

2005 First Quarter Results Teleconference

The Company held a live conference call discussing 2005 first quarter earnings on Thursday, April 21st.

Randy Marten

Good afternoon. I would like to begin by welcoming everyone to our conference call. Before discussing the quarter, I'll make our forward-looking statements announcement.

This conference call will contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are usually identified by words such as "expect," "anticipate," "project," "intend," "plan," and "believe." Forward-looking statements are based on our current assumptions and expectations and are subject to change, as well as risks and uncertainties that may cause actual results to vary from our expectations. We encourage you to review the risks identified in our filings with the Securities and Exchange Commission.

Our first quarter results reflect solid growth in both revenue and net income. For the quarter, operating revenue was up 21.7%, freight revenue was up 12.2%, and net income was up 76.2% over the 2004 quarter. We continued the strong performance of 2004 due to a good balance between demand and truck capacity. In addition to the information in the press release, there are a few areas that deserve additional comment.

- Our revenue per total mile, excluding fuel surcharges and MW Logistics revenue, was \$1.354, up 7.4% from the first quarter of 2004. Excluding the effect of year-end surge business on our fourth quarter 2004 rates, our first quarter revenue per total mile was essentially flat versus the fourth quarter, which I was happy with given that demand is typically slower in the first quarter.
- Our freight revenue per tractor per week increased 2.5% due to the 7.4% improvement in rates, partially offset by a 4.6% decrease in average miles per tractor. The higher revenue productivity of our tractors helped us overcome a tight driver market and high fuel prices.
- We believe our January 1 and April 1 driver pay increases, as well as our reputation for treating our drivers with respect, contributed to improving our driver turnover rate for the quarter to 59% and maintaining our unseated tractor level consistent with the first quarter of 2004 in a tight driver market.

Despite the continuing challenges of a tight driver market and high fuel prices, our operating ratio improved to 92.0% from 94.6% in the first quarter of 2004.

I'll now turn it over to Darrell for a financial summary of the quarter.

Darrell Rubel

Thanks, Randy. On the expense side, fuel prices remained high at an average of \$1.95 per gallon for the first quarter, versus \$1.49 for the 2004 quarter. We've been fairly successful at collecting our surcharge revenues and hope that the relationships we've built with our customers ensure that we'll be able to collect future surcharges as well.

Salaries, wages and benefits as a percentage of freight revenue increased approximately 80 basis points for the first quarter primarily due to the January 1 driver pay increase along with a higher percentage of company-owned tractors in our fleet.

As a percentage of freight revenue, insurance and claims decreased approximately 60 basis points for the first quarter. We maintained the cost of accident claims and insurance premiums at the 2004 first quarter's level.

At the end of the quarter our balance sheet remained solid. At March 31, our balance sheet reflected approximately \$172.8 million in stockholders' equity and \$36.6 million of borrowed debt, which results in a debt-to-total capitalization ratio of approximately 17.5%. We did not have any material off-balance sheet financing arrangements at March 31, 2005.

We currently anticipate capital expenditures of approximately \$88.0 million in 2005, net of proceeds from sales of used equipment. We spent approximately \$13.0 million of this amount in the first quarter. Capital expenditures in 2005 could be higher depending on the number of tractors we add and the mix of company tractors and independent contractors. Randy will talk in a minute about the impact of our tractor fleet replacement.

Increases in used equipment values caused our gain on disposition to increase to \$879,000 from \$528,000 in the first quarter of 2004.

Randy will now make some concluding remarks.

Randy Marten

Thanks, Darrell. Our expectations for 2005 remain guardedly optimistic given our strategy and position in the marketplace. We are not changing our expectations of fleet growth of 5% to 10% and an operating ratio of between 91.0% and 91.5%.

The decision to accelerate our tractor upgrades was made based upon our performance, the market for used tractors, our liquidity, and desire to be cautious and flexible concerning the need to order tractors with the new 2007 engines. During the quarter we reduced our average tractor age to 1.5 years from 1.7 years in the 2004 quarter. We intend to maintain a very young fleet at least over the next year or two, and we currently have more equipment on order than any other time in the Company's history. With a late-model fleet, we should be well-positioned, if desired, to defer purchases of 2007 models to have greater time to study the expected cost, depreciation, fuel efficiency, maintenance, durability, and performance of the new engines.

That concludes our remarks. We will be happy to accept questions now to clarify anything we have said.