

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

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	<b>2016</b>	2015	<b>2016</b>	2015
<b>Truck, Parts and Other:</b>				
Net sales and revenues	<b>\$ 3,953.2</b>	\$ 4,546.2	<b>\$ 12,079.6</b>	\$ 13,880.3
Cost of sales and revenues	<b>3,371.5</b>	3,851.3	<b>10,274.5</b>	11,822.7
Research and development	<b>59.2</b>	57.6	<b>179.6</b>	173.1
Selling, general and administrative	<b>105.5</b>	107.0	<b>326.0</b>	324.7
European Commission charge			<b>833.0</b>	
Interest and other expense, net	<b>1.6</b>	4.9	<b>4.2</b>	10.7
<i>Truck, Parts and Other Income Before Income Taxes</i>	<b>415.4</b>	525.4	<b>462.3</b>	1,549.1
<b>Financial Services:</b>				
Revenues	<b>296.2</b>	301.0	<b>883.0</b>	879.5
Interest and other	<b>194.8</b>	181.7	<b>565.0</b>	526.7
Selling, general and administrative	<b>25.3</b>	24.0	<b>74.9</b>	71.4
Provision for losses on receivables	<b>5.1</b>	2.4	<b>14.5</b>	8.7
<i>Financial Services Income Before Income Taxes</i>	<b>71.0</b>	92.9	<b>228.6</b>	272.7
Investment income	<b>8.5</b>	6.2	<b>20.6</b>	16.6
<i>Total Income Before Income Taxes</i>	<b>494.9</b>	624.5	<b>711.5</b>	1,838.4
Income taxes	<b>148.7</b>	193.3	<b>478.6</b>	581.6
<i>Net Income</i>	<b>\$ 346.2</b>	\$ 431.2	<b>\$ 232.9</b>	\$ 1,256.8
<b>Net Income Per Share:</b>				
Basic	<b>\$ .99</b>	\$ 1.21	<b>\$ .66</b>	\$ 3.54
Diluted	<b>\$ .98</b>	\$ 1.21	<b>\$ .66</b>	\$ 3.53
<b>Weighted Average Shares Outstanding:</b>				
Basic	<b>351.0</b>	355.0	<b>351.1</b>	355.1
Diluted	<b>351.8</b>	355.9	<b>351.8</b>	356.1
Dividends declared per share	<b>\$ .24</b>	\$ .24	<b>\$ .72</b>	\$ .68

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

	<b>September 30</b>	December 31
	<b>2016</b>	2015
<b>ASSETS</b>		
<b>Truck, Parts and Other:</b>		
Cash and marketable debt securities	\$ 2,801.2	\$ 3,378.0
Trade and other receivables, net	1,025.9	879.0
Inventories, net	824.1	796.5
Property, plant and equipment, net	2,251.3	2,176.4
Equipment on operating leases and other, net	1,692.9	1,625.3
<b>Financial Services Assets</b>	<b>12,373.5</b>	<b>12,254.6</b>
	<b>\$ 20,968.9</b>	<b>\$ 21,109.8</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Truck, Parts and Other:</b>		
Accounts payable, deferred revenues and other	\$ 4,153.9	\$ 4,331.9
<b>Financial Services Liabilities</b>	<b>9,836.8</b>	<b>9,837.5</b>
<b>STOCKHOLDERS' EQUITY</b>	<b>6,978.2</b>	<b>6,940.4</b>
	<b>\$ 20,968.9</b>	<b>\$ 21,109.8</b>
<b>Common Shares Outstanding</b>	<b>350.6</b>	<b>351.3</b>

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

Nine Months Ended September 30	2016	2015
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 232.9	\$ 1,256.8
Depreciation and amortization:		
Property, plant and equipment	230.6	221.4
Equipment on operating leases and other	515.0	457.9
Net change in trade receivables, inventory and payables	(50.2)	120.0
Net decrease (increase) in wholesale receivables on new trucks	211.8	(367.3)
All other operating activities, net	350.4	162.4
<b>Net Cash Provided by Operating Activities</b>	<b>1,490.5</b>	<b>1,851.2</b>
<b>INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(242.0)	(187.5)
Acquisitions of equipment for operating leases	(1,202.3)	(1,093.2)
Net increase in financial services receivables	(168.2)	(248.2)
Net decrease (increase) in marketable debt securities	370.7	(216.1)
Proceeds from asset disposals and other	320.4	343.3
<b>Net Cash Used in Investing Activities</b>	<b>(921.4)</b>	<b>(1,401.7)</b>
<b>FINANCING ACTIVITIES:</b>		
Payments of cash dividends	(745.2)	(595.7)
Purchases of treasury stock	(56.3)	(70.7)
Proceeds from stock compensation transactions	11.3	16.2
Net (decrease) increase in debt	(41.8)	675.1
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(832.0)</b>	<b>24.9</b>
Effect of exchange rate changes on cash	34.4	(85.9)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(228.5)</b>	<b>388.5</b>
Cash and cash equivalents at beginning of period	2,016.4	1,737.6
Cash and cash equivalents at end of period	\$ 1,787.9	\$ 2,126.1

**PACCAR Inc**  
**SEGMENT AND OTHER INFORMATION**

*(in millions)*

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	<b>2016</b>	2015	<b>2016</b>	2015
<b>Sales and Revenues:</b>				
Truck	<b>\$ 3,170.7</b>	\$ 3,744.7	<b>\$ 9,782.4</b>	\$ 11,497.2
Parts	<b>764.8</b>	778.0	<b>2,240.7</b>	2,307.2
Financial Services	<b>296.2</b>	301.0	<b>883.0</b>	879.5
Other	<b>17.7</b>	23.5	<b>56.5</b>	75.9
	<b>\$ 4,249.4</b>	\$ 4,847.2	<b>\$ 12,962.6</b>	\$ 14,759.8
<b>Pretax Profit:</b>				
Truck	<b>\$ 284.9</b>	\$ 388.3	<b>\$ 918.4</b>	\$ 1,147.5
Parts	<b>138.3</b>	145.4	<b>406.3</b>	430.0
Financial Services	<b>71.0</b>	92.9	<b>228.6</b>	272.7
European Commission Charge			<b>(833.0)</b>	
Investment Income and Other	<b>.7</b>	(2.1)	<b>(8.8)</b>	(11.8)
	<b>\$ 494.9</b>	\$ 624.5	<b>\$ 711.5</b>	\$ 1,838.4

**GEOGRAPHIC REVENUE**

*(in millions)*

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	<b>2016</b>	2015	<b>2016</b>	2015
United States and Canada	<b>\$ 2,595.8</b>	\$ 3,247.6	<b>\$ 7,868.3</b>	\$ 10,064.1
Europe	<b>1,098.6</b>	1,073.6	<b>3,601.3</b>	3,170.3
Other	<b>555.0</b>	526.0	<b>1,493.0</b>	1,525.4
	<b>\$ 4,249.4</b>	\$ 4,847.2	<b>\$ 12,962.6</b>	\$ 14,759.8

**NEW TRUCK DELIVERIES**

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	<b>2016</b>	2015	<b>2016</b>	2015
United States and Canada	<b>18,800</b>	24,200	<b>57,100</b>	75,400
Europe	<b>11,600</b>	11,100	<b>38,200</b>	32,400
Other	<b>4,500</b>	4,100	<b>11,700</b>	11,500
	<b>34,900</b>	39,400	<b>107,000</b>	119,300

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

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

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

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

<i>(in millions)</i>	Nine Months Ended September 30, 2016
Adjusted Net Income (Non-GAAP)	\$ 1,065.9
Non-recurring European Commission Charge	(833.0)
Net Income	\$ 232.9

	Nine Months Ended September 30, 2016
Per Diluted Share:	
Adjusted Net Income (Non-GAAP)	\$ 3.03
Non-recurring European Commission Charge	(2.37)
Net Income	\$ .66