
***Dennis R. Slagle***
***President and CEO***
***Mack Trucks, Inc.***

# INVESTOR DAY

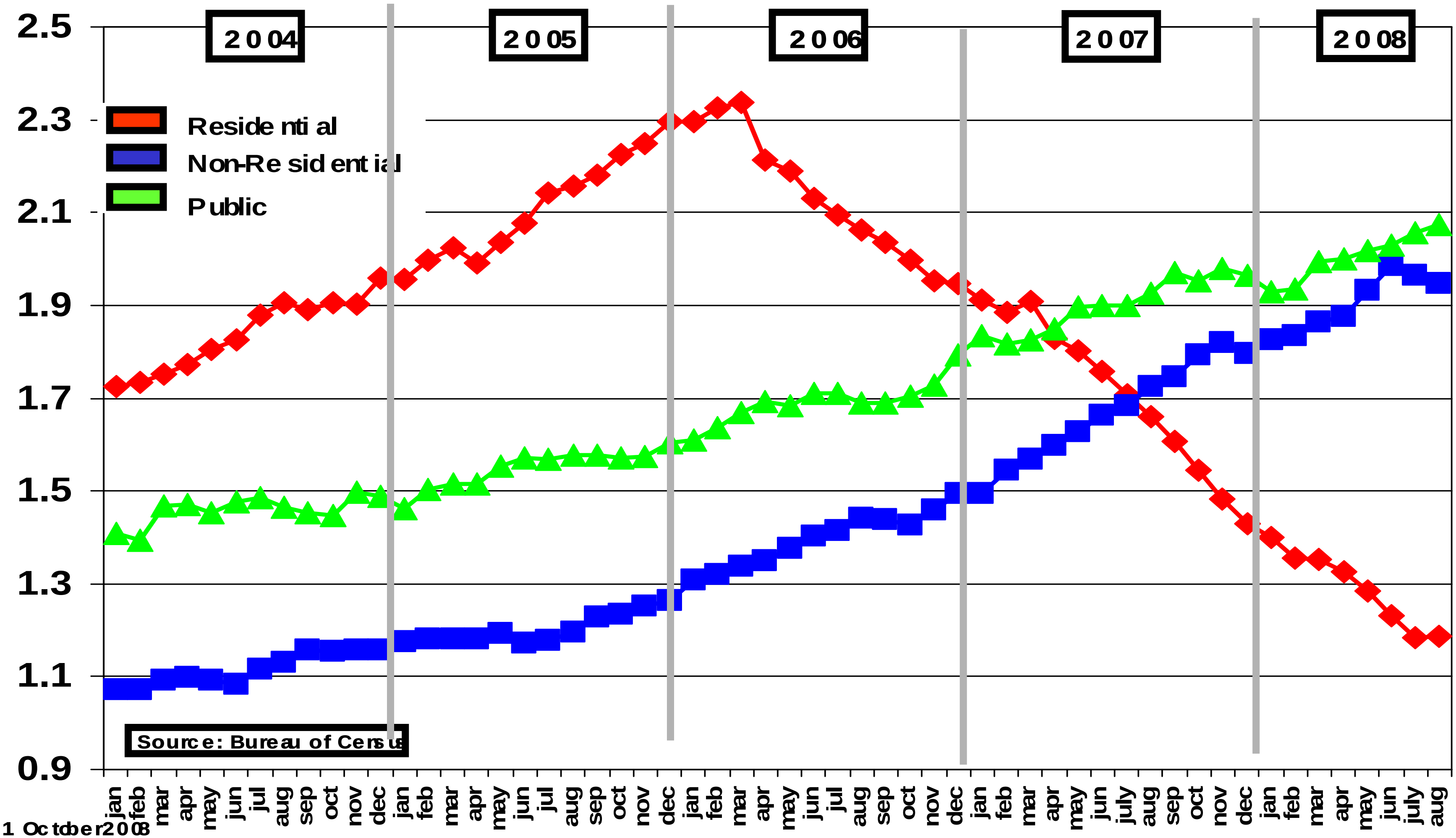
**December 2, 2008**

# Heavy-Duty Truck Market – North America

- Ongoing Weakness
  - Credit crunch
  - Construction spending
  - Customer confidence
  - Global softening
  - Aging fleet
- Revised ’08 Outlook
  - From flat to -10%
- ’09 Outlook
  - Appropriate caution
  - No pre-buy

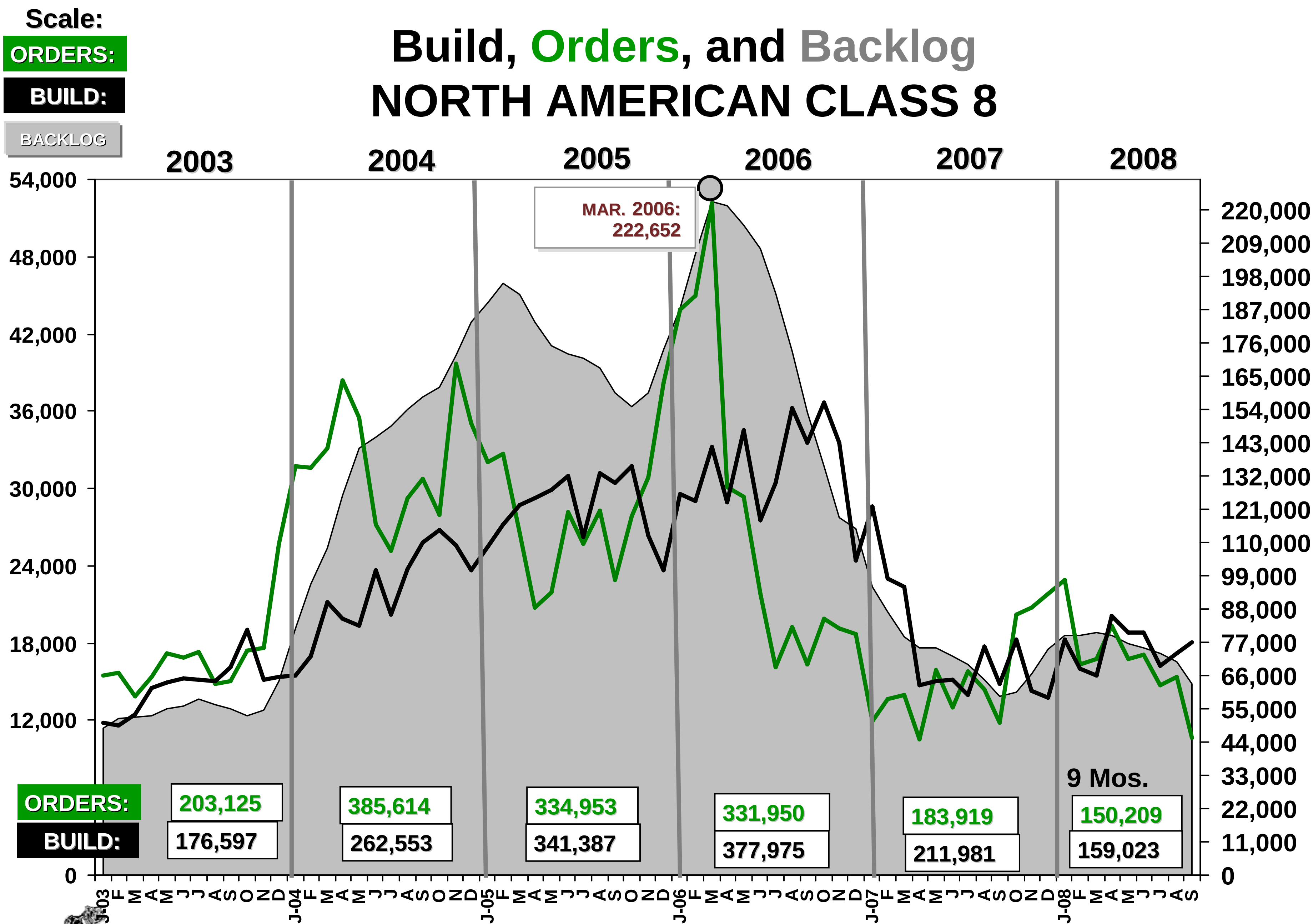
# Construction Spending

**Index 1997 – 1.00**



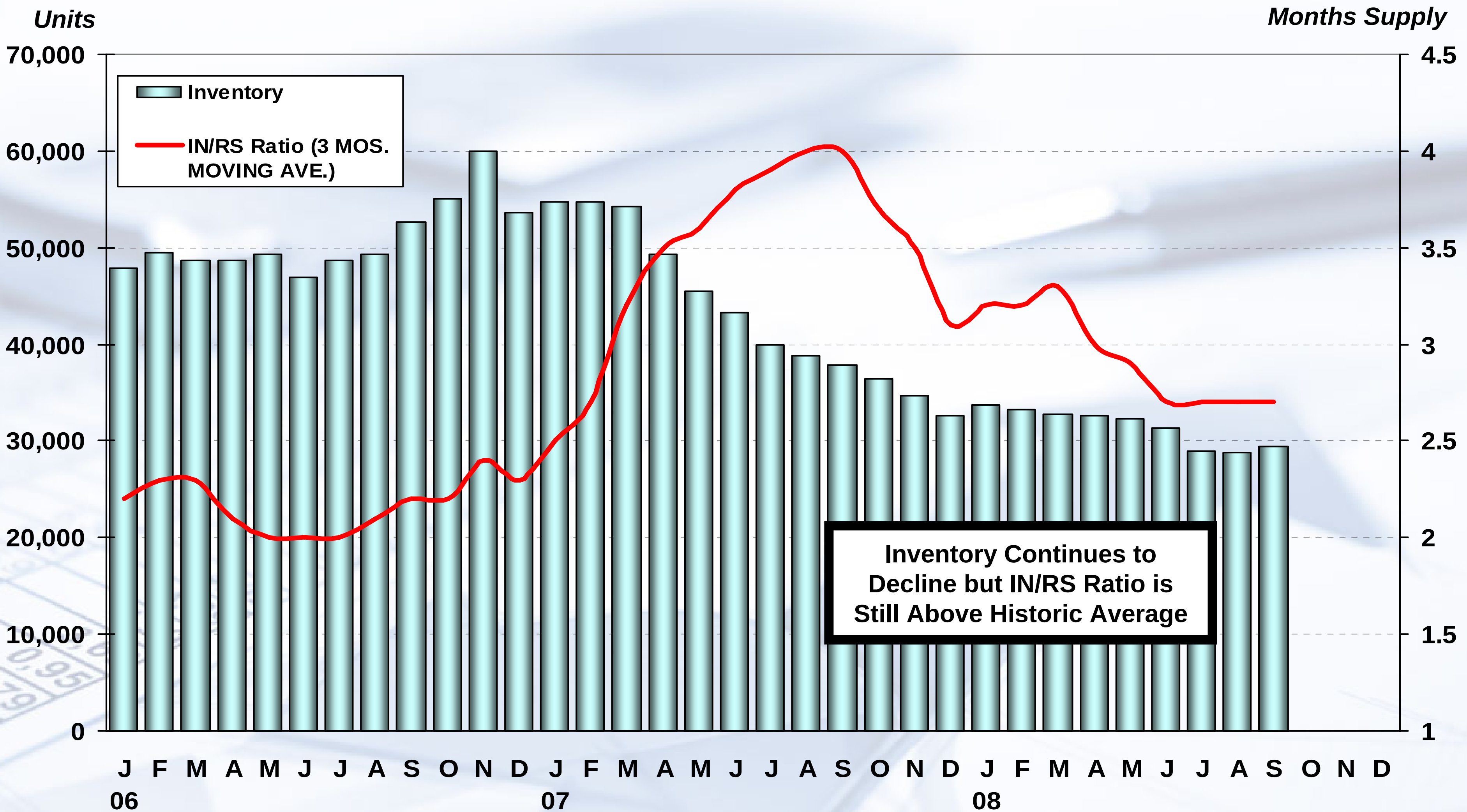

1 October 2008

# Build, Orders, and Backlog
# NORTH AMERICAN CLASS 8



# U.S. Class 8 Industry Inventory

January 2006 – September 2008



# Used Trucks

- Increased industry lease and trade returns
- Export demand
- Industry inventories at high levels

# Mack

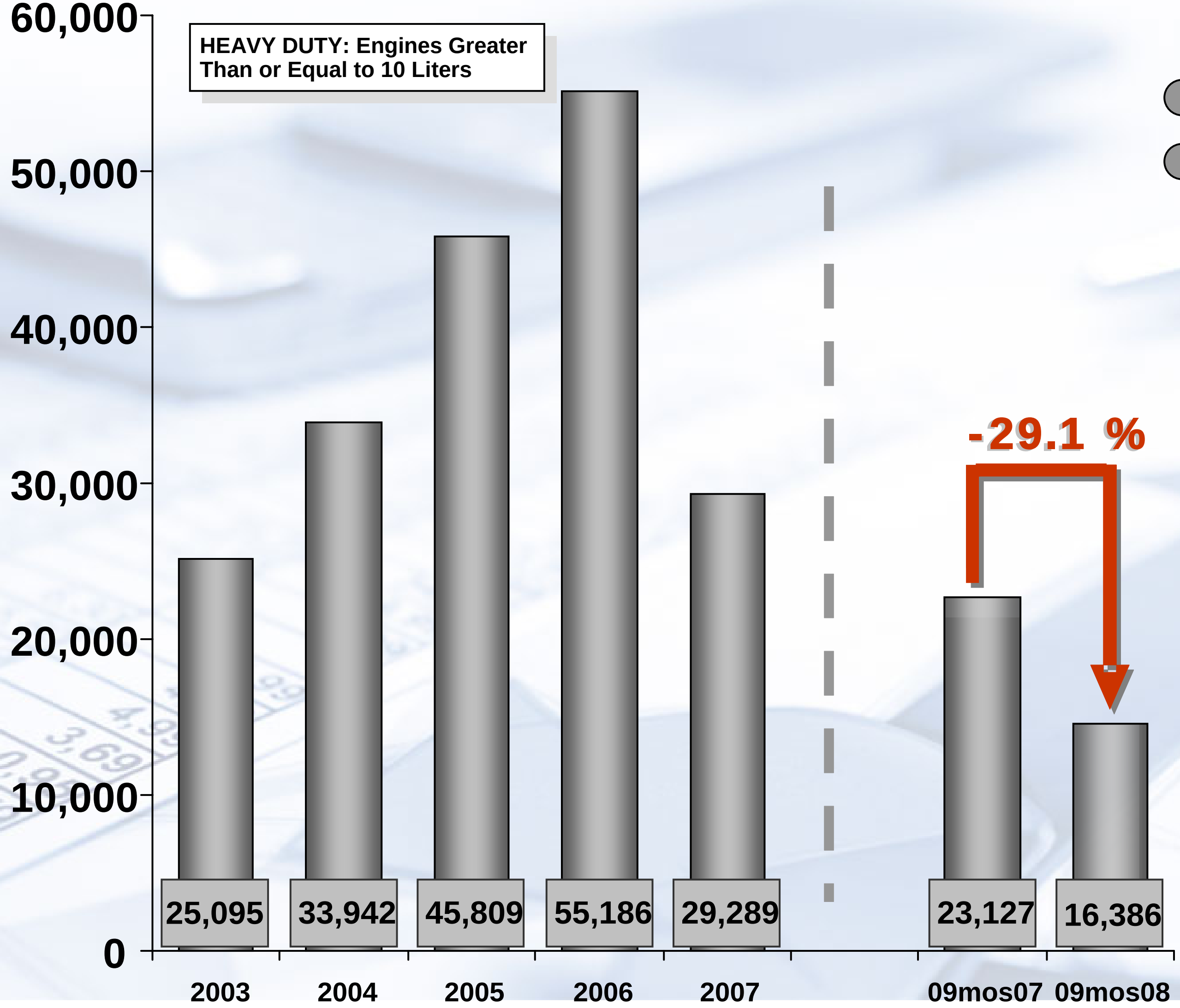

- Challenging environment
- UAW negotiations
- Focused on core segment leadership
- Changing competitive landscape

# Core Market Segments

- Economic Haul
- Refuse
- Construction

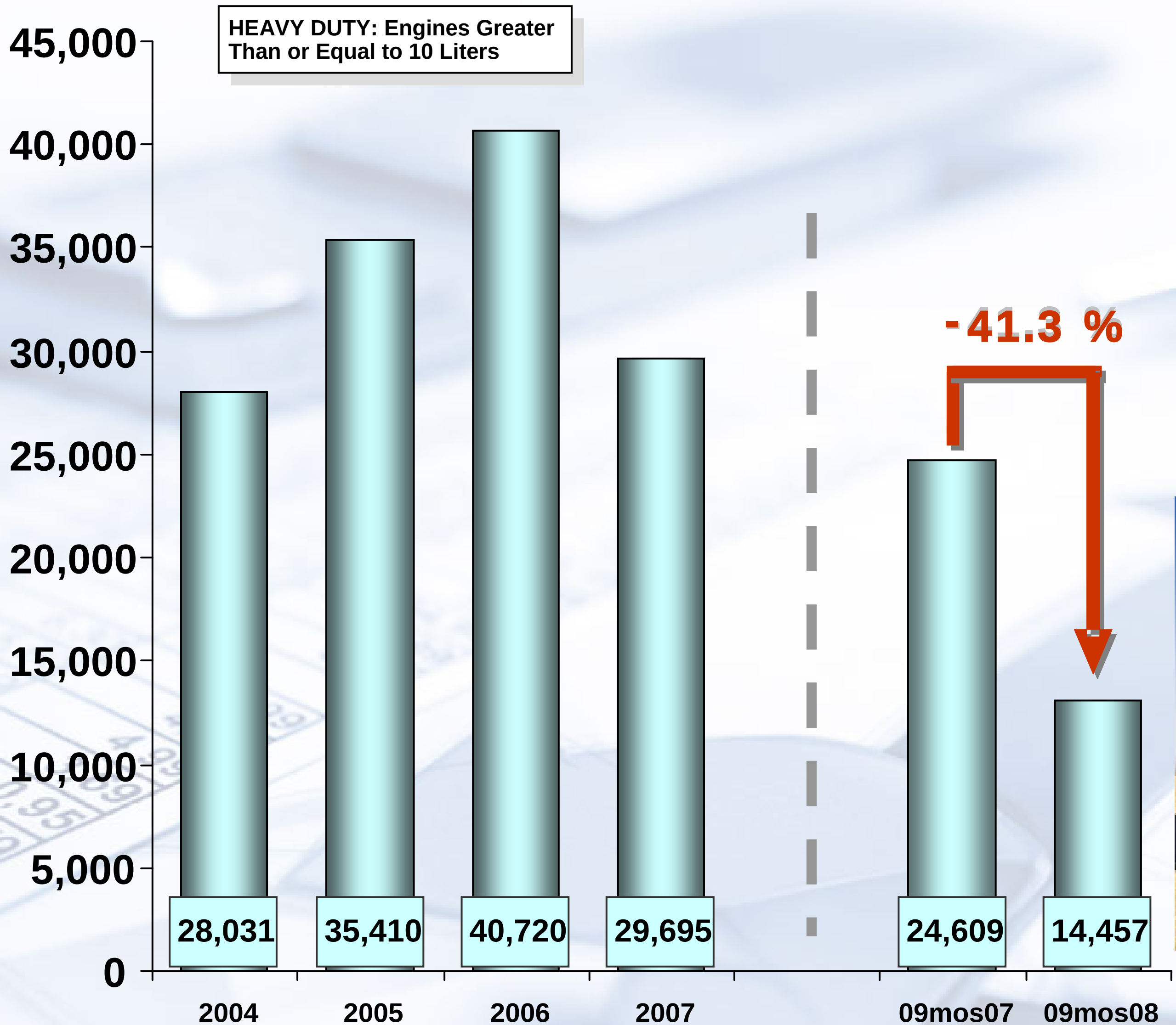

# Core Strategic Segments

## Tractor: Economic Haul




- ~20% Total Market
- Mack # 3

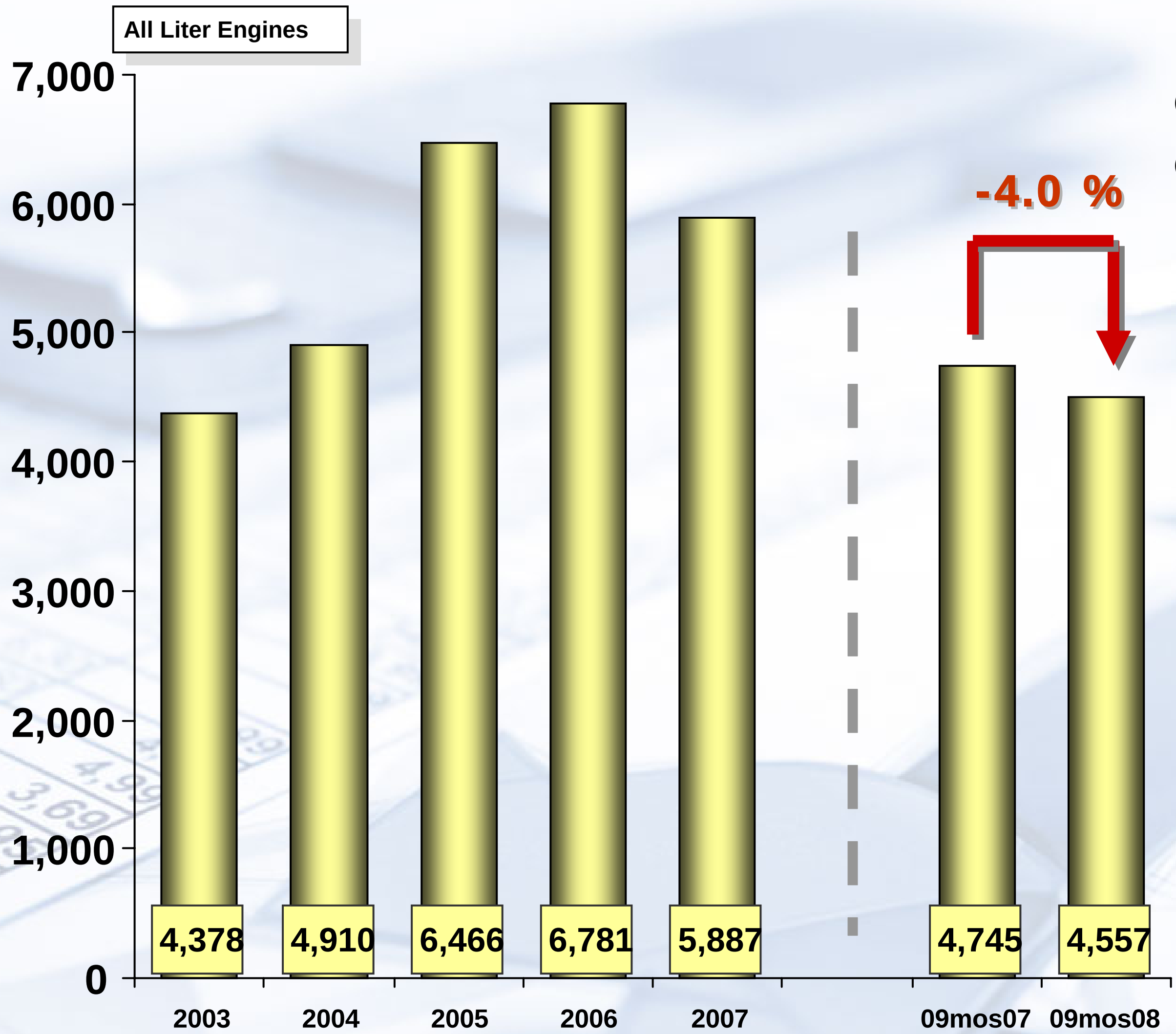
# Core Strategic Segments
## Conventional Straight Truck




- ~15 % Total Market
- Mack #1

# Core Strategic Segments

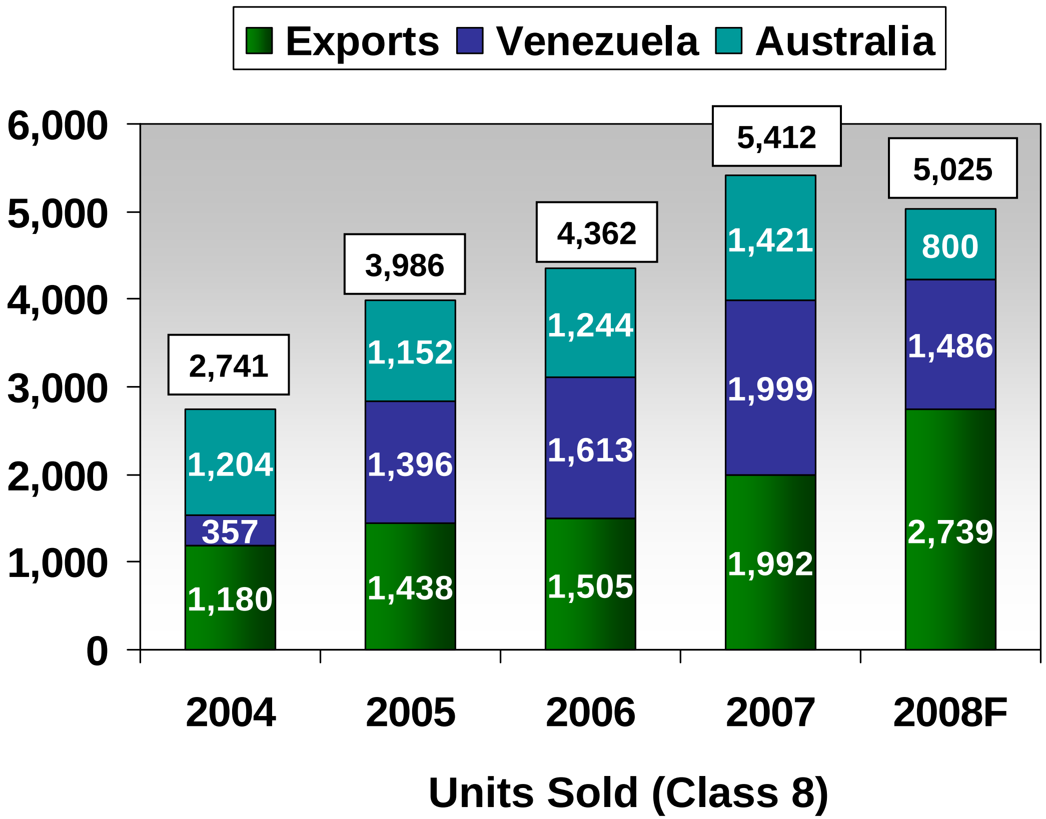
## Straight Truck LCOE

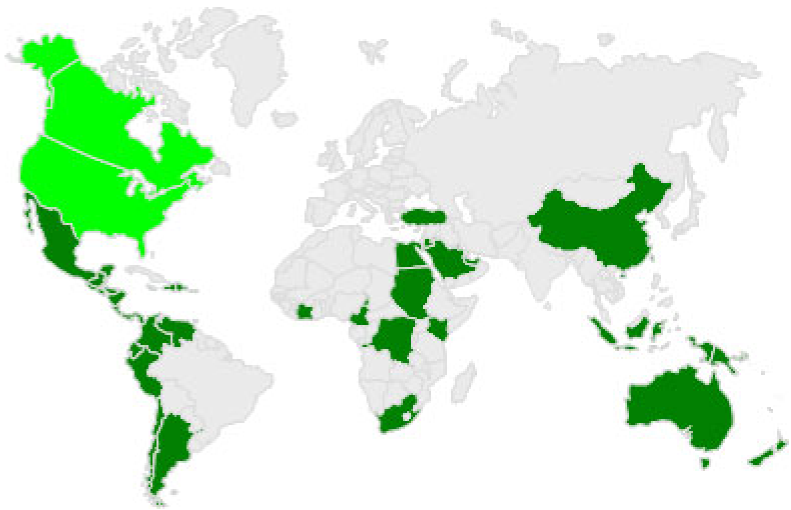



- ~ 4% Total Market
- Mack #1

# Mack International Operations

*Mack products are sold and serviced in more than 45 countries worldwide*



- Strong growth over past several years
- Recent orders from Latin American, Middle Eastern, and African countries
- Global liquidity situation

# Military Business
# Greater Focus

- Recent U.S. Army awards
  - $28.5 MUSD for 152 tractors-trailers
  - $6.8 MUSD for 66 severe service tractors
  - $1 MUSD for engine adaptation
  - $4.7 MUSD for 36 heavy-duty wreckers

# Mack Dealer Network

- Strengthened by investments
- 50% dual with Volvo Trucks
- Absorption rates remain high

# MP Engines

- 11, 13 and 16 liter
- 325 – 605 horsepower
- 1260 – 2060 lb.-ft. torque
- Fuel Economy (+3%-10%)
- Positive Customer Response

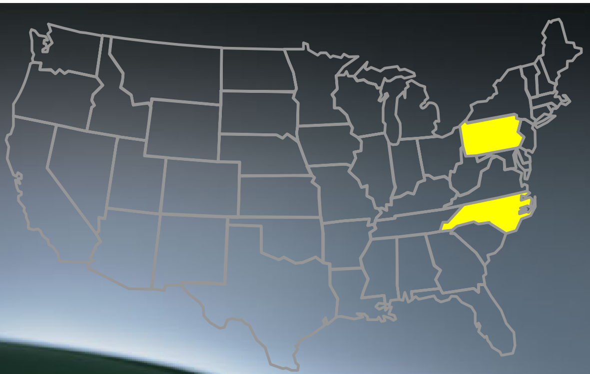
# Ready for EPA2010

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

# Changing Competitive Landscape

- Sterling discontinued
- CAT engine exit
- Cummins to SCR

# In Focus



- Cost reduction
- North American restructuring
- Capital management
- Price realization