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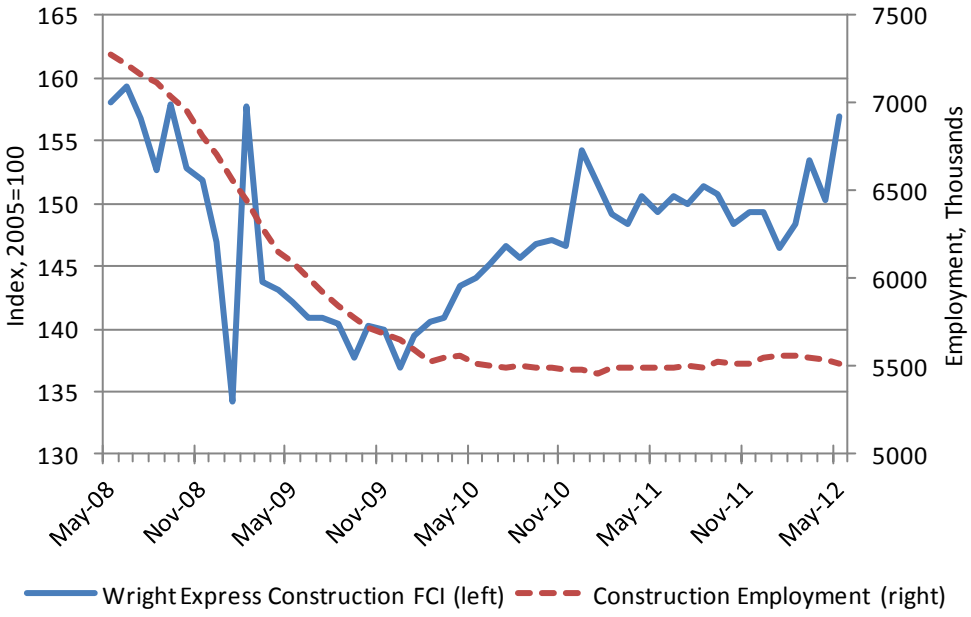
Wright Express Construction Fuel Consumption Index
May 2012

The Wright Express Construction Fuel Consumption Index Improved in May 2012

The Wright Express Construction Fuel Consumption Index, which tracks fuel consumption by U.S. construction companies, grew 4.5% in May 2012 versus the previous month. May's result is a strong reversal after the seasonally-adjusted index declined by 2.1% in the previous month. On an annual basis, the Fuel Consumption Index expanded by 5.1% in May versus its level a year earlier. Prior to May, the Fuel Consumption Index had declined on a year-over-year basis in four of the past five months.

Looking back, last month's Fuel Consumption Index captured the weakness evident in many of the government's subsequent construction data releases. Construction employment continued downward, losing 28,000 jobs in April—the fourth consecutive month of job losses for the industry. Total construction put-in-place, which is released a month later than the construction FCI, increased by 0.3% in April. Meanwhile, construction spending excluding improvements—a better measure of activity—declined by 0.2% in April. Private residential construction excluding improvements was a bright spot, rising 2.1% in April Private nonresidential spending decreased by 0.2%.

Wright Express Construction Fuel Consumption Index Compared with Construction Employment



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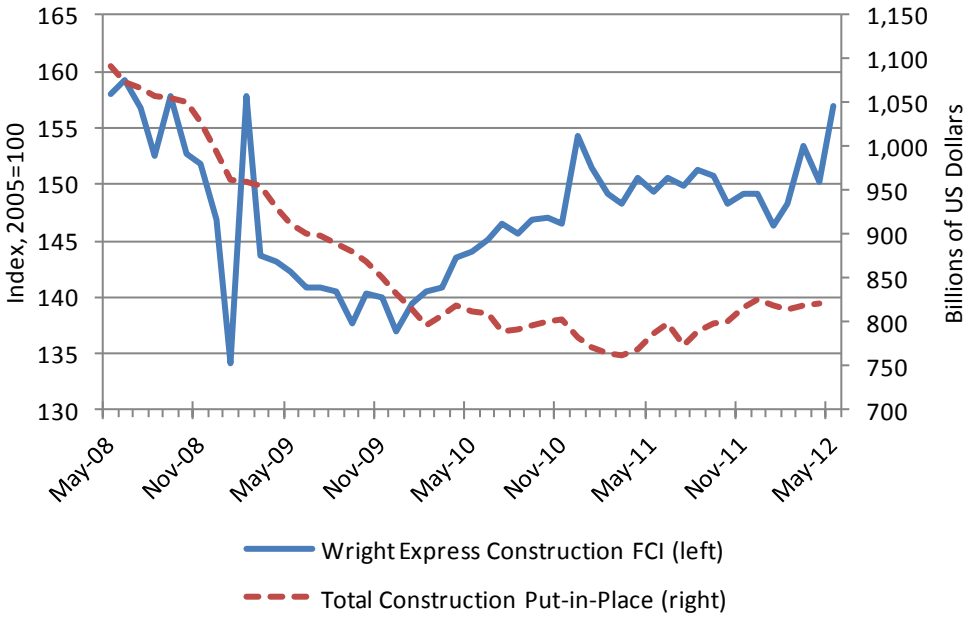
May's result of the Wright Express Construction Fuel Consumption Index is a positive sign, but the up-and-down nature of the index in recent months suggests that the recovery of the construction industry is still somewhat fragile. After three years of depressed construction the inventory of new housing is beginning to tighten. New home sales rose 3.3% in April, and estimates for the previous three months were revised upward. The new home sales market is unquestionably improving, although activity is still less than half of normal. Inventory continues to shrink, which is good news since builders will have to replenish stocks by ramping up starts once demand rebounds. Although inventories are shrinking, getting rid of the excess housing supply could be a drawn-out affair. The homeowner vacancy rate, which measures the proportion of homes that are vacant and for sale, stood at 2.3% at the end of 2011. This vacancy rate is consistent with a glut of about a half a million houses. At the current pace, eliminating the overhang should take less than two years, but will probably take longer, because it is concentrated in a few high-unemployment states.

Wright Express Construction Fuel Consumption Index Compared with Total Construction Put-in-Place



Note: The value of "total construction put in place" is a measure of the value of construction installed or erected at the site during a given period. For an individual project, this includes — cost of materials, cost of labor, contractor's profit, cost of architectural/engineering work, miscellaneous overhead and interest/taxes.

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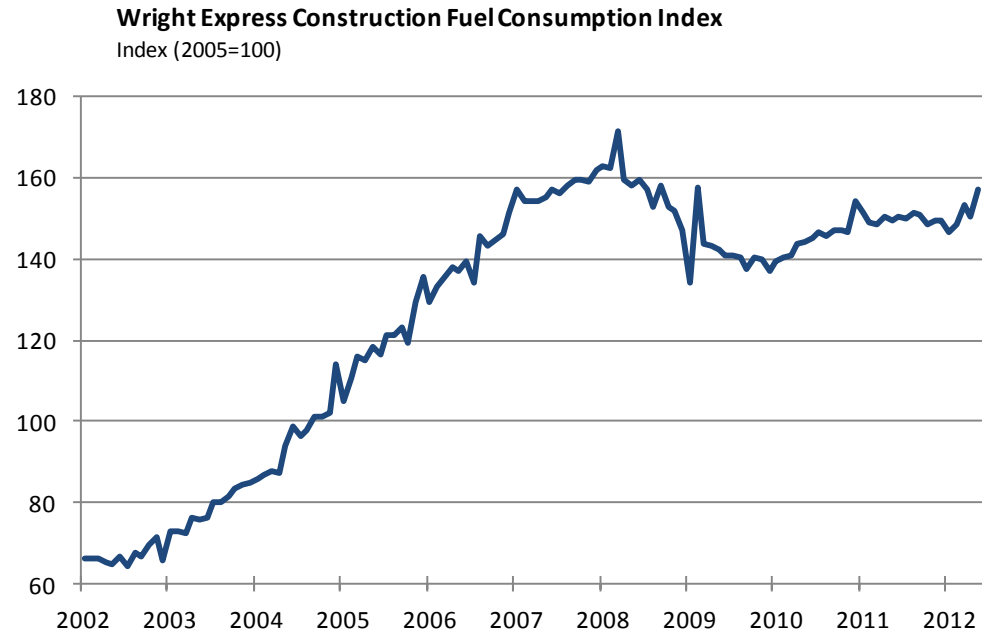
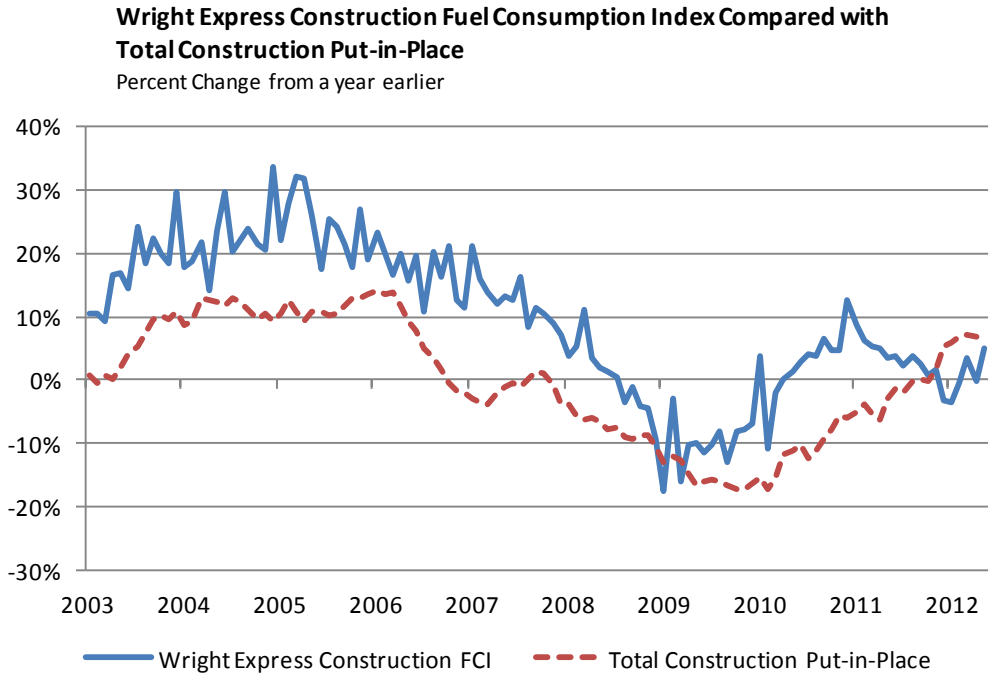
Background:
Wright Express worked with IHS Global Insight to develop the *Wright Express Construction Fuel Consumption Index*. The index is based on monthly fuel consumption statistics for the construction industry tracked by Wright Express's comprehensive fuel consumption database. The Wright Express Construction FCI provides unique fuel transaction information that can be used to identify emerging trends in the construction industry. By tracking the volume of fuel consumed by construction companies in the United States, the index provides an accurate and up-to-date indication of construction activity in the country. In fact, the Wright Express Construction FCI is available a full month before the Bureau of the Census data gets released.





Methodology:
The *Wright Express Construction Fuel Consumption Index* (Wright Express Construction FCI) was developed by IHS Global Insight with support from Wright Express. The index is based on monthly fuel consumption statistics for the construction industry tracked by Wright Express's comprehensive fuel consumption database. The Wright Express Construction FCI provides unique fuel transaction information that can be used to identify emerging trends in the construction industry. By tracking the volume of fuel consumed by construction companies in the United States, the index provides an accurate and up-to-date indication of construction activity in the country.

The construction industry was defined by 1987 Standard Industry Classification (SIC) codes 15 (General building contractors), 16 (Heavy construction contractors), and 17 (Special trade contractors). Data from Wright Express's fuel transaction database was "cleaned" based on a criteria developed by IHS Global Insight with input from Wright Express. The sample included only accounts that had been active for at least two years. In this way, IHS Global Insight was able to effectively capture the construction market's fuel consumption activity. In order to create an accurate index, the fuel consumption data from each SIC industry code were weighted based on the number of companies in each industry.

IHS Global Insight analyzed the relationship between sixteen different construction and housing indicators and the construction sector fuel consumption data provided by Wright Express. Correlation tests were conducted on each of the indicators against the volume of gallons consumed, the volume of gallons consumed per effective fueling day, the volume of gallons consumed per active card per effective fueling day. All series were tested at seasonally adjusted rates, as well as non-seasonally adjusted rates.

The indicators were tested at monthly, quarterly, and annual frequencies. We found that the greatest insights were produced using the year-over-year percent change of the monthly data. After determining the top three indicators, additional correlation tests were conducted to determine the optimal transformation of the Wright Express fuel consumption data. Through this analysis, it was revealed that the Wright Express Construction FCI for construction was a particularly strong indicator of the value of total construction put-in-place, construction industry employment, and new home sales in the United States. The overall correlation based upon monthly year-over-year growth rates from January 2002 to May 2012 was 0.900 for the number of new single-family homes for sale.

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Indicator	Correlation
New Single-Family Homes For Sale	0.900
New Single-Family Homes For Sale - Under Construction	0.866
Construction Employment	0.837
Total Construction Put-in-Place	0.833
S&P/Case-Shiller Home Price Index - Composite 20 Index	0.832
Average Sales Price of Existing Single-Family Homes Sold	0.804
Total Private Housing Under Construction	0.787
Residential Construction Put-in-Place	0.710
Average Sales Price of New Single-Family Homes Sold	0.681
New Single-Family Homes Sold - Completed	0.673
Total Housing Completions, Private	0.641
Median Sales Price of New Single-Family Homes Sold	0.640
New Single-Family Homes Sold	0.429
Nonresidential Construction Put-in-Place	0.426
Total Private Housing Starts	0.386
Housing Permits, Private	0.375
New Single-Family Homes Sold - Under Construction	0.199

About Wright Express (www.wrightexpress.com)
Wright Express is a leading provider of payment processing and information management services to the U.S. commercial and government vehicle fleet industry. They provide fleets with detailed transaction data, analysis tools and purchase control capabilities by capturing transaction data at more than 180,000 fuel and vehicle maintenance locations, including over 90% of the nation's retail fuel locations and 45,000 vehicle maintenance locations.

About IHS (www.ihs.com)
IHS (NYSE: IHS) is the leading source of information and insight in critical areas that shape today's business landscape, including energy and power; design and supply chain; defense, risk and security; environmental health and safety (EHS) and sustainability; country and industry forecasting; and commodities, pricing and cost. Businesses and governments around the globe rely on the comprehensive content, expert independent analysis and flexible delivery methods of IHS to make high-impact decisions and develop strategies with speed and confidence. IHS has been in business since 1959 and became a publicly traded company on the New York Stock Exchange in 2005. Headquartered in Englewood, Colorado, USA, IHS employs approximately 4,400 people in more than 30 countries around the world.