1995	167,648	31,715	16,057	215,420
1996	109,152	25,499	11,699	146,350
1997E	130,000	26,500	11,592	168,092
1998E	166,500	33,100	13,400	213,000
1999E	185,800	37,450	11,850	235,100
2000E	161,000	33,550	11,100	205,650
2001E	75,500	20,100	10,550	106,150
2002E	72,000	20,250	8,850	101,100
2003E	100,000	26,300	8,000	134,300
2004E	126,800	33,600	10,000	170,400
2005F	130,300	36,000	10,700	177,000
2006F	135,000	36,500	11,400	182,900
2007F	140,000	36,000	11,500	187,500
2008F	148,000	36,000	11,700	195,700
2009F	155,000	37,000	11900	203,900
2010F	160,000	38,000	12000	210,000
1991 - 1995 Avg.	112,098	23,353	12,075	147,527
1996 - 2000E Avg.	150,490	31,220	11,928	193,638
2001 - 2005E Avg.	100,920	27,250	9,620	137,790
2006 - 2010F Avg.	147,600	36,700	11,700	196,000

E - Economic Planning Associates Estimates, F - Forecast

Source: Department of Commerce, EPA, Inc.

NONVAN SHIPMENTS
HISTORY AND FORECASTS

YEAR	PLATFORM	TANK	LOW BED	DUMP	BULK	OTHER NONVANS	TOTAL NONVANS
1989	18,411	4,789	9,586	7,860	1,848	8,821	51,315
1990	13,479	4,444	8,147	6,733	1,540	10,880	45,223
1991	11,585	4,113	6,163	4,579	1,009	10,286	37,735
1992	13,432	3,750	6,762	5,203	1,175	7,741	38,063
1993	16,102	3,877	6,810	7,210	1,057	8,921	43,977
1994	21,459	4,758	10,708	10,710	2,665	9,750	60,050
1995	22,797	5,492	13,054	9,552	2,589	10,240	63,724
1996	18,193	5,386	11,969	10,359	1,969	8,686	56,562
1997E	24,566	4,788	12,694	12,638	2,535	8,170	65,391
1998E	28,100	5,200	12,900	10,800	2,750	7,600	67,350
1999E	30,850	5,400	13,850	9,950	2,540	6,350	68,940
2000E	24,250	5,475	12,300	8,400	2,250	7,750	60,425
2001E	12,850	4,300	10,500	5,350	1,380	4,850	39,230
2002E	11,900	3,950	8,350	6,750	1,780	4,400	37,130
2003E	12,800	4,650	8,950	6,450	1,675	5,150	39,675
2004E	20,650	6,200	10,700	8,100	2,325	5,250	53,225
2005F	25,000	8,100	12,200	9,450	2,550	5,450	62,750
2006F	25,000	8,300	12,600	9,600	2,600	5,850	63,950
2007F	24,000	7,500	12,000	9,700	2,650	6,000	61,850
2008F	24,500	7,000	12,000	9,800	2,700	6,000	62,000
2009F	24,800	7,200	12,500	9,900	2,750	6,200	63,350
2010F	25,000	7,500	13,000	10,000	2,800	6500	64,800
1991 - 1995 Avg.	17,075	4,398	8,699	7,451	1,699	9,388	48,710
1996 - 2000E Avg.	25,192	5,250	12,743	10,429	2,409	7,711	63,734
2001 - 2005E Avg.	16,640	5,440	10,140	7,220	1,942	5,020	46,402
2006 - 2010F Avg.	24,660	7,500	12,420	9,800	2,700	6,110	63,190

E - Economic Planning Associates Estimates, F - Forecast

Source: Department of Commerce, EPA, Inc.

TRAILER SHIPMENTS

VANS AND NON VANS
HISTORY AND FORECASTS

YEAR	VANS	NONVANS	TOTAL
1989	125,262	51,315	176,577
1990	100,135	45,223	145,358
1991	83,331	37,735	121,066
1992	125,616	38,063	163,679
1993	140,210	43,977	184,187
1994	173,058	60,050	233,108
1995	215,420	63,724	279,144
1996	146,350	56,562	202,912
1997E	168,092	65,391	233,483
1998E	213,000	67,350	280,350
1999E	235,100	68,940	304,040
2000E	205,650	60,425	266,075
2001E	106,150	39,230	145,380
2002E	101,100	37,130	138,230
2003E	134,300	39,675	173,975
2004E	170,400	53,225	223,625
2005F	177,000	62,750	239,750
2006F	182,900	63,950	246,850
2007F	187,500	61,850	249,350
2008F	195,700	62,000	257,700
2009F	203,900	63,350	267,250
2010F	210,000	64,800	274,800
1991 - 1995 Avg.	147,527	48,710	196,237
1996 - 2000E Avg.	193,638	63,734	257,372
2001 - 2005E Avg.	137,790	46,402	184,192
2006 - 2010F Avg.	196,000	63,190	259,190

E - Economic Planning Associates Estimates, F - Forecast

Source: Department of Commerce, EPA, Inc.

ECONOMIC OVERVIEW

While it will take a number of months to fully assess the results of the catastrophe wreaked by Hurricane Katrina, we are already witnessing some of the negative aftermath of this disaster. Aside from the horrific loss of lives and the psychological drain on the consumer, our economy will also bear some scars. We have already noted sharp rises in gasoline prices, the shutdown of a number of refineries in the Gulf region, the loss of jobs and income, extensive damage to infrastructure which will delay recovery efforts, and the sharp slowing in activities along the Mississippi and the ports of New Orleans and Mobile. The damage to the ports will significantly impact merchandise trade (both exports and imports).

Our short term outlook is further exacerbated by the combination of rising inflation as well as interest rates. However, we believe that as we proceed through the remainder of this year and into 2006, inflation will moderate. By the same token, somewhat stronger economic momentum in the economy should serve to overcome further modest interest rate hikes by the Fed as we enter 2006. At the same time, the reconstruction effort currently underway as well as the eventual full operation of the port of New Orleans will aid in the re-acceleration of growth in our economy. As an added plus, we expect OPEC to increase crude oil supplies in the months ahead which should lower energy costs among our major trading partners and induce stronger economic growth which should stimulate our exports.

Our sector by sector analyses indicate that GDP growth will slow from 3.4% in the third quarter to 2.3% in the fourth quarter. As we move further away from the shock caused by Katrina and as reconstruction in the Gulf area revives infrastructure and provides jobs and income, we expect our GDP to advance 3.0% in the first quarter of 2006, followed by a stronger 3.7% increase in the second. We then expect growth of 3.7% in the second half of next year leading to further economic strength in 2007.

Consumer: Due to the third quarter strength in light vehicle sales and purchases of household equipment, as well as a rebound in spending for services, we expect a modest pickup in consumer spending to the rate of 3.2% in the third quarter even though September results will be dampened by the negative effects of Katrina. During the next few months, we look for a sharp slowing in consumer outlays as the full physical and psychological effects of Katrina filter down though our system. Consumer spending will be dampened by the loss of jobs, significant slowing in income in the South, sharply higher energy prices, and rising interest rates. As such, we are estimating a very modest 1.3% advance in consumer outlays in the fourth quarter. After the dismal fourth quarter results, we look for consumer spending to advance at the rate of approximately 3.5% during each quarter of 2006. More importantly, we expect this growth to be well balanced with demand for autos, household equipment, nondurable goods, and services advancing in tandem.

Housing: The pre-Katrina housing market continued at a brisk pace through August. While starts of 2.01 million units (seasonally adjusted annual rate) were 1.3% below the July level, August marked the fifth consecutive month that starts were at an annualized rate above 2 million. At this stage, with mortgage rates remaining relatively modest and some anticipated post Katrina new home construction beyond prior expectations, there is little doubt that housing starts will establish record levels once again this year. From this point on, we continue to expect healthy levels of housing demand especially as the Gulf area is rebuilt. However, we expect some moderation in the monthly pace of starts as an improved economic environment in 2006 and continued rate hikes by the Federal Reserve place upward pressures on interest rates. Nonetheless, due to the strong pace of housing construction to date, the monthly moderation we envision will still leave 2005 housing starts at the record level of 2.02 million units, 3.4% above last year. In 2006, further modest easing in new housing demand will result in full year starts of 1.93 million units, a modest 4.4% decline from this year's estimate.

Business Investment: We believe that corporate spending was on track to record yet another strong gain in this quarter, but the negative effects of Hurricane Katrina will certainly serve to shave a few points off the previously anticipated expansion of the third quarter. By the same token, the dampening of some economic momentum going forward, the loss of jobs and income, and higher fuel costs will serve to slow the anticipated growth in business spending in the fourth quarter. Accordingly, we look for growth in business investment of approximately 7.0% this quarter and close to 4.0% next quarter. Beginning in early 2006 and continuing through the year, we look for faster quarterly growth in business investment. Due to the strong start this year, full year 2005 business investment will amount to $1,285 billion, an 8.3% hike over last year's level. Due to the slow start next year, full year 2006 business outlays will advance 5.8% although the second half momentum will be stronger than the annual growth estimate.

Construction: The full catastrophic effects of Hurricane Katrina will still take months to assess. Beyond the horrific loss of lives, the flooding in both New Orleans and Mobile, as well as extreme damage in other parts of Louisiana, Alabama, and Mississippi will translate into significant numbers of housing units that were permanently destroyed. Efforts to rebuild, or more likely replace, these lost homes will affect residential construction activities in these areas for a number of years to come. At the same time, we expect a near term pick up in construction activities as work crews look to repair roads, rail yards, port facilities, refineries, and federal, state, and municipal buildings and service terminals. Based on available data, we do not expect total U.S. construction outlays to exhibit much of a surge from these rebuilding activities in the short term. Longer term, construction spending will reflect ongoing activities to restore the affected regions of Louisiana, Alabama, and Mississippi.

Foreign Trade: Over the last year, we have enjoyed continued improvements in exports as we have shipped increased amounts of capital goods, industrial materials and supplies, and consumer goods. However, imports from July 2004 through July 2005 managed to outpace our exports, leading to a further, albeit quite modest, deterioration in our trade balance since last year. While the port damage associated with Katrina will serve to dampen both imports and exports, we still expect our trade deficit to stabilize over the next four to five quarters. Since we have been informed that the Port of New Orleans will be fully functional within 4-6 months, we have lowered our estimates of both exports and imports for the fourth quarter of this year and the opening quarter of 2006. Thereafter, we look for a resumption of higher volumes of merchandise moving through the Mississippi River and the Port of New Orleans. Based on our outlook for global economic activities, we expect our exports to expand some $70 billion this year. At the same time, our robust economy will lead to import growth of about $90 billion, leading to a further, albeit more modest, widening of our trade deficit. In 2006, we look for somewhat faster growth in exports due to stronger worldwide economic growth and the relatively low value of the U.S. dollar. Hopefully, our foreign trade deficit might stabilize, if not improve, in 2006.

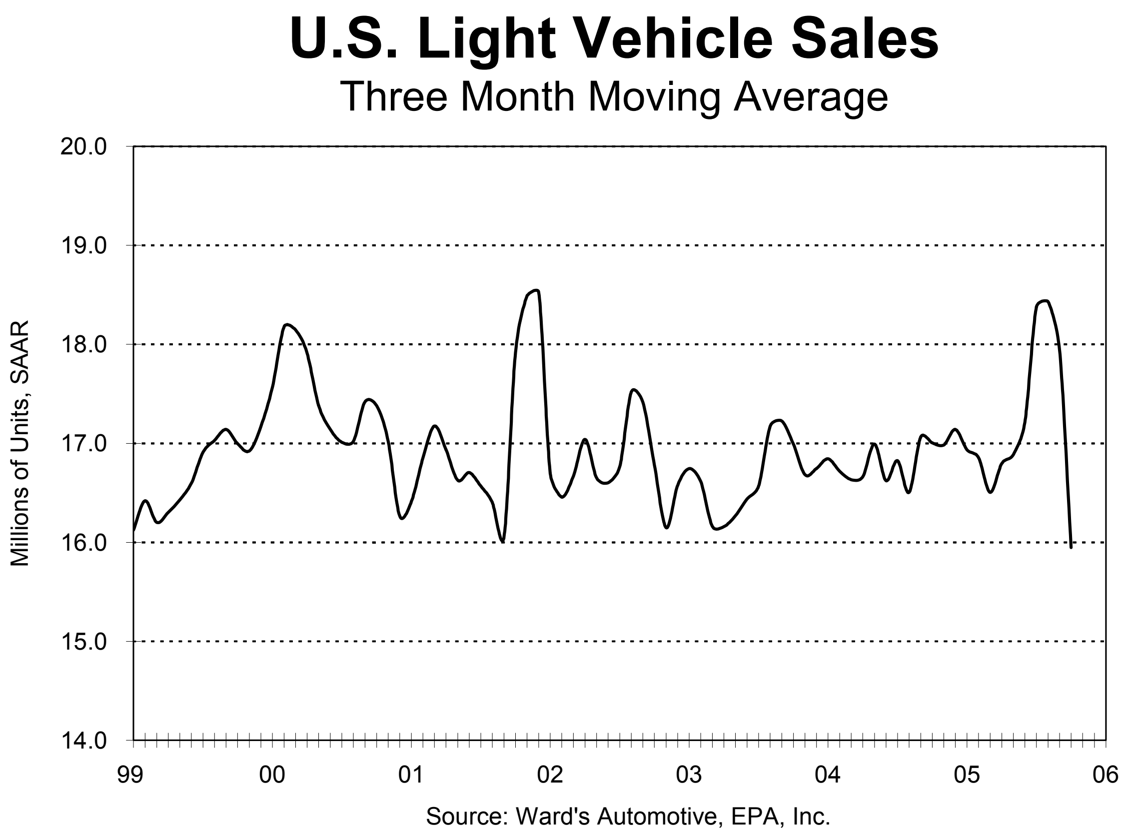
Manufacturing: Manufacturing output advanced 0.3% in August even as Hurricane Katrina affected end of month activities in petroleum refining and industrial chemicals. On the mining side, output in the oil and gas extraction sector was also negatively impacted. According to the Federal Reserve, total industrial production (including mining and utilities) was reduced 0.3 percentage points as a direct result of the Hurricane. As we gradually recover from the effects of Katrina, we expect modest gains in factory output in the next few months. After a brief slowing in momentum in the fourth quarter, we look for faster quarterly gains in 2006. Consumer spending will remain on track, a weaker dollar value and some improvements in the economic activities of our major trading partners will lift exports, and a long neglected capital goods segment will continue expanding during the forecast horizon. The growth in these major sectors will promote further gains in factory output. After last year's robust advance, we look for industrial production to gain 3.0-3.5% both this year and next year.

Inflation: The consumer price index (CPI) rose 0.5% in August, the same rate as July as energy costs increased sharply for the second consecutive month- up 5.0% in August. Within the energy sector, prices for petroleum based energy jumped 7.9% in August. As of August, consumer prices were up 3.6% compared to the year ago level while core inflation rate was running 2.1% ahead of its year ago level. The Producer Price Index for finished goods rose 0.6% in August. This increase followed a 1.0% gain in July and no change in June. And, the effects of Hurricane Katrina were already apparent during the early part of September as gasoline prices rose sharply. At the same time, there is considerable evidence that prices for construction materials and supplies are moving upward. As we go to press, pump prices for gasoline are receding, and hopefully this will have a moderating influence on oil prices in October after an anticipated hike in September prices. With the expectation of an easing in energy prices during the fourth quarter and into 2006, we look for a 4.5% increase in producer prices this year and a 2.3% increase in 2006. Given the anticipated slowing in energy prices, we expect consumer price increases to moderate during the rest of this year and into 2006. After a 2.7% advance last year, we expect the CPI to increase 3.3% this year and 2.7% in 2006.

Financial Environment: As anticipated, the Federal Reserve continues to hike interest rates, even in the aftermath of Hurricane Katrina. The latest increase, instituted on September 20, marks the 11th consecutive hike in the federal funds rate. The current level of 3.75% is the highest since the summer of 2001. In addition, in an apparent vote of confidence for our economy, the Federal Reserve signaled that more rate hikes were forthcoming as Chairman Greenspan stated that Katrina's impact on the overall economy was likely to be short-lived. In spite of the recent easing in oil prices, and OPEC's intention to raise oil production, the Fed remains concerned about the spike in energy prices this year and its potential impact on inflation as our economy reaccelerates during the post Katrina reconstruction period. While we expect softer economic data during the next few months, we doubt that anything short of recessionary signals will defer the Fed from further rate hikes. Nonetheless, we continue to believe that these rate increases, along with other commercial and consumer interest rate advances, will not be of the magnitude that would dampen our expansion through the end of 2006 and into 2007.

LIGHT VEHICLES

With the installation of extremely generous financial incentives, including offering vehicles at employee discount prices to all, light vehicle sales jumped from a lackluster 16.5 million vehicles (seasonally adjusted annual rate) in the first quarter to 17.2 million units in the second quarter before exploding to the level of 20.7 million units in July. Even with an easing to a 16.8 million selling rate in August and a 16.3 million rate in September, third quarter automotive sales averaged 17.9 million units, significantly above the revived second quarter level.

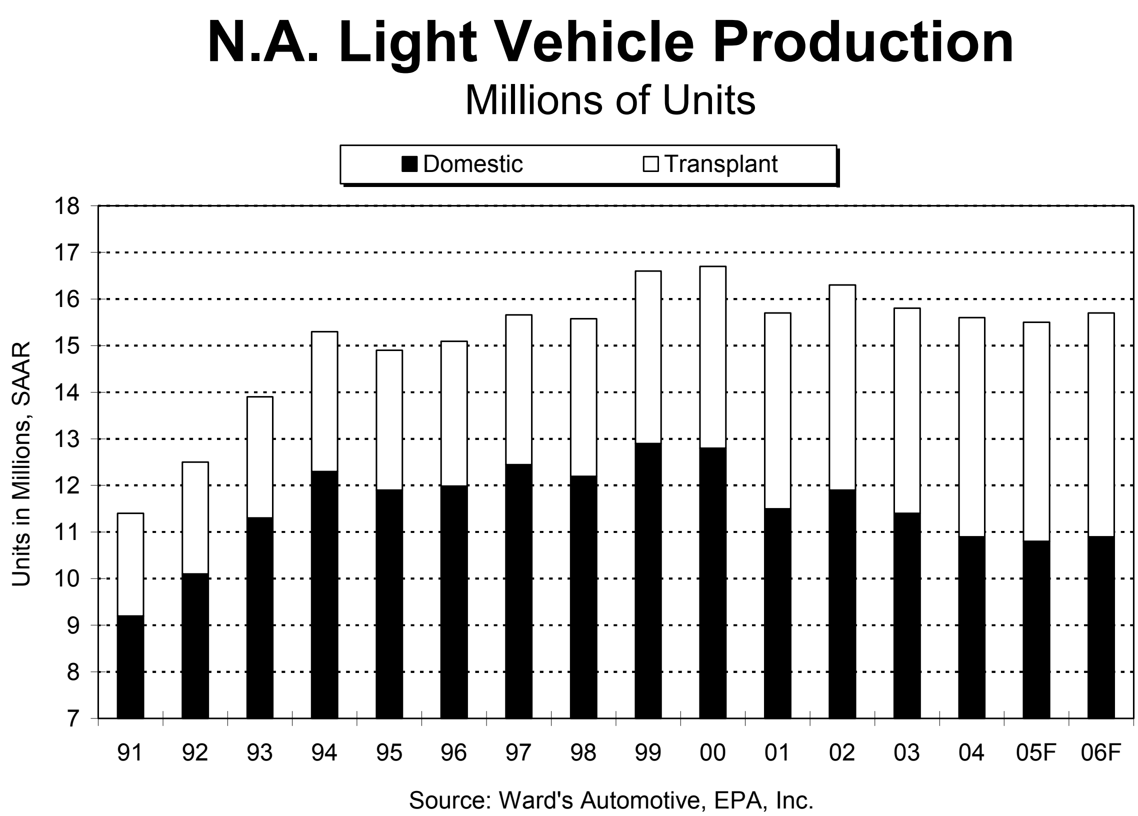


During the remainder of the year, we expect the psychological impact of the various hurricanes to dampen consumer spending plans while higher interest rates and the recent escalation in gasoline prices subdue consumer plans to purchase vehicles, especially larger equipment such as pick ups, vans, and sports utility vehicles. And, with OEM's holding back on various incentive programs during the fourth quarter, we look for full year light vehicle sales of 16.9 million units this year, about equal to last year's sales level of 16.8 million vehicles. In 2006, we look for vehicle sales to remain in the range of 16.8-17.0 million units.

As anticipated, North American automotive production rates picked up in the third quarter and year to date output was running equal to the 2004 pace. Unfortunately, the benefits of the revival accrued primarily to foreign producers with plants in the U.S., Canada and Mexico. While the Chrysler Group production rates were running 6.0% above year ago levels through September, Ford output was off 11.7% and GM experienced a 10.7% drop in production.

On the foreign side, Nissan output through September was up 16.0%, Honda's production was running 10.2% higher, and Toyota output was up 6.9%.

For 2005 as a whole, we look for North American production of light vehicles to remain relatively flat compared to last year. Some build up of dealer inventories along with modest improvement in Canadian and Mexican demand will lead to a moderate increase in NA light vehicle production in 2006.



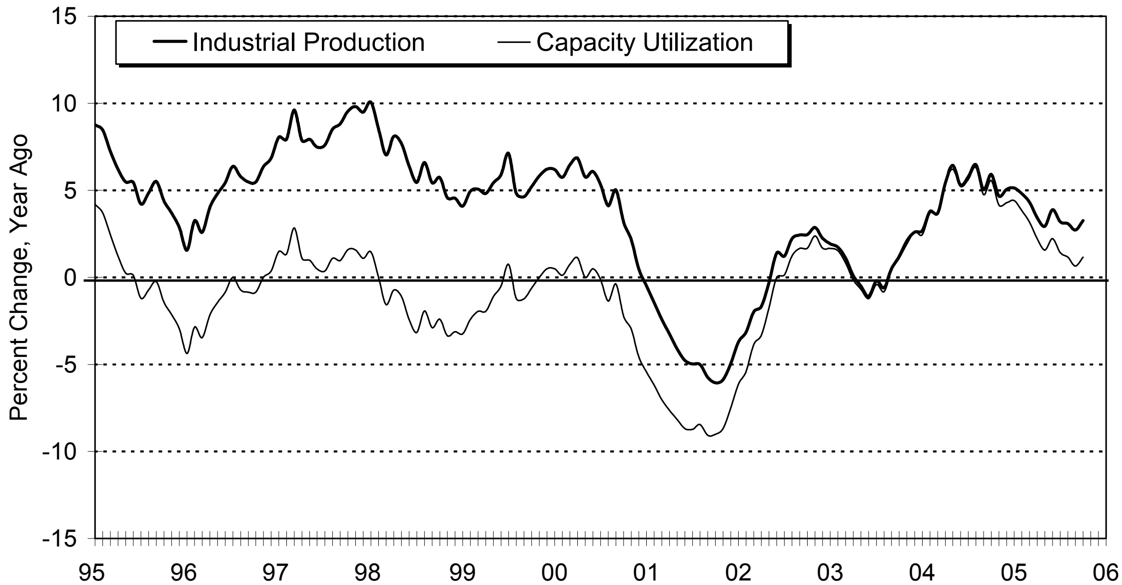
MANUFACTURING

With strength in consumer spending, a revival in business investment, and an expansion in exports, manufacturing activities have been in a general uptrend throughout 2005.

Even with the drop in September output, third quarter manufacturing activities rose at a 2.6% annualized rate over the previous quarter. And, the October rebound was quite pronounced. Output as measured by the Federal Reserve Board amounted to 110.9 (2002=100), a hefty 1.5% hike over the depressed September level.

Industrial Production vs. Capacity Utilization

Manufacturing



Source: Federal Reserve Board, EPA, Inc.

A closer inspection of the October data indicates that the production of business equipment dominated the growth in industrial production. Hi-tech equipment has been at the forefront of the rejuvenation of demand for capital equipment throughout 2005. Output of semiconductors, computers, peripherals, and communications equipment has shot up 25% during the past year and October was no exception as the production of businesses equipment climbed 6.6% over the September level due to ongoing strength in information processing equipment as well as a rebound of aircraft production. At the same time, the index for construction supplies increased 1.4% after expanding 1.2% in September. The Institute for Supply Management (ISM) survey also indicated strength in October, as the manufacturing index expanded for the 29th consecutive month. And, we expect further good growth in manufacturing activities as 2005 ends and 2006 unfolds.

Consumer spending will remain on track, a weaker dollar value and some improvements in the economic activities of our major trading partners will lift exports, and a long neglected capital goods segment will continue expanding during the forecast horizon. The growth in these major sectors will promote further gains in factory output.

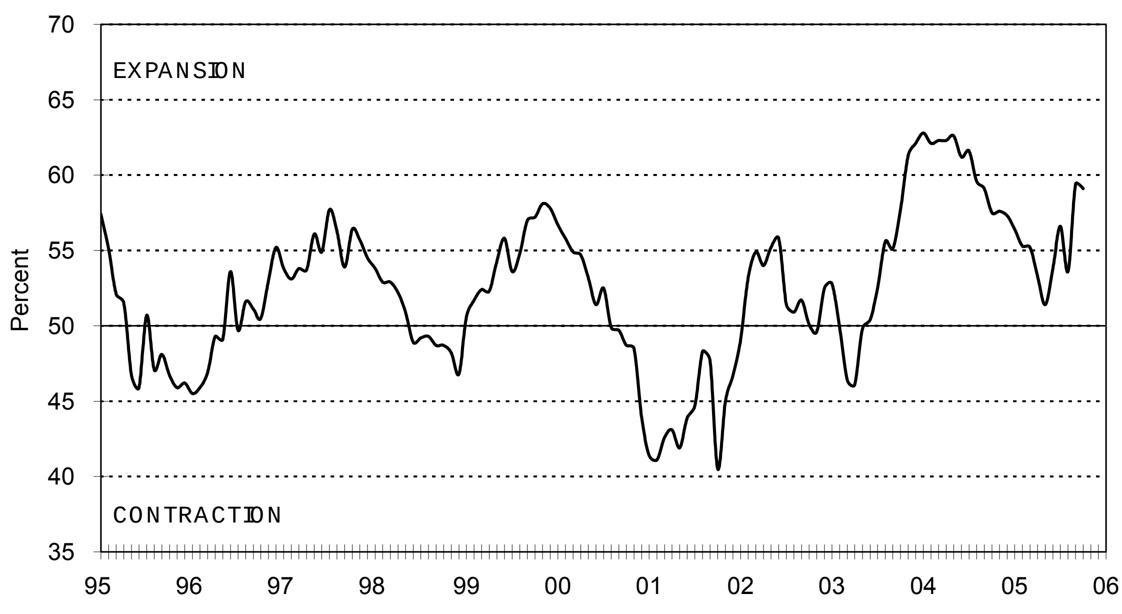
Pipeline inventories involving manufacturers, wholesalers, and retailers are relatively lean so we would expect some inventory building throughout the system as we proceed through the next few quarters.

We envision a broad based advance in industrial production involving consumer products, both durable and nondurable, for the housing market, capital goods such as transportation equipment for the steady expansion of traffic volumes, earthmoving equipment for the construction markets, hi-tech equipment, and a wide variety of exported products ranging from chemical products to farm equipment. Rebuilding efforts in the Gulf area will also stimulate increased demand for a variety of manufactured goods.

After last year's robust advance, we look for industrial production to gain 3.0-3.5% both this year and next year.

ISM Business Survey

Institue for Supply Management



Source: Institute for Supply Management, EPA, Inc.

CONSTRUCTION

The full catastrophic effects of Hurricane Katrina will still take months to assess. Beyond the horrific loss of lives, the flooding in both New Orleans and Mobile, as well as extreme damage in other parts of Louisiana, Alabama, and Mississippi has translated into significant numbers of housing units that were permanently destroyed. Efforts to rebuild, or more likely replace, these lost homes will affect residential construction activities in these areas for a number of years to come. At the same time, we expect a near term pick up in construction activities as work crews look to repair roads, rail yards, port facilities, refineries, and federal, state, and municipal buildings and service terminals. Based on available data, we do not expect total U.S. construction outlays to exhibit much of a surge from these rebuilding activities in the short term. Longer term, construction spending will reflect ongoing activities to restore the affected regions of Louisiana, Alabama, and Mississippi.

After a robust start in the first quarter, construction activities moderated in the second quarter. And, the pace in the third quarter was also lackluster, as total outlays registered only modest gains from the second quarter level. Still, due to the strong start, September construction spending was running 6.8% ahead of the year ago level.

While residential had been the strongest category in the private construction sector during this year's opening quarter, activities slowed in the second quarter, no doubt due to rising mortgage rates and tighter credit restraints by the banks. However, spending jumped once again in September and was running 8.2% above the similar month of 2004. Led by unusual strength in manufacturing, office, education, and health care, the private nonresidential segment in August managed a 1.4% gain over the previous year.

In September, public construction spending amounted to $248.5 billion (seasonally adjusted annual rate), 9.0% higher than the September 2004 level. Activities in health care, education, and highways and streets recorded strong year over year gains in September.

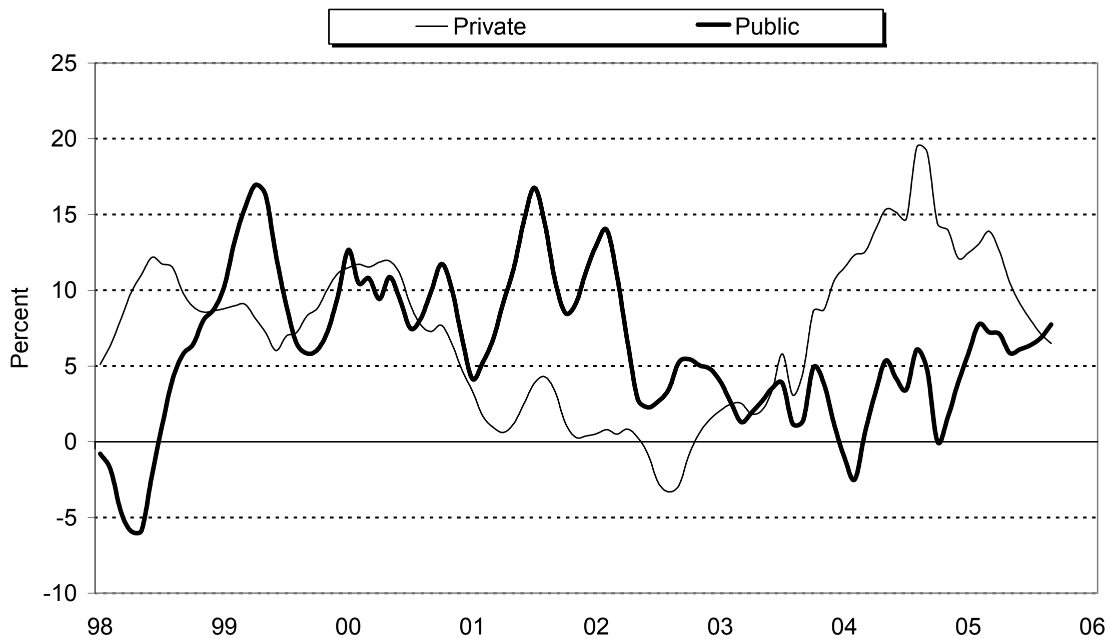
The residential segment continued to be vibrant as housing starts in the third quarter were at the seasonally adjusted annual rate of slightly more than 2 million units for the second quarter in a row.

While we expect continued healthy levels of housing demand this year and next, we expect some moderation in the monthly pace of starts as an improved economic environment and continued rate hikes by the Federal Reserve place upward pressures on interest rates.

Due to the strong start to 2005 housing construction, the moderation we envision will still bring full year housing starts to the level of 2.02 million units, 3.4% above last year's extremely healthy level. In 2006, a further modest easing in new housing demand will result in full year starts of 1.93 million units, a 4.4% decline from this year's estimate.

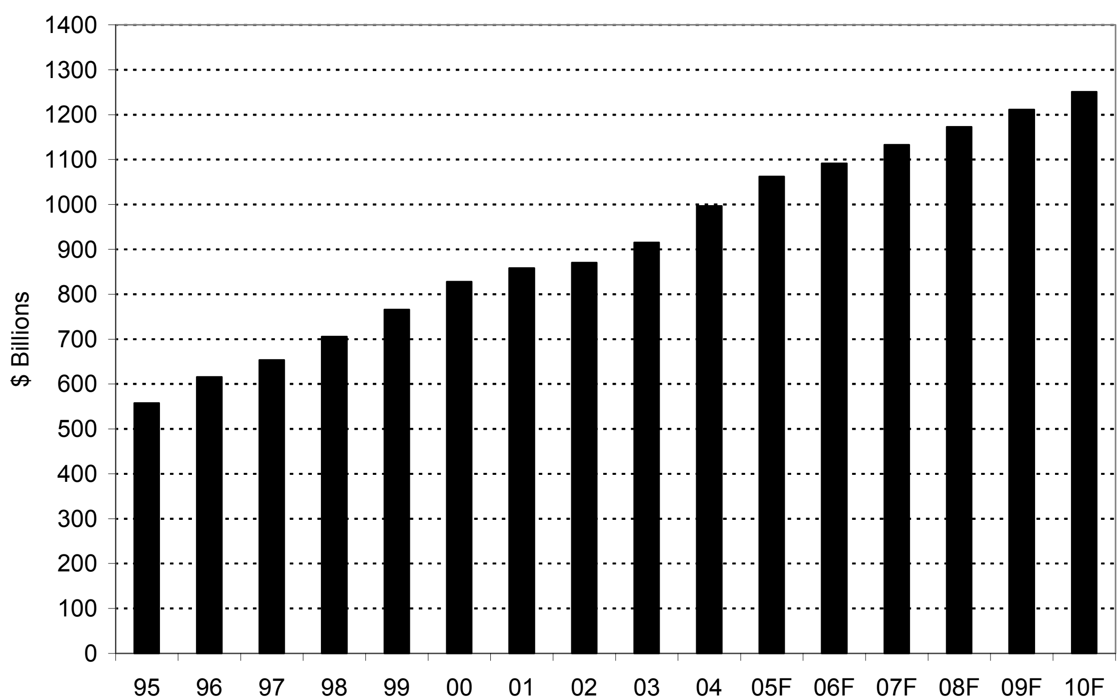
U.S. Construction Spending

Year-Over-Year Percent Change of the 3 Month Moving Average



Source: Bureau of the Census, EPA, Inc.

U.S. Total Construction Spending

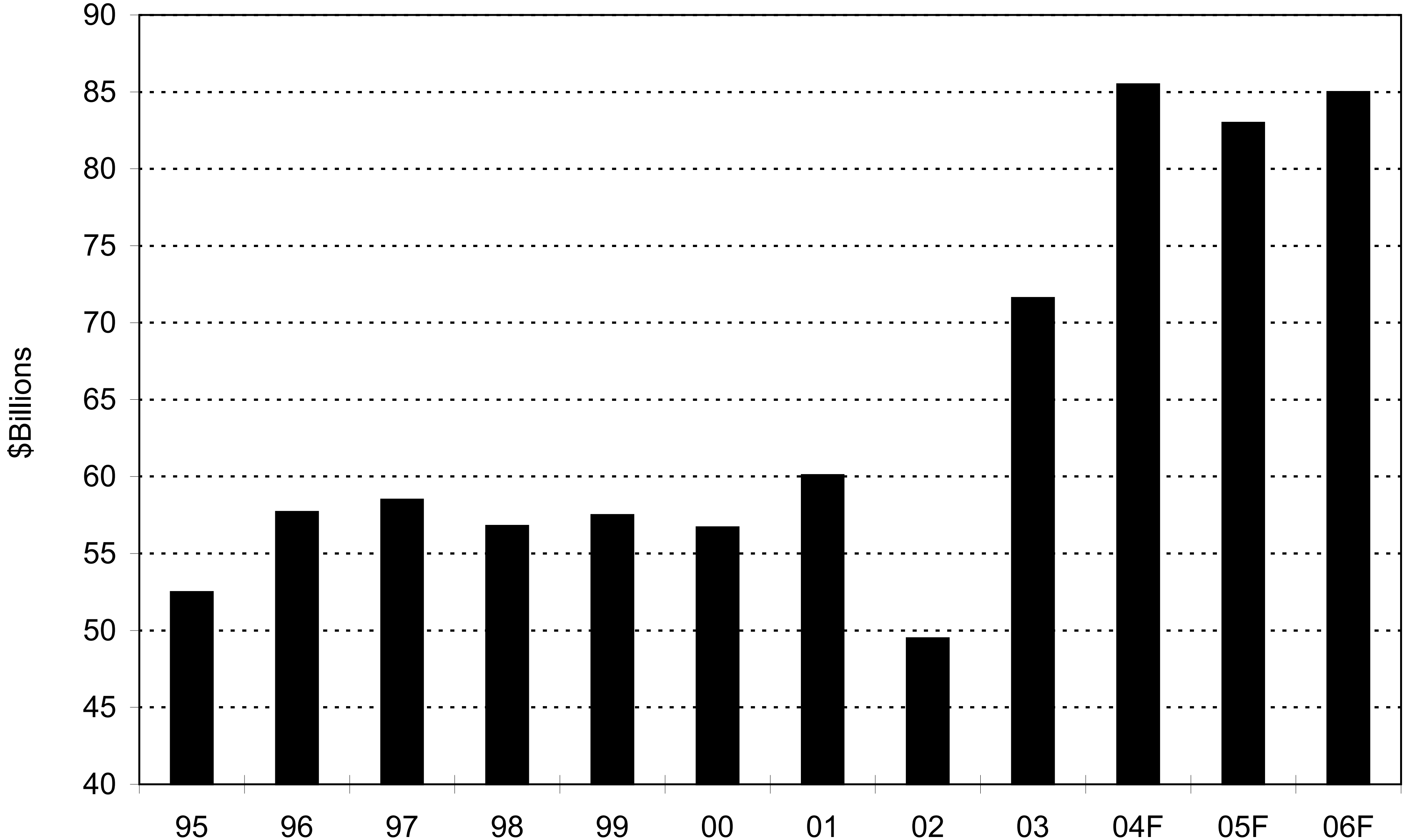


Source: Bureau of the Census, EPA, Inc.

In spite of the moderation in residential activities, private construction growth will be led by the rebound in industrial and commercial construction. After the 11.1% gain last year, private construction is expected to advance a more moderate 5.1% to the level of $802.0 billion in 2005 and then increase about 3.0% next year to the level of $826.0 billion.

Sluggish state and local revenues dampened growth in public construction outlays in 2003. Last year, the revival in the economy, further expansion of defense spending programs, and a boost to expenditures for highways and streets, educational projects, and water and sewer outlays, combined with improving state and local revenues served to boost public construction spending to $229.9 billion. Due to the strong start in public outlays this year, full year 2005 spending will rise significantly over last year's level. With the concerted effort to rebuild the areas affected by Hurricane Katrina, the new highway program in place, efforts by the government to curtail terrorism, stronger defense outlays, and further improvements in state and local revenues, 2005 public construction outlays will advance to $247.0 billion, a 5.9% hike over last year while in 2006, we look for further growth of 4.5% in public construction outlays.

Farm Net Cash Income



Source: Department of Agriculture, EPA, Inc.

FARM

The three year period of 2003-2005 has been one of unprecedented income growth for the U.S. farm sector. Due to improved soil moisture in recent months, the U.S. Department of Agriculture (USDA) is forecasting a larger crop harvest for corn and soybeans, particularly in states along the Mississippi River Basin. But due to damages caused by Hurricane Katrina to transportation infrastructure along the lower reaches of the Mississippi River (a major shipping route for farm commodities), the USDA expects farmers to retain larger quantities of these commodities in end-of- year inventories than previously projected, which will serve to dampen farm income in 2005.

Although increases in the price of fuel and natural gas in recent months have caused production expenses to rise, this rise will be minimal due to the nature of farming activity in the last 4 months of the year, where feed and fertilizer use is very low. At the same time, the dynamic growth in the use of corn to produce ethanol as well as demand for feed and food purposes, will propel corn production both this marketing year and next. Wheat production is expected to remain relatively stable although the USDA is raising its sights on exports as lower than anticipated production in Australia, Argentina, and the European Union tightened global supplies earlier this year.

Net farm cash income recorded a strong gain of $13.9 billion to the record level of $85.5 billion last year as both crop and livestock commodities experienced exceptionally favorable market conditions. Last year, corn production set a new record and harvests of other crops were large.

Based on the latest USDA projections and our assessment of farm revenue and expenses, we look for a slight easing in farm income this year compared with last year. Down only $2.5 billion from the record year of 2004, we expect net farm cash income to be $83.0 billion this year.

After some modest easing in 2005, we expect net farm cash income to rise moderately to $85.0 billion in 2006. These extremely high levels of farm income, healthy farm balance sheets, and rising land values should keep the farm sector a viable customer for trucks, trailers, and agricultural equipment during the rest of this year and throughout 2006.

NORTH AMERICAN CLASS 8 VEHICLE RETAIL SALES
(Thousand Units)

	U.S.	CANADA	MEXICO	NA TOTAL
2002	139.6	21.9	8.1	169.6
2003	142.0	22.8	8.5	173.3
2004	203.2	31.8	11.5	246.5
2005**F**	254.5	38.0	15.0	307.5
2006**F**	265.0	39.0	16.5	320.5
2007**F**	200.0	31.0	13.0	244.0
2008**F**	220.0	33.0	15.0	268.0
2009**F**	240.0	34.0	16.5	290.5
2010**F**	250.0	35.0	18.0	303.0

CLASS 8

North American demand for Class 8 vehicles continues to advance at a robust pace. In the U.S., 186.5 thousand Class 8 vehicles were sold during the first nine months, 29.4% higher than the comparable period of 2004. At the same time, Canadian retail sales are estimated at 28.5 thousand units, 19.5% ahead of the 2004 pace while Mexican estimated retail sales of 11.3 thousand vehicles are 30.4% above the year ago pace. Based on these estimates, we have raised our 2005 U.S. retail sales projection modestly, while both the Canadian and Mexican sales are coming in precisely as estimated in our last report.

U.S. Demand

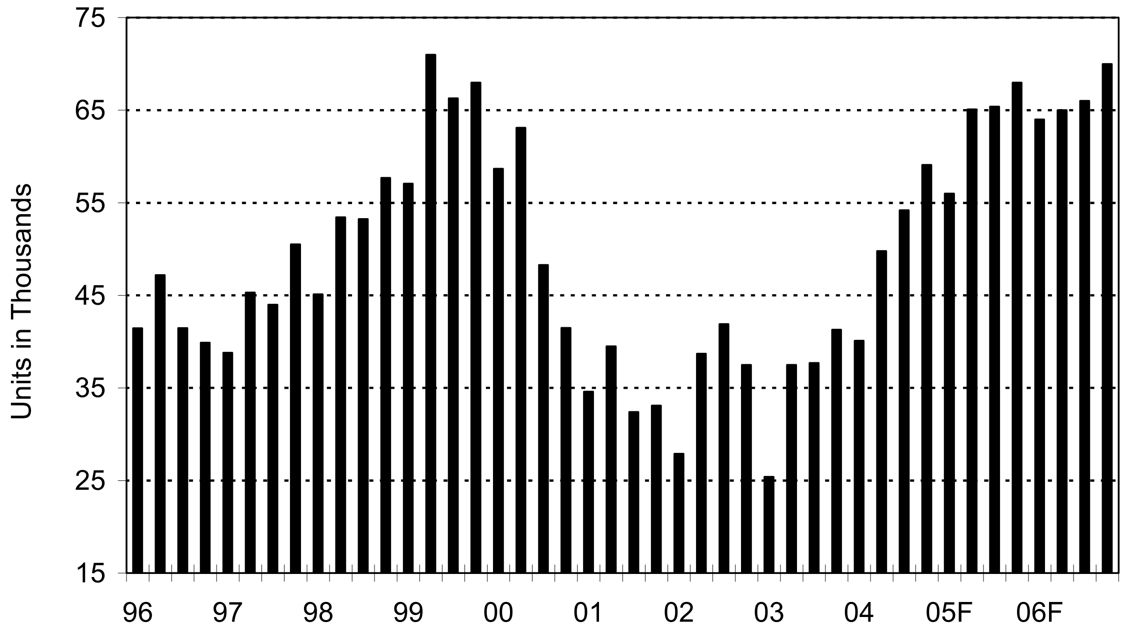
In spite of the adverse effects of weather on third quarter customer market activities, Class 8 retail sales registered healthy gains and October results indicate a strong fourth quarter sales performance can be anticipated. And, with expanding customer market activities, increasing merchandise trade, still relatively modest interest rates and inflation (oil prices are receding), and a pressing need to replace outmoded equipment, demand for Class 8 vehicles should continue to advance in the quarters ahead.

Expanding domestic activities, further increases in merchandise trade (imports and exports), increased traffic flows, improved trucking profitability, and intense replacement pressures will stimulate increased demand for new Class 8 equipment. The widespread reports of driver shortages as well as the pressing need to retain existing drivers will also serve to bring newer, more comfortable, and more efficient equipment into the fleets. At the same time, with the “clock ticking” on the transition to the more expensive EPA compliant engines in 2007, Class 8 sales next year will benefit from the pull forward boost in demand.

In spite of the large amount of traffic that has moved off the road and onto rail via intermodal haulings of trailer on flat car as well as container on flat car, truck haulings as measured by the ATA truck tonnage index, recorded good gains last year and we expect further gains this year and next. Factory output of finished product will not only reflect increased domestic demand from consumers and business, but also growth in product exports. And, along with the increased movements of finished products, we will see a corresponding expansion in the traffic flows of raw materials, intermediate products, and components associated with those finished products.

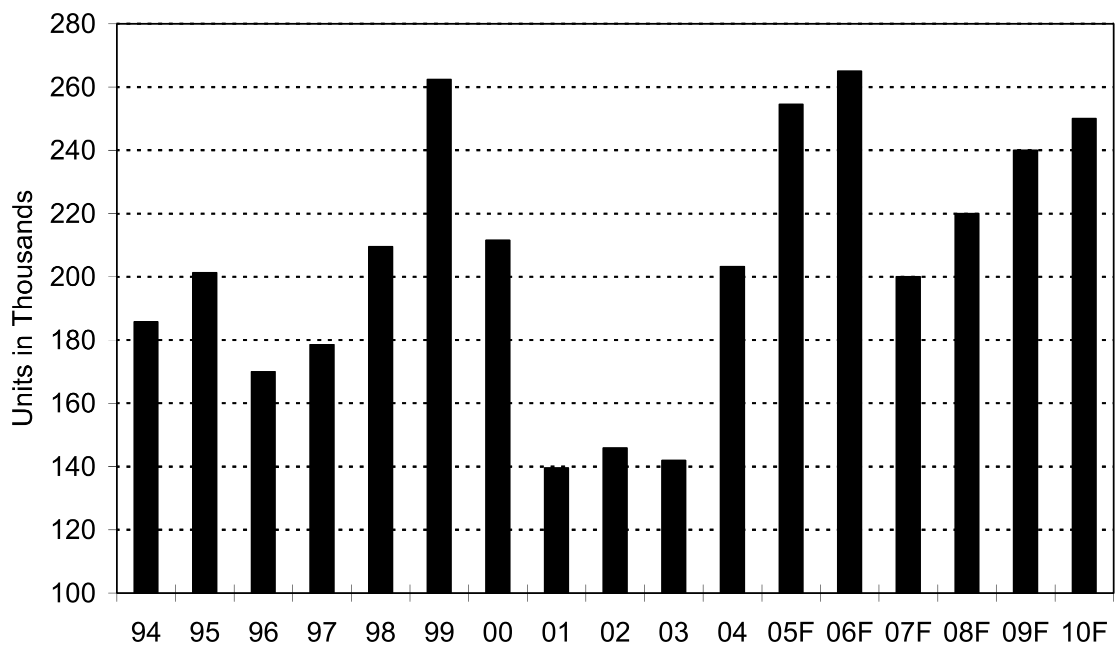
During the next year or so, construction and housing activities will remain at lofty levels, prompting movements of home and office furniture, carpeting, appliances, and consumer electronics. As consumer spending continues to advance, we anticipate inventory build-ups at the wholesale and retail level, which will further push movements of consumer products.

Quarterly Retail Sales of Class 8 Trucks



Source: Ward's Communications, EPA, Inc.

Annual Retail Sales of Class 8 Trucks



Source: Ward's Communications, EPA, Inc.

While component availability dampened our enthusiasm for production schedules earlier this year, it now appears that components such as tires, axles, engines, and bearings are now in greater supply. Still, sharply higher prices for steel, copper, aluminum, and plastics led to higher truck and tractor prices and surcharges, which no doubt dampened some sales potential. With pricing somewhat more stable currently, we expect some of the previous hesitant investment decisions to turn into purchases in the quarters ahead.

Under these circumstances, we expect full year 2005 retail sales of 254.5 thousand Class 8 vehicles, a 25.2% increase over last year. Ongoing strength in the customer markets next year as well as the "pull forward" effect of the costlier 2007 engines will propel 2006 retail sales to 265.0 thousand units, a 4.1% advance over this year's robust level.

Longer term, continued growth in the output of both consumer and business products, higher levels of construction activities, growing emphasis of just-in-time and on-demand manufacturing techniques, and the pressing need to replace aged Class 8 tractors with the more flexible, ecologically sound, driver friendly, and sophisticated equipment of today and tomorrow will keep Class 8 demand at high levels. Rapid expansion of NAFTA trade and increased flows of traffic both north and south bound will provide an additional boost to equipment demand. After a drop of 24.0% in 2007 to the level of 200.0 thousand units as the more expensive, stricter emissions control engines are implemented, we expect sales to gradually recover to 250.0 thousand vehicles by 2010.

Canadian Demand

Even after last year's strong advance, Class 8 sales in Canada during the first nine months are running sharply higher than the 2004 pace. In spite of a higher valued Canadian dollar which has slowed exports, domestic activities are expanding rapidly. The pace of economic activities in Canada has quickened to the extent that inflationary pressures are rising and the Bank of Canada is mulling rate hikes to reduce future inflation potential.

During the first three-quarters, domestic demand has advanced at a strong clip. Consumer spending is expanding the construction and energy sectors are robust, and capital investment is rising. High capacity utilization rates are being noted in the energy and mining sectors and companies are reporting labor shortages. Even the prospect of a softening housing market is being offset by a rejuvenation in the commercial residential sector.

In addition, Canada's industrial sector will benefit from its close production ties to the U.S. Accordingly, we look for further traffic gains both within Canada and between Canada and the U.S. involving not only finished products, but also components and intermediate goods. Given the lackluster level of sales for a number of years prior to 2004, we expect replacement pressures to keep Class 8 demand at healthy levels this year and next. After a 19.5% hike to the level of 38.0 thousand vehicles this year, we are estimating a modest increase in retail sales to the level of 39.0 thousand units in 2006.

CANADIAN CLASS 8 DOMESTIC DEMAND AND FACTORY SALES
(THOUS. UNITS)

	2002	2003	2004	2005F	2006F	2007F	2008F	2009F	2010F
Canadian Factory Sales	25.9	22.7	36.1	48.0	49.0	39.0	40.0	41.5	43.0
+ NA Exports to Canada	16.2	18.7	25.4	31.0	33.0	25.0	27.0	27.5	28.0
	42.1	41.4	61.5	79.0	82.0	64.0	67.0	69.0	71.0
- Canadian Exports	20.2	18.6	29.7	41.0	43.0	33.0	34.0	35.0	36.0
Canadian Domestic Demand	21.9	22.8	31.8	38.0	39.0	31.0	33.0	34.0	35.0

Source: Wards Communications, Economic Planning Associates, Inc.

Canadian Imports as a % of US Demand	*11.7*	*12.0*	*12.5*	*12.5*	*12.5*	*12.5*	*12.5*		*12.5*

MEXICAN CLASS 8 DOMESTIC DEMAND AND FACTORY SALES
(THOUS. UNITS)

	2002	2003	2004	2005F	2006F	2007F	2008F	2009F	2010F
Mexican Factory Sales	18.0	19.2	31.4	33.5	35.5	28.5	32.5	35.0	37.5
+ NA Exports to Mexico	0.7	1.0	1.4	2.0	2.5	2.0	2.5	2.5	2.5
	18.7	20.2	32.8	35.5	38.0	30.5	35.0	37.5	40.0
- Mexican Exports	10.6	11.7	21.3	20.5	21.5	17.5	20.0	21.0	22.0
Mexican Domestic Demand	8.1	8.5	11.5	15.0	16.5	13.0	15.0	16.5	18.0

Source: Wards Communications, Economic Planning Associates, Inc.

After a drop to 31.0 thousand units in 2007, we look for a gradual rise in Canadian Class 8 retail sales to 35.0 thousand units by 2010.

Mexican Demand

Class 8 retail demand though the first three quarters was running sharply ahead of the 2004 pace. In spite of weather related problems from Wilma, which impacted tourism, the Mexican economy is advancing at a healthy clip.

With the U.S. purchasing 85% of all Mexican exports, our expanding economy continues to support rising Mexican exports and production. At the same time, direct foreign investment in that country continues to advance, leading to more industrial capacity and increased job opportunities. In addition, the sharp jump in oil prices and revenues is supporting major construction projects involving the improvement and expansion of infrastructure in that country.

As a result of these positive developments, we look for retail sales of Class 8 vehicles to advance 30.4% this year to the level of 15.0 thousand units, followed by a further gain to 16.5 thousand vehicles in 2006.

Longer term, anticipated robust growth in the Mexican economy will support further growth in demand for heavy-duty vehicles. After a drop to 13.0 thousand units in 2007, Mexican retail sales will gradually rise to 18.0 thousand vehicles by 2010.

North American Production

NA production of Class 8 vehicles surged 47.2% last year. And the gains were widespread among the NAFTA countries. U.S. output advanced 42.9%, Canadian factory sales increased 59.3%, and Mexican production jumped 63.8%. Even with these strong gains, industry sources continue to point to rising orders and expanding backlogs which should continue to stimulate factory sales. Based on production trends through the first three quarters and our outlook for retail demand among the NAFTA economies, we also anticipate further healthy gains in NA factory sales this year. As such, we expect NA production of Class 8 vehicles to advance 22.4% this year before easing moderately in 2006 as inventories are drawn down.

After a 26.5% downdraft to 244.0 thousand in 2007, we look for a resumption of growth in NA factory output. Demand recoveries among the NAFTA countries as well as higher levels of NA Class 8 exports will lead to a gradual rise in annual production back to the level of 315.0 thousand units by 2010.

CLASS 8 TRUCKS (33,001 LBS. AND OVER GVW)

	2000	2001	2002	2003	2004	2005F	2006F	2007F	2008F	2009F	2010F
U.S. RETAIL SALES	211.6	139.6	145.9	142.0	203.2	254.5	265.0	200.0	220.0	240.0	250.0
% Change from prior year	-19.3%	-34.0%	4.5%	-2.7%	43.1%	25.2%	4.1%	-24.5%	10.0%	9.1%	4.2%
EXPORTS TO CANADA	19.2	11.6	16.0	17.3	24.0	30.0	31.5	23.5	25.5	26.0	26.5
OTHER EXPORTS	6.7	4.0	3.2	3.8	6.0	11.0	11.0	7.0	8.0	8.5	9.0
IMPORTS FROM CANADA	-30.0	-16.0	-19.5	-18.4	-28.9	-40.0	-42.0	-32.0	-33.0	-34.0	-35.0
IMPORTS FROM MEXICO	-4.8	-1.7	-10.0	-9.7	-18.3	-14.0	-15.0	-12.0	-14.0	-16.0	-17.0
OTHER IMPORTS	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UNITS INVENTORY CHANGE	-3.8	-19.2	2.4	1.3	6.8	12.5	-3.0	-10.0	2.0	2.0	1.0
INVENTORIES AT YEAR-END	39.2	20.0	22.4	23.7	30.5	43.0	40.0	30.0	32.0	34.0	35.0
U.S. FACTORY SALES	197.5	118.3	138.0	136.3	194.8	254.0	247.5	176.5	208.5	226.5	234.5
% Change from prior year	-30.5%	-40.1%	16.7%	-1.2%	42.9%	30.4%	-2.6%	-28.7%	18.1%	8.6%	3.5%
CANADIAN FACTORY SALES	38.1	22.8	25.9	22.7	36.1	48.0	49.0	39.0	40.0	41.5	43.0
% Change from prior year	-30.7%	-40.2%	13.6%	-12.5%	59.3%	33.0%	2.1%	-20.4%	2.6%	3.8%	3.6%
MEXICAN FACTORY SALES	#N/A	7.5	18.0	19.2	31.4	33.5	35.5	28.5	32.5	35.0	37.5
% Change from prior year	#N/A	#N/A	140.0%	6.5%	63.8%	6.7%	6.0%	-19.7%	14.0%	7.7%	7.1%
NO. AMER. FACTORY SALES	235.6	148.6	181.9	178.1	262.3	335.5	332.0	244.0	281.0	303.0	315.0
% Change from prior year	-30.6%	-36.9%	22.4%	-2.1%	47.2%	27.9%	-1.0%	-26.5%	15.2%	7.8%	4.0%

Source: Ward's Communications, Economic Planning Associates, Inc.

CLASS 7

The outlook for Class 7 vehicles is little changed from our last report. After a 12.7% increase last year, demand for Class 7 vehicles has accelerated. In spite of industry concerns of customers downsizing to Class 6 equipment, retail sales of Class 7 trucks through the first three quarters of this year amounted to 67.0 thousand units, 23.4% above the comparable period of 2004. And, we remain constructive on both the short and long-term environments for the major markets for this equipment.

We expect continued growth in Class 7 truck demand as customer markets expand and the financial environment improves further. This will induce companies to expand their fleets and/or replace aged units. At the same time, improved state and local revenues due to the acceleration in economic activities will lead to further growth in bus sales this year and next.

High levels of residential housing demand and the expansion of suburban sprawl will induce growth in electric and gas activities as well as phone lines and cable service. Water and sewer services will also advance as well as the need for fire trucks and additional school vehicles. Electronic commerce has been expanding rapidly and shows little signs of easing. Manufacturing output is accelerating and retail and wholesale outlets will be busy accommodating the growth in consumer spending during the next year or so.

While stronger customer market activities will stimulate some expansion of Class 7 truck fleets, the lackluster interest in this equipment for the four years prior to 2004 has served to age existing fleets and replacement pressures have intensified. Given our outlook for improving profitability among the customer industries and still modest inflation and interest rate environment, we look for continued acquisitions of Class 7 trucks even as some customers down size to Class 6 equipment.

The truck OEM's are investing in the medium duty market. During the first half, manufacturers revealed a number of [product offerings in the Class 7 and 6 vocational markets. And, we expect these new products to stimulate replacements in the years ahead.

Based on these considerations, we look for continued strength in truck sales this year and next, while bus sales rebound from 25.7 thousand last year to approximately 30.0 thousand units this year and next. Accordingly, we are projecting retail sales of 89.0 thousand Class 7 vehicles this year, an 18.2% advance over last year's level. In 2006, we expect stronger customer market activities and lower fuel prices to improve both revenues and profits, which will lead to continued fleet expansion and replacements. Our current forecast calls for deliveries of 91.0 thousand Class 7 vehicles next year.

CLASS 7 TRUCKS AND BUSES (26,001-33,000 LBS.GVW)

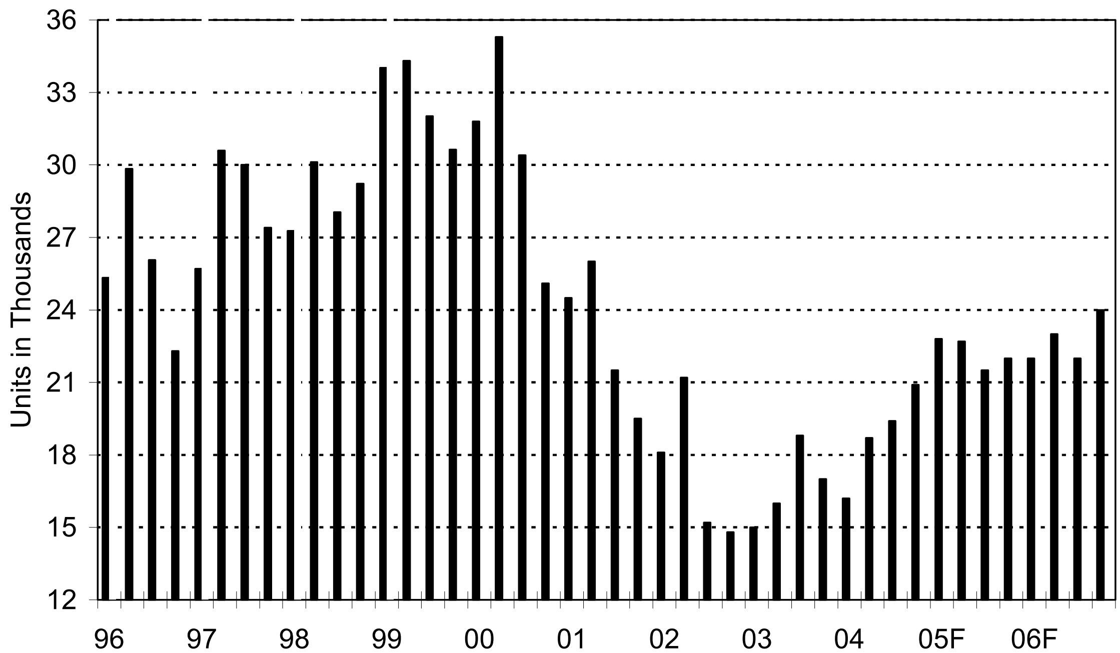
	2001	2002	2003	2004	2005F	2006F	2007F	2008F	2009F	2010F
U.S. RETAIL SALES	91.6	69.3	66.8	75.3	89.0	91.0	82.0	83.0	85.0	87.0
% Change from prior year	-25.3%	-24.3%	-3.6%	12.7%	18.2%	2.2%	-9.9%	1.2%	2.4%	0.0
EXPORTS TO CANADA	4.0	4.2	4.6	4.9	5.5	6.0	5.0	5.2	5.4	5.5
OTHER EXPORTS	1.2	1.2	0.7	0.4	1.0	1.0	0.6	0.6	0.7	0.8
IMPORTS FROM CANADA	-5.0	-7.0	-8.4	-10.1	-13.0	-13.0	-12.0	-12.0	-12.5	-13.0
IMPORTS FROM MEXICO	-1.4	-3.1	-2.5	-1.9	-2.0	-2.1	-2.0	-2.0	-2.1	-2.2
OTHER IMPORTS	-0.6	-0.7	-0.7	-0.5	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4
UNITS INVENTORY CHANGE	-11.4	0.4	-2.6	1.7	3.2	-1.0	-2.0	0.0	0.0	0.0
INVENTORIES AT YEAR-END	15.3	15.7	13.1	14.8	18.0	17.0	15.0	15.0	15.0	15.0
U.S. FACTORY SALES	78.4	64.3	57.8	61.9	83.5	81.6	71.3	74.5	76.1	77.7
% Change from prior year	-26.6%	-18.0%	-10.1%	7.1%	34.9%	-2.3%	-12.6%	4.5%	2.1%	0.0
CANADIAN FACTORY SALES	7.6	7.9	9.2	10.9	15.0	15.5	12.5	12.6	13.2	13.7
MEXICAN FACTORY SALES	7.8	9.1	4.4	5.5	6.0	6.5	5.5	5.5	6.0	6.5
NO. AMER. FACTORY SALES	93.8	81.3	71.5	78.3	104.5	103.6	89.3	92.6	95.3	97.9
% Change from prior year	-18.9%	-13.3%	-12.1%	9.5%	33.5%	-0.9%	-13.8%	3.7%	2.9%	0.0
NO AMERICAN BUSES	25.4	24.1	28.2	25.7	30.0	30.0	30.0	30.0	30.0	30.0
NO. AMERICAN TRUCKS	68.4	57.2	43.3	52.6	74.5	73.6	59.3	62.6	65.3	67.9
% Change from prior year	-19.6%	-16.4%	-24.3%	21.5%	41.6%	-1.2%	-19.4%	5.6%	4.3%	4.0%

Source: Ward's Communications, Economic Planning Associates, Inc.

After a drop to 82.0 thousand units in 2007, expanding e-commerce activities, rejuvenated export opportunities, increasing traffic volumes among the NAFTA economies, strong levels of residential and non-residential construction activities, expansion in movements of furniture and office supplies, and growing acceptance of Class 7 trucks for light vehicle towing operations will once again support demand for this equipment. At the same time, sales of Class 7 buses should remain stable on an annual basis out to 2010. Our latest analyses of the truck and bus markets indicate that combined Class 7 vehicle sales will amount to 87.0 thousand vehicles in 2010.

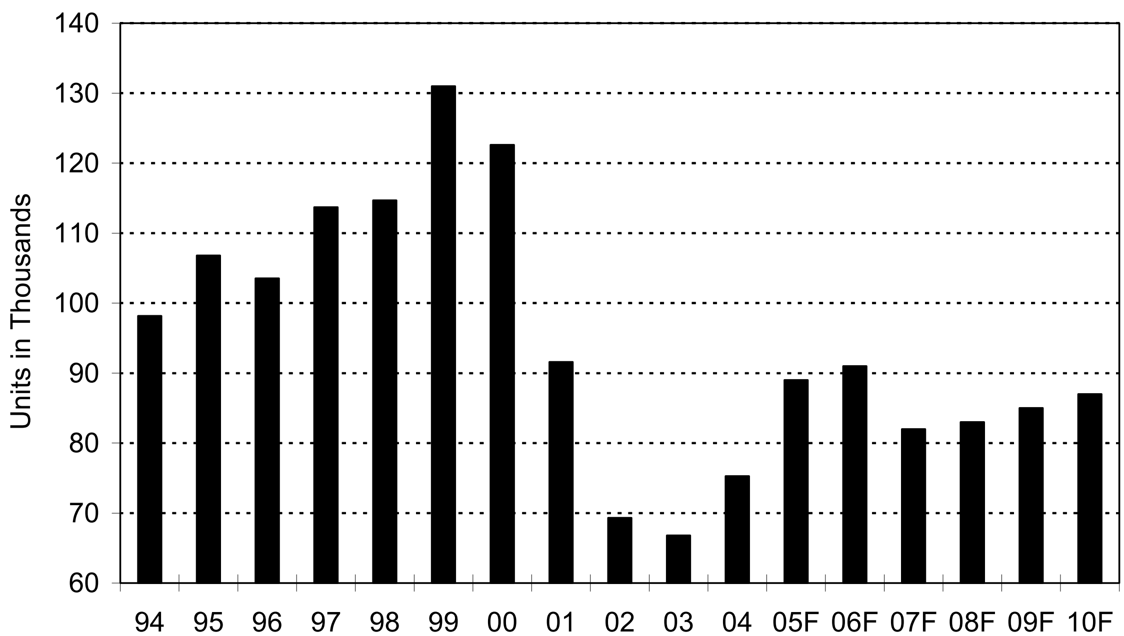
The four-year slide in North American production of Class 7 equipment ended last year as production rebounded to 78.3 thousand vehicles. The decline in output of buses was more than offset by a 21.5% jump in Class 7 truck production. This year, strong retail sales along with an increase in dealer inventories will boost NA production to 104.5 thousand vehicles, a 33.5% hike over last year. In 2006, a moderation in sales growth together with a slight decline in dealer inventories will keep NA production about the same as this year. After a drop to 89.3 thousand vehicles in 2007, a rebound in demand for trucks among the NAFTA countries will promote a resumption of growth in annual production levels. By 2010, we look for NA Class 7 production to close to 98.0 thousand vehicles.

Quarterly Retail Sales of Class 7 Trucks



Source: Ward's Communications, EPA, Inc.

Annual Retail Sales of Class 7 Trucks



Source: Ward's Communications, EPA, Inc.

Mid-Range (Classes 4-6)

Due to continued reclassification of equipment within the Class 3 market by respondents to Ward's without any historical reference to the revisions, we are discontinuing our coverage of the Class 3 truck market. Hence, our definition of the commercial truck market is now Classes 4 through 8.

Last year, retail sales of mid range vehicles scored impressive gains as a robust economy, moderate inflation and interest rates, strong customer markets, and the accelerated depreciation schedules of the Tax Stimulus Program, all served to boost demand.

However, domestic manufacturers lost market share as Isuzu and Mitsubishi Fuso significantly hiked their shares of the Class 4 market. Import share of the mid range market jumped from 11.0% in 2003 to 14.7% in 2004. Through the first ten months of this year, imports share has eased to 13.5% as Hino moved completely into domestic production of Classes 4 through 6 rather than importing product into the U.S.

With the growth in housing starts and completions in recent years, suburban sprawl is leading to greater needs for products and services by phone, cable, and power providers. In addition, we envision continued high levels of starts and completions this year and next. The rapid expansion of electronic commerce and overnight deliveries will also support demand for mid-range vehicles. Government services including the Post Office are also expanding their fleets, while the continued growth in home values foster more alterations and additions to existing homes.

During the next year or so, we expect domestic OEM's to continue to actively participate in the growth of the mid-range market. We look for continued domestic product offerings for inner city service, construction, utility service, firefighting, municipal and highway services, and rail yards. With additional products from the U.S. brands, the relatively low value of the dollar, and Hino's U.S. operation which started in October of 2004, we look for domestically produced vehicles to increase market share this year and next.

Based on customer market activities, moderate inflation, relatively low interest rates, and an easing in fuel prices, we expect mid-range truck sales of 153.0 thousand units this year, about the same level as last year. In 2006, retail sales will advance to 168.0 thousand vehicles, a 9.8% hike over this year's estimate, as demand for Class 6 trucks revives.

Longer term, a number of macroeconomic, as well as behavioral, trends bode well for makers of mid-range trucks. The continued expansion of the services sector and a sustained revival of manufacturing output will support higher levels of medium duty truck sales. Furthermore, demand for mid-range trucks will be boosted by higher levels of retail sales stemming from e-commerce transactions, as package delivery corporations, such as UPS and FedEx, expand and upgrade their mid-range fleets. As such, we believe retail sales of Classes 4 through 6 trucks and buses will increase from 168.0 thousand vehicles in 2006 to 188.0 thousand vehicles in 2010.

COMMERCIAL TRUCKS - CLASSES 4-6

RETAIL SALES AND MARKET SHARES**

	Class 4	% of Total	Class 5	% of Total	*Class 6	% of Total	Classes 4-6
81	12	0.0	1,916	3.4	54,668	96.6	56,596
82	9	0.0	1,434	5.1	26,582	94.9	28,025
83	2	0.0	1,159	3.8	29,514	96.2	30,675
84	4	0.0	5,417	14.2	32,702	85.8	38,123
85	0	0.0	5,081	15.4	27,839	84.6	32,920
86	0	0.0	5,905	20.9	22,289	79.1	28,194
87	2,129	6.8	8,185	26.2	20,872	66.9	31,186
88	21,181	33.7	8,268	13.2	33,364	53.1	62,813
89	27,031	47.4	7,243	12.7	22,734	39.9	57,008
90	27,453	51.9	5,055	9.6	20,356	38.5	52,864
91	23,829	54.2	3,301	7.5	16,824	38.3	43,954
92	25,631	49.1	3,589	6.9	22,929	44.0	52,149
93	33,317	55.9	4,288	7.2	21,987	36.9	59,592
94	44,485	67.2	4,137	6.2	17,571	26.5	66,193
95	52,623	67.5	4,291	5.5	21,036	27.0	77,950
96	58,722	70.6	7,267	8.7	17,235	20.7	83,224
97	56,526	68.3	9,262	11.2	17,011	20.5	82,799
98	43,358	43.9	25,189	25.5	30,179	30.6	98,726
99	49,423	38.9	30,353	23.9	47,426	37.3	127,202
00	47,348	37.1	29,125	22.8	51,169	40.1	127,642
01	48,733	42.6	24,362	21.3	41,434	36.2	114,529
02	37,827	35.7	24,003	22.7	44,095	41.6	105,925
03	39,616	33.4	28,980	24.4	50,040	42.2	118,636
04	47,087	30.9	36,259	23.8	68,847	45.2	152,193
05F	48,500	31.7	45,000	29.4	59,500	38.9	153,000
06F	54,000	32.1	49,000	29.2	65,000	38.7	168,000
07F	56,000	33.3	48,000	28.6	64,000	38.1	168,000
08F	58,000	33.2	50,000	28.7	66,500	38.1	174,500
09F	60,000	33.0	53,000	29.1	69,000	37.9	182,000
10F	62,000	33.0	55,000	29.3	71,000	37.8	188,000

* U.S. Class 6 Retail Sales minus U.S. Factory Sales of Class 6 Buses

**Beginning in 1998, Ford product sales have been reclassified by the AAMA and current GVW data is not consistent with historical sales for classes 3 through 6. EPA, Inc. forecasts are based on new product classifications. In addition, beginning in 1998, Freightliner and Ford sales included truck and chassis destined for motor home vehicles.

Source: Ward's Communications, EPA, Inc.

Outlook by Type of Trailer

Dry freight vans

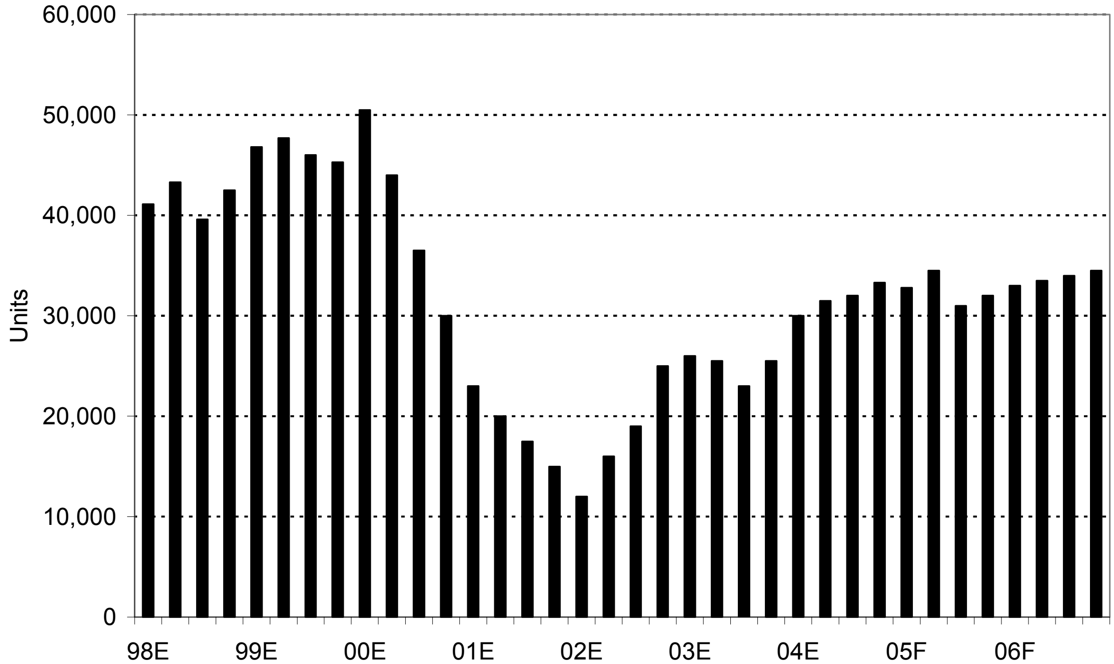
After a slow start in the opening quarter, demand for dry freight vans accelerated in the second quarter, only to see momentum falter in the third quarter. Our latest survey of the trailer manufacturers indicates that dry freight van shipments in the last quarter amounted to 31.0 thousand units, 10.1% below the second quarter level, and 3.1% below the third quarter of last year. Still, cumulative shipments through September of this year were running 5.1% ahead of the first nine months of 2004. And, our expectation of a modest gain in fourth quarter demand ensures that full year 2005 dry freight van shipments will record their third consecutive annual increase. Furthermore, our assessments of the economic and financial environments as well as customer market activities indicate further modest gains in dry freight vans shipments in the quarters and years ahead.

Continued growth in consumer spending, a strengthening business sector, and expansion in merchandise exports are stimulating further gains in manufacturing activities. Even with the negative impact of the hurricanes and severe weather in the third quarter, October manufacturing output was running 3.2% above the year ago level. And, reconstruction efforts in the Gulf Coast as well as a rejuvenation in exports as port facilities become fully operational will boost demand for manufactured products beyond the growth in consumer spending and business investment. In spite of the large amount of traffic that has moved off the road and onto rail via intermodal haulings of trailer on flat car as well as container on flat car, truck haulings, as measured by the ATA truck tonnage index, recorded good gains last year and we expect further gains this year and next. Factory output of finished products will not only reflect increased domestic demand from consumers and business, but also growth in product exports. And, along with the increased movements of finished products, we will see a corresponding expansion in the traffic flows of raw materials, intermediate products, and components associated with those finished products.

Construction activities remained at high levels this year and the housing market is poised to set record levels in 2005. While we anticipate some moderation in housing starts and residential construction next year, we still expect good movements of home and office furniture, carpeting, appliances, and consumer electronics.

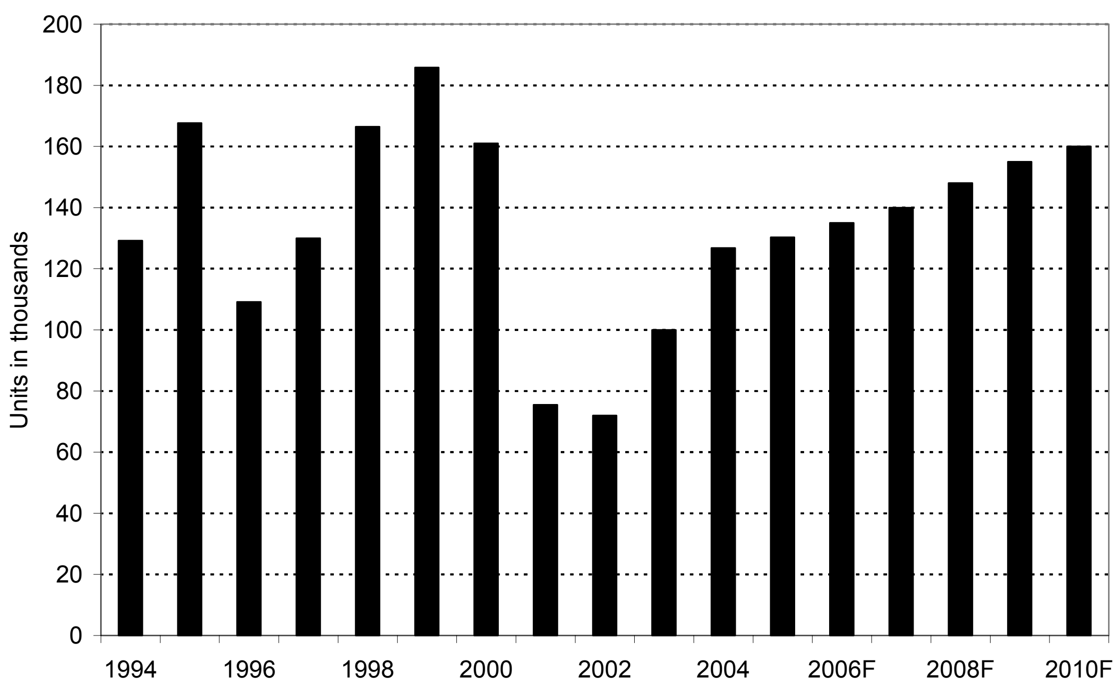
Another factor poised to have a positive impact on truckload carrier operations is continuing growth in trade among the NAFTA partners. Slow, but steady movement toward full opening of the US-Mexican border will ultimately provide access to new growth markets for these companies. In addition, the Mexican economy continues to improve steadily as retail sales rebound, inflation moderates, oil revenues expand, and direct investments by foreigners continue in that country. Furthermore, the Canadian economy is registering above average growth. Fully one-third of the Canadian economy is dependent on US demand for products, so any further US economic expansion will push Canadian economic growth as well.

Quarterly Dry Freight Van Shipments



Source: Department of Commerce, EPA, Inc.

Annual Dry Freight Van Shipments

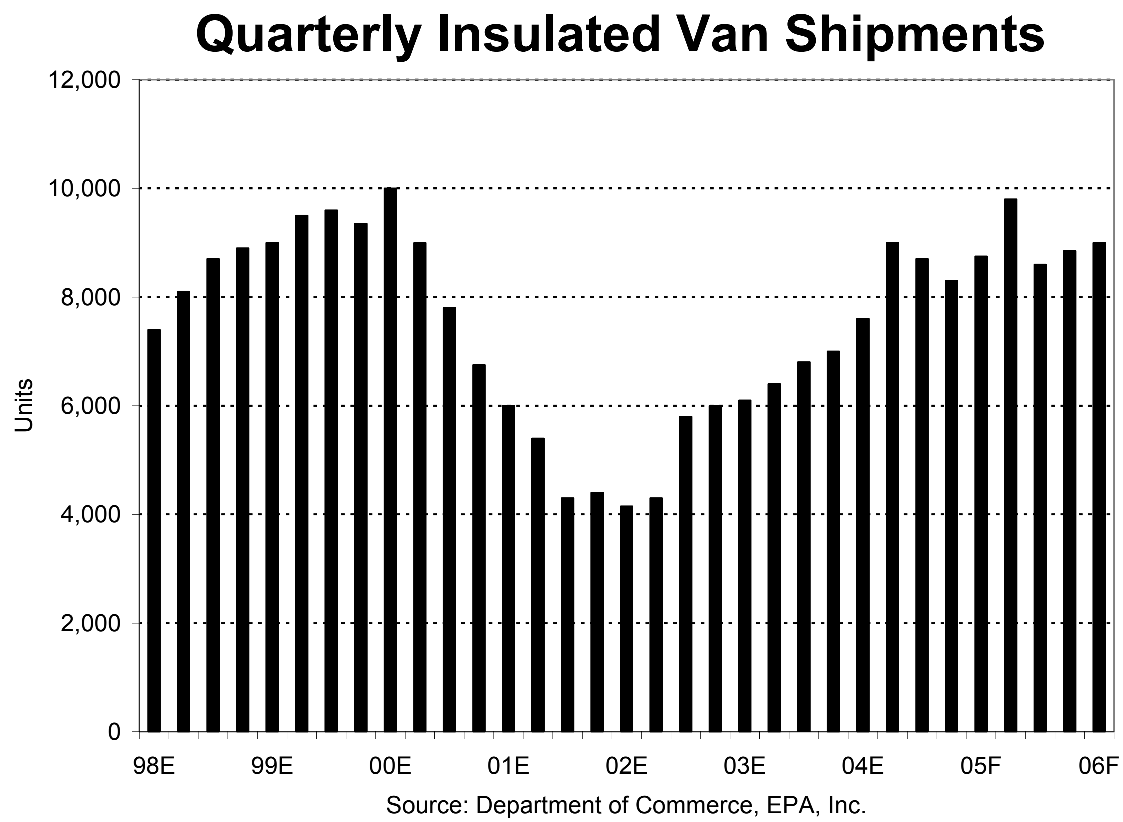


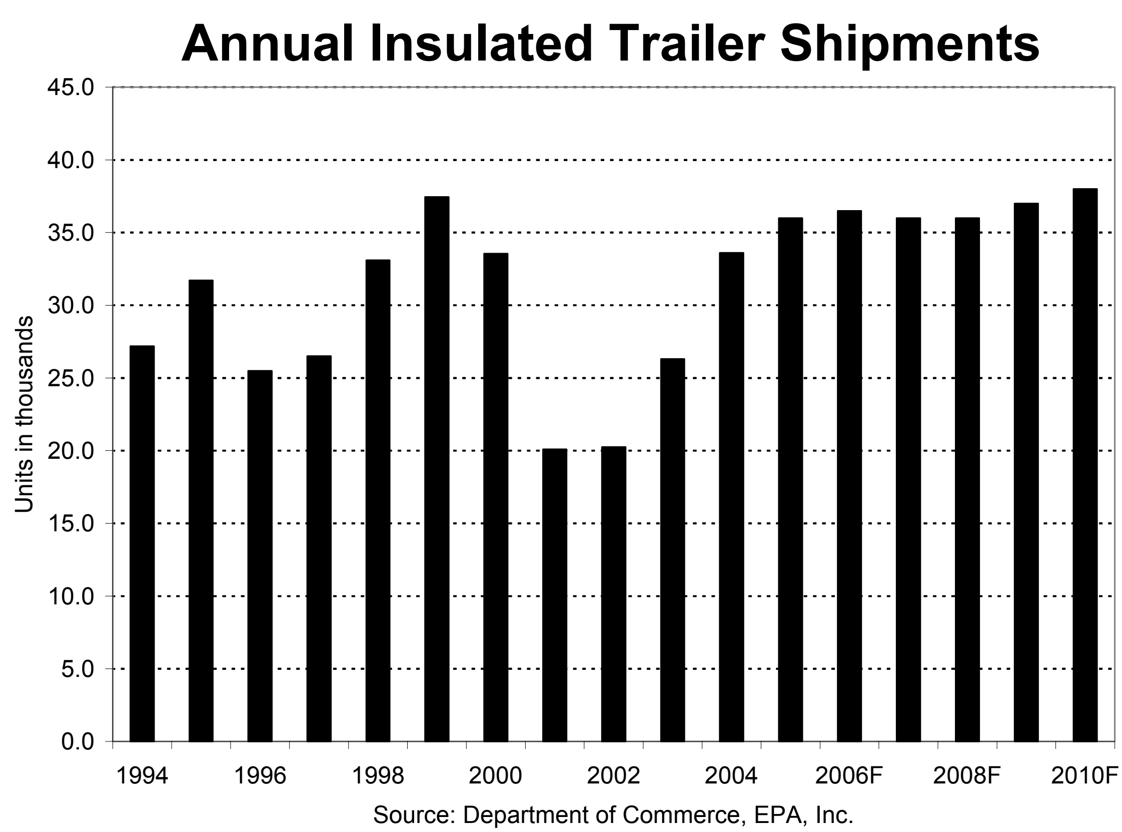
Source: Department of Commerce, EPA, Inc.

While expanding markets will fuel a certain portion of the anticipated growth in dry freight van shipments, a rapidly aging fleet will prompt replacements in the quarters ahead. Major improvements in truckload revenues and profits, among with still modest interest rates, will facilitate the investment decision. Given our constructive outlooks for consumer spending, manufacturing activities and expanding NAFTA trade, we look for dry freight van shipments to advance 2.8% to 130.3 thousand units this year, and grow at the rate of 3.6% to the level of 140.0 thousand vans in 2006.

Longer term, continued growth in output of both consumer and business products, growing emphasis on just-in-time and on-demand manufacturing techniques, and the pressing need to replace aged vans with the higher capacity, lighter weight equipment of today and tomorrow will keep van demand on an uptrend.

Continued expansion of truck traffic volumes among the NAFTA economies will also serve to boost demand for more efficient equipment to be utilized in these high-density corridors. From 140.0 thousand units in 2007, dry freight van shipments are expected to expand steadily to 160.0 thousand units by the year 2010.


Quarterly Insulated Van Shipments
12,000
10,000
8,000
6,000
4,000
2,000
0
Units
98E
99E
00E
01E
02E
03E
04E
05F
06F
Source: Department of Commerce, EPA, Inc.


Annual Insulated Trailer Shipments
45.0
40.0
35.0
30.0
25.0
20.0
15.0
10.0
5.0
0.0
Units in thousands
1994
1996
1998
2000
2002
2004
2006F
2008F
2010F
Source: Department of Commerce, EPA, Inc.

Insulated Vans

After recording strong gains in the first and second quarters, demand for insulated vans slipped in the third quarter. Our latest survey of the manufacturers indicates that third quarter shipments of insulated vans amounted to 8.6 thousand units, significantly lower than the 9.8 thousand vans shipped in the second quarter. Still, through the first nine moths of this year, insulated van shipments were running 7.3% ahead of last year's robust pace.

Last year's performance reflected an expanding economy, improved financial performance by the food and beverage manufacturers, and rising oil prices, which pressured upgrades among various fleets. At the same time, a number of purchases last year were probably prompted by the expiration of the bonus depreciation schedules which expired at the end of 2004.

Our outlook for insulated vans remains upbeat. However, given the sharp advances in shipments in 2003, 2004, and the first half this year, we look for insulated van shipments to stabilize, albeit at extremely high levels, during the next two years.

The food and beverage industries as well as the retail food outlets registered good gains in revenues and profitability as our economy expanded last year and we expect this trend to continue during the next two years. Equally important, in spite of the higher trailer prices reflecting the escalation in material costs, it is apparent that customers are pushing to replace older units with the more fuel-efficient units of today as oil prices trend upward.

Due to the extremely strong start in the first half, we expect insulated van shipments to reach 36.0 thousand units this year. With improving profitability, the suburban sprawl associated with strong housing market of recent years and the resultant growth in food outlets, as well as a strong need to replaced aged units, we look for shipments to remain at the high level of 36.5 thousand units in 2006.

From 2007 through 2010, continued expansion of consumer outlays for convenience and gourmet foods, faster growth in the use of restaurants and fast food outlets, and stronger profitability in the food and beverage sector, will combine to hold up demand for insulated vans at very high levels. By the year 2010, insulated van shipments are expected to approximate 38.0 thousand units.

All Other Vans

After a strong rebound in 2004, shipments of "all other" vans including drop frames and open tops continued to advance in 2005. Our latest survey indicates that "all other" shipments of 2,900 units in the third quarter marked the third consecutive quarterly expansion in demand for this equipment. Through the first nine months of this year, shipments were running 6.6% ahead of last year's pace.

After a seasonal respite in production and shipments in the fourth quarter, we expect modest quarterly advances in 2006 as continued growth in the major customer markets for this equipment stimulates demand.

Construction activities, especially in residential and certain public programs such as highway and streets, will remain at lofty levels. The outlook for grain movements are optimistic as plantings for some of the major crops will be expanding and the weaker dollar value supports our grain export opportunities.

More importantly, recent developments in corn derived ethanol production should stimulate demand for open tops. During the next few years, we expect robust growth in corn derived ethanol production as more states phase out the use of MBTE (a petroleum product), the previous oxygen agent used in gasoline in favor of ethanol. A by-product of this process is dry distiller grain (DDG) which is used as animal feed. As ethanol production continues to escalate, we anticipate greater needs for not only grain hauling equipment, but also for trailers to transport DDG.

Accordingly, we look for "all other" shipments to reach 10.7 thousand units this year and move up to 11.4 thousand units in 2006.

Longer term, North American activities involving grain, fruits, and vegetables will be expanding and the current highway bill will provide for high levels of spending in maintaining and constructing our street and highways. These developments will support increased demand for open tops. An improvement in farm income should also lead to some replacement of aged livestock van fleet. An added benefit to this category will be the anticipated rapid increase in corn based production of ethanol.

From 2007 through 2010, we anticipate annual shipments to range from 11.5 thousand to 12.0 thousand vans.

Platforms

After a robust advance in 2004, demand for platforms continues to post extremely healthy year-over-year gains in 2005. Based on latest survey, third quarter shipments of 6,350 platforms were 17.6% higher than the third quarter of last year while cumulative shipments through the end of September were running 25.6% ahead of the comparable period of 2004.

While we remain constructive on the outlook for platforms, manufacturers will be hard pressed to match the strong growth pattern of the last two years. As a result, we look for shipments to flatten, albeit at high levels, during the next few years. The environment will remain healthy as customer market activities support healthy levels of demand during the forecast horizon.

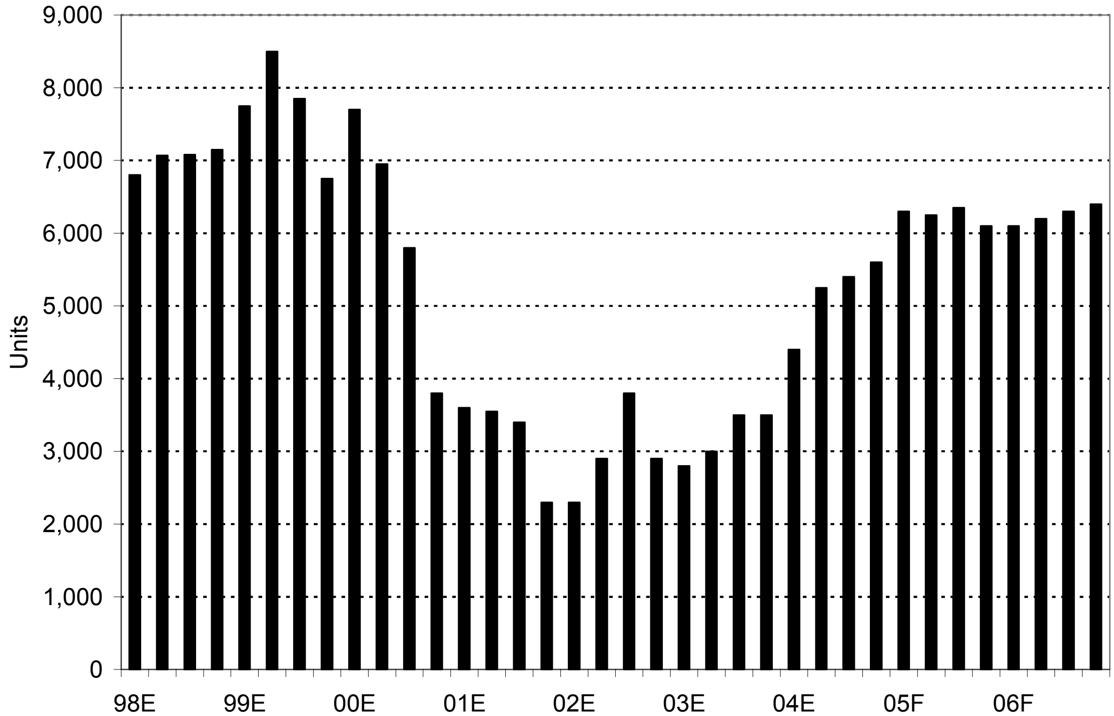
North American production of motor vehicles will remain at healthy levels this year and next. Construction activities are also strong and this will lead to increased steel and wood product haulings. The continued expansion of the do-it-yourself market will also be a positive development while the anticipated rebound in manufacturing activities will stimulate demand for steel containers, packaging, and shipping materials. With home values on the rise and mortgage rates still relatively low, high levels of activities in both housing starts and home improvements will also prompt demand for platform trailers.

Accordingly, after a robust 21.1% advance to 25.0 thousand units shipped this year, we look for shipments to remain at the 25.0 thousand level next year. It should be pointed out that these estimates represent extremely high levels of demand from an historic perspective.

The major trend in platform trailers appears to favor lighter all aluminum trailers as well as “combo” or composite (steel frame and aluminum deck) units and we expect this shift to continue in the future.

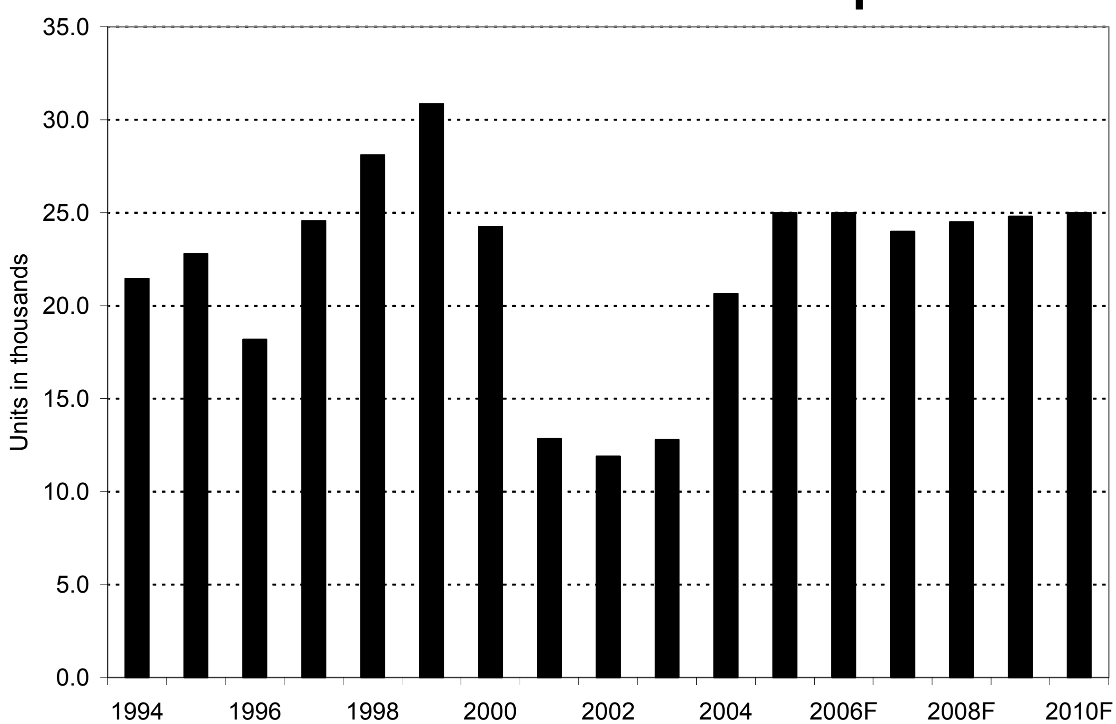
Longer term, continued expansions in consumer durable goods output and light vehicle production, more vigorous industrial machinery and electrical equipment sectors, and strong levels of construction activities will further stimulate demand for steel products and platform trailers. As such, we look for platform deliveries to move up slightly from 24.0 thousand units in 2007 to 25.0 thousand trailers in 2010.

Quarterly Platform Trailer Shipments



Source: Department of Commerce, EPA, Inc.

Annual Platform Trailer Shipments



Source: Department of Commerce, EPA, Inc.

TANK

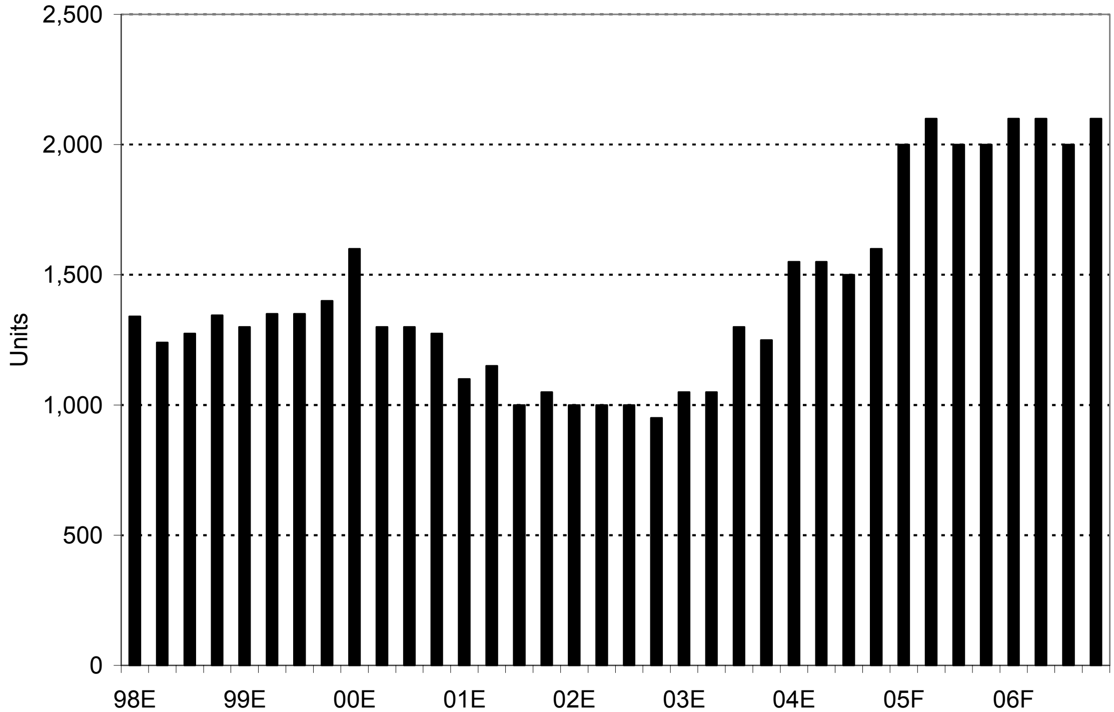
Last year, shipments of tank trailers jumped 33.3%. And, this year's pace is just as strong. Third quarter shipments of tanks amounted to 2,000 units, 33.3% ahead of the third quarter of 2004 while cumulative shipments through September were running 32.6% ahead of the comparable period of last year.

As is also the case with rail tank cars, demand for tank trailers is widespread among many customer markets. At the same time, we recognize the intensifying pressure to safeguard our society from terrorist activities as well as from accidental incidents which endanger the population in general. As such, we believe that more stringent regulations involving a number of chemical products are leading, and will continue to lead to upgrades in a number of tank trailer fleets. All in all, we look for solid demand for tank trailers for a number of years to come.

During the next few years, higher volumes of manufacturing activities will boost demand for a variety of industrial chemicals and gases. Improving financial performances among the liquid food and beverage processors will facilitate the investment decision to replace aged equipment in certain fleets. The expanding consumer sector will lead to greater demand for gasoline and motor oils while public construction growth and a revival in factory output spur growth for tars, waxes, and lubricants. Increased scrutiny and replacement of certain aged equipment involved in the transporting of industrial chemicals, gases, and liquid fertilizers will also support demand for new equipment while the rapid growth in ethanol production will also boost demand for certain tank trailers.

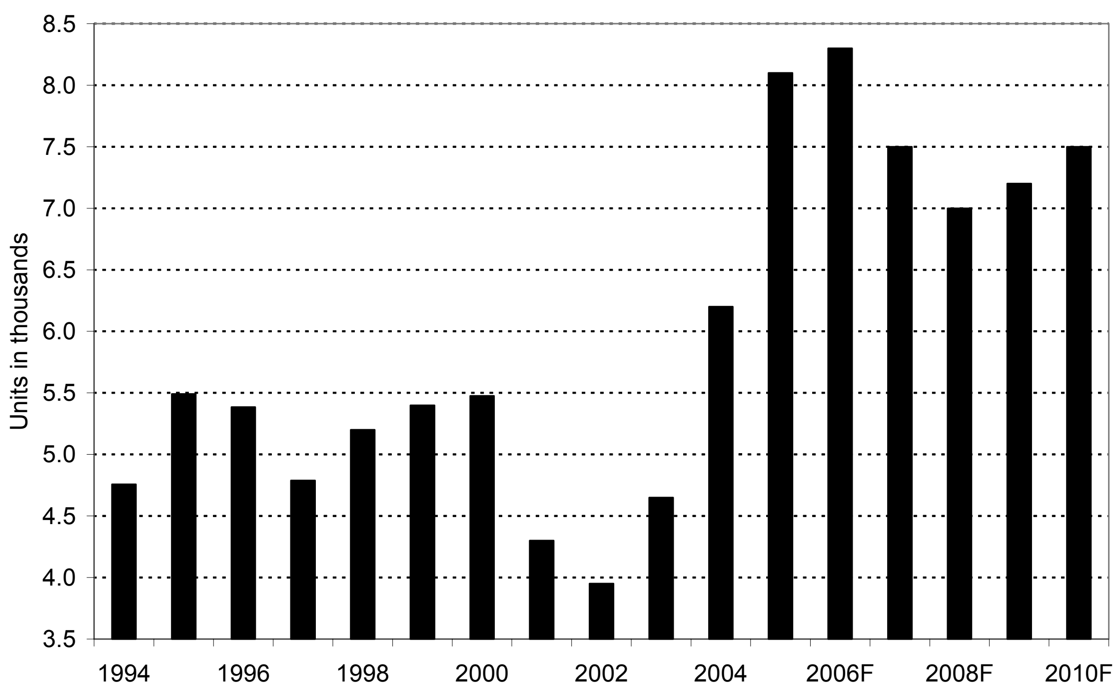
After a robust 30.6% increase to the level of 8,100 units this year, we look for tank trailer shipments of approximately 8,300 units in 2006. From 2007 though 2010, tank trailer shipments will average 7,000-7,500 units each year

Quarterly Tank Trailer Shipments



Source: Department of Commerce, EPA, Inc.

Annual Tank Trailer Shipments



Source: Department of Commerce, EPA, Inc.

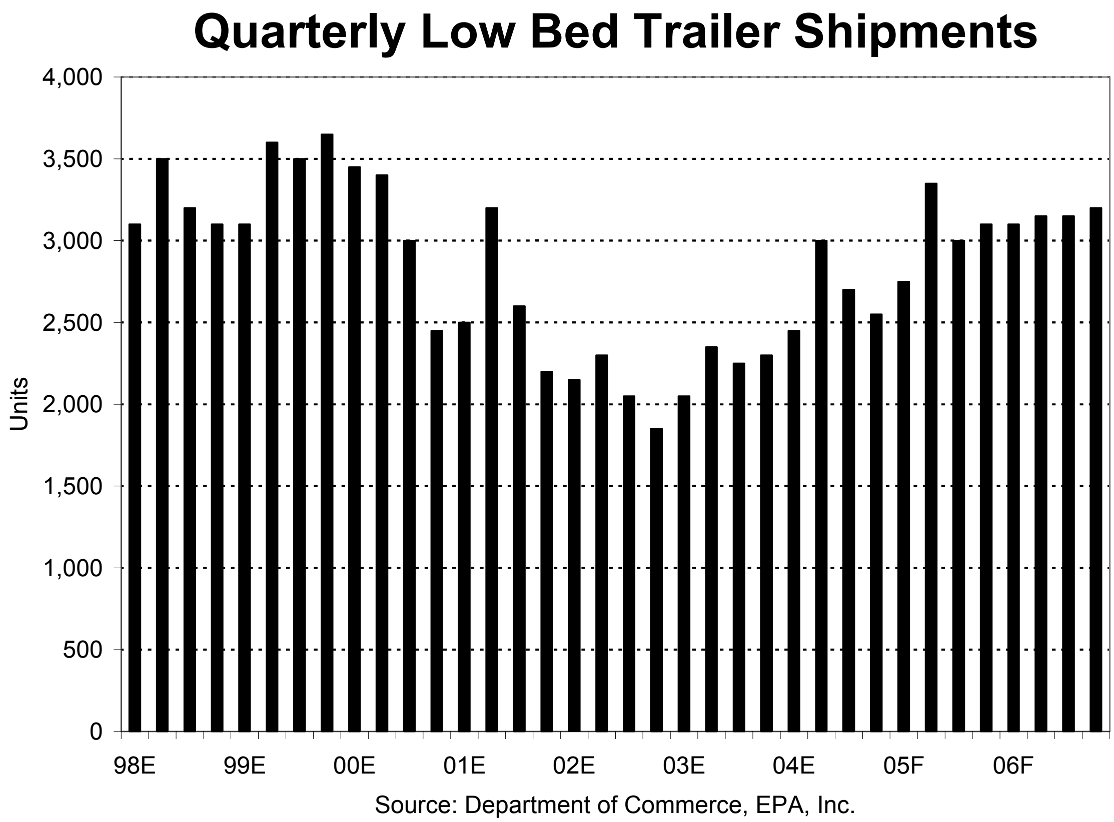
Low-bed

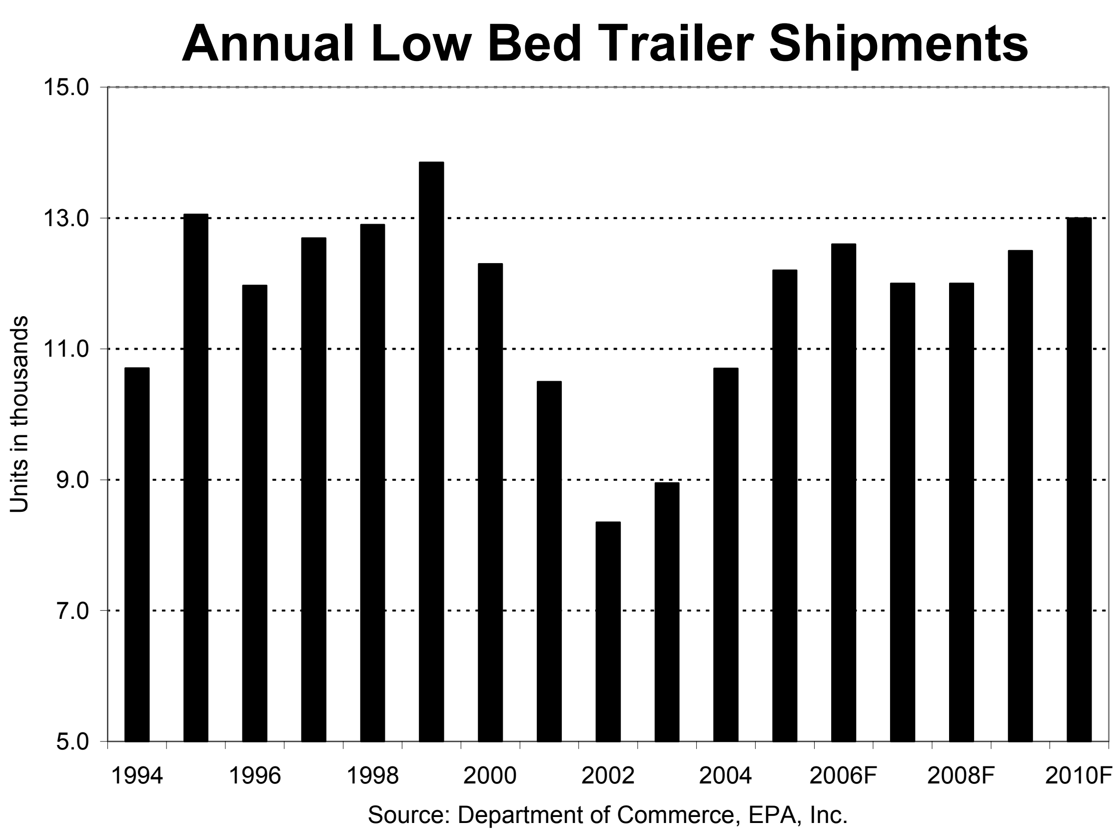
Demand for low-beds continues to expand as high levels of construction activities and increased production of earth moving equipment and farm machinery stimulate the need to transport products hauled by low-beds. After significant increases in 2003 and 2004, shipments of low-beds in the third quarter of this year was 11.1% higher than the third quarter of 2004. And, cumulative shipments of 9,100 units through September were running 11.7% ahead of the comparable period of 2004.

Based on customer market activities, we expect continued strong demand for low-beds in the quarters and years ahead.

High levels of construction activities and improving profitability will boost demand for hauling construction machinery and equipment. The advancing age of farm equipment and the relative health of farm income should prompt replacements of farm tractors. Higher levels of earth moving and farm equipment exports will increase low-bed haulings. We expect shipments of 12.2 thousand low-beds in 2005, a 14.0% increase, followed by shipments of 12.6 thousand units in 2006.

Longer term, we believe low-bed demand will remain steady. We expect the main drivers in growth for this equipment type to be a strong farm environment, along with high levels of domestic construction spending and improved export potential for both construction machinery and farm equipment. From 2007 to 2010, low-bed shipments will be in the range of 12.0 thousand units to 13.0 thousand units.


Quarterly Low Bed Trailer Shipments
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Units
98E
99E
00E
01E
02E
03E
04E
05F
06F
Source: Department of Commerce, EPA, Inc.


Annual Low Bed Trailer Shipments
15.0
13.0
11.0
9.0
7.0
5.0
Units in thousands
1994
1996
1998
2000
2002
2004
2006F
2008F
2010F
Source: Department of Commerce, EPA, Inc.

Dump

Demand for dump trailers continues to benefit from a healthy construction environment led by residential activities, which feature record levels of housing starts and home sales. The revival in private non-residential sectors such as commercial and industrial as well as a vibrant public segment, including highway and street expenditures, has also supported demand for this equipment.

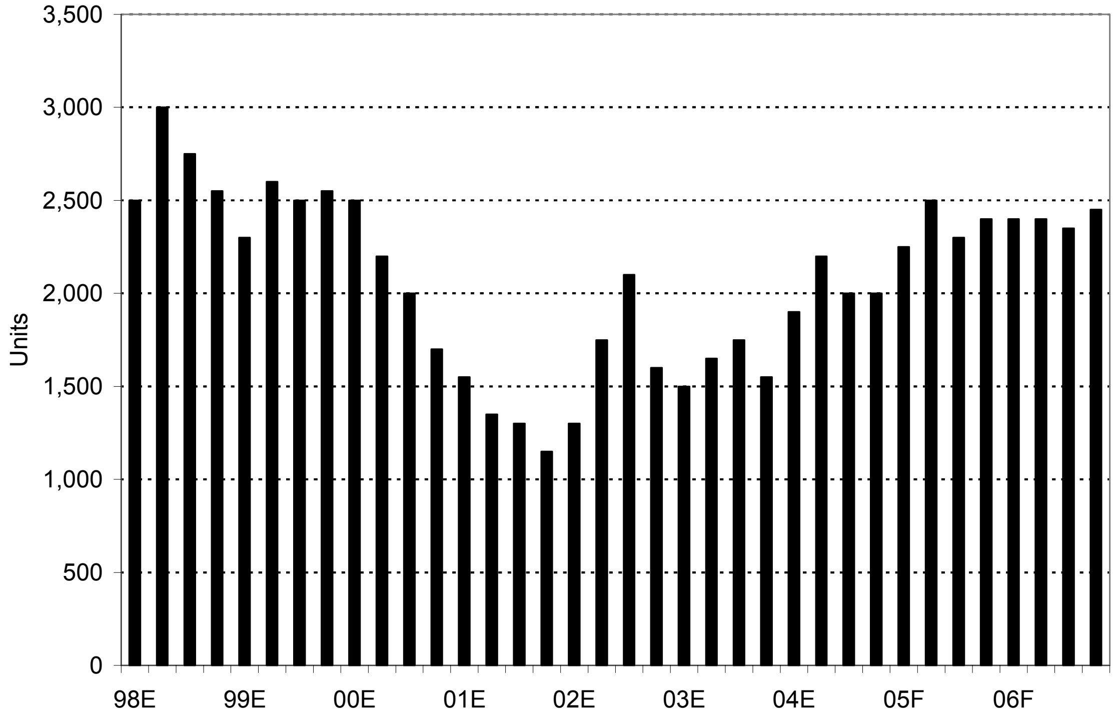
After a sharp 25.6% hike to 8,100 units last year, shipments of dump trailers continue to advance this year. Third quarter shipments of 2,300 units were 15.0% higher than the third quarter of 2004 while cumulative shipments through September of 2005 were running 15.6% ahead of the comparable period of 2004. And, based on customer market activities to date and anticipated growth of these markets, our forecasts remain unchanged from our previous report.

Construction activities have been extremely strong during the last three years, especially in the residential sector. This year the growth in public construction outlays has jumped and the recently enacted highway bill will keep growth in this sector advancing over a number years to come. And, this strength in a number of construction markets will keep demand for dump trailers at healthy levels this year and next.

Favorable demographic forces including number of households, consumer income, and confidence will keep residential construction at high levels. Increases in highway and street programs will boost the overall level of public construction and heightened the need to add to fleets hauling aggregates and construction materials. Low shipment levels during the period of 1998 through 2001 served to significantly age the existing fleet and replacement pressures are intensifying. With contractor and material hauling fleets' profits on the mend, and interest rates still relatively low, replacements should pick up during the next year and a half. After shipments increase 16.7% to the level of 9,450 this year, we look for shipments of dump trailers to rise to 9,600 units in 2006.

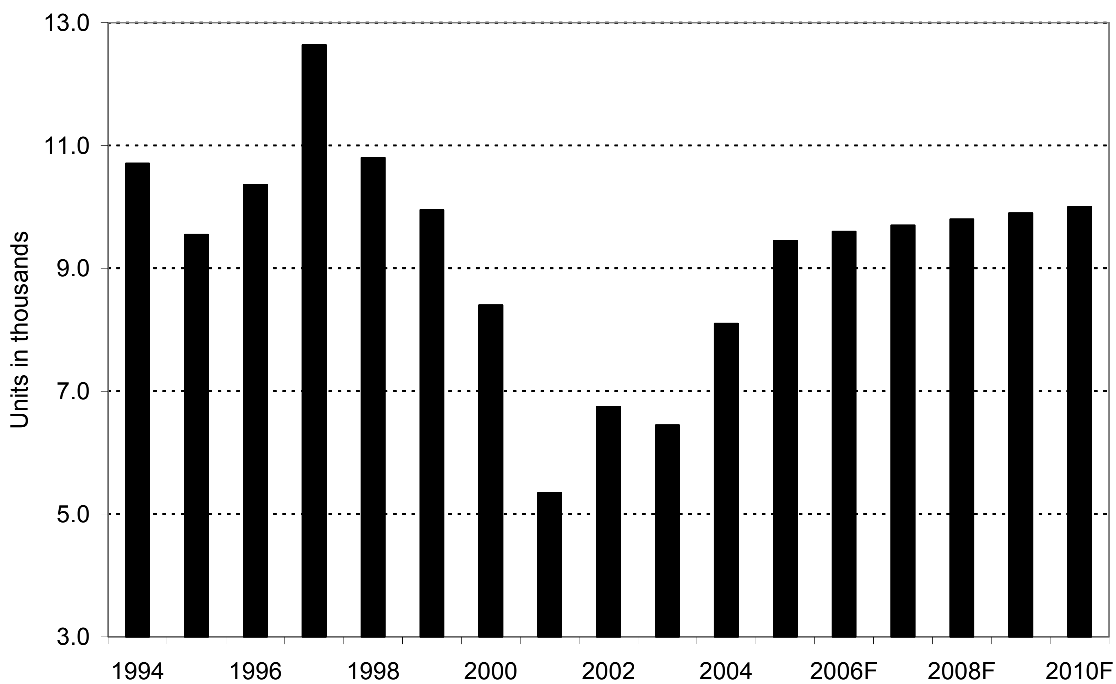
Long term, we look for steady advances in demand for this equipment. As consumers continue to invest in new homes, and businesses continue to expand, dump trailer operators will require additional capacity in order to transport the growing volume of aggregates and other materials to construction sites. In addition, government construction on highways and other infrastructure projects will expand during the forecast period, further boosting demand for dump trailer capacity. Therefore, we expect annual dump trailer shipments of approximately 9,500-10,000 units between 2007 and 2010.

Quarterly Dump Trailer Shipments



Source: Department of Commerce, EPA, Inc.

Annual Dump Trailer Shipments



Source: Department of Commerce, EPA, Inc.

Container and Chassis

Last year, railroads benefited from an 11.5% hike in trailer on flat car originations as higher fuel costs and a scarcity of drivers pushed truck traffic onto rail. This year, TOFC traffic has moderated and is running a modest 1.2% above last year's strong pace though the first nine months. Container movements however, through the end of October were running 8.1% higher than last year's pace.

And, container movements are also expanding among our NAFTA partners. Through October of this year, Canadian roads are moving 5.6% more containers than last year while container traffic in Mexico is running 5.5% above the 2004 pace.

Acknowledging the growing importance of intermodal revenue, U.S. railroads are stepping up investments in port facilities, terminals, equipment, and service. While TTX paused in its recent intermodal buying binge in the third quarter, we suspect that orders will pick up once again in the near future. While expansion projects will be long term ventures, shippers such as UPS are clamoring for better service to accommodate expanding traffic flows. As such, roads such as the BNSF and NS are forging ahead with plans to build new facilities and expand existing facilities while also investing in yard and terminal equipment. At the same time, Kansas City Southern has plans to take advantage of the burgeoning intermodal traffic between the U.S. and Mexico by building a large intermodal terminal in both countries in 2006. Not to be outdone, the Canadian roads also have ambitions plans to expand intermodal capability

We remain extremely constructive on the outlook for intermodal traffic as both foreign trade and domestic manufacturing continue to expand. Based on the lower value of the U.S. dollar and our outlook for the global economies, we look for further gains in exports during the fourth quarter and throughout 2006. At the same time, our vibrant economy will continue to attract a variety of imported products, including items from foreign affiliates of U.S. firms.

Given our outlook for stronger industrial activities and continued expansion of merchandise trade in the years ahead, we look for growth in intermodal movements to far outpace commodity haulings. After last year's robust increase, we look for a 6.6% advance in container haulings this year and a 4.4% gain in 2006. After 2006, container growth will average 4.2-4.6% per year out to 2010.

After a relatively flat year in 2005, we look for container and chassis shipments to advance moderately to 16.0 thousand units next year.

Long term, we look for continued growth in domestic manufacturing, consumer spending, and exports, especially among the NAFTA economies. As a result, increased traffic pressures will stimulate annual growth in shipments of containers and chassis from 16.0 thousand units in 2006 to 20.0 thousand units in 2010.

CONTAINER & CHASSIS SHIPMENTS

ANNUALLY 1976 -2008F

YEAR	CONTAINERS	CHASSIS	CONTAINER & CHASSIS
1976	7,316	5,678	12,994
1977	7,586	20,662	28,248
1978	6,468	29,775	36,243
1979	9,154	14,700	23,854
1980	11,849	14,202	26,051
1981	7,239	8,615	15,854
1982	4,075	4,128	8,203
1983	2,223	14,647	16,870
1984	1,054	24,205	25,259
1985	252	28,876	29,128
1986	417	15,360	15,777
1987	438	23,014	23,452
1988	5,223	37,729	42,952
1989	(w)	(w)	24,779
1990	(w)	(w)	17,214
1991	(w)	(w)	24,491
1992	(w)	(w)	23,408
1993	12,207	25,483	37,690
1994	2,598	57,570	60,168
1995	7,757	46,979	54,736
1996	6,789	27,602	34,391
1997E	6,775	16,250	23,025
1998E	6,900	13,900	20,800
1999E	7,400	19,060	26,460
2000E	5,370	21,925	27,295
2001E	#N/A	#N/A	12,950
2002E	#N/A	#N/A	12,550
2003E	#N/A	#N/A	14,250
2004E	#N/A	#N/A	15,000
2005F	#N/A	#N/A	15,000
2006F	#N/A	#N/A	16,000
2007F	#N/A	#N/A	17,000
2008F	#N/A	#N/A	18,000
2009F	#N/A	#N/A	19,000
2010F	#N/A	#N/A	20,000

(w) = Withheld to avoid disclosing data for individual companies.
Container shipments are included in with chassis shipments.

E - Economic Planning Associates Estimates, F - Forecast

Source: Department of Commerce, Economic Planning Associates, Inc.