

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

	Three Months Ended		Year Ended	
	December 31		December 31	
	<b>2016</b>	2015	<b>2016</b>	2015
<b>Truck, Parts and Other:</b>				
Net sales and revenues	<b>\$ 3,767.0</b>	\$ 4,062.5	<b>\$15,846.6</b>	\$17,942.8
Cost of sales and revenues	<b>3,243.2</b>	3,469.4	<b>13,517.7</b>	15,292.1
Research and development	<b>67.6</b>	66.7	<b>247.2</b>	239.8
Selling, general and administrative	<b>114.8</b>	121.2	<b>440.8</b>	445.9
European Commission charge			<b>833.0</b>	
Interest and other expense, net	<b>7.4</b>	1.6	<b>11.6</b>	12.3
<i>Truck, Parts and Other Income Before Income Taxes</i>	<b>334.0</b>	403.6	<b>796.3</b>	1,952.7
<b>Financial Services:</b>				
Revenues	<b>303.7</b>	292.8	<b>1,186.7</b>	1,172.3
Interest and other	<b>197.4</b>	175.0	<b>762.4</b>	701.7
Selling, general and administrative	<b>24.5</b>	24.2	<b>99.4</b>	95.6
Provision for losses on receivables	<b>3.9</b>	3.7	<b>18.4</b>	12.4
<i>Financial Services Income Before Income Taxes</i>	<b>77.9</b>	89.9	<b>306.5</b>	362.6
Investment income	<b>7.0</b>	5.2	<b>27.6</b>	21.8
<i>Total Income Before Income Taxes</i>	<b>418.9</b>	498.7	<b>1,130.4</b>	2,337.1
Income taxes	<b>130.1</b>	151.5	<b>608.7</b>	733.1
<i>Net Income</i>	<b>\$ 288.8</b>	\$ 347.2	<b>\$ 521.7</b>	\$ 1,604.0
<b>Net Income Per Share:</b>				
Basic	<b>\$ .82</b>	\$ .98	<b>\$ 1.49</b>	\$ 4.52
Diluted	<b>\$ .82</b>	\$ .98	<b>\$ 1.48</b>	\$ 4.51
<b>Weighted Average Shares Outstanding:</b>				
Basic	<b>351.1</b>	353.2	<b>351.1</b>	354.6
Diluted	<b>351.9</b>	353.9	<b>351.8</b>	355.6
Dividends declared per share	<b>\$ .84</b>	\$ 1.64	<b>\$ 1.56</b>	\$ 2.32

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

	<b>December 31</b>	December 31
	<b>2016</b>	2015
<b>ASSETS</b>		
<b>Truck, Parts and Other:</b>		
Cash and marketable debt securities	\$ 2,922.6	\$ 3,378.0
Trade and other receivables, net	862.2	879.0
Inventories, net	727.8	796.5
Property, plant and equipment, net	2,260.0	2,176.4
Equipment on operating leases and other, net	1,671.5	1,625.3
<b>Financial Services Assets</b>	<b>12,194.8</b>	12,254.6
	<b>\$ 20,638.9</b>	<b>\$ 21,109.8</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Truck, Parts and Other:</b>		
Accounts payable, deferred revenues and other	\$ 4,056.2	\$ 4,331.9
<b>Financial Services Liabilities</b>	<b>9,805.1</b>	9,837.5
<b>STOCKHOLDERS' EQUITY</b>	<b>6,777.6</b>	6,940.4
	<b>\$ 20,638.9</b>	<b>\$ 21,109.8</b>
<b>Common Shares Outstanding</b>	<b>350.7</b>	351.3

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

Year Ended December 31	2016	2015
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 521.7	\$ 1,604.0
Depreciation and amortization:		
Property, plant and equipment	302.4	292.2
Equipment on operating leases and other	690.7	614.9
Net change in trade receivables, inventory and payables	(6.3)	7.0
Net decrease (increase) in wholesale receivables on new trucks	401.6	(273.4)
All other operating activities, net	390.7	311.3
<b>Net Cash Provided by Operating Activities</b>	<b>2,300.8</b>	<b>2,556.0</b>
<b>INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(375.2)	(286.7)
Acquisitions of equipment for operating leases	(1,589.7)	(1,438.5)
Net increase in financial services receivables	(306.6)	(407.3)
Net decrease (increase) in marketable securities	272.9	(294.3)
Proceeds from asset disposals and other	434.3	451.9
<b>Net Cash Used in Investing Activities</b>	<b>(1,564.3)</b>	<b>(1,974.9)</b>
<b>FINANCING ACTIVITIES:</b>		
Payments of cash dividends	(829.3)	(680.5)
Purchases of treasury stock	(70.5)	(201.6)
Proceeds from stock compensation transactions	29.4	21.8
Net increase in debt	46.9	663.8
<b>Net Cash Used in Financing Activities</b>	<b>(823.5)</b>	<b>(196.5)</b>
Effect of exchange rate changes on cash	(13.7)	(105.8)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(100.7)</b>	<b>278.8</b>
Cash and cash equivalents at beginning of period	2,016.4	1,737.6
Cash and cash equivalents at end of period	\$ 1,915.7	\$ 2,016.4

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

	Three Months Ended		Year Ended	
	December 31		December 31	
	<b>2016</b>	2015	<b>2016</b>	2015
<b>Sales and Revenues:</b>				
Truck	<b>\$ 2,984.9</b>	\$ 3,285.3	<b>\$ 12,767.3</b>	\$ 14,782.5
Parts	<b>765.0</b>	752.9	<b>3,005.7</b>	3,060.1
Financial Services	<b>303.7</b>	292.8	<b>1,186.7</b>	1,172.3
Other	<b>17.1</b>	24.3	<b>73.6</b>	100.2
	<b>\$ 4,070.7</b>	\$ 4,355.3	<b>\$ 17,033.3</b>	\$ 19,115.1
<b>Pretax Profit:</b>				
Truck	<b>\$ 207.4</b>	\$ 292.8	<b>\$ 1,125.8</b>	\$ 1,440.3
Parts	<b>137.5</b>	125.6	<b>543.8</b>	555.6
Financial Services	<b>77.9</b>	89.9	<b>306.5</b>	362.6
European Commission Charge			<b>(833.0)</b>	
Investment Income and Other	<b>(3.9)</b>	(9.6)	<b>(12.7)</b>	(21.4)
	<b>\$ 418.9</b>	\$ 498.7	<b>\$ 1,130.4</b>	\$ 2,337.1

**GEOGRAPHIC REVENUE**

*(in millions)*

	Three Months Ended		Year Ended	
	December 31		December 31	
	<b>2016</b>	2015	<b>2016</b>	2015
United States and Canada	<b>\$ 2,197.6</b>	\$ 2,457.7	<b>\$ 10,065.9</b>	\$ 12,521.8
Europe	<b>1,302.0</b>	1,345.6	<b>4,903.3</b>	4,515.9
Other	<b>571.1</b>	552.0	<b>2,064.1</b>	2,077.4
	<b>\$ 4,070.7</b>	\$ 4,355.3	<b>\$ 17,033.3</b>	\$ 19,115.1

**NEW TRUCK DELIVERIES**

	Three Months Ended		Year Ended	
	December 31		December 31	
	<b>2016</b>	2015	<b>2016</b>	2015
United States and Canada	<b>14,400</b>	15,900	<b>71,500</b>	91,300
Europe	<b>14,800</b>	15,000	<b>53,000</b>	47,400
Other	<b>4,700</b>	4,500	<b>16,400</b>	16,000
	<b>33,900</b>	35,400	<b>140,900</b>	154,700

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

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

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

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

<i>(in millions)</i>	Year Ended December 31, 2016
Net Income	\$ 521.7
Non-recurring European Commission Charge	833.0
Adjusted Net Income (Non-GAAP)	\$ 1,354.7

	Year Ended December 31, 2016
Per Diluted Share:	
Net Income	\$ 1.48
Non-recurring European Commission Charge	2.37
Adjusted Net Income (Non-GAAP)	\$ 3.85