

**PACCAR Inc**  
**SUMMARY STATEMENTS OF OPERATIONS**  
*(in millions except per share amounts)*

	Three Months Ended	
	March 31	
	2017	2016
<b>Truck, Parts and Other:</b>		
Net sales and revenues	\$ 3,935.7	\$ 4,010.6
Cost of sales and revenues	3,382.2	3,413.6
Research and development	61.0	59.6
Selling, general and administrative	111.3	110.3
European Commission charge		942.6
Interest and other (income) expense, net	(1.6)	.1
<i>Truck, Parts and Other Income (Loss) Before Income Taxes</i>	<b>382.8</b>	(515.6)
<b>Financial Services:</b>		
Revenues	302.2	289.4
Interest and other	213.8	181.2
Selling, general and administrative	25.2	24.5
Provision for losses on receivables	5.9	3.4
<i>Financial Services Income Before Income Taxes</i>	<b>57.3</b>	80.3
Investment income	8.1	5.7
<i>Total Income (Loss) Before Income Taxes</i>	<b>448.2</b>	(429.6)
Income taxes	137.9	165.0
<i>Net Income (Loss)</i>	<b>\$ 310.3</b>	\$ (594.6)
<b>Net Income (Loss) Per Share:</b>		
Basic	\$ .88	\$ (1.69)
Diluted	\$ .88	\$ (1.69)
<b>Weighted Average Shares Outstanding:</b>		
Basic	351.6	351.3
Diluted	352.7	351.3
Dividends declared per share	\$ .24	\$ .24

**PACCAR Inc**  
**CONDENSED BALANCE SHEETS**  
*(in millions)*

	<b>March 31</b>	December 31
	<b>2017</b>	2016
<b>ASSETS</b>		
<b>Truck, Parts and Other:</b>		
Cash and marketable debt securities	\$ 2,894.7	\$ 2,922.6
Trade and other receivables, net	1,145.6	862.2
Inventories, net	772.2	727.8
Property, plant and equipment, net	2,270.4	2,260.0
Equipment on operating leases and other, net	1,690.4	1,671.5
<b>Financial Services Assets</b>	<b>12,266.4</b>	12,194.8
	<b>\$ 21,039.7</b>	<b>\$ 20,638.9</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Truck, Parts and Other:</b>		
Accounts payable, deferred revenues and other	\$ 4,273.1	\$ 4,056.2
<b>Financial Services Liabilities</b>	<b>9,687.3</b>	9,805.1
<b>STOCKHOLDERS' EQUITY</b>	<b>7,079.3</b>	6,777.6
	<b>\$ 21,039.7</b>	<b>\$ 20,638.9</b>
<b>Common Shares Outstanding</b>	<b>351.3</b>	350.7

**PACCAR Inc**  
**CONDENSED CASH FLOW STATEMENTS**  
*(in millions)*

Three Months Ended March 31	2017	2016
<b>OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 310.3	\$ (594.6)
Depreciation and amortization:		
Property, plant and equipment	73.9	75.8
Equipment on operating leases and other	185.3	166.7
European Commission charge		942.6
Net change in trade receivables, inventory and payables	(127.6)	(15.3)
Net (increase) decrease in wholesale receivables on new trucks	(80.8)	73.7
All other operating activities, net	249.4	146.9
<b>Net Cash Provided by Operating Activities</b>	<b>610.5</b>	<b>795.8</b>
<b>INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(92.7)	(77.3)
Acquisitions of equipment for operating leases	(336.6)	(340.1)
Net decrease (increase) in financial services receivables	31.7	(4.9)
Net (increase) decrease in marketable securities	(60.2)	14.0
Proceeds from asset disposals	120.8	116.1
<b>Net Cash Used in Investing Activities</b>	<b>(337.0)</b>	<b>(292.2)</b>
<b>FINANCING ACTIVITIES:</b>		
Payments of cash dividends	(294.7)	(576.9)
Purchases of treasury stock		(56.3)
Proceeds from stock compensation transactions	17.8	2.6
Net decrease in debt	(168.8)	(92.3)
<b>Net Cash Used in Financing Activities</b>	<b>(445.7)</b>	<b>(722.9)</b>
Effect of exchange rate changes on cash	20.9	50.2
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(151.3)</b>	<b>(169.1)</b>
Cash and cash equivalents at beginning of period	1,915.7	2,016.4
Cash and cash equivalents at end of period	\$ 1,764.4	\$ 1,847.3

**PACCAR Inc**  
**SEGMENT AND OTHER INFORMATION**  
*(in millions)*

	Three Months Ended March 31	
	2017	2016
<b>Sales and Revenues:</b>		
Truck	\$ 3,130.1	\$ 3,270.5
Parts	786.7	719.5
Financial Services	302.2	289.4
Other	18.9	20.6
	<b>\$ 4,237.9</b>	<b>\$ 4,300.0</b>
<b>Pretax Profit (Loss):</b>		
Truck	\$ 241.7	\$ 304.1
Parts	151.7	134.6
Financial Services	57.3	80.3
European Commission Charge		(942.6)
Investment Income and Other	(2.5)	(6.0)
	<b>\$ 448.2</b>	<b>\$ (429.6)</b>

**GEOGRAPHIC REVENUE**  
*(in millions)*

	Three Months Ended March 31	
	2017	2016
United States and Canada	\$ 2,522.5	\$ 2,591.5
Europe	1,231.2	1,270.1
Other	484.2	438.4
	<b>\$ 4,237.9</b>	<b>\$ 4,300.0</b>

**NEW TRUCK DELIVERIES**

	Three Months Ended March 31	
	2017	2016
United States and Canada	17,000	18,500
Europe	14,300	13,500
Other	3,700	3,300
	<b>35,000</b>	<b>35,300</b>

**PACCAR Inc**  
**SUPPLEMENTARY INFORMATION**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

This earnings release includes “adjusted net income (non-GAAP)” and “adjusted net income per diluted share (non-GAAP)”, which are financial measures that are not in accordance with U.S. generally accepted accounting principles (“GAAP”), since they exclude the non-recurring European Commission charge in 2016. These measures differ from the most directly comparable measures calculated in accordance with GAAP and may not be comparable to similarly titled non-GAAP financial measures used by other companies.

Management utilizes these non-GAAP measures to evaluate the Company’s performance and believes these measures allow investors and management to evaluate operating trends by excluding a significant non-recurring charge that is not representative of underlying operating trends.

Reconciliations from the most directly comparable GAAP measures to adjusted net income (non-GAAP) and adjusted net income per diluted share (non-GAAP) are as follows:

<i>(in millions)</i>	Three Months Ended March 31, 2016
Net Loss	\$ (594.6)
Non-recurring European Commission Charge	942.6
Adjusted Net Income (Non-GAAP)	\$ 348.0

Per Diluted Share:	
Net Loss	\$ (1.69)
Non-recurring European Commission Charge	2.68
Adjusted Net Income (Non-GAAP)	\$ .99

<i>(in millions)</i>	
Shares Used in Per Diluted Share Calculations:	
GAAP	351.3
Non-GAAP	351.9