



Transcript: Second Quarter FY 2013 Earnings Conference Call

January 24, 2013

11:00 a.m. ET

Welcome to our December 2012 quarter earnings conference call. I'm joined in Indianapolis by Paul Will, our President and CEO, Eric Meek, our Chief Financial Officer, and Jon Russell, our President of our asset light businesses.

I'd like to remind you that my comments and those of others representing Celadon may contain forward looking statements which are subject to risks and uncertainties. Our SEC filings contain additional information about factors that could cause actual results to differ from management expectations.

We were pleased with our results for the December 2012 quarter. Earnings per share of 32 cents represented our best December quarter in Celadon's history, compared with 24 cents in the December 2011 quarter. Operating ratio improved from 91.5 to 89.2. These results were achieved despite adverse weather conditions, particularly significant snow storms late in December and the effects of hurricane Sandy, which adversely impacted our miles per truck per week. Further, there was a one-time non-cash charge of \$1.6 million, or four cents in earnings per share, related to the early vesting of restrictive stock grants for myself, as approved by the Compensation Committee of the Board of Directors, as described in the 8K that we filed on December 6, 2012.

Offsetting these negative factors included an increase in rate per loaded mile, from \$1.528 to \$1.564. Our tractor and trailer average age improved to 1.1 and 2.0 years, respectively, resulting in reduced maintenance cost, and an increase in miles per gallon achieved. Average seated count improved by 2.5%.

The acquisitions that we have completed in the past fifteen months have certainly contributed to our results. These acquisitions more specifically have helped to improve and diversify our service offering and set up the foundation for further growth opportunities by increasing freight lane density in our primary freight lanes in addition to growing our book of business with both new and existing customers to improve utilization and freight volumes. We are extremely pleased with the performance of our management team and with the direction the company is headed.

Let's open the phone to questions.