FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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PACCAR INC

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SIC: **3711** Motor vehicles & passenger car bodies

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2011

Commission File No. 001-14817

PACCAR Inc

(Exact name of registrant as specified in its charter)

Delaware	**91-0351110**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
777 – 106th Ave. N.E., Bellevue, WA	**98004**
(Address of principal executive offices)	**(Zip Code)**

(425) 468-7400

(Registrant' s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer' s classes of common stock, as of the latest practicable date.

Common Stock, $1 par value–358,217,233 shares as of October 31, 2011

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Consolidated Statements of Income (Unaudited) (Millions Except Per Share Amounts)	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
TRUCK AND OTHER:				
Net sales and revenues	**$3,993.0**	$2,304.2	**$10,738.3**	$6,513.3
Cost of sales and revenues	**3,484.0**	2,019.2	**9,347.4**	5,741.9
Research and development	**70.0**	59.9	**215.9**	173.1
Selling, general and administrative	**113.1**	94.3	**331.6**	285.7
Interest and other expense, net	**4.0**	1.0	**7.1**	9.1
	3,671.1	2,174.4	**9,902.0**	6,209.8
Truck and Other Income Before Income Taxes	**321.9**	129.8	**836.3**	303.5
FINANCIAL SERVICES:				
Interest and fees	**106.5**	101.8	**313.4**	316.8
Operating lease, rental and other income	**157.6**	136.5	**449.7**	407.2
Revenues	**264.1**	238.3	**763.1**	724.0
Interest and other borrowing expenses	**44.6**	51.8	**137.2**	163.4
Depreciation and other	**123.0**	110.2	**352.9**	342.4
Selling, general and administrative	**24.0**	21.9	**71.8**	65.9
Provision for losses on receivables	**10.7**	12.9	**32.2**	48.7
	202.3	196.8	**594.1**	620.4
Financial Services Income Before Income Taxes	**61.8**	41.5	**169.0**	103.6
Investment income	**11.0**	5.5	**28.9**	14.3
Total Income Before Income Taxes	**394.7**	176.8	**1,034.2**	421.4
Income taxes	**113.1**	56.9	**319.6**	133.6
Net Income	**$281.6**	$119.9	**$714.6**	$287.8
Net Income Per Share:				
Basic	**$.78**	$.33	**$1.96**	$.79
Diluted	**$.77**	$.33	**$1.95**	$.79
Weighted Average Common Shares Outstanding:				
Basic	**363.3**	364.9	**365.0**	364.8
Diluted	**364.2**	366.1	**366.2**	365.9
Dividends declared per share	**$.18**	$.09	**$.42**	$.27

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

(Millions)	September 30 2011 (Unaudited)	December 31 2010*
ASSETS		
TRUCK AND OTHER:		
Current Assets		
Cash and cash equivalents	**$1,814.0**	$1,982.0
Trade and other receivables, net	**1,015.2**	610.4
Marketable debt securities	**915.7**	450.5
Inventories, net	**725.1**	534.0
Other current assets	**259.3**	218.6
Total Truck and Other Current Assets	**4,729.3**	3,795.5
Equipment on operating leases, net	**654.6**	536.2
Property, plant and equipment, net	**1,867.8**	1,673.7
Other noncurrent assets, net	**268.6**	350.5
Total Truck and Other Assets	**7,520.3**	6,355.9
FINANCIAL SERVICES:		
Cash and cash equivalents	**65.6**	58.8
Finance and other receivables, net	**6,652.8**	6,070.9
Equipment on operating leases, net	**1,754.1**	1,483.1
Other assets	**361.5**	265.4
Total Financial Services Assets	**8,834.0**	7,878.2
	$16,354.3	$14,234.1

* The December 31, 2010 consolidated balance sheet has been derived from audited financial statements.

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

(Millions)	September 30 2011 (Unaudited)	December 31 2010*
LIABILITIES AND STOCKHOLDERS' EQUITY		
TRUCK AND OTHER:		
Current Liabilities		
Accounts payable, accrued expenses and other	**$2,536.7**	$1,676.5
Current portion of long-term debt		23.5
Total Truck and Other Current Liabilities	**2,536.7**	1,700.0
Long-term debt	**150.0**	150.0
Residual value guarantees and deferred revenues	**687.9**	563.8
Other liabilities	**324.9**	370.3
Total Truck and Other Liabilities	**3,699.5**	2,784.1
FINANCIAL SERVICES:		
Accounts payable, accrued expenses and other	**320.7**	275.9
Commercial paper and bank loans	**3,363.5**	2,371.7
Term notes	**2,613.9**	2,730.8
Deferred taxes and other liabilities	**762.8**	713.8
Total Financial Services Liabilities	**7,060.9**	6,092.2
STOCKHOLDERS' EQUITY		
Preferred stock, no par value: Authorized 1.0 million shares, none issued		
Common stock, $1 par value: Authorized 1.2 billion shares, issued 365.5 million shares	**365.5**	365.3
Additional paid-in capital	**121.8**	105.1
Treasury stock - at cost - 7.4 million shares	**(270.0)**	
Retained earnings	**5,407.6**	4,846.1
Accumulated other comprehensive (loss) income	**(31.0)**	41.3
Total Stockholders' Equity	**5,593.9**	5,357.8
	$16,354.3	$14,234.1

* The December 31, 2010 consolidated balance sheet has been derived from audited financial statements.

See Notes to Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows (Unaudited)
(Millions)

Nine Months Ended September 30	2011	2010
OPERATING ACTIVITIES:		
Net income	**$714.6**	$287.8
Adjustments to reconcile net income to cash provided by operations:		
Depreciation and amortization:		
Property, plant and equipment	**146.4**	142.2
Equipment on operating leases and other	**359.3**	326.2
Provision for losses on financial services receivables	**32.2**	48.7
Other	**24.8**	(23.5)
Change in operating assets and liabilities:		
Trade and other receivables	**(419.1)**	(57.6)
Wholesale receivables on new trucks	**(429.1)**	75.5
Sales-type finance leases and dealer direct loans on new trucks	**(18.6)**	101.2
Inventories	**(197.7)**	115.2
Accounts payable and accrued expenses	**663.4**	125.4
Income taxes, warranty and other	**275.1**	21.7
Net Cash Provided by Operating Activities	**1,151.3**	1,162.8
INVESTING ACTIVITIES:		
Retail loans and direct financing leases originated	**(1,862.1)**	(1,203.7)
Collections on retail loans and direct financing leases	**1,560.1**	1,496.8
Marketable securities purchases	**(1,424.9)**	(501.3)
Marketable securities sales and maturities	**951.8**	363.8
Payments for property, plant and equipment	**(214.7)**	(115.8)
Acquisition of equipment for operating leases	**(1,013.6)**	(478.4)
Proceeds from asset disposals	**247.6**	276.0
Other	**(29.5)**	5.8
Net Cash Used in Investing Activities	**(1,785.3)**	(156.8)
FINANCING ACTIVITIES:		
Cash dividends paid	**(153.1)**	(98.3)
Purchase of treasury stock	**(250.2)**	
Stock compensation transactions	**4.4**	9.8
Net increase (decrease) in commercial paper and short-term bank loans	**989.8**	(874.3)
Proceeds from long-term debt	**1,065.5**	641.0
Payments of long-term debt	**(1,144.1)**	(539.5)
Net Cash Provided by (Used in) Financing Activities	**512.3**	(861.3)
Effect of exchange rate changes on cash	**(39.5)**	.5
Net (Decrease) Increase in Cash and Cash Equivalents	**(161.2)**	145.2
Cash and cash equivalents at beginning of period	**2,040.8**	1,912.0
Cash and cash equivalents at end of period	**$1,879.6**	$2,057.2

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

NOTE A – Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. For further information, refer to the consolidated financial statements and footnotes included in PACCAR Inc' s (the Company) Annual Report on Form 10-K for the year ended December 31, 2010.

Earnings per Share: Basic earnings per common share are computed by dividing earnings by the weighted average number of common shares outstanding, plus the effect of any participating securities. Diluted earnings per common share are computed assuming that all potentially dilutive securities are converted into common shares under the treasury stock method. The dilutive and antidilutive options are shown separately in the table below.

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Additional shares	**876,000**	1,182,000	**1,211,000**	1,147,000
Antidilutive options	**1,697,000**	2,151,000	**770,000**	2,204,000

Reclassifications: The Company made reclassifications to the prior year to conform to the 2011 presentation. The Company has reclassified the impairment losses related to repossessed equipment on operating leases in the Financial Services segment from Provision for losses on receivables to Depreciation and other in the Consolidated Statements of Income and Condensed Consolidated Statements of Cash Flows. In addition, the Company has reclassified proceeds for the sale of repossessed assets relating to finance receivables from Collections on retail loans and direct financing leases to Proceeds from asset disposals in the Condensed Consolidated Statements of Cash Flows.

The reclassifications are summarized below:

	Three Months Ended September 30		Nine Months Ended September 30	
	Before	After	Before	After
Consolidated Statements of Income				
Depreciation and other	$109.4	$110.2	$335.5	$342.4
Provision for losses on receivables	13.7	12.9	55.6	48.7
Condensed Consolidated Statements of Cash Flows				
Operating Activities:				
Depreciation of equipment on operating leases and other			$319.3	$326.2
Provision for losses on financial services receivables			55.6	48.7
Investing Activities:				
Collections on retail loans and direct financing leases			$1,605.5	$1,496.8
Proceeds from asset disposals			167.3	276.0

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

New Accounting Pronouncements: In September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-09, *Employer Disclosure Requirements for Multiemployer Pension Plans*. This amendment requires employers participating in material multiemployer pension and other postretirement benefits plans to provide additional quantitative and qualitative disclosures to give users more detailed information about an employer' s involvement in multiemployer plans. ASU 2011-09 is effective for reporting periods beginning on or after December 15, 2011. The Company does not expect the implementation of this amendment to have a significant impact on the Company' s consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08 amending the guidance on testing goodwill for impairment. This amendment allows an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative impairment test. ASU 2011-08 is effective for fiscal years beginning after December 15, 2011. The Company does not expect the implementation of ASU 2011-08 to have a significant impact on the Company' s consolidated financial statements.

In April 2011, the FASB issued ASU 2011-02, *A Creditor' s Determination of Whether a Restructuring Is a Troubled Debt Restructuring*. ASU 2011-02 gives additional guidance to companies to assist in determining troubled debt restructurings. The Company adopted ASU 2011-02 in the third quarter of 2011; the implementation of this amendment resulted in additional disclosure (see Note D) but did not have a significant impact on the Company' s consolidated financial statements.

NOTE B – Investments in Marketable Debt Securities

The Company' s investments in marketable debt securities are classified as available-for-sale. These investments are stated at fair value with any unrealized gains or losses, net of tax, included as a component of accumulated other comprehensive income.

Marketable debt securities at September 30, 2011 and December 31, 2010 consisted of the following:

At September 30, 2011	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
U.S. tax-exempt securities	**$ 292.6**	**$ 2.5**		**$295.1**
U.S. government and agency securities	**1.9**			**1.9**
U.S. corporate securities	**39.2**	**.1**	**$ .5**	**38.8**
Non U.S. corporate securities	**158.3**	**.3**	**.7**	**157.9**
Non U.S. government securities	**349.0**	**5.3**		**354.3**
Other debt securities	**67.1**	**.6**		**67.7**
	$ 908.1	**$ 8.8**	**$ 1.2**	**$915.7**

At December 31, 2010	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. tax-exempt securities	$ 364.9	$ .8	$ .3	$365.4
U.S. government and agency securities	2.7			2.7
U.S. corporate securities	27.3	.3		27.6
Non U.S. corporate securities	37.0			37.0
Other debt securities	17.8			17.8
	$ 449.7	$ 1.1	$ .3	$450.5

The cost of marketable debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Amortization, accretion, interest, dividend income and realized gains and losses are included in investment income. The cost of securities sold is based on the specific identification method. The proceeds from sales and maturities of marketable debt securities for the nine months ended September 30, 2011 were $951.8. Gross realized gains were $2.2 and $.4 for the nine months ended September 30, 2011 and 2010, respectively, with realized losses of $.6 and $.1 for the nine months ended September 30, 2011 and 2010, respectively.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

The Company evaluates its investments in marketable debt securities at the end of each reporting period to determine if a decline in fair value is other than temporary. As of September 30, 2011 and December 31, 2010, there were no marketable debt securities in an unrealized loss position for greater than 12 months.

Contractual maturities on these securities at September 30, 2011 were as follows:

Maturities:	Amortized Cost	Fair Value
Within one year	**$ 267.7**	**$268.1**
One to five years	**639.7**	**646.9**
Six to ten years	**.7**	**.7**
	$ 908.1	**$915.7**

Marketable debt securities included $.7 and $12.2 of variable rate demand obligations (VRDOs) at September 30, 2011 and December 31, 2010, respectively. VRDOs are debt instruments with long-term scheduled maturities which have interest rates that reset periodically.

NOTE C – Inventories

Inventories are stated at the lower of cost or market. Cost of inventories in the United States is determined principally by the last in, first out (LIFO) method. Cost of all other inventories is determined principally by the first in, first out (FIFO) method.

Inventories include the following:

	September 30 2011	December 31 2010
Finished products	**$ 438.5**	$ 370.1
Work in process and raw materials	**449.4**	322.2
	887.9	692.3
Less LIFO reserve	**(162.8)**	(158.3)
	$ 725.1	$ 534.0

Under the LIFO method of accounting (used for approximately 43% of September 30, 2011 inventories), an actual valuation can be made only at the end of each year based on year-end inventory levels and costs. Accordingly, interim valuations are based on management’ s estimates of those year-end amounts.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

NOTE D – Finance and Other Receivables

Finance and other receivables include the following:

	September 30 2011	December 31 2010
Loans	**$ 2,889.6**	$ 2,713.9
Retail direct financing leases	**2,001.1**	2,005.0
Sales-type finance leases	**687.2**	703.6
Dealer wholesale financing	**1,412.0**	983.4
Interest and other receivables	**102.3**	109.3
Unearned interest on finance leases	**(296.0)**	(299.3)
	6,796.2	6,215.9
Less allowance for losses:		
Loans, leases and other	**(132.6)**	(137.5)
Dealer wholesale financing	**(10.8)**	(7.5)
	$ 6,652.8	$ 6,070.9

Recognition of interest income and rental revenue is suspended (put on non-accrual status) when the receivable becomes more than 90 days past the contractual due date or earlier if some other event causes the Company to determine that collection is not probable. Accordingly, there were no finance receivables more than 90 days past due still accruing interest at September 30, 2011 or December 31, 2010. Recognition is resumed if the receivable becomes contractually current by the payment of all amounts due under the terms of the existing contract and collection of remaining amounts is considered probable (if not modified), or after the customer has made scheduled payments for three months and collection of remaining amounts is considered probable (if contractually modified). Payments received while the finance receivable is impaired or on non-accrual status are applied to interest and principal in accordance with the contractual terms.

Allowance for Credit Losses

The Company continuously monitors the performance of all its finance receivables by reviewing payment performance. In addition, for large customers and dealer wholesale financing accounts, the Company regularly monitors their financial statements and makes appropriate customer contact. If the Company becomes aware of circumstances with those customers or dealers that could lead to financial difficulty, whether or not they are past-due, the accounts are placed on a watch list. In determining the allowance for credit losses, loans and finance leases are evaluated together since they relate to a similar customer base and their contractual terms require regular payment of principal and interest generally over 36 to 60 months and they are secured by the same type of collateral. The Company collectively and individually evaluates its finance receivables and the allowance for credit losses consists of both general and specific reserves.

The Company individually evaluates certain finance receivables for impairment. Finance receivables which are evaluated individually consist of customers on non-accrual status, all wholesale accounts and certain large retail accounts with past-due balances or that otherwise are deemed to be at a higher risk of credit loss and loans which have been modified as troubled debt restructurings. A receivable is considered impaired if it is probable the Company will be unable to collect all contractual interest and principal payments as scheduled. Impaired receivables are individually evaluated to determine the amount of impairments and these receivables are considered collateral dependent. Accordingly, the evaluation of individual reserves is based on the fair value less costs to sell the associated collateral. When the underlying collateral fair value exceeds the Company’ s loss exposure, no individual reserve is recorded.

The Company uses a pricing model to value the underlying collateral on a quarterly basis. The fair value of the collateral is determined based on management’ s evaluation of numerous factors such as the make, model and year of the equipment, overall condition of the equipment, primary method of distribution for the equipment, recent sales prices of comparable equipment and economic trends affecting used equipment values.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

For finance receivables that are evaluated collectively, the Company determines the allowance for credit losses for both retail and wholesale receivables based on historical loss information, using past-due account data and current market conditions. Information used includes assumptions regarding the likelihood of collecting current and past-due accounts, repossession rates and the recovery rate on the underlying collateral based on used truck values and other pledged collateral or recourse. The Company has developed a range of loss estimates for each of its country portfolios based on historical experience, taking into account loss frequency and severity in both strong and weak truck market conditions. A projection is made of the range of estimated credit losses inherent in the portfolio from which an amount is determined as probable based on current market conditions and other factors impacting the creditworthiness of the Company' s borrowers and their ability to repay. The projected amount is then compared to the allowance for credit loss balance and an appropriate adjustment is made.

The provision for losses on finance receivables is charged to income based on management' s estimate of incurred credit losses, net of recoveries, inherent in the portfolio. Accounts are charged-off against the allowance for credit losses when, in the judgment of management, they are considered uncollectable (generally upon repossession of the collateral). Typically the timing between the repossession process and when a receivable is charged-off is not significant. In cases where repossession is delayed (i.e., for legal reasons), the Company will record partial charge-offs. The charge-off is determined by comparing the fair value of the collateral less costs to sell to the recorded investment.

The Company' s allowance for credit losses is segregated into two portfolio segments: wholesale and retail. A portfolio segment is the level at which the Company develops a systematic methodology for determining its allowance for credit losses. The wholesale segment includes wholesale financing loans to dealers that are collateralized by the trucks being financed. The retail segment includes retail loans and direct and sales-type finance leases, net of unearned interest.

The wholesale segment risk characteristics differ from the retail segment. For wholesale receivables the terms are shorter in duration and the Company requires monthly reporting of the dealer' s financial condition, conducts periodic physical audits of the trucks being financed and in many cases, obtains personal guarantees or other security such as dealership assets to reduce the risk of loss compared to retail receivables.

The allowance for credit losses is summarized as follows:

	2011		
	Wholesale	**Retail**	**Total**
Balance at January 1	**$ 7.5**	**$137.5**	**$145.0**
Provision for losses	**4.5**	**27.7**	**32.2**
Charge-offs	**(1.1)**	**(38.2)**	**(39.3)**
Recoveries		**7.8**	**7.8**
Currency translation	**(.1)**	**(2.2)**	**(2.3)**
Balance at September 30	**$ 10.8**	**$132.6**	**$143.4**

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

Information regarding finance receivables summarized by those evaluated collectively and individually is as follows:

At September 30, 2011	**Wholesale**	**Retail**	**Total**
Recorded investment for impaired finance receivables evaluated individually	**$22.9**	**$112.4**	**$135.3**
Allowance for finance receivables evaluated individually	**$2.1**	**$31.1**	**$33.2**
Recorded investment for finance receivables evaluated collectively	**$1,389.1**	**$5,169.5**	**$6,558.6**
Allowance for finance receivables evaluated collectively	**$8.7**	**$101.5**	**$110.2**
At December 31, 2010			
Recorded investment for impaired finance receivables evaluated individually	$3.4	$150.0	$153.4
Allowance for finance receivables evaluated individually	$1.3	$33.6	$34.9
Recorded investment for finance receivables evaluated collectively	$980.0	$4,973.2	$5,953.2
Allowance for finance receivables evaluated collectively	$6.2	$103.9	$110.1

The recorded investment for finance receivables as of September 30, 2011 that are on non-accrual status in the wholesale, fleet and owner/operator portfolio classes as defined below was $23.1, $67.8 and $18.5, respectively. The recorded investment for finance receivables as of December 31, 2010 on non-accrual status was $3.4, $72.2 and $33.9, respectively.

Impaired Loans

The Company' s impaired loans are segregated by portfolio class. A portfolio class of receivables is a subdivision of a portfolio segment with similar measurement attributes and risk characteristics and common methods to monitor and assess credit risk. The Company' s retail segment is subdivided into the fleet and owner/operator classes. Fleet consists of retail accounts with customers operating more than five trucks. All others are owner/operator.

All impaired loans have a specific reserve and are summarized as follows:

At September 30, 2011	**Wholesale**	**Fleet**	**Owner / Operator**	**Total**
Impaired loans with specific reserve	**$ 23.0**	**$32.3**	**$ 11.8**	**$67.1**
Associated allowance	**(2.1)**	**(6.8)**	**(2.2)**	**(11.1)**
Net carrying amount of impaired loans	**$ 20.9**	**$25.5**	**$ 9.6**	**$56.0**
Unpaid principal balance	**$ 23.0**	**$32.3**	**$ 11.8**	**$67.1**
Average recorded investment*	**$ 11.7**	**$30.9**	**$ 15.1**	**$57.7**
Interest income recognized on a cash basis:				
Three months ended September 30, 2011		**$.3**	**$ .2**	**$.5**
Nine months ended September 30, 2011	**$ .3**	**$1.2**	**$ .7**	**$2.2**

* Represents the average during the 12 months ended September 30, 2011.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

At December 31, 2010	Wholesale	Fleet	Owner / Operator	Total
Impaired loans with specific reserve	$ 3.4	$21.5	$ 17.8	$42.7
Associated allowance	(1.3)	(4.4)	(3.8)	(9.5)
Net carrying amount of impaired loans	$ 2.1	$17.1	$ 14.0	$33.2
Unpaid principal balance	$ 3.4	$21.5	$ 17.8	$42.7

Credit Quality

The Company' s customers are principally concentrated in the transportation industry in North America, Europe and Australia. On a geographic basis, there is a proportionate concentration of credit risk in each area. The Company retains as collateral a security interest in the related equipment.

At the inception of each contract, the Company considers the credit risk based on a variety of credit quality indicators including, prior payment experience, customer financial information, credit-rating agency ratings and loan-to-value ratios. On an ongoing basis, the Company monitors the credit quality based on past-due status and collection experience as the Company has found a meaningful correlation between the past-due status of customers and the risk of loss.

The table below summarizes the Company' s finance receivables by credit quality indicator and portfolio class. Performing accounts are paying in accordance with the contractual terms and are not considered to be of high risk. Watch accounts primarily include accounts more than 30 days and less than 90 days past-due and other large high risk accounts that are not impaired. At-risk includes customer accounts that are impaired, including accounts more than 90 days past-due.

At September 30, 2011	Wholesale	Fleet	Owner / Operator	Total
Performing	**$1,387.7**	**$3,806.7**	**$1,327.5**	**$6,521.9**
Watch	**1.3**	**15.1**	**13.5**	**29.9**
At-risk	**23.0**	**100.6**	**18.5**	**142.1**
	$1,412.0	**$3,922.4**	**$1,359.5**	**$6,693.9**
At December 31, 2010				
Performing	$966.2	$3,544.0	$1,359.4	$5,869.6
Watch	13.8	46.6	23.2	83.6
At-risk	3.4	115.1	34.9	153.4
	$983.4	$3,705.7	$1,417.5	$6,106.6

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

The table below summarizes the Company' s finance receivables by aging category. In determining past due status, the Company considers the entire contractual account balance past due when any installment is over 30 days past-due. Customer accounts that were greater than 30 days past due prior to modification become current upon modification for aging purposes.

At September 30, 2011	**Wholesale**	**Fleet**	**Owner / Operator**	**Total**
Current and up to 30 days past-due	**$1,389.1**	**$3,845.5**	**$1,327.5**	**$6,562.1**
31 - 60 days past-due	**1.4**	**14.1**	**13.0**	**28.5**
Greater than 60 days past-due	**21.5**	**62.8**	**19.0**	**103.3**
	$1,412.0	**$3,922.4**	**$1,359.5**	**$6,693.9**

At December 31, 2010				
Current and up to 30 days past-due	$966.2	$3,581.1	$1,359.5	$5,906.8
31 - 60 days past-due	7.7	48.5	19.7	75.9
Greater than 60 days past-due	9.5	76.1	38.3	123.9
	$983.4	$3,705.7	$1,417.5	$6,106.6

Troubled Debt Restructurings

The Company modifies loans and finance leases as a normal part of its Financial Services operations. The Company' s modifications typically resulted in granting more time to pay the contractual amounts owed. When the Company modifies loans and finance leases for customers in financial difficulty and grants a concession, the modifications are classified as troubled debt restructurings (TDRs). The Company rarely forgives principal or accrued interest and may require principal and accrued interest payments at the time of modification. For the three and nine months ended September 30, 2011, the decrease in the recorded investment for loans and leases modified as TDRs was nil and $.1 million, all within the fleet segment. At modification date, the post-modification recorded investment balance was:

Post-Modification Recorded Investment	**Fleet**	**Owner / Operator**	**Total**
Three Months Ended September 30, 2011	**$3.4**	**$ .7**	**$4.1**
Nine Months Ended September 30, 2011	**$21.2**	**$ 5.2**	**$26.4**

The balance of TDRs was $25.4 at September 30, 2011 and $6.5 at December 31, 2010.

As a result of adopting the amendments in ASU 2011-02, the Company reassessed all modifications that occurred during the past nine months for identification as TDRs. The Company identified as TDRs certain receivables for which the allowance for credit losses had previously been measured under a general allowance for credit losses methodology and identified these receivables as impaired. Included in finance receivables evaluated individually for impairment are loans identified as TDRs some of which are loans evaluated as a pool to measure the specific reserve. At September 30, 2011, the recorded investment in loans for which the allowance for credit losses was previously measured under the general allowance for credit losses methodology that are now impaired under the new guidance was $5.9. The allowance for credit losses associated with these loans was $.3 at September 30, 2011.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

The recorded investment of finance receivables modified during the previous twelve months as TDRs that subsequently defaulted (i.e., became more than 30 days past due) in the three and twelve months ended September 30, 2011 are as follows:

	At September 30, 2011		
Recorded Investment	Fleet	Owner / Operator	Total
Three Months Ended September 30, 2011	**$2.0**	**$ .2**	**$2.2**
Twelve Months Ended September 30, 2011	**$6.0**	**$ 2.1**	**$8.1**

These TDRs that subsequently defaulted (i.e., became more than 30 days past due) did not significantly impact the Company’ s reserve at September 30, 2011.

Repossessions

When the Company determines that a customer in default is not likely to meet their contractual commitments, the Company repossesses the vehicles which serve as collateral for loans and finance leases, and equipment on operating leases. The Company records the repossessed vehicles as used truck inventory included in Financial Services Other assets on the Consolidated Balance Sheets. The balance of repossessed inventory at September 30, 2011 and December 31, 2010 was $12.0 and $15.6, respectively. Proceeds from the sales of repossessed assets were $65.7 and $108.7 for the nine months ended September 30, 2011 and 2010, respectively. These amounts are included in Proceeds from asset disposals on the Consolidated Statements of Cash Flows. Write-downs of repossessed equipment on operating leases are recorded as impairments and included in Financial Services Depreciation and other on the Consolidated Statements of Income.

NOTE E - Product Support Liabilities

Product support liabilities include reserves related to product warranties, optional extended warranties and repair and maintenance (R&M) contracts. The Company generally offers one-year warranties covering most of its vehicles and related aftermarket parts. Specific terms and conditions vary depending on the product and the country of sale. Optional extended warranty and R&M contracts can be purchased for periods which generally range up to five years. Warranty expenses and reserves are estimated and recorded at the time products or contracts are sold based on historical data regarding the source, frequency and cost of claims, net of any recoveries. The Company periodically assesses the adequacy of its recorded liabilities and adjusts them as appropriate to reflect actual experience.

Changes in warranty and R&M reserves are summarized as follows:

	2011	2010
Balance at January 1	**$372.2**	$386.4
Cost accruals and revenue deferrals	**219.1**	152.9
Payments and revenue recognized	**(161.3)**	(168.6)
Currency translation	**(1.2)**	(11.6)
Balance at September 30	**$428.8**	$359.1

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

NOTE F – Stockholders' Equity

Comprehensive Income

The components of comprehensive income, net of any related tax, were as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Net income	**$281.6**	$119.9	**$714.6**	$287.8
Other comprehensive (loss) income:				
Currency translation (losses) gains	**(267.0)**	226.4	**(82.3)**	(28.5)
Derivative contracts (decrease) increase	**(15.2)**	4.5	**(6.8)**	21.0
Marketable securities increase	**2.5**	.2	**4.2**	.3
Employee benefit plans increase (decrease)	**9.3**	(1.8)	**12.6**	9.4
Net other comprehensive (loss) income	**(270.4)**	229.3	**(72.3)**	2.2
Comprehensive income	**$11.2**	$349.2	**$642.3**	$290.0

In the three months ended September 30, 2011, currency translation losses are primarily due to decreases in the euro. In the nine months ended September 30, 2011, currency translation losses are primarily due to decreases in Canadian and Australian dollar.

Accumulated Other Comprehensive (Loss) Income

Accumulated other comprehensive (loss) income was comprised of the following:

	September 30 2011	December 31 2010
Currency translation adjustment	**$ 288.8**	$ 371.1
Net unrealized losses on derivative contracts	**(24.7)**	(17.9)
Net unrealized investment gains	**4.7**	.5
Employee benefit plans	**(299.8)**	(312.4)
Total accumulated other comprehensive (loss) income	**$ (31.0)**	$ 41.3

Stock Compensation Plans

Stock-based compensation expense was $2.6 and $11.1 for the three and nine months ended September 30, 2011, respectively, and $2.3 and $6.1 for the three and nine months ended September 30, 2010, respectively. Realized tax benefits related to the excess of deductible amounts over expense recognized amounted to nil and $.7 for the three and nine months ended September 30, 2011, respectively, and $.6 and $2.8 for the three and nine months ended September 30, 2010, respectively, and have been classified as a financing cash flow.

During the first three quarters of 2011, the Company issued 247,796 common shares under deferred and stock compensation arrangements.

NOTE G – Income Taxes

The effective income tax rate was 28.7% in the third quarter of 2011 and 30.9% in the first nine months of 2011 compared to 32.2% in the third quarter and 31.7% in the first nine months of 2010. The lower

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

effective tax rates in 2011 reflect the benefits of implementation in the third quarter of a new tax law in the Netherlands which provides tax incentives related to research and innovation.

NOTE H – Segment Information

The Company operates in two reportable segments, Truck and Financial Services.

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Net sales and revenues:				
Truck				
Total	**$4,145.1**	$2,374.1	**$11,275.5**	$6,705.1
Less intersegment	**(183.9)**	(92.7)	**(621.8)**	(254.5)
External customers	**3,961.2**	2,281.4	**10,653.7**	6,450.6
All other	**31.8**	22.8	**84.6**	62.7
	3,993.0	2,304.2	**10,738.3**	6,513.3
Financial Services	**264.1**	238.3	**763.1**	724.0
	$4,257.1	$2,542.5	**$11,501.4**	$7,237.3
Income (loss) before income taxes:				
Truck	**$324.3**	$133.4	**$855.3**	$314.2
All other	**(2.4)**	(3.6)	**(19.0)**	(10.7)
	321.9	129.8	**836.3**	303.5
Financial Services	**61.8**	41.5	**169.0**	103.6
Investment income	**11.0**	5.5	**28.9**	14.3
	$394.7	$176.8	**$1,034.2**	$421.4
Depreciation and amortization:				
Truck	**$78.8**	$69.5	**$236.3**	$206.9
All other	**2.7**	2.2	**7.2**	6.7
	81.5	71.7	**243.5**	213.6
Financial Services	**92.7**	80.0	**262.1**	254.9
	$174.2	$151.7	**$505.6**	$468.5

Included in All other is the Company’ s industrial winch manufacturing business and other sales, income and expense not attributable to a reportable segment, including a portion of corporate expenses.

NOTE I – Derivative Financial Instruments

As part of its risk management strategy, the Company enters into derivative contracts to hedge against interest rate and foreign currency risk.

Interest-Rate Contracts: The Company enters into various interest-rate contracts, including interest-rate swaps and cross currency interest-rate swaps. Interest-rate swaps involve the exchange of fixed for floating rate or floating for fixed rate interest payments based on the contractual notional amounts in a single currency. Cross currency interest-rate swaps involve the exchange of notional amounts and interest payments in different currencies. The Company is exposed to interest rate and exchange rate risk caused by market volatility as a result of its borrowing activities. The objective of these contracts is to mitigate the fluctuations on earnings, cash flows and fair value of borrowings. Net amounts paid or received are reflected as adjustments to interest expense.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

At September 30, 2011, the notional amount of the Company' s interest-rate contracts was $2,954.4. Notional maturities for all interest-rate contracts are $235.4 for the remainder of 2011, $699.5 for 2012, $692.4 for 2013, $896.9 for 2014, $381.0 for 2015 and $49.2 thereafter. The majority of these contracts are floating to fixed swaps that effectively convert an equivalent amount of commercial paper and other variable rate debt to fixed rates.

Foreign-Exchange Contracts: The Company enters into foreign-exchange contracts to hedge certain anticipated transactions and assets and liabilities denominated in foreign currencies, particularly the Canadian dollar, the euro, the British pound, the Australian dollar and the Mexican peso. The objective is to reduce fluctuations in earnings and cash flows associated with changes in foreign currency exchange rates. At September 30, 2011, the notional amount of the outstanding foreign-exchange contracts was $320.3. Foreign-exchange contracts mature within one year.

The following table presents the balance sheet classifications and fair value of derivative financial instruments designated under hedge accounting:

	September 30, 2011		December 31, 2010	
	Assets	**Liabilities**	Assets	Liabilities
Derivatives designated under hedge accounting:				
Interest-rate contracts:				
Financial Services:				
Other assets	**$ 2.4**		$9.1	
Deferred taxes and other liabilities		**$ 92.2**		$ 107.5
Foreign-exchange contracts:				
Truck and Other:				
Other current assets	**4.0**		.9	
Accounts payable, accrued expenses and other		**2.0**		1.1
	$ 6.4	**$ 94.2**	$10.0	$ 108.6

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

The following table presents the balance sheet classifications and fair value of derivative financial instruments designated as economic hedges:

	September 30, 2011		December 31, 2010	
	Assets	**Liabilities**	Assets	Liabilities
Economic hedges:				
Interest-rate contracts:				
Financial Services:				
Other assets	**$ 2.1**			
Deferred taxes and other liabilities		**$ .8**		$ 3.5
Foreign-exchange contracts:				
Truck and Other:				
Other current assets	**.6**		$ .1	
Accounts payable, accrued expenses and other		**2.0**		.3
Financial Services:				
Deferred taxes and other liabilities		**.2**		.2
	$ 2.7	**$ 3.0**	$ .1	$ 4.0

Fair Value Hedges

Changes in the fair value of derivatives designated as fair value hedges are recorded in earnings together with the changes in fair value of the hedged item attributable to the risk being hedged. The (income) or expense recognized in earnings related to fair value hedges was included in Interest and other borrowing expenses in the Financial Services segment as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Interest-rate swaps	**$ (5.2)**	$ (1.5)	**$ (4.7)**	$ (3.2)
Term notes	**$ 4.9**	$ 1.4	**$ 4.2**	$ 3.2

Cash Flow Hedges

The majority of the Company’ s interest-rate contracts and some foreign-exchange contracts have been designated as cash flow hedges. Changes in the fair value of derivatives designated as cash flow hedges are recorded in Accumulated other comprehensive income to the extent such hedges are considered effective.

Amounts in Accumulated other comprehensive income are reclassified into net income in the same period in which the hedged transaction affects earnings. Net realized gains and losses from interest-rate contracts are recognized as an adjustment to interest expense. Net realized gains and losses from foreign-exchange contracts are recognized as an adjustment to cost of sales or to Financial Services interest expense, consistent with the hedged transaction. The ineffective portions were a loss of $.1 and a gain of $2.0 during the third quarter of 2011 and 2010 and were gains of $.7 and $2.0 during the first nine months of 2011 and 2010, respectively.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

The following table presents the pre-tax effects of derivative instruments recognized in Other comprehensive (loss) income (OCI):

	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Interest-rate Contracts	**Foreign-exchange Contracts**	**Interest-rate Contracts**	**Foreign-exchange Contracts**
Income (loss) recognized in OCI:				
Truck and Other		**$ (1.8)**		**$ 5.9**
Financial Services	**$ (2.6)**		**$ (31.2)**	
	$ (2.6)	**$ (1.8)**	**$ (31.2)**	**$ 5.9**

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Income (loss) recognized in OCI:				
Truck and Other		$ 4.3		$ 1.8
Financial Services	$ (40.2)		$ (61.0)	
	$ (40.2)	$ 4.3	$ (61.0)	$ 1.8

Expense (income) reclassified from Accumulated other comprehensive income into income:

	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Interest-rate Contracts	**Foreign-exchange Contracts**	**Interest-rate Contracts**	**Foreign-exchange Contracts**
Truck and Other:				
Cost of sales and revenues		**$ (.7)**		**$ (3.3)**
Financial Services:				
Interest and other borrowing expenses	**$ (16.3)**		**$ 20.2**	
	$ (16.3)	**$ (.7)**	**$ 20.2**	**$ (3.3)**

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Truck and Other:				
Cost of sales and revenues		$ .6		$ 1.6
Interest and other expense, net		(1.1)		(.2)
Financial Services:				
Interest and other borrowing expenses	$ 44.0		$ 88.7	
	$ 44.0	$ (.5)	$ 88.7	$ 1.4

Of the $24.7 accumulated net loss on derivative contracts included in Accumulated other comprehensive income as of September 30, 2011, $33.2 of losses, net of taxes, is estimated to be reclassified to interest expense or cost of sales in the following 12 months. The fixed interest earned on finance receivables will offset the amount recognized in interest expense, resulting in a stable interest margin consistent with the Company' s risk management strategy.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

Economic Hedges

For other risk management purposes, the Company enters into derivative instruments not designated as hedges that do not qualify for hedge accounting. These derivative instruments are used to mitigate the risk of market volatility arising from borrowings and foreign currency denominated transactions. Changes in the fair value of economic hedges are recorded in earnings in the period in which the change occurs.

The (income) expense recognized in earnings related to economic hedges is as follows:

	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Interest-rate Contracts	**Foreign-exchange Contracts**	**Interest-rate Contracts**	**Foreign-exchange Contracts**
Truck and Other:				
Cost of sales and revenues		**$ .1**		**$ .1**
Interest and other (income) expense, net		**(.3)**		**(.3)**
Financial Services:				
Interest and other borrowing expenses	**$ (5.0)**	**(.5)**	**$ (5.0)**	**$ (1.6)**
	$ (5.0)	**$ (.7)**	**$ (5.0)**	**$ (1.8)**

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Truck and Other:				
Cost of sales and revenues		$ .2		$ .3
Interest and other (income)expense, net	$ 1.1	4.8	$ .2	6.6
Financial Services:				
Interest and other borrowing expenses	.3	.1	(7.8)	
	$ 1.4	$ 5.1	$ (7.6)	$ 6.9

NOTE J – Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy of fair value measurements is described below.

Level 1 – Valuations are based on quoted prices that the Company has the ability to obtain in actively traded markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market or exchange traded market, valuation of these instruments does not require a significant degree of judgment.

Level 2 – Valuations are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 – Valuations are based on model-based techniques for which some or all of the assumptions are obtained from indirect market information that is significant to the overall fair value measurement and which require a significant degree of management judgment. The Company has no financial instruments requiring Level 3 valuation.

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

The Company uses the following methods and assumptions to measure fair value for assets and liabilities subject to recurring fair value measurements.

Marketable Debt Securities: The Company' s marketable debt securities consist of municipal bonds, government obligations, investment-grade corporate obligations, commercial paper, asset-backed securities and term deposits. The fair value of U.S. government obligations is based on quoted prices in active markets. These are categorized as Level 1. The fair value of non U.S. government bonds, municipal bonds, corporate bonds, asset-backed securities, commercial paper and term deposits is estimated using an industry standard valuation model, which is based on the income approach. The significant inputs into the valuation model include quoted interest rates, yield curves, credit rating of the security and other observable market information. These are categorized as Level 2.

Derivative Financial Instruments: The Company' s derivative contracts consist of interest-rate swaps, cross currency swaps and foreign currency exchange contracts. These derivative contracts are over the counter and their fair value is determined using industry standard valuation models, which are based on the income approach. The significant inputs into the valuation models include market inputs such as interest rates, currency exchange rates, credit default swap spreads and forward rates. These contracts are categorized as Level 2.

The Company' s financial assets and liabilities subject to recurring fair value measurements are either Level 1 or Level 2 as follows:

At September 30, 2011	Level 1	Level 2	Total
Assets:			
Marketable debt securities			
U.S. tax-exempt securities		**$ 295.1**	**$ 295.1**
U.S. government and agency securities	**$ 1.9**		**1.9**
U.S. corporate securities		**38.8**	**38.8**
Non U.S. corporate securities		**157.9**	**157.9**
Non U.S. government securities		**354.3**	**354.3**
Other		**67.7**	**67.7**
Total marketable debt securities	**$ 1.9**	**$913.8**	**$915.7**
Derivatives			
Interest-rate swaps		**$2.4**	**$2.4**
Cross currency swaps		**2.1**	**2.1**
Foreign-exchange contracts		**4.6**	**4.6**
Total derivative assets		**$9.1**	**$9.1**
Liabilities:			
Derivatives			
Interest-rate swaps		**$38.2**	**$38.2**
Cross currency swaps		**54.8**	**54.8**
Foreign-exchange contracts		**4.2**	**4.2**
Total derivative liabilities		**$97.2**	**$97.2**

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

At December 31, 2010	Level 1	Level 2	Total
Assets:			
Marketable debt securities			
U.S. tax-exempt securities		$365.4	$365.4
U.S. government and agency securities	$ 2.7		2.7
U.S. corporate securities		27.6	27.6
Non U.S. corporate securities		37.0	37.0
Other		17.8	17.8
Total marketable debt securities	$ 2.7	$447.8	$450.5
Derivatives			
Interest-rate swaps		$5.8	$5.8
Cross currency swaps		3.3	3.3
Foreign-exchange contracts		1.0	1.0
Total derivative assets		$10.1	$10.1
Liabilities:			
Derivatives			
Interest-rate swaps		$37.2	$37.2
Cross currency swaps		73.8	73.8
Foreign-exchange contracts		1.6	1.6
Total derivative liabilities		$112.6	$112.6

Other assets that are measured at fair value on a nonrecurring basis are as follows:

	September 30 2011 Level 2	December 31 2010 Level 2
Impaired loans:		
Financial Services	**$ 56.0**	$ 33.2
Used trucks held for sale:		
Truck and Other	**$ 22.3**	$ 20.0
Financial Services	**55.9**	38.2
	$ 78.2	$ 58.2

The carrying amount of collateral dependent impaired loans and used trucks held for sale are adjusted when appropriate to reflect their fair value. The fair value of used trucks and collateral dependent impaired loans are determined from a matrix pricing model, which is based on the market approach. The significant observable inputs into the valuation model are recent sales prices of comparable units, the condition of the vehicles and the number of similar units to be sold.

Used truck write-downs during the three and nine months ended September 30, 2011 were $.5 and $1.8, respectively, and were recorded as cost of sales in the truck segment. Used truck write-downs during the three and nine months ended September 30, 2010 were $3.2 and $7.0, respectively. Of the $7.0 year to date cost, $1.6 was recorded as cost of sales in the truck segment and $5.4 was recorded in the financial services segment (operating lease depreciation expense of $7.2 and a recovery to provision for losses on receivables of $1.8).

Notes to Consolidated Financial Statements (Unaudited) (Millions, Except Share Amounts)

The Company used the following methods and assumptions to determine the fair value of financial instruments that are not recognized at fair value as described below.

Cash and Cash Equivalents: Carrying amounts approximate fair value.

Financial Services Net Receivable: For floating-rate loans, wholesale financing, and interest and other receivables, fair values approximate carrying values. For fixed-rate loans that are not impaired, fair values are estimated using discounted cash flow analysis based on current rates for comparable loans. Finance lease receivables and the related loss provisions have been excluded from the accompanying table.

Debt: The carrying amounts of financial services commercial paper, variable-rate bank loans and variable-rate term notes approximate fair value. For fixed-rate debt, fair values are estimated using discounted cash flow analysis based on current rates for comparable debt.

Trade Receivables and Payables: Carrying amounts approximate fair value.

Fixed-rate loans and debt that are not carried at approximate fair value at September 30, 2011 and December 31, 2010 were as follows:

	September 30, 2011		December 31, 2010	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Assets:				
Financial Services fixed-rate loans	**$2,568.3**	**$2,574.9**	$2,444.1	$2,483.3
Liabilities:				
Truck and Other fixed-rate debt	**$150.0**	**$170.4**	$173.5	$196.9
Financial Services fixed-rate debt	**$2,049.9**	**$2,120.1**	$1,870.7	$1,967.9

NOTE K – Employee Benefit Plans

The Company has several defined benefit pension plans, which cover a majority of its employees. The following information details the components of net pension expense for the Company’ s defined benefit plans:

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2011	2010	**2011**	2010
Service cost	**$11.9**	$9.3	**$34.6**	$27.8
Interest on projected benefit obligation	**21.0**	19.0	**61.8**	57.0
Expected return on assets	**(26.5)**	(24.4)	**(79.1)**	(73.0)
Amortization of prior service costs	**.3**	.4	**1.0**	1.3
Recognized actuarial loss	**4.5**	3.7	**17.7**	10.9
Net pension expense	**$11.2**	$8.0	**$36.0**	$24.0

During the three and nine months ended September 30, 2011, the Company contributed $6.1 and $12.9 to its pension plans, respectively.

ITEM 2. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW:

PACCAR is a global technology company whose Truck segment includes the design, manufacture and distribution of high-quality, light-, medium- and heavy-duty commercial trucks and related aftermarket parts. In North America, trucks are sold under the Kenworth and Peterbilt nameplates, in Europe, under the DAF nameplate and in Australia under the Kenworth and DAF nameplates. The Company' s Financial Services segment (PFS) derives its earnings primarily from financing or leasing PACCAR products in the U.S., Canada, Mexico, Europe and Australia. The Company' s Other business is the manufacturing and marketing of industrial winches.

Consolidated net sales and revenues in the third quarter of 2011 were a record $4.26 billion, an increase of $1.71 billion compared to the third quarter of 2010. For the first nine months of 2011, consolidated net sales and revenue were $11.50 billion, an increase of $4.26 billion from the same period in 2010. The increases in both periods are mainly due to higher truck deliveries and aftermarket parts sales in the Company' s primary markets from increased demand for the Company' s products. Truck unit sales increased in the third quarter of 2011 to 35,500 units from 19,500 units in the third quarter of 2010 and increased to 97,100 from 54,600 in the first nine months of 2011. Aftermarket parts sales in the third quarter and first nine months of 2011 increased to $.66 billion and $1.92 billion from $.55 billion and $1.60 billion in the same periods in 2010.

Third quarter 2011 net income increased to $281.6 million ($.77 per diluted share) compared to $119.9 million ($.33 per diluted share) in the third quarter of 2010. First nine months of 2011 net income increased to $714.6 million ($1.95 per diluted share) compared to $287.8 million ($.79 per diluted share) in the first nine months of 2010. Both increases were primarily due to higher sales and margins in the Truck segment.

PACCAR Financial Services assets increased to $8.83 billion at September 30, 2011 from $7.88 billion at December 31, 2010 and third quarter 2011 pre-tax income improved to $61.8 million compared to $41.5 million in the third quarter of 2010. First nine months of 2011 pre-tax income improved to $169.0 million compared to $103.6 million in the first nine months of 2010. The higher levels of assets and profits reflect improving truck sales and finance market share, as well as lower borrowing costs. PACCAR issued $982.4 million of medium-term notes during the first nine months of 2011.

Third quarter and first nine months of 2011 total net sales and revenues and income before income taxes were positively affected by the translation of stronger foreign currencies primarily due to the euro. The translation effect increased third quarter 2011 net sales and revenues by $159.2 million and income before income taxes by $8.2 million. The translation effect increased first nine months of 2011 net sales and revenues by $367.9 million and income before income taxes by $32.6 million.

Truck Outlook

Industry retail sales this year for the heavy-duty truck market in the U.S. and Canada are expected to be in the range of 185,000 – 200,000 units, up 45% to 60% from 2010. Industry retail sales in the U.S. and Canada in 2012 are expected to increase to 205,000 – 230,000 units, primarily due to the ongoing replacement of the aging industry fleet. In Europe, the 2011 market size of 15-tonne and above vehicles is expected to be in the range of 235,000 – 245,000 units, up 30% to 35% from 2010. In 2012, the annual market size of above 15-tonne vehicles is expected to remain comparable at 225,000 – 250,000 units in Europe. The Company' s capital investments in 2011 are expected to increase to $450 to $500 million reflecting product development programs and South American expansion. Capital investments in 2012 are expected to be $450 to $550 million. Research and development (R&D) in 2011 is expected to be $280 to $300 million, focusing on manufacturing efficiency improvements, engine development and new product programs. R&D in 2012 is expected to be $275 to $325 million. Capital investments and R&D in 2012 will focus on construction of a factory in Brasil as well as comprehensive product development programs. See the Forward Looking Statement section of Management' s Discussion and Analysis for factors that may affect this outlook.

Financial Services Outlook

Average earning assets in the fourth quarter of 2011 are expected to increase modestly from current levels. For 2012, average earning assets are projected to grow approximately 5-10% due to increased new business financing from slightly higher truck sales as discussed in the Truck Outlook. The Company' s customers are benefiting from increased freight tonnage and fleet utilization that are contributing to improvements in customers' productivity as well as profitability. If current freight transportation conditions continue, past-due accounts, truck repossessions and net charge-offs in 2012 could be comparable to or improve slightly from 2011 amounts. See the Forward Looking Statement section of Management' s Discussion and Analysis for factors that may affect this outlook.

RESULTS OF OPERATIONS:

	Three Months Ended September 30		Nine Months Ended September 30	
($ in millions, except per share amounts)	**2011**	2010	**2011**	2010
Net sales and revenues:				
Truck	**$3,961.1**	$2,281.4	**$10,653.6**	$6,450.6
Other	**31.9**	22.8	**84.7**	62.7
Truck and other	**3,993.0**	2,304.2	**10,738.3**	6,513.3
Financial Services	**264.1**	238.3	**763.1**	724.0
	$4,257.1	$2,542.5	**$11,501.4**	$7,237.3
Income (loss) before taxes:				
Truck	**$324.3**	$133.3	**$855.3**	$314.1
Other	**(2.4)**	(3.5)	**(19.0)**	(10.6)
Truck and Other	**321.9**	129.8	**836.3**	303.5
Financial Services	**61.8**	41.5	**169.0**	103.6
Investment income	**11.0**	5.5	**28.9**	14.3
Income taxes	**(113.1)**	(56.9)	**(319.6)**	(133.6)
Net income	**$281.6**	$119.9	**$714.6**	$287.8
Diluted earnings per share	**$.77**	$.33	**$1.95**	$.79
Return on Revenues	**6.6%**	4.7%	**6.2%**	4.0%

The following provides an analysis of the results of operations for the two reportable segments, Truck and Financial Services. Where possible, the Company has quantified the factors identified in the following discussion and analysis. In cases where it is not possible to quantify the impact of factors, the Company lists them in estimated order of importance. Factors for which the Company is unable to specifically quantify the impact include market demand, fuel prices, freight tonnage and economic conditions affecting the Company' s results of operations.

2011 Compared to 2010:

Truck

The Company' s truck segment accounted for 93% of revenues in both the third quarter and first nine months of 2011 compared to 90% and 89% in the third quarter and first nine months of 2010.

($ in millions)	Three Months Ended September 30			Nine Months Ended September 30		
	2011	2010	% Change	**2011**	2010	% Change
Truck net sales and revenues:						
U.S. and Canada	**$2,191.6**	$1,163.1	88	**$5,560.1**	$3,241.4	72
Europe	**1,185.8**	703.1	69	**3,529.8**	2,125.6	66
Mexico, Australia and Other	**583.7**	415.2	41	**1,563.7**	1,083.6	44
	$3,961.1	$2,281.4	74	**$10,653.6**	$6,450.6	65
Truck income before income taxes	**$324.3**	$133.3	143	**$855.3**	$314.1	172

The Company' s worldwide truck and parts sales and revenues in the third quarter and first nine months of 2011 increased 74% and 65% compared to the same periods in 2010. Both increases were due to higher market demand, primarily in the U.S. and Canada and Europe.

Truck segment income before income taxes increased 143% and 172% in the third quarter and first nine months of 2011 from the same periods in 2010. Both of the increases were due to higher truck unit sales and margins and higher aftermarket parts sales and margins, partially offset by increases in R&D and selling, general and administrative (SG&A) expenses to support a higher level of business activity. Third quarter and first nine months of 2011 truck income before income taxes was also affected by the translation of stronger foreign currencies. The translation effect of all currencies increased third quarter and first nine months of 2011 income before income taxes by $6.9 million and $28.5 million, respectively.

The Company' s new truck deliveries are summarized below:

	Three Months Ended September 30			Nine Months Ended September 30		
	2011	2010	% Change	**2011**	2010	% Change
United States	**15,700**	7,600	107	**40,100**	21,000	91
Canada	**3,100**	1,600	94	**7,900**	5,100	55
U.S. and Canada	**18,800**	9,200	104	**48,000**	26,100	84
Europe	**11,800**	6,900	71	**35,200**	19,500	81
Mexico, Australia and Other	**4,900**	3,400	44	**13,900**	9,000	54
Total units	**35,500**	19,500	82	**97,100**	54,600	78

The truck market in the U.S. and Canada continued to improve from the recessionary levels of 2010 reflecting higher freight volumes and the need to replace an aging truck fleet. Industry retail sales in the heavy-duty market in the U.S. and Canada increased to 133,900 units in the first nine months of 2011 from 90,500 units in the first nine months of 2010. The Company' s heavy-duty truck retail market share was 27.7% in the first nine months of 2011 compared to 23.4% in the first nine months of 2010.

The 15-tonne and above truck market size in Western and Central Europe increased to 181,000 units in the first nine months of 2011 from 127,700 units in the first nine months of 2010. The Company' s market share was 15.2% in the first nine months of 2011 compared to 15.9% in the first nine months of 2010.

Sales and revenues in Mexico, Australia and other markets increased in the third quarter and first nine months of 2011 primarily due to higher new truck deliveries in Mexico and Latin America.

The major factors for the changes in net sales and revenues, cost of sales and revenues, and gross margin for the three months ended September 30, 2011 are as follows:

($ in millions)	Net Sales	Cost of Sales	Gross Margin
Three Months Ended September 30, 2010	$2,281.4	$2,000.3	$281.1
Increase (decrease)			
Truck delivery volume	1,323.4	1,122.3	201.1
Average truck sales prices	128.7		128.7
Average per truck material, labor and other direct costs		69.6	(69.6)
Factory overhead, warehouse and other indirect costs		83.4	(83.4)
Aftermarket parts volume	63.4	41.1	22.3
Average aftermarket parts sales prices	15.4		15.4
Average aftermarket parts direct costs		6.6	(6.6)
Currency translation	148.8	134.2	14.6
Total increase	1,679.7	1,457.2	222.5
Three Months Ended September 30, 2011	**$3,961.1**	**$3,457.5**	**$503.6**

Truck delivery volume increased in the third quarter of 2011 from the third quarter of 2010 which resulted in $1.32 billion in higher sales and $1.12 billion in higher cost of sales. The higher truck delivery volume reflects improved market demand which also resulted in increased sales of $128.7 million from higher average truck sales prices.

Cost of sales increased $69.6 million due to a higher average cost per truck, primarily from the effect of higher content EPA 2010 emission vehicles in the U.S. and Canada.

Factory overhead, warehouse and other indirect costs increased $83.4 million primarily due to higher salaries and related costs ($51.5 million) and manufacturing supplies and maintenance ($24.7 million) to support higher production levels.

Higher market demand also increased aftermarket parts sales volume by $63.4 million and related cost of sales by $41.1 million.

Average aftermarket parts sales prices increased by $15.4 million reflecting improved price realization.

The currency translation effect on sales and cost of sales primarily reflects a stronger euro.

The major factors for the changes in net sales and revenues, cost of sales and revenues, and gross margin for the nine months ended September 30, 2011 are as follows:

($ in millions)	Net Sales	Cost of Sales	Gross Margin
Nine Months Ended September 30, 2010	$6,450.6	$5,690.0	$760.6
Increase (decrease)			
Truck delivery volume	3,095.5	2,615.4	480.1
Average truck sales prices	498.7		498.7
Average per truck material, labor and other direct costs		294.3	(294.3)
Factory overhead, warehouse and other indirect costs		222.2	(222.2)
Aftermarket parts volume	209.5	130.1	79.4
Average aftermarket parts sales prices	56.0		56.0
Average aftermarket parts direct costs		26.4	(26.4)
Currency translation	343.3	297.3	46.0

Total increase	4,203.0	3,585.7	617.3
Nine Months Ended September 30, 2011	**$10,653.6**	**$9,275.7**	**$1,377.9**

Truck delivery volume increased in the first nine months of 2011 from the first nine months of 2010 which resulted in $3.10 billion in higher sales and $2.62 billion in higher cost of sales. The higher truck delivery volume reflects improved market demand which also resulted in increased sales of $498.7 million from higher average truck sales prices.

Cost of sales increased $294.3 million due to a higher average cost per truck, primarily from the effect of higher content EPA 2010 emission vehicles in the U.S. and Canada.

Factory overhead, warehouse and other indirect costs increased $222.2 million primarily due to higher salaries and related costs ($134.3 million) and manufacturing supplies and maintenance ($65.8 million) to support higher production levels.

Higher market demand also increased aftermarket parts sales volume by $209.5 million and related cost of sales by $130.1 million.

Average aftermarket parts sales prices increased by $56.0 million reflecting improved price realization.

The currency translation effect on sales and cost of sales primarily reflects a stronger euro.

Net sales and revenues and gross margins for truck units and aftermarket parts are provided below. The aftermarket parts gross margin includes direct revenues and costs, but excludes certain Truck segment costs.

	Three Months Ended September 30			Nine Months Ended September 30		
($ in millions)	**2011**	2010	% Change	**2011**	2010	% Change
Net sales and revenues:						
Trucks	**$3,305.7**	$1,727.6	91	**$8,735.4**	$4,853.1	80
Aftermarket parts	**655.4**	553.8	18	**1,918.2**	1,597.5	20
	$3,961.1	$2,281.4	74	**$10,653.6**	$6,450.6	65
Gross Margin:						
Trucks	**$276.9**	$93.0	198	**$709.8**	$220.3	222
Aftermarket parts	**226.7**	188.1	21	**668.1**	540.3	24
	$503.6	$281.1	79	**$1,377.9**	$760.6	81
Gross Margin %:						
Trucks	**8.4 %**	5.4 %		**8.1 %**	4.5 %	
Aftermarket parts	**34.6 %**	34.0 %		**34.8 %**	33.8 %	
Truck segment	**12.7 %**	12.3 %		**12.9 %**	11.8 %	

Total Truck segment gross margins for the third quarter and first nine months of 2011 increased due to higher truck and parts gross margins. Truck gross margins in 2011 reflect the benefits of higher market demand and increased absorption of fixed costs resulting from higher truck production. Aftermarket parts gross margins in 2011 benefited from higher price realization from improved market demand.

Truck R&D expenditures in the third quarter of 2011 increased to $69.9 million from $59.8 million in 2010. Truck R&D expenditures in the first nine months of 2011 increased to $215.5 million from $172.9 million in 2010. The higher spending in 2011 reflects increased new product development activities, primarily new truck products for North America and Europe and higher foreign currencies, primarily the euro.

Truck SG&A was $105.6 million in the third quarter of 2011 compared to $88.7 million in 2010 and was $306.2 million in the first nine months of 2011 compared to $271.2 million in the first nine months of 2010. The higher spending is due to higher salaries and related expenses of $17.3 million (including $2.8 million from the effect of foreign currencies) for the third quarter and $36.6 million for the first nine months of 2011 (including $8.0 million of foreign exchange effect) to support higher levels of business activity. As a percentage of sales, Truck SG&A decreased to 2.7% and 2.9% in the third quarter and first nine months of

2011 from 3.9% and 4.2% in the third quarter and first nine months of 2010, respectively, due to higher sales volumes.

Financial Services

	Three Months Ended September 30			Nine Months Ended September 30		
($ in millions)	**2011**	2010	% Change	**2011**	2010	% Change
New loan and lease volume:						
U.S. and Canada	**$638.0**	$373.5	71	**$1,673.3**	$911.3	84
Europe	**215.7**	137.6	57	**684.5**	394.1	74
Mexico and Australia	**151.9**	101.4	50	**443.7**	315.8	41
	$1,005.6	$612.5	64	**$2,801.5**	$1,621.2	73
New loan and lease volume by product:						
Loans and finance leases	**$783.5**	$504.6	55	**$2,060.6**	$1,293.7	59
Equipment on operating leases	**222.1**	107.9	106	**740.9**	327.5	126
	$1,005.6	$612.5	64	**$2,801.5**	$1,621.2	73
New loan and lease unit volume:						
Loans and finance leases	**8,754**	6,805	29	**23,996**	17,495	37
Equipment on operating leases	**2,291**	1,245	84	**7,452**	3,759	98
	11,045	8,050	37	**31,448**	21,254	48
Average earning assets:						
U.S. and Canada	**$4,710.8**	$4,223.8	12	**$4,443.0**	$4,365.2	2
Europe	**2,268.8**	1,810.7	25	**2,184.4**	1,936.2	13
Mexico and Australia	**1,459.7**	1,290.5	13	**1,452.4**	1,282.8	13
	$8,439.3	$7,325.0	15	**$8,079.8**	$7,584.2	7
Average earning assets by product:						
Loans and finance leases	**$5,342.7**	$4,972.0	7	**$5,229.8**	$5,149.1	2
Dealer wholesale financing	**1,228.5**	828.9	48	**1,125.8**	887.0	27
Equipment on lease and other	**1,868.1**	1,524.1	23	**1,724.2**	1,548.1	11
	$8,439.3	$7,325.0	15	**$8,079.8**	$7,584.2	7
Revenue:						
U.S. and Canada	**$131.1**	$121.3	8	**$374.9**	$370.8	1
Europe	**79.9**	68.9	16	**232.5**	210.6	10
Mexico and Australia	**53.1**	48.1	10	**155.7**	142.6	9
	$264.1	$238.3	11	**$763.1**	$724.0	5
Revenue by product:						
Loans and finance leases	**$94.3**	$93.8	1	**$279.0**	$290.7	(4)
Dealer wholesale financing	**12.1**	8.0	51	**34.4**	26.1	32
Equipment on lease and other	**157.7**	136.5	16	**449.7**	407.2	10
	$264.1	$238.3	11	**$763.1**	$724.0	5
Income before income taxes	**$61.8**	$41.5	49	**$169.0**	$103.6	63

In the third quarter and first nine months of 2011, new loan and lease volume of $1.01 billion and $2.80 billion, respectively, increased 64% and 73% compared to the third quarter and first nine months of 2010, reflecting increased new PACCAR truck sales, increased finance market share and a higher average amount financed per unit. In the third quarter and first nine months of 2011, PFS market share of new PACCAR trucks delivered was 29.9% and 30.5% compared to 29.8% and 26.7% in 2010.

The increase in PFS revenues to $264.1 million in the third quarter 2011 from $238.3 million primarily resulted from higher average earning asset balances and the impact of stronger foreign currencies, partially offset by lower yields. PFS income before income taxes increased to $61.8 million in the third quarter of 2011 from $41.5 million in the third quarter of 2010 and to $169.0 million in the first nine months of 2011 from $103.6 million in the first nine months of 2010. The increases in both periods were primarily due to higher finance and lease margins as noted below and a lower provision for losses on receivables.

The major factors for the change in finance margin for the three months ended September 30, 2011 are outlined in the table below:

($ in millions)	Interest and Fees	Interest and Other Borrowing Expenses	Finance Margin
Three Months Ended September 30, 2010	$101.8	$ 51.8	$50.0
Increase (decrease)			
Average finance receivables	8.0		8.0
Yields	(7.9)		(7.9)
Average debt balances		7.5	(7.5)
Borrowing rates		(17.2)	17.2
Currency translation	4.6	2.5	2.1
Total increase (decrease)	4.7	(7.2)	11.9
Three Months Ended September 30, 2011	**$106.5**	**$ 44.6**	**$61.9**

Higher average earning finance receivables in 2011 ($475.2 million), excluding the effect of foreign currencies, resulted in $8.0 million of higher interest and fee income. The higher finance receivables resulted from retail portfolio new business volume exceeding repayments and an increase in dealer wholesale financing, primarily in the U.S. and Canada and Europe.

Lower yields from lower market interest rates decreased interest and fee income by $7.9 million.

Average debt balances increased in 2011 ($817.0 million), excluding the effect of foreign currencies, and resulted in $7.5 million higher interest and other borrowing expenses. The higher average debt balances reflect a higher level of funding needed for a higher average finance receivable portfolio.

Borrowing rates declined in 2011 due to lower market interest rates and decreased interest expense by $17.2 million.

Currency translation, primarily the stronger euro, increased interest and fees by $4.6 million and interest and other borrowing expense by $2.5 million, respectively.

The major factors for the change in finance margin for the nine months ended September 30, 2011 are outlined in the table below:

($ in millions)	Interest and Fees	Interest and Other Borrowing Expenses	Finance Margin
Nine Months Ended September 30, 2010	$316.8	$ 163.4	$153.4
Increase (decrease)			
Average finance receivables	4.8		4.8
Yields	(19.9)		(19.9)
Average debt balances		5.0	(5.0)
Borrowing rates		(37.3)	37.3
Currency translation	11.7	6.1	5.6
Total (decrease) increase	(3.4)	(26.2)	22.8
Nine Months Ended September 30, 2011	**$313.4**	**$ 137.2**	**$176.2**

Higher average earning finance receivables in 2011 ($92.6 million), excluding the effect of foreign currencies, resulted in a increase of $4.8 million in interest and fee income. The higher finance

receivables resulted from retail new business volume exceeding portfolio repayments as well as an increase in dealer wholesale financing, primarily in the U.S. and Canada and Europe.

Lower yields from lower market interest rates decreased interest and fee income by $19.9 million.

Average debt balances increased in 2011 ($167.7 million), excluding the effect of foreign currencies, and resulted in $5.0 million of higher interest and other borrowing expenses. The higher average debt balances reflect a higher level of funding needed for a larger average finance receivable portfolio.

The lower borrowing rates in 2011 resulted from lower market interest rates and decreased interest expense by $37.3 million.

Currency translation, primarily the stronger euro, increased interest and fees by $11.7 million and interest and other borrowing expense by $6.1 million, respectively.

The following table summarizes operating lease, rental and other income and depreciation and other:

	Three Months Ended September 30		Nine Months Ended September 30	
($ in millions)	**2011**	2010	**2011**	2010
Operating lease revenues	**$147.6**	$124.6	**$420.3**	$371.3
Used truck sales and other	**10.0**	11.9	**29.4**	35.9
Operating lease, rental and other income	**$157.6**	$136.5	**$449.7**	$407.2
Depreciation on operating lease	**$91.2**	$77.8	**$257.4**	$246.0
Vehicle operating expenses	**25.9**	22.6	**76.3**	66.2
Cost of used truck sales and other	**5.9**	9.8	**19.2**	30.2
Depreciation and other	**$123.0**	$110.2	**$352.9**	$342.4

The major factors for the change in lease margin for the three months ended September 30, 2011 are outlined in the table below:

($ in millions)	Operating Lease, Rental and Other Income	Depreciation and Other	Lease Margin
Three Months Ended September 30, 2010	$ 136.5	$ 110.2	$26.3
Increase (decrease)			
Operating lease impairments		(.5)	.5
(Gains) losses on returned lease assets		(2.4)	2.4
Used trucks taken on trade	(2.1)	(2.6)	.5
Average operating lease assets	12.6	10.3	2.3
Revenue and cost per asset	4.5	3.8	.7
Insurance and other	.3	(.4)	.7
Currency translation	5.8	4.6	1.2
Total increase	21.1	12.8	8.3
Three Months Ended September 30, 2011	**$ 157.6**	**$ 123.0**	**$34.6**

Operating lease impairments decreased $.5 million in the third quarter of 2011 due to fewer impaired units.

Higher used truck values resulted in net gains on sales of trucks returned from leases of $3.5 million in the third quarter of 2011 compared to $1.1 million in the third quarter of 2010.

The decrease in income on trucks taken on trade of $2.1 million and associated reduction in cost of $2.6 million are due to a decrease in the volume of trucks sold and improved used truck values.

Average operating lease assets increased $274.7 million resulting in $12.6 million in higher revenues and $10.3 million in higher depreciation and other vehicle operating expenses.

Higher truck market demand resulted in an increase in revenue per asset in the third quarter of 2011 of $4.5 million. The increase in revenue consisted of higher asset utilization (the proportion of available operating lease units that are being leased) of $2.4 million, higher fuel and service revenue of $1.3 million and higher lease rates of $.8 million. The 2011 increase in costs per asset of $3.8 million is due to higher vehicle operating expenses, including higher fuel costs and variable costs from higher asset utilization levels.

Currency translation, primarily the stronger euro, increased revenue by $5.8 million and operating lease costs by $4.6 million.

The major factors for the change in lease margin for the nine months ended September 30, 2011 are outlined in the table below:

($ in millions)	Operating Lease, Rental and Other Income	Depreciation and Other	Lease Margin
Nine Months Ended September 30, 2010	$ 407.2	$ 342.4	$64.8
Increase (decrease)			
Operating lease impairments		(2.6)	2.6
(Gains) losses on returned lease assets		(16.5)	16.5
Used trucks taken on trade	(6.6)	(8.1)	1.5
Average operating lease assets	20.6	16.7	3.9
Revenue and cost per asset	15.7	11.2	4.5
Insurance and other	.1	(.4)	.5
Currency translation	12.7	10.2	2.5
Total increase	42.5	10.5	32.0
Nine Months Ended September 30, 2011	**$ 449.7**	**$ 352.9**	**$96.8**

Operating lease impairments decreased $2.6 million in the first nine months of 2011 due to fewer impaired units.

Higher used truck values resulted in net gains on sales of trucks returned from leases of $10.6 million in the first nine months of 2011 compared to net losses of $5.9 million in the first nine months of 2010.

The decreases in trucks taken on trade of $6.6 million and associated costs of $8.1 million are due to a decrease in the volume of trucks sold and improved used truck values.

Average operating lease assets increased $129.3 million resulting in $20.6 million in higher revenue and $16.7 million in higher depreciation expense.

Higher truck market demand resulted in an increase in revenue per asset in the first nine months of 2011 of $15.7 million. The increase in revenue consisted of higher lease rates of $6.6 million, higher asset utilization (the proportion of available operating lease units that are being leased) of $6.4 million and higher fuel and service revenue of $2.7 million. The 2011 increase in costs per asset of $11.2 million is due to higher vehicle operating expenses, including higher fuel costs and variable costs from higher asset utilization levels.

Currency translation, primarily the stronger euro, increased revenue by $12.7 million and operating lease costs by $10.2 million.

The following tables summarize the provision for losses on receivables and net charge-offs:

($ in millions)	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Provision for Losses on Receivables	Net Charge-offs	Provision for Losses on Receivables	Net Charge-offs
U.S. and Canada	**$ (.2)**	**$ .7**	**$ 3.6**	**$ 4.5**
Europe	**4.4**	**2.7**	**13.4**	**13.2**
Mexico and Australia	**6.5**	**6.5**	**15.2**	**13.8**
	$ 10.7	**$ 9.9**	**$ 32.2**	**$ 31.5**

($ in millions)	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
	Provision for Losses on Receivables	Net Charge-offs	Provision for Losses on Receivables	Net Charge-offs
U.S. and Canada	$ 4.6	$ 13.3	$ 19.5	$ 32.0
Europe	3.1	2.5	14.2	17.5
Mexico and Australia	5.2	6.7	15.0	15.0
	$ 12.9	$ 22.5	$ 48.7	$ 64.5

The provision for losses on receivables in the third quarter of 2011 decreased to $10.7 million from $12.9 million in the third quarter of 2010. The provision for losses on receivables for the first nine months of 2011 decreased to $32.2 million from $48.7 million in the first nine months of 2010. The decrease in both periods is due to improvements in portfolio quality and overall lower past-due balances.

Net portfolio charge-offs decreased to $9.9 million in the third quarter of 2011 from $22.5 million in the third quarter of 2010. For the first nine months of 2011, net portfolio charge-offs decreased to $31.5 million from $64.5 million in first nine months of 2010. The decreases in both periods mainly reflect a reduction in net portfolio charge-offs primarily in the U.S. and Canada from improvements in portfolio quality.

	September 30 2011	December 31 2010	September 30 2010
Percentage of retail loan and lease accounts 30+ days past-due:			
U.S. and Canada	**1.3 %**	2.1 %	2.3 %
Europe	**1.4 %**	2.5 %	4.6 %
Mexico and Australia	**5.3 %**	5.8 %	7.1 %
	2.1 %	3.0 %	3.8 %

Worldwide PFS accounts 30+ days past-due were 2.1% at September 30, 2011 and have improved from 3.0% at December 31, 2010 and 3.8% at September 30, 2010. Included in the U.S. and Canada past-due percentage of 1.3% is 1.0% from one large customer. Excluding that customer, worldwide PFS accounts 30+ days past-due at September 30, 2011 would have been 1.4%. At September 30, 2011, the Company had $33.2 million of specific loss reserves for this large customer and other accounts considered at risk. The Company continues to focus on past-due balances. Existing economic conditions may result in continued low levels of past-due balances during the fourth quarter of 2011. When the Company modifies a 30+ days past-due account, the customer is considered current under the revised contractual terms.

During the third quarter of 2011, the Company modified $8.0 million of accounts worldwide that were 30+ days past-due at the time of modification. Had these accounts not been modified and continued to not make payments, worldwide PFS accounts 30+ days past-due of 2.1% at September 30, 2011, would have been 2.2%. Of the $8.0 million modified accounts, $6.4 million were in Mexico and Australia, had these accounts in Mexico and Australia not been modified and the customers continued to not make payments, past-dues from Mexico and Australia would have been 6.0%.

For the third quarter and first nine months of 2011, the Company' s pretax return on revenue for financial services increased to 23.4% and 22.1% from 17.4% and 14.3% in 2010 primarily due to higher finance and lease margin. The higher finance margin reflects a lower cost of funds and a larger finance receivable portfolio. The higher lease margin is primarily due to improved results on the sales of operating lease units and a larger operating lease portfolio.

Other

Other includes the winch business as well as sales, income and expenses not attributable to a reportable segment, including a portion of corporate expenses. Sales represent approximately 1% of consolidated net sales and revenues for the third quarter and first nine months of 2011 and 2010. Other income (loss) before income taxes for the third quarter of 2011 was a loss of $2.4 million compared to a loss of $3.5 million in 2010. Other income (loss) before income taxes was a loss of $19.0 million during the first nine months of 2011 compared to a loss of $10.6 million for the same period in 2010. The higher loss in the first nine months of 2011 was primarily due to higher SG&A. Other SG&A for the first nine months of 2011 was $25.4 million in 2011 and $14.5 million in 2010. The increase in the first nine months of 2011 is primarily due to higher salaries and related expenses ($8.9 million).

Investment income was $11.0 million in the third quarter of 2011 and $28.9 million in the first nine months of 2011 compared to $5.5 million in the third quarter of 2010 and $14.3 million in the first nine months of 2010. The higher investment income in both periods reflects higher average investment balances and higher yields on investments.

The effective income tax rate was 28.7% in the third quarter of 2011 and 30.9% in the first nine months of 2011 compared to 32.2% in the third quarter and 31.7% in the first nine months of 2010. The lower effective tax rates in 2011 reflect the benefits of the implementation in the third quarter of a new tax law in the Netherlands which provides tax incentives related to research and innovation.

	Three Months Ended September 30		Nine Months Ended September 30	
($ in millions)	**2011**	2010	**2011**	2010
Domestic income before taxes	**$161.7**	$53.0	**$342.5**	$101.3
Foreign income before taxes	**233.0**	123.8	**691.7**	320.1
Total income before taxes	**$394.7**	$176.8	**$1,034.2**	$421.4
Domestic pre-tax return on revenues	**8.1 %**	4.5 %	**6.7 %**	3.2 %
Foreign pre-tax return on revenues	**10.3 %**	9.1 %	**10.8 %**	8.0 %
Total pre-tax return on revenues	**9.3 %**	7.0 %	**9.0 %**	5.8 %

The improvements in income before income taxes for both domestic and foreign operations were primarily due to a higher return on revenues in truck operations. The improvement in domestic pre-tax return on revenues is due to the stronger recovery of the U.S. truck market from the recessionary levels of 2010. The increases in consolidated pre-tax return on revenues reflect these higher returns.

LIQUIDITY AND CAPITAL RESOURCES:

($ in millions)	September 30 2011	December 31 2010
Cash and cash equivalents	**$ 1,879.6**	$ 2,040.8
Marketable debt securities	**915.7**	450.5
	$ 2,795.3	$ 2,491.3

The Company' s total cash and marketable debt securities increased $304.0 million in 2011 to $2.80 billion at September 30, 2011. The change in cash and cash equivalents is summarized below:

Nine Months Ended September 30 ($ in millions)	2011	2010
Operating activities:		
Net income	**$714.6**	$287.8
Net income items not affecting cash	**562.7**	493.6
Changes in operating assets and liabilities	**(126.0)**	381.4
Net cash provided by operating activities	**1,151.3**	1,162.8
Net cash used in investing activities	**(1,785.3)**	(156.8)
Net cash provided by (used in) financing activities	**512.3**	(861.3)
Effect of exchange rate changes on cash	**(39.5)**	.5
Net decrease in cash and cash equivalents	**(161.2)**	145.2
Cash and cash equivalents at beginning of the period	**2,040.8**	1,912.0
Cash and cash equivalents at end of the period	**$1,879.6**	$2,057.2

Cash provided by operations was $1,151.3 million in the first nine months of 2011 compared to $1,162.8 million in the first nine months of 2010. Cash was used for increased Truck segment trade receivables and inventory ($674.4 million) and PFS segment wholesale receivables ($504.6 million), reflecting higher truck production compared to the first nine months of 2010. In addition, there was an increase in sales-type finance leases and dealer direct loans on new trucks in 2011 compared to a decrease in 2010 resulting in an increase in net cash outflow ($119.8 million). This was partially offset by higher net income ($426.8 million), higher purchases of goods and services in accounts payable and accrued expenses ($538.0 million) and higher accruals than payments for income taxes, product warranties and other ($253.4 million) compared to the first nine months of 2010.

Cash used in investing activities in the first nine months of 2011 was $1,785.3 million, an increase of $1,628.5 million compared to the cash used in investing activities in the first nine months of 2010. In the first nine months of 2011, there were $335.6 million of higher net investments in marketable debt securities than in the first nine months of 2010. In addition, there were $658.4 million of increases in new loan and lease originations and $535.2 million of additional investments in equipment on operating leases compared to the first nine months of 2010 due to higher financial services operating lease volume and Truck segment unit volume from increased new truck demand. In addition, there was $98.9 million of higher spending in property, plant and equipment in the first nine months of 2011 compared to the first nine months of 2010 to support new product programs.

Cash provided by financing activities in the first nine months of 2011 was $512.3 million, an increase of $1,373.6 million over cash used by financing activities of $861.3 million in the first nine months of 2010. This was primarily due to $989.8 million from net borrowings on commercial paper and bank loans in 2011 compared to net repayments in 2010 of $874.3 million in 2010 and higher issuances of long-term debt of $424.5 million, partially offset by higher payments of term debt of $604.6 million and higher stock repurchases of $250.2 million. The increase in debt was used to fund growth in the financial services portfolio.

Credit Lines and Other

The Company has line of credit arrangements of $3.61 billion, of which $3.32 billion was unused at the end of September 2011. Included in these arrangements are $3.0 billion of syndicated bank facilities. Of the $3.0 billion bank facilities, $1.0 billion matures in June 2012, $1.0 billion matures in June 2013 and $1.0 billion matures in June 2016. The Company intends to replace these credit facilities as they expire with facilities of similar amounts and duration. These credit facilities are maintained primarily to provide backup liquidity for commercial paper borrowings and maturing medium-term notes. There were no borrowings under the syndicated bank facilities for the nine months ended September 30, 2011.

PACCAR Inc periodically files shelf registrations under the Securities Act of 1933. The total amount of medium-term notes outstanding for PACCAR Inc as of September 30, 2011 was $870.0 million. The current registration expires in the fourth quarter of 2011 and does not limit the principal amount of debt securities that may be issued during the period. The Company intends to renew the registration.

Truck and Other

The Company provides funding for working capital, capital expenditures, R&D, dividends, stock repurchases and other business initiatives and commitments primarily from cash provided by operations. Management expects this method of funding to continue in the future.

During the third quarter of 2011, the Company entered into an agreement to acquire a 19% ownership interest in TATRA a.s., an off-road vehicle manufacturer based in the Czech Republic. The cost of this ownership interest is not expected to be significant.

Financial Services

The Company funds its financial services activities primarily from collections on existing finance receivables and borrowings in the capital markets. An additional source of funds is loans from other PACCAR companies.

In November 2009, the Company' s U.S. finance subsidiary, PACCAR Financial Corp., filed a shelf registration under the Securities Act of 1933. The total amount of medium-term notes outstanding for PFC as of September 30, 2011 was $1,350.0 million. The registration expires in 2012 and does not limit the principal amount of debt securities that may be issued during the period.

As of September 30, 2011, the Company' s European finance subsidiary, PACCAR Financial Europe, had 1.1 billion available for issuance under a 1.5 billion medium-term note program registered with the London Stock Exchange. The program was renewed in the second quarter of 2011 and is renewable annually through the filing of a new prospectus.

The Company believes its cash balances and investments, syndicated bank lines and current investment grade credit ratings of A+/A1 will continue to provide it with sufficient resources and access to capital markets at competitive interest rates and therefore contribute to the Company maintaining its liquidity and financial stability.

Other information on liquidity and capital resources as presented in the 2010 Annual Report to Stockholders continues to be relevant.

FORWARD-LOOKING STATEMENTS:

Certain information presented in this report contains forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties that may affect actual results. Risks and uncertainties include, but are not limited to: a significant decline in industry sales; competitive pressures; reduced market share; reduced availability of or higher prices for fuel; increased safety, emissions, or other regulations resulting in higher costs and/or sales restrictions; currency or commodity price fluctuations; lower used truck prices; insufficient or under-utilization of manufacturing capacity; supplier interruptions; insufficient liquidity in the capital markets; fluctuations in interest rates; changes in the levels of the Financial Services segment new business volume due to unit

fluctuations in new PACCAR truck sales; changes affecting the profitability of truck owners and operators; price changes impacting equipment costs and residual values; insufficient supplier capacity or access to raw materials; labor disruptions; shortages of commercial truck drivers; increased warranty costs or litigation; or legislative and governmental regulations. A more detailed description of these and other risks is included under the heading Part 1, Item 1A, "Risk Factors" in the Company' s Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There were no material changes in the Company' s market risk during the three months ended September 30, 2011. For additional information, refer to Item 7A as presented in the 2010 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

The Company' s management, with the participation of the Principal Executive Officer and Principal Financial Officer, conducted an evaluation of the effectiveness of the Company' s disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company' s disclosure controls and procedures were effective as of the end of the period covered by this report.

There have been no significant changes in the Company' s internal controls over financial reporting that occurred during the fiscal quarter covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, the Company' s internal control over financial reporting.

PART II – OTHER INFORMATION

For Items 3 and 5, there was no reportable information for the three months ended September 30, 2011.

ITEM 1. LEGAL PROCEEDINGS

The Company and its subsidiaries are parties to various lawsuits incidental to the ordinary course of business. Management believes that the disposition of such lawsuits will not materially affect the Company' s business or financial condition.

On July 15, 2011, the National Labor Relations Board (NLRB) ruled unanimously that the Company is not required to compensate former employees of the Peterbilt plant in Madison, Tennessee for wage and benefit losses incurred during the work stoppage that ended on April 6, 2009. The NLRB decision reversed the ruling of the administrative law judge dated October 28, 2010. The Company believes that it will prevail if the union appeals the NLRB decision to the federal appellate court and the likelihood of an adverse outcome to the Company is remote.

ITEM 1A. RISK FACTORS

For information regarding risk factors, refer to Part I, Item 1A as presented in the 2010 Annual Report on Form 10-K. There have been no material changes in the Company' s risk factors during the nine months ended September 30, 2011.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

For items 2(a) and (b), there was no reportable information for the three months ended September 30, 2011.

(c) Issuer purchases of equity securities.

On October 29, 2007, the Board of Directors approved a plan to repurchase up to $300 million of the Company' s outstanding common stock. As of September 30, 2011, all of the authorized shares have been repurchased under this plan. On July 8, 2008, the Company' s Board of Directors approved a new plan to repurchase up to an additional $300 million of the Company' s outstanding common stock. As of September 30, 2011, $262.3 million of shares have been repurchased under this plan. The following are details of repurchases made under each plan for the period covered by this report:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Maximum Dollar Value that May Yet be Purchased Under the Plans
July 1 - 31, 2011[(1)]			$307,745,582
August 1 - 31, 2011[(2)]	4,257,733	$37.12	$149,718,165
September 1 - 30, 2011	3,119,400	$35.89	$37,747,370
Total	7,377,133	$36.60	$37,747,370

(1) Includes $7,745,582 under the October 27, 2007 plan and $300 million under the July 8, 2008 Plan.

(2) Includes 184,980 shares purchased under the remaining portion of the October 29, 2007 plan and 4,072,753 shares purchased under the July 8, 2008 plan.

ITEM 6. EXHIBITS

Any exhibits filed herewith are listed in the accompanying index to exhibits.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PACCAR Inc
(Registrant)

Date November 7, 2011

By /s/ M. T. Barkley
M. T. Barkley
Vice President and Controller
(Authorized Officer and Chief Accounting Officer)

PACCAR Inc - Form 10-Q

INDEX TO EXHIBITS

Exhibit (in order of assigned index numbers)

Exhibit Number			Exhibit Description	Form	Date of First Filing	Exhibit Number	File Number
(3)	(i)		Articles of Incorporation:				
		(a)	Restated Certificate of Incorporation of PACCAR Inc	8-K	September 19, 2005	99.3	001-14817
		(b)	Certificate of Amendment of Certificate of Incorporation of PACCAR Inc dated April 28, 2008	10-Q	May 2, 2008	3(b)	001-14817
	(ii)		Amended and Restated Bylaws of PACCAR Inc	8-K	September 19, 2005	99.4	001-14817
(4)			Instruments defining the rights of security holders, including indentures:				
		(a)	Indenture for Senior Debt Securities dated as of November 20, 2009 between PACCAR Financial Corp. and The Bank of New York Mellon Trust Company, N.A.	10-K	February 26, 2010	4(c)	001-11677
		(b)	Forms of Medium-Term Note, Series M (PACCAR Financial Corp.)	S-3	November 20, 2009	4.2 and 4.3	333-163273
		(c)	Form of InterNotes, Series A (PACCAR Financial Corp.)	S-3	November 20, 2009	4.4	333-163273
		(d)	Indenture for Senior Debt Securities dated as of November 18, 2008 between PACCAR Inc and Wilmington Trust Company	S-3	November 18, 2008	4.1	333-155429
		(e)	Forms of Medium-Term Note, Series A	S-3	November 18, 2008	4.2A and 4.2B	333-155429
		(f)	Terms and Conditions of the Notes applicable to the 1,500,000,000 Euro Medium Term Note Programme of PACCAR Financial Europe B.V. and PACCAR Financial PLC	10-Q	November 5, 2009	4(f)	001-14817
		(g)	Pursuant to the Instructions to Exhibits, certain instruments defining the rights of holders of long-term debt securities of the Company and its wholly owned subsidiaries are not filed because the total amount of securities authorized under any such instrument does not exceed 10 percent of the Company' s total assets. The Company will file copies of such instruments upon request of the Commission.				
(10)			Material Contracts:				
		(a)	PACCAR Inc Amended and Restated Supplemental Retirement Plan	10-K	February 27, 2009	10(a)	001-14817

PACCAR Inc - Form 10-Q

Exhibit Number		Exhibit Description	Form	Date of First Filing	Exhibit Number	File Number
	(b)	Amended and Restated Deferred Compensation Plan	10-K	February 27, 2009	10(b)	001-14817
	(c)	Deferred Incentive Compensation Plan (Amended and Restated as of December 31, 2004)	10-K	February 27, 2006	10(b)	001-14817
	(d)	Amended and Restated PACCAR Inc Restricted Stock and Deferred Compensation Plan for Non-employee Directors	10-K	February 27, 2009	10(d)	001-14817
	(e)	PACCAR Inc Restricted Stock and Deferred Compensation Plan for Non-Employee Directors, Form of Restricted Stock Agreement for Non-Employee Directors	10-K	February 27, 2009	10(e)	001-14817
	(f)	PACCAR Inc Restricted Stock and Deferred Compensation Plan for Non-Employee Directors, Form of Deferred Restricted Stock Unit Agreement For Non-Employee Directors	8-K	December 10, 2007	99.3	001-14817
	(g)	Amendment to Compensatory Arrangement with Non-employee Directors	10-Q	November 4, 2005	10(h)	001-14817
	(h)	PACCAR Inc Senior Executive Yearly Incentive Compensation Plan	DEF14A	March 10, 2011	Appendix B	001-14817
	(i)	PACCAR Inc Long Term Incentive Plan	DEF14A	March 10, 2011	Appendix A	001-14817
	(j)	PACCAR Inc Long Term Incentive Plan, Nonstatutory Stock Option Agreement and Form of Option Grant Agreement	8-K	January 25, 2005	99.1	001-14817
	(k)	PACCAR Inc Long Term Incentive Plan, Amended Form of 2006 Restricted Stock Award Agreement	8-K	February 5, 2007	99.2	001-14817
	(l)	PACCAR Inc Long Term Incentive Plan, Form of Restricted Stock Award Agreement	8-K	February 5, 2007	99.1	001-14817
	(m)	PACCAR Inc Long Term Incentive Plan, 2010 Form of Restricted Stock Award Agreement	10-K	February 26, 2010	10(m)	001-14817
	(n)	PACCAR Inc Long Term Incentive Plan, Amended Form of Share Match Restricted Stock Award Agreement	8-K	February 5, 2007	99.3	001-14817

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Exhibit Number		Exhibit Description	Form	Date of First Filing	Exhibit Number	File Number
	(o)	PACCAR Inc Long Term Incentive Plan, 2008 Form of Share Match Restricted Stock Award Agreement	8-K	February 5, 2008	99.1	001-14817
	(p)	PACCAR Inc Savings Investment Plan, Amendment and Restatement effective January 1, 2009	10-K	March 1, 2011	10(r)	001-14817
	(q)	Memorandum of Understanding, dated as of May 11, 2007, by and among PACCAR Engine Company, the State of Mississippi and certain state and local supporting government entities	8-K	May 16, 2007	10.1	001-14817
	(r)	Letter Waiver Dated as of July 22, 2008 amending the Memorandum of Understanding, dated as of May 11, 2007, by and among PACCAR Engine Company, the State of Mississippi and certain state and local supporting governmental entities	10-Q	October 27, 2008	10(o)	001-14817
(12)		Statements Re: Computation of Ratios:				
	(a)	Computation of ratio of earnings to fixed charges of the Company pursuant to SEC reporting requirements for the nine month periods ended September 30, 2011 and 2010				
	(b)	Statement re: computation of ratio of earnings to fixed charges of the Company pursuant to SEC reporting requirements for each of the five years ended December 31, 2006 - 2010	10-K	March 1, 2011	12(a)	001-14817
(31)		Rule 13a-14(a)/15d-14(a) Certifications:				
	(a)	Certification of Principal Executive Officer				
	(b)	Certification of Principal Financial Officer				
(32)		Section 1350 Certifications:				
	(a)	Certification pursuant to rule 13a-14(b) and section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. section 1350)				
(101.INS)		XBRL Instance Document				
(101.SCH)		XBRL Taxonomy Extension Schema Document				
(101.CAL)		XBRL Taxonomy Extension Calculation Linkbase Document				
(101.DEF)		XBRL Taxonomy Extension Definition Linkbase Document				
(101.LAB)		XBRL Taxonomy Extension Label Linkbase Document				
(101.PRE)		XBRL Taxonomy Extension Presentation Linkbase Document				

EXHIBIT 12(a)

PACCAR Inc

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

PURSUANT TO SEC REPORTING REQUIREMENTS

(Millions of Dollars)

Nine Months Ended September 30	**2011**	2010
FIXED CHARGES		
Interest expense	**$131.9**	$159.1
Portion of rentals deemed interest	**3.6**	9.1
TOTAL FIXED CHARGES	**$135.5**	$168.2
EARNINGS		
Income before taxes	**$1,034.2**	$421.4
Fixed charges	**135.5**	168.2
EARNINGS AS DEFINED	**$1,169.7**	$589.6
RATIO OF EARNINGS TO FIXED CHARGES	**8.63X**	3.51X

EXHIBIT 31(a)

CERTIFICATIONS

I, Mark C. Pigott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PACCAR Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date November 7, 2011

/s/ Mark C. Pigott

Mark C. Pigott
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31(b)

CERTIFICATIONS

I, Ronald E. Armstrong, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PACCAR Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date November 7, 2011

/s/ Ronald E. Armstrong

Ronald E. Armstrong
President
(Principal Financial Officer)

EXHIBIT 32(a)

**CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of PACCAR Inc (the "Company") on Form 10-Q for the quarter ended September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. section 1350), that to the best of our knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date November 7, 2011

By /s/ Mark C. Pigott
Mark C. Pigott
Chairman and Chief Executive Officer
PACCAR Inc
(Principal Executive Officer)

By /s/ Ronald E. Armstrong
Ronald E. Armstrong
President
PACCAR Inc
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Segment Reporting Information, by Segment (Detail) (USD $) In Millions	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Segment Reporting Information [Line Items]				
Net sales and revenues	$ 4,257.1	$ 2,542.5	$ 11,501.4	$ 7,237.3
Investment income	11.0	5.5	28.9	14.3
Income (loss) before income taxes	394.7	176.8	1,034.2	421.4
Depreciation and amortization	174.2	151.7	505.6	468.5
Truck and Other				
Segment Reporting Information [Line Items]				
Net sales and revenues	3,993.0	2,304.2	10,738.3	6,513.3
Income (loss) before income taxes	321.9	129.8	836.3	303.5
Depreciation and amortization	81.5	71.7	243.5	213.6
Truck and Other | Trucks				
Segment Reporting Information [Line Items]				
Total sales and revenues	4,145.1	2,374.1	11,275.5	6,705.1
Less intersegment sales and revenues	(183.9)	(92.7)	(621.8)	(254.5)
Net sales and revenues	3,961.2	2,281.4	10,653.7	6,450.6
Income (loss) before income taxes	324.3	133.4	855.3	314.2
Depreciation and amortization	78.8	69.5	236.3	206.9
Truck and Other | Other products				
Segment Reporting Information [Line Items]				
Net sales and revenues	31.8	22.8	84.6	62.7
Income (loss) before income taxes	(2.4)	(3.6)	(19.0)	(10.7)
Depreciation and amortization	2.7	2.2	7.2	6.7
Financial Services				
Segment Reporting Information [Line Items]				
Net sales and revenues	264.1	238.3	763.1	724.0
Income (loss) before income taxes	61.8	41.5	169.0	103.6
Depreciation and amortization	$ 92.7	$ 80.0	$ 262.1	$ 254.9

Consolidated Balance Sheets (USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010	
ASSETS			
Cash and cash equivalents	$ 1,879.6	$ 2,040.8	
Inventories, net	725.1	534.0	
Total Assets	16,354.3	14,234.1	[1]
STOCKHOLDERS' EQUITY			
Preferred stock, no par value: Authorized 1.0 million shares, none issued			[1]
Common stock, $1 par value: Authorized 1.2 billion shares, issued 365.5 million shares	365.5	365.3	[1]
Additional paid-in capital	121.8	105.1	[1]
Treasury stock - at cost - 7.4 million shares	(270.0)		
Retained earnings	5,407.6	4,846.1	[1]
Accumulated other comprehensive (loss) income	(31.0)	41.3	[1]
Total Stockholders' Equity	5,593.9	5,357.8	[1]
Liabilities and Equity, Total	16,354.3	14,234.1	[1]
Truck and Other			
ASSETS			
Cash and cash equivalents	1,814.0	1,982.0	[1]
Trade and other receivables, net	1,015.2	610.4	[1]
Marketable debt securities	915.7	450.5	[1]
Inventories, net	725.1	534.0	[1]
Other current assets	259.3	218.6	[1]
Total Truck and Other Current Assets	4,729.3	3,795.5	[1]
Equipment on operating leases, net	654.6	536.2	[1]
Property, plant and equipment, net	1,867.8	1,673.7	[1]
Other noncurrent assets, net	268.6	350.5	[1]
Total Assets	7,520.3	6,355.9	[1]
Current Liabilities			
Accounts payable, accrued expenses and other	2,536.7	1,676.5	[1]
Current portion of long-term debt		23.5	[1]
Total Truck and Other Current Liabilities	2,536.7	1,700.0	[1]
Long-term debt	150.0	150.0	[1]
Residual value guarantees and deferred revenues	687.9	563.8	[1]
Other liabilities	324.9	370.3	[1]
Total Liabilities	3,699.5	2,784.1	[1]
Financial Services			

ASSETS			
Cash and cash equivalents	65.6	58.8	[1]
Finance and other receivables, net	6,652.8	6,070.9	[1]
Equipment on operating leases, net	1,754.1	1,483.1	[1]
Other assets	361.5	265.4	[1]
Total Assets	8,834.0	7,878.2	[1]
Current Liabilities			
Accounts payable, accrued expenses and other	320.7	275.9	[1]
Commercial paper and bank loans	3,363.5	2,371.7	[1]
Term notes	2,613.9	2,730.8	[1]
Deferred taxes and other liabilities	762.8	713.8	[1]
Total Liabilities	$ 7,060.9	$ 6,092.2	[1]

[1] The December 31, 2010 consolidated balance sheet has been derived from audited financial statements.

Consolidated Balance Sheets (Parenthetical) (USD $)	Sep. 30, 2011	Dec. 31, 2010	
Preferred stock, no par value	$ 0	$ 0	[1]
Preferred stock, authorized	1,000,000	1,000,000	[1]
Preferred stock, issued	0	0	[1]
Common stock, par value	$ 1	$ 1	[1]
Common stock, Authorized	1,200,000,000	1,200,000,000	[1]
Common stock, issued	365,500,000	365,500,000	[1]
Treasury stock, shares	7,400,000		

[1] The December 31, 2010 consolidated balance sheet has been derived from audited financial statements.

(Income) or Expense Recognized in Earnings Related to Fair Value Hedges (Detail) (Financial Services, USD $) In Millions	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Financial Services				
Derivative [Line Items]				
Interest and other borrowing expenses - interest-rate swaps	$ (5.2)	$ (1.5)	$ (4.7)	$ (3.2)
Interest and other borrowing expenses - term notes	$ 4.9	$ 1.4	$ 4.2	$ 3.2

Stockholders' Equity (Tables)	9 Months Ended Sep. 30, 2011
Components of Comprehensive Income, Net of Related Tax	The components of comprehensive income, net of any related tax, were as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Net income	**$281.6**	$119.9	**$714.6**	$287.8
Other comprehensive (loss) income:				
Currency translation (losses) gains	**(267.0)**	226.4	**(82.3)**	(28.5)
Derivative contracts (decrease) increase	**(15.2)**	4.5	**(6.8)**	21.0
Marketable securities increase	**2.5**	.2	**4.2**	.3
Employee benefit plans increase (decrease)	**9.3**	(1.8)	**12.6**	9.4
Net other comprehensive (loss) income	**(270.4)**	229.3	**(72.3)**	2.2
Comprehensive income	**$11.2**	$349.2	**$642.3**	$290.0

Accumulated Other Comprehensive (Loss) Income, Net of Related Tax	Accumulated other comprehensive (loss) income was comprised of the following:

	September 30 2011	December 31 2010
Currency translation adjustment	**$ 288.8**	$ 371.1
Net unrealized losses on derivative contracts	**(24.7)**	(17.9)
Net unrealized investment gains	**4.7**	.5
Employee benefit plans	**(299.8)**	(312.4)
Total accumulated other comprehensive (loss) income	**$ (31.0)**	$ 41.3

Document and Entity Information	9 Months Ended	
	Sep. 30, 2011	Oct. 31, 2011
Document Type	10-Q	
Amendment Flag	false	
Document Period End Date	Sep. 30, 2011	
Document Fiscal Year Focus	2011	
Document Fiscal Period Focus	Q3	
Trading Symbol	PCAR	
Entity Registrant Name	PACCAR INC	
Entity Central Index Key	0000075362	
Current Fiscal Year End Date	--12-31	
Entity Filer Category	Large Accelerated Filer	
Entity Common Stock, Shares Outstanding		358,217,233

Stockholders' Equity - Additional Information (Detail) (USD $) In Millions, except Share data	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Stockholders Equity Note [Line Items]				
Stock-based compensation expense	$ 2.6	$ 2.3	$ 11.1	$ 6.1
Stock-based compensation expense realized tax benefits from the excess of deductible amounts over expense recognized		$ 0.6	$ 0.7	$ 2.8
Additional common shares issued under deferred and stock compensation arrangements			247,796	

Fair Value Measurements (Tables)	9 Months Ended Sep. 30, 2011
Financial Assets and Liabilities Subject to Recurring Fair Value Measurements	The Company's financial assets and liabilities subject to recurring fair value measurements are either Level 1 or Level 2 as follows:

At September 30, 2011	**Level 1**	**Level 2**	**Total**
Assets:			
Marketable debt securities			
U.S. tax-exempt securities		**$ 295.1**	**$ 295.1**
U.S. government and agency securities	**$ 1.9**		**1.9**
U.S. corporate securities		**38.8**	**38.8**
Non U.S. corporate securities		**157.9**	**157.9**
Non U.S. government securities		**354.3**	**354.3**
Other		**67.7**	**67.7**
Total marketable debt securities	**$ 1.9**	**$913.8**	**$915.7**
Derivatives			
Interest-rate swaps		**$2.4**	**$2.4**
Cross currency swaps		**2.1**	**2.1**
Foreign-exchange contracts		**4.6**	**4.6**
Total derivative assets		**$9.1**	**$9.1**
Liabilities:			
Derivatives			
Interest-rate swaps		**$38.2**	**$38.2**
Cross currency swaps		**54.8**	**54.8**
Foreign-exchange contracts		**4.2**	**4.2**
Total derivative liabilities		**$97.2**	**$97.2**

At December 31, 2010	Level 1	Level 2	Total
Assets:			
Marketable debt securities			
U.S. tax-exempt securities		$365.4	$365.4
U.S. government and agency securities	$ 2.7		2.7
U.S. corporate securities		27.6	27.6
Non U.S. corporate securities		37.0	37.0
Other		17.8	17.8
Total marketable debt securities	$ 2.7	$447.8	$450.5
Derivatives			
Interest-rate swaps		$5.8	$5.8
Cross currency swaps		3.3	3.3

Foreign-exchange contracts	1.0	1.0
Total derivative assets	$10.1	$10.1
Liabilities:		
Derivatives		
Interest-rate swaps	$37.2	$37.2
Cross currency swaps	73.8	73.8
Foreign-exchange contracts	1.6	1.6
Total derivative liabilities	$112.6	$112.6

Other Assets that are Measured at Fair Value on a Nonrecurring Basis

Other assets that are measured at fair value on a nonrecurring basis are as follows:

	September 30 2011	December 31 2010
	Level 2	Level 2
Impaired loans:		
Financial Services	**$ 56.0**	$ 33.2
Used trucks held for sale:		
Truck and Other	**$ 22.3**	$ 20.0
Financial Services	**55.9**	38.2
	$ 78.2	$ 58.2

Carrying Amount and Fair Value of Financial Services Fixed-rate Loans and Fixed-rate Debt

Fixed-rate loans and debt that are not carried at approximate fair value at September 30, 2011 and December 31, 2010 were as follows:

	September 30, 2011		December 31, 2010	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Assets:				
Financial Services fixed-rate loans	**$2,568.3**	**$2,574.9**	$2,444.1	$2,483.3
Liabilities:				
Truck and Other fixed-rate debt	**$150.0**	**$170.4**	$173.5	$196.9
Financial Services fixed-rate debt	**$2,049.9**	**$2,120.1**	$1,870.7	$1,967.9

Accumulated Other Comprehensive Income, Net of Related Tax (Detail) (USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010	
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Currency translation adjustment	$ 288.8	$ 371.1	
Net unrealized losses on derivative contracts	(24.7)	(17.9)	
Net unrealized investment (losses) gains	4.7	0.5	
Employee benefit plans	(299.8)	(312.4)	
Total accumulated other comprehensive (loss) income	$ (31.0)	$ 41.3	[1]

[1] The December 31, 2010 consolidated balance sheet has been derived from audited financial statements.

Income Taxes	9 Months Ended Sep. 30, 2011
Income Taxes	**NOTE G – Income Taxes** The effective income tax rate was 28.7% in the third quarter of 2011 and 30.9% in the first nine months of 2011 compared to 32.2% in the third quarter and 31.7% in the first nine months of 2010. The lower effective tax rates in 2011 reflect the benefits of implementation in the third quarter of a new tax law in the Netherlands which provides tax incentives related to research and innovation.

Employee Benefit Plans (Tables)

9 Months Ended Sep. 30, 2011

Components of Net Pension Expense

The following information details the components of net pension expense for the Company's defined benefit plans:

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Service cost	**$11.9**	$9.3	**$34.6**	$27.8
Interest on projected benefit obligation	**21.0**	19.0	**61.8**	57.0
Expected return on assets	**(26.5)**	(24.4)	**(79.1)**	(73.0)
Amortization of prior service costs	**.3**	.4	**1.0**	1.3
Recognized actuarial loss	**4.5**	3.7	**17.7**	10.9
Net pension expense	**$11.2**	$8.0	**$36.0**	$24.0

Modified Loans that Subsequently Defaulted (Detail) (Financial Services, Subsequently Defaults, USD $) In Millions	3 Months Ended	12 Months Ended
	Sep. 30, 2011	Sep. 30, 2011
Financing Receivable, Modifications [Line Items]		
Recorded Investment, subsequently defaulted	$ 2.2	$ 8.1
Loans, leases and other | Fleet		
Financing Receivable, Modifications [Line Items]		
Recorded Investment, subsequently defaulted	2.0	6.0
Loans, leases and other | Owner/Operator		
Financing Receivable, Modifications [Line Items]		
Recorded Investment, subsequently defaulted	$ 0.2	$ 2.1

Finance and Other Receivables - Additional Information (Detail) (USD $) In Millions	9 Months Ended											3 Months Ended	9 Months Ended
	Sep. 30, 2011	Sep. 30, 2010	Dec. 31, 2010	Sep. 30, 2011 Financial Services	Dec. 31, 2010 Financial Services	Sep. 30, 2011 Financial Services Loans, leases and other Fleet	Dec. 31, 2010 Financial Services Loans, leases and other Fleet	Sep. 30, 2011 Financial Services Loans, leases and other Owner/ Operator	Dec. 31, 2010 Financial Services Loans, leases and other Owner/ Operator	Sep. 30, 2011 Financial Services Dealer wholesale financing	Dec. 31, 2010 Financial Services Dealer wholesale financing	Sep. 30, 2011 Fleet	Sep. 30, 2011 Fleet
Accounts, Notes, Loans and Financing Receivable [Line Items]													
Recorded investment of finance receivables that are on non-accrual status						$ 67.8	$ 72.2	$ 18.5	$ 33.9	$ 23.1	$ 3.4		
Decrease in the recorded investment for loans and leases modified as TDRs													(0.1)
Troubled debt restructuring				25.4	6.5								
Recorded investment in loans that are impaired	5.9												
Recorded investment in loans that are impaired, associated allowance	0.3												
Repossessed inventory	12.0		15.6										
Proceeds from the sales of repossessed assets	$ 65.7	$ 108.7											

Derivative Financial Instruments (Tables)	9 Months Ended Sep. 30, 2011

Balance Sheet Classifications and Fair Value of Derivative Financial Instruments

The following table presents the balance sheet classifications and fair value of derivative financial instruments designated under hedge accounting:

	September 30, 2011		December 31, 2010	
	Assets	**Liabilities**	Assets	Liabilities
Derivatives designated under hedge accounting:				
Interest-rate contracts:				
Financial Services:				
Other assets	**$ 2.4**		$9.1	
Deferred taxes and other liabilities		**$ 92.2**		$107.5
Foreign-exchange contracts:				
Truck and Other:				
Other current assets	**4.0**		.9	
Accounts payable, accrued expenses and other		**2.0**		1.1
	$ 6.4	**$ 94.2**	$10.0	$108.6

The following table presents the balance sheet classifications and fair value of derivative financial instruments designated as economic hedges:

	September 30, 2011		December 31, 2010	
	Assets	**Liabilities**	Assets	Liabilities
Economic hedges:				
Interest-rate contracts:				
Financial Services:				
Other assets	**$ 2.1**			
Deferred taxes and other liabilities		**$ .8**		$ 3.5
Foreign-exchange contracts:				
Truck and Other:				
Other current assets	**.6**		$ .1	
Accounts payable, accrued expenses and other		**2.0**		.3
Financial Services:				
Deferred taxes and other liabilities		**.2**		.2
	$ 2.7	**$ 3.0**	$ .1	$ 4.0

Gains/Losses of Derivative Financial Instruments

The following table presents the pre-tax effects of derivative instruments recognized in Other comprehensive (loss) income (OCI):

	Three Months Ended September 30, 2011	**Nine Months Ended September 30, 2011**

	Interest-rate Contracts	Foreign-exchange Contracts	Interest-rate Contracts	Foreign-exchange Contracts
Income (loss) recognized in OCI:				
Truck and Other		**$ (1.8)**		**$ 5.9**
Financial Services	**$ (2.6)**		**$ (31.2)**	
	$ (2.6)	**$ (1.8)**	**$ (31.2)**	**$ 5.9**

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Income (loss) recognized in OCI:				
Truck and Other		$ 4.3		$ 1.8
Financial Services	$ (40.2)		$ (61.0)	
	$ (40.2)	$ 4.3	$ (61.0)	$ 1.8

Fair Value Hedge | Financial Services

Gains/Losses of Derivative Financial Instruments

The (income) or expense recognized in earnings related to fair value hedges was included in Interest and other borrowing expenses in the Financial Services segment as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Interest-rate swaps	**$ (5.2)**	$ (1.5)	**$ (4.7)**	$ (3.2)
Term notes	**$ 4.9**	$ 1.4	**$ 4.2**	$ 3.2

Not Designated as Hedging Instrument

Gains/Losses of Derivative Financial Instruments

Expense (income) reclassified from Accumulated other comprehensive income into income:

	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Interest-rate Contracts	Foreign-exchange Contracts	Interest-rate Contracts	Foreign-exchange Contracts
Truck and Other:				
Cost of sales and revenues		**$ (.7)**		**$ (3.3)**
Financial Services:				
Interest and other	**$ (16.3)**		**$ 20.2**	

borrowing expenses				
	$ (16.3)	$ (.7)	$ 20.2	$ (3.3)

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Truck and Other:				
Cost of sales and revenues		$ .6		$ 1.6
Interest and other expense, net		(1.1)		(.2)
Financial Services:				
Interest and other borrowing expenses	$ 44.0		$ 88.7	
	$ 44.0	$ (.5)	$ 88.7	$ 1.4

Economic Hedges

[Gains/Losses of Derivative Financial Instruments]

The (income) expense recognized in earnings related to economic hedges is as follows:

	Three Months Ended September 30, 2011		**Nine Months Ended September 30, 2011**	
	Interest-rate Contracts	**Foreign-exchange Contracts**	**Interest-rate Contracts**	**Foreign-exchange Contracts**
Truck and Other:				
Cost of sales and revenues		**$ .1**		**$ .1**
Interest and other (income) expense, net		**(.3)**		**(.3)**
Financial Services:				
Interest and other borrowing expenses	**$ (5.0)**	**(.5)**	**$ (5.0)**	**$ (1.6)**
	$ (5.0)	**$ (.7)**	**$ (5.0)**	**$ (1.8)**

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Truck and Other:				
Cost of sales and revenues		$ .2		$ .3
Interest and other (income)expense, net	$ 1.1	4.8	$ .2	6.6

Financial Services:				
Interest and other borrowing expenses	.3	.1	(7.8)	
	$ 1.4	$ 5.1	$ (7.6)	$ 6.9

Finance and Other Receivables (Policies)	9 Months Ended Sep. 30, 2011
Allowance for Credit Losses	

Allowance for Credit Losses

The Company continuously monitors the performance of all its finance receivables by reviewing payment performance. In addition, for large customers and dealer wholesale financing accounts, the Company regularly monitors their financial statements and makes appropriate customer contact. If the Company becomes aware of circumstances with those customers or dealers that could lead to financial difficulty, whether or not they are past-due, the accounts are placed on a watch list. In determining the allowance for credit losses, loans and finance leases are evaluated together since they relate to a similar customer base and their contractual terms require regular payment of principal and interest generally over 36 to 60 months and they are secured by the same type of collateral. The Company collectively and individually evaluates its finance receivables and the allowance for credit losses consists of both general and specific reserves.

The Company individually evaluates certain finance receivables for impairment. Finance receivables which are evaluated individually consist of customers on non-accrual status, all wholesale accounts and certain large retail accounts with past-due balances or that otherwise are deemed to be at a higher risk of credit loss and loans which have been modified as troubled debt restructurings. A receivable is considered impaired if it is probable the Company will be unable to collect all contractual interest and principal payments as scheduled. Impaired receivables are individually evaluated to determine the amount of impairments and these receivables are considered collateral dependent. Accordingly, the evaluation of individual reserves is based on the fair value less costs to sell the associated collateral. When the underlying collateral fair value exceeds the Company's loss exposure, no individual reserve is recorded. The Company uses a pricing model to value the underlying collateral on a quarterly basis. The fair value of the collateral is determined based on management's evaluation of numerous factors such as the make, model and year of the equipment, overall condition of the equipment, primary method of distribution for the equipment, recent sales prices of comparable equipment and economic trends affecting used equipment values.

For finance receivables that are evaluated collectively, the Company determines the allowance for credit losses for both retail and wholesale receivables based on historical loss information, using past-due account data and current market conditions. Information used includes assumptions regarding the likelihood of collecting current and past-due accounts, repossession rates and the recovery rate on the underlying collateral based on used truck values and other pledged collateral or recourse. The Company has developed a range of loss estimates for each of its country portfolios based on historical experience, taking into account loss frequency and severity in both strong and weak truck market conditions. A projection is made of the range of estimated credit losses inherent in the portfolio from which an amount is determined as probable based on current market conditions and other factors impacting the creditworthiness of the Company's borrowers and their ability to repay. The projected amount is then compared to the allowance for credit loss balance and an appropriate adjustment is made.

The provision for losses on finance receivables is charged to income based on management's estimate of incurred credit losses, net of recoveries, inherent in the portfolio. Accounts are charged-off against the allowance for credit losses when, in the judgment of management, they are considered uncollectable (generally upon repossession of the collateral). Typically the timing between the repossession process and when a receivable is charged-off is not significant. In cases where repossession is delayed (i.e., for legal reasons), the Company will record partial charge-offs. The charge-off is determined by comparing the fair value of the collateral less costs to sell to the recorded investment.

The Company’s allowance for credit losses is segregated into two portfolio segments: wholesale and retail. A portfolio segment is the level at which the Company develops a systematic methodology for determining its allowance for credit losses. The wholesale segment includes wholesale financing loans to dealers that are collateralized by the trucks being financed. The retail segment includes retail loans and direct and sales-type finance leases, net of unearned interest.

The wholesale segment risk characteristics differ from the retail segment. For wholesale receivables the terms are shorter in duration and the Company requires monthly reporting of the dealer’s financial condition, conducts periodic physical audits of the trucks being financed and in many cases, obtains personal guarantees or other security such as dealership assets to reduce the risk of loss compared to retail receivables.

Inventories	9 Months Ended Sep. 30, 2011

Inventories

NOTE C – Inventories

Inventories are stated at the lower of cost or market. Cost of inventories in the United States is determined principally by the last in, first out (LIFO) method. Cost of all other inventories is determined principally by the first in, first out (FIFO) method.

Inventories include the following:

	September 30 2011	December 31 2010
Finished products	**$ 438.5**	$ 370.1
Work in process and raw materials	**449.4**	322.2
	887.9	692.3
Less LIFO reserve	**(162.8)**	(158.3)
	$ 725.1	$ 534.0

Under the LIFO method of accounting (used for approximately 43% of September 30, 2011 inventories), an actual valuation can be made only at the end of each year based on year-end inventory levels and costs. Accordingly, interim valuations are based on management's estimates of those year-end amounts.

Finance and Other Receivables (Detail) (Financial Services, USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010	
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	$ 2,889.6	$ 2,713.9	
Retail direct financing leases	2,001.1	2,005.0	
Sales-type finance leases	687.2	703.6	
Dealer wholesale financing	1,412.0	983.4	
Interest and other receivables	102.3	109.3	
Unearned interest on finance leases	(296.0)	(299.3)	
Loans and Leases Receivable, Net of Deferred Income, Total	6,796.2	6,215.9	
Finance and other receivables, net	6,652.8	6,070.9	[1]
Allowance for losses	(143.4)	(145.0)	
Loans, leases and other			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Allowance for losses	(132.6)	(137.5)	
Dealer wholesale financing			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Allowance for losses	$ (10.8)	$ (7.5)	

[1] The December 31, 2010 consolidated balance sheet has been derived from audited financial statements.

Derivative Financial Instruments	9 Months Ended Sep. 30, 2011
Derivative Financial Instruments	

NOTE I – Derivative Financial Instruments

As part of its risk management strategy, the Company enters into derivative contracts to hedge against interest rate and foreign currency risk.

Interest-Rate Contracts: The Company enters into various interest-rate contracts, including interest-rate swaps and cross currency interest-rate swaps. Interest-rate swaps involve the exchange of fixed for floating rate or floating for fixed rate interest payments based on the contractual notional amounts in a single currency. Cross currency interest-rate swaps involve the exchange of notional amounts and interest payments in different currencies. The Company is exposed to interest rate and exchange rate risk caused by market volatility as a result of its borrowing activities. The objective of these contracts is to mitigate the fluctuations on earnings, cash flows and fair value of borrowings. Net amounts paid or received are reflected as adjustments to interest expense.

At September 30, 2011, the notional amount of the Company's interest-rate contracts was $2,954.4. Notional maturities for all interest-rate contracts are $235.4 for the remainder of 2011, $699.5 for 2012, $692.4 for 2013, $896.9 for 2014, $381.0 for 2015 and $49.2 thereafter. The majority of these contracts are floating to fixed swaps that effectively convert an equivalent amount of commercial paper and other variable rate debt to fixed rates.

Foreign-Exchange Contracts: The Company enters into foreign-exchange contracts to hedge certain anticipated transactions and assets and liabilities denominated in foreign currencies, particularly the Canadian dollar, the euro, the British pound, the Australian dollar and the Mexican peso. The objective is to reduce fluctuations in earnings and cash flows associated with changes in foreign currency exchange rates. At September 30, 2011, the notional amount of the outstanding foreign-exchange contracts was $320.3. Foreign-exchange contracts mature within one year.

The following table presents the balance sheet classifications and fair value of derivative financial instruments designated under hedge accounting:

	September 30, 2011		December 31, 2010	
	Assets	**Liabilities**	Assets	Liabilities
Derivatives designated under hedge accounting:				
Interest-rate contracts:				
Financial Services:				
Other assets	**$ 2.4**		$9.1	
Deferred taxes and other liabilities		**$ 92.2**		$107.5
Foreign-exchange contracts:				
Truck and Other:				
Other current assets	**4.0**		.9	
Accounts payable, accrued expenses and other		**2.0**		1.1
	$ 6.4	**$ 94.2**	$10.0	$108.6

The following table presents the balance sheet classifications and fair value of derivative financial instruments designated as economic hedges:

	September 30, 2011		December 31, 2010	
	Assets	**Liabilities**	Assets	Liabilities
Economic hedges:				
Interest-rate contracts:				
Financial Services:				
Other assets	**$ 2.1**			
Deferred taxes and other liabilities		**$ .8**		$ 3.5
Foreign-exchange contracts:				
Truck and Other:				
Other current assets	**.6**		$ .1	
Accounts payable, accrued expenses and other		**2.0**		.3
Financial Services:				
Deferred taxes and other liabilities		**.2**		.2
	$ 2.7	**$ 3.0**	$ .1	$ 4.0

Fair Value Hedges

Changes in the fair value of derivatives designated as fair value hedges are recorded in earnings together with the changes in fair value of the hedged item attributable to the risk being hedged. The (income) or expense recognized in earnings related to fair value hedges was included in Interest and other borrowing expenses in the Financial Services segment as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Interest-rate swaps	**$ (5.2)**	$ (1.5)	**$ (4.7)**	$ (3.2)
Term notes	**$ 4.9**	$ 1.4	**$ 4.2**	$ 3.2

Cash Flow Hedges

The majority of the Company's interest-rate contracts and some foreign-exchange contracts have been designated as cash flow hedges. Changes in the fair value of derivatives designated as cash flow hedges are recorded in Accumulated other comprehensive income to the extent such hedges are considered effective.

Amounts in Accumulated other comprehensive income are reclassified into net income in the same period in which the hedged transaction affects earnings. Net realized gains and losses from interest-rate contracts are recognized as an adjustment to interest expense. Net realized gains and losses from foreign-exchange contracts are recognized as an adjustment to cost of sales or to Financial Services interest expense, consistent with the hedged transaction. The ineffective portions were a loss of $.1 and a gain of $2.0 during the third quarter of 2011 and 2010 and were gains of $.7 and $2.0 during the first nine months of 2011 and 2010, respectively.

The following table presents the pre-tax effects of derivative instruments recognized in Other comprehensive (loss) income (OCI):

	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Interest-rate Contracts	**Foreign-exchange Contracts**	**Interest-rate Contracts**	**Foreign-exchange Contracts**
Income (loss) recognized in OCI:				
Truck and Other		**$ (1.8)**		**$ 5.9**
Financial Services	**$ (2.6)**		**$ (31.2)**	
	$ (2.6)	**$ (1.8)**	**$ (31.2)**	**$ 5.9**

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Income (loss) recognized in OCI:				
Truck and Other		$ 4.3		$ 1.8
Financial Services	$ (40.2)		$ (61.0)	
	$ (40.2)	$ 4.3	$ (61.0)	$ 1.8

Expense (income) reclassified from Accumulated other comprehensive income into income:

	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Interest-rate Contracts	**Foreign-exchange Contracts**	**Interest-rate Contracts**	**Foreign-exchange Contracts**
Truck and Other:				
Cost of sales and revenues		**$ (.7)**		**$ (3.3)**
Financial Services:				
Interest and other borrowing expenses	**$ (16.3)**		**$ 20.2**	
	$ (16.3)	**$ (.7)**	**$ 20.2**	**$ (3.3)**

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Truck and Other:				
Cost of sales and revenues		$ .6		$ 1.6
Interest and other expense, net		(1.1)		(.2)
Financial Services:				
Interest and other borrowing expenses	$ 44.0		$ 88.7	
	$ 44.0	$ (.5)	$ 88.7	$ 1.4

Of the $24.7 accumulated net loss on derivative contracts included in Accumulated other comprehensive income as of September 30, 2011, $33.2 of losses, net of taxes, is estimated to be reclassified to interest expense or cost of sales in the following 12 months. The fixed interest earned on finance receivables will offset the amount recognized in interest expense, resulting in a stable interest margin consistent with the Company's risk management strategy.

Economic Hedges

For other risk management purposes, the Company enters into derivative instruments not designated as hedges that do not qualify for hedge accounting. These derivative instruments are used to mitigate the risk of market volatility arising from borrowings and foreign currency denominated transactions. Changes in the fair value of economic hedges are recorded in earnings in the period in which the change occurs.

The (income) expense recognized in earnings related to economic hedges is as follows:

	Three Months Ended September 30, 2011		**Nine Months Ended September 30, 2011**	
	Interest-rate Contracts	**Foreign-exchange Contracts**	**Interest-rate Contracts**	**Foreign-exchange Contracts**
Truck and Other:				
Cost of sales and revenues		**$ .1**		**$ .1**
Interest and other (income) expense, net		**(.3)**		**(.3)**
Financial Services:				
Interest and other borrowing expenses	**$ (5.0)**	**(.5)**	**$ (5.0)**	**$ (1.6)**
	$ (5.0)	**$ (.7)**	**$ (5.0)**	**$ (1.8)**

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Truck and Other:				
Cost of sales and revenues		$ .2		$ .3
Interest and other (income)expense, net	$ 1.1	4.8	$ .2	6.6
Financial Services:				
Interest and other borrowing expenses	.3	.1	(7.8)	
	$ 1.4	$ 5.1	$ (7.6)	$ 6.9

Investments in Marketable Debt Securities (Tables)

9 Months Ended Sep. 30, 2011

Marketable Debt Securities

Marketable debt securities at September 30, 2011 and December 31, 2010 consisted of the following:

At September 30, 2011	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. tax-exempt securities	$ 292.6	$ 2.5		$295.1
U.S. government and agency securities	1.9			1.9
U.S. corporate securities	39.2	.1	$ .5	38.8
Non U.S. corporate securities	158.3	.3	.7	157.9
Non U.S. government securities	349.0	5.3		354.3
Other debt securities	67.1	.6		67.7
	$ 908.1	$ 8.8	$ 1.2	$915.7

At December 31, 2010	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. tax-exempt securities	$ 364.9	$ .8	$ .3	$365.4
U.S. government and agency securities	2.7			2.7
U.S. corporate securities	27.3	.3		27.6
Non U.S. corporate securities	37.0			37.0
Other debt securities	17.8			17.8
	$ 449.7	$ 1.1	$ .3	$450.5

Contractual Maturities of Debt Securities

Contractual maturities on these securities at September 30, 2011 were as follows:

Maturities:	Amortized Cost	Fair Value
Within one year	$ 267.7	$268.1
One to five years	639.7	646.9
Six to ten years	.7	.7
	$ 908.1	$915.7

Fair Value Measurements

Fair Value Measurements

9 Months Ended Sep. 30, 2011

NOTE J – Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy of fair value measurements is described below.

Level 1 – Valuations are based on quoted prices that the Company has the ability to obtain in actively traded markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market or exchange traded market, valuation of these instruments does not require a significant degree of judgment.

Level 2 – Valuations are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 – Valuations are based on model-based techniques for which some or all of the assumptions are obtained from indirect market information that is significant to the overall fair value measurement and which require a significant degree of management judgment. The Company has no financial instruments requiring Level 3 valuation.

The Company uses the following methods and assumptions to measure fair value for assets and liabilities subject to recurring fair value measurements.

Marketable Debt Securities: The Company's marketable debt securities consist of municipal bonds, government obligations, investment-grade corporate obligations, commercial paper, asset-backed securities and term deposits. The fair value of U.S. government obligations is based on quoted prices in active markets. These are categorized as Level 1. The fair value of non U.S. government bonds, municipal bonds, corporate bonds, asset-backed securities, commercial paper and term deposits is estimated using an industry standard valuation model, which is based on the income approach. The significant inputs into the valuation model include quoted interest rates, yield curves, credit rating of the security and other observable market information. These are categorized as Level 2.

Derivative Financial Instruments: The Company's derivative contracts consist of interest-rate swaps, cross currency swaps and foreign currency exchange contracts. These derivative contracts are over the counter and their fair value is determined using industry standard valuation models, which are based on the income approach. The significant inputs into the valuation models include market inputs such as interest rates, currency exchange rates, credit default swap spreads and forward rates. These contracts are categorized as Level 2.

The Company's financial assets and liabilities subject to recurring fair value measurements are either Level 1 or Level 2 as follows:

At September 30, 2011	Level 1	Level 2	Total
Assets:			
Marketable debt securities			
U.S. tax-exempt securities		**$ 295.1**	**$ 295.1**
U.S. government and agency securities	**$ 1.9**		**1.9**

U.S. corporate securities		**38.8**	**38.8**
Non U.S. corporate securities		**157.9**	**157.9**
Non U.S. government securities		**354.3**	**354.3**
Other		**67.7**	**67.7**
Total marketable debt securities	**$ 1.9**	**$913.8**	**$915.7**
Derivatives			
Interest-rate swaps		**$2.4**	**$2.4**
Cross currency swaps		**2.1**	**2.1**
Foreign-exchange contracts		**4.6**	**4.6**
Total derivative assets		**$9.1**	**$9.1**
Liabilities:			
Derivatives			
Interest-rate swaps		**$38.2**	**$38.2**
Cross currency swaps		**54.8**	**54.8**
Foreign-exchange contracts		**4.2**	**4.2**
Total derivative liabilities		**$97.2**	**$97.2**

At December 31, 2010	Level 1	Level 2	Total
Assets:			
Marketable debt securities			
U.S. tax-exempt securities		$365.4	$365.4
U.S. government and agency securities	$ 2.7		2.7
U.S. corporate securities		27.6	27.6
Non U.S. corporate securities		37.0	37.0
Other		17.8	17.8
Total marketable debt securities	$ 2.7	$447.8	$450.5
Derivatives			
Interest-rate swaps		$5.8	$5.8
Cross currency swaps		3.3	3.3
Foreign-exchange contracts		1.0	1.0
Total derivative assets		$10.1	$10.1
Liabilities:			
Derivatives			
Interest-rate swaps		$37.2	$37.2
Cross currency swaps		73.8	73.8
Foreign-exchange contracts		1.6	1.6
Total derivative liabilities		$112.6	$112.6

Other assets that are measured at fair value on a nonrecurring basis are as follows:

	September 30 2011	December 31 2010
	Level 2	Level 2
Impaired loans:		
Financial Services	**$ 56.0**	$ 33.2

Used trucks held for sale:		
Truck and Other	**$ 22.3**	$ 20.0
Financial Services	**55.9**	38.2
	$ 78.2	$ 58.2

The carrying amount of collateral dependent impaired loans and used trucks held for sale are adjusted when appropriate to reflect their fair value. The fair value of used trucks and collateral dependent impaired loans are determined from a matrix pricing model, which is based on the market approach. The significant observable inputs into the valuation model are recent sales prices of comparable units, the condition of the vehicles and the number of similar units to be sold.

Used truck write-downs during the three and nine months ended September 30, 2011 were $.5 and $1.8, respectively, and were recorded as cost of sales in the truck segment. Used truck write-downs during the three and nine months ended September 30, 2010 were $3.2 and $7.0, respectively. Of the $7.0 year to date cost, $1.6 was recorded as cost of sales in the truck segment and $5.4 was recorded in the financial services segment (operating lease depreciation expense of $7.2 and a recovery to provision for losses on receivables of $1.8).

The Company used the following methods and assumptions to determine the fair value of financial instruments that are not recognized at fair value as described below.

Cash and Cash Equivalents: Carrying amounts approximate fair value.

Financial Services Net Receivable: For floating-rate loans, wholesale financing, and interest and other receivables, fair values approximate carrying values. For fixed-rate loans that are not impaired, fair values are estimated using discounted cash flow analysis based on current rates for comparable loans. Finance lease receivables and the related loss provisions have been excluded from the accompanying table.

Debt: The carrying amounts of financial services commercial paper, variable-rate bank loans and variable-rate term notes approximate fair value. For fixed-rate debt, fair values are estimated using discounted cash flow analysis based on current rates for comparable debt.

Trade Receivables and Payables: Carrying amounts approximate fair value.

Fixed-rate loans and debt that are not carried at approximate fair value at September 30, 2011 and December 31, 2010 were as follows:

	September 30, 2011		December 31, 2010	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Assets:				
Financial Services fixed-rate loans	**$2,568.3**	**$2,574.9**	$2,444.1	$2,483.3
Liabilities:				
Truck and Other fixed-rate debt	**$150.0**	**$170.4**	$173.5	$196.9
Financial Services fixed-rate debt	**$2,049.9**	**$2,120.1**	$1,870.7	$1,967.9

Contractual Maturities of Debt Securities (Detail) (Truck and Other, USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010	
Truck and Other			
Amortized Cost Maturities:			
Within one year	$ 267.7		
One to five years	639.7		
Six to ten years	0.7		
Amortized Cost	908.1	449.7	
Fair Value Maturities:			
Within one year	268.1		
One to five years	646.9		
Six to ten years	0.7		
Fair Value	$ 915.7	$ 450.5	[1]

[1] The December 31, 2010 consolidated balance sheet has been derived from audited financial statements.

Segment Information

Segment Information

	9 Months Ended
	Sep. 30, 2011

NOTE H – Segment Information

The Company operates in two reportable segments, Truck and Financial Services.

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Net sales and revenues:				
Truck				
Total	**$4,145.1**	$2,374.1	**$11,275.5**	$6,705.1
Less intersegment	**(183.9)**	(92.7)	**(621.8)**	(254.5)
External customers	**3,961.2**	2,281.4	**10,653.7**	6,450.6
All other	**31.8**	22.8	**84.6**	62.7
	3,993.0	2,304.2	**10,738.3**	6,513.3
Financial Services	**264.1**	238.3	**763.1**	724.0
	$4,257.1	$2,542.5	**$11,501.4**	$7,237.3
Income (loss) before income taxes:				
Truck	**$324.3**	$133.4	**$855.3**	$314.2
All other	**(2.4)**	(3.6)	**(19.0)**	(10.7)
	321.9	129.8	**836.3**	303.5
Financial Services	**61.8**	41.5	**169.0**	103.6
Investment income	**11.0**	5.5	**28.9**	14.3
	$394.7	$176.8	**$1,034.2**	$421.4
Depreciation and amortization:				
Truck	**$78.8**	$69.5	**$236.3**	$206.9
All other	**2.7**	2.2	**7.2**	6.7
	81.5	71.7	**243.5**	213.6
Financial Services	**92.7**	80.0	**262.1**	254.9
	$174.2	$151.7	**$505.6**	$468.5

Included in All other is the Company's industrial winch manufacturing business and other sales, income and expense not attributable to a reportable segment, including a portion of corporate expenses.

Balance Sheet Classifications and Fair Value of Derivative Financial Instruments (Detail) (USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010
Truck and Other | Foreign Exchange Contract | Designated as Hedging Instrument | Other Current Assets		
Assets		
Derivative assets	$ 4.0	$ 0.9
Truck and Other | Foreign Exchange Contract | Designated as Hedging Instrument | Accounts Payable and Accrued Liabilities		
Liabilities		
Derivative liabilities	2.0	1.1
Financial Services | Designated as Hedging Instrument | Interest Rate Contract | Other Assets		
Assets		
Derivative assets	2.4	9.1
Financial Services | Designated as Hedging Instrument | Interest Rate Contract | Deferred Taxes And Other Liabilities		
Liabilities		
Derivative liabilities	92.2	107.5
Designated as Hedging Instrument		
Assets		
Derivative assets	6.4	10.0
Liabilities		
Derivative liabilities	94.2	108.6
Truck and Other | Not Designated as Hedging Instrument | Foreign Exchange Contract | Other Assets		
Assets		
Derivative assets	2.1	
Truck and Other | Not Designated as Hedging Instrument | Foreign Exchange Contract | Accounts Payable and Accrued Liabilities		
Liabilities		
Derivative liabilities	2.0	0.3
Financial Services | Not Designated as Hedging Instrument | Foreign Exchange Contract | Other Current Assets		
Assets		
Derivative assets	0.6	0.1
Financial Services | Not Designated as Hedging Instrument | Foreign Exchange Contract | Deferred Taxes And Other Liabilities		
Liabilities		
Derivative liabilities	0.2	0.2
Financial Services | Not Designated as Hedging Instrument | Interest Rate Contract | Deferred Taxes And Other Liabilities		
Liabilities		

Derivative liabilities	0.8	3.5
Not Designated as Hedging Instrument		
Assets		
Derivative assets	2.7	0.1
Liabilities		
Derivative liabilities	$ 3.0	$ 4.0

Basis of Presentation

Basis of Presentation

9 Months Ended
Sep. 30, 2011

NOTE A – Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. For further information, refer to the consolidated financial statements and footnotes included in PACCAR Inc's (the Company) Annual Report on Form 10-K for the year ended December 31, 2010.

Earnings per Share: Basic earnings per common share are computed by dividing earnings by the weighted average number of common shares outstanding, plus the effect of any participating securities. Diluted earnings per common share are computed assuming that all potentially dilutive securities are converted into common shares under the treasury stock method. The dilutive and antidilutive options are shown separately in the table below.

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Additional shares	**876,000**	1,182,000	**1,211,000**	1,147,000
Antidilutive options	**1,697,000**	2,151,000	**770,000**	2,204,000

Reclassifications: The Company made reclassifications to the prior year to conform to the 2011 presentation. The Company has reclassified the impairment losses related to repossessed equipment on operating leases in the Financial Services segment from Provision for losses on receivables to Depreciation and other in the Consolidated Statements of Income and Condensed Consolidated Statements of Cash Flows. In addition, the Company has reclassified proceeds for the sale of repossessed assets relating to finance receivables from Collections on retail loans and direct financing leases to Proceeds from asset disposals in the Condensed Consolidated Statements of Cash Flows.

The reclassifications are summarized below:

	Three Months Ended September 30		Nine Months Ended September 30	
	Before	After	Before	After
Consolidated Statements of Income				
Depreciation and other	$109.4	$110.2	$335.5	$342.4
Provision for losses on receivables	13.7	12.9	55.6	48.7
Condensed Consolidated Statements of Cash Flows				
Operating Activities:				

Depreciation of equipment on operating leases and other	$319.3	$326.2
Provision for losses on financial services receivables	55.6	48.7
Investing Activities:		
Collections on retail loans and direct financing leases	$1,605.5	$1,496.8
Proceeds from asset disposals	167.3	276.0

New Accounting Pronouncements: In September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-09, *Employer Disclosure Requirements for Multiemployer Pension Plans*. This amendment requires employers participating in material multiemployer pension and other postretirement benefits plans to provide additional quantitative and qualitative disclosures to give users more detailed information about an employer's involvement in multiemployer plans. ASU 2011-09 is effective for reporting periods beginning on or after December 15, 2011. The Company does not expect the implementation of this amendment to have a significant impact on the Company's consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08 amending the guidance on testing goodwill for impairment. This amendment allows an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative impairment test. ASU 2011-08 is effective for fiscal years beginning after December 15, 2011. The Company does not expect the implementation of ASU 2011-08 to have a significant impact on the Company's consolidated financial statements.

In April 2011, the FASB issued ASU 2011-02, *A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring*. ASU 2011-02 gives additional guidance to companies to assist in determining troubled debt restructurings. The Company adopted ASU 2011-02 in the third quarter of 2011; the implementation of this amendment resulted in additional disclosure (see Note D) but did not have a significant impact on the Company's consolidated financial statements.

Finance and Other Receivables	9 Months Ended Sep. 30, 2011
Finance and Other Receivables	**NOTE D – Finance and Other Receivables**

Finance and other receivables include the following:

	September 30 2011	December 31 2010
Loans	**$ 2,889.6**	$ 2,713.9
Retail direct financing leases	**2,001.1**	2,005.0
Sales-type finance leases	**687.2**	703.6
Dealer wholesale financing	**1,412.0**	983.4
Interest and other receivables	**102.3**	109.3
Unearned interest on finance leases	**(296.0)**	(299.3)
	6,796.2	6,215.9
Less allowance for losses:		
Loans, leases and other	**(132.6)**	(137.5)
Dealer wholesale financing	**(10.8)**	(7.5)
	$ 6,652.8	$ 6,070.9

Recognition of interest income and rental revenue is suspended (put on non-accrual status) when the receivable becomes more than 90 days past the contractual due date or earlier if some other event causes the Company to determine that collection is not probable. Accordingly, there were no finance receivables more than 90 days past due still accruing interest at September 30, 2011 or December 31, 2010. Recognition is resumed if the receivable becomes contractually current by the payment of all amounts due under the terms of the existing contract and collection of remaining amounts is considered probable (if not modified), or after the customer has made scheduled payments for three months and collection of remaining amounts is considered probable (if contractually modified). Payments received while the finance receivable is impaired or on non-accrual status are applied to interest and principal in accordance with the contractual terms.

Allowance for Credit Losses

The Company continuously monitors the performance of all its finance receivables by reviewing payment performance. In addition, for large customers and dealer wholesale financing accounts, the Company regularly monitors their financial statements and makes appropriate customer contact. If the Company becomes aware of circumstances with those customers or dealers that could lead to financial difficulty, whether or not they are past-due, the accounts are placed on a watch list. In determining the allowance for credit losses, loans and finance leases are evaluated together since they relate to a similar customer base and their contractual terms require regular payment of principal and interest generally over 36 to 60 months and they are secured by the same type of collateral. The Company collectively and individually evaluates its finance receivables and the allowance for credit losses consists of both general and specific reserves.

The Company individually evaluates certain finance receivables for impairment. Finance receivables which are evaluated individually consist of customers on non-accrual status, all wholesale accounts and certain large retail accounts with past-due balances or that otherwise are deemed to be at a higher risk of credit loss and loans which have been modified as troubled debt restructurings. A receivable is considered impaired if it is probable the Company will be unable to collect all contractual interest and principal payments as scheduled. Impaired receivables are individually evaluated to determine the amount of impairments and these receivables are considered collateral dependent. Accordingly, the evaluation of individual reserves is based on the fair value less costs to sell the associated collateral. When the underlying collateral fair value exceeds the Company's loss exposure, no individual reserve is recorded. The Company uses a pricing model to value the underlying collateral on a quarterly basis. The fair value of the collateral is determined based on management's evaluation of numerous factors such as the make, model and year of the equipment, overall condition of the equipment, primary method of distribution for the equipment, recent sales prices of comparable equipment and economic trends affecting used equipment values.

For finance receivables that are evaluated collectively, the Company determines the allowance for credit losses for both retail and wholesale receivables based on historical loss information, using past-due account data and current market conditions. Information used includes assumptions regarding the likelihood of collecting current and past-due accounts, repossession rates and the recovery rate on the underlying collateral based on used truck values and other pledged collateral or recourse. The Company has developed a range of loss estimates for each of its country portfolios based on historical experience, taking into account loss frequency and severity in both strong and weak truck market conditions. A projection is made of the range of estimated credit losses inherent in the portfolio from which an amount is determined as probable based on current market conditions and other factors impacting the creditworthiness of the Company's borrowers and their ability to repay. The projected amount is then compared to the allowance for credit loss balance and an appropriate adjustment is made.

The provision for losses on finance receivables is charged to income based on management's estimate of incurred credit losses, net of recoveries, inherent in the portfolio. Accounts are charged-off against the allowance for credit losses when, in the judgment of management, they are considered uncollectable (generally upon repossession of the collateral). Typically the timing between the repossession process and when a receivable is charged-off is not significant. In cases where repossession is delayed (i.e., for legal reasons), the Company will record partial charge-offs. The charge-off is determined by comparing the fair value of the collateral less costs to sell to the recorded investment.

The Company's allowance for credit losses is segregated into two portfolio segments: wholesale and retail. A portfolio segment is the level at which the Company develops a systematic methodology for determining its allowance for credit losses. The wholesale segment includes wholesale financing loans to dealers that are collateralized by the trucks being financed. The retail segment includes retail loans and direct and sales-type finance leases, net of unearned interest.

The wholesale segment risk characteristics differ from the retail segment. For wholesale receivables the terms are shorter in duration and the Company requires monthly reporting of the dealer's financial condition, conducts periodic physical audits of the trucks being financed and in many cases, obtains personal guarantees or other security such as dealership assets to reduce the risk of loss compared to retail receivables.

The allowance for credit losses is summarized as follows:

	2011		
	Wholesale	Retail	Total

Balance at January 1	**$ 7.5**	**$137.5**	**$145.0**
Provision for losses	**4.5**	**27.7**	**32.2**
Charge-offs	**(1.1)**	**(38.2)**	**(39.3)**
Recoveries		**7.8**	**7.8**
Currency translation	**(.1)**	**(2.2)**	**(2.3)**
Balance at September 30	**$ 10.8**	**$132.6**	**$143.4**

Information regarding finance receivables summarized by those evaluated collectively and individually is as follows:

At September 30, 2011	Wholesale	Retail	Total
Recorded investment for impaired finance receivables evaluated individually	**$22.9**	**$112.4**	**$135.3**
Allowance for finance receivables evaluated individually	**$2.1**	**$31.1**	**$33.2**
Recorded investment for finance receivables evaluated collectively	**$1,389.1**	**$5,169.5**	**$6,558.6**
Allowance for finance receivables evaluated collectively	**$8.7**	**$101.5**	**$110.2**
At December 31, 2010			
Recorded investment for impaired finance receivables evaluated individually	$3.4	$150.0	$153.4
Allowance for finance receivables evaluated individually	$1.3	$33.6	$34.9
Recorded investment for finance receivables evaluated collectively	$980.0	$4,973.2	$5,953.2
Allowance for finance receivables evaluated collectively	$6.2	$103.9	$110.1

The recorded investment for finance receivables as of September 30, 2011 that are on non-accrual status in the wholesale, fleet and owner/operator portfolio classes as defined below was $23.1, $67.8 and $18.5, respectively. The recorded investment for finance receivables as of December 31, 2010 on non-accrual status was $3.4, $72.2 and $33.9, respectively.

Impaired Loans

The Company's impaired loans are segregated by portfolio class. A portfolio class of receivables is a subdivision of a portfolio segment with similar measurement attributes and risk characteristics and common methods to monitor and assess credit risk. The Company's retail segment is subdivided into the fleet and owner/operator classes. Fleet consists of retail accounts with customers operating more than five trucks. All others are owner/operator.

All impaired loans have a specific reserve and are summarized as follows:

At September 30, 2011	Wholesale	Fleet	Owner / Operator	Total
Impaired loans with specific reserve	**$ 23.0**	**$32.3**	**$ 11.8**	**$67.1**
Associated allowance	**(2.1)**	**(6.8)**	**(2.2)**	**(11.1)**
Net carrying amount of impaired loans	**$ 20.9**	**$25.5**	**$ 9.6**	**$56.0**
Unpaid principal balance	**$ 23.0**	**$32.3**	**$ 11.8**	**$67.1**
Average recorded investment*	**$ 11.7**	**$30.9**	**$ 15.1**	**$57.7**
Interest income recognized on a cash basis:				
Three months ended September 30, 2011		**$.3**	**$ .2**	**$.5**

Nine months ended September 30, 2011	**$ .3**	**$1.2**	**$ .7**	**$2.2**

* Represents the average during the 12 months ended September 30, 2011.

At December 31, 2010				
Impaired loans with specific reserve	$3.4	$21.5	$17.8	$42.7
Associated allowance	(1.3)	(4.4)	(3.8)	(9.5)
Net carrying amount of impaired loans	$2.1	$17.1	$14.0	$33.2
Unpaid principal balance	$3.4	$21.5	$17.8	$42.7

Credit Quality

The Company's customers are principally concentrated in the transportation industry in North America, Europe and Australia. On a geographic basis, there is a proportionate concentration of credit risk in each area. The Company retains as collateral a security interest in the related equipment.

At the inception of each contract, the Company considers the credit risk based on a variety of credit quality indicators including, prior payment experience, customer financial information, credit-rating agency ratings and loan-to-value ratios. On an ongoing basis, the Company monitors the credit quality based on past-due status and collection experience as the Company has found a meaningful correlation between the past-due status of customers and the risk of loss.

The table below summarizes the Company's finance receivables by credit quality indicator and portfolio class. Performing accounts are paying in accordance with the contractual terms and are not considered to be of high risk. Watch accounts primarily include accounts more than 30 days and less than 90 days past-due and other large high risk accounts that are not impaired. At-risk includes customer accounts that are impaired, including accounts more than 90 days past-due.

At September 30, 2011	**Wholesale**	**Fleet**	**Owner / Operator**	**Total**
Performing	**$1,387.7**	**$3,806.7**	**$1,327.5**	**$6,521.9**
Watch	**1.3**	**15.1**	**13.5**	**29.9**
At-risk	**23.0**	**100.6**	**18.5**	**142.1**
	$1,412.0	**$3,922.4**	**$1,359.5**	**$6,693.9**

At December 31, 2010				
Performing	$966.2	$3,544.0	$1,359.4	$5,869.6
Watch	13.8	46.6	23.2	83.6
At-risk	3.4	115.1	34.9	153.4
	$983.4	$3,705.7	$1,417.5	$6,106.6

The table below summarizes the Company's finance receivables by aging category. In determining past due status, the Company considers the entire contractual account balance past due when any installment is over 30 days past-due. Customer accounts that were greater than 30 days past due prior to modification become current upon modification for aging purposes.

At September 30, 2011	**Wholesale**	**Fleet**	**Owner / Operator**	**Total**
Current and up to 30 days past-due	**$1,389.1**	**$3,845.5**	**$1,327.5**	**$6,562.1**
31 – 60 days past-due	**1.4**	**14.1**	**13.0**	**28.5**

Greater than 60 days past-due	**21.5**	**62.8**	**19.0**	**103.3**
	$1,412.0	**$3,922.4**	**$1,359.5**	**$6,693.9**
At December 31, 2010				
Current and up to 30 days past-due	$966.2	$3,581.1	$1,359.5	$5,906.8
31 – 60 days past-due	7.7	48.5	19.7	75.9
Greater than 60 days past-due	9.5	76.1	38.3	123.9
	$983.4	$3,705.7	$1,417.5	$6,106.6

Troubled Debt Restructurings

The Company modifies loans and finance leases as a normal part of its Financial Services operations. The Company's modifications typically resulted in granting more time to pay the contractual amounts owed. When the Company modifies loans and finance leases for customers in financial difficulty and grants a concession, the modifications are classified as troubled debt restructurings (TDRs). The Company rarely forgives principal or accrued interest and may require principal and accrued interest payments at the time of modification. For the three and nine months ended September 30, 2011, the decrease in the recorded investment for loans and leases modified as TDRs was nil and $.1 million, all within the fleet segment. At modification date, the post-modification recorded investment balance was:

Post-Modification Recorded Investment	Fleet	Owner / Operator	Total
Three Months Ended September 30, 2011	**$3.4**	**$ .7**	**$4.1**
Nine Months Ended September 30, 2011	**$21.2**	**$ 5.2**	**$26.4**

The balance of TDRs was $25.4 at September 30, 2011 and $6.5 at December 31, 2010.

As a result of adopting the amendments in ASU 2011-02, the Company reassessed all modifications that occurred during the past nine months for identification as TDRs. The Company identified as TDRs certain receivables for which the allowance for credit losses had previously been measured under a general allowance for credit losses methodology and identified these receivables as impaired. Included in finance receivables evaluated individually for impairment are loans identified as TDRs some of which are loans evaluated as a pool to measure the specific reserve. At September 30, 2011, the recorded investment in loans for which the allowance for credit losses was previously measured under the general allowance for credit losses methodology that are now impaired under the new guidance was $5.9. The allowance for credit losses associated with these loans was $.3 at September 30, 2011.

The recorded investment of finance receivables modified during the previous twelve months as TDRs that subsequently defaulted (i.e., became more than 30 days past due) in the three and twelve months ended September 30, 2011 are as follows:

	At September 30, 2011		
Recorded Investment	Fleet	Owner / Operator	Total
Three Months Ended September 30, 2011	**$2.0**	**$ .2**	**$ 2.2**
Twelve Months Ended September 30, 2011	**$6.0**	**$ 2.1**	**$ 8.1**

These TDRs that subsequently defaulted (i.e., became more than 30 days past due) did not significantly impact the Company's reserve at September 30, 2011.

Repossessions

When the Company determines that a customer in default is not likely to meet their contractual commitments, the Company repossesses the vehicles which serve as collateral for loans and finance leases, and equipment on operating leases. The Company records the repossessed vehicles as used truck inventory included in Financial Services Other assets on the Consolidated Balance Sheets. The balance of repossessed inventory at September 30, 2011 and December 31, 2010 was $12.0 and $15.6, respectively. Proceeds from the sales of repossessed assets were $65.7 and $108.7 for the nine months ended September 30, 2011 and 2010, respectively. These amounts are included in Proceeds from asset disposals on the Consolidated Statements of Cash Flows. Write-downs of repossessed equipment on operating leases are recorded as impairments and included in Financial Services Depreciation and other on the Consolidated Statements of Income.

Financing Receivables by Credit Quality Indicator (Detail) (Financial Services, USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	$ 6,693.9	$ 6,106.6
Loans, leases and other | Fleet		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	3,922.4	3,705.7
Loans, leases and other | Fleet | Pass		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	3,806.7	3,544.0
Loans, leases and other | Fleet | Special Mention		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	15.1	46.6
Loans, leases and other | Fleet | Substandard		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	100.6	115.1
Loans, leases and other | Owner/Operator		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	1,359.5	1,417.5
Loans, leases and other | Owner/Operator | Pass		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	1,327.5	1,359.4
Loans, leases and other | Owner/Operator | Special Mention		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	13.5	23.2
Loans, leases and other | Owner/Operator | Substandard		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	18.5	34.9
Pass		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	6,521.9	5,869.6
Pass | Wholesale		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	1,387.7	966.2
Special Mention		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	29.9	83.6
Special Mention | Wholesale		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	1.3	13.8
Substandard		

Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	142.1	153.4
Substandard | Wholesale		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	23.0	3.4
Wholesale		
Financing Receivable, Recorded Investment [Line Items]		
Financing Receivables	$ 1,412.0	$ 983.4

Investments in Marketable Debt Securities - Additional Information (Detail) (Truck and Other, USD $) In Millions	9 Months Ended Sep. 30, 2011	9 Months Ended Sep. 30, 2010	Sep. 30, 2011 Variable Rate Demand Obligation	Dec. 31, 2010 Variable Rate Demand Obligation
Schedule of Available-for-sale Securities [Line Items]				
Proceeds from sales of marketable securities	$ 951.8			
Gross realized gains from sales of marketable securities	2.2	0.4		
Gross realized loss from sales of marketable securities	0.6	0.1		
Marketable debt securities in an unrealized loss position for greater than 12 months	0			
Marketable debt securities			$ 0.7	$ 12.2

Fair Value Measurements - Additional Information (Detail) (USD $) In Millions	3 Months Ended	9 Months Ended	3 Months Ended	9 Months Ended				
	Sep. 30, 2010	Sep. 30, 2010	Sep. 30, 2011 Trucks Cost of sales and revenues	Sep. 30, 2011 Trucks Cost of sales and revenues	Sep. 30, 2010 Trucks Cost of sales and revenues	Sep. 30, 2010 Financial Services	Sep. 30, 2010 Financial Services Depreciation and Other	Sep. 30, 2010 Financial Services Allowance for Losses on Finance Receivables
Fair Value Measurements [Line Items]								
Used truck write-downs	$ 3.2	$ 7.0	$ 0.5	$ 1.8	$ 1.6	$ 5.4	$ 7.2	$ (1.8)

Components of Net Pension Expense (Detail) (USD $) In Millions	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Defined Benefit Plan Disclosure [Line Items]				
Service cost	$ 11.9	$ 9.3	$ 34.6	$ 27.8
Interest on projected benefit obligation	21.0	19.0	61.8	57.0
Expected return on assets	(26.5)	(24.4)	(79.1)	(73.0)
Amortization of prior service costs	0.3	0.4	1.0	1.3
Recognized actuarial loss	4.5	3.7	17.7	10.9
Net pension expense	$ 11.2	$ 8.0	$ 36.0	$ 24.0

Derivative Financial Instruments - Additional Information (Detail) (USD $) In Millions	3 Months Ended		9 Months Ended		
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010	Dec. 31, 2010
Derivative Instruments and Hedging Activities Disclosure [Line Items]					
Notional amount of interest-rate contracts	$ 2,954.4		$ 2,954.4		
Notional maturities for interest-rate contracts 2011	235.4		235.4		
Notional maturities for interest-rate contracts 2012	699.5		699.5		
Notional maturities for interest-rate contracts 2013	692.4		692.4		
Notional maturities for interest-rate contracts 2014	896.9		896.9		
Notional maturities for interest-rate contracts 2015	381.0		381.0		
Notional maturities for interest-rate contracts thereafter	49.2		49.2		
Notional amount of outstanding foreign-exchange contracts	320.3		320.3		
Recognized gain (loss) on the ineffective portion	(0.1)	2.0	0.7	2.0	
Accumulated net loss on derivative contracts included in accumulated other comprehensive loss	(24.7)		(24.7)		(17.9)
Accumulated net loss on derivative contracts included in accumulated other comprehensive loss expected to be reclassified to interest expense or cost of sales in the following 12 months			$ (33.2)		
Foreign Exchange Contract					
Derivative Instruments and Hedging Activities Disclosure [Line Items]					
Foreign-exchange contracts maturity period	Within one year				

Product Support Liabilities	**9 Months Ended Sep. 30, 2011**

Product Support Liabilities

NOTE E - Product Support Liabilities

Product support liabilities include reserves related to product warranties, optional extended warranties and repair and maintenance (R&M) contracts. The Company generally offers one-year warranties covering most of its vehicles and related aftermarket parts. Specific terms and conditions vary depending on the product and the country of sale. Optional extended warranty and R&M contracts can be purchased for periods which generally range up to five years. Warranty expenses and reserves are estimated and recorded at the time products or contracts are sold based on historical data regarding the source, frequency and cost of claims, net of any recoveries. The Company periodically assesses the adequacy of its recorded liabilities and adjusts them as appropriate to reflect actual experience.

Changes in warranty and R&M reserves are summarized as follows:

	2011	2010
Balance at January 1	**$372.2**	$386.4
Cost accruals and revenue deferrals	**219.1**	152.9
Payments and revenue recognized	**(161.3)**	(168.6)
Currency translation	**(1.2)**	(11.6)
Balance at September 30	**$428.8**	$359.1

Post-Modification Recorded Investment (Detail) (Financial Services, USD $) In Millions	3 Months Ended Sep. 30, 2011	9 Months Ended Sep. 30, 2011
Financing Receivable, Modifications [Line Items]		
Post-Modified Recorded Investment	$ 4.1	$ 26.4
Loans, leases and other | Fleet		
Financing Receivable, Modifications [Line Items]		
Post-Modified Recorded Investment	3.4	21.2
Loans, leases and other | Owner/Operator		
Financing Receivable, Modifications [Line Items]		
Post-Modified Recorded Investment	$ 0.7	$ 5.2

Dilutive and Antidilutive Options (Detail)	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]				
Additional shares	876,000	1,182,000	1,211,000	1,147,000
Antidilutive options	1,697,000	2,151,000	770,000	2,204,000

Inventories Table (Detail) (USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010
Schedule of Inventory [Line Items]		
Finished products	$ 438.5	$ 370.1
Work in process and raw materials	449.4	322.2
Inventory, Gross, Total	887.9	692.3
Less LIFO reserve	(162.8)	(158.3)
Inventories, net	$ 725.1	$ 534.0

Financing Receivables by Aging Category (Detail) (Financial Services, USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010
Financing Receivable, Recorded Investment, Past Due [Line Items]		
Current and up to 30 days past-due	$ 6,562.1	$ 5,906.8
31 - 60 days past-due	28.5	75.9
Greater than 60 days past-due	103.3	123.9
Financing Receivables	6,693.9	6,106.6
Loans, leases and other | Fleet		
Financing Receivable, Recorded Investment, Past Due [Line Items]		
Current and up to 30 days past-due	3,845.5	3,581.1
31 - 60 days past-due	14.1	48.5
Greater than 60 days past-due	62.8	76.1
Financing Receivables	3,922.4	3,705.7
Loans, leases and other | Owner/Operator		
Financing Receivable, Recorded Investment, Past Due [Line Items]		
Current and up to 30 days past-due	1,327.5	1,359.5
31 - 60 days past-due	13.0	19.7
Greater than 60 days past-due	19.0	38.3
Financing Receivables	1,359.5	1,417.5
Dealer wholesale financing		
Financing Receivable, Recorded Investment, Past Due [Line Items]		
Current and up to 30 days past-due	1,389.1	966.2
31 - 60 days past-due	1.4	7.7
Greater than 60 days past-due	21.5	9.5
Financing Receivables	$ 1,412.0	$ 983.4

Marketable Debt Securities (Detail) (Truck and Other, USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010	
Schedule of Available-for-sale Securities [Line Items]			
Amortized Cost	$ 908.1	$ 449.7	
Unrealized Gains	8.8	1.1	
Unrealized Losses	1.2	0.3	
Fair Value	915.7	450.5	[1]
US Treasury and Government			
Schedule of Available-for-sale Securities [Line Items]			
Amortized Cost	1.9	2.7	
Fair Value	1.9	2.7	
Domestic Nontaxable Debt Securities			
Schedule of Available-for-sale Securities [Line Items]			
Amortized Cost	292.6	364.9	
Unrealized Gains	2.5	0.8	
Unrealized Losses		0.3	
Fair Value	295.1	365.4	
Domestic Corporate Debt Securities			
Schedule of Available-for-sale Securities [Line Items]			
Amortized Cost	39.2	27.3	
Unrealized Gains	0.1	0.3	
Unrealized Losses	0.5		
Fair Value	38.8	27.6	
Foreign Corporate Debt Securities			
Schedule of Available-for-sale Securities [Line Items]			
Amortized Cost	158.3	37.0	
Unrealized Gains	0.3		
Unrealized Losses	0.7		
Fair Value	157.9	37.0	
Foreign Government Debt Securities			
Schedule of Available-for-sale Securities [Line Items]			
Amortized Cost	349.0		
Unrealized Gains	5.3		
Fair Value	354.3		
Other Debt Securities			
Schedule of Available-for-sale Securities [Line Items]			
Amortized Cost	67.1	17.8	
Unrealized Gains	0.6		
Fair Value	$ 67.7	$ 17.8	

[1] The December 31, 2010 consolidated balance sheet has been derived from audited financial statements.

Basis of Presentation (Tables)	9 Months Ended Sep. 30, 2011

Dilutive and Antidilutive Options

The dilutive and antidilutive options are shown separately in the table below.

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Additional shares	**876,000**	1,182,000	**1,211,000**	1,147,000
Antidilutive options	**1,697,000**	2,151,000	**770,000**	2,204,000

Reclassifications to Prior Years

The reclassifications are summarized below:

	Three Months Ended September 30		Nine Months Ended September 30	
	Before	After	Before	After
Consolidated Statements of Income				
Depreciation and other	$109.4	$110.2	$335.5	$342.4
Provision for losses on receivables	13.7	12.9	55.6	48.7
Condensed Consolidated Statements of Cash Flows				
Operating Activities:				
Depreciation of equipment on operating leases and other			$319.3	$326.2
Provision for losses on financial services receivables			55.6	48.7
Investing Activities:				
Collections on retail loans and direct financing leases			$1,605.5	$1,496.8
Proceeds from asset disposals			167.3	276.0

Financial Assets and Liabilities Subject to Recurring Fair Value Measurements (Detail) (Fair Value, Measurements, Recurring, USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	$ 915.7	$ 450.5
Derivative assets	9.1	10.1
Derivative liabilities	97.2	112.6
Level 1		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	1.9	2.7
Level 1 | US Treasury and Government		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	1.9	2.7
Level 2		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	913.8	447.8
Derivative assets	9.1	10.1
Derivative liabilities	97.2	112.6
Level 2 | Domestic Nontaxable Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	295.1	365.4
Level 2 | Domestic Corporate Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	38.8	27.6
Level 2 | Foreign Corporate Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	157.9	37.0
Level 2 | Foreign Government Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	354.3	
Level 2 | Other Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		

Marketable debt securities	67.7	17.8
Level 2 | Interest Rate Swap		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	2.4	5.8
Derivative liabilities	38.2	37.2
Level 2 | Cross Currency Swap		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	2.1	3.3
Derivative liabilities	54.8	73.8
Level 2 | Foreign Exchange Contract		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	4.6	1.0
Derivative liabilities	4.2	1.6
Domestic Nontaxable Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	295.1	365.4
US Treasury and Government		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	1.9	2.7
Domestic Corporate Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	38.8	27.6
Foreign Corporate Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	157.9	37.0
Foreign Government Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	354.3	
Other Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Marketable debt securities	67.7	17.8
Interest Rate Swap		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	2.4	5.8
Derivative liabilities	38.2	37.2

Cross Currency Swap		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	2.1	3.3
Derivative liabilities	54.8	73.8
Foreign Exchange Contract		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	4.6	1.0
Derivative liabilities	$ 4.2	$ 1.6

Employee Benefit Plans - Additional Information (Detail) (USD $) In Millions	3 Months Ended	9 Months Ended
	Sep. 30, 2011	Sep. 30, 2011
Defined Benefit Plan Disclosure [Line Items]		
Contribution to pension plans	$ 6.1	$ 12.9

Stockholders' Equity	9 Months Ended Sep. 30, 2011
Stockholders' Equity	**NOTE F – Stockholders' Equity**

Comprehensive Income

The components of comprehensive income, net of any related tax, were as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Net income	**$281.6**	$119.9	**$714.6**	$287.8
Other comprehensive (loss) income:				
Currency translation (losses) gains	**(267.0)**	226.4	**(82.3)**	(28.5)
Derivative contracts (decrease) increase	**(15.2)**	4.5	**(6.8)**	21.0
Marketable securities increase	**2.5**	.2	**4.2**	.3
Employee benefit plans increase (decrease)	**9.3**	(1.8)	**12.6**	9.4
Net other comprehensive (loss) income	**(270.4)**	229.3	**(72.3)**	2.2
Comprehensive income	**$11.2**	$349.2	**$642.3**	$290.0

In the three months ended September 30, 2011, currency translation losses are primarily due to decreases in the euro. In the nine months ended September 30, 2011, currency translation losses are primarily due to decreases in Canadian and Australian dollar.

Accumulated Other Comprehensive (Loss) Income

Accumulated other comprehensive (loss) income was comprised of the following:

	September 30 2011	December 31 2010
Currency translation adjustment	**$ 288.8**	$ 371.1
Net unrealized losses on derivative contracts	**(24.7)**	(17.9)
Net unrealized investment gains	**4.7**	.5
Employee benefit plans	**(299.8)**	(312.4)
Total accumulated other comprehensive (loss) income	**$ (31.0)**	$ 41.3

Stock Compensation Plans

Stock-based compensation expense was $2.6 and $11.1 for the three and nine months ended September 30, 2011, respectively, and $2.3 and $6.1 for the three and nine months ended September 30, 2010, respectively. Realized tax benefits related to the excess of deductible amounts over expense recognized amounted to nil and $.7 for the three and nine months ended September 30, 2011, respectively, and $.6 and $2.8 for the three and nine months ended September 30, 2010, respectively, and have been classified as a financing cash flow.

During the first three quarters of 2011, the Company issued 247,796 common shares under deferred and stock compensation arrangements.

Finance and Other Receivables (Tables)	9 Months Ended Sep. 30, 2011
Finance and Other Receivables	Finance and other receivables include the following:

	September 30 2011	December 31 2010
Loans	$ 2,889.6	$ 2,713.9
Retail direct financing leases	2,001.1	2,005.0
Sales-type finance leases	687.2	703.6
Dealer wholesale financing	1,412.0	983.4
Interest and other receivables	102.3	109.3
Unearned interest on finance leases	(296.0)	(299.3)
	6,796.2	6,215.9
Less allowance for losses:		
Loans, leases and other	(132.6)	(137.5)
Dealer wholesale financing	(10.8)	(7.5)
	$ 6,652.8	$ 6,070.9

Allowance for Credit Losses

The allowance for credit losses is summarized as follows:

	2011		
	Wholesale	Retail	Total
Balance at January 1	**$ 7.5**	**$137.5**	**$145.0**
Provision for losses	**4.5**	**27.7**	**32.2**
Charge-offs	**(1.1)**	**(38.2)**	**(39.3)**
Recoveries		**7.8**	**7.8**
Currency translation	**(.1)**	**(2.2)**	**(2.3)**
Balance at September 30	**$ 10.8**	**$132.6**	**$143.4**

Finance Receivables Summary by those Evaluated Collectively and Individually

Information regarding finance receivables summarized by those evaluated collectively and individually is as follows:

At September 30, 2011	Wholesale	Retail	Total
Recorded investment for impaired finance receivables evaluated individually	**$22.9**	**$112.4**	**$135.3**
Allowance for finance receivables evaluated individually	**$2.1**	**$31.1**	**$33.2**
Recorded investment for finance receivables evaluated collectively	**$1,389.1**	**$5,169.5**	**$6,558.6**
Allowance for finance receivables evaluated collectively	**$8.7**	**$101.5**	**$110.2**

At December 31, 2010			
Recorded investment for impaired finance receivables evaluated individually	$3.4	$150.0	$153.4
Allowance for finance receivables evaluated individually	$1.3	$33.6	$34.9
Recorded investment for finance receivables evaluated collectively	$980.0	$4,973.2	$5,953.2
Allowance for finance receivables evaluated collectively	$6.2	$103.9	$110.1

Impaired Loans and Specific Reserve

All impaired loans have a specific reserve and are summarized as follows:

At September 30, 2011	Wholesale	Fleet	Owner / Operator	Total
Impaired loans with specific reserve	**$ 23.0**	**$32.3**	**$ 11.8**	**$67.1**
Associated allowance	**(2.1)**	**(6.8)**	**(2.2)**	**(11.1)**
Net carrying amount of impaired loans	**$ 20.9**	**$25.5**	**$ 9.6**	**$56.0**
Unpaid principal balance	**$ 23.0**	**$32.3**	**$ 11.8**	**$67.1**
Average recorded investment*	**$ 11.7**	**$30.9**	**$ 15.1**	**$57.7**
Interest income recognized on a cash basis:				
Three months ended September 30, 2011		**$.3**	**$ .2**	**$.5**
Nine months ended September 30, 2011	**$ .3**	**$1.2**	**$ .7**	**$2.2**

* Represents the average during the 12 months ended September 30, 2011.

At December 31, 2010	Wholesale	Fleet	Owner / Operator	Total
Impaired loans with specific reserve	$3.4	$21.5	$17.8	$42.7
Associated allowance	(1.3)	(4.4)	(3.8)	(9.5)
Net carrying amount of impaired loans	$2.1	$17.1	$14.0	$33.2
Unpaid principal balance	$3.4	$21.5	$17.8	$42.7

Financing Receivables by Credit Quality Indicator

The table below summarizes the Company's finance receivables by credit quality indicator and portfolio class. Performing accounts are paying in accordance with the contractual terms and are not considered to be of high risk. Watch accounts primarily include accounts more than 30 days and less than 90 days past-due and other large high risk accounts that are not impaired. At-risk includes customer accounts that are impaired, including accounts more than 90 days past-due.

At September 30, 2011	**Wholesale**	**Fleet**	**Owner / Operator**	**Total**
Performing	**$1,387.7**	**$3,806.7**	**$1,327.5**	**$6,521.9**
Watch	**1.3**	**15.1**	**13.5**	**29.9**
At-risk	**23.0**	**100.6**	**18.5**	**142.1**
	$1,412.0	**$3,922.4**	**$1,359.5**	**$6,693.9**
At December 31, 2010				
Performing	$966.2	$3,544.0	$1,359.4	$5,869.6
Watch	13.8	46.6	23.2	83.6
At-risk	3.4	115.1	34.9	153.4
	$983.4	$3,705.7	$1,417.5	$6,106.6

Financing Receivables by Aging Category

The table below summarizes the Company's finance receivables by aging category. In determining past due status, the Company considers the entire contractual account balance past due when any installment is over 30 days past-due. Customer accounts that were greater than 30 days past due prior to modification become current upon modification for aging purposes.

At September 30, 2011	**Wholesale**	**Fleet**	**Owner / Operator**	**Total**
Current and up to 30 days past-due	**$1,389.1**	**$3,845.5**	**$1,327.5**	**$6,562.1**
31 – 60 days past-due	**1.4**	**14.1**	**13.0**	**28.5**

Greater than 60 days past-due	**21.5**	**62.8**	**19.0**	**103.3**
	$1,412.0	**$3,922.4**	**$1,359.5**	**$6,693.9**

At December 31, 2010				
Current and up to 30 days past-due	$966.2	$3,581.1	$1,359.5	$5,906.8
31 – 60 days past-due	7.7	48.5	19.7	75.9
Greater than 60 days past-due	9.5	76.1	38.3	123.9
	$983.4	$3,705.7	$1,417.5	$6,106.6

Post-Modification Recorded Investment

At modification date, the post-modification recorded investment balance was:

Post-Modification Recorded Investment	Fleet	Owner / Operator	Total
Three Months Ended September 30, 2011	**$3.4**	**$ .7**	**$4.1**
Nine Months Ended September 30, 2011	**$21.2**	**$ 5.2**	**$26.4**

Loans that Subsequently defaulted

The recorded investment of finance receivables modified during the previous twelve months as TDRs that subsequently defaulted (i.e., became more than 30 days past due) in the three and twelve months ended September 30, 2011 are as follows:

	At September 30, 2011		
Recorded Investment	**Fleet**	**Owner / Operator**	**Total**
Three Months Ended September 30, 2011	**$2.0**	**$ .2**	**$ 2.2**
Twelve Months Ended September 30, 2011	**$6.0**	**$ 2.1**	**$ 8.1**

Impaired Loans and Specific Reserve (Detail) (Financial Services, USD $) In Millions	3 Months Ended	9 Months Ended		
	Sep. 30, 2011	Sep. 30, 2011		Dec. 31, 2010
Financing Receivable, Impaired [Line Items]				
Impaired loans with specific reserve	$ 67.1	$ 67.1		$ 42.7
Associated allowance	(11.1)	(11.1)		(9.5)
Net carrying amount of impaired loans	56.0	56.0		33.2
Unpaid principal balance	67.1	67.1		42.7
Average recorded investment		57.7	[1]	
Interest income recognized on a cash basis	0.5	2.2		
Loans, leases and other | Fleet				
Financing Receivable, Impaired [Line Items]				
Impaired loans with specific reserve	32.3	32.3		21.5
Associated allowance	(6.8)	(6.8)		(4.4)
Net carrying amount of impaired loans	25.5	25.5		17.1
Unpaid principal balance	32.3	32.3		21.5
Average recorded investment		30.9	[1]	
Interest income recognized on a cash basis	0.3	1.2		
Loans, leases and other | Owner/Operator				
Financing Receivable, Impaired [Line Items]				
Impaired loans with specific reserve	11.8	11.8		17.8
Associated allowance	(2.2)	(2.2)		(3.8)
Net carrying amount of impaired loans	9.6	9.6		14.0
Unpaid principal balance	11.8	11.8		17.8
Average recorded investment		15.1	[1]	
Interest income recognized on a cash basis	0.2	0.7		
Dealer wholesale financing				
Financing Receivable, Impaired [Line Items]				
Impaired loans with specific reserve	23.0	23.0		3.4
Associated allowance	(2.1)	(2.1)		(1.3)
Net carrying amount of impaired loans	20.9	20.9		2.1
Unpaid principal balance	23.0	23.0		3.4
Average recorded investment		11.7	[1]	
Interest income recognized on a cash basis		$ 0.3		

[1] Represents the average during the 12 months ended September 30, 2011.

Reclassifications to Prior Years (Detail) (USD $) In Millions	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
INVESTING ACTIVITIES:				
Collections on retail loans and direct financing leases			$ 1,560.1	$ 1,496.8
Proceeds from asset disposals			247.6	276.0
Financial Services				
Consolidated Statements of Income				
Depreciation and other	123.0	110.2	352.9	342.4
Provision for losses on receivables	10.7	12.9	32.2	48.7
OPERATING ACTIVITIES:				
Depreciation of equipment on operating leases and other			359.3	326.2
Provision for losses on receivables	10.7	12.9	32.2	48.7
Financial Services | Scenario, Previously Reported				
Consolidated Statements of Income				
Depreciation and other		109.4		335.5
Provision for losses on receivables		13.7		55.6
OPERATING ACTIVITIES:				
Depreciation of equipment on operating leases and other				319.3
Provision for losses on receivables		13.7		55.6
Scenario, Previously Reported				
INVESTING ACTIVITIES:				
Collections on retail loans and direct financing leases				1,605.5
Proceeds from asset disposals				$ 167.3

Condensed Consolidated Statements of Cash Flows (USD $) In Millions	9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
OPERATING ACTIVITIES:		
Net income	$ 714.6	$ 287.8
Depreciation and amortization:		
Property, plant and equipment	146.4	142.2
Other	24.8	(23.5)
Change in operating assets and liabilities:		
Trade and other receivables	(419.1)	(57.6)
Wholesale receivables on new trucks	(429.1)	75.5
Sales-type finance leases and dealer direct loans on new trucks	(18.6)	101.2
Inventories	(197.7)	115.2
Accounts payable and accrued expenses	663.4	125.4
Income taxes, warranty and other	275.1	21.7
Net Cash Provided by Operating Activities	1,151.3	1,162.8
INVESTING ACTIVITIES:		
Retail loans and direct financing leases originated	(1,862.1)	(1,203.7)
Collections on retail loans and direct financing leases	1,560.1	1,496.8
Marketable securities purchases	(1,424.9)	(501.3)
Marketable securities sales and maturities	951.8	363.8
Payments for property, plant and equipment	(214.7)	(115.8)
Acquisition of equipment for operating leases	(1,013.6)	(478.4)
Proceeds from asset disposals	247.6	276.0
Other	(29.5)	5.8
Net Cash Used in Investing Activities	(1,785.3)	(156.8)
FINANCING ACTIVITIES:		
Cash dividends paid	(153.1)	(98.3)
Purchase of treasury stock	(250.2)	
Stock compensation transactions	4.4	9.8
Net increase (decrease) in commercial paper and short-term bank loans	989.8	(874.3)
Proceeds from long-term debt	1,065.5	641.0
Payments of long-term debt	(1,144.1)	(539.5)
Net Cash Provided by (Used in) Financing Activities	512.3	(861.3)
Effect of exchange rate changes on cash	(39.5)	0.5
Net (Decrease) Increase in Cash and Cash Equivalents	(161.2)	145.2
Cash and cash equivalents at beginning of period	2,040.8	1,912.0
Cash and cash equivalents at end of period	1,879.6	2,057.2
Financial Services		
Depreciation and amortization:		
Equipment on operating leases and other	359.3	326.2
Provision for losses on financial services receivables	32.2	48.7
FINANCING ACTIVITIES:		

Cash and cash equivalents at beginning of period	58.8	[1]
Cash and cash equivalents at end of period	$ 65.6	

[1] The December 31, 2010 consolidated balance sheet has been derived from audited financial statements.

Product Support Liabilities (Tables)	9 Months Ended Sep. 30, 2011
Changes in Warranty and R&M Reserves	Changes in warranty and R&M reserves are summarized as follows:

	2011	2010
Balance at January 1	**$372.2**	$386.4
Cost accruals and revenue deferrals	**219.1**	152.9
Payments and revenue recognized	**(161.3)**	(168.6)
Currency translation	**(1.2)**	(11.6)
Balance at September 30	**$428.8**	$359.1

Product Support Liabilities - Additional Information (Detail)	9 Months Ended Sep. 30, 2011
Minimum	
Product Liability Contingency [Line Items]	
Warranty period	1 year
Maximum	
Product Liability Contingency [Line Items]	
Warranty period	5 years

Segment Information (Tables)	9 Months Ended Sep. 30, 2011
Segment Reporting Information, By Segment	The Company operates in two reportable segments, Truck and Financial Services.

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Net sales and revenues:				
Truck				
Total	**$4,145.1**	$2,374.1	**$11,275.5**	$6,705.1
Less intersegment	**(183.9)**	(92.7)	**(621.8)**	(254.5)
External customers	**3,961.2**	2,281.4	**10,653.7**	6,450.6
All other	**31.8**	22.8	**84.6**	62.7
	3,993.0	2,304.2	**10,738.3**	6,513.3
Financial Services	**264.1**	238.3	**763.1**	724.0
	$4,257.1	$2,542.5	**$11,501.4**	$7,237.3
Income (loss) before income taxes:				
Truck	**$324.3**	$133.4	**$855.3**	$314.2
All other	**(2.4)**	(3.6)	**(19.0)**	(10.7)
	321.9	129.8	**836.3**	303.5
Financial Services	**61.8**	41.5	**169.0**	103.6
Investment income	**11.0**	5.5	**28.9**	14.3
	$394.7	$176.8	**$1,034.2**	$421.4
Depreciation and amortization:				
Truck	**$78.8**	$69.5	**$236.3**	$206.9
All other	**2.7**	2.2	**7.2**	6.7
	81.5	71.7	**243.5**	213.6
Financial Services	**92.7**	80.0	**262.1**	254.9
	$174.2	$151.7	**$505.6**	$468.5

Investments in Marketable Debt Securities	9 Months Ended Sep. 30, 2011

Investments in Marketable Debt Securities

NOTE B – Investments in Marketable Debt Securities

The Company’s investments in marketable debt securities are classified as available-for-sale. These investments are stated at fair value with any unrealized gains or losses, net of tax, included as a component of accumulated other comprehensive income.

Marketable debt securities at September 30, 2011 and December 31, 2010 consisted of the following:

At September 30, 2011	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
U.S. tax-exempt securities	**$ 292.6**	**$ 2.5**		**$295.1**
U.S. government and agency securities	**1.9**			**1.9**
U.S. corporate securities	**39.2**	**.1**	**$ .5**	**38.8**
Non U.S. corporate securities	**158.3**	**.3**	**.7**	**157.9**
Non U.S. government securities	**349.0**	**5.3**		**354.3**
Other debt securities	**67.1**	**.6**		**67.7**
	$ 908.1	**$ 8.8**	**$ 1.2**	**$915.7**

At December 31, 2010	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. tax-exempt securities	$ 364.9	$ .8	$ .3	$365.4
U.S. government and agency securities	2.7			2.7
U.S. corporate securities	27.3	.3		27.6
Non U.S. corporate securities	37.0			37.0
Other debt securities	17.8			17.8
	$ 449.7	$ 1.1	$ .3	$450.5

The cost of marketable debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Amortization, accretion, interest, dividend income and realized gains and losses are included in investment income. The cost of securities sold is based on the specific identification method. The proceeds from sales and maturities of marketable debt securities for the nine months ended September 30, 2011 were $951.8. Gross realized gains were $2.2 and $.4 for the nine months ended September 30, 2011 and 2010, respectively, with realized losses of $.6 and $.1 for the nine months ended September 30, 2011 and 2010, respectively.

The Company evaluates its investments in marketable debt securities at the end of each reporting period to determine if a decline in fair value is other than temporary. As of September 30, 2011 and December 31, 2010, there were no marketable debt securities in an unrealized loss position for greater than 12 months.

Contractual maturities on these securities at September 30, 2011 were as follows:

Maturities:	**Amortized Cost**	**Fair Value**
Within one year	**$ 267.7**	**$268.1**
One to five years	**639.7**	**646.9**

Six to ten years	**.7**	**.7**
	$ 908.1	**$915.7**

Marketable debt securities included $.7 and $12.2 of variable rate demand obligations (VRDOs) at September 30, 2011 and December 31, 2010, respectively. VRDOs are debt instruments with long-term scheduled maturities which have interest rates that reset periodically.

Employee Benefit Plans

9 Months Ended Sep. 30, 2011

Employee Benefit Plans

NOTE K – Employee Benefit Plans

The Company has several defined benefit pension plans, which cover a majority of its employees. The following information details the components of net pension expense for the Company's defined benefit plans:

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	**2011**	2010
Service cost	**$11.9**	$9.3	**$34.6**	$27.8
Interest on projected benefit obligation	**21.0**	19.0	**61.8**	57.0
Expected return on assets	**(26.5)**	(24.4)	**(79.1)**	(73.0)
Amortization of prior service costs	**.3**	.4	**1.0**	1.3
Recognized actuarial loss	**4.5**	3.7	**17.7**	10.9
Net pension expense	**$11.2**	$8.0	**$36.0**	$24.0

During the three and nine months ended September 30, 2011, the Company contributed $6.1 and $12.9 to its pension plans, respectively.

(Income) Expense Recognized in Earnings Related to Economic Hedges (Detail) (USD $) In Millions	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Truck and Other | Foreign Exchange Contract | Cost of sales and revenues				
Derivative Instruments, Gain (Loss) [Line Items]				
(Income) or expense recognized in earnings related to economic hedges	$ 0.1	$ 0.2	$ 0.1	$ 0.3
Truck and Other | Foreign Exchange Contract | Interest and other income, net				
Derivative Instruments, Gain (Loss) [Line Items]				
(Income) or expense recognized in earnings related to economic hedges	(0.3)	4.8	(0.3)	6.6
Truck and Other | Interest Rate Contract | Interest and other income, net				
Derivative Instruments, Gain (Loss) [Line Items]				
(Income) or expense recognized in earnings related to economic hedges		1.1		0.2
Financial Services | Foreign Exchange Contract | Interest and other borrowing expenses				
Derivative Instruments, Gain (Loss) [Line Items]				
(Income) or expense recognized in earnings related to economic hedges	(0.5)	0.1	(1.6)	
Financial Services | Interest Rate Contract | Interest and other borrowing expenses				
Derivative Instruments, Gain (Loss) [Line Items]				
(Income) or expense recognized in earnings related to economic hedges	(5.0)	0.3	(5.0)	(7.8)
Interest Rate Contract				
Derivative Instruments, Gain (Loss) [Line Items]				
(Income) or expense recognized in earnings related to economic hedges	(5.0)	1.4	(5.0)	(7.6)
Foreign Exchange Contract				
Derivative Instruments, Gain (Loss) [Line Items]				
(Income) or expense recognized in earnings related to economic hedges	$ (0.7)	$ 5.1	$ (1.8)	$ 6.9

Carrying Amount and Fair Value of Financial Services Fixed-Rate Loans and Fixed-Rate Debt (Detail) (USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010
Financial Services | Carrying Amount		
Assets:		
Fixed-rate loans	$ 2,568.3	$ 2,444.1
Liabilities:		
Fixed-rate debt	2,049.9	1,870.7
Financial Services | Fair Value		
Assets:		
Fixed-rate loans	2,574.9	2,483.3
Liabilities:		
Fixed-rate debt	2,120.1	1,967.9
Truck and Other | Carrying Amount		
Liabilities:		
Fixed-rate debt	150.0	173.5
Truck and Other | Fair Value		
Liabilities:		
Fixed-rate debt	$ 170.4	$ 196.9

Inventories - Additional Information (Detail)	Sep. 30, 2011
Inventory Disclosure [Line Items]	
Percentage of inventories valued using LIFO method of accounting	43.00%

Inventories (Tables)	**9 Months Ended Sep. 30, 2011**
Inventories Table	Inventories include the following:

	September 30 2011	December 31 2010
Finished products	**$ 438.5**	$ 370.1
Work in process and raw materials	**449.4**	322.2
	887.9	692.3
Less LIFO reserve	**(162.8)**	(158.3)
	$ 725.1	$ 534.0

Consolidated Statements of Income (USD $) In Millions, except Per Share data	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Investment income	$ 11.0	$ 5.5	$ 28.9	$ 14.3
Income Before Income Taxes	394.7	176.8	1,034.2	421.4
Income taxes	113.1	56.9	319.6	133.6
Net Income	281.6	119.9	714.6	287.8
Net Income Per Share:				
Basic	$ 0.78	$ 0.33	$ 1.96	$ 0.79
Diluted	$ 0.77	$ 0.33	$ 1.95	$ 0.79
Weighted Average Common Shares Outstanding:				
Basic	363.3	364.9	365.0	364.8
Diluted	364.2	366.1	366.2	365.9
Dividends declared per share	$ 0.18	$ 0.09	$ 0.42	$ 0.27
Truck and Other				
Net sales and revenues	3,993.0	2,304.2	10,738.3	6,513.3
Cost of sales and revenues	3,484.0	2,019.2	9,347.4	5,741.9
Research and development	70.0	59.9	215.9	173.1
Selling, general and administrative	113.1	94.3	331.6	285.7
Interest and other expense, net	4.0	1.0	7.1	9.1
Costs and Expenses, Total	3,671.1	2,174.4	9,902.0	6,209.8
Income Before Income Taxes	321.9	129.8	836.3	303.5
Financial Services				
Interest and fees	106.5	101.8	313.4	316.8
Operating lease, rental and other income	157.6	136.5	449.7	407.2
Revenues	264.1	238.3	763.1	724.0
Interest and other borrowing expenses	44.6	51.8	137.2	163.4
Depreciation and other	123.0	110.2	352.9	342.4
Selling, general and administrative	24.0	21.9	71.8	65.9
Provision for losses on receivables	10.7	12.9	32.2	48.7
Costs and Expenses, Total	202.3	196.8	594.1	620.4
Income Before Income Taxes	$ 61.8	$ 41.5	$ 169.0	$ 103.6

Allowance for Credit Losses (Detail) (Financial Services, USD $) In Millions	9 Months Ended Sep. 30, 2011
Financing Receivable, Allowance for Credit Losses [Line Items]	
Beginning Balance	$ 145.0
Provision for losses	32.2
Charge-offs	(39.3)
Recoveries	7.8
Currency translation	(2.3)
Ending Balance	143.4
Loans, leases and other	
Financing Receivable, Allowance for Credit Losses [Line Items]	
Beginning Balance	137.5
Provision for losses	27.7
Charge-offs	(38.2)
Recoveries	7.8
Currency translation	(2.2)
Ending Balance	132.6
Dealer wholesale financing	
Financing Receivable, Allowance for Credit Losses [Line Items]	
Beginning Balance	7.5
Provision for losses	4.5
Charge-offs	(1.1)
Currency translation	(0.1)
Ending Balance	$ 10.8

Income Taxes - Additional Information (Detail)	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Income Taxes [Line Items]				
Effective tax rate	28.70%	32.20%	30.90%	31.70%

Other Assets that are Measured at Fair Value on a Nonrecurring Basis (Detail) (Level 2, USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Used trucks held for sale	$ 78.2	$ 58.2
Financial Services		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Impaired loans	56.0	33.2
Used trucks held for sale	55.9	38.2
Truck and Other		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Used trucks held for sale	$ 22.3	$ 20.0

Changes in Warranty and R&M Reserves (Detail) (USD $) In Millions	9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Product Liability Contingency [Line Items]		
Beginning balance	$ 372.2	$ 386.4
Cost accruals and revenue deferrals	219.1	152.9
Payments and revenue recognized	(161.3)	(168.6)
Currency translation	(1.2)	(11.6)
Ending balance	$ 428.8	$ 359.1

Components of Comprehensive Income (Loss), Net of Related Tax (Detail) (USD $) In Millions	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Net income	$ 281.6	$ 119.9	$ 714.6	$ 287.8
Other comprehensive (loss) income:				
Currency translation (losses) gains	(267.0)	226.4	(82.3)	(28.5)
Derivative contracts (decrease) increase	(15.2)	4.5	(6.8)	21.0
Marketable securities increase	2.5	0.2	4.2	0.3
Employee benefit plans increase (decrease)	9.3	(1.8)	12.6	9.4
Net other comprehensive (loss) income	(270.4)	229.3	(72.3)	2.2
Comprehensive income	$ 11.2	$ 349.2	$ 642.3	$ 290.0

Pre-Tax Effects of Derivative Instruments Recognized in Earnings and Other Comprehensive (Loss) Income (Detail) (USD $) In Millions	3 Months Ended		9 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Truck and Other | Foreign Exchange Contract				
Derivative [Line Items]				
(Gain)/loss recognized in OCI	$ (1.8)	$ 4.3	$ 5.9	$ 1.8
Truck and Other | Foreign Exchange Contract | Cost of sales and revenues				
Derivative [Line Items]				
(Income)/expense reclassified from Accumulated OCI into income	(0.7)	0.6	(3.3)	1.6
Financial Services | Interest Rate Contract				
Derivative [Line Items]				
(Gain)/loss recognized in OCI	(2.6)	(40.2)	(31.2)	(61.0)
Financial Services | Interest Rate Contract | Interest and other borrowing expenses				
Derivative [Line Items]				
(Income)/expense reclassified from Accumulated OCI into income	(16.3)	44.0	20.2	88.7
Interest Rate Contract				
Derivative [Line Items]				
(Gain)/loss recognized in OCI	(2.6)	(40.2)	(31.2)	(61.0)
(Income)/expense reclassified from Accumulated OCI into income	(16.3)	44.0	20.2	88.7
Foreign Exchange Contract				
Derivative [Line Items]				
(Gain)/loss recognized in OCI	(1.8)	4.3	5.9	1.8
(Income)/expense reclassified from Accumulated OCI into income	(0.7)	(0.5)	(3.3)	1.4
Foreign Exchange Contract | Interest and other income, net				
Derivative [Line Items]				
(Income)/expense reclassified from Accumulated OCI into income		$ (1.1)		$ (0.2)

Finance Receivables Summary by those Evaluated Collectively and Individually (Detail) (Financial Services, USD $) In Millions	Sep. 30, 2011	Dec. 31, 2010
Financing Receivable, Allowance for Credit Losses [Line Items]		
Recorded investment for impaired finance receivables evaluated individually	$ 135.3	$ 153.4
Allowance for finance receivables evaluated individually	33.2	34.9
Recorded investment for finance receivables evaluated collectively	6,558.6	5,953.2
Allowance for finance receivables evaluated collectively	110.2	110.1
Loans, leases and other		
Financing Receivable, Allowance for Credit Losses [Line Items]		
Recorded investment for impaired finance receivables evaluated individually	112.4	150.0
Allowance for finance receivables evaluated individually	31.1	33.6
Recorded investment for finance receivables evaluated collectively	5,169.5	4,973.2
Allowance for finance receivables evaluated collectively	101.5	103.9
Dealer wholesale financing		
Financing Receivable, Allowance for Credit Losses [Line Items]		
Recorded investment for impaired finance receivables evaluated individually	22.9	3.4
Allowance for finance receivables evaluated individually	2.1	1.3
Recorded investment for finance receivables evaluated collectively	1,389.1	980.0
Allowance for finance receivables evaluated collectively	$ 8.7	$ 6.2