



## **Transcript: Third Quarter FY 2013 Earnings Conference Call**

**April 26, 2013**

**11:00 a.m. ET**

Welcome to our March 2013 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.

Earnings per share declined from 25 cents in March 2012 to 19 cents in March 2013. Historically, the March quarter has always been the most difficult quarter in Celadon's history based on our historical mix of customer freight. In addition, similar to our trucking company peers, we experienced weak and uneven volumes throughout the quarter. The March 2013 quarter was in fact one of the best March quarters in the history of Celadon.

As indicated in our press release, unusually high medical claims cost us 3 cents per share compared with the March 2012 quarter. Further, gains on sales were 6 cents in March 2012, compared with 1 cent in March 2013. These two items explain 8 cents of the earnings decline between March 2012 and March 2013.

Further, the March 2013 quarter was quite challenging, with difficult winter weather, particularly when compared with the March 2012 quarter, and two less work days compared to 2012, due to leap year and the timing of Easter.

Looking at key metrics, we experienced a significant decline in average seated count from 2,851 to 2,624. We have begun to address this issue by initiating a driver training school in Indianapolis in the December 2012 quarter. As a result, we have achieved an increase of over 70 seated trucks since March 31, 2013, and continue to see positive results.

I am confident in our company's future, as I believe we have a lean cost structure, limited capital expenditure requirements due to our newly refreshed fleet of both trucks and trailers and an improving seated count as described in our press release. In addition to our increased seated tractor fleet of over 70 since March 31, 2013, our utilization has improved as our miles per week per truck in the March 2013 quarter was 2,080, up 68 from 2,014 in the December 2012 quarter, and up 29 from 2,051 in the March 2012 quarter.

We will now open the conference to questions