

RYDER SYSTEM INC

FORM 10-K (Annual Report)

Filed 03/13/00 for the Period Ending 12/31/99

Address	11690 N.W. 105TH STREET MIAMI, FL 33178
Telephone	3055003726
CIK	0000085961
Symbol	R
SIC Code	7510 - Automotive Rental And Leasing, Without Drivers
Industry	Rental & Leasing
Sector	Services
Fiscal Year	12/31

RYDER SYSTEM INC

FORM 10-K (Annual Report)

Filed 3/13/2000 For Period Ending 12/31/1999

Address	3600 NW 82ND AVE MIAMI, Florida 33166
Telephone	305-500-3726
CIK	0000085961
Industry	Rental & Leasing
Sector	Services
Fiscal Year	12/31

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

FOR THE TRANSITION PERIOD FROM ____ TO ____

Commission file number 1-4364

RYDER SYSTEM, INC.

(Exact name of registrant as specified in its charter)

FLORIDA	59-0739250
-----	-----
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3600 N.W. 82 AVENUE, MIAMI, FLORIDA 33166	(305) 500-3726
-----	-----
(Address of principal executive offices including zip code)	(Telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K:

The aggregate market value of the voting stock held by non-affiliates of the registrant computed by reference to the price at which the stock was sold as of January 31, 2000, was \$1,284,659,715. The number of shares of Ryder System, Inc. Common Stock (\$.50 par value) outstanding as of January 31, 2000, was 59,399,121.

DOCUMENTS INCORPORATED BY
REFERENCE INTO THIS REPORT

Ryder System, Inc. 2000 Proxy
Statement

PART OF FORM 10-K INTO WHICH
DOCUMENT IS INCORPORATED

Part III

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS OF SECURITIES -----	EXCHANGE ON WHICH REGISTERED -----
Ryder System, Inc. Common Stock (\$.50 par value) and Preferred Share Purchase Rights (the Rights are not currently exercisable, transferable or exchangeable apart from the Common Stock)	New York Stock Exchange Pacific Stock Exchange Chicago Stock Exchange Berlin Stock Exchange
Ryder System, Inc. 9% Series G Bonds, due May 15, 2016	New York Stock Exchange
Ryder System, Inc. 8 3/8% Series H Bonds, due February 15, 2017	New York Stock Exchange
Ryder System, Inc. 8 3/4% Series J Bonds, due March 15, 2017	New York Stock Exchange
Ryder System, Inc. 9 7/8% Series K Bonds, due May 15, 2017	New York Stock Exchange
Ryder System, Inc. 9 1/4% Series N Notes, due May 15, 2001	None
Ryder System, Inc. 6 1/2% Series O Notes, due May 15, 2005	None
Ryder System, Inc. 6.60% Series P Notes, due November 15, 2005	None
Ryder System, Inc. Medium-Term Notes Series 1, due from 9 months to 10 years from date of issue at rate based on market rates at time of issuance	None
Ryder System, Inc. Medium-Term Notes, Series 7, due from 9 months to 30 years from date of issue at rate based on market rates at time of issuance	None
Ryder System, Inc. Medium-Term Notes, Series 8, due from 9 months to 30 years from date of issue at rate based on market rates at time of issuance	None

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Ryder System, Inc. Medium-Term Notes, Series 9, due 9 months or more from date of issue at rate based on market rates at time of issuance	None
Ryder System, Inc. Medium-Term Notes, Series 10, due 9 months or more from date of issue at rate based on market rates at time of issuance	None
Ryder System, Inc. Medium-Term Notes, Series 11, due 9 months or more from date of issue at rate based on market rates at time of issuance	None
Ryder System, Inc. Medium-Term Notes, Series 12, due 9 months or more from date of issue at rate based on market rates at time of issuance	None
Ryder System, Inc. Medium-Term Notes, Series 13, due 9 months or more from date of issue at rate based on market rates at time of issuance	None
Ryder System, Inc. Medium-Term Notes, Series 14, due 9 months or more from date of issue at rate based on market rates at time of issuance	None
Ryder System, Inc. Medium-Term Notes, Series 15, due 9 months or more from date of issue at rate based on market rates at time of issuance	None
Ryder System, Inc. Medium-Term Notes, Series 16, due 9 months or more from date of issue at rate based on market rates at time of issuance	None
SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:	None

RYDER SYSTEM, INC.
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PART I

ITEM 1. BUSINESS

GENERAL

Ryder System, Inc. (the "Company") was incorporated in Florida in 1955. Through its subsidiaries, the Company engages primarily in the logistics and transportation business with focus on: 1) integrated logistics, including dedicated contract carriage, the management of carriers, and inventory deployment; and 2) transportation services, including full service leasing, maintenance and short-term rental of trucks, tractors and trailers. As of December 31, 1999, the Company and its subsidiaries had a fleet of 171,538 vehicles and 30,340 employees.⁽¹⁾

On September 13, 1999, the Company completed the sale of its public transportation services business. On September 30, 1997, the Company completed the sale of its automotive carrier business. The disposals of these businesses have been accounted for as discontinued operations and, accordingly, their operating results and cash flows are segregated and reported as discontinued operations in the Company's consolidated financial statements.

Financial information about industry segments is included in Item 8 on pages 46 through 48 of this report.

¹ This number does not include drivers obtained by certain subsidiaries of the Company under driver leasing agreements.

LOGISTICS AND TRANSPORTATION BUSINESS UNITS

INTEGRATED LOGISTICS

Ryder Integrated Logistics, Inc. ("Ryder Integrated Logistics") provides global integrated logistics support of customers' entire supply chains, from in-bound raw materials supply through finished goods distribution, including dedicated contract carriage, the management of carriers, and inventory deployment and overall supply chain design and management through 870 locations in the U.S. and Canada. Ryder Integrated Logistics utilizes advanced information technology and frequently teams with strategic alliance partners. Services include varying combinations of logistics system design, the provision of vehicles and equipment (including maintenance and drivers), warehouse management (including cross docking and flow-through distribution), transportation management, vehicle dispatch, and in-bound and out-bound just-in-time delivery. Logistics systems include procurement and management of all modes of transportation, shuttles, interstate long-haul operations, just-in-time service to assembly plants and factory-to-warehouse-to-retail facility service. These services are used in major industry sectors including electronics, high-tech, telecommunications, automotive, industrial, aerospace, consumer packaged goods, paper and paper products, chemical, office equipment, news, food and beverage, general retail industries, along with other industries and the federal sector. Part of Ryder's strategy is to take advantage of, and build upon, the expertise, market knowledge and infrastructure of strategic alliance and joint venture partners to complement its own expertise in providing logistics solutions to businesses involved in the over-the-road transportation of goods and to those who move goods around the world using any mode of transportation. In 1999, Ryder Integrated Logistics continued to expand its presence in the logistics market through internal growth, increased emphasis on global account management and initiation of strategic alliances. On-going expansion initiatives include the establishment of e-Commerce services and increased capabilities in Asia and the Pacific Rim.

FULL SERVICE LEASING, MAINTENANCE AND SHORT-TERM RENTAL OF TRUCKS, TRACTORS AND TRAILERS

Ryder Truck Rental, Inc., which does business as Ryder Transportation Services ("Ryder Transportation Services"), provides full service truck leasing to nearly 13,450 customers (ranging from large national enterprises to small companies), with a fleet of 115,464 vehicles (including 15,438 vehicles leased to affiliates), through 805 locations in 49 states, Puerto Rico, and 8 Canadian provinces. Under a full service lease, Ryder Transportation Services provides customers with vehicles, maintenance, supplies and related equipment necessary for operation, while the customers furnish and supervise their own drivers, and dispatch and exercise control over the vehicles. Additionally, Ryder Transportation Services provides contract maintenance services to more than 1,900 customers, servicing 40,818 vehicles under maintenance contracts, and provides short-term truck rental, which tends to be seasonal, to commercial customers to supplement their fleets during peak business periods. A fleet of 40,984 vehicles, ranging from heavy-duty tractors and trailers to light-duty trucks, is available for commercial short-term rental. In 1999, Ryder Transportation Services focused on the expansion of its long-term contractual businesses such as the full service leasing of trucks, tractors and trailers, and contract truck maintenance, through internal growth. Ryder Transportation

Services also provides additional services for customers, including fleet management, freight management and the Ryder Citicorp Finance Lease program. By expanding its vehicle financing options, Ryder Transportation Services gives customers the flexibility to choose a full service lease or the combination of a finance lease and contract maintenance for their vehicles.

INTERNATIONAL OPERATIONS

Ryder also provides logistics and transportation services in markets outside the U.S. and Canada, including full service leasing of trucks, tractors and trailers, commercial truck rental, contract maintenance and a broad range of warehousing, logistics and supply chain management services. Ryder continues to implement a strategy for further growth in international markets, providing national and global logistics solutions to multinational customers. National service refers to the provision of services within the confines of a particular country. International services require the management of the movement of goods across borders, and global services include both of the foregoing for customers with needs in a number of international markets who may also require multinational coordination of logistic and supply chain management services.

As of December 31, 1999, Ryder's international operations had 12,839 vehicles, 5,247 employees, and provided services through 133 locations in the United Kingdom, Germany, Mexico, Poland, Argentina, the Netherlands and Brazil. In 1999, Ryder continued to enhance its presence in the United Kingdom, Mexico, Argentina, Brazil and Poland through internal growth, and also commenced both assessing and exploiting opportunities in markets in other countries. In its world-wide operations, Ryder is always mindful of its need to mitigate risks, including the minimization of asset and currency exposures.

ORGANIZATIONAL CHANGES

During the fourth quarter of 1999, the Company implemented several reorganization initiatives designed to improve customer service and profitability, and align the organizational structure of its divisions with the Company's long-term strategic planning. The reorganization combines the Company's existing business units into one operation.

DISPOSITION OF REVENUE EARNING EQUIPMENT

The Company's business units have historically disposed of used revenue earning equipment at prices in excess of book value. The gains on the sale of revenue earning equipment (reported as reductions in depreciation expense) were approximately 14%, 13% and 12% of earnings from reportable business segments before interest, taxes and unusual items in 1999, 1998 and 1997, respectively. The extent to which gains will be realized on future disposal of revenue earning equipment is dependent upon various factors including the general state of the used vehicle market, the age and condition of vehicles at the time of their disposal and depreciation methods with respect to vehicles.

COMPETITION

As an alternative to using the Company's services, customers may choose to provide these services for themselves, or may choose to obtain similar or alternative services from other third-party vendors.

In the United States and Canada, Ryder Integrated Logistics competes with companies providing similar services on a national, regional and local level. Additionally, this business is subject to potential competition in most of the regions it serves from air cargo, shipping, railroads, motor carriers and other companies that are expanding logistics services such as freight forwarders and integrators. On a country-by-country basis and on a global basis, Ryder International competes with companies providing similar services in international markets outside the United States and Canada. In the United Kingdom, the markets for full service leasing of trucks, tractors and trailers, and dedicated contract carriage services are well developed and competitive, similar to those in the U.S. and Canada. Germany's continued integration into the European Community and the resulting deregulation, and Poland's transformation to a market economy all create a growing opportunity for Ryder International to provide services in these new markets. Additionally, recent developments in Argentina and Brazil, such as the expanded investment in automotive manufacturing, create growing opportunities for Ryder International to provide services in the southern cone of South America. Moreover, the Company continues to expand its involvement with global logistics customers who obtain critical materials from Asia and the Pacific rim. Ryder Integrated Logistics expects that competition with its services in these emerging markets and in the global integrated logistics marketplace will increase. Competitive factors

include price, equipment, maintenance, geographical coverage, market knowledge, expertise in logistics-related technology, and overall performance (e.g., timeliness, accuracy and flexibility). Value-added differentiation of these service offerings across the full global supply chain will continue to be Ryder Integrated Logistics' overriding strategy.

Ryder Transportation Services competes with companies providing similar services on a national, regional and local level. Regional and local competitors may sometimes provide services on a national level through their participation in various cooperative programs and through their membership in various industry associations. Competitive factors include price, equipment, maintenance and geographical coverage. Ryder Transportation Services also competes, to an extent, with a number of truck and trailer manufacturers who provide truck and trailer leasing, extended warranty maintenance, rental and other transportation services. Value-added differentiation of the full service truck leasing, truck rental, and contract and non-contract truck maintenance service offerings has been, and will continue to be, Ryder Transportation Services' emphasis.

OTHER DEVELOPMENTS AND FURTHER INFORMATION

Many federal, state and local laws designed to protect the environment, and similar laws in some foreign jurisdictions, have varying degrees of impact on the way the Company and its subsidiaries conduct their business operations, primarily with regard to their use, storage and disposal of petroleum products and various wastes associated with vehicle maintenance activities. Based on information presently available, management believes that the ultimate disposition of such matters, although potentially material to the Company's results of operations in any one year, will not have a material adverse affect on the Company's financial condition or liquidity.

For further discussion concerning the business of the Company and its subsidiaries, see the information included in Items 7 and 8 of this report.

EXECUTIVE OFFICERS OF THE REGISTRANT

All of the executive officers of the Company were elected or re-elected to their present offices either at or subsequent to the meeting of the Board of Directors held on May 7, 1999 in conjunction with the Company's 1999 Annual Meeting on the same date. They all hold such offices, at the discretion of the Board of Directors, until their removal, replacement or retirement.

NAME	AGE	POSITION
-----	---	-----
M. Anthony Burns	57	Chairman and Chief Executive Officer
Dwight D. Denny	56	Executive Vice President - Development
Raymond B. Greer	37	President - Ryder Integrated Logistics, Inc.
James B. Griffin	45	President - Ryder Transportation Services
Edwin A. Huston	61	Vice Chairman
Corliss J. Nelson	55	Senior Executive Vice President - Finance and Chief Financial Officer
Vicki A. O'Meara	42	Executive Vice President, General Counsel and Secretary
Lisa A. Rickard	44	Senior Vice President - Government Relations
George P. Scanlon	42	Senior Vice President - Planning and Controller
Gregory T. Swienton	50	President and Chief Operating Officer

M. Anthony Burns has been Chairman of the Board since May 1985, Chief Executive Officer since January 1983, and a director since December 1979. He also served as the Company's President from December 1979 until June 1999.

Dwight D. Denny has been Executive Vice President - Development since January 1996, and was President - Ryder Commercial Leasing & Services from December 1992 to December 1995. Mr. Denny served Ryder Truck Rental, Inc. as Executive Vice President and General Manager - Commercial Leasing & Services from June 1991 to December 1992. Mr. Denny served Ryder Truck Rental, Inc. as Senior Vice President and General Manager - Eastern Area from March 1991 to June 1991, and Senior Vice President - Central Area from December 1990 to March 1991. Mr. Denny previously served Ryder Truck Rental, Inc. as Region Vice President in Tennessee from July 1985 to December 1990.

James B. Griffin has been President - Ryder Transportation Services (formerly Commercial Leasing & Services) since January 1996, and was President - Ryder Automotive Carrier Group, Inc. from February 1993 to December 1995. Mr. Griffin served Ryder Truck Rental, Inc. as Vice President and General Manager - Mid-South Region from December 1990 to February 1993. Mr. Griffin previously served Ryder Truck Rental, Inc. as Region Vice President in Syracuse, New York from April 1988 to December 1990.

Raymond B. Greer has been President - Ryder Integrated Logistics, Inc. since December 1998, and was Senior Vice President and General Manager - Global Operations since January 1998 and was Chief Information Officer for Ryder Integrated Logistics, Inc./ Ryder System, Inc. since January 1997.

Edwin A. Huston has been Vice Chairman since May 1999, and was Senior Executive Vice President - Finance and Chief Financial Officer from January 1987 through April 1999. Mr. Huston was Executive Vice President - Finance from December 1979 to January 1987.

Vicki A. O'Meara has been Executive Vice President and General Counsel since June 1997 and Secretary since February 1998. Previously, Ms. O'Meara was with the Chicago office of the law firm of Jones Day Reavis & Pogue where she was a partner.

Corliss J. Nelson has been Senior Executive Vice President - Finance and Chief Financial Officer since May 1999. Previously, Mr. Nelson was President of Koch Capital Services and was a Vice-President of Koch Industries, Inc.

Lisa A. Rickard has been Senior Vice President - Government Relations since January 1997. Ms. Rickard served as Vice President - Federal Affairs from January 1994 until January 1997. From June 1982 until December 1993, Ms. Rickard was with the Washington law firm of Akin, Gump, Strauss, Hauer & Feld, LLP, where she was a partner.

George P. Scanlon has been Senior Vice President - Planning and Controller since January 1997. Mr. Scanlon is the Company's principal accounting officer. Prior to that, Mr. Scanlon served as Vice President - Corporate Planning since August 1996. Mr. Scanlon served as Group Director - Corporate Planning from October 1993 until August 1996 and Group Director - Audit Services from March 1991 until October 1993.

Gregory T. Swienton has been President and Chief Operating Officer since June 1999. Previously, Mr. Swienton was Sr. Vice President of Growth Initiatives of Burlington Northern Santa Fe Corporation.

ITEM 2. PROPERTIES

The Company's property consists primarily of vehicles, vehicle maintenance and repair facilities, and other real estate and improvements. Information regarding vehicles is included in Item 1, which is incorporated herein by reference.

Ryder Integrated Logistics, Inc. has 870 locations in the United States and Canada; 4 of these facilities are owned and the remainder are leased. Such locations generally include a warehouse and administrative offices.

Ryder Transportation Services has 805 locations in the United States, Puerto Rico and Canada; 397 of these facilities are owned and the remainder are leased. Such locations generally include a repair shop and administrative offices.

The Company's international operations (locations outside of North America) have 133 locations. These locations are in the United Kingdom, Germany, the Netherlands, Poland, Mexico, Argentina, and Brazil; 19 of these facilities are owned and the remainder are leased. Such locations generally include a repair shop, warehouse and administrative offices.

ITEM 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are involved in various claims, lawsuits, and administrative actions arising in the course of their businesses. Some involve claims for substantial amounts of money and/or claims for punitive damages. While any proceeding or litigation has an element of uncertainty, management believes that the disposition of such matters, in the aggregate, will not have a material impact on the consolidated financial condition, results of operations or liquidity of the Company and its subsidiaries.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the quarter ended December 31, 1999.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Information required by Item 5 is included in Item 8, "Supplementary Data."

ITEM 6. SELECTED FINANCIAL DATA

FIVE-YEAR SUMMARY

Ryder System, Inc. and Subsidiaries

Dollars in thousands, except per share amounts	1999	1998	1997	1996	1995
Revenue	\$4,952,204	4,606,976	4,368,148	4,496,373	4,172,778
Earnings from continuing operations before unusual items:(a)					
Before income taxes	\$ 193,637	238,942	213,042	134,335	166,790
After income taxes	\$ 121,129	149,292	130,019	79,158	98,099
Per diluted common share(a)	\$ 1.76	2.03	1.66	0.97	1.24
Earnings (loss) from continuing operations:					
Before income taxes	\$ 117,494	204,564	209,550	(47,653)	174,363
After income taxes	\$ 72,917	127,812	127,888	(43,845)	102,489
Per diluted common share(a)	\$ 1.06	1.74	1.64	(0.54)	1.29
Net earnings (loss)(b)	\$ 419,678	159,071	175,685	(41,318)	147,666
Per diluted common share(b)	\$ 6.11	2.16	2.25	(0.51)	1.86
Cash dividends per common share	\$ 0.60	0.60	0.60	0.60	0.60
Average common shares-diluted (in thousands)	68,732	73,645	78,192	81,263	79,370
Average common equity, excluding unusual items	\$1,122,698	1,106,133	1,126,519	1,261,101	1,176,373
Return on average common equity(%) (c)	11.5	16.4	15.5	6.4	13.2
Book value per common share	\$ 20.29	15.37	14.39	14.19	15.64
Market price - high	\$ 28.75	40.56	37.13	31.13	26.13
Market price - low	\$ 18.81	19.44	27.13	22.63	21.00
Total debt	\$2,393,389	2,583,031	2,568,915	2,436,968	2,623,101
Long-term debt	\$1,819,136	2,099,697	2,267,554	2,237,010	2,411,024
Debt-to-equity(%)	199	236	242	220	212
Year-end assets	\$5,770,450	5,708,601	5,509,060	5,645,389	5,893,815
Return on average assets(%) (d)	2.0	2.8	2.5	1.3	1.9
Average asset turnover(%) (e)	85.4	86.5	83.7	83.4	82.6
Cash flow from continuing operating activities and asset sales	\$ 671,721	1,212,172	908,845	839,945	1,057,051
Capital expenditures, including capital leases(e)	\$1,734,566	1,333,352	992,408	1,210,372	2,048,814
Number of vehicles(e)	171,538	162,677	152,833	152,770	188,178
Number of employees(e)	30,340	29,166	27,516	27,924	27,987

(a) Unusual items represent Year 2000 expense, 1999 and 1996 restructuring and other charges and results of the consumer truck rental business. Year 2000 expense totaled \$24 million (\$15 million after tax, or \$0.22 per diluted common share) in 1999, \$37 million (\$23 million after tax, or \$0.32 per diluted common share) in 1998 and \$3 million (\$2 million after tax, or \$0.03 per diluted common share) in 1997. Restructuring and other charges totaled \$52 million (\$33 million after tax, or \$0.48 per diluted common share) in 1999, \$(3) million (\$2) million after tax, or \$(0.03) per diluted common share) in 1998 and \$227 million (\$149 million after tax, or \$1.84 per diluted common share) in 1996. The consumer truck rental business reported earnings of \$45 million (\$27 million after tax, or \$0.33 per diluted common share) in 1996 and \$8 million (\$4 million after tax, or \$0.05 per diluted common share) in 1995.

(b) Net earnings for 1999 include, in addition to the items discussed in (a) above, an after-tax extraordinary loss of \$4 million (\$0.06 per diluted common share) relating to the early extinguishment of debt. Net loss for 1996 includes, in addition to the items discussed in (a) above, an after-tax extraordinary loss of \$10 million (\$0.12 per diluted common share) relating to the early extinguishment of debt. Net earnings for 1995 include, in addition to the items discussed in (a) above, the cumulative effect of a change in accounting for charitable contributions resulting in an after-tax charge of \$8 million (\$0.10 per diluted common share). Net earnings (loss) for all years include the results of discontinued operations.

(c) Excludes Year 2000 expense, the cumulative effect of changes in accounting and restructuring and other charges and gains related to discontinued operations and, in 1999, the impact of a \$200 million stock repurchase program which utilized proceeds from the sale of discontinued operations.

(d) Excludes Year 2000 expense, restructuring and other charges and the cumulative effect of changes in accounting and discontinued operations.

(e) Excludes discontinued operations.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company's business segments consist of Integrated Logistics, Transportation Services (which primarily provides full service leasing, programmed maintenance and commercial rental services in the United States and Canada) and International (which provides integrated logistics and full service leasing in Europe, South America and Mexico). The Company sold its public transportation services business in 1999 and automotive carrier business in 1997. In the accompanying consolidated statements of earnings and cash flows (included in Item 8 of this report), the public transportation services and automotive carrier businesses have been reported as discontinued operations.

CONSOLIDATED RESULTS

In thousands	Years ended December 31		
	1999	1998	1997
Earnings from continuing operations before unusual items*	\$121,129	149,292	130,019
Per diluted common share	1.76	2.03	1.66
Earnings from continuing operations	72,917	127,812	127,888
Per diluted common share	1.06	1.74	1.64

*Year 2000 expense and restructuring and other charges.

Earnings from continuing operations decreased 19 percent in 1999 and increased 15 percent in 1998 after adjusting for the effects of unusual items. See "Operating Results by Business Segment" for a further discussion of operating results in the past three years. The earnings per share growth rate the last two years exceeded the earnings growth rate because the average number of shares outstanding during 1999 and 1998 decreased by 7 percent and 6 percent, respectively, compared with prior periods. The decrease in shares reflects the impact of the Company's various stock repurchase programs announced since 1996.

In thousands	Years ended December 31		
	1999	1998	1997
REVENUE			
Transportation Services	\$2,973,548	2,811,244	2,836,950
Integrated Logistics	1,713,051	1,501,126	1,370,320
International	590,226	603,834	457,869
Eliminations	(324,621)	(309,228)	(296,991)
Total revenue	\$4,952,204	4,606,976	4,368,148

Revenue from continuing operations increased 7 percent to \$5 billion in 1999 compared with 1998, led by Integrated Logistics, which grew 14 percent. Transportation Services posted revenue gains of 6 percent due primarily to full service leasing and programmed maintenance. Revenue from continuing operations in 1998 increased 5 percent, compared with 1997, led by International and Integrated Logistics. The International revenue growth includes the impact of an acquisition completed in May 1998. Revenue by segment is discussed in more detail in the segment results section.

The Transportation Services segment leases revenue earning equipment, sells fuel and provides maintenance and other ancillary services to the Integrated Logistics segment. Intersegment sales are accounted for at fair value as if the sales were made to third parties. Eliminations reflect the elimination of revenue for these services and sales.

In thousands	Years ended December 31		
	1999	1998	1997
Operating expense	\$3,585,079	3,283,556	3,180,453
Percentage of revenue	72%	71%	73%

Operating expense increased 9 percent in 1999 compared with 1998. The increase was attributable to higher compensation and employee benefit expenses, outside driver costs, vehicle liability and technology costs primarily as a result of higher business volumes, as well as higher fuel costs as a result of increasing fuel prices, particularly in the second half of 1999. Equipment rental costs have also increased because of sale-leaseback transactions, totaling approximately \$830 million over the last 13 months. The increase in operating expense as a percentage of revenue in 1999 was attributable to the impact of increased equipment rental costs. This growth trend in operating expense as a percentage of revenue should continue in 2000 given the full year impact of sale-leaseback transactions completed in 1999 as well as expected 2000 transactions.

Operating expense increased 3 percent in 1998 compared with 1997. The increase was attributable to higher compensation and employee benefit expenses, outside driver costs, maintenance, technology and workers' compensation costs primarily as a result of higher business volumes. These increases were partially offset by lower fuel costs. The decrease in operating expense as a percentage of revenue in 1998 was primarily attributable to lower fuel costs.

In thousands	Years ended December 31		
	1999	1998	1997
Freight under management expense	\$425,769	330,124	244,874
Percentage of revenue	9%	7%	6%

Freight under management expense represents subcontracted freight costs on logistics contracts for which the Company purchases transportation. Freight under management expense increased \$96 million, or 29 percent, in 1999 and \$85 million, or 35 percent, in 1998 compared with prior periods. The increases in freight under management expense reflect the growth these integrated logistics contracts experienced, particularly during the latter half of 1998.

In thousands	Years ended December 31		
	1999	1998	1997
Depreciation expense	\$622,726	626,293	608,840
Gains on vehicle sales	(55,961)	(56,631)	(49,667)
Depreciation expense, net	\$566,765	569,662	559,173
Percentage of revenue	11%	12%	13%

Depreciation expense decreased 1 percent in 1999 compared with 1998. Depreciation expense was reduced by the impact of sale-leaseback transactions completed since December 1998 and, to a lesser extent, depreciation changes made over the past several years with respect to residual values and useful lives of revenue earning equipment. The Company periodically reviews and adjusts the residual values and useful lives of revenue earning equipment based on current and expected operating trends and projected realizable values. These factors served to offset the impact on depreciation expense from the growth in the average size of the full service lease and commercial rental fleets. Gains on vehicle sales also decreased 1 percent in 1999, compared with 1998, due to a decrease in the average gain per vehicle sold, which offset a 25 percent increase in the number of vehicles sold. The reduced average gains reflect the overall increased carrying value of vehicles at the date of disposition and a changing mix of vehicles sold and disposal methods. Average proceeds per vehicle sold in 1999 exceeded 1998 levels. Depreciation expense increased 3 percent in 1998 compared with 1997, reflecting growth in the average size of the full service lease and commercial rental fleets. Gains on vehicle sales increased 14 percent in 1998 compared with 1997. The increase was due to a higher number of vehicles sold in 1998 as well as greater average gain per vehicle sold.

In thousands	Years ended December 31		
	1999	1998	1997
Interest expense	\$183,676	187,786	179,751
Percentage of revenue	4%	4%	4%

Interest expense decreased 2 percent in 1999, compared with 1998, due primarily to debt reductions associated with the use of proceeds from the sale of the public transportation services business and the impact of sale-leaseback transactions completed since December 1998. These factors offset the impact of higher average outstanding debt levels, particularly during the second and third quarters of 1999, primarily from increased levels of capital spending.

Interest expense increased 4 percent in 1998 compared with 1997 as higher average outstanding debt levels were only partially offset by lower average interest rates. The higher outstanding debt levels resulted primarily from increased levels of capital spending.

In thousands	Years ended December 31		
	1999	1998	1997
Miscellaneous income, net	\$2,722	3,094	9,145

Miscellaneous income decreased slightly in 1999, compared with 1998, due primarily to increased costs associated with a higher volume of trade-receivable sales during the year, particularly during the second and third quarters. This cost increase was virtually offset by increased gains from the sale of surplus non-operating properties.

The decrease in miscellaneous income in 1998 compared with 1997 was due primarily to lower earnings from equity investments, in part due to the International acquisition of an entity previously reported on the equity method of accounting, and increased costs associated with a higher volume of trade-receivable sales during the year. These items were partially offset by increased gains from the sale of surplus non-operating properties.

In thousands	Years ended December 31		
	1999	1998	1997
Unusual items:			
Restructuring and other charges	\$52,093	(3,040)	--
Year 2000 expense	24,050	37,418	3,492
	\$76,143	34,378	3,492

Unusual items represent restructuring and other charges and Year 2000 expense. Restructuring and other charges totaled \$33 million after tax (\$0.48 per diluted common share) in 1999 compared with a net credit in 1998 of \$2 million after tax (\$0.03 per diluted common share). Incremental Year 2000 expense totaled \$15 million after tax (\$0.22 per diluted common share) in 1999 compared with \$23 million after tax (\$0.32 per diluted common share) in 1998 and \$2 million after tax (\$0.03 per diluted common share) in 1997. See "Restructuring and Other Charges" and "Year 2000" sections of this Management's Discussion and Analysis of Financial Condition and Results of Operations for a further discussion of these matters.

In thousands	Years ended December 31		
	1999	1998	1997
Provision for income taxes	\$44,577	76,752	81,662

The effective income tax rate is the provision for income taxes as a percentage of earnings from continuing operations before income taxes. The Company's effective tax rate was 37.9 percent in 1999, 37.5 percent in 1998 and 39.0 percent in 1997. The lower effective tax rate in 1998 resulted primarily from lower state income taxes and lower net non-deductible items.

RESTRUCTURING AND OTHER CHARGES

During 1999, the Company introduced initiatives and organizational changes to build on competitive advantages, enhance client service and provide long-term, sustainable profitable growth. The organizational changes included combining the Ryder Transportation Services and Ryder Integrated Logistics business units and creating Ryder Capital Services ("RCS"), a captive finance subsidiary, to fund operating company needs. Complementing RCS, the Company created a new asset management group with company-wide responsibility for acquisition, utilization, maintenance, depreciation and pricing of assets throughout their lifecycle. During 1999, the Company also restructured the U.K. truck leasing and rental business following the December 1998 decision to retain this business. Lastly,

the Company recorded asset impairment and other charges in connection with these initiatives and an overall review of asset recoverability. Restructuring and other charges related to these actions totaled \$52 million in 1999. Savings directly associated with the charge are estimated to be \$15 million in 2000 and relate principally to reduced employee expense. It is anticipated that the savings will be substantially reinvested in new training and technology initiatives in support of the new organization.

The restructuring initiatives resulted in identification of approximately 250 employees whose jobs were terminated, all of whom were notified of their termination prior to December 31, 1999. Severance benefits, which totaled \$17 million, will be substantially paid during the year 2000. Contractual lease obligations associated with facilities to be closed as a result of the restructuring amounted to \$4 million. The Company also recorded asset impairments of \$14 million for certain classes of used vehicles, real estate and other assets held for sale and software development projects that would not be implemented or further utilized in the future.

In conjunction with the restructuring, the Company formed a captive insurance subsidiary under which the Company's various self-insurance programs will be administered. Costs incurred related to the start-up of this entity totaled \$8 million. The Company also recorded \$9 million for other charges incurred for professional consulting services and other costs associated with the restructuring initiative.

In 1996, the Company recorded restructuring and other charges in connection with an organizational realignment. Restructuring and other charges in 1998 amounted to a credit of \$3 million and included the reversal of charges provided as part of the 1996 restructuring as well as unusual items incurred that year.

See the "Restructuring and Other Charges" note to the consolidated financial statements (included in item 8 of this report) for a further discussion.

OPERATING RESULTS BY BUSINESS SEGMENT

Dollars in thousands	Years ended December 31		
	1999	1998	1997
REVENUE			
Transportation Services:			
Full service lease and programmed maintenance	\$1,613,679	1,553,568	1,538,621
Commercial rental	503,989	467,222	419,720
Fuel	574,424	528,977	631,702
Other	281,456	261,477	246,907
	2,973,548	2,811,244	2,836,950
Integrated Logistics	1,713,051	1,501,126	1,370,320
International	590,226	603,834	457,869
Eliminations	(324,621)	(309,228)	(296,991)
Total revenue	\$4,952,204	4,606,976	4,368,148
EARNINGS BEFORE INCOME TAXES			
Transportation Services	\$ 192,764	214,028	200,254
Integrated Logistics	54,365	76,514	67,300
International	29	252	1,516
Eliminations	(38,709)	(38,618)	(35,754)
Total reportable segments	208,449	252,176	233,316
Other, primarily corporate administrative expense	(14,812)	(13,234)	(20,274)
Restructuring and other charges	(52,093)	3,040	--
Year 2000 expense	(24,050)	(37,418)	(3,492)
Total earnings before income taxes	\$ 117,494	204,564	209,550
VEHICLE FLEET SIZE (owned and leased - continuing operations):			
Transportation Services:*			
Full service lease	115,464	109,124	102,914
Commercial rental	40,984	37,517	34,371
Service vehicles	2,178	2,127	2,053
	158,626	148,768	139,338
International	12,839	13,802	13,386
Integrated Logistics	73	107	109
	171,538	162,677	152,833
*Includes vehicles:			
Not yet earning revenue	3,197	4,314	2,775
No longer earning revenue	6,337	4,159	4,009
	9,534	8,473	6,784

The Company evaluates financial performance based upon several factors, of which the primary measure is business segment earnings before income taxes and unusual items such as restructuring and other charges and Year 2000 expense. Business segment earnings before income taxes represent the total profit earned from each segment's clients across all of the Company's segments and include allocations of certain overhead costs. These results are not necessarily indicative of the results of operations that would have occurred had each segment been an independent stand-alone entity during the periods presented.

INTEGRATED LOGISTICS

Revenue from Integrated Logistics increased 14 percent in 1999 compared with 1998, due primarily to expansion of revenue from existing clients and start-up of business sold in the previous year. The expansions and new start-ups were across the automotive, high tech, consumer products and telecommunications industry groups. Dedicated contract carriage services grew only slightly in 1999 compared with 1998 due to lost business and pricing pressures, particularly during the first half of 1999.

A large component of growth in 1999 came from logistics contracts where the Company managed the transportation of freight and subcontracted the delivery of products to third parties. Operating revenue (which excludes subcontracted freight costs) increased 10 percent in 1999 compared with 1998. New business sales were strong in 1999, continuing a trend that began in the latter half of 1998. Business sales, after reflecting the impact of contracts not renewed, increased over 50 percent in 1999 compared with 1998, due primarily to lower levels of lost business. Management continues to believe that improved sales force capabilities, industry segmentation and the ability to leverage rapidly emerging logistics technologies should result in continued new sales growth for 2000. In light of the timing of the start-up of business sales, revenue growth rates in 2000 are not expected to significantly exceed current levels.

Integrated Logistics pretax earnings decreased 29 percent in 1999 to \$54 million compared with \$77 million in 1998. Pretax earnings as a percentage of operating revenue also decreased to 4.2 percent in 1999 from 6.5 percent in 1998. Pretax earnings in 1999 were impacted by numerous factors including lower margins on volume-sensitive accounts and increased operating expenses on several start-up accounts.

Integrated Logistics also experienced increased outside-driver costs as part of dedicated contract carriage and higher litigation and settlement costs. Finally, overhead and technology costs also grew to support product development and marketing initiatives.

Revenue from Integrated Logistics increased 10 percent in 1998 compared with 1997. Operating revenue increased 4 percent in 1998 compared with 1997. Revenue growth was impacted by the termination of two large accounts. Adjusting for these accounts, total revenue and operating revenue would have increased 15 percent and 9 percent, respectively, in 1998 compared with 1997. Pretax earnings increased 14 percent in 1998 compared with 1997. Pretax earnings as a percentage of operating revenue also increased to 6.5 percent in 1998 from 6.0 percent in 1997. These improvements were due primarily to increased operating efficiencies, lower overhead spending, improved pricing in new and existing contracts and, to a lesser extent, the growth in revenue.

TRANSPORTATION SERVICES

The primary product lines of Transportation Services consist of full service leasing, programmed maintenance and commercial rental of trucks, tractors and trailers. Revenue in the Transportation Services segment increased 6 percent in 1999 compared with 1998 and decreased 1 percent in 1998 compared with 1997. The results for both years were impacted by fluctuations in fuel revenue. Dry revenue (revenue excluding fuel) increased 5 percent in 1999 compared with 1998 due primarily to growth in full service leasing and programmed maintenance. Dry revenue increased 3 percent in 1998 compared with 1997 due primarily to growth in commercial rental revenue.

Fuel revenue increased 9 percent in 1999 compared with 1998, as a result of higher worldwide fuel prices, particularly in the latter half of 1999, which offset slightly lower fuel volumes. Fuel revenue decreased 16 percent in 1998 compared with 1997 as a result of both lower fuel prices and volume. Other transportation services revenue, consisting of non-contractual third-party maintenance, trailer rentals and other ancillary revenue to support product lines, increased 8 percent in 1999 and 6 percent in 1998, compared with prior years.

Transportation Services pretax earnings decreased 10 percent in 1999 to \$193 million compared with \$214 million in 1998. Earnings before income taxes as a percentage of dry revenue also decreased to 8.0 percent in 1999, compared with 9.4 percent in 1998. The decline in pretax earnings was due primarily to reduced operating efficiencies in commercial rental, higher compensation, environmental and vehicle liability expenses, the overall margin impact of lost business and the continuing delays of in-service and out-service processing of lease vehicles. Transportation Services pretax earnings increased 7 percent in 1998 compared with 1997. Earnings before income taxes as a percentage of dry revenue also improved to 9.4 percent in 1998, compared with 9.1 percent in 1997. The improvement resulted from higher revenue and operating margins in both product lines, particularly commercial rental, which more than offset increased overhead spending for technology and 1998 marketing initiatives.

FULL SERVICE LEASING. Full service lease and programmed maintenance revenue increased 4 percent in 1999 compared with 1998 and continues to be impacted by non-renewals and delays associated with the in-service processing of vehicles. In 1999, the average level of vehicles not yet earning revenue exceeded 1998 levels by 73 percent. New lease sales in 1999 were comparable to 1998 levels. Based on the level of non-renewals as well as the status of in-servicing efforts, management does not expect lease revenue growth rates in 2000 to substantially exceed 1999 rates.

Operating margin (revenue less direct operating expenses, depreciation and interest expense) from full service leasing increased in 1999 compared with 1998, primarily as a result of revenue growth. Operating margin as a percentage of revenue remained the same for 1999 and 1998 as lower vehicle maintenance costs were offset by increased depreciation and interests costs associated with the in-servicing delays previously discussed as well as out-servicing delays related to vehicles no longer earning revenue. As of December 31, 1999, vehicles in the out-servicing process totaled 6,337 compared with 4,159 last year. Management does not expect operating margins in 2000 to exceed 1999 amounts until the average number of vehicles not earning revenue is reduced to historical levels.

Full service lease and programmed maintenance revenue increased 1 percent in 1998 compared with 1997. New lease sales for 1998 were significantly higher than new lease sales in 1997. The benefits of strong lease sales in 1998 were partially offset by in-servicing delays, including extended manufacturers' delivery times for new vehicle purchases. However, the impact of delays in delivery did begin to lessen during the second half of 1998. Operating margin and operating margin as a percentage of revenue from full service leasing were up slightly in 1998, compared with 1997, as revenue growth on a larger fleet was offset by higher vehicle maintenance costs, principally on older units.

COMMERCIAL RENTAL. Commercial rental revenue increased 8 percent in 1999 compared with 1998 due primarily to a larger commercial rental fleet. Vehicle utilization in 1999 remained strong, but was lower than 1998. The growth in commercial rental revenue included increased rentals from full service lease clients awaiting delivery of new lease equipment. Such "awaiting new lease" rental revenue increased \$12 million, or 25 percent, to \$60 million in 1999, compared with 1998. However, the growth in this ancillary service slowed in 1999, particularly in the second half of the year due to conversions to full service lease as well as unfavorable comparisons to last year's second half. Management expects this trend to continue in 2000. The Company also adjusts fleet levels in response to seasonal demands, utilization targets and projected future spending. The commercial rental product line continues to be sensitive to the overall condition of the U.S. economy and 2000 rental results will depend to a great extent on the strength of the economy. In light of all of these factors, management does not expect year 2000 commercial rental revenue to grow at 1999 rates.

Commercial rental operating margin increased in 1999 compared with 1998, reflecting continued strong, but lower, utilization of a larger average fleet. Operating margin as a percentage of revenue decreased in 1999 compared with 1998 reflecting lower fleet utilization.

Commercial rental revenue in 1998 increased 11 percent, compared with 1997, due to strong utilization of a larger fleet. Utilization levels reflect, in part, increased demand from full service lease clients particularly while awaiting delivery of new full service lease vehicles. Such "awaiting new lease" rental revenue increased \$23 million, or 95 percent, to \$48 million in 1998 compared with 1997. Commercial rental operating margin and operating margin as a percentage of revenue were significantly higher in 1998, compared with 1997, as a result of higher vehicle utilization.

INTERNATIONAL

International segment revenue decreased 2 percent in 1999 compared with 1998, due primarily to the impact of the economic difficulties in Brazil and Argentina and revenue reductions in U.K. truck leasing and rental. These factors offset revenue gains in Mexico and the U.K. logistics operations. The 1999 year-to-date revenue growth also includes the impact of the acquisition of the remaining interest in Companhia Transportadora e Comercial Translor, S.A. ("Translor"), a Brazilian logistics company that was fully consolidated in May 1998. International segment revenue grew 32 percent in 1998 compared with 1997. The revenue growth in 1998 resulted primarily from the May 1998 acquisition of the remaining interest in Translor; however, revenue improvements were made in every country. The 1998 revenue growth also reflected the impact of a ground equipment maintenance contract with British Airways that commenced in the U.K. during the second quarter of 1997.

Pretax results in the International segment were break-even in 1999 and 1998 compared with earnings of \$1.5 million in 1997. The International results in the last two years were impacted by operating losses in U.K. logistics and European carrier management as a result of volume shortfalls, operating inefficiencies and several unprofitable client contracts. Latin American results were also adversely impacted by the general economic problems experienced in the region during the last two years.

At this time, there are no significant legal restrictions regarding the repatriation of cash flows to the U.S. from the foreign countries where the Company is currently operating.

CORPORATE ADMINISTRATIVE EXPENSES AND OTHER

Net corporate administrative expenses and other totaled \$15 million in 1999 compared with \$13 million in 1998 and \$20 million in 1997. The 1999 increase in net corporate administrative expenses and other reflected higher corporate spending and lower gains relative to the prior year. These factors were mitigated somewhat by additional corporate-level interest income as a result of debt reductions made with proceeds from the sale of the public transportation services business. The 1998 decrease in net corporate administrative expenses and other was due primarily to gains from the sale of surplus non-operating properties and the reinsurance of certain vehicle-related liabilities.

DISCONTINUED OPERATIONS

In thousands	Years ended December 31		
	1999	1998	1997
Income from discontinued operations	\$ 11,831	31,259	44,597
Gain on sale of discontinued operations	339,323	--	3,200

On September 13, 1999, the Company completed the sale of its public transportation services business for \$940 million in cash and realized a \$339 million after-tax gain (\$4.94 per diluted common share). On September 30, 1997, the Company completed the sale of its automotive carrier business for \$111 million in cash and realized a \$3 million after-tax gain (\$0.04 per diluted common share).

Earnings from the public transportation services business totaled \$12 million, \$31 million, and \$33 million in 1999, 1998 and 1997, respectively. Earnings from the automotive carrier business totaled \$12 million in 1997. The 1999 results of the public transportation services business reflect the unfavorable comparisons associated with selling the unit in mid-September, particularly the impact on student transportation that is not fully productive until that time when the school year resumes. The student transportation business also experienced reduced profitability because of higher driver recruiting and compensation costs in several regions due to labor shortages and increased vehicle liability costs. The decrease in 1998 earnings, compared with

1997, was due to increased maintenance, safety and termination costs associated with several public transit and fleet maintenance contracts which more than offset improvements in student transportation services achieved as a result of revenue growth and fleet efficiencies. See the "Divestitures" note to the consolidated financial statements (included in Item 8 of this report) for a further discussion.)

FINANCIAL RESOURCES AND LIQUIDITY

CASH FLOW

The following is a summary of the Company's cash flows from continuing operating, financing and investing activities:

In thousands	Years ended December 31		
	1999	1998	1997

Net cash provided by (used in):			
Operating activities	\$ 269,819	890,210	569,405
Financing activities	(527,848)	(124,549)	(104,316)
Investing activities	228,067	(727,126)	(542,944)

Net cash flows from continuing operations	\$ (29,962)	38,535	(77,855)
=====			

The decrease in cash flow from continuing operating activities in 1999 compared with 1998 was primarily attributable to higher working capital needs. The higher working capital needs related primarily to a decrease in the aggregate balance of trade receivables sold and the cash requirements associated with the tax liabilities incurred on the sale of the public transportation services business. During 1999, receivables also increased in conjunction with revenue growth and accounts payable for vehicle purchases decreased due to the timing of vehicle deliveries. The increase in cash flow from continuing operating activities in 1998 compared with 1997 was attributable to lower working capital needs. The lower working capital needs related primarily to an increase in the aggregate balance of trade receivables sold, increased accounts payable for vehicle purchases due to the timing of new lease sales and vehicle deliveries, and lower cash payments for accrued expenses as 1997 activity reflected payments associated with restructuring activities initiated in 1996. A summary of the individual items contributing to the cash flow changes is included in the Consolidated Statements of Cash Flows.

During 1999, cash of \$528 million was used in financing activities, primarily to repurchase \$275 million of common stock and reduce debt by \$220 million. In 1999, the Company completed a \$200 million stock repurchase program utilizing a portion of the proceeds from the sale of the public transportation services business and a three-million share repurchase program announced in December 1998. During 1998, cash of \$125 million was used in financing activities, primarily to repurchase \$110 million of common stock and pay dividends of \$44 million. Debt levels were relatively unchanged for 1998 compared with 1997. Since 1996, the Company has repurchased 27 million shares of common stock. The Company has utilized proceeds from the sale of the public transportation services, automotive carrier and consumer truck rental businesses, cash from operating activities and commercial paper borrowings to fund these programs.

During 1999, investing activities provided cash of \$228 million compared with a net usage of \$727 million in 1998 and \$543 million in 1997. The 1999 increase in cash provided by investing activities reflected the proceeds from the sale of the public transportation services business and increased proceeds from the sale (including leasebacks) of revenue earning equipment. These proceeds offset a 30 percent increase in capital expenditures. The 1998 increase in cash used in investing activities was primarily attributable to higher capital expenditures, which were partially offset by the sale and operating leaseback of revenue earning equipment in 1998. Additionally, 1997 investing activities included the sale of the automotive carrier business which generated proceeds of \$111 million.

The following is a summary of capital expenditures:

In thousands	Years ended December 31		
	1999	1998	1997

Revenue earning equipment:			
Transportation Services	\$1,551,576	1,136,582	818,932
International	75,630	84,432	75,991

	1,627,206	1,221,014	894,923
Operating property and equipment	107,013	112,127	94,654

	\$1,734,219	1,333,141	989,577
=====			

Capital spending for 1999 was consistent with management's expectations of anticipated growth and fleet replacement in full service leasing and commercial rental. However, capital spending was significantly above plan during the first half of 1999, which reflected higher than anticipated requirements for replacement lease equipment and new lease sales. During the second half of 1999, management reviewed capital spending requirements and undertook several actions to slow the rate of spending. In 1999, capital expenditures in full service truck leasing increased \$349 million to \$1.3 billion. Capital expenditures for commercial rental were \$201 million in 1999, an increase of \$35 million compared with 1998, due to a planned shift in fleet mix and fleet replacement to reduce the average age of the commercial rental fleet. In 2000, management projects that capital expenditures will be 10 to 15 percent below 1999 levels, primarily as a result of reduced manufacturer equipment delays, less fleet replacement requirements and better capital asset management. The Company expects to fund its 2000 capital expenditures with both internally generated funds and additional financing.

During the past three years, the Company completed a number of acquisitions, in all business segments, each of which has been accounted for using the purchase method of accounting. Total consideration for these acquisitions was \$13 million in 1999, \$53 million in 1998 and \$43 million in 1997. The Company will continue to evaluate selective acquisitions in logistics and transportation services in 2000.

The Company's cash requirements are funded principally through operations and the sale of revenue earning equipment. Cash flow from continuing operating activities (excluding sales of receivables) plus sales of property and revenue earning equipment as a percentage of capital expenditures was 46 percent in 1999, compared with 82 percent in 1998 and 92 percent in 1997. The decrease in 1999 compared with 1998 was due primarily to reduced cash flow from operations and higher capital spending. The decrease in 1998 compared with 1997 was due primarily to higher capital spending.

FINANCING

Ryder utilizes external capital to support growth in its asset-based product lines. The Company has a variety of financing alternatives available to fund its capital needs. These alternatives include long- and medium-term public and private debt, as well as variable-rate financing available through bank credit facilities and commercial paper. The Company also periodically enters into sale-leaseback agreements on revenue earning equipment, the majority of which are accounted for as operating leases. In 1999, the Company utilized a portion of the proceeds from the sale of the public transportation services business and proceeds from the sale and leaseback of revenue earning equipment to reduce debt. These repayments have altered the Company's balance sheet debt structure compared to prior years. During the fourth quarter of 1999, the Company retired \$156 million of medium-term notes early and recorded an extraordinary after-tax loss of \$4 million. The retired debt carried a weighted average interest rate of 8.5 percent. This debt reduction will produce future interest savings of \$2 million.

The Company's debt ratings as of December 31, 1999 were as follows:

	Commercial Paper	Unsecured Notes
Moody's Investors Service	P2	Baa1
Standard & Poor's Ratings Group	A2	BBB+
Duff & Phelps Credit Rating Co.	D2	A-

On July 21, 1999, Standard & Poor's Ratings Group confirmed its short-term credit ratings for the Company and placed its long-term ratings for the Company on CreditWatch with negative implications following the Company's announcement of a definitive agreement to sell the public transportation services business. On July 21, 1999, Moody's Investors Service confirmed its credit ratings for the Company. On April 27, 1999, Duff & Phelps Credit Rating Co. lowered its credit ratings of the Company's commercial paper and unsecured notes to D2 and A- from D1 and A, respectively. Duff & Phelps Credit Rating Co. reaffirmed these credit ratings on July 21, 1999.

Debt totaled \$2.4 billion at the end of 1999, a decrease of 7 percent from 1998. The Company made \$530 million of unsecured note payments in 1999,

including \$156 million associated with the early retirement of debt. The Company issued \$174 million of medium-term notes in 1999. U.S. commercial paper outstanding at December 31, 1999, was \$320 million, compared with \$198 million at the end of 1998. The Company's foreign debt remained relatively unchanged at approximately \$400 million. The Company's percentage of variable-rate financing obligations, including the present value of off-balance sheet obligations such as operating leases, was 26 percent at December 31, 1999, which is within the Company's targeted level of 25 to 30 percent and comparable to the level which existed at December 31, 1998. The Company's debt-to-equity ratio at December 31, 1999, decreased to 199 percent from 236 percent at December 31, 1998.

The Company has a \$720 million global revolving credit facility, which expires in May 2002. The primary purpose of the credit facility is to finance working capital and provide support for the issuance of commercial paper. At the Company's option, the interest rate on borrowings under the credit facility is based on LIBOR, prime, federal funds or local equivalent rates. The credit facility has an annual facility fee of 0.08 percent based on the Company's current credit rating. At December 31, 1999, foreign borrowings of \$58 million were outstanding under the credit facility. At the end of 1999, \$342 million was available under the Company's global credit facility.

In September 1998, the Company filed an \$800 million shelf registration statement with the Securities and Exchange Commission. Proceeds from debt issues under the shelf registration are available for capital expenditures, debt refinancing and general corporate purposes. As of December 31, 1999, the Company had \$487 million of debt securities available for issuance under this shelf registration statement. The Company also participates in an agreement to sell, with limited recourse, up to \$375 million of trade receivables on a revolving basis through July 2002. At December 31, 1999 and 1998, the outstanding balance of receivables sold pursuant to this agreement was \$75 million and \$200 million, respectively.

Proceeds from sale-leaseback transactions were \$594 million in 1999 and \$312 million in 1998. The sale-leaseback transactions include vehicle securitizations in which the Company sold a beneficial interest in certain lease vehicles to separately-rated and unconsolidated vehicle lease trusts. Such securitizations generated cash proceeds of \$294 million in 1999 and \$73 million in 1998. The vehicles were sold for their carrying value and the Company retained an interest in the form of a subordinated note issued at the date of each sale. The Company has provided credit enhancement in the form of cash reserve funds and a pledge of the subordinated notes as additional security for the trusts to the extent that delinquencies and losses on the truck leases and related vehicle sales are incurred. The vehicle securitizations provide the Company with further liquidity and increased access to capital markets.

FINANCIAL INSTRUMENT MARKET RISK

In the normal course of business, the Company is exposed to fluctuations in interest rates, foreign exchange rates and fuel prices. The Company manages such exposures in several ways, including the use of a variety of derivative financial instruments when deemed prudent. The Company does not enter into leveraged financial transactions or use derivative financial instruments for trading purposes.

The exposure to market risk for changes in interest rates relates primarily to debt obligations. The Company's interest rate risk management program objective is to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. The Company manages its exposure to interest rate risk through the proportion of fixed-rate and variable-rate debt in the total debt portfolio. The Company targets variable-rate debt levels at 25 to 30 percent of total financing obligations, including the present value of off-balance sheet obligations such as operating leases. From time to time, the Company also uses interest rate swap and cap agreements to manage its fixed-rate and variable-rate exposure and to better match the repricing of its debt instruments to that of its portfolio of assets. No interest rate swap or cap agreements were outstanding at December 31, 1999 and 1998.

The following tables summarize debt obligations outstanding as of December 31, 1999 and 1998 expressed in U.S. dollar equivalents. The tables show the amount of debt and related weighted average interest rates by contractual maturity dates. Weighted average variable rates are based on implied forward rates in the yield curve at December 31, 1999 and 1998. This information should be read in conjunction with the "Debt" note to the consolidated financial statements, which is included in Item 8 of this report.

1999	Expected Maturity Date						Total	Fair	Total
	Years ended December 31								
In thousands	2000	2001	2002	2003	2004	Thereafter			
Fixed-rate debt:									
Dollar denominated	\$437,570	264,214	166,323	75,590	72,098	622,989	1,638,784	1,586,126	
Average interest rate	7.20%	7.04%	7.00%	7.09%	7.19%	7.25%			
Pound Sterling denominated	24,230	24,230	80,765	--	--	--	129,225	130,132	
Average interest rate	8.13%	8.13%	7.90%	--	--	--			
Canadian Dollar denominated	10,386	10,386	17,310	45,006	17,310	--	100,398	102,970	
Average interest rate	6.73%	6.64%	6.58%	6.42%	6.51%	--			
Other	5,279	3,016	1,339	1,339	772	1,545	13,290	10,825	
Average interest rate	5.86%	5.76%	5.99%	6.09%	6.31%	6.31%			
Variable-rate debt:									
Dollar denominated(a)	--	--	327,300	--	--	--	327,300	327,300	
Average interest rate	6.53%	7.25%	7.25%	--	--	--			
Pound Sterling denominated	16,153	--	58,151	--	--	--	74,304	74,304	
Average interest rate	6.56%	7.04%	6.94%	--	--	--			
Canadian Dollar denominated	45,006	--	--	--	--	--	45,006	45,006	
Average interest rate	5.83%	--	--	--	--	--			
Other	10,732	810	724	142	--	--	12,408	12,408	
Average interest rate	10.77%	12.00%	12.00%	12.00%	--	--			
Total Debt (excluding capital leases)							\$2,340,715	2,289,071	

1998	Expected Maturity Date						Total	Fair	Total
	Years ended December 31								
In thousands	1999	2000	2001	2002	2003	Thereafter			
Fixed-rate debt:									
Dollar denominated	\$374,270	443,738	281,287	107,502	92,657	691,350	1,990,804	2,060,816	
Average interest rate	7.54%	7.41%	7.33%	7.33%	7.47%	7.51%			
Pound Sterling denominated	24,893	24,893	24,893	58,083	--	--	132,762	136,587	
Average interest rate	8.06%	8.17%	8.17%	7.88%	--	--			
Canadian Dollar denominated	22,873	19,605	22,873	--	9,803	--	75,154	75,356	
Average interest rate	7.22%	7.12%	6.49%	5.75%	5.75%	--			
Other	10,614	5,371	4,326	2,298	1,685	3,600	27,894	28,968	
Average interest rate	6.61%	7.00%	5.92%	5.97%	5.91%	5.96%			
Variable-rate debt:									
Dollar denominated(a)	--	--	--	206,882	--	--	206,882	206,882	
Average interest rate	5.08%	5.02%	5.06%	5.56%	--	--			
Pound Sterling denominated	34,850	--	--	54,764	--	--	89,614	89,614	
Average interest rate	5.68%	5.67%	5.48%	5.40%	--	--			
Canadian Dollar denominated	--	--	--	18,102	--	--	18,102	18,102	
Average interest rate	5.11%	5.24%	5.41%	5.53%	--	--			
Other	2,500	--	--	4,615	--	--	7,115	7,115	
Average interest rate	6.36%	3.56%	3.84%	4.11%	--	--			
Total Debt (excluding capital leases)							\$2,548,327	2,623,440	

(a) Includes commercial paper assumed to be renewed through June 2002. As discussed in the "Debt" note to the consolidated financial statements, the commercial paper program is supported by the Company's \$720 million global credit facility, which is scheduled to expire in June 2002. The Company classified commercial paper borrowings as long-term debt in the consolidated balance sheets at December 31, 1999 and 1998.

The exposure to market risk for changes in foreign exchange rates relates primarily to foreign operations' buying, selling and financing in currencies other than local currencies and to the carrying value of net investments in foreign subsidiaries. The Company manages its exposure to foreign exchange rate risk related to foreign operations' buying, selling and financing in currencies other than local currencies by naturally offsetting assets and liabilities not denominated in local currencies. The Company also uses foreign currency option contracts and forward agreements to preserve the carrying value of foreign currency assets, liabilities, commitments and anticipated foreign currency transactions. No foreign currency option contracts or forward agreements were outstanding at December 31, 1999 and 1998. The Company does not generally hedge the translation exposure related to its net investment in foreign subsidiaries. Based on the overall level of transactions denominated in other than local currencies and of the net investment in foreign subsidiaries, the exposure to market risk for changes in foreign exchange rates is not material.

The exposure to market risk for fluctuations in fuel prices relates to fixed-price fuel sales commitments with certain customers. The Company mitigates this exposure by entering into forward purchases for delivery at fueling facilities. Fixed-price fuel arrangements represent less than 5 percent of total fuel purchases.

ENVIRONMENTAL MATTERS

The operations of the Company involve storing and dispensing petroleum products, primarily diesel fuel, regulated under environmental protection laws. These laws require the Company to eliminate or mitigate the effect of such substances on the environment. In response to these requirements, the Company has upgraded operating facilities and implemented various programs to detect and minimize contamination. Capital expenditures related to these programs totaled \$5 million in 1999 and \$9 million in 1998. The Company also incurred \$10 million of environmental expenses in 1999, compared with \$4 million in 1998 and 1997. The increase in expenses for 1999 reflected the impact of lower claim recoveries compared with 1998. In 1999, the Company also increased the previous accrual for a current site as a result of the ongoing evaluation of the contamination and alternative cleanup methods. Based on current circumstances and the present standards imposed by government regulations, environmental expenses should not increase materially from 1999 levels in the near term.

The ultimate cost of the Company's environmental liabilities cannot presently be projected with certainty due to the presence of several unknown factors, primarily the level of contamination, the effectiveness of selected remediation methods, the stage of management's investigation at individual sites and the recoverability of such costs from third parties. Based upon information presently available, management believes that the ultimate disposition of these matters, although potentially material to the results of operations in any single year, will not have a material adverse effect on the Company's financial condition or liquidity. See the "Environmental Matters" note to the consolidated financial statements (included in Item 8 of this report) for a further discussion.

YEAR 2000

The Year 2000 issue was the result of computer systems, software products and embedded technology using two digits rather than four to indicate the applicable year and the resultant inability to properly interpret dates beyond the year 1999. During 1997, after consideration of the potential impact to operations, including client and supplier relationships, an enterprise-wide program was initiated to modify computer information systems to be Year 2000 compliant or to replace noncompliant systems. The cumulative impact on after-tax earnings for incremental Year 2000 costs was \$40 million.

The Company did not experience any material adverse effects in its operating or business systems when the date changed from 1999 to 2000. Additionally, the Company currently is not aware of any significant Year 2000 problems that have arisen for its clients and suppliers.

EURO CONVERSION

On January 1, 1999, the participating countries of the European Union adopted the euro as their common legal currency. The participating countries' existing national currencies will continue as legal tender until at least January 1, 2002. During this transition period, parties may pay for goods and services using either the euro or the participating country's legacy currency. Due to the nature of current international operations, conversion to the euro is not expected to have a material impact on the Company's results of operations or financial position.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," which requires all derivatives to be recognized at fair value as either assets or liabilities on the balance sheet. Any gain or loss resulting from changes in such fair value is required to be recognized in earnings to the extent the derivatives are not effective as hedges. This statement, as amended, is effective for fiscal years beginning after June 15, 2000, and is effective for interim periods in the initial year of adoption. Adoption of this statement is not expected to have a material impact on the Company's results of operations or financial position.

OUTLOOK

The divestiture of the public transportation services business has heightened and renewed the Company's focus on logistics and transportation services. In 2000, the Company will leverage this focus with a new organizational structure that will enhance client service and business retention across the product line continuum. The new organizational structure should provide growth opportunities through the expanded access to and awareness of existing logistics capabilities. The Company will emphasize growing revenue and margin in logistics and transportation services through continued strong new sales and focus on client loyalty and retention, better asset utilization, rationed capital spending and overall cost containment to enhance productivity.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current plans and expectations of Ryder System, Inc. and involve risks and uncertainties that may cause actual results to differ materially from the forward-looking statements. Important factors that could cause such differences include, among others, general economic conditions in the United States and worldwide, the highly competitive environment applicable to the Company's operations (including competition in integrated logistics from other logistics companies as well as from air cargo, shipping, railroads and motor carriers and competition in full service leasing and commercial rental from companies providing similar services as well as from truck and trailer manufacturers who provide leasing, extended warranty maintenance, rental and other transportation services), greater than expected expenses associated with the Company's personnel needs or activities (including increased cost of freight and transportation), availability of equipment, changes in clients' business environments (or the loss of a significant client) or changes in government regulations.

The risks included here are not exhaustive. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on the Company's business.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by ITEM 7A is included in ITEM 7 (pages 21 through 23) of PART II of this report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

THE BOARD OF DIRECTORS AND SHAREHOLDERS OF RYDER SYSTEM, INC.:

We have audited the accompanying consolidated balance sheets of Ryder System, Inc. and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ryder System, Inc. and subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1999, in conformity with generally accepted accounting principles.

/s/ KPMG LLP

*Miami, Florida
February 2, 2000*

CONSOLIDATED STATEMENTS OF EARNINGS
RYDER SYSTEM, INC. AND SUBSIDIARIES

In thousands, except per share amounts	Years ended December 31		
	1999	1998	1997
Revenue	\$4,952,204	4,606,976	4,368,148
Operating expense	3,585,079	3,283,556	3,180,453
Freight under management expense	425,769	330,124	244,874
Depreciation expense, net of gains	566,765	569,662	559,173
Interest expense	183,676	187,786	179,751
Miscellaneous income, net	(2,722)	(3,094)	(9,145)
Unusual items:			
Restructuring and other charges, net	52,093	(3,040)	--
Year 2000 expense	24,050	37,418	3,492
	4,834,710	4,402,412	4,158,598
Earnings from continuing operations before income taxes	117,494	204,564	209,550
Provision for income taxes	44,577	76,752	81,662
Earnings from continuing operations	72,917	127,812	127,888
Earnings from discontinued operations, less income taxes	11,831	31,259	44,597
Gain on disposal of discontinued operations, less income taxes	339,323	--	3,200
Earnings before extraordinary loss	424,071	159,071	175,685
Extraordinary loss on early extinguishment of debt	(4,393)	--	--
Net Earnings	\$ 419,678	159,071	175,685
Earnings per common share - Basic:			
Continuing operations	\$ 1.06	1.75	1.66
Discontinued operations	0.17	0.43	0.58
Gain on sale of discontinued operations	4.95	--	0.04
Extraordinary loss on early extinguishment of debt	(0.06)	--	--
Net earnings	\$ 6.12	2.18	2.28
Earnings per common share - Diluted:			
Continuing operations	\$ 1.06	1.74	1.64
Discontinued operations	0.17	0.42	0.57
Gain on sale of discontinued operations	4.94	--	0.04
Extraordinary loss on early extinguishment of debt	(0.06)	--	--
Net earnings	\$ 6.11	2.16	2.25

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS
RYDER SYSTEM, INC. AND SUBSIDIARIES

Dollars in thousands, except per share amounts	December 31	
	1999	1998
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 112,993	138,353
Receivables	725,815	559,141
Inventories	69,845	67,605
Tires in service	162,877	166,578
Prepaid expenses and other current assets	137,861	111,170
Total current assets	1,209,391	1,042,847
Revenue earning equipment	3,095,451	3,211,969
Operating property and equipment	581,105	597,951
Direct financing leases and other assets	652,270	543,242
Intangible assets and deferred charges	232,233	312,592
	\$5,770,450	5,708,601
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 574,253	483,334
Accounts payable	334,103	399,495
Accrued expenses	541,156	479,835
Total current liabilities	1,449,512	1,362,664
Long-term debt	1,819,136	2,099,697
Other non-current liabilities	285,802	343,003
Deferred income taxes	1,011,095	807,623
Total liabilities	4,565,545	4,612,987
Shareholders' equity:		
Common stock of \$0.50 par value per share		
Authorized, 400,000,000; outstanding, 1999 - 59,395,050;		
1998 - 71,280,247	513,083	610,543
Retained earnings	714,544	504,105
Accumulated other comprehensive income	(22,722)	(19,034)
Total shareholders' equity	1,204,905	1,095,614
	\$5,770,450	5,708,601

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
RYDER SYSTEM, INC. AND SUBSIDIARIES

In thousands	Years ended December 31		
	1999	1998	1997

Continuing operations cash flows from operating activities:			
Earnings from continuing operations	\$ 72,917	127,812	127,888
Depreciation expense, net of gains	566,765	569,662	559,173
Amortization expense and other non-cash charges, net	26,236	(792)	5,862
Deferred income tax expense	250,041	100,432	122,620
Changes in operating assets and liabilities, net of acquisitions:			
Increase (decrease) in aggregate balance of trade receivables sold	(125,000)	125,000	--
Receivables	(129,516)	(30,948)	(57,399)
Inventories	(10,380)	(1,474)	(6,637)
Prepaid expenses and other assets	(33,285)	(39,829)	(61,047)
Accounts payable	(56,261)	90,038	26,866
Accrued expenses and other liabilities	(291,698)	(49,691)	(147,921)
	-----	-----	-----
	269,819	890,210	569,405

Cash flows from financing activities:			
Net change in commercial paper borrowings	147,671	(150,162)	305,132
Debt proceeds	314,821	474,969	47,502
Debt repaid, including capital lease obligations	(682,517)	(328,368)	(231,729)
Dividends on common stock	(40,878)	(43,841)	(45,859)
Common stock issued	7,949	32,393	61,973
Common stock repurchased	(274,894)	(109,540)	(241,335)
	-----	-----	-----
	(527,848)	(124,549)	(104,316)

Cash flows from investing activities:			
Purchases of property and revenue earning equipment	(1,734,219)	(1,333,141)	(989,577)
Sales of property and revenue earning equipment	401,902	321,962	339,440
Sale and leaseback of revenue earning equipment	593,680	312,230	--
Acquisitions, net of cash acquired	(12,699)	(52,792)	(42,752)
Proceeds from business sold	940,000	--	111,306
Other, net	39,403	24,615	38,639
	-----	-----	-----
	228,067	(727,126)	(542,944)

Net cash flows from continuing operations	(29,962)	38,535	(77,855)
Net cash flows from discontinued operations	4,602	21,448	(35,159)

Increase (decrease) in cash and cash equivalents	(25,360)	59,983	(113,014)
Cash and cash equivalents at January 1	138,353	78,370	191,384

Cash and cash equivalents at December 31	\$ 112,993	138,353	78,370
=====			

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
RYDER SYSTEM, INC. AND SUBSIDIARIES

Dollars in thousands, except per share amounts	Comprehensive Income	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at January 1, 1997		\$588,290	521,889	(4,173)	1,106,006
Net earnings	\$175,685	--	175,685	--	175,685
Foreign currency translation adjustments	(6,949)	--	--	(6,949)	(6,949)
Comprehensive income	\$168,736				
Common stock dividends declared - \$0.60 per share		--	(45,859)	--	(45,859)
Common stock issued under employee plans (2,778,372 shares)*		61,973	--	--	61,973
Common stock repurchased (7,047,300 shares)		(55,877)	(185,458)	--	(241,335)
Other		11,187	--	--	11,187
Balance at December 31, 1997		605,573	466,257	(11,122)	1,060,708
Net earnings	\$159,071	--	159,071	--	159,071
Foreign currency translation adjustments	(7,912)	--	--	(7,912)	(7,912)
Comprehensive income	\$151,159				
Common stock dividends declared - \$0.60 per share		--	(43,841)	--	(43,841)
Common stock issued under employee plans (1,388,021 shares)*		32,393	--	--	32,393
Common stock repurchased (3,800,000 shares)		(32,158)	(77,382)	--	(109,540)
Other		4,735	--	--	4,735
Balance at December 31, 1998		610,543	504,105	(19,034)	1,095,614
Net earnings	\$419,678	--	419,678	--	419,678
Foreign currency translation adjustments	(3,688)	--	--	(3,688)	(3,688)
Comprehensive income	\$415,990				
Common stock dividends declared - \$0.60 per share		--	(40,878)	--	(40,878)
Common stock issued under employee plans (387,410 shares)*		7,949	--	--	7,949
Common stock repurchased (12,302,607 shares)		(106,533)	(168,361)	--	(274,894)
Other (includes 30,000 restricted shares)		1,124	--	--	1,124
Balance at December 31, 1999		\$513,083	714,544	(22,722)	1,204,905

*Net of common stock purchased from employees exercising stock options. See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Ryder System, Inc. and Subsidiaries

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation. The consolidated financial statements include the accounts of Ryder System, Inc. and its subsidiaries (the "Company"). All significant intercompany accounts and transactions have been eliminated. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

CASH EQUIVALENTS. All investments in highly liquid debt instruments with maturities of three months or less at the date of purchase are classified as cash equivalents.

REVENUE RECOGNITION. Operating lease revenue is recognized as vehicles are used over the terms of the related agreements. Revenue from service contracts is recognized as services are provided, generally at billing rates specified in underlying contracts. Direct financing lease revenue is recognized by the interest method over the terms of the lease agreements.

INVENTORIES. Inventories, which consist primarily of fuel and vehicle parts, are valued using the lower of cost (specific identification or average cost) or market.

TIRES IN SERVICE. The Company allocates a portion of the acquisition costs of revenue earning equipment to tires in service and amortizes such tire costs to expense over the lives of the vehicles and equipment. The cost of replacement tires and tire repairs are expensed as incurred.

REVENUE EARNING EQUIPMENT, OPERATING PROPERTY AND EQUIPMENT AND DEPRECIATION. Revenue earning equipment, principally vehicles, and operating property and equipment are stated at cost. Vehicle repairs and maintenance that extend the life or increase the value of the vehicle are capitalized, whereas ordinary maintenance and repairs are expensed as incurred. Provision for depreciation is computed using the straight-line method on substantially all depreciable assets. Annual straight-line depreciation rates range from 10 percent to 33 percent for revenue earning equipment, 2.5 percent to 10 percent for buildings and improvements and 10 percent to 25 percent for machinery and equipment. The Company periodically reviews and adjusts the residual values and useful lives of revenue earning equipment based on current and expected operating trends and projected realizable values.

Gains on sales of revenue earning equipment, net of selling and equipment preparation costs, are reported as reductions of depreciation expense and totaled \$56 million, \$57 million and \$50 million in 1999, 1998 and 1997, respectively. Gains on operating property and equipment sales are reflected in miscellaneous income.

INTANGIBLE ASSETS. Intangible assets consist principally of goodwill totaling \$203 million in 1999 and \$275 million in 1998. Goodwill is amortized on a straight-line basis over appropriate periods generally ranging from 10 to 40 years. Accumulated amortization was approximately \$110 million and \$96 million at December 31, 1999 and 1998, respectively.

IMPAIRMENT OF LONG-LIVED ASSETS. Long-lived assets, including intangible assets, are reviewed for impairment when circumstances indicate that the carrying amount of assets may not be recoverable. The Company assesses the recoverability of long-lived assets by determining whether the depreciation or amortization of the asset over its remaining life can be recovered based upon the management's best estimate of the undiscounted future operating cash flows (excluding interest charges) related to the asset. If the sum of such undiscounted cash flows is less than carrying value of the asset, the asset is considered impaired. The amount of impairment, if any, represents the excess of the carrying value of the asset over fair value. Fair value is determined by quoted market price, if available, or an estimate of projected future operating cash flows, discounted using a rate that reflects the Company's average cost of funds.

Long-lived assets (including intangible assets) to be disposed of are reported at the lower of carrying amount or fair value less costs to sell. Fair value is determined based upon quoted market prices, if available, or the results of applicable valuation techniques such as discounted cash flows.

SELF-INSURANCE RESERVES. The Company retains a portion of the risk under vehicle liability, workers' compensation and other insurance programs. Reserves have been recorded which reflect the undiscounted estimated liabilities, including claims incurred but not reported. Such liabilities are necessarily based on estimates. While management believes that the amounts are adequate, there can be no assurance that changes to management's estimates may not occur due to limitations inherent in the estimation process. Changes in the estimates of these reserves are charged or credited to income in the period determined. Amounts estimated to be paid within one year have been classified as accrued expenses with the remainder included in other non-current liabilities.

INCOME TAXES. Deferred taxes are provided using the asset and liability method for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

ENVIRONMENTAL EXPENDITURES. Liabilities are recorded for environmental assessments and/or cleanup when it is probable a loss has been incurred and the costs can be reasonably estimated. The liability may include costs such as anticipated site testing, consulting, remediation, disposal, post-remediation monitoring and legal fees, as appropriate. Estimates are not discounted. The liability does not reflect possible recoveries from insurance companies or reimbursement of remediation costs by state agencies, but does include estimates of cost-sharing with other potentially responsible parties. Claims for reimbursement of remediation costs are recorded when recovery is deemed probable.

DERIVATIVE FINANCIAL INSTRUMENTS. From time to time, the Company enters into interest rate swap and cap agreements to manage its fixed and variable interest rate exposure and to better match the repricing of its debt instruments to that of its portfolio of assets. The Company assigns each interest rate swap and cap agreement to a debt or operating lease obligation. Amounts to be paid or received under swap and cap agreements are recognized over the terms of the agreements as adjustments to interest expense or rent expense. Derivative financial instruments are not leveraged or held for trading purposes.

FOREIGN CURRENCY TRANSLATION. The Company's foreign operations generally use the local currency as their functional currency. Assets and liabilities of these operations are translated at the exchange rates in effect on the balance sheet date. Income statement items are translated at the average exchange rates for the year. The impact of currency fluctuation is included in other comprehensive income as a translation adjustment. For subsidiaries whose economic environment is highly inflationary, the U.S. dollar is the functional currency and gains and losses that result from translation are included in earnings.

STOCK REPURCHASES. The cost of stock repurchases is allocated between common stock and retained earnings based on the amount of capital surplus at the time of the stock repurchase.

STOCK-BASED COMPENSATION. Stock-based compensation is recognized using the intrinsic value method. Under this method, compensation cost is recognized based on the excess, if any, of the quoted market price of the stock at the date of grant (or other measurement date) and the amount an employee must pay to acquire the stock.

EARNINGS PER SHARE. Basic earnings per share are computed by dividing net earnings by the weighted average number of common shares outstanding. Diluted earnings per share reflect the dilutive effect of potential common shares from securities such as stock options.

COMPREHENSIVE INCOME. Comprehensive income presents a measure of all changes in shareholders' equity except for changes resulting from transactions with shareholders in their capacity as shareholders. The Company's total comprehensive income presently consists of net earnings and currency translation adjustments associated with foreign operations that use the local currency as their functional currency.

ACCOUNTING CHANGES. Effective January 1, 1999, the Company adopted SOP 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This statement requires that certain direct development costs

associated with internal-use software be capitalized and amortized over the estimated useful life of the software. Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred. Adoption of this statement did not have a material impact on the Company's results of operations or financial position.

Effective January 1, 1999, the Company adopted SOP 98-5, "Reporting on the Costs of Start-up Activities." This statement requires that all costs of start-up activities, including organizational costs, be expensed as incurred. The Company's existing accounting policies conformed to the requirements of SOP 98-5; therefore, adoption of this statement did not impact the Company's results of operations or financial position.

RECLASSIFICATIONS. Certain prior year amounts have been reclassified to conform to the current year presentation.

RECENT ACCOUNTING PRONOUNCEMENTS. In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," which requires all derivatives to be recognized at fair value as either assets or liabilities on the balance sheet. Any gain or loss resulting from changes in such fair value is required to be recognized in earnings to the extent the derivatives are not effective as hedges. This statement, as amended, is effective for fiscal years beginning after June 15, 2000, and is effective for interim periods in the initial year of adoption. Adoption of this statement is not expected to have a material impact on the Company's results of operations or financial position.

ACQUISITIONS

Over the last three years, the Company completed a number of acquisitions in each of its business segments, all of which have been accounted for using the purchase method of accounting. The consolidated financial statements reflect the results of operations of the acquired businesses from the acquisition dates. Pro forma results of operations have not been presented because the effects of these acquisitions were not significant. The fair value of assets acquired and liabilities assumed in connection with these acquisitions, and related purchase prices, were as follows:

In thousands	Years ended December 31		
	1999	1998	1997
Working capital	\$ 359	15,309	409
Other net assets	10,401	40,433	35,915
Non-current liabilities	(347)	(33,767)	(9,799)
Net assets acquired	10,413	21,975	26,525
Goodwill	2,286	30,817	16,227
Purchase price	\$12,699	52,792	42,752

DIVESTITURES

On September 13, 1999, the Company completed the sale of its public transportation services business for \$940 million in cash and realized a \$339 million after-tax gain (\$4.94 per diluted common share). On September 30, 1997, the Company completed the sale of its automotive carrier business for \$111 million in cash and realized a \$3 million after-tax gain (\$0.04 per diluted common share). The disposals of these businesses have been accounted for as discontinued operations and accordingly, their operating results and cash flows are segregated and reported as discontinued operations in the accompanying consolidated financial statements.

Summarized results of discontinued operations were as follows:

In thousands	Years ended December 31		
	1999	1998	1997
Revenue	\$411,743	581,748	988,610
Earnings before income taxes	\$ 20,050	52,392	72,630
Provision for income taxes	8,219	21,133	28,033
Earnings from discontinued operations	\$ 11,831	31,259	44,597
Gain (loss) on disposal	\$573,178	--	(5,300)
Income taxes	233,855	--	(8,500)
Net gain on disposal	\$339,323	--	3,200

In the fourth quarter of 1999, the Company increased the gain on disposal of the public transportation services business by \$4 million, reflecting the reduction of income taxes as a consequence of the sale, the settlement of the final sale price and the impact of insurance purchased to cover certain retained liabilities of the discontinued operation.

Interest expense was allocated to discontinued operations based upon an assumed debt-to-equity ratio consistent with the Company's historical interest

allocation method for segment profit reporting. Interest expense of \$8 million, \$11 million and \$8 million was included in the operating results of discontinued operations in 1999, 1998 and 1997, respectively. The results of discontinued operations exclude management fees and, for public transportation services, branch overhead charges allocated by the Company and previously included in segment profit reporting. The gain on disposal of discontinued operations is net of direct transaction costs, gains on the curtailment and settlement of certain employee benefit plans and exit costs to separate the discontinued business.

RESTRUCTURING AND OTHER CHARGES

The components of restructuring and other charges and the allocation across business segments were as follows:

In thousands	Years ended December 31	
	1999	1998

Restructuring charges:		
Employee severance and benefits	\$16,500	724
Facilities and related costs	4,478	--
	-----	-----
	20,978	724
Other charges:		
Asset write-downs and valuation allowances	14,215	(8,264)
Start-up costs	7,970	--
Other	8,930	4,500
	-----	-----
	\$52,093	(3,040)
=====	=====	=====
Transportation Services	\$17,728	(3,385)
Integrated Logistics	5,310	--
International	7,138	345
Corporate and other	21,917	--
	-----	-----
	\$52,093	(3,040)
=====	=====	=====

During the fourth quarter of 1999, the Company implemented several restructuring initiatives designed to improve profitability and align the organizational structure with the strategic direction of the Company. The Company also identified certain assets that would be sold or for which development would be abandoned as a result of the restructuring. During 1999, the Company also restructured its lease and rental operations in the United Kingdom in conjunction with the December 1998 decision to retain the business. As a result of these initiatives, the Company recorded pretax charges in 1999 of \$52 million (\$33 million after tax, or \$0.48 per diluted common share).

The restructuring initiatives resulted in identification of approximately 250 employees whose jobs were terminated, all of whom were notified of their termination prior to December 31, 1999. The employees terminated and positions eliminated were principally corporate officers and staff, field operations personnel and sales force positions. Severance benefits will be substantially paid during the year 2000.

Facilities and related costs represent contractual lease obligations associated with facilities to be closed as a result of the restructuring.

In accordance with the Company's accounting policy and in conjunction with the restructuring, the Company reviewed identified assets for impairment. Asset impairments included the write-down to fair value of certain classes of used vehicles, real estate and other assets held for sale. Charges related to used vehicles and other assets and real estate were \$7 million and \$2 million, respectively. The fair value of impaired assets was determined using market price information provided by brokers and other industry sources. Asset write-offs included \$5 million for certain software development projects that would not be implemented or further utilized in the future.

In conjunction with the restructuring, the Company evaluated various insurance and risk-management alternatives that could be relevant and cost-effective given the Company's future direction and the current market for insurance products. As a result, during the fourth quarter of 1999, the Company formed a captive insurance subsidiary under which the Company's various self-insurance programs will be administered. Costs incurred related to the start-up of this entity totaled \$8 million and consisted principally of professional services and fees.

Other charges of \$9 million consist primarily of costs incurred for professional consulting services and other costs associated with the restructuring initiative.

In 1996, the Company recorded restructuring and other charges in connection with an organizational realignment. Restructuring and other charges in 1998 included the reversal of charges provided as part of the 1996 restructuring as well as unusual items incurred that year. In the third quarter of 1998, the Company substantially completed a facility closure program implemented in 1996 and credited operating expense for excess accruals of \$3 million. During the fourth quarter of 1998, the Company also decided to retain a small foreign business previously held for sale and reversed an asset impairment allowance of \$8 million that had been established in 1996.

During 1998, the Company explored various alternatives relative to disposing of its full service leasing and rental business in the United Kingdom in order to focus on global integrated logistics. In December 1998, the Company announced its intention to retain this business. The Company recorded \$5 million in transaction costs incurred during the sale process. The Company also provided \$3 million for software development projects that would not be implemented.

The following table displays a rollforward of the activity and balances of the restructuring reserve account for the years ended December 31, 1999 and 1998:

In thousands	Dec. 31	1999		Dec. 31
	1998	-----	-----	1999
	Balance	Additions	Deductions	Balance
Employee severance and benefits	\$ 537	16,500	4,020	13,017
Facilities and related costs	4,124	4,478	1,420	7,182
	\$ 4,661	20,978	5,440	20,199

In thousands	Dec. 31	1998		Dec. 31
	1998	-----	-----	1998
	Balance	Additions	Deductions	Balance
Employee severance and benefits	\$ 4,431	724	4,618	537
Facilities and related costs	8,033	--	3,909	4,124
	\$12,464	724	8,527	4,661

RECEIVABLES

In thousands	December 31	
	1999	1998
Gross trade	\$ 736,555	705,695
Receivables sold	(75,000)	(200,000)
Net trade	661,555	505,695
Financing lease	54,570	55,927
Other	19,944	8,066
	736,069	569,688
Allowance	(10,254)	(10,547)
	\$ 725,815	559,141

The Company participates in an agreement to sell, with limited recourse, up to \$375 million of trade receivables on a revolving basis through July 2002. The receivables are sold at a discount, which approximates the purchaser's financing cost of issuing its own commercial paper backed by the trade receivables. At December 31, 1999 and 1998, the outstanding balance of receivables sold pursuant to this agreement was \$75 million and \$200 million, respectively. Sales of receivables are reflected as a reduction of receivables in the accompanying consolidated balance sheets. The costs associated with this program were \$10 million in 1999, \$8 million in 1998 and \$6 million in 1997 and were charged to miscellaneous income, net. In addition, the Company is generally at risk for credit losses associated with sold receivables and provides for such in the financial statements.

REVENUE EARNING EQUIPMENT

In thousands	December 31	
	1999	1998
Full service lease	\$3,442,205	3,552,891
Commercial rental	1,136,330	1,278,036
	4,578,535	4,830,927
Accumulated depreciation	(1,483,084)	(1,803,425)
	3,095,451	3,027,502
Public transportation revenue earning equipment	--	352,739
Accumulated depreciation	--	(168,272)
	--	184,467
	\$3,095,451	3,211,969

OPERATING PROPERTY AND EQUIPMENT

In thousands	December 31	
	1999	1998
Land	\$ 105,794	107,057
Buildings and improvements	521,746	503,188
Machinery and equipment	439,352	407,304
Other	88,997	114,548
	1,155,889	1,132,097
Accumulated depreciation	(574,784)	(534,146)
	\$ 581,105	597,951

DIRECT FINANCING LEASES AND OTHER ASSETS

In thousands	December 31	
	1999	1998
Direct financing leases	\$ 391,346	375,360
Prepaid pension benefit cost	95,074	71,270
Vehicle securitization credit enhancement	28,697	6,793
Investments held in Rabbi Trust	36,961	22,807
Notes receivable on asset sales	36,855	7,234
Deposits	17,151	8,582
Other	46,186	51,196
	\$ 652,270	543,242

ACCRUED EXPENSES AND OTHER NON-CURRENT LIABILITIES

In thousands	December 31	
	1999	1998
Salaries and wages	\$ 102,250	104,498
Employee benefits	21,228	16,360
Interest	27,859	38,628
Operating taxes	82,646	80,078
Income taxes	42,734	425
Self-insurance reserves	227,456	227,982
Postretirement benefits other than pensions	41,766	46,761
Vehicle rent and related accruals	109,193	153,018
Environmental liabilities	18,462	22,962
Restructuring	20,199	4,661
Other	133,165	127,465
	826,958	822,838
Non-current portion	(285,802)	(343,003)

Accrued expenses	\$ 541,156	479,835
=====		

LEASES

Operating Leases as Lessor. One of the Company's major product lines is full service leasing of commercial trucks, tractors and trailers. These lease agreements provide for a fixed time charge plus a fixed per-mile charge. A portion of these charges is often adjusted in accordance with changes in the Consumer Price Index. Contingent rentals included in income during 1999, 1998 and 1997 were \$263 million, \$243 million and \$235 million, respectively.

Direct Financing Leases. The Company also leases revenue earning equipment to clients as direct financing leases. The net investment in direct financing leases consisted of:

In thousands	December 31	
	1999	1998
Minimum lease payments receivable	\$ 796,838	772,550
Executory costs and unearned income	(420,455)	(405,777)
Unguaranteed residuals	69,533	64,514
Net investment in direct financing leases	445,916	431,287
Current portion	(54,570)	(55,927)
Non-current portion	\$ 391,346	375,360

Contingent rentals included in income were \$26 million in 1999, 1998 and 1997.

OPERATING LEASES AS LESSEE. The Company leases vehicles, facilities and office equipment under operating lease agreements. The majority of these agreements are vehicle leases which specify that rental payments be adjusted periodically based on changes in interest rates and provide for early termination at stipulated values.

During 1999 and 1998, the Company entered into several agreements for the sale and operating leaseback of revenue earning equipment. The leases contain purchase and renewal options as well as limited guarantees of the lessor's residual value. Proceeds from these transactions totaled \$594 million in 1999 and \$312 million in 1998.

The Company's sale-leaseback transactions include vehicle securitizations in which the Company sold a beneficial interest in certain revenue earning equipment to separately rated and unconsolidated vehicle lease trusts. Such securitizations generated cash proceeds of \$294 million in 1999 and \$73 million in 1998. The vehicles were sold for their carrying value and the Company retained an interest in the form of a subordinated note issued at the date of each sale. The Company is obligated to make lease payments only to the extent of collections on the related vehicle leases and vehicle sales. The Company has provided credit enhancement in the form of cash reserve funds and a pledge of the subordinated notes as additional security for the trusts to the extent that delinquencies and losses on the truck leases and related vehicle sales are incurred. As of December 31, 1999 and 1998, credit enhancements maintained by the Company totaled \$29 million and \$7 million, respectively, and are included in "Direct Financing Leases and Other Assets." During 1999, 1998 and 1997, rent expense was \$285 million, \$242 million and \$220 million, respectively. Contingent rentals paid on securitized vehicles were \$23 million in 1999 and \$10 million in 1998.

Lease Payments. Future minimum payments for leases in effect at December 31, 1999 were as follows:

In thousands	As Lessor		As Lessee
	Operating Leases	Direct Financing Leases	Operating Leases
2000	\$1,049,764	132,208	310,340
2001	891,356	130,008	284,447
2002	710,354	122,580	262,049
2003	523,728	113,776	170,769
2004	339,040	104,841	58,891
Thereafter	248,205	193,425	120,664
	\$3,762,447	796,838	1,207,160

The amounts in the previous table are based upon the assumption that revenue earning equipment will remain on lease for the length of time specified by the respective lease agreements. This is not a projection of future lease revenue or expense; no effect has been given to renewals, new business, cancellations, contingent rentals or future rate changes.

INCOME TAXES

The components of the provision for income taxes attributable to continuing operations were as follows:

In thousands	Years ended December 31		
	1999	1998	1997
Current tax benefit:			
Federal	\$(183,470)	(24,173)	(38,068)
State	(24,392)	(6,357)	(4,329)
Foreign	2,398	6,850	1,439
	(205,464)	(23,680)	(40,958)
Deferred tax expense:			
Federal	210,542	88,173	99,610
State	31,596	11,729	14,796
Foreign	7,903	530	8,214
	250,041	100,432	122,620
Provision for income taxes	\$ 44,577	76,752	81,662

A reconciliation of the Federal statutory tax rate with the effective tax rate for continuing operations follows:

	% of Pretax Income		
	1999	1998	1997
Federal statutory tax rate	35.0	35.0	35.0
Impact on deferred taxes for changes in tax rates	--	(0.8)	(0.7)
State income taxes, net of Federal income tax benefit	4.0	1.7	3.3
Amortization of goodwill	0.1	1.2	1.0
Miscellaneous items, net	(1.2)	0.4	0.4
Effective tax rate	37.9	37.5	39.0

The components of the net deferred income tax liability were as follows:

In thousands	December 31	
	1999	1998

Deferred income tax assets:		
Self-insurance reserves	\$ 51,667	74,190
Alternative minimum taxes	6,011	30,905
Accrued compensation and benefits	30,484	31,345
Lease accruals and reserves	28,378	45,707
Miscellaneous other accruals	48,447	32,375
	-----	-----
	164,987	214,522
Valuation allowance	(12,822)	(13,030)
	-----	-----
	152,165	201,492

Deferred income tax liabilities:		
Property and equipment		
bases difference	(1,039,023)	(894,475)
Other items	(102,173)	(113,361)
	-----	-----
	(1,141,196)	(1,007,836)
	-----	-----
Net deferred income tax liability*	\$ (989,031)	(806,344)
	=====	=====

*Deferred tax assets of \$22 million and \$1 million have been included in the consolidated balance sheet caption "Prepaid expenses and other current assets" at December 31, 1999 and 1998, respectively.

Deferred taxes have not been provided on temporary differences related to investments in foreign subsidiaries that are considered permanent in duration. These temporary differences consist primarily of undistributed foreign earnings of \$100 million at December 31, 1999. A full foreign tax provision has been made on these undistributed foreign earnings. Determination of the amount of deferred taxes on these temporary differences is not practicable due to foreign tax credits and exclusions.

The Company had unused alternative minimum tax credits, for tax purposes, of \$6 million at December 31, 1999, available to reduce future income tax liabilities. The alternative minimum tax credits may be carried forward indefinitely.

A valuation allowance has been established to reduce deferred income tax assets, principally foreign tax loss carryforwards, to amounts expected to be realized.

Income taxes paid (refunded) totaled \$72 million in 1999, \$(23) million in 1998, and \$18 million in 1997 and include amounts related to both continuing and discontinued operations.

DEBT

In thousands	December 31	
	1999	1998
U.S. commercial paper	\$ 320,000	197,500
Canadian commercial paper	45,006	18,102
Unsecured U.S. notes:		
Debentures, 6.50% to 9.88%, due 2001 to 2017	453,244	623,971
Medium-term notes, 5.00% to 8.45%, due 2000 to 2025	1,181,443	1,364,062
Unsecured foreign obligations (principally pound sterling), 4.84% to 14.25%, due 2000 to 2006	335,343	338,496
Other debt, including capital leases	58,353	40,900
Total debt	2,393,389	2,583,031
Current portion	(574,253)	(483,334)
Long-term debt	\$1,819,136	2,099,697

Debt maturities (including sinking fund requirements) during the five years subsequent to December 31, 1999 were as follows:

In thousands	Debt Maturities
2000	\$574,253
2001	322,347
2002	655,207
2003	126,835
2004	90,214

The weighted average interest rates for outstanding U.S. commercial paper at December 31, 1999 and 1998, were 6.60 percent and 5.96 percent, respectively. The weighted average interest rates for outstanding Canadian commercial paper at December 31, 1999 and 1998, were 5.17 percent and 5.30 percent, respectively. U.S. commercial paper is classified as long-term debt since it is backed by the long-term revolving credit facility discussed below.

The Company can borrow up to \$720 million through an unsecured global revolving credit facility, which expires in May 2002. The global credit facility is primarily to be used to finance working capital and provide support for the issuance of commercial paper. At the Company's option, the interest rate on borrowings under the global credit facility is based on LIBOR, prime, federal funds or local equivalent rates. No compensating balances are required under the global credit facility; however, it does have an annual facility fee of 0.08 percent based on the Company's current credit rating. At December 31, 1999, foreign borrowings of \$58 million were outstanding under the credit facility and the Company had \$342 million available under this agreement.

The Company has issued unsecured medium-term notes under various shelf registration statements filed with the Securities and Exchange Commission. In 1998, the Company registered an additional \$800 million for future debt issues. As of December 31, 1999, the Company had \$487 million of debt securities available for issuance under the latest registration statement. The Company had unamortized original issue discounts of \$18 million and \$21 million for the medium-term notes and debentures at December 31, 1999 and 1998, respectively.

During the fourth quarter of 1999, the Company recorded an extraordinary loss of \$4 million (net of income tax benefit of \$3 million) in connection with the early retirement of \$156 million of medium-term notes. The loss represents the payment of redemption premiums and the write-off of deferred finance costs.

At December 31, 1999 and 1998, the Company also had letters of credit outstanding totaling \$134 million and \$163 million, respectively, which primarily guarantee various insurance activities.

Interest paid for both continuing and discontinued operations totaled \$206 million in 1999, \$201 million in 1998 and \$196 million in 1997.

The carrying amount of debt (excluding capital leases) was \$2,341 million and \$2,548 million as of December 31, 1999 and 1998, respectively. Based on dealer quotations that represent the discounted future cash flows through maturity or expiration using current rates, the fair value of this debt at December 31, 1999 and 1998 was estimated at \$2,289 million and \$2,623 million, respectively.

At December 31, 1997, the Company had outstanding an interest rate swap agreement effectively changing the interest rate exposure on \$61 million of medium-term notes from variable to a 5.84 percent fixed rate. The swap matured in March 1998.

SHAREHOLDERS' EQUITY

In December 1999, the Company completed a \$200 million stock repurchase program announced in September 1999 in conjunction with the sale of the public transportation services business. In September 1999, the Company also completed a three million-share repurchase program announced in December 1998. Since 1996, five repurchase programs have been completed, resulting in the repurchase of 27 million shares of common stock.

At December 31, 1999, the Company had 59,395,050 Preferred Stock Purchase Rights (Rights) outstanding which expire in March 2006. The Rights contain provisions to protect shareholders in the event of an unsolicited attempt to acquire the Company that is not believed by the board of directors to be in the best interest of shareholders. The Rights are evidenced by common stock certificates, are subject to anti-dilution provisions, and are not exercisable, transferable or exchangeable apart from the common stock until 10 days after a person, or a group of affiliated or associated persons, acquires beneficial ownership of 10 percent or more, or, in the case of exercise or transfer, makes a tender offer for 10 percent or more of the Company's common stock. The Rights entitle the holder, except such an acquiring person, to purchase at the current exercise price of \$100, that number of the Company's common shares that at the time would have a market value of \$200. In the event the Company is acquired in a merger or other business combination (including one in which the Company is the surviving corporation), each Right entitles its holder to purchase at the current exercise price of \$100 that number of common shares of the surviving corporation which would then have a market value of \$200. In lieu of common shares, Rights holders can purchase 1/100 of a share of Series C Preferred Stock for each Right. The Series C Preferred Stock would be entitled to quarterly dividends equal to the greater of \$10 per share or 100 times the common stock dividend per share and have 100 votes per share, voting together with the common stock. By action of the board of directors, the Rights may also be exchanged in whole or in part, at an exchange ratio of one share of common stock per Right. The Rights have no voting rights and are redeemable, at the option of the Company, at a price of \$0.01 per Right prior to the acquisition by a person or a group of persons affiliated or associated persons of beneficial ownership of 10 percent or more of the common stock.

EMPLOYEE STOCK OPTION AND STOCK PURCHASE PLANS

Option Plans. The Company sponsors various stock option and incentive plans which provide for the granting of options to employees and directors for purchase of common stock at prices equal to fair market value at the time of grant. Options granted under all plans are for terms not exceeding 10 years and are exercisable cumulatively 20 percent to 50 percent each year based on the terms of the grant.

Key employee plans also provide for the issuance of stock appreciation rights, limited stock appreciation rights, performance units or restricted stock at no cost to the employee. In 1999, the Company issued 30,000 shares of restricted stock and granted restricted stock rights for 15,650 shares. No grants were made in 1998 or 1997. Awards under a non-employee director plan may also be granted in tandem with restricted stock units at no cost to the grantee; 4,013 units, 2,850 units and 47,673 units were granted in 1999, 1998 and 1997, respectively. The value of the restricted stock and stock units, equal to fair market value at the time of grant, is recognized as compensation expense as the restricted stock and stock units vest over the periods established for each

grant. This compensation expense was not significant in 1999, 1998 and 1997.

The following table summarizes the status of the Company's stock option plans (shares in thousands):

	1999		1998		1997	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Beginning of year	5,253	\$28.06	6,000	\$27.18	6,878	\$24.33
Granted	2,200	26.76	246	33.21	1,339	35.08
Exercised	(92)	22.44	(911)	23.60	(2,037)	22.85
Forfeited	(599)	27.47	(82)	27.01	(180)	26.40
End of year	6,762	\$27.77	5,253	\$28.06	6,000	\$27.18
Exercisable at end of year	4,099	\$27.59	3,610	\$26.12	3,373	\$23.87
Available for future grant	2,258	N/A	3,907	N/A	1,566	N/A

Information about options in various price ranges at December 31, 1999 follows (shares in thousands):

Price Ranges	Options Outstanding			Options Exercisable	
	Shares	Remaining Life (in years)	Weighted Average Price	Shares	Weighted Average Price
\$10-20	254	1.5	\$16.13	254	\$16.13
20-25	832	4.3	22.96	596	22.64
25-30	4,363	6.5	27.06	2,390	27.24
30-38	1,313	6.8	35.42	859	35.42
	6,762	6.1	\$27.77	4,099	\$27.59

Purchase Plans. The Employee Stock Purchase Plan provides for periodic offerings to substantially all U.S. and Canadian employees, with the exception of employees in executive stock option plans, to subscribe shares of the Company's common stock at 85 percent of the fair market value on either the date of offering or the last day of the purchase period, whichever is less. The most recent stock purchase plan provides for quarterly purchase periods. The U.K. Stock Purchase Scheme provides for periodic offerings to substantially all U.K. employees to subscribe shares of the Company's common stock at 85 percent of the fair market value on the date of the offering.

The following table summarizes the status of the Company's stock purchase plans (shares in thousands):

	1999		1998		1997	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Beginning of year	82	\$27.05	571	\$24.46	1,653	\$23.88
Granted	300	18.43	146	20.31	63	30.28
Exercised	(300)	19.71	(586)	23.05	(994)	23.96
Forfeited	(10)	27.66	(49)	24.54	(151)	23.91
End of year	72	\$27.00	82	\$27.05	571	\$24.46
Exercisable at end of year	--	N/A	--	N/A	472	\$23.96
Available for future grant	2,436	N/A	226	N/A	323	N/A

Pro Forma Information. The Company accounts for stock-based compensation using the intrinsic value method; accordingly, except for restricted stock grants, no compensation expense has been recognized for stock-based compensation plans. Had the fair value method of accounting been applied to the Company's plans, which requires recognition of compensation expense over the vesting periods of the awards, pro forma net earnings and earnings per share would have been:

In thousands, except per share amounts	Years ended December 31		
	1999	1998	1997

Net earnings:			
As reported	\$419,678	159,071	175,685
Pro forma	412,789	150,958	164,235
Earnings per share:			
Basic:			
As reported	6.12	2.18	2.28
Pro forma	6.02	2.07	2.14
Diluted:			
As reported	6.11	2.16	2.25
Pro forma	6.02	2.06	2.11

This pro forma impact only takes into account options granted since January 1, 1995 and is likely to increase in future years as additional options are granted and amortized over the vesting period. The fair values of options granted since January 1, 1995 were estimated as of the dates of grant using the Black-Scholes option pricing model. The option pricing assumptions were as follows:

	Years ended December 31		
	1999	1998	1997

Dividend yield	2.5%	2.3%	1.8%
Expected volatility	25.7%	25.1%	24.5%
Option plans:			
Risk-free interest rate	5.4%	5.4%	6.2%
Weighted average expected life	7 years	9 years	8 years
Weighted average grant-date fair value per option	\$7.77	\$11.05	\$12.59
Purchase plans:			
Risk-free interest rate	4.9%	5.3%	6.1%
Weighted average expected life	.25 year	.25 year	5 years
Weighted average grant-date fair value per option	\$4.99	\$5.50	\$12.30

EARNINGS PER SHARE INFORMATION

A reconciliation of the number of shares used in computing basic and diluted EPS follows:

In thousands	Years ended December 31		
	1999	1998	1997

Weighted average shares outstanding - Basic	68,536	73,068	76,888
Common equivalents:			
Shares issuable under outstanding dilutive options	1,084	3,850	5,442
Shares assumed repurchased based on the average market value for the period	(994)	(3,416)	(4,494)
Dilutive effect of restricted stock and exercised options prior to being exercised, net	106	143	356

Weighted average shares outstanding - Diluted	68,732	73,645	78,192
=====			
Anti-dilutive options not included above	5,750	1,485	1,129
=====			

EMPLOYEE BENEFIT PLANS

Pension Plans. The Company sponsors several defined benefit pension plans covering substantially all employees not covered by union-administered plans, including certain employees in foreign countries. These plans generally provide participants with benefits based on years of service and career-average compensation levels. The funding policy for these plans is to make contributions based on normal costs plus amortization of unfunded past service liability but not greater than the maximum allowable contribution deductible for Federal income tax purposes. The majority of the plans' assets are invested in a master trust which, in turn, is primarily invested in listed stocks and bonds. The Company also contributed to various defined benefit, union-administered, multi-employer plans for employees under collective bargaining agreements.

Pension (income) expense was as follows:

In thousands	Years ended December 31		
	1999	1998	1997

Company-administered plans:			
Service cost	\$ 32,649	26,067	24,037
Interest cost	50,087	48,356	46,160
Expected return on plan assets	(85,422)	(75,680)	(60,078)
Curtailement gain	--	--	(7,614)
Amortization of transition asset	(3,818)	(3,848)	(3,376)
Recognized net actuarial (gain) loss	(2,323)	(2,334)	523
Amortization of prior service cost	2,382	2,368	1,816

	(6,445)	(5,071)	1,468
Union-administered plans	2,591	2,488	1,840

Net pension (income) expense	\$ (3,854)	(2,583)	3,308
=====			

The Company also recorded curtailment and settlement gains of \$4 million in 1999 and \$3 million in 1997 as part of the gain on disposal of discontinued operations.

The following table sets forth the balance sheet impact, as well as the benefit obligations, assets and funded status associated with the Company's pension plans:

In thousands	December 31	
	1999	1998

Change in benefit obligations:		
Benefit obligations at January 1,	\$ 787,729	708,714
Service cost	32,649	26,067
Interest cost	50,087	48,356
Amendments	--	618
Actuarial gain	(7,047)	(4,053)
Benefits paid	(34,905)	(38,530)
Settlement and curtailment	(21,331)	--
Change in discount rate assumption	(104,019)	46,986
Foreign currency exchange rate changes	(1,387)	(429)

Benefit obligations at December 31,	701,776	787,729

Change in plan assets:		
Fair value of plan assets at January 1,	929,161	820,696
Actual return on plan assets	167,229	136,108
Employer contribution	10,084	8,466
Plan participants' contributions	3,025	2,746
Benefits paid	(34,905)	(38,530)
Settlement	(19,183)	--
Foreign currency exchange rate changes	(1,288)	(325)

Fair value of plan assets at December 31,	1,054,123	929,161

Funded status	352,347	141,432
Unrecognized transition asset	(4,036)	(7,990)
Unrecognized prior service cost	12,795	15,355
Unrecognized net actuarial gain	(278,761)	(88,713)

Prepaid pension benefit cost	\$ 82,345	60,084
=====		

Amounts recognized in the balance sheet consist of:

In thousands	December 31	
	1999	1998
Other assets (prepaid pension benefit cost)	\$ 95,074	71,270
Accrued expenses	(12,729)	(11,186)
	\$ 82,345	60,084

The following table sets forth the actuarial assumptions used for the Company's dominant plan:

	December 31	
	1999	1998
Discount rate	7.75%	6.75%
Rate of increase in compensation levels	5.00%	5.00%
Expected long-term rate of return on plan assets	9.50%	9.50%
Transition amortization in years	8	8
Gain and loss amortization in years	8	8

Savings Plans. The Company also has defined contribution savings plans that cover substantially all eligible employees. Company contributions to the plans, which are based on employee contributions and the level of company match, totaled approximately \$11 million in 1999 and \$12 million in 1998 and 1997.

Supplemental Pension and Deferred Compensation Plans. The Company has a non-qualified supplemental pension plan covering certain employees which provides for incremental pension payments from the Company's funds so that total pension payments equal amounts that would have been payable from the Company's principal pension plans if it were not for limitations imposed by income tax regulations. The benefit obligation under this plan totaled \$15 million and \$17 million at December 31, 1999 and 1998, respectively. The accrued pension expense liability related to this plan was \$13 million and \$11 million at December 31, 1999 and 1998, respectively. Pension expense for this plan totaled \$2 million in 1999, 1998 and 1997.

The Company also has deferred compensation plans that permit eligible employees, officers and directors to defer a portion of their compensation. The deferred compensation liability, including Company matching amounts and accumulated earnings on notional investments, totaled \$23 million and \$20 million at December 31, 1999 and 1998, respectively.

The Company has established a grantor trust (Rabbi Trust) to provide funding for benefits payable under the supplemental pension plan and deferred compensation plans. The assets held in trust at December 31, 1999 and 1998, amounted to \$37 million and \$23 million, respectively. These assets are included in "Direct Financing Leases and Other Assets" in the accompanying balance sheets because they are available to the general creditors of the Company in the event of the Company's insolvency. Rabbi Trust assets consist of a managed portfolio of equity securities and corporate-owned life insurance policies. The equity securities are classified as trading assets and stated at fair value. Both realized and unrealized gains and losses are included in miscellaneous income, net.

Postretirement Benefits Other Than Pensions. The Company sponsors plans that provide retired employees with certain health care and life insurance benefits. Substantially all employees not covered by union-administered health and welfare plans are eligible for these benefits. Health care benefits for the Company's principal plans are generally provided to qualified retirees under age 65 and eligible dependents. Generally, these plans require employee contributions which vary based on years of service and include provisions which cap Company contributions. On January 1, 1998, the postretirement plans were amended to change the health care provider elections. The amendment generated an unrecognized prior service credit of \$9 million.

Total periodic postretirement benefit expense was as follows:

In thousands	Years ended December 31		
	1999	1998	1997
Service cost	\$ 1,360	1,117	1,569
Interest cost	2,210	2,535	3,122
Curtailment gain	--	--	(1,881)
Recognized net actuarial gain	(94)	--	--
Amortization of prior service cost	(1,043)	(1,091)	--
Postretirement benefit expense	\$ 2,433	2,561	2,810

The Company also recorded curtailment and settlement gains of \$1 million in 1999 and \$3 million in 1997 as part of the gain on disposal of discontinued operations.

The Company's postretirement benefit plans are not funded. The following table sets forth the balance sheet impact, as well as the benefit obligations and rate assumptions associated with the Company's postretirement benefit plans:

In thousands	December 31	
	1999	1998
Benefit obligations at January 1,	\$38,976	44,286
Service cost	1,360	1,117
Interest cost	2,210	2,535
Amendment	--	(8,731)
Actuarial loss (gain)	(3,830)	2,801
Benefits paid	(3,847)	(3,497)
Curtailment and settlement	(2,271)	--
Change in discount rate assumption	(2,959)	1,797
Change in participation assumption	--	(1,332)
Benefit obligations at December 31,	29,639	38,976
Unrecognized prior service credit	5,556	7,640
Unrecognized net actuarial gain	6,571	145
Accrued postretirement benefit obligation	\$41,766	46,761
Discount rate	7.75%	6.75%

The actuarial assumptions include health care cost trend rates projected ratably from 7.5 percent in 2000 to 6 percent in 2003 and thereafter. Changing the assumed health care cost trend rates by 1 percent in each year would not have had a material effect on the accumulated postretirement benefit obligation as of December 31, 1999 or postretirement benefit expense for 1999.

ENVIRONMENTAL MATTERS

The Company's operations involve storing and dispensing petroleum products, primarily diesel fuel. In 1988, the Environmental Protection Agency issued regulations that established requirements for testing and replacing underground storage tanks. During 1998, the Company completed its tank replacement program to comply with the regulations. In addition, the Company has received notices from the Environmental Protection Agency and others that it has been identified as a potentially responsible party (PRP) under the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendments and Reauthorization Act and similar state statutes and may be required to share in the cost of cleanup of 34 identified disposal sites.

The Company's environmental expenses, which included remediation costs as well as normal recurring expenses such as licensing, testing and waste disposal fees, were \$10 million in 1999 and \$4 million in 1998 and 1997.

The ultimate costs of the Company's environmental liabilities cannot be projected with certainty due to the presence of several unknown factors, primarily the level of contamination, the effectiveness of selected remediation methods, the stage of investigation at individual sites, the determination of the Company's liability in proportion to other responsible parties and the recoverability of such costs from third parties. Based on information presently available, management believes that the ultimate disposition of these matters, although potentially material to the results of operations in any one year, will not have a material adverse effect on the Company's financial condition or liquidity.

OTHER MATTERS

The Company is currently involved in litigation with a former client relating to a logistics services agreement that was terminated in 1997. The former client has filed a claim against the Company and the Company has filed a counter claim. Management believes that the resolution of this matter will not have a material impact on the Company's consolidated financial position, liquidity or results of operations.

The Company is also a party to various other claims, legal actions and complaints arising in the ordinary course of business. While any proceeding or litigation has an element of uncertainty, management believes that the disposition of these matters will not have a material impact on the consolidated financial position, liquidity or results of operations of the Company.

SEGMENT REPORTING

The Company operates in three business segments: (1) Transportation Services, which provides full service leasing, commercial rental and programmed maintenance of trucks, tractors and trailers to clients throughout the U.S. and Canada; (2) Integrated Logistics, which provides support services for clients' entire supply chains, from inbound raw materials supply through finished goods distribution, including dedicated contract carriage, the management of carriers, and inventory deployment throughout the U.S. and Canada; and (3) International, which provides full service leasing, commercial rental, programmed maintenance and logistics services in Europe, South America and Mexico.

The segment information set forth below is based on the nature of the services offered, as well as the geographic markets served. The accounting policies of the business segments are the same as those previously described in the "Summary of Significant Accounting Policies" note. The Company evaluates financial performance based upon several factors, of which the primary measure is business segment earnings before income taxes and unusual items such as Year 2000 expense, restructuring and other charges. Business segment earnings before income taxes represent the total profit earned from each segment's clients across all of the Company's segments and include allocations of certain overhead costs. The Transportation Services segment leases revenue earning equipment, sells fuel and provides maintenance and other ancillary services to the Integrated Logistics segment. Inter-segment sales are accounted for at fair value as if the sales were made to third parties. Interest expense, net is allocated to the various business segments based upon targeted debt-to-equity ratios using an interest factor, which reflects the Company's average total cost of debt. In 1998, 10 percent of the Company's revenue was derived from General Motors Corporation, primarily from the Integrated Logistics segment. In 1999 and 1997, no customer exceeded 10 percent of the Company's revenue.

In thousands	Years ended December 31		
	1999	1998	1997

REVENUE			
Transportation Services	\$2,973,548	2,811,244	2,836,950
Integrated Logistics	1,713,051	1,501,126	1,370,320
International	590,226	603,834	457,869
Eliminations	(324,621)	(309,228)	(296,991)

Total revenue	\$4,952,204	4,606,976	4,368,148
=====			

In thousands	Years ended December 31		
	1999	1998	1997

EARNINGS BEFORE INCOME TAXES			
Transportation Services	\$ 192,764	214,028	200,254
Integrated Logistics	54,365	76,514	67,300
International	29	252	1,516
Eliminations	(38,709)	(38,618)	(35,754)

Total reportable segments	208,449	252,176	233,316
Other, primarily corporate administrative expense	(14,812)	(13,234)	(20,274)
Restructuring and other charges	(52,093)	3,040	--
Year 2000 expense	(24,050)	(37,418)	(3,492)

Total earnings before income taxes	\$ 117,494	204,564	209,550
=====			

In thousands	Years ended December 31		
	1999	1998	1997

DEPRECIATION EXPENSE, NET OF GAINS			
Transportation Services	\$ 461,586	463,567	465,708
Integrated Logistics	20,662	18,824	16,485
International	82,408	84,824	74,730

Total reportable segments	564,656	567,215	556,923
Other, primarily corporate	2,109	2,447	2,250

Total depreciation, net of gains	\$ 566,765	569,662	559,173
=====			

In thousands	Years ended December 31		
	1999	1998	1997

AMORTIZATION EXPENSE AND OTHER NON-CASH CHARGES, NET			
Transportation Services	\$ 2,093	2,649	(1,270)
Integrated Logistics	8,267	4,969	5,996
International	7,905	(4,490)	(1,225)

Total reportable segments	18,265	3,128	3,501
Other, primarily corporate	7,971	(3,920)	2,361

Total amortization and other non-cash charges, net	\$ 26,236	(792)	5,862
=====			

In thousands	Years ended December 31		
	1999	1998	1997
INTEREST EXPENSE, NET			
Transportation Services	\$ 169,082	162,070	159,317
Integrated Logistics	2,368	1,588	214
International	22,187	25,564	22,975

Total reportable segments	193,637	189,222	182,506
Other, primarily corporate	(9,961)	(1,436)	(2,755)

Total interest expense, net	\$ 183,676	187,786	179,751
=====			

In thousands	1999	December 31	
		1998	1997
ASSETS			
Transportation Services	\$4,633,637	4,236,787	4,229,236
Integrated Logistics	325,175	294,667	286,677
International	567,947	611,755	552,522

Total reportable segments	5,526,759	5,143,209	5,068,435
Other, primarily corporate	243,691	186,909	87,143
Discontinued operations	--	378,483	353,482

Total assets	\$5,770,450	5,708,601	5,509,060
=====			

In thousands	Years ended December 31		
	1999	1998	1997
CAPITAL EXPENDITURES			
Transportation Services	\$1,617,934	1,203,885	872,568
Integrated Logistics	19,437	20,413	24,921
International	92,683	107,366	89,603

Total reportable segments	1,730,054	1,331,664	987,092
Other, primarily corporate	4,165	1,477	2,485

Total capital expenditures	\$1,734,219	1,333,141	989,577
=====			

Geographic Information

In thousands	Years ended December 31		
	1999	1998	1997
REVENUE			
Transportation Services	\$2,521,561	2,377,851	2,408,954
Integrated Logistics	1,556,526	1,386,458	1,298,408

Total United States	4,078,087	3,764,309	3,707,362

Transportation Services	460,993	400,354	386,045
Integrated Logistics	413,124	442,313	274,741

Total Foreign	874,117	842,667	660,786

Total	\$4,952,204	4,606,976	4,368,148
=====			

In thousands	1999	December 31	
		1998	1997
LONG-LIVED ASSETS			
United States	\$3,072,892	3,209,027	3,139,084
Foreign	603,664	600,893	588,082

Total	\$3,676,556	3,809,920	3,727,166
=====			

SUPPLEMENTARY DATA
RYDER SYSTEM, INC. AND SUBSIDIARIES

QUARTERLY FINANCIAL AND COMMON STOCK DATA

In thousands, except share data	Revenue	Earnings From Continuing Operations	Net Earnings	Per Common Share						
				Earnings from Continuing Operations		Net Earnings		Stock Prices		Dividends Per Common Share
				Basic	Diluted	Basic	Diluted	High	Low	
1999										
First quarter	\$1,154,022	10,888	22,140	0.15	0.15	0.31	0.31	28.75	23.56	0.15
Second quarter	1,214,832	20,579	30,150	0.29	0.29	0.43	0.43	28.38	22.19	0.15
Third quarter	1,261,566	35,109	361,467	0.51	0.51	5.22	5.21	26.25	20.00	0.15
Fourth quarter	1,321,784	6,341	5,921	0.10	0.10	0.09	0.09	24.94	18.81	0.15
Total	\$4,952,204	72,917	419,678	1.06	1.06	6.12	6.11	28.75	18.81	0.60
=====										
1998										
First quarter	\$1,092,518	24,992	37,274	0.34	0.33	0.50	0.50	38.94	31.44	0.15
Second quarter	1,131,001	33,458	45,267	0.45	0.45	0.61	0.61	40.56	31.06	0.15
Third quarter	1,176,332	40,417	37,048	0.55	0.55	0.51	0.51	32.25	19.44	0.15
Fourth quarter	1,207,125	28,945	39,482	0.40	0.40	0.55	0.55	28.81	21.75	0.15
Total	\$4,606,976	127,812	159,071	1.75	1.74	2.18	2.16	40.56	19.44	0.60
=====										

Quarterly and year-to-date computations of per share amounts are made independently; therefore, the sum of per share amounts for the quarters may not equal per share amounts for the year. Information for 1998 and the first two quarters of 1999 has been restated to reflect the Company's public transportation services business as a discontinued operation (see the "Divestitures" note to the consolidated financial statements for a further discussion).

Earnings from continuing operations in the third and fourth quarters of 1999 were impacted, in part, by after-tax restructuring and other charges of \$2 million and \$30 million, respectively. Earnings from continuing operations in the third quarter of 1998 were impacted, in part, by after-tax restructuring and other charges of \$(2) million.

Net earnings in the fourth quarter of 1999 were also impacted by a \$4 million after-tax extraordinary loss resulting from the early extinguishment of debt.

The Company's common shares are traded on the New York Stock Exchange, the Chicago Stock Exchange, the Pacific Stock Exchange and the Berlin Stock Exchange. As of January 31, 2000, there were 15,458 common stockholders of record.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by Item 10 regarding executive officers is set out in Item 1 of Part I of this Form 10-K Annual Report.

Other information required by Item 10 is incorporated herein by reference to the Company's definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year.

ITEM 11. EXECUTIVE COMPENSATION

Information required by Item 11 is incorporated herein by reference to the Company's definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by Item 12 is incorporated herein by reference to the Company's definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by Item 13 is incorporated herein by reference to the Company's definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES,

AND REPORTS ON FORM 8-K

(a) 1. Financial Statements for Ryder System, Inc. and Consolidated Subsidiaries:

Items A through E are submitted herein on the following pages of the Form 10-K Annual Report:

Page No.

A) Independent Auditors' Report.....	26
B) Consolidated Statements of Earnings for years ended December 31, 1999, 1998 and 1997.....	27
C) Consolidated Balance Sheets as of December 31, 1999 and 1998.....	28
D) Consolidated Statements of Cash Flows for years ended December 31, 1999, 1998 and 1997.....	29
E) Consolidated Statements of Shareholders' Equity for years ended December 31, 1999, 1998 and 1997.....	30
F) Notes to Consolidated Financial Statements.....	31

2. Not applicable.

All other schedules and statements are omitted because they are not applicable or not required or because the required information is included in the consolidated financial statements or notes thereto.

Supplementary Financial Information consisting of selected quarterly financial data is included in Item 5 of this report.

3. Exhibits:

The following exhibits are filed with this report or, where indicated, incorporated by reference (Forms 10-K, 10-Q and 8-K referenced herein have been filed under the Commission's file No. 1-4364). The Company will provide a copy of the exhibits filed with this report at a nominal charge to those parties requesting them.

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----
3.1	The Ryder System, Inc. Restated Articles of Incorporation, dated November 8, 1985, as amended through May 18, 1990, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1990, are incorporated by reference into this report.
3.2	The Ryder System, Inc. By-Laws, as amended through July 29, 1999.
4.1	The Company hereby agrees, pursuant to paragraph (b)(4)(iii) of Item 601 of Regulation S-K, to furnish the Commission with a copy of any instrument defining the rights of holders of long-term debt of the Company, where such instrument has not been filed as an exhibit hereto and the total amount of securities authorized thereunder does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis.
4.2(a)	The Form of Indenture between Ryder System, Inc. and The Chase Manhattan Bank (National Association) dated as of June 1, 1984, filed with the Commission on November 19, 1985 as an exhibit to the Company's Registration Statement on Form S-3 (No. 33-1632), is incorporated by reference into this report.
4.2(b)	The First Supplemental Indenture between Ryder System, Inc. and The Chase Manhattan Bank (National Association) dated October 1, 1987, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1994, is incorporated by reference into this report.
4.3	The Form of Indenture between Ryder System, Inc. and The Chase Manhattan Bank (National Association) dated as of May 1, 1987, and supplemented as of November 15, 1990 and June 24, 1992, filed with the Commission on July 30, 1992 as an exhibit to the Company's Registration Statement on Form S-3 (No. 33-50232), is incorporated by reference into this report.
4.4	The Rights Agreement between Ryder System, Inc. and Boston Equiserve, L.P., dated as of March 8, 1996, filed with the Commission on April 3, 1996 as an exhibit to the Company's Registration Statement on Form 8-A is incorporated by reference into this report.

- 10.1 The form of change of control severance agreement for executive officers effective as of May 1, 1996, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1996, is incorporated by reference to this report.
- 10.2 The form of severance agreement for executive officers effective as of May 1, 1996, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1996, is incorporated by reference to this report.
- 10.3(a) The Ryder System, Inc. 1997 Incentive Compensation Plan for Headquarters Executive Management Levels MS 11 and Higher, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1996, is incorporated by reference to this report.
- 10.3(b) The Ryder System, Inc. 1998 Incentive Compensation Plan for Headquarters Executive Management Level MS 11 and Higher, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated by reference into this report.
- 10.3(c) The Ryder System, Inc. 1999 Incentive Compensation Plan for Headquarters Executive Management Levels MS 11 and Higher, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1998, is incorporated by reference into this report.
- 10.4(a) The Ryder System, Inc. 1980 Stock Incentive Plan, as amended and restated as of August 15, 1996, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated by reference into this report.
- 10.4(b) The form of Ryder System, Inc. 1980 Stock Incentive Plan, United Kingdom Section, dated May 4, 1995, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, is incorporated by reference into this report.
- 10.4(c) The form of Ryder System, Inc. 1980 Stock Incentive Plan, United Kingdom Section, dated October 3, 1995, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, is incorporated by reference into this report.
- 10.4(d) The Ryder System, Inc. 1995 Stock Incentive Plan, as amended and restated as of August 15, 1996, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated by reference into this report.
- 10.5(a) The Ryder System, Inc. Directors Stock Plan, as amended and restated as of December 17, 1993, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1993, is incorporated by reference into this report.
- 10.5(b) The Ryder System, Inc. Directors Stock Award Plan dated as of May 2, 1997, as amended and restated as of December 17, 1998, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated by reference into this report.
- 10.6(a) The Ryder System Benefit Restoration Plan, effective January 1, 1985, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1992, is incorporated by reference into this report.
- 10.6(b) The First Amendment to the Ryder System Benefit Restoration Plan, effective as of December 16, 1988, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1994, is incorporated by reference into this report.

- 10.9(a) The Ryder System, Inc. Stock for Merit Increase Replacement Plan, as amended and restated as of August 15, 1996, previously filed with the commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated by reference into this report.
- 10.9(b) The form of Ryder System, Inc. Non-Qualified Stock Option Agreement, dated as of February 21, 1998, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, is incorporated by reference into this report.
- 10.9(c) The form of Combined Non-Qualified Stock Option and Limited Stock Appreciation Right Agreement, dated October 1, 1997, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated by reference into this report.
- 10.10 The Ryder System, Inc. Deferred Compensation Plan effective January 1, 1997, as amended and restated as of November 3, 1997, previously filed with the Commission as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated by reference into this report.
- 10.11 Severance Agreement, dated as of March 15, 2000, between Ryder System, Inc. and James B. Griffin. Severance Agreement, dated as of January 31, 2000, between Ryder System, Inc. and Edwin Huston.
- 10.12 The Asset and Stock Purchase Agreement by and between Ryder System, Inc. and FirstGroup Plc dated as of July 21, 1999, filed with the Commission on September 24, 1999 as an exhibit to the Company's report on Form 8K, is incorporated by reference into this report.
- 21.1 List of subsidiaries of the registrant, with the state or other jurisdiction of incorporation or organization of each, and the name under which each subsidiary does business.
- 23.1 Auditors' consent to incorporation by reference in certain Registration Statements on Forms S-3 and S-8 of their reports on consolidated financial statements and schedules of Ryder System, Inc. and its subsidiaries.
- 24.1 Manually executed powers of attorney for each of:
- Joseph L. Dionne
Edward T. Foote II
David I. Fuente
John A. Georges
Vernon E. Jordan, Jr.
David T. Kearns
Lynn M. Martin
Paul J. Rizzo
Christine A. Varney
Alva O. Way
- 27.1 Financial Data Schedule.

(b) Reports on Form 8-K:

No such reports were filed.

(c) Executive Compensation Plans and Arrangements:

Please refer to the description of Exhibits 10.1 through 10.13 set forth under Item 14(a)3 of this report for a listing of all management contracts and compensation plans and arrangements filed with this report pursuant to Item 601(b)(10) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 13, 2000

RYDER SYSTEM, INC.

By: /S/ M. ANTHONY BURNS

M. Anthony Burns
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 13, 2000

By: /S/ M. ANTHONY BURNS

M. Anthony Burns
Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: March 13, 2000

By: /S/ CORLISS J. NELSON

Corliss J. Nelson
Senior Executive Vice President - Finance
and Chief Financial Officer
(Principal Financial Officer)

Date: March 13, 2000

By: /S/ GEORGE P. SCANLON

George P. Scanlon
Senior Vice President - Planning
and Controller
(Principal Accounting Officer)

Date: March 13, 2000

By: /S/ GREGORY T. SWIENTON

Gregory T. Swienton
President and Chief Operating Officer

Date: March 13, 2000 By: /S/ JOSEPH L. DIONNE *

Joseph L. Dionne
Director

Date: March 13, 2000 By: /S/ EDWARD T. FOOTE II *

Edward T. Foote II
Director

Date: March 13, 2000 By: /S/ DAVID I. FUENTE *

David I. Fuente
Director

Date: March 13, 2000 By: /S/ JOHN A. GEORGES *

John A. Georges
Director

Date: March 13, 2000 By: /S/ VERNON E. JORDAN, JR. *

Vernon E. Jordan, Jr.
Director

Date: March 13, 2000 By: /S/ DAVID T. KEARNS *

David T. Kearns
Director

Date: March 13, 2000 By: /S/ LYNN M. MARTIN *

Lynn M. Martin
Director

Date: March 13, 2000 By: /S/ PAUL J. RIZZO *

Paul J. Rizzo
Director

Date: March 13, 2000 By: /S/ CHRISTINE A. VARNEY *

Christine A. Varney
Director

Date: March 13, 2000 By: /S/ ALVA O. WAY *

Alva O. Way
Director

*By: /S/ KEVIN K. ROSS

Kevin K. Ross
Attorney-in-Fact

EXHIBIT INDEX

EXHIBIT -----	DESCRIPTION -----
3.2	The Ryder System, Inc. By-Laws, as amended through July 29, 1999.
10.11	Severance Agreement, dated as of March 15, 2000, between Ryder System, Inc. and James B. Griffin. Severance Agreement, dated as of January 31, 2000, between Ryder System, Inc. and Edwin Huston.
21.1	List of subsidiaries of the registrant, with the state or other jurisdiction of incorporation or organization of each, and the name under which each subsidiary does business.
23.1	Auditors' consent to incorporation by reference in certain Registration Statements on Forms S-3 and S-8 of their reports on consolidated financial statements and schedules of Ryder System, Inc. and its subsidiaries.
24.1	Manually executed powers of attorney for each of: Joseph L. Dionne Edward T. Foote II David I. Fuente John A. Georges Vernon E. Jordan, Jr. David T. Kearns Lynn M. Martin Paul J. Rizzo Christine A. Varney Alva O. Way
27.1	Financial Data Schedule.

EXHIBIT 3.2

By-Laws

of Ryder System Inc.

Revision Adopted December 8, 1975 Effective January 1, 1976 Amended April 30, 1976 Amended December 14, 1979 Amended February 22, 1980 Amended June 26, 1981 Amended December 16, 1982 Amended May 4, 1984 Amended October 25, 1984 Amended November 8, 1985 Amended February 28, 1986 Amended December 12, 1986 Amended December 18, 1987 Amended June 22, 1990 Amended February 21, 1992 Amended November 23, 1993 Amended February 18, 1999 Amended July 29, 1999

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BY-LAWS

OF

RYDER SYSTEM, INC.

ARTICLE I

Name

The name of this Corporation is RYDER SYSTEM, INC.

ARTICLE II

Offices

Section 1. Principal Florida Office

The principal office of the Corporation in the State of Florida shall be in Miami, Dade County, Florida.

Section 2. Other Offices

The Corporation may also have offices in such other places, both within and without the State of Florida, as the Board of Directors or the Chairman of the Board may from time to time designate or as the business of the Corporation may require. The registered office of the Corporation, required by applicable law to be maintained in the State of Florida may be, but need not be, identical with the Corporation's principal office in the State of Florida, and the address of the registered office may be changed from time to time by the Board of Directors or the Chairman of the Board.

ARTICLE III

Corporate Seal

The corporate seal shall be circular in form and have inscribed thereon the following: "Ryder System, Inc., Incorporated Florida 1955".

ARTICLE IV

Stockholders

Section 1. Meetings of Stockholders

a. Annual Meeting

The annual meeting of stockholders of the Corporation shall be held at such time and place, within or without the State of Florida, as may be designated by the Board of Directors, at which meeting, in accordance with the Restated Articles of Incorporation and these By-Laws, the stockholders shall elect members of the Board of Directors and transact such other business as lawfully may come before it.

b. Special Meetings

(1) Special meetings of the stockholders may be called by the holders of not less than one-tenth of all the shares outstanding and entitled to vote at such meeting or by the Board of Directors; and such meetings shall be held at such time and place, within or without the State of Florida, as may be designated by the Board of Directors.

(2) Before a stockholder may request or demand that a special meeting of the stockholders be held for any purpose, the following procedure must be satisfied:

(A) Any stockholder seeking to request or demand, or to have the stockholders request or demand, a special meeting shall first, by written notice to the Secretary of the Corporation, request the Board of Directors to fix a record date, pursuant to Section 3.b. of Article V of these By-Laws, for the purpose of determining the stockholders entitled to request the special meeting. The Board of Directors shall promptly, but in all events within 10 days after the date upon which such a request is received, fix such a record date. Every request to fix a record date for determining the stockholders entitled to request a special meeting shall be in writing and shall set forth the purpose or purposes for which the special meeting is requested, the name and address, as they appear in the Corporation's books, of each stockholder making the request and the class and number of shares of the Corporation which are owned of record by each such stockholder, and shall bear the signature and date of signature of each such stockholder.

In the event of the delivery to the Corporation of any request(s) or demand(s) by stockholders with respect to a special meeting, and/or any related revocation or revocations, the Corporation shall engage nationally recognized independent inspectors of elections for the purpose of performing a prompt ministerial review of the validity of the request(s), demand(s) and/or revocation(s).

(B) No request or demand with respect to calling a special meeting of stockholders shall constitute a valid and effective stockholder request or demand for a special meeting (i) unless (A) within 60 days of the record date established in accordance with subsection b(2)(A) of this Section, written requests or demands signed by stockholders of record representing a sufficient number of shares as of such record date to

request or demand a special meeting pursuant to subsection b(1) of this Section are delivered to the Secretary of the Corporation and (B) each request or demand is made in accordance with and contains the information required by Section 5.b(2) of this Article IV and (ii) until such date as the independent inspectors engaged in accordance with this subsection b(2) certify to the Corporation that the requests or demands delivered to the Corporation in accordance with clause (i) of this subsection b(2)(B) represent at least the minimum number of shares that would be necessary to request such a meeting pursuant to subsection b(1) of this Section.

(3) If the Corporation determines that a stockholder or stockholders have satisfied the notice, information and other requirements specified in subsection b(2)(B)(i) of this Section, then the Board of Directors shall adopt a resolution calling a special meeting of the stockholders and fixing a record date, pursuant to Section 3.b. of Article V, for the purpose of determining the stockholders entitled to notice of and to vote at such special meeting. Notice of such special meeting shall be provided in accordance with Section 1.c. of this Article IV, provided that such notice shall be given within 60 days (or such longer period as from time to time may be permitted by law) after the date the request(s) or demand(s) for such special meeting is(are) delivered to the Corporation in accordance with subsection b(2)(B)(i) of this Section.

(4) In fixing a meeting date for the special meeting of stockholders, the Board of Directors may consider such factors as it deems relevant within the good faith exercise of its business judgment, including, without limitation, the nature of the action proposed to be taken, the facts and circumstances surrounding the request, and any plan of the Board of Directors to call a special or annual meeting of stockholders for the conduct of related business, provided that such meeting date shall be within 120 days (or such longer period as may from time to time be permitted by law) after the date the request(s) or demand(s) for such special meeting is(are) delivered to the Corporation in accordance with subsection b(2)(B)(i) of this Section.

(5) Nothing contained in this Section 1.b. shall in any way be construed to suggest or imply that the Board of Directors or any stockholder shall not be entitled to contest the validity of any request or demand or revocation thereof, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto).

c. Notice of Meetings

Except as otherwise permitted by law, notice of all meetings of stockholders stating the time and place, and, in the case of special meetings, the purpose or purposes for which the meeting is called, shall be given by mailing the same to each stockholder entitled to vote not less than ten days nor more than sixty days before the date set for such meeting. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid.

d. Preparation of Voting List of Stockholders

The Secretary shall prepare and make, or cause to be prepared and made, at least ten days before each meeting of stockholders, a complete list of the stockholders

entitled to vote at such meeting or any adjournment thereof, with the address of and the number and class and series, if any, of shares held by each stockholder as such information appears on the stock transfer books of the Corporation. Such list shall be kept on file at the principal place of business of the Corporation, shall be open to the examination of any stockholder during normal business hours for said ten day period upon receipt by the Secretary of a written request to make such an examination, and shall be produced and kept at the time and place of the meeting during the whole time thereof subject to the inspection of any stockholder who may be present.

Section 2. Quorum and Vote of Stockholders

The holders of a majority of the voting power of the total number of shares outstanding and entitled to vote, present in person or represented by proxy thereat, shall constitute a quorum at a meeting of stockholders for the transaction of business, except as otherwise provided by law or by the Restated Articles of Incorporation. If, however, a quorum does not exist at a meeting, the holders of a majority of the shares present or represented and entitled to vote at such meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until holders of the requisite number of shares entitled to vote shall be present. Except as otherwise required by law, at any such adjourned meeting at which a quorum exists, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly organized meeting may continue to transact business in accordance with these By-Laws until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

If a quorum is present, action on a matter (including the election of directors) shall be approved by the stockholders of the Corporation if the matter receives the affirmative vote of the holders of a majority of the voting power of the total number of shares outstanding and entitled to vote on such matter, unless the matter is one upon which, by express provision of law a greater vote is required or from time to time permitted by action of the Board of Directors, or by the Restated Articles of Incorporation or these By-Laws a greater or different vote is required, in any which case such express provision shall govern and control the requisite vote requirement.

Section 3. Voting by Stockholders

Each stockholder entitled to vote at any meeting may do so in person or by proxy appointed by instrument in writing, subscribed by such stockholder or his duly authorized attorney-in-fact and filed with the Secretary or the tabulator of the vote before or at the time of the meeting.

Section 4. Stockholder Action

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

Section 5. Transaction of Business at Stockholder Meetings

a. Annual Meetings of Stockholders

(1) The proposal of business (other than the nomination of persons for election to the Board of Directors, which is governed exclusively by Sections 1.b. and 2 of Article V of these By-Laws) for consideration by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors, or (c) by any stockholder of the Corporation who is a stockholder of record at the time of giving of the notice provided for in subsection a(2) of this Section, who shall be entitled to vote at the meeting, who is a stockholder at the time of such meeting and who complies with the notice procedures set forth in subsection a(2) of this Section.

(2)(A) For business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of subsection a(1) above, the stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

(B) To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 days prior to the date of such annual meeting.

(C) To be in proper written form, such stockholder's notice shall be in writing, shall be executed by the stockholder and shall set forth (i) as to any business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought, the reasons for conducting such business at the meeting, and any material interest in such business of such stockholder or the beneficial owner, if any, on whose behalf the proposal is made; and (ii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made, (A) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, and (B) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

b. Special Meetings of Stockholders

(1) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Section 1.c. of this Article IV. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders only in accordance with the provisions of Sections 1.b. and 2 of Article V of these By-Laws. Resolutions or other proposals for the transaction of business (other than the nomination of persons for election to the Board of Directors) may be proposed at a special meeting of stockholders (a) by or at the direction of the Board of Directors, or (b) in the event a stockholder of the Corporation satisfies the procedures set forth in Section 1.b(2) of this Article IV, by such stockholder of the Corporation who is a stockholder of record at the time of giving of the notice provided for in the second sentence of Section 1.b(3) of this Article IV, who shall be entitled to vote at the meeting, who is a stockholder at the time of such meeting and who complies with the notice procedures set forth in subsection b(2) of this Section.

(2) For business to be properly brought before a special meeting by a stockholder pursuant to clause (b) of subsection b(1) above, the stockholder must have delivered notice thereof in the form required by subsection a(2)(C) of this Section to the Secretary of the Corporation at the principal executive offices of the Corporation.

c. General

(1) Only such business shall be conducted at an annual or special meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section. The Chairman of the meeting shall have the power and duty to determine whether any business proposed to be brought before the meeting was properly brought before such meeting in accordance with the procedures set forth in this Section and, if the Chairman shall determine that any proposed business is not so brought in compliance with this Section, to declare to the meeting that such defective proposal shall be disregarded.

(2) Notwithstanding the foregoing provisions of this Section, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, with respect to the matters set forth in this Section. Nothing in this Section shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE V

Directors

Section 1. Board of Directors

a. Number, election and terms

Except as otherwise fixed by or pursuant to the provisions of Article III of the Restated Articles of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of the Directors of the Corporation shall be 13, but such number may be fixed from time to time at not less than three nor more than 21 by resolution of the Board of Directors. The Directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible. Such classes shall originally consist of one class of four Directors who shall be elected at the annual meeting of stockholders held in 1984 for a term expiring at the annual meeting of stockholders to be held in 1985; a second class of three Directors who shall be elected at the annual meeting of stockholders held in 1984 for a term expiring at the annual meeting of stockholders to be held in 1986; and a third class of four Directors who shall be elected at the annual meeting of stockholders held in 1984 for a term expiring at the annual meeting of stockholders to be held in 1987. The Board of Directors shall increase or decrease the number of Directors in one or more classes as may be appropriate whenever

it increases or decreases the number of Directors pursuant to this Article V, in order to ensure that the three classes shall be as nearly equal in number as possible. At each annual meeting of the stockholders of the Corporation, the successors of the class of Directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

b. Stockholder nomination of director candidates

Advance notice of stockholder nominations for the election of Directors shall be given in the manner provided in Section 2 of this Article V.

c. Newly created directorships and vacancies

Except as otherwise provided for or fixed by or pursuant to the provisions of Article III of the Restated Articles of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors. Any Director elected in accordance with the preceding sentence shall hold office until the next election of directors by the stockholders and until such Director's successor shall have been elected and qualified. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

d. Removal

Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect Directors under specified circumstances, any Director may be removed from office, with or without cause, only by the affirmative vote of the holders of 75% the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of Directors, voting together as a single class.

Section 2. Notification of Nominations

Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, nominations for the election of directors may be made by the Board of Directors or a proxy committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of stockholders, 90 days in advance of such meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the seventh day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder

who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Section 3. Powers of Directors

a. General Powers

The Board of Directors shall have authority over the entire management of the property, business, and affairs of this Corporation. In addition to such powers as are herein and in the Restated Articles of Incorporation expressly conferred upon it, the Board of Directors shall have and may exercise all the powers of the Corporation, subject to the provisions of law and the Restated Articles of Incorporation.

b. Establishment of Record Date

The Board of Directors shall fix in advance a date not exceeding sixty days (or such longer period as may from time to time be permitted by law) preceding the date of any meeting of stockholders, or any dividend payment date, or the date necessary to make a determination of stockholders for any purpose, nor less than ten days (or such shorter period as may from time to time be permitted by law) prior to the date of any meeting of stockholders, as a record date for the determination of the stockholders; and in such case only such stockholders as shall be stockholders of record on the date so fixed shall be considered stockholders for purposes of such determination, notwithstanding any transfer of stock on the books of the Corporation after any such record date fixed as aforesaid.

Except as otherwise provided by law, unless the Board of Directors fixes a new record date for any adjourned meeting of stockholders, the record date originally fixed pursuant to this Section 3.b. of Article V for such meeting shall remain the record date for such meeting.

The Board of Directors or any committee of the Board of Directors authorized to fix record dates and declare dividends shall fix in advance a date not exceeding sixty days (or such longer period, not inconsistent with the Restated Articles of Incorporation, as may from time to time be permitted by law) preceding the date of any Preferred Stock dividend payment date as a record date for the determination of the stockholders of such Preferred Stock; and in such case, only such stockholders as shall be holders of record of such Preferred Stock on the date so fixed shall be considered stockholders of the Preferred Stock for purposes of such determination, notwithstanding any transfer of such Preferred Stock on the books of the Corporation after any such record date fixed as aforesaid.

c. Appointment of Committees

The Board of Directors may designate one or more committees, consisting of at least two directors each, to perform such duties as may be determined by the Board. The number of directors composing each such committee and the powers conferred upon each such committee shall be determined by resolution of the Board.

In the event that the Board of Directors shall designate a committee that shall have the power to recommend or approve changes in the compensation of executives of the Corporation or any subsidiary of the Corporation and/or a committee that shall have the power to recommend nominees for election as directors of the Corporation, the membership of each such committee shall consist solely of directors who are "independent directors" as defined in Section 7 of this Article V.

Section 4. Meetings of Directors

a. Regular Meetings

Regular meetings of the Board of Directors, or any committee thereof, shall be held at any time or place, within or without the State of Florida, as the Board, or such committee, may from time to time determine; and if so determined, no notice thereof need be given.

After each election of directors, the Board, including the newly elected directors, shall meet without notice for the purpose of electing officers and transacting such other business as lawfully may come before it.

b. Special Meetings

Special meetings of the Board of Directors, or any committee thereof, may be held at any time or place, within or without the State of Florida, whenever called by the Chairman of the Board, the President, or at the request of two or more directors or, for a special meeting of a committee, by the chairman of such committee.

Notice of special meetings of the Board, or any committee thereof, stating the time and place, shall be given by mailing the same to each director or committee member, as appropriate, at his residence or business address at least two days before the meeting, or by delivering the same to him personally or by telephoning or telegraphing the same to him at said residence or business address at least one day before the meeting. Such notice shall be deemed to have been given on the date of mailing, telephoning or telegraphing as the case may be.

c. Adjournments

A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors, or any committee thereof, to another time and place. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of the adjournment, and to the other directors.

d. Telephonic Participation at Meetings

Members of the Board of Directors may participate in a meeting of the Board, or any committee thereof, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at such meeting for all purposes.

e. Action Without a Meeting

Any action of the Board of Directors or of any committee thereof, which is required or permitted to be taken at a meeting, may be taken without a meeting if written consent to the action signed by all the members of the Board or of the committee, as the case may be, is filed in the minutes of the proceedings of the Board or of the committee.

Section 5. Quorum of Directors

A majority of the number of directors fixed in accordance with Section 1 of this Article V shall constitute a quorum of the Board for the transaction of business, and one-half of the members of any committee shall constitute a quorum of such committee; but a smaller number may adjourn any meeting until a quorum is present.

When a quorum is present at any meeting of directors, a majority of the members present shall decide any question brought before such meeting, except as otherwise provided by law, the Restated Articles of Incorporation, or these By-Laws.

Section 6. Compensation of Directors

Directors shall receive such compensation, including reimbursement of expenses, for serving as members of the Board of Directors and for attendance at each meeting of the Board of Directors, and members of committees of the Board of Directors shall receive such compensation, including reimbursement of expenses, for serving as members of a committee and for attendance at each meeting of a committee, as the Board of Directors shall from time to time prescribe.

Section 7.

Except as otherwise provided for or fixed by or pursuant to the provisions of Article III of the Restated Articles of Incorporation relating to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, the majority of persons elected to the Board of Directors shall consist of persons who are independent directors. For purposes of this Article V, an "independent director" shall mean a director who: (i) has not been employed by the Corporation or any subsidiary of the Corporation in an executive capacity within the past five years; (ii) does not have, and is not affiliated with a company, firm or institution that has, a significant economic relationship to the Corporation (other than through stock ownership or customary directors' fees); (iii) does not have a personal services contract with the Corporation or any subsidiary of the Corporation and (iv) is not a familial relative of any person described in (i) through (iii). Should the death, resignation, disqualification or removal of any director result in the failure of the requirement set forth in

the preceding sentence to be met, such requirement shall not apply during the term of the vacancy caused by such death, resignation, disqualification or removal, and the remaining directors shall cause any such vacancy to be filled in accordance with Subsection 1(c) of this Article V within a reasonable period of time.

The Board of Directors shall have the exclusive right and power to interpret and apply the provisions of this Article V relating to independent directors and shall be entitled to rely upon the completeness and accuracy of director's responses to written questionnaires circulated for the purpose of enabling the Board of Directors to make the determinations of independence required by this Article V.

Information regarding a nominee for director provided by a stockholder pursuant to Section 2 of this Article V shall include such information as may be necessary to enable the Board of Directors to make an informed determination as to whether such nominee, if elected, would be an "independent director" as defined in this Section.

ARTICLE VI

Officers

Section 1. Numbers and Titles

The officers of the Corporation shall be a Chairman of the Board, a President, a Secretary, a Treasurer and a Controller and may also include one or more Senior Executive Vice Presidents, one or more Executive Vice Presidents, one or more Senior Vice Presidents, and one or more Vice Presidents; all of whom shall be elected by the Board of Directors. The Board of Directors may from time to time appoint such other officers, including one or more Assistant Secretaries, Assistant Treasurers, and Assistant Controllers as they shall deem necessary.

The Chairman of the Board and the President shall be members of the Board of Directors, but the other officers need not be members of the Board.

Section 2. Tenure of Office/Removal of Officers

Officers of the Corporation shall hold their respective offices until their successors are chosen and qualified, provided, however, that any officer may be removed from such office during such term by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

Section 3. Duties of Officers

a. Chairman of the Board

The Chairman of the Board shall preside at meetings of the Board of Directors and of the stockholders.

He shall, subject to the approval of the Board of Directors, submit a report to the stockholders of the Corporation for each fiscal year.

He shall perform such other duties as the Board of Directors may from time to time prescribe.

b. Chief Executive Officer

The Chief Executive Officer shall have overall responsibility for supervision of the Corporation and shall report to the Board of Directors. He shall see that the provisions of the By-Laws, all votes of the stockholders and all orders and resolutions of the Board of Directors are carried into effect.

He shall preside at meetings of the stockholders in the absence of the Chairman of the Board.

He shall have power to appoint proxies to vote stock of other corporations owned by this Corporation.

He shall perform such other duties as the Board of Directors may from time to time prescribe.

c. President

The President shall be the Chief Operating Officer of the Corporation, shall report to the Chief Executive Officer and shall have overall responsibility for supervision of the operations of the Corporation.

He shall preside at meetings of the stockholders in the absence of the Chairman of the Board and Chief Executive Officer.

He shall perform such other duties as the Board of Directors may from time to time prescribe.

d. Multiple Offices

The same person may hold one, two or all three of the offices described in Paragraphs a., b. and c. above of this Section 3 as the Board of Directors may prescribe.

e. Senior Executive Vice Presidents

The Senior Executive Vice Presidents shall have such powers and perform such duties as the Board of Directors or the President may from time to time prescribe.

f. Executive Vice Presidents

The Executive Vice Presidents shall have such powers and perform such duties as the Board of Directors or the President may from time to time prescribe.

g. Senior Vice Presidents

The Senior Vice Presidents shall have such powers and perform such duties as the Board of Directors or the President may from time to time prescribe.

h. Vice Presidents

The Vice Presidents shall have such powers and perform such duties as the Board of Directors or the President may from time to time prescribe.

i. Secretary

The Secretary shall be Secretary of and shall attend, or a person designated by him shall attend, all meetings of the stockholders, the Board of Directors and all committees thereof. He, or such designated person, shall record all of the proceedings of such meetings in books kept for that purpose.

He shall be custodian of the corporate seal and shall have the power to affix it to any instrument requiring it and to attest the same.

He shall cause to be maintained a stock transfer book and such other books as the Board of Directors may from time to time determine.

He shall serve all notices required by law, by these By-Laws, or by resolution of the Board of Directors.

He shall, together with the President, sign certificates for shares of the Corporation.

He shall perform such other duties as the Board of Directors or the President may from time to time prescribe.

j. Treasurer

The Treasurer shall have the management and custody of the funds and securities of the Corporation and he or persons designated by him, or by others so authorized by the Board of Directors, shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors or by persons authorized by the Board of Directors to make such designations.

He shall receive and disburse the funds of the Corporation for corporate purposes and shall render to the Board of Directors and the President, whenever they may require it, an account of all his transactions as Treasurer.

He shall perform such other duties as the Board of Directors or the President may from time to time prescribe.

k. Controller

The Controller shall keep full and accurate accounts of all assets, liabilities, commitments, receipts, disbursements, and other financial transactions of the Corporation, including those of subsidiaries of the Corporation, in books belonging to the Corporation, and shall perform all other duties required of the accounting officer of the Corporation, and shall render to the Board of Directors and the President, whenever they may require it, an account of the financial condition of the Corporation.

He shall perform such other duties as the Board of Directors or the President may from time to time prescribe.

I. Assistant Secretaries

The Assistant Secretaries shall perform such of the duties of the Secretary as the President or the Secretary may from time to time prescribe and such other duties as the Board of Directors may from time to time prescribe.

m. Assistant Treasurers

The Assistant Treasurers shall perform such of the duties of the Treasurer as the President or the Treasurer may from time to time prescribe and such other duties as the Board of Directors may from time to time prescribe.

n. Assistant Controllers

The Assistant Controllers shall perform such duties of the Controller as the President or the Controller may from time to time prescribe and such other duties as the Board of Directors may from time to time prescribe.

Section 4. Delegation of Duties of Officers

The Board of Directors may delegate the powers or duties of any officer of the Corporation in case of his absence, disability, death or removal, or for any other reason, to any other officer or to any director.

ARTICLE VII

Stock Certificates

Section 1. Stock Certificates

Except as otherwise provided by resolution of the Board of Directors or the Restated Articles of Incorporation or as permitted by law, every holder of stock in the Corporation shall be entitled to have a certificate, representing all shares to which he is entitled, in such form as may be prescribed by the Board of Directors in accordance with the provisions of law. Such Certificates shall be signed by the President and by the Secretary or an Assistant Secretary; provided, however, that where any such certificate is signed by a party other than an officer of the Corporation, such as a transfer agent or transfer clerk, and by a registrar, the signatures of the President, Secretary, or Assistant Secretary may be facsimiles. All certificates shall be counter-signed and registered in such manner as the Board of Directors from time to time may prescribe, and there shall be impressed thereon the seal of the Corporation or imprinted thereon a facsimile of such seal.

In case any officer who signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, such signature shall be deemed to be valid and such certificate may be issued by the Corporation with the same effect as if he were such officer at the date of its issuance.

Section 2. Transfer of Stock

Shares of stock of the Corporation may be transferred by delivery of the stock certificate, accompanied either by an assignment in writing on the back of the certificate or by a written power of attorney to sell, assign, and transfer the shares on the books of the Corporation, signed by the person appearing on the certificate to be the owner of the shares represented thereby; and such shares shall be transferable on the books of the Corporation upon surrender thereof so assigned or endorsed. In the case of a series of Preferred Stock, shares of Preferred Stock may be transferred by delivery of the stock certificate, as described above, or by such other method as may be set forth in a statement of resolution establishing such series of Preferred Stock. The person registered on the books of the Corporation as the owner of any shares of stock shall be deemed by the Corporation to be the owner thereof for all purposes exclusively and shall be entitled as the owner of such shares, to receive dividends and to vote as such owner with respect thereto.

Section 3. Treasury Stock

Any shares of stock in the Corporation which may be redeemed, purchased, or otherwise acquired by the Corporation after the issuance thereof, shall have no voting rights and shall not participate in any dividends or allotments of rights while such stock is held by the Corporation.

ARTICLE VIII

Depositories and Checks

Depositories of the funds of the Corporation shall be designated by the Board of Directors or a duly authorized committee thereof; and all checks on funds shall be signed by such officers or other employees of the Corporation as the Board, or a duly authorized committee thereof, from time to time may designate.

ARTICLE IX

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of December in each year.

ARTICLE X

Dividends

The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Restated Articles of Incorporation.

ARTICLE XI

Waiver of Notice

Any notice required to be given by law, by the Restated Articles of Incorporation, or by these By-Laws may be waived in writing signed by the person entitled to such notice and delivered to the Corporation, whether before or after the time stated therein, except that attendance of a person at a meeting shall constitute a waiver of notice of such meeting unless such attendance is for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

A director of the Corporation who is present at a meeting of the Board of Directors (or a committee thereof) at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

ARTICLE XII

Indemnification of Officers, Directors, Employees and Agents

Section 1. Indemnification

The Corporation shall, and does hereby, indemnify to the fullest extent permitted or authorized by current or future legislation or current or future judicial or administrative decisions (but, in the case of any such future legislation or decisions, only to the extent that it permits the Corporation to provide broader indemnification rights than permitted prior to such legislation or decisions), each person (including here and hereinafter the heirs, executors, administrators or the estate of such person) who was or is a party, or is threatened to be made a party, or was or is a witness, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), against any liability (which for purposes of this Article shall include any judgment, settlement, penalty or fine) or cost, charge or expense (including attorneys' fees) asserted against him or incurred by him by reason of the fact that such indemnified person (1) is or was a director, officer or employee of the Corporation or (2) is or was an agent of the Corporation as to whom the Corporation has agreed to grant such indemnity or (3) is or was serving, at the request of the Corporation, as a director, officer, employee of another corporation, partnership, joint venture, trust or other enterprise (including serving as a fiduciary of any employee benefit plan) or is serving as an agent of such other corporation, partnership, joint venture, trust or other enterprise as to whom the Corporation has agreed to grant such indemnity. Each director, officer, employee or agent of the Corporation to whom indemnification rights under this Section 1 of this Article have been granted shall be referred to as an "Indemnified Person".

Notwithstanding the foregoing, except as specified in Section 3 of this Article, the Corporation shall not be required to indemnify an Indemnified Person in connection with a Proceeding (or any part thereof) initiated by such Indemnified Person unless such authorization for such Proceeding (or any part thereof) was not denied by the Board of

Directors of the Corporation prior to sixty (60) days after receipt of notice thereof from such Indemnified Person stating his intent to initiate such Proceeding and only upon such terms and conditions as the Board of Directors may deem appropriate.

Section 2. Advance of Costs, Charges and Expenses

Costs, charges and expenses (including attorneys' fees) incurred by an officer, director or employee who is an Indemnified Person in defending a Proceeding shall be paid by the Corporation to the fullest extent permitted or authorized by current or future legislation or current or future judicial or administrative decisions (but, in the case of any such future legislation or decisions only to the extent that it permits the Corporation to provide broader rights to advance costs, charges and expenses than permitted prior to such legislation or decisions) in advance of the final disposition of such Proceeding, upon receipt of an undertaking by or on behalf of the Indemnified Person to repay all amounts so advanced in the event that it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article and upon such other terms and conditions, in the case of agents as to whom the Corporation has agreed to grant such indemnity, as the Board of Directors may deem appropriate. The Corporation may, upon approval of the Indemnified Person, authorize the Corporation's counsel to represent such person in any Proceeding, whether or not the Corporation is a party to such Proceeding. Such authorization may be made by the Chairman of the Board, unless he is a party to such Proceeding, or by the Board of Directors by majority vote, including directors who are parties to such Proceeding.

Section 3. Procedure For Indemnification

Any indemnification or advance under this Article shall be made promptly and in any event within sixty (60) days upon the written request of the Indemnified Person. The right to indemnification or advances as granted by this Article shall be enforceable by the Indemnified Person in any court of competent jurisdiction, if the Corporation denies such request under this Article, in whole or in part, or if no disposition thereof is made within sixty (60) days. Such Indemnified Person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action that the claimant has not met the standard of conduct, if any, required by current or future legislation or by current or future judicial or administrative decisions for indemnification (but, in the case of any such future legislation or decisions, only to the extent that it does not impose a more stringent standard of conduct than permitted prior to such legislation or decisions), but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors or any committee thereof, its independent legal counsel, and its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct, if any, nor the fact that there has been an actual determination by the Corporation (including its Board of Directors or any committee thereof, its independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 4. Survival of Indemnification

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any agreement, vote of stockholders or disinterested directors or recommendation of counsel or otherwise, both as to actions in such person's official capacity and as to actions in another capacity while holding such office, and shall continue as to an Indemnified Person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, administrators and the estate of such person. All rights to indemnification under this Article shall be deemed to be a contract between the Corporation and each Indemnified Person who serves or served in such capacity at any time while this Article is in effect. Any repeal or modification of this Article or any repeal or modification of relevant provisions of Florida corporation law or any other applicable laws shall not in any way diminish any rights to indemnification of such Indemnified Person, or the obligations of the Corporation arising hereunder, for claims relating to matters occurring prior to such repeal or modification.

Section 5. Insurance

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including serving as a fiduciary of an employee benefit plan), against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article XII or the applicable provisions of Florida law.

Section 6. Savings Clause

If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnified Person as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any Proceeding, including an action by or in the right of the Corporation, to the full extent permitted by any applicable portion of this Article that shall not have been invalidated and as permitted by applicable law.

ARTICLE XIII

By-Law Amendment

Except as otherwise provided in the Restated Articles of Incorporation, the Board of Directors shall have the power to adopt, alter, amend and repeal the By-Laws of the Corporation (except insofar as the By-Laws of the Corporation adopted by the stockholders shall otherwise provide). Any By-Laws made by the stockholders may prescribe that they may not be altered, amended or repealed by the Board of Directors. Any By-Laws made by the Board of Directors under the powers conferred hereby and by the Restated Articles of Incorporation may be altered, amended or repealed by the Board of Directors or by the stockholders. Amendments to the By-Laws (including any amendment to this Article XIII) shall be effected as follows:

a. By Action of the Board of Directors

Unless a greater vote is specifically required by the laws of the State of Florida, or a greater or different vote or a vote of stockholders is required by the provisions of the Restated Articles of Incorporation, the Board of Directors may alter, amend or repeal these By-Laws, or adopt such other By-Laws as in their judgment may be advisable for the administration or regulation of the management and affairs of the Corporation, to the extent not inconsistent with the laws of the State of Florida or the Restated Articles of Incorporation, only upon the affirmative vote of at least 75% of the total number of directors as fixed in accordance with Section 1 of Article V of these By-Laws.

b. By Action of the Stockholders

Unless a greater vote is specifically required by the laws of the State of Florida, or a greater or different vote is required by the provisions of the Restated Articles of Incorporation, the stockholders may alter, amend or repeal these By-Laws, or adopt such other By-Laws as in their judgment may be advisable for the administration or regulation of the management and affairs of the Corporation, to the extent not inconsistent with the laws of the State of Florida or the Restated Articles of Incorporation, at any regular meeting of the stockholders (or at any special meeting thereof duly called for that purpose in accordance with the provisions of these By-Laws), only upon the affirmative vote of at least 75% of the voting power of all the shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE XIV

Continuing Effect of By-Law Provisions

Any provision contained in these By-Laws which, at the time of its adoption, was authorized or permitted by applicable law shall continue to remain in full force and effect until such time as such provision is specifically amended in accordance with these By-Laws, notwithstanding any subsequent modification of such applicable law (except to the extent such By-Law provision expressly provides for its modification by or as a result of any such subsequently enacted law).

EXHIBIT 10.11

**PLEASE READ CAREFULLY AS THIS DOCUMENT INCLUDES
A GENERAL RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS**

SEVERANCE AGREEMENT AND RELEASE

THIS SEVERANCE AGREEMENT AND RELEASE, dated as of January 18, 2000, is between RYDER TRUCK RENTAL, INC. (the "Company"), and JAMES B. GRIFFIN ("Employee").

WITNESSETH:

WHEREAS, the Company has employed Employee in a managerial capacity; and

WHEREAS, Employee and the Company now desire to terminate Employee's employment relationship with the Company;

NOW, THEREFORE, in consideration of the following terms, covenants and conditions, the Company and Employee agree as follows:

1. (a) **TERMINATION OF SEVERANCE AGREEMENT.** The Company and Employee agree that the Change of Control Severance Agreement dated as of May 1, 1996 and the Severance Agreement dated as of the same date which provides severance benefits to Employee in the event of Employee's termination under specified circumstances (the "1996 Agreements") shall be terminated as of the date Employee terminates his employment with the Company. Neither the Company nor Employee shall have any further obligations under the 1996 Agreements. Effective as of Employee's Last Day Worked (as defined below), Employee will resign as an officer and/or director of the Company and/or its subsidiaries or affiliates and, to the extent applicable, from all committees of which Employee is a member. Employee agrees to sign the attached letter of resignation immediately upon Employee's Last Day Worked.

(b) **TERM AND SEVERANCE PAYMENTS.** The employment of Employee is terminated as of March 15, 2000 ("Employee's Last Day Worked"). The Company shall continue Employee's current salary payments as severance pay on the fifteenth and last day of each month for a thirty-six (36) month period beginning on the day following Employee's Last Day Worked and terminating on March 15, 2003 (the "Severance Period"), unless terminated sooner pursuant to Paragraph 27. Provided, however, that except for Employee's vacation entitlement, no payments will be made under this Severance Agreement and Release until the end of the Revocation Period, as defined in Paragraph 34 hereof.

Notwithstanding the foregoing, in the event Employee obtains another position with the Company, or any of its subsidiaries or affiliates, after the execution of this Severance Agreement and Release, but prior to the last day of the Severance Period, regardless of whether such position is on a temporary, part-time, full-time, or consulting basis, Employee understands and agrees that all severance payments will cease immediately and that all liabilities and obligations hereunder shall terminate, except as provided in Paragraph 29.

2. VACATION ENTITLEMENT. Employee has forty-two (42) calendar days of unused and accrued vacation entitlement and shall be paid in a lump sum for such entitlement, less any vacation taken prior to Employee's Last Day Worked, no later than five (5) days following Employee's Last Day Worked.

3. MEDICAL AND DENTAL BENEFITS. The Company's health care program benefits will be provided in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, ("COBRA"), and the terms of the Company's health care program, as it may be amended from time to time.

Until the first to occur of (i) the last day of the Severance Period, (ii) the date Employee ceases the required employee contributions, or (iii) the date Employee becomes eligible for medical and/or dental benefits as an employee of another employer, Employee shall pay a pre-tax contribution for such coverage at the then current employee contribution rates and the Company shall pay the balance of the COBRA premiums. Thereafter, if Employee is eligible and wishes to continue Employee's COBRA coverage, Employee shall be solely responsible for payment of the entire COBRA premium.

4. LIFE INSURANCE AND SPLIT DOLLAR LIFE INSURANCE.

(a) LIFE INSURANCE. Coverage under the Company's group life insurance plan and/or additional life insurance policy, if applicable, will continue until the first to occur of (i) the last day of the Severance Period, (ii) the date Employee becomes eligible for such coverage as an employee of another employer, or (iii) for additional life insurance only, the date Employee effectively cancels the premium deduction taken from Employee's severance pay.

Employee will continue to be covered by the Company's group life insurance plan and any additional life insurance, if applicable, during each plan's conversion privilege period. Information concerning the conversion privilege to an individual policy may be obtained by directly contacting and arranging the conversion through the Standard Insurance Company of Oregon or its successor carrier.

(b) SPLIT DOLLAR LIFE INSURANCE. If Employee is covered by the Company's split-dollar life insurance policy as of the date of this Severance Agreement and Release, the Company shall continue and pay for Employee's coverage until the end of the Severance Period. At the end of the Severance Period, the Company will recover its collateral interest in the policy and Employee shall have the option to (i) retain the policy and continue its life insurance death benefit or (ii) surrender the policy for its remaining cash surrender value, if any. If Employee elects to continue the life insurance death benefit, Employee may be required to make additional premium payments. Employee should contact Ryder System, Inc.'s Executive Vice President, Human Resources, to ascertain whether any premiums may be required.

5. SHORT-TERM DISABILITY; LONG-TERM DISABILITY; AND SUPPLEMENTAL LONG TERM DISABILITY INSURANCE.

(a) **SHORT-TERM DISABILITY.** Coverage under the Company's Short-term Disability program will cease as of Employee's Last Day Worked unless already on benefit. Employee shall not be eligible to receive both severance payments and Short-term Disability payments at the same time.

(b) **LONG-TERM DISABILITY.** Coverage under the Company's Long-term Disability insurance plan will cease the last day of the month in which the Employee worked as an active employee. The Employee may elect to convert his Long-term disability coverage during the plan's conversion privilege period, which is the thirty-one (31) days following the last day of the coverage as defined above. During such period, Employee may convert the coverage to an individual policy in accordance with conversion provisions by contacting the Benefits Service Center at 800-373-7300.

(c) **SUPPLEMENTAL LONG-TERM DISABILITY INSURANCE.** The cost of Employee's Supplemental Long-term Disability insurance will continue to be paid for by the Company through the last day of the Severance Period, provided Employee remains enrolled in the underlying basic long-term disability coverage with the Standard Insurance Company of Oregon, or its successor carrier, or has other coverage with an equivalent benefit. If Employee obtains other disability coverage during the Severance Period and/or no longer participates in the Company's basic long-term disability insurance plan, Employee must advise the Company of the amount of coverage Employee has with the new carrier for purposes of adjusting the coverage provided under the Supplemental Long-term Disability insurance.

6. **BUSINESS TRAVEL ACCIDENT INSURANCE.** Coverage under the Company's Business Travel Accident Insurance Plan will cease as of Employee's Last Day Worked.

7. **RETIREMENT PLAN.** Employee will continue to participate in the Company's retirement plan for a thirteen (13) week period following Employee's Last Day Worked (equal to one (1) week for each full year of service with the Company, subject to a maximum of thirteen (13) weeks). Employee has met the vesting requirements of the Company's retirement plan and is eligible to receive retirement benefits in accordance with plan provisions.

8. **HEALTH OR DEPENDENT DAY CARE REIMBURSEMENT ACCOUNTS.** If Employee is a participant in the Health Care Reimbursement Account, Employee's participation will continue in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, ("COBRA"), and the terms of the Health Care Reimbursement Account, as it may be amended from time to time.

Until the first to occur of (i) the last day of the Severance Period, or (ii) the date Employee ceases the required employee contributions, Employee shall pay pre-tax contributions for such participation at the Employee's current contribution rate and the Company shall pay the balance of the COBRA premiums. Thereafter, if Employee is eligible and wishes to continue Employee's COBRA participation, Employee shall be solely responsible for payment of the entire COBRA premium on an after-tax basis.

If Employee is a participant in the Dependent Day Care Reimbursement Account, Employee may continue to participate until the earlier to occur of (i) the end of the Severance Period, or (ii) the end of the current Plan year.

Claims in connection with the Health or Dependent Day Care Reimbursement Accounts must be filed in accordance with Plan provisions. Any questions regarding continued participation in such Accounts should be directed to Ryder System, Inc.'s Compensation and Benefits Plan Administrator.

9. EMPLOYEE SAVINGS PLAN; DEFERRED COMPENSATION PLAN.

(a) EMPLOYEE SAVINGS PLAN. If applicable, Employee will continue to participate in the Ryder System, Inc. Employee Savings Plan until the first to occur of (i) the last day of the Severance Period, or (ii) the last day of the thirteenth week of the Severance Period. If the value of Employee's account is \$5,000 or less, a lump sum distribution will be made pursuant to plan provisions. If the value of Employee's account is greater than \$5,000, Employee's account will be maintained in the Ryder System, Inc. Employee Savings Plan unless and until the Employee requests a distribution from the Plan or a distribution is otherwise required by plan provisions or law. Employee should direct any questions regarding the Ryder System, Inc. Employee Savings Plan to the Plan Administrator.

(b) DEFERRED COMPENSATION PLAN. If applicable, Employee will continue to participate in the Ryder System, Inc. Deferred Compensation Plan until the first to occur of (i) the last day of the Severance Period, or (ii) the last day of the thirteenth week of the Severance Period. Employee's account will be maintained in the Ryder System, Inc. Deferred Compensation Plan. The vested portion of Employee's account shall be distributed on the January 1 following Employee's Last Day Worked or after the last day of the Severance Period or as soon as administratively practicable thereafter. Such distribution shall be made in accordance with Employee's election and enrollment forms on file with the plan.

10. STOCK PLANS. Employee must exercise stock options granted pursuant to any of the Company's stock option plans and vested on Employee's "Termination Date" within the period following Employee's "Termination Date" specified by the applicable stock option agreement. Only for purposes of the Ryder System, Inc. 1980 and 1995 Stock Incentive Plans the phrase "Termination Date" shall mean the end of the Severance Period with respect to Non-Qualified Stock Options granted pursuant to such plans, and Employee's Last Day Worked with respect to Incentive Stock Options granted thereunder.

11. INCENTIVE COMPENSATION. Employee shall receive a (i) bonus multiple payment in the amount of Six Hundred Thirty-four Thousand Seven Hundred Thirty-six Dollars (\$634,736) and (ii) a tenure-related cash bonus payment in the amount of Three Hundred Seventeen Thousand Three Hundred Sixty-eight Dollars (\$317,368.00) no later than five (5) business days following the later to occur of (i) Employee's Last Day Worked, or (ii) the end of the Revocation Period. Otherwise, Employee is not entitled to receive any bonus multiple or cash bonus payment pursuant to any other incentive compensation plan of the Company.

12. OUTPLACEMENT; PERQUISITE AND FINANCIAL PLANNING/TAX PREPARATION ALLOWANCE; COMPANY EQUIPMENT.

(a) OUTPLACEMENT. The Company shall provide Employee with a program of professional outplacement services mutually agreed to by the Company and Employee. In addition, the Company shall reimburse Employee for documented and approved incidental outplacement expenses directly related to job search such as resume mailing and interviewing trips subject to a maximum cost of Twenty Thousand Dollars (\$20,000.00).

Professional outplacement services and/or the reimbursed incidental outplacement expense allowance shall only be available to Employee after the end of the Revocation Period, as defined in Paragraph 34 hereof, and until such date as Employee secures employment with another employer or becomes self-employed, or the end of the approved program, whichever occurs first. In addition, Employee shall not be entitled to receive cash in lieu of the professional outplacement services or reimbursed incidental outplacement expense allowance.

(b) PERQUISITE AND FINANCIAL PLANNING/TAX PREPARATION ALLOWANCE. The Company shall provide Employee, if not yet paid, with the following allowances for which Employee would have been entitled to receive payment or reimbursement pursuant to the plans and programs of the Company:

- o Perquisite allowance for calendar year 2001; and
- o Financial planning/tax preparation for calendar years 2000 and 2001.

(c) COMPANY EQUIPMENT. As soon as practicable before Employee's Last Day Worked, Employee shall return to the Company all of the Company's property, documents, and equipment currently in Employee's possession or under Employee's control, if any.

13. COMPANY CAR ALLOWANCE. Employee shall receive a Company car allowance of Eight Hundred Dollars (\$800) per month during the Severance Period.

14. OTHER BENEFITS. Any benefits not specifically stated in this Severance Agreement and Release to continue beyond Employee's Last Day Worked shall cease on Employee's Last Day Worked, unless provided otherwise in the relevant plan or policy or by law.

15. UNEMPLOYMENT COMPENSATION. Should Employee apply for Unemployment Benefits and should the Company be requested to complete any documents in connection therewith, the Company shall complete such necessary documents and will not contest Employee's receipt of such benefits.

16. COVENANT OF CONFIDENTIALITY. Employee agrees that Employee will keep confidential and not divulge to any other party any of the Company's, Ryder System, Inc.'s or their subsidiaries' or affiliates' confidential information, trade and business secrets, including, but not limited to, such

matters as costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, computer programs, processes or services, bids and quotations, customer, vendor and supplier lists, contracts with other parties, customer requirements, suppliers, plans for future developments, and other business affairs and methods, and other information not readily available to the public, except as required by law. Additionally, Employee agrees that, upon Employee's termination of employment, Employee shall promptly return to the Company any and all confidential and proprietary information that is in Employee's possession.

17. COVENANT OF NON-SOLICITATION. During the thirty-six (36) months following the Employee's employment, Employee shall not directly or indirectly in any manner or capacity whatsoever:

(a) take away, interfere with relations with, divert or attempt to divert from the Company, Ryder System, Inc., or any of their subsidiaries or affiliates any business with any customer or account which (i) has been solicited or serviced within one (1) year prior to the termination of Employee's employment or (ii) with which the Employee had any contact or association; which was under the supervision of Employee, or the identity of which was learned by Employee as a result of Employee's employment with the Company, Ryder System, Inc., or any of their subsidiaries or affiliates; and (iii) which remains a customer at the time of the termination of employment, or

(b) induce or cause any Employee or independent contractor of the Company, Ryder System, Inc., or any of their subsidiaries or affiliates to leave his/her employment or refrain from providing services to the Company, Ryder System, Inc., or any of their subsidiaries or affiliates.

18. COVENANT OF NON-DISPARAGEMENT AND COOPERATION. Employee agrees not to make any remarks disparaging the conduct or character of the Company, Ryder System, Inc. or any of their subsidiaries or affiliates, their agents, employees, officers, directors, successors or assigns ("Ryder"). In addition, Employee agrees to cooperate with Ryder in any litigation or administrative proceedings (e.g., EEOC charges) involving any matters with which Employee was involved during Employee's employment with the Company. The Company shall reimburse Employee for travel and reasonable related expenses such as lodging, transportation and meals approved by the Company incurred in providing such assistance.

Further, Employee does not waive any rights under this Severance Agreement and Release or any rights to indemnification from the Company under the applicable provisions of the Company's articles of incorporation or by-laws, under applicable liability insurance policies, or pursuant to the provisions of the Florida General Corporation Act (Chapter 607, Florida Statutes).

19. COVENANT AGAINST COMPETITION. During the thirty-six (36) months following Employee's Last Day Worked, Employee shall not engage or become a partner, director, officer, principal, or Employee in the same or similar capacity as Employee worked for the Company, Ryder System, Inc., and/or any of their subsidiaries or affiliates directly or indirectly, in/for any business, proprietorship, association, firm or corporation not owned or controlled by the Company; Ryder System, Inc.; and/or any of their subsidiaries or affiliates which is engaged or proposes to engage or hereafter engages in a business competitive directly or indirectly with the business conducted by the

Company; Ryder System, Inc.; and/or any of their subsidiaries or affiliates in any geographic area where Employee worked or had customer contact without the prior written consent of the Company's President. However, Employee is not prohibited from owning one percent (1%) or less of the outstanding capital stock of any corporation whose stock is listed on a national securities exchange.

20. **SPECIFIC REMEDY.** Employee acknowledges and agrees that if Employee commits a material breach of the Covenant of Confidentiality (Paragraph 16), Covenant of Non-Solicitation (Paragraph 17), Covenant of Non-Disparagement and Cooperation (Paragraph 18) or Covenant Against Competition (Paragraph 19), the Company shall have the right to have the obligations of Employee specifically enforced by any court having appropriate jurisdiction on the grounds that any such breach will cause irreparable injury to the Company, and that money damages will not provide an adequate remedy to the Company. Employee further acknowledges and agrees that the obligations contained in Paragraphs 16, 17, 18, and 19 of this Severance Agreement and Release are fair, do not unreasonably restrict Employee's future employment and business opportunities, and are commensurate with the compensation arrangements set out in this Severance Agreement and Release.

21. **APPLICABLE LAW.** This Severance Agreement and Release shall be governed by and construed according to the laws of the State of Florida, notwithstanding the conflict of laws principles applied in that jurisdiction.

22. **WITHHOLDING AND TAXATION.** All payments under this Severance Agreement and Release shall be less applicable withholding taxes and other proper deductions consented to in writing by Employee or required by applicable law or regulation. Additionally, the payments and benefits under this Severance Agreement and Release may result in imputed income to Employee and may be included in either Employee's W-2 earnings statements or 1099 statements.

23. **ASSIGNMENT.** This Severance Agreement and Release is personal to Employee and Employee does not have the right to assign this Severance Agreement and Release or any interest herein. This Severance Agreement and Release shall be binding on and inure to the benefit of the successors and assigns of the Company.

24. **SEVERABILITY.** In the event that one or more terms or provisions of this Severance Agreement and Release are found to be invalid or unenforceable for any reason or to any extent, each remaining term and provision shall continue to be valid and effective and shall be enforceable to the fullest extent permitted by law.

25. **UNSECURED, UNFUNDED OBLIGATIONS.** The payments and benefits provided to Employee pursuant to this Severance Agreement and Release may be unsecured, unfunded obligations of the Company.

26. **DEATH OF EMPLOYEE.** If Employee dies during the Severance Period, this Severance Agreement and Release will end at the conclusion of the month in which the death occurs and only the payment owed by the Company to Employee in the month of death will be paid to the estate of

Employee. Death of the Employee during the Severance Period will cause the payment in Paragraph 4 to be made, if applicable, pursuant to the terms and conditions of the Company's group life insurance plan.

27. BREACH OF THE AGREEMENT. Except as provided in Paragraph 29 ("Survival"), the Severance Period, this Severance Agreement and Release, and all liabilities and obligations hereunder, shall terminate on the date Employee commits a material breach of the provisions of this Severance Agreement and Release.

28. ARBITRATION. Should any dispute arise relating to the meaning or application of this Severance Agreement and Release, such dispute shall be settled in Miami, Florida, or another mutually agreed upon location in accordance with the rules of the American Arbitration Association applicable to the resolution of employment disputes. Judgment shall be entered and enforced in a court of competent jurisdiction.

29. SURVIVAL. Paragraphs 17 ("Covenant of Non-Solicitation) and 19 ("Covenant Against Competition") of this Severance Agreement and Release shall survive termination for a material breach by Employee of the provisions of this Severance Agreement and Release for the full period set forth in Paragraphs 17 and 19. Paragraphs 16 ("Covenant of Confidentiality"), 18 ("Covenant of Non-Disparagement and Cooperation"), 20 ("Specific Remedy"), and 31 ("Release") shall survive termination of this Severance Agreement and Release for any reason.

30. COUNTERPARTS. This Severance Agreement and Release may be executed in any number of counterparts and/or duplicate originals, any of which shall be deemed to be an original, and all of which together shall be deemed one and the same document.

31. RELEASE. FOR AND IN CONSIDERATION OF THE SEVERANCE BENEFITS PROVIDED TO EMPLOYEE BY THE COMPANY, EMPLOYEE, ON BEHALF OF EMPLOYEE, EMPLOYEE'S HEIRS, EXECUTORS, SUCCESSORS AND ASSIGNS, HEREBY RELEASES AND FOREVER DISCHARGES RYDER FROM ANY AND ALL CLAIMS, DEMANDS, OBLIGATIONS, LOSSES, CAUSES OF ACTION, COSTS, EXPENSES, ATTORNEYS' FEES AND ALL LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, FIXED OR CONTINGENT, WHICH EMPLOYEE HAS OR MAY HAVE AGAINST RYDER AS A RESULT OF EMPLOYEE'S EMPLOYMENT BY AND SUBSEQUENT TERMINATION AS AN EMPLOYEE OF THE COMPANY, UP TO THE LATER TO OCCUR OF (I) EMPLOYEE'S LAST DAY WORKED, OR (II) THE DATE OF THE EXECUTION OF THIS SEVERANCE AGREEMENT AND RELEASE. THIS INCLUDES BUT IS NOT LIMITED TO CLAIMS AT LAW OR EQUITY OR SOUNDING IN CONTRACT (EXPRESS OR IMPLIED) OR TORT ARISING UNDER FEDERAL, STATE, OR LOCAL LAWS PROHIBITING AGE, SEX, RACE, DISABILITY, VETERAN OR ANY OTHER FORMS OF DISCRIMINATION. THIS FURTHER INCLUDES ANY AND ALL CLAIMS ARISING UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT, THE AMERICANS WITH DISABILITIES ACT OF 1990, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, OR THE EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA), AS AMENDED, OR CLAIMS GROWING OUT OF ANY LEGAL

RESTRICTIONS ON THE COMPANY'S RIGHT TO TERMINATE ITS EMPLOYEES. EMPLOYEE COVENANTS AND AGREES THAT EMPLOYEE WILL NOT SUE OR FILE ANY LAWSUIT OR ACTION AGAINST RYDER IN THE FUTURE WITH RESPECT TO ANY CLAIM OR CAUSE OF ACTION RELEASED AS PART OF THIS SEVERANCE AGREEMENT AND RELEASE. EMPLOYEE FURTHER AGREES THAT IF EMPLOYEE VIOLATES THIS COVENANT OR ANY OTHER PROVISION OF THIS SEVERANCE AGREEMENT AND RELEASE, EMPLOYEE SHALL INDEMNIFY RYDER FOR ALL COSTS AND ATTORNEYS FEES INCURRED BY RYDER IN ENFORCING THIS SEVERANCE AGREEMENT AND RELEASE. IN ADDITION, EMPLOYEE SHALL BE INDEMNIFIED BY THE COMPANY FOR ALL ATTORNEYS FEES INCURRED BY EMPLOYEE IN ENFORCING THIS SEVERANCE AGREEMENT AND RELEASE IF IT IS DETERMINED BY A COURT OF COMPETENT JURISDICTION THAT THE COMPANY VIOLATED THIS COVENANT OR ANY OTHER PROVISION OF THIS SEVERANCE AGREEMENT AND RELEASE.

32. NON-ADMISSION. This Severance Agreement and Release shall not in any way be construed as an admission by the Company of any unlawful or wrongful acts whatsoever against Employee or any other person, and the Company specifically disclaims any liability to or wrongful acts against Employee or any other person, on the part of Ryder.

33. ENTIRE AGREEMENT. Employee understands that this document constitutes the entire agreement concerning severance pay and related benefits between Employee and the Company, that this document may not be modified except by a written document signed by Employee and the Company, and that no other promises have been made concerning the subject matter covered herein. Employee understands and agrees that the Company has no obligations to Employee beyond the terms of this Severance Agreement and Release and Employee acknowledges that Employee has not relied upon any representations or statements, written or oral, not set forth in this document. Employee acknowledges that this Severance Agreement and Release supersedes any and all prior agreements, representations and understandings between Employee and the Company. Employee further acknowledges that the severance pay and benefits set forth in this Severance Agreement and Release (with the exception of any accrued vacation) are not otherwise owed to Employee as a result of Employee's employment with the Company, and therefore are a material inducement for Employee's execution of this Severance Agreement and Release.

34. REVOCATION PERIOD. EMPLOYEE UNDERSTANDS AND ACKNOWLEDGES THAT EMPLOYEE HAS SEVEN (7) CALENDAR DAYS FOLLOWING EMPLOYEE'S EXECUTION OF THIS SEVERANCE AGREEMENT AND RELEASE TO REVOKE EMPLOYEE'S ACCEPTANCE OF THIS SEVERANCE AGREEMENT AND RELEASE (THE "REVOCATION PERIOD") AND THAT THIS SEVERANCE AGREEMENT AND RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED. REVOCATION OF THIS SEVERANCE AGREEMENT AND RELEASE MUST BE MADE BY DELIVERING A WRITTEN NOTICE OF REVOCATION TO VICKI A. O'MEARA. FOR THIS REVOCATION TO BE EFFECTIVE, WRITTEN NOTICE MUST BE RECEIVED BY VICKI A. O'MEARA NO LATER THAN THE CLOSE OF BUSINESS ON THE SEVENTH DAY AFTER EMPLOYEE SIGNS THIS SEVERANCE AGREEMENT AND RELEASE. IN ADDITION, EMPLOYEE UNDERSTANDS AND ACKNOWLEDGES THAT NO MONIES WILL BE PAID UNDER THE TERMS OF THIS SEVERANCE AGREEMENT AND RELEASE UNTIL THE END OF THE REVOCATION PERIOD, EXCEPT FOR EMPLOYEE'S VACATION ENTITLEMENT, IF ANY.

EMPLOYEE CERTIFIES THAT EMPLOYEE HAS FULLY READ, HAS RECEIVED AN EXPLANATION OF, HAS NEGOTIATED AND COMPLETELY UNDERSTANDS THE PROVISIONS OF THIS SEVERANCE AGREEMENT AND RELEASE, THAT EMPLOYEE HAS BEEN ADVISED BY THE COMPANY TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS SEVERANCE AGREEMENT AND RELEASE, THAT EMPLOYEE HAS BEEN GIVEN AT LEAST TWENTY-ONE (21) CALENDAR DAYS TO REVIEW AND CONSIDER THE PROVISIONS OF THIS SEVERANCE AGREEMENT AND RELEASE, AND THAT EMPLOYEE IS SIGNING FREELY AND VOLUNTARILY, WITHOUT DURESS, COERCION OR UNDUE INFLUENCE.

WITNESSES:

JAMES B. GRIFFIN
("Employee")

/s/ VICTORIA NAVARRO 3/7/00

/s/ JAMES B. GRIFFIN 3/7/00

Signature Date

Signature Date

Victoria Navarro

Print Name

Social Security No. 089-46-7999

11521 NW 18 St., Pembroke Pines, FL 33026

Address

/s/ JENNIFER FERNANDEZ 3/7/00

Signature Date

Jennifer Fernandez

Print Name

2845 Morning Glory Cir., Davie, FL 33328

Address

ATTEST:

RYDER TRUCK RENTAL, INC.
("Company")

/s/ V. AUBREY MINCE 3/7/00

By: /s/ VICKI O'MEARA

Signature Date

Signature Date

ASSISTANT SECRETARY

EVP, GENERAL COUNSEL AND SECRETARY

Title

Title

January 18, 2000

**TO THE BOARD OF DIRECTORS
OF RYDER SYSTEM, INC.**

Dear Members of the Board:

Effective March 15, 2000, I hereby resign as an officer and/or director of Ryder System, Inc. and/or its subsidiaries and affiliates and, to the extent applicable, from all committees of which I am a member.

Sincerely,

/s/ JAMES B. GRIFFIN

James B. Griffin

**PLEASE READ CAREFULLY AS THIS DOCUMENT INCLUDES
A GENERAL RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS**

SEVERANCE AGREEMENT AND RELEASE

THIS SEVERANCE AGREEMENT AND RELEASE, dated as of January 18, 2000 is between RYDER SYSTEM, INC. (the "Company") and EDWIN A. HUSTON ("Employee").

WITNESSETH:

WHEREAS, the Company has employed Employee in a managerial capacity; and

WHEREAS, Employee and the Company now desire to terminate Employee's employment relationship with the Company;

NOW, THEREFORE, in consideration of the following terms, covenants and conditions, the Company and Employee agree as follows:

1. (a) **TERMINATION OF SEVERANCE AGREEMENT.** The Company and Employee agree that the Change of Control Severance Agreement dated as of May 1, 1996 and the Severance Agreement dated as of the same date which provides severance benefits to Employee in the event of Employee's termination under specified circumstances (the "1996 Agreements") are hereby terminated as of the date of this Severance Agreement and Release. Effective as of Employee's Last Day Worked (as defined below), Employee will resign as an officer and/or director of the Company and/or its subsidiaries or affiliates and, to the extent applicable, from all committees of which Employee is a member. Employee agrees to sign the attached letter of resignation immediately upon Employee's Last Day Worked.

(b) **TERM AND SEVERANCE PAYMENTS.** The employment of Employee is terminated as of January 31, 2000 ("Employee's Last Day Worked"). The Company shall continue Employee's current salary payments as severance pay on the fifteenth and last day of each month for a thirty-six (36) month period beginning on the day following Employee's Last Day Worked and terminating on January 31, 2003 (the "Severance Period"), unless terminated sooner pursuant to Paragraph 27. Provided, however, that except for Employee's vacation entitlement, no payments will be made under this Severance Agreement and Release until the end of the Revocation Period, as defined in Paragraph 34 hereof.

Notwithstanding the termination of employment, Employee agrees to assist the Company in recruiting an executive level human resources professional and to facilitate the transition and remain as Vice Chair of Human Resources until his successor has been hired.

Notwithstanding the foregoing, in the event Employee obtains another position with the Company, or any of its subsidiaries or affiliates, after the execution of this Severance Agreement and Release but prior to the last day of the Severance Period, regardless of whether such position is on

a temporary, part-time, full-time, or consulting basis, Employee understands and agrees that all severance payments will cease immediately and that all liabilities and obligations hereunder shall terminate, except as provided in Paragraph 29.

2. VACATION ENTITLEMENT. Employee has twenty-eight (28) calendar days of unused and accrued vacation entitlement and shall be paid in a lump sum for such entitlement, less any vacation taken prior to Employee's Last Day Worked, no later than five (5) days following Employee's Last Day Worked.

3. MEDICAL AND DENTAL BENEFITS. Employee is eligible to receive continued health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, ("COBRA"), and the terms of the Company's health care program, as it may be amended from time to time. In addition, Employee shall be eligible to participate in the Company's early retiree medical plan. If Employee chooses to participate, benefits will be provided in accordance with the terms of such plan, as it may be amended from time to time.

Until the first to occur of (i) the last day of the Severance Period, (ii) the date Employee ceases the required employee contributions, or (iii) the date Employee becomes eligible for medical and/or dental benefits as an employee of another employer, Employee shall pay a pre-tax contribution for such coverage at the then current employee contribution rates and the Company shall pay the balance of the COBRA premiums. Thereafter, if Employee is eligible and wishes to continue Employee's COBRA coverage, Employee shall be solely responsible for payment of the entire COBRA premium.

4. LIFE INSURANCE AND SPLIT DOLLAR LIFE INSURANCE.

(a) LIFE INSURANCE. Coverage under the Company's group life insurance plan and/or additional life insurance policy, if applicable, will continue until the first to occur of (i) the last day of the Severance Period, (ii) the date Employee becomes eligible for such coverage as an employee of another employer, or (iii) for additional life insurance only, the date Employee effectively cancels the premium deduction taken from Employee's severance pay.

Employee will continue to be covered by the Company's group life insurance plan and any additional life insurance, if applicable, during each plan's conversion privilege period. Information concerning the conversion privilege to an individual policy may be obtained by directly contacting and arranging the conversion through the Standard Insurance Company of Oregon or its successor carrier.

(b) SPLIT DOLLAR LIFE INSURANCE. If Employee is covered by the Company's split-dollar life insurance policy as of the date of this Severance Agreement and Release, the Company shall continue and pay for Employee's coverage until the end of the Severance Period. At the end of the Severance Period, the Company will recover its collateral interest in the policy and Employee shall have the option to (i) retain the policy and continue its life insurance death benefit or (ii) surrender the policy for its remaining cash surrender value, if any. If Employee elects to continue the life insurance death benefit, Employee may be required to make additional premium payments.

Employee should contact Ryder System, Inc.'s Executive Vice President, Human Resources, to ascertain whether any premiums may be required.

At retirement, which is Employee's termination of employment on or after reaching age 55 with ten years of service, Employee will have a projected post-retirement life insurance coverage equal to 50% of the life insurance coverage Employee had immediately prior to retirement. At retirement, the Company will be repaid, from the cash surrender value of the policy, an amount equal to the aggregate net premiums that it has paid on Employee's policy. The remaining cash surrender value will be owned by Employee, and Employee will have the right to maintain the policy for death benefit coverage or surrender the policy for its remaining cash value.

5. SHORT-TERM DISABILITY; LONG-TERM DISABILITY; AND SUPPLEMENTAL LONG TERM DISABILITY INSURANCE.

(a) **SHORT-TERM DISABILITY.** Coverage under the Company's Short-term Disability program will cease as of Employee's Last Day Worked unless already on benefit. Employee shall not be eligible to receive both severance payments and Short-term Disability payments at the same time.

(b) **LONG-TERM DISABILITY.** Coverage under the Company's Long-term Disability insurance plan will cease the last day of the month in which the Employee worked as an active employee. The Employee may elect to convert his Long-term disability coverage during the plan's conversion privilege period, which is the thirty-one (31) days following the last day of the coverage as defined above. During such period, Employee may convert the coverage to an individual policy in accordance with conversion provisions by contacting the Benefits Service Center at 800/373-7300.

(c) **SUPPLEMENTAL LONG-TERM DISABILITY INSURANCE.** The cost of Employee's Supplemental Long-term Disability insurance will continue to be paid for by the Company through the last day of the Severance Period, provided Employee remains enrolled in the underlying basic long-term disability coverage with the Standard Insurance Company of Oregon, or its successor carrier, or has other coverage with an equivalent benefit. If Employee obtains other disability coverage during the Severance Period and/or no longer participates in the Company's basic long-term disability insurance plan, Employee must advise the Company of the amount of coverage Employee has with the new carrier for purposes of adjusting the coverage provided under the Supplemental Long-term Disability insurance.

6. BUSINESS TRAVEL ACCIDENT INSURANCE. Coverage under the Company's Business Travel Accident Insurance Plan will cease as of Employee's Last Day Worked.

7. RETIREMENT PLAN. Employee will continue to participate in the Company's retirement plan for a thirteen (13) week period following Employee's Last Day Worked (equal to one (1) week for each full year of service with the Company, subject to a maximum of thirteen (13) weeks). Employee has met the vesting requirements of the Company's retirement plan and is eligible to receive retirement benefits in accordance with plan provisions.

8. HEALTH OR DEPENDENT DAY CARE REIMBURSEMENT ACCOUNTS. If Employee is a participant in the Health Care Reimbursement Account, Employee's participation will continue in accordance with

the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, ("COBRA"), and the terms of the Health Care Reimbursement Account, as it may be amended from time to time.

Until the first to occur of (i) the last day of the Severance Period, or (ii) the date Employee ceases the required employee contributions, Employee shall pay pre-tax contributions for such participation at the Employee's current contribution rate and the Company shall pay the balance of the COBRA premiums. Thereafter, if Employee is eligible and wishes to continue Employee's COBRA participation, Employee shall be solely responsible for payment of the entire COBRA premium on an after-tax basis.

If Employee is a participant in the Dependent Day Care Reimbursement Account, Employee may continue to participate until the earlier to occur of (a) the end of the Severance Period, or (b) the end of the current Plan year.

Claims in connection with the Health or Dependent Day Care Reimbursement Accounts must be filed in accordance with Plan provisions. Any questions regarding continued participation in such Accounts should be directed to Ryder System, Inc.'s Compensation and Benefits Administrator.

9. EMPLOYEE SAVINGS PLAN; DEFERRED COMPENSATION PLAN.

(a) EMPLOYEE SAVINGS PLAN. If applicable, Employee will continue to participate in the Ryder System, Inc. Employee Savings Plan until the first to occur of (i) the last day of the Severance Period, or (ii) the last day of the thirteenth week of the Severance Period. If the value of Employee's account is \$5,000 or less, a lump sum distribution will be made pursuant to plan provisions. If the value of Employee's account is greater than \$5,000, Employee's account will be maintained in the Ryder System, Inc. Employee Savings Plan unless and until the Employee requests a distribution from the Plan or a distribution is otherwise required by plan provisions or law. Employee should direct any questions regarding the Ryder System, Inc. Employee Savings Plan to the Plan Administrator.

(b) DEFERRED COMPENSATION PLAN. If applicable, Employee will continue to participate in the Ryder System, Inc. Deferred Compensation Plan until the first to occur of (i) the last day of the Severance Period, or (ii) the last day of the thirteenth week of the Severance Period. Employee's account will be maintained in the Ryder System, Inc. Deferred Compensation Plan. The vested portion of Employee's account shall be distributed on the January 1 following the last day of the Severance Period or as soon as administratively practicable thereafter. Such distribution shall be made in accordance with Employee's election and enrollment forms on file with the plan.

10. STOCK PLANS. Employee must exercise stock options granted pursuant to any of the Company's stock option plans and vested on Employee's "Termination Date" within the period following Employee's "Termination Date" specified by the applicable stock option agreement. Only for purposes of the Ryder System, Inc. 1980 and 1995 Stock Incentive Plans the phrase "Termination Date" shall mean the end of the Severance Period with respect to Non-Qualified Stock Options granted pursuant to such plans, and Employee's Last Day Worked with respect to Incentive Stock Options granted thereunder. For purposes of the 1980 and 1995 Plans, the phrase "Termination Date" shall mean the end of the Severance Period with respect to Non-Qualified Stock Options

granted pursuant to such plans, unless, on Employee's Last Day Worked, Employee shall be eligible for retirement in which event the retirement provisions of such plans shall be applicable.

11. INCENTIVE COMPENSATION. Employee shall receive a (i) bonus multiple payment in the amount of Three Hundred Twenty Thousand Fifty-four Dollars (\$320,054.00) and (ii) a tenure-related cash bonus payment in the amount of Three Hundred Twenty Thousand Fifty-four Dollars (\$320,054.00) no later than five (5) business days following the later to occur of (i) Employee's Last Day Worked, or (ii) the end of the Revocation Period. Otherwise, Employee is not entitled to receive any bonus multiple or cash bonus payment pursuant to any other incentive compensation plan of the Company.

12. OUTPLACEMENT; PERQUISITE AND FINANCIAL PLANNING/TAX PREPARATION ALLOWANCE; COMPANY EQUIPMENT.

(a) OUTPLACEMENT. The Company shall provide Employee with a program of professional outplacement services approved by the Company through the office of Right Associates. In addition, the Company shall reimburse Employee for documented and approved incidental outplacement expenses directly related to job search such as resume mailing and interviewing trips subject to a maximum cost of Thirty Thousand Dollars (\$30,000.00).

Professional outplacement services and/or the reimbursed incidental outplacement expense allowance shall only be available to Employee after the end of the Revocation Period, as defined in Paragraph 34 hereof, and until such date as Employee secures employment with another employer or becomes self-employed, or the end of the approved program, whichever occurs first. In addition, Employee shall not be entitled to receive cash in lieu of the professional outplacement services or reimbursed incidental outplacement expense allowance.

(b) PERQUISITE AND FINANCIAL PLANNING/TAX PREPARATION ALLOWANCE. The Company shall provide Employee, if not yet paid, with the following allowances for which Employee would have been entitled to receive payment or reimbursement pursuant to the plans and programs of the Company:

- o Perquisite allowance for calendar year 2001; and
- o Financial planning/tax preparation for calendar year 2000 and 2001.

13. COMPANY CAR ALLOWANCE; COMPANY EQUIPMENT

(a) COMPANY CAR ALLOWANCE. Employee shall receive a Company car allowance of Eight Hundred Dollars (\$800.00) per month during the Severance Period.

(b) COMPANY EQUIPMENT. As soon as practicable before Employee's Last Day Worked, Employee shall return to the Company all of the Company's property, documents, and equipment currently in Employee's possession or under Employee's control, if any.

14. OTHER BENEFITS. Any benefits not specifically stated in this Severance Agreement and Release to continue beyond Employee's Last Day Worked shall cease on Employee's Last Day Worked, unless provided otherwise in the relevant plan or policy or by law.

15. UNEMPLOYMENT COMPENSATION. Should Employee apply for Unemployment Benefits and should the Company be requested to complete any documents in connection therewith, the Company shall complete such necessary documents and will not contest Employee's receipt of such benefits.

16. COVENANT OF CONFIDENTIALITY. Employee agrees that Employee will keep confidential and not divulge to any other party any of the Company's or its subsidiaries' or affiliates' confidential information, trade and business secrets, including, but not limited to, such matters as costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, computer programs, processes or services, bids and quotations, customer, vendor and supplier lists, contracts with other parties, customer requirements, suppliers, plans for future developments, and other business affairs and methods and other information not readily available to the public, except as required by law. Additionally, Employee agrees that upon Employee's termination of employment, Employee shall promptly return to the Company any and all confidential and proprietary information that is in Employee's possession.

17. COVENANT OF NON-SOLICITATION. During the thirty-six (36) months following the Employee's employment, Employee shall not directly or indirectly in any manner or capacity whatsoever:

(a) take away, interfere with relations with, divert or attempt to divert from the Company or any of its subsidiaries or affiliates any business with any customer or account which (i) has been solicited or serviced within one (1) year prior to the termination of Employee's employment or (ii) with which the Employee had any contact or association; which was under the supervision of Employee, or the identity of which was learned by Employee as a result of Employee's employment with the Company or any of its subsidiaries or affiliates; and (iii) which remains a customer at the time of the termination of employment, or

(b) induce or cause any Employee or independent contractor of the Company or any of its subsidiaries or affiliates to leave his/her employment or refrain from providing services to the Company or any of its subsidiaries or affiliates.

18. COVENANT OF NON-DISPARAGEMENT AND COOPERATION. Employee agrees not to make any remarks disparaging the conduct or character of the Company or any of its subsidiaries or affiliates, their current or former agents, employees, officers, directors, successors or assigns ("Ryder"). In addition, Employee agrees to cooperate with Ryder in any litigation, administrative proceedings (e.g., EEOC charges) or other Company related issues involving any matters with which Employee was involved during Employee's employment with the Company. The Company shall reimburse Employee for travel expenses approved by the Company incurred in providing such assistance.

The Company shall also abide by any indemnification obligations stated in the Company's current by-laws. Further, Employee does not waive any rights under this Severance Agreement and Release or any rights to indemnification from the Company under the applicable provisions of the

Company's articles of incorporation or by-laws, under applicable liability insurance policies, or pursuant to the provisions of the Florida General Corporation Act (Chapter 607, Florida Statutes).

19. COVENANT AGAINST COMPETITION. During the thirty-six (36) months following Employee's Last Day Worked, Employee shall not engage or become a partner, director, officer, principal, or Employee in the same or similar capacity as Employee worked for the Company and/or any of its subsidiaries or affiliates directly or indirectly, in/for any business, proprietorship, association, firm or corporation not owned or controlled by the Company and/or any of its subsidiaries or affiliates which is engaged or proposes to engage or hereafter engages in a business competitive directly or indirectly with the business conducted by the Company and/or any of its subsidiaries or affiliates in any geographic area where Employee worked or had customer contact without the prior written consent of the Company's President. However, Employee is not prohibited from owning one percent (1%) or less of the outstanding capital stock of any corporation whose stock is listed on a national securities exchange.

20. SPECIFIC REMEDY. Employee acknowledges and agrees that if Employee commits a material breach of the Covenant of Confidentiality (Paragraph 16), Covenant of Non-Solicitation (Paragraph 17), Covenant of Non-Disparagement and Cooperation (Paragraph 18) or Covenant Against Competition (Paragraph 19), the Company shall have the right to have the obligations of Employee specifically enforced by any court having appropriate jurisdiction on the grounds that any such breach will cause irreparable injury to the Company, and that money damages will not provide an adequate remedy to the Company. Employee further acknowledges and agrees that the obligations contained in Paragraphs 16, 17, 18 and 19 of this Severance Agreement and Release are fair, do not unreasonably restrict Employee's future employment and business opportunities, and are commensurate with the compensation arrangements set out in this Severance Agreement and Release.

21. APPLICABLE LAW. This Severance Agreement and Release shall be governed by and construed according to the laws of the state of Florida, notwithstanding the conflict of laws principles applied in that jurisdiction.

22. WITHHOLDING AND TAXATION. All payments under this Severance Agreement and Release shall be less applicable withholding taxes and other proper deductions consented to in writing by Employee or required by applicable law or regulation. Additionally, the payments and benefits under this Severance Agreement and Release may result in imputed income to Employee and may be included in either Employee's W-2 earnings statements or 1099 statements.

23. ASSIGNMENT. This Severance Agreement and Release is personal to Employee and Employee does not have the right to assign this Severance Agreement and Release or any interest herein. This Severance Agreement and Release shall be binding on and inure to the benefit of the successors and assigns of the Company.

24. SEVERABILITY. In the event that one or more terms or provisions of this Severance Agreement and Release are found to be invalid or unenforceable for any reason or to any extent, each remaining term and provision shall continue to be valid and effective and shall be enforceable to the fullest extent permitted by law.

25. UNSECURED, UNFUNDED OBLIGATIONS. The payments and benefits provided to Employee pursuant to this Severance Agreement and Release may be unsecured, unfunded obligations of the Company.
26. DEATH OF EMPLOYEE. If Employee dies during the Severance Period, this Severance Agreement and Release will end at the conclusion of the month in which the death occurs and only the payment owed by the Company to Employee in the month of death will be paid to the estate of Employee. Death of the Employee during the Severance Period will cause the payment in Paragraph 4 to be made, if applicable, pursuant to the terms and conditions of the Company's group life insurance plan.
27. BREACH OF THE AGREEMENT. Except as provided in Paragraph 29 ("Survival"), the Severance Period, this Severance Agreement and Release, and all liabilities and obligations hereunder shall terminate on the date Employee commits a material breach of the provisions of this Severance Agreement and Release. Employee shall be provided written notice of a breach along with a 15 day period to cure the breach before the Company terminates Employee's benefits hereunder.
28. ARBITRATION. Should any dispute arise relating to the meaning or application of this Severance Agreement and Release, such dispute shall be settled in Miami, Florida, or another mutually agreed upon location in accordance with the rules of the American Arbitration Association applicable to the resolution of employment disputes. Judgment shall be entered and enforced in a court of competent jurisdiction.
29. SURVIVAL. Paragraphs 17 ("Covenant of Non-Solicitation) and 19 ("Covenant Against Competition") of this Severance Agreement and Release shall survive termination for a material breach by Employee of the provisions of this Severance Agreement and Release for the full period set forth in Paragraphs 17 and 19. Paragraphs 16 ("Covenant of Confidentiality"), 18 ("Covenant of Non-Disparagement and Cooperation"), 20 ("Specific Remedy"), and 31 ("Release") shall survive termination of this Severance Agreement and Release for any reason.
30. COUNTERPARTS. This Severance Agreement and Release may be executed in any number of counterparts and/or duplicate originals, any of which shall be deemed to be an original, and all of which together shall be deemed one and the same document.
31. RELEASE. FOR AND IN CONSIDERATION OF THE SEVERANCE BENEFITS PROVIDED TO EMPLOYEE BY THE COMPANY, EMPLOYEE, ON BEHALF OF EMPLOYEE, EMPLOYEE'S HEIRS, EXECUTORS, SUCCESSORS AND ASSIGNS, HEREBY RELEASES AND FOREVER DISCHARGES RYDER FROM ANY AND ALL CLAIMS, DEMANDS, OBLIGATIONS, LOSSES, CAUSES OF ACTION, COSTS, EXPENSES, ATTORNEYS' FEES AND ALL LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, FIXED OR CONTINGENT, WHICH EMPLOYEE HAS OR MAY HAVE AGAINST RYDER AS A RESULT OF EMPLOYEE'S EMPLOYMENT BY AND SUBSEQUENT TERMINATION AS AN EMPLOYEE OF THE COMPANY, UP TO THE LATER TO OCCUR OF (I) EMPLOYEE'S LAST DAY WORKED, OR (II) THE DATE OF THE EXECUTION OF THIS SEVERANCE AGREEMENT AND RELEASE.

THIS INCLUDES BUT IS NOT LIMITED TO CLAIMS AT LAW OR EQUITY OR SOUNDING IN CONTRACT (EXPRESS OR IMPLIED) OR TORT ARISING UNDER FEDERAL, STATE, OR LOCAL LAWS PROHIBITING AGE, SEX, RACE, DISABILITY, VETERAN OR ANY OTHER FORMS OF DISCRIMINATION. THIS FURTHER INCLUDES ANY AND ALL CLAIMS ARISING UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT, THE AMERICANS WITH DISABILITIES ACT OF 1990, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, OR THE EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA), AS AMENDED, OR CLAIMS GROWING OUT OF ANY LEGAL RESTRICTIONS ON THE COMPANY'S RIGHT TO TERMINATE ITS EMPLOYEES. EMPLOYEE COVENANTS AND AGREES THAT EMPLOYEE WILL NOT SUE OR FILE ANY LAWSUIT OR ACTION AGAINST RYDER IN THE FUTURE WITH RESPECT TO ANY CLAIM OR CAUSE OF ACTION RELEASED AS PART OF THIS SEVERANCE AGREEMENT AND RELEASE. EMPLOYEE FURTHER AGREES THAT IF EMPLOYEE VIOLATES THIS COVENANT OR ANY OTHER PROVISION OF THIS SEVERANCE AGREEMENT AND RELEASE, EMPLOYEE SHALL INDEMNIFY RYDER FOR ALL COSTS AND ATTORNEYS FEES INCURRED BY RYDER IN ENFORCING THIS SEVERANCE AGREEMENT AND RELEASE. IN ADDITION, EMPLOYEE SHALL BE INDEMNIFIED BY THE COMPANY FOR ALL ATTORNEYS FEES INCURRED BY EMPLOYEE IN ENFORCING THIS SEVERANCE AGREEMENT AND RELEASE IF IT IS DETERMINED BY A COURT OF COMPETENT JURISDICTION THAT THE COMPANY VIOLATED THIS COVENANT OR ANY OTHER PROVISION OF THIS SEVERANCE AGREEMENT AND RELEASE.

32. NON-ADMISSION. This Severance Agreement and Release shall not in any way be construed as an admission by the Company of any unlawful or wrongful acts whatsoever against Employee or any other person, and the Company specifically disclaims any liability to or wrongful acts against Employee or any other person, on the part of Ryder.

33. ENTIRE AGREEMENT. Employee understands that this document constitutes the entire agreement concerning severance pay and related benefits between Employee and the Company, that this document may not be modified except by a written document signed by Employee and the Company, and that no other promises have been made concerning the subject matter covered herein. Employee understands and agrees that the Company has no obligations to Employee beyond the terms of this Severance Agreement and Release and Employee acknowledges that Employee has not relied upon any representations or statements, written or oral, not set forth in this document. Employee further acknowledges that the severance pay and benefits set forth in this Severance Agreement and Release (with the exception of any accrued vacation) are not otherwise owed to Employee as a result of Employee's employment with the Company, and therefore are a material inducement for Employee's execution of this Severance Agreement and Release.

34. REVOCATION PERIOD. EMPLOYEE UNDERSTANDS AND ACKNOWLEDGES THAT EMPLOYEE HAS SEVEN (7) CALENDAR DAYS FOLLOWING EMPLOYEE'S EXECUTION OF THIS SEVERANCE AGREEMENT AND RELEASE TO REVOKE EMPLOYEE'S ACCEPTANCE OF THIS SEVERANCE AGREEMENT AND RELEASE (THE "REVOCATION PERIOD") AND THAT THIS SEVERANCE AGREEMENT AND RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED. REVOCATION OF THIS SEVERANCE AGREEMENT AND RELEASE MUST BE MADE BY DELIVERING A WRITTEN NOTICE OF REVOCATION TO M. ANTHONY BURNS. FOR THIS REVOCATION TO BE EFFECTIVE, WRITTEN NOTICE MUST BE RECEIVED BY M. ANTHONY BURNS NO

LATER THAN THE CLOSE OF BUSINESS ON THE SEVENTH DAY AFTER EMPLOYEE SIGNS THIS SEVERANCE AGREEMENT AND RELEASE. IN ADDITION, EMPLOYEE UNDERSTANDS AND ACKNOWLEDGES THAT NO MONIES WILL BE PAID UNDER THE TERMS OF THIS SEVERANCE AGREEMENT AND RELEASE UNTIL THE END OF THE REVOCATION PERIOD, EXCEPT FOR EMPLOYEE'S VACATION ENTITLEMENT.

EMPLOYEE CERTIFIES THAT EMPLOYEE HAS FULLY READ, HAS RECEIVED AN EXPLANATION OF, HAS NEGOTIATED AND COMPLETELY UNDERSTANDS THE PROVISIONS OF THIS SEVERANCE AGREEMENT AND RELEASE, THAT EMPLOYEE HAS BEEN ADVISED BY THE COMPANY TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS SEVERANCE AGREEMENT AND RELEASE, THAT EMPLOYEE HAS BEEN GIVEN AT LEAST TWENTY-ONE (21) CALENDAR DAYS TO REVIEW AND CONSIDER THE PROVISIONS OF THIS SEVERANCE AGREEMENT AND RELEASE, AND THAT EMPLOYEE IS SIGNING FREELY AND VOLUNTARILY, WITHOUT DURESS, COERCION OR UNDUE INFLUENCE.

WITNESSES:

EDWIN A. HUSTON
("Employee")

/s/ DIANA L. TIBBETS

Signature Date

/s/ EDWIN A. HUSTON 2/15/00

Signature Date

Diana L. Tibbets 2/15/00

Print Name

Social Security No. 180-32-8993

6771 Stonemango Rd., Miami Lakes, FL

Address

/s/ LOUISA CHICCARINO 2/15/00

Signature Date

Louisa Chiccarino

Print Name

11955 N.W. 11th Street
Pembroke Pines, FL 33026

Address

ATTEST:

RYDER SYSTEM, INC.
("Company")

H. JUDITH CHOZIANIN 2/17/00

Signature Date

By: /s/ VICKI O'MEARA

Signature Date

ASSISTANT SECRETARY

Title

EVP, GENERAL COUNSEL AND SECRETARY

Title

[RYDER LOGO]

DATE: January 18, 2000
TO: Edwin A. Huston
FROM: M. Anthony Burns
RE: Severance Agreement and Release

In accordance with the Older Workers Benefit Protection Act, I am required to inform you of the following regarding your execution of the attached Severance Agreement and Release.

1. You should consult with an attorney before signing the Severance Agreement and Release.
2. You will have twenty-one (21) days from the day you receive the Severance Agreement and Release to execute it. If you have not executed the Severance Agreement and Release by the twenty-first day, it will automatically be declared null and void and revoked.
3. After you have executed the Severance Agreement and Release, you have seven (7) calendar days to revoke your acceptance of it. If you revoke the Severance Agreement and Release within the seven (7) calendar days, it is null and void. For the revocation of the Severance Agreement and Release to be effective, written notice must be received by me no later than the close of business on the seventh day after you sign the Severance Agreement and Release.
4. If you do not revoke your execution of the Severance Agreement and Release within the seven (7) calendar days, it will become effective and payments will commence in accordance with the terms of the Severance Agreement and Release.

Please acknowledge below your receipt of this document and the attached Severance Agreement and Release and that you have read and understand this page of conditions.

Acknowledged:

/s/ EDWIN A. HUSTON

Date 2/15/00

Attachment

Ryder System, Inc.
3600 NW 82nd Avenue
Miami, FL 33166

January 18, 2000

**TO THE BOARD OF DIRECTORS
OF RYDER SYSTEM, INC.**

Dear Members of the Board:

Effective June 30, 2000, I hereby resign as an officer and/or director of Ryder System, Inc. and/or its subsidiaries and affiliates and, to the extent applicable, from all committees of which I am a member.

Sincerely,

/s/ EDWIN A. HUSTON

Edwin A. Huston

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RYDER SYSTEM, INC.

SUBSIDIARIES AS OF DECEMBER 1, 1999

NAME OF COMPANY -----	STATE/COUNTRY OF INCORPORATION -----
1318359 Ontario Limited (1)	Canada
Associated Ryder Capital Services, Inc.	Florida
Companhia Transportadora e Comercial Translor	Brazil
Disposition Holding Corp.	Florida
Far East Freight, Inc.	Florida
Forrest Rental Services Limited	England
Globe Master Insurance Company	Vermont
Manufacturing Holding Corp.	Florida
Mitchell Self Drive Limited	England
Network Vehicle Central, Inc.	Florida
Northern Carriers, Inc.	Illinois
Phaseking Limited	England
Road Master, Limited	Bermuda
RSI Acquisition Corp.	Delaware
RSI Holding B.V.	Netherlands
RSI Purchase Corp.	Delaware
RTR Leasing I, Inc.	Delaware
RTR Leasing II, Inc.	Delaware
Rycom II, LLC	Delaware
Ryder Airport Operations Corp.	Florida
Ryder Argentina S.A.	Argentina
Ryder Capital S.A. de C.V.	Mexico
Ryder Capital Services Corporation	Delaware
RYDERCORP	Florida
RYDERCORP, Inc.	Delaware
Ryder de Mexico S.A. de C.V.	Mexico
Ryder Dedicated Capacity, Inc.	Tennessee
Ryder Dedicated Logistics, Inc.	Delaware
Ryder Dedicated Logistics Limited	England
Ryder Deutschland GmbH	West Germany
Ryder Distribution Services Limited	England
Ryder do Brasil Ltda.	Brazil
Ryder Driver Leasing, Inc.	Florida
Ryder Energy Distribution Corporation	Florida
Ryder (Europe) Limited	England
Ryder FleetProducts.com, Inc.	Tennessee
Ryder Funding LP	Delaware
Ryder Holding, LLC	Delaware
Ryder Integrated Logistics Limited	England
Ryder Integrated Logistics, Inc. (2) (3)	Delaware
Ryder International Acquisition Corp.	Florida

Ryder International, Inc.	Florida
Ryder Lease Co. II, Inc.	Florida
Ryder Mexicana, S.A. de C.V.	Mexico
Ryder Netherlands B.V.	Netherlands
Ryder Pension Fund Limited	England
Ryder Plc	England
Ryder Polska Sp. z o.o.	Poland
Ryder Puerto Rico, Inc.	Delaware
Ryder Realty, Inc.	Delaware
Ryder Services Corporation (4)	Florida
Ryder Servicos do Brasil Ltda.	Brazil
Ryder Servicios S.A. de C.V.	Mexico
Ryder St. Louis Redevelopment Corporation	Missouri
Ryder System B.V.	Netherlands
Ryder System Holdings (UK) Limited	England
Ryder System Limited	England
Ryder Transport Services Limited	England
Ryder Transportation Limited	England
Ryder Truck Rental, Inc. (5)	Florida
Ryder Truck Rental I LLC	Delaware
Ryder Truck Rental II LLC	Delaware
Ryder Truck Rental III LLC	Delaware
Ryder Truck Rental I LP	Delaware
Ryder Truck Rental II LP	Delaware
Ryder Truck Rental Canada Ltd. (6)	Canada
Ryder Truck Rental Limited	England
Ryder Truck Rental LT	Delaware
Ryder Truckstops, Inc.	Florida
Ryder Vehicle Lease Trust 1998-A	Delaware
Ryder Vehicle Leasing & Sales Corp.	Barbados
Ryhert Holding, Inc.	Delaware
Rymar Holding, Inc.	Delaware
Rynew II, Inc.	Delaware
Saunders Leasing System of Canada Limited - BEING DISSOLVED	Canada
Spring Hill Integrated Logistics Management, Inc.	Delaware
Surplus Property Holding Corp.	Florida
Tandem Transport, L.P.	Georgia
Truck Transerv, Inc.	Delaware
Unilink Contract Hire Limited	England
UniRyder Limited	England
United Contract Hire Limited	England
Westside Corporate Center, Inc.	Florida

(1) Ontario, Canada: D/B/A RYDER GROCERY SERVICES

(2) California, Delaware, Iowa, North Dakota, North Carolina, Virginia,
Texas, Utah: D/B/A TRIANGLE SERVICES CORPORATION

(3) Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maine,
Maryland, Michigan, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode
Island, South Dakota, Tennessee, Texas, Virginia and Washington: D/B/A LOGICORP.

Florida: d/b/a UniRyder

(4) Ohio and Texas: D/B/A RYDER CLAIMS SERVICES CORPORATION

(5) Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho,
Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana,
Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon,
Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia,
Wisconsin and Wyoming: D/B/A RYDER
TRANSPORTATION SERVICES

Maryland and Virginia: D/B/A RYDER/JACOBS

Michigan: D/B/A ATLAS TRUCKING, INC.

Michigan: D/B/A RYDER ATLAS OF WESTERN MICHIGAN

(6) French Name: Location de Camions Ryder du Canada Ltee.

Canadian Provinces: Ryder Integrated Logistics Ryder Dedicated Logistics Ryder Canada

EXHIBIT 23.1

The Board of Directors and Shareholders of Ryder System, Inc.:

We consent to incorporation by reference in the following Registration Statements on Forms S-3 and S-8 of Ryder System, Inc. of our report dated February 2, 2000, relating to the consolidated balance sheets of Ryder System, Inc. and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1999, which report appears in the December 31, 1999 annual report on Form 10-K of Ryder System, Inc.:

Form S-3:

- o Registration Statement No. 33-20359 covering \$1,000,000,000 aggregate principal amount of debt securities.
- o Registration Statement No. 33-50232 covering \$800,000,000 aggregate principal amount of debt securities.
- o Registration Statement No. 33-58667 covering \$800,000,000 aggregate principal amount of debt securities.
- o Registration Statement No. 333-63049 covering \$800,000,000 aggregate principal amount of debt securities.

Form S-8:

- o Registration Statement No. 33-20608 covering the Ryder System Employee Stock Purchase Plan.
- o Registration Statement No. 33-4333 covering the Ryder Employee Savings Plan.
- o Registration Statement No. 1-4364 covering the Ryder System Profit Incentive Stock Plan.
- o Registration Statement No. 33-69660 covering the Ryder System, Inc. 1980 Stock Incentive Plan.
- o Registration Statement No. 33-37677 covering the Ryder System UK Stock Purchase Scheme.

- o Registration Statement No. 33-63990 covering the Ryder System, Inc. Directors' Stock Plan.
- o Registration Statement No. 33-58001 covering the Ryder System, Inc. Employee Savings Plan A.
- o Registration Statement No. 33-58003 covering the Ryder System, Inc. Employee Savings Plan B.
- o Registration Statement No. 33-61509 covering the Ryder System, Inc. Stock for Merit Increase Replacement Plan.
- o Registration Statement No. 33-62013 covering the Ryder System, Inc. 1995 Stock Incentive Plan.
- o Registration Statement No. 333-19515 covering the Ryder System, Inc. 1997 Deferred Compensation Plan.
- o Registration Statement No. 333-26653 covering the Ryder System, Inc. Board of Directors Stock Award Plan.
- o Registration Statement No. 333-57593 covering the Ryder System, Inc. Stock Purchase Plan for Employees.
- o Registration Statement No. 333-57595 covering the Ryder System, Inc. 1995 Stock Incentive Plan.

/s/ KPMG LLP

*Miami, Florida
March 13, 2000*

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ CHRISTINE A. VARNEY

Christine A. Varney

DISTRICT OF COLUMBIA)
) *ss:*
)

Before me appeared Christine A. Varney, personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 1st day of March, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ Elizabeth L. Bapst

Notary Public

My commission expires:

[Stamped]
Official Notary Seal
Elizabeth L. Bapst
Notary Public District of Columbia
My commission expires June 30, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ ALVA O. WAY

Alva O. Way

STATE OF FLORIDA)
) ss:
COUNTY OF DADE)

Before me appeared Alva O. Way, personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 18th day of February, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ H. Judith Chozianin

Notary Public

[Stamped]
Official Notary Seal
H. Judith Chozianin
Notary Public State of Florida
Commission No. CC609712
My commission expires January 7, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ PAUL J. RIZZO

Paul J. Rizzo

STATE OF FLORIDA)
) ss:
COUNTY OF DADE)

Before me appeared Paul J. Rizzo, personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 18th day of February, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ H. Judith Chozianin

Notary Public

[Stamped]
Official Notary Seal
H. Judith Chozianin
Notary Public State of Florida
Commission No. CC609712
My commission expires January 7, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ LYNN M. MARTIN

Lynn M. Martin

STATE OF FLORIDA)
) ss:
COUNTY OF DADE)

Before me appeared Lynn M. Martin, personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 18th day of February, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ H. Judith Chozianin

Notary Public

[Stamped]
Official Notary Seal
H. Judith Chozianin
Notary Public State of Florida
Commission No. CC609712
My commission expires January 7, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ DAVID T. KEARNS

David T. Kearns

STATE OF FLORIDA)
) ss:
COUNTY OF DADE)

Before me appeared David T. Kearns, personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 18th day of February, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ H. Judith Chozianin

Notary Public

[Stamped]
Official Notary Seal
H. Judith Chozianin
Notary Public State of Florida
Commission No. CC609712
My commission expires January 7, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ VERNON E. JORDAN, JR.

Vernon E. Jordan, Jr.

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

Before me appeared Vernon E. Jordan, Jr., personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 9th day of March, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ H. Judith Chozianin

Notary Public

[Stamped]
Official Notary Seal
H. Judith Chozianin
Notary Public State of Florida
Commission No. CC609712
My commission expires January 7, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ JOHN A. GEORGES

John A. Georges

STATE OF FLORIDA)
) ss:
COUNTY OF DADE)

Before me appeared John A. Georges, personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 18th day of February, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ H. Judith Chozianin

Notary Public

[Stamped]
Official Notary Seal
H. Judith Chozianin
Notary Public State of Florida
Commission No. CC609712
My commission expires January 7, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ EDWARD T. FOOTE II

Edward T. Foote II

STATE OF FLORIDA)
) ss:
COUNTY OF DADE)

Before me appeared Edward T. Foote II, personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 18th day of February, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ H. Judith Chozianin

Notary Public

[Stamped]
Official Notary Seal
H. Judith Chozianin
Notary Public State of Florida
Commission No. CC609712
My commission expires January 7, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ JOSEPH L. DIONNE

Joseph L. Dionne

STATE OF FLORIDA)

) ss:

COUNTY OF DADE)

Before me appeared Joseph L. Dionne, personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 18th day of February, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ H. Judith Chozianin

Notary Public

[Stamped]
Official Notary Seal
H. Judith Chozianin
Notary Public State of Florida
Commission No. CC609712
My commission expires January 7, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Vicki A. O'Meara, David M. Beilin and Kevin K. Ross, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 1999 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Chicago Stock Exchange and Pacific Stock Exchange, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ DAVID I. FUENTE

David I. Fuente

STATE OF FLORIDA)
) ss:
COUNTY OF DADE)

Before me appeared David I. Fuente, personally known to me and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me this 18th day of February, 2000 that he or she executed said instrument for the purposes therein expressed.

Witness my hand and official seal:

/s/ H. Judith Chozianin

Notary Public

[Stamped]
Official Notary Seal
H. Judith Chozianin
Notary Public State of Florida
Commission No. CC609712
My commission expires January 7, 2001

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE RYDER SYSTEM, INC. AND SUBSIDIARIES UNAUDITED CONSOLIDATED CONDENSED BALANCE SHEET AND STATEMENT OF EARNINGS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000

PERIOD TYPE	12 MOS
FISCAL YEAR END	DEC 31 1999
PERIOD START	JAN 01 1999
PERIOD END	DEC 31 1999
CASH	112,993
SECURITIES	0
RECEIVABLES	725,815
ALLOWANCES	0
INVENTORY	69,845
CURRENT ASSETS	1,209,391
PP&E	5,734,424
DEPRECIATION	2,057,868
TOTAL ASSETS	5,770,450
CURRENT LIABILITIES	1,449,512
BONDS	1,819,136
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	513,083
OTHER SE	691,822
TOTAL LIABILITY AND EQUITY	5,770,450
SALES	0
TOTAL REVENUES	4,952,204
CGS	0
TOTAL COSTS	4,651,034
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	183,676
INCOME PRETAX	117,494
INCOME TAX	44,577
INCOME CONTINUING	72,917
DISCONTINUED	351,154
EXTRAORDINARY	(4,393)
CHANGES	0
NET INCOME	419,678
EPS BASIC	6.12
EPS DILUTED	6.11

End of Filing

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