Transcript: Fourth Quarter Earnings Conference Call (FY13)

July 30, 2013

11:00 a.m. ET

Thanks for joining our June 2013 quarter conference call. I'm joined here in Indianapolis, by Paul Will, our President and Chief Executive Officer, Eric Meek, our Chief Financial Officer, and Jon Russell, President of our Asset Light Division.

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 press release and SEC filings contain additional information about factors that could cause actual results to differ from management expectations. Please refer to our press release and SEC documents for the full forward-looking statement disclosures.

We are pleased with our June 2013 quarter's results. Earnings per share were 31 cents, despite a challenging freight environment and a relatively weak economy. Included in the June 2012 quarter earnings per share of 39 cents was $3.2 million, or approximately 8 cents from gain on sales, compared with approximately 1.5 cents in the current quarter. The June 2013 quarter earnings per share of 31 cents compared with 19 cents in the March 2013 quarter.

Our key metrics improved in the quarter which contributed to the positive operational results. Our average seated tractor count of 2,770, was up 6 percent from 2,624 in the March 2013 quarter. Average miles per week per seated truck was 2,081 in the June 2013 quarter, which was comparable to our March 2013 quarter of 2,080 and both being higher than the previous September 2012 and December 2012 quarters. The rate per loaded mile at $1.588 was up 2.2% from June 2012 quarter and 2.8% from March 2013 quarter. Revenue per week per seated tractor rose from $2,898 in March 2013 to $2,941 in June 2013.

We are pleased with our recent acquisition in Canada of Hyndman, which we believe meaningfully strengthens our Canadian presence and continues to define us as a company that can service all of North America with many different service offerings for our customers.

Further, we believe there continues to be truckload capacity constraints both from an economic and regulatory standpoint. From an economic standpoint, there are higher equipment costs, more challenging financing, and generally higher operating costs, especially for the smaller carriers that don't possess the economies of scale like the larger carriers. From a regulatory standpoint, the government has just mandated another change to the hours of service rules, further enforcement of CSA by both the government and scrutiny by customers for those unsafe carriers, and the eventual required implementation of Electronic Logging Devices.

We believe we have been properly addressing the above issues and have positioned ourselves well for the future.

We are quite pleased and proud of our management strength in this challenging economic environment.

We will now open the conference to questions.