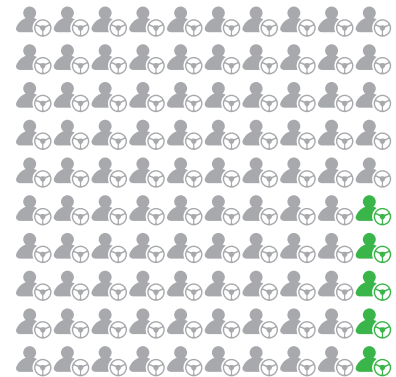
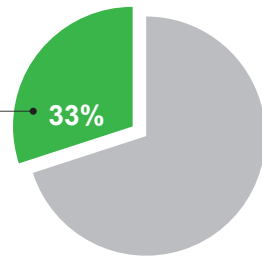


The 5% Factor

The SmartDrive Distracted Driving Index points to a trend across all companies: 5% of new drivers accounted for 33% of all recorded distracted driving incidents, while 10% of the new drivers accounted for more than 56% of all risky driving events during Q2. The 5% of new drivers with the most distractions were distracted 70% of the time during a risky driving event.



Just **5** out of a hundred drivers account for 33% of all observations.

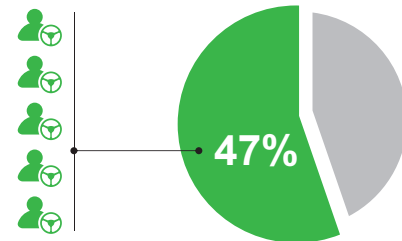


Persistent Distractions

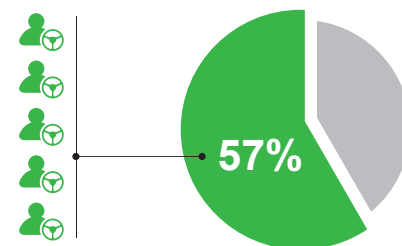
Two distractions in particular continue to plague some new drivers – operating a handheld device such as a GPS unit or MP3 player, and using a handheld mobile phone. In both instances just 5% of the new drivers in Q2 2010 accounted for the majority of events involving those devices – 57% of all mobile phone incidents captured and 47% of all operating-handheld-device incidents – highlighting the importance of identifying these behaviors and working with drivers to correct them.

76% of the drivers in the SmartDrive Safety program never had an incident involving either a mobile phone or a handheld device.

Handheld Device: 5% of drivers account for 47% of all observations.



Mobile Phone: 5% of drivers account for 57% of all observations.



About SmartDrive Systems Inc.

An innovator in fleet management and driver safety, SmartDrive has created a versatile, simple-to-use platform to record comprehensive video, speed and logistics from the road, then review and identify critical safety events and operational inefficiencies.

The company's innovative SmartDrive Safety System helps fleet safety managers reduce the frequency, severity, and financial impact of collisions. Our unique video-based program gives managers a true picture of what's happening on the road. SmartDrive expert reviewers evaluate every event, score them and pinpoint areas for improvement. It's a simple daily process that pays back quickly.



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COMMERCIAL FLEET Distracted Driving Research **2010**

Overview

The SmartDrive Distracted Driving Index (SDDI) provides fleet safety professionals with an ongoing measurement of causes and trends in distracted driving behaviors to help them put safer drivers on the road. The SDDI data is derived from the SmartDrive Safety program, which uses in-vehicle recorders to capture video, audio and vehicle data during sudden stops, swerves, collisions and other events. Event data is categorized and scored by safety experts according to 50+ safety observations. Through detailed video analysis, SmartDrive is able to quantify distractions such as cell phone usage, text messaging, use of maps or navigation, eating/drinking/smoking, and other actions.

Methodology

The study evaluated more than 7.5 million video events recorded during the period, involving over 20,000 commercial drivers. An analysis was run of nine most commonly reported distractions, and the tables on the following page show the frequency with which a distraction was observed in the recorded events.

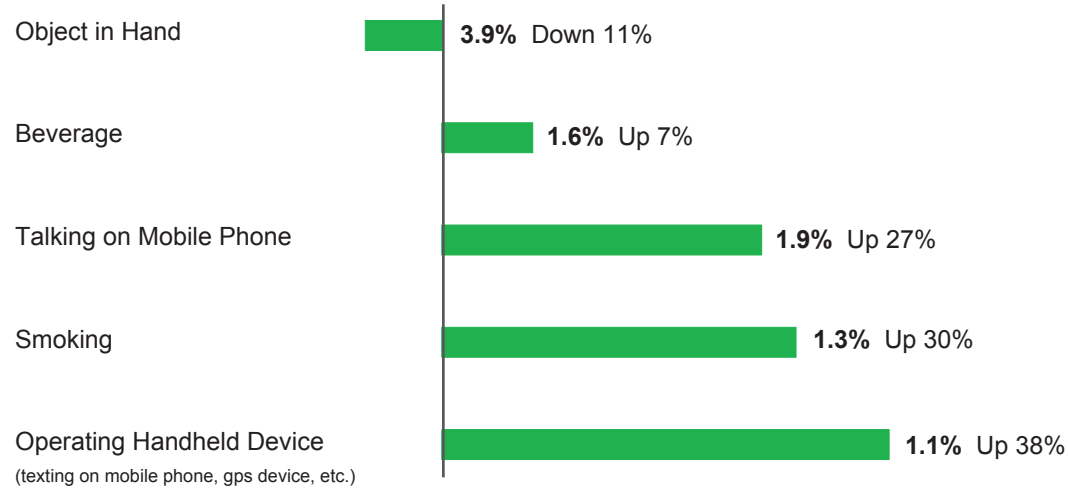
The SDDI data compares drivers in their first three weeks on the SmartDrive Safety program with drivers who have benefited from more time in the program. For trend analysis, results for both groups were compared to the prior quarter.

The SmartDrive Distracted Driving Index is compiled to help understand the causes and trends in commercial driving distraction. It's based on the world's largest and fastest-growing database of captured distracted driving behaviors – more than 33 million. SmartDrive analyzes this storehouse of information to help fleets reduce distracted driving incidents, improve safety and efficiency, and save lives.

JASON PALMER President
SmartDrive Systems, Inc.

2010 Distracted Driving Index Highlights

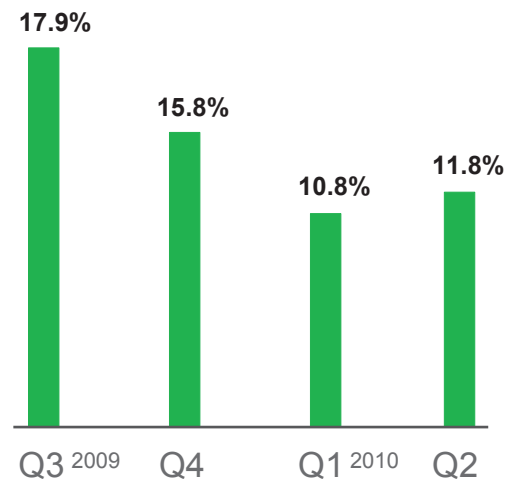
The five most common distractions, and their changes from Q1 2010 to Q2 2010.



Overall Distraction Rate

The overall distraction rate for new drivers was 11.8% in Q2 2010, a 9% increase in the distraction rate reported in Q1 2010.

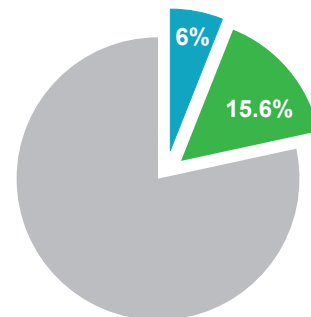
The distracted driving rate across long-term drivers in the SmartDrive Safety program in the latest SDDI was just 5.9%, 50% lower than the 11.8% for drivers new to the program in Q2 2010.



Drivers Involved in Collisions

For 2010 year-to-date, 21.6% of all drivers in the study were involved in one or more collisions or near collisions. This drops to 6% for drivers with two or more incidents.

- Drivers with One Collision or Near Collision
- Drivers with Two or More Collisions or Near Collisions

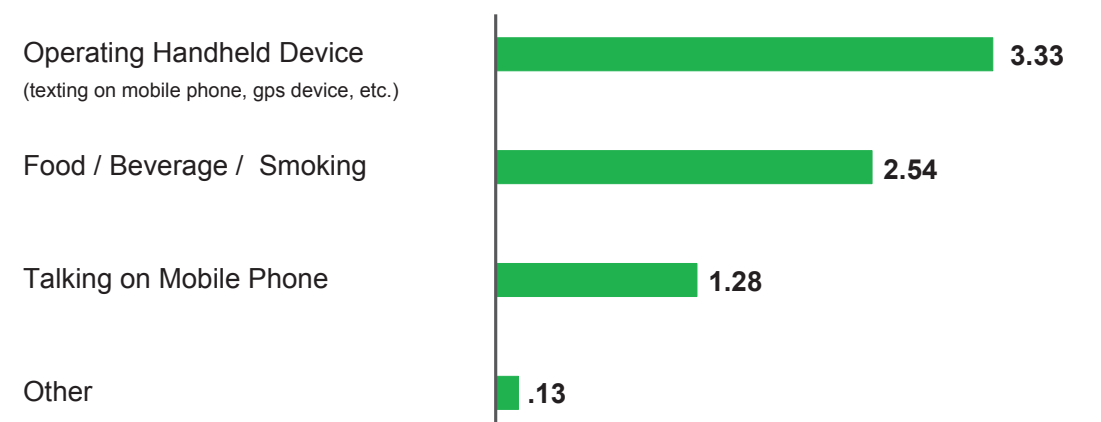


Commonly Occurring Distracted Driving Behavior for Drivers Involved in Collisions

In Q2 2010, the Distracted Driving Index report was expanded to include an analysis of collisions and near-collisions, and the behaviors that led up to those events. By analyzing in-cab activity captured on video in the 15 seconds prior to those events, safety evaluators were able to observe several common behaviors, and ranked as follows:

Observations per Driver per 12-Week Quarter

Drivers with One or More Collision or Near Collision (data is 2010 year-to-date)

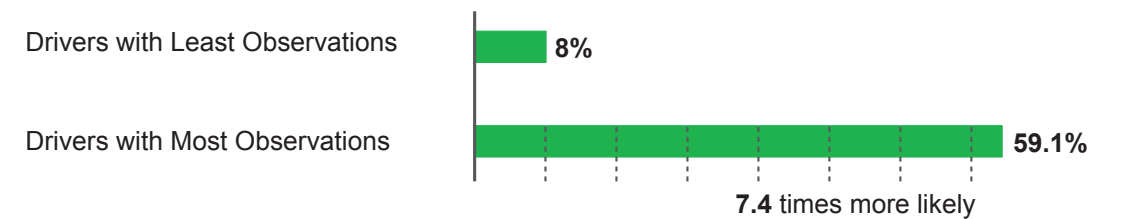


Conclusion: 63% of the distracted driving observations are from "Operating a Handheld Device" (most frequently observed as text messaging) and "Talking on Mobile Phone".

Distracted Driving as an Indicator of Collisions

Extending the analysis from above, the study looked at drivers with the highest number of distracted driving observations and compared them to drivers with the lowest observation numbers to see which group is more likely to be involved in a collision or near collision:

Collision / Near Collisions per Driver



Conclusion: Drivers with the highest number of distracted driving observations were 7.4 times more likely to be involved in a collision or near collision, compared to the drivers in the lowest numbers.