



CASE STUDIES: Trucking Scenarios

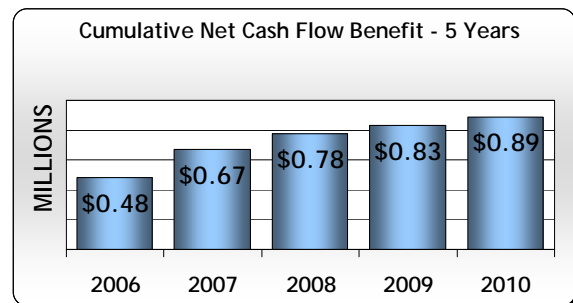
To get a real feel for the financial impact of a Like-Kind Exchange (LKE) program, it is best to review the 5-year cash flow benefit for certain volume levels. Every business is unique so each implementation of an LKE program is slightly different; however, these examples should provide a general understanding of the benefits.

Scenario 1: 72 Tractors Sold per Year

ASSUMPTIONS

- Annual Tractor Sales: \$1,800,000
- Tax Life: 3 Years
- Average Age at Sale: 5 Years
- Income Tax Rate: 40%
- Exp. Annual Growth: 5%
- Exp. Annual Inflation: 2%

5-Yr Bottom-Line Benefit: \$889,000

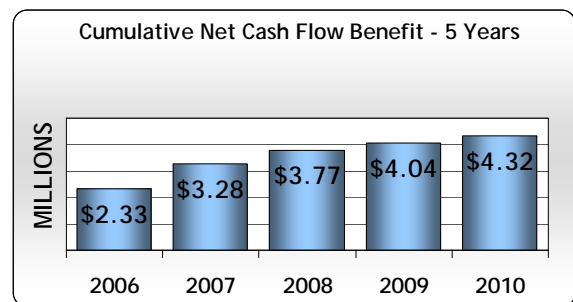


Scenario 2: 350 Tractors Sold per Year

ASSUMPTIONS

- Annual Tractor Sales: \$8,750,000
- Tax Life: 3 Years
- Average Age at Sale: 5 Years
- Income Tax Rate: 40%
- Exp. Annual Growth: 5%
- Exp. Annual Inflation: 2%

5-Yr Bottom-Line Benefit: \$4,323,000



Scenario 3: 800 Tractors Sold per Year

ASSUMPTIONS

- Annual Tractor Sales: 20,000,000
- Tax Life: 3 Years
- Average Age at Sale: 5 Years
- Income Tax Rate: 40%
- Exp. Annual Growth: 5%
- Exp. Annual Inflation: 2%

5-Yr Bottom-Line Benefit: \$8,881,000

