



CORNHUSKER
INTERNATIONAL
TRUCKS

YOU SHOULD KNOW:

The new lease accounting rules favor leasing over ownership

Under the new lease accounting rules, virtually all truck leases are capitalized on the balance sheet as an asset and a liability. Since truck leases are no longer “off balance sheet”, many believe they are treated the same as ownership from a financial reporting perspective. However that is not true. There are several reasons why an Idealease Full Service Lease of your truck fleet will result in better financial results than ownership.

FEWER ASSETS ON BALANCE SHEET

When you own your trucks, 100% of the truck’s cost is on the balance sheet. When you lease a truck, only the present value of the lease component is reported on the balance sheet. Because the present value of the lease component is less than the cost of the truck, that same truck will result in a smaller amount of assets reported on the balance sheet under a lease scenario. If we assume that the net income is the same regardless of whether the trucks are leased or owned, it takes fewer assets to earn the same income under a lease scenario – and that’s a good financial outcome.

NO DEBT ON BALANCE SHEET

The capitalized lease liability is not classified as debt, while the borrowed money in ownership is debt. The liability is only the present value of the lease component, which can be as low as 60% of the cost of an owned asset. When you lease, loan covenants that limit debt are not impacted by the lease liability. Debt ratios and measurements are better when leasing.

BETTER FINANCIAL MEASUREMENTS

Return on Assets (ROA) is better under a lease scenario. If we assume net income is the same whether one leases or owns their truck, the leasing option takes fewer reported assets to generate the same income. Simply put, leasing results in fewer assets on the balance sheet, which increases ROA. Improved ROA, along with better Debt to Equity ratios, are important measurements valued by lenders and shareholders.

THE FINANCIAL BENEFITS ARE CONTINUOUS

If you continue a lease program, replacing expiring leases with new leases, the benefits of level costs and fewer assets become a continuous positive difference. On the other hand, if you continue an ownership program, selling old trucks and buying new trucks, you experience a permanent front-loading of costs and greater reported assets. Returns will be worse continuously.

CONSISTENCY OF FINANCIAL RESULTS

Leasing results in predictable expenses hitting the income statement year after year and a balance sheet that has consistency. Alternatively, ownership will typically result in wider fluctuations on the income statement, particularly in those years when trucks are traded and gains and losses must be recognized on the income statement. Balance sheets also undergo changes as old assets and old debt is replaced with new assets and debt. All of these swings in performance must be explained to lenders and shareholders. Banks, financial institutions and shareholders love consistency.

In summary, while many believe the new accounting rules result in leasing and ownership being treated equally on the balance sheet, the truth is that leasing provides an advantage that will make your company’s balance sheet more attractive to financial institutions and shareholders.

Idealease combines the financial benefits of leasing with the operational benefits of structured maintenance and transportation services to offer Full Service Leasing, the preferred transportation business model for large and small companies.

CORNHUSKER IDEALEASE, INC.

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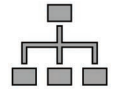
FULL SERVICE LEASE



LET US HELP YOU HELP YOUR BUSINESS

Commercial truck ownership is getting more challenging and costly to manage every day. Fortunately there is a better alternative to truck ownership - a Full Service Lease from Idealease. We use our expertise to acquire and maintain your trucks, while you focus on what you do best; producing and delivering products to your customers. Let us show you why we are the industry leaders in uptime, maintenance, safety and regulatory compliance. Full Service Lease is a superior financial and operational alternative to ownership and Idealease has the resources to help you better service your customers and improve your bottom line.

FULL SERVICE LEASING PULLS ALL SIX COMPONENTS OF TRUCK OPERATIONS TOGETHER



TRUCK ACQUISITION

FINANCING

USED TRUCK DISPOSAL

MAINTENANCE

TRANSPORTATION SERVICES

ADMINISTRATION SUPPORT

IDEALEASE FSL INCLUDES:



SAFETY & COMPLIANCE

Idealease is the leader in safety and compliance training, offering the most advanced training and consultation in the industry, including extensive coverage of the ever-changing and complex CSA regulations.

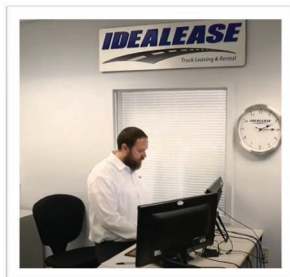


LOW MONTHLY COSTS

Idealease provides the lowest life cycle costs billed on a consistent monthly basis. Budget your truck & maintenance expenditures for years in advance.

IDEALNET

Our breakdown service watches over your trucks 24/7/365 while managing breakdowns, lock-outs, emergency permit requests, and fuel cleanups.



PRIORITY SERVICE

Idealease Priority Service ensures your trucks and drivers receive VIP treatment at all of our 430 locations throughout North America.



FLEET SERVICES

Idealease Fleet Services can efficiently and accurately handle your vehicle licensing, registration, legalization, and fuel tax reporting in the U.S. and Canada.



RENTAL VEHICLES

Our rental vehicles are sanitized and disinfected after each use to protect your drivers. We can provide the appropriate rental truck for the job and offer daily, weekly, or monthly rentals.

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