

A Trucker's Wish List for 2011

The 2010 holiday season is history! As our attention turns to the New Year, resolutions and wish lists are being made, revised, and in some cases - already broken! Sometimes it seems as though truckers only wish for two things: 1) a new truck and 2) higher rates. While those two wishes are always welcome, there are several other "needs" that are critical to the long-term viability of the truck transportation industry. Stifel Nicolaus & Company, Inc., the well-known investment firm, created the following truckers wish list which does a great job summarizing the actions that would benefit both the carrier and shipper communities. My comments are in **blue** font. The complete Stifel Nicolaus report with detailed information can be found following my summary.

1. Congress will move away from the demonization of business, in general, and energy consumers, specifically. **I would just like to see a Congress that was more interested in serving the best interests of the people that elected them than they are in serving the interests of their political parties, lobbyists, and pork belly projects! If this would happen, then business and citizens would both prosper.**
2. Shippers will develop an understanding that rates must rise in order for carriers to earn their costs of capital, renew their fleets with equipment satisfying the latest EPA and CARB environmental regulations, invest in state-of-the-art systems, and secure sufficient numbers of CSA 2010 compliant drivers. **The professional, well-informed shippers understand that rates must go up to meet the demands above. These are the shippers who will see trucks loading at their docks every day. Those who do not understand will most likely not see trucks at their facilities.**
3. U.S. energy policy leads to moderate and stable diesel fuel prices. Energy prices have been on the upswing as the global economy has recovered. **Although fuel prices and Shipper Fuel Surcharge Scales are getting very little airtime compared to CSA, HOS, and driver shortages, the well-run carriers are well aware of shipper fuel scales that do not compensate for the cost of fuel and carriers will allocate their equipment accordingly.**
4. The Federal Motor Carrier Safety Administration (FMCSA) implements a set of fair and safe rules that protects all motor vehicle operators but that are not constantly in a state of flux and that don't push the cost of safety to absurdly high levels. **The entire trucking industry supports safety - we just want the rules established and in effect for more than a couple of years before changing. Every rule change costs carriers millions of dollars behind the scenes in revamping lanes, compensation programs, lost productivity, etc.**
5. Congress passes a well-funded surface transportation bill that results in a well-maintained and de-bottlenecked highway system. **As our highways, bridges, and transportation infrastructure continues to be under-funded, under-maintained, and under-expanded - safety concerns and driver frustration continue to rise. With population growth and shifts, the transportation industry is increasingly challenged to provide goods and services in line with demand.**
6. Size and weight laws are rewritten to allow for the operation of heavier trucks and longer-combinations vehicles. **If surface transportation funding does not result in well-maintained and debottlenecked highways, how can the roads safely accommodate heavier trucks and longer combos?**

January 7, 2011

7. Railroads continue to view truckers as partners and not competitors. Rail intermodal has, for many shippers, become a mainstream mode for handling longer haul containerized freight.
8. Lenders allow non-competitive companies to fail. **Lenders have let under-performing carriers continue to operate regardless of missed payments, ill-maintained equipment, etc. These companies need to fail and get out of the business to allow well-run profitable carriers to expand and service the marketplace over the long-term. Perhaps the increasing demand and prices of used equipment will result in lenders repossessing this equipment and foreclosing on non-payers.**
9. Brokers will show some compassion for truckers that are taking the asset ownership risk or will see their margins dramatically squeezed. **As medium and large asset-based carriers' trucks are kept over-booked by direct shippers, brokers will likely have little choice but to use independents and small carriers to move loads. Brokers will be competing for these trucks and will likely be forced to show compassion or not service customers.**
10. Managements stay focused on the blocking and tackling fundamentals within their legacy trucking operations rather than focused on diversification into less asset intensive, less seasonal, less cyclical, less fuel intensive, and less labor intensive niches. **Given the last several years of declining rates, less-than-fair unilateral contract terms, increasing customer demands carriers have been forced to diversify and seek alternative business models with less cost and less risk. Unfortunately, this trend will probably continue as many carriers still carry the sting (and debt) of equipment investment, increasing maintenance and fuel costs, and difficulty to downsize quickly with market changes.**

If you have any questions or need additional information, please don't hesitate to contact me or your Melton Regional Sales Representative.

Best Regards,



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A Trucker's Wish List for 2011

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This year, we have utilized the slower pace of the holiday season to compile a trucker's wish list for the coming year. We suspect that if half, or more, of these wishes are realized, then 2011 will mark the beginning of a much needed trucking industry renaissance—a renaissance that has the potential to more than fully heal the wounds inflicted upon the industry over the past five years or so. Our 10 wishes for 2011 are as follows:

1. Congress will move away from the demonization of business, in general, and energy consumers, specifically.
2. Shippers will develop an understanding that rates must rise in order for carriers to earn their costs of capital, renew their fleets with equipment satisfying the latest EPA and CARB environmental regulations, invest in state-of-the-art systems, and secure sufficient numbers of CSA 2010 compliant drivers.
3. U.S. energy policy leads to moderate and stable diesel fuel prices. Energy prices have been on the upswing as the global economy has recovered.
4. The Federal Motor Carrier Safety Administration (FMCSA) implements a set of fair and safe rules that protects all motor vehicle operators but that are not constantly in a state of flux and that don't push the cost of safety to absurdly high levels.
5. Congress passes a well-funded surface transportation bill that results in a well-maintained and de-bottlenecked highway system.
6. Size and weight laws are rewritten to allow for the operation of heavier trucks and longer-combination vehicles.
7. Railroads continue to view truckers as partners and not competitors. Rail intermodal has, for many shippers, become a mainstream mode for handling longer haul containerized freight.
8. Lenders allow non-competitive companies to fail.
9. Brokers will show some compassion for truckers that are taking the asset ownership risk or will see their margins dramatically squeezed.
10. Managements stay focused on the blocking and tackling fundamentals within their legacy trucking operations rather than focused on diversification into less asset intensive, less seasonal, less cyclical, less fuel intensive, and less labor intensive niches.

Investment Conclusions: We believe we are on the cusp of the best years the trucking industry has seen since deregulation of the industry (which occurred in 1980). The combination of the capacity reductions caused by fleet downsizings and fleet failures over the past five years, along with the additional capacity reductions that are about to be driven by federally mandated safety regulations, will likely combine with accelerating economic recovery to create tightening supply and demand conditions in 2011 and beyond. With these thoughts in mind, we believe that investors will be well served to focus on the following Buy-rated stocks -- all of which are well positioned, in our view, to benefit from the realization of some (or all) of the trucker's wishes chronicled above: Celadon Group (CGI, \$14.79), Werner Enterprises (WERN, \$22.60), Landstar System (LSTR, \$40.94), Universal Truckload Services (UACL, \$15.92), Vitran (VTNC, \$13.12), Saia (SAIA, \$16.59), and Old Dominion Freight Line (ODFL, \$31.99). *Prices are as of 12/31/10 market close.*

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All relevant disclosures and certifications appear on pages 16 - 17 of this report.

Each year-end, holiday season blesses us with some surplus moments, which, if properly harnessed, provide us with the all too infrequent opportunity to contemplate the longer range future, free from the distractions of our hectic, day-to-day lives (in the investment community). This year, we have utilized the slower pace of the holiday season to compile a trucker's wish list for the coming year. We suspect that if half, or more, of these wishes are realized, then 2011 will mark the beginning of a much needed trucking industry renaissance—a renaissance that has the potential to more than fully heal the wounds inflicted upon the industry over the past five years or so. Our 10 wishes for 2011 are as follows:

- 1) **Congress will move away from the demonization of business, in general, and energy consumers, specifically.** With a Republican majority in the House of Representatives, hope springs eternal for fiscal responsibility at the federal level, for fewer onerous anti-business regulations, for a stable (if not greatly simplified) tax code, and perhaps for the total or partial de-funding or repeal of the costly Obamacare bill. With "divided government" now in place, private sector decision makers should be more inclined to hire additional workers and to invest in the capital goods needed to support sustained growth. Already, economists have tweaked their GDP growth forecasts for 2011 to 3% or greater. Many expect manufacturing growth to outstrip overall GDP growth by 100 to 200 basis points. This economic backdrop should generate solid transportation volume growth of 3% or greater against a capacity landscape that is already stretched thin and that will likely be further challenged by a litany of federally mandated safety-oriented rules and regulations (e.g., CSA 2010, Hours-of-Service rule changes, mandatory Electronic On-Board Trip Recorders, etc.) that will almost certainly reduce the size of the truck driver work force and that will almost certainly limit the productivity of the remaining, compliant drivers. Note that volume would likely grow faster than 3%+ if not for product, packaging, and supply chain design innovations that are permanently removing some freight from the nation's freight network.
- 2) **Shippers will develop an understanding that rates must rise in order for carriers to earn their costs of capital, renew their fleets with equipment satisfying the latest EPA and CARB environmental regulations, invest in state-of-the-art systems, and secure sufficient numbers of CSA 2010 compliant drivers.** Shippers that are not developing this level of understanding may be left "high and dry," as carriers will likely shift available capacity to the customers that view carriers as partners. Not only will compensatory rates be required (along with margin neutral fuel surcharges), but so too will a cooperative/collaborative spirit that will allow shippers and carriers to jointly share in the utilization benefits associated with trailer pools, night and weekend pick-up and delivery windows, as well as the sharing of volume forecasts.
- 3) **U.S. energy policy leads to moderate and stable diesel fuel prices. Energy prices have been on the upswing as the global economy has recovered.** Strengthening demand for energy in Asia, the general weakening of the U.S. dollar against most foreign currencies, and overly protective domestic environmental policies (which have prohibited or discouraged domestic energy exploration and development) have contributed to the recent rise in energy prices. A responsible, coherent energy policy is required to help develop additional sources of domestic supply, encourage further energy conservation, and reduce our dependence on foreign sources of oil. Natural gas extracted from the various domestic shale reserves holds great promise for stabilizing energy prices over the longer term. States, such as New York, which inhibit or prohibit the responsible development of natural gas reserves, serve as impediments to a sound national energy policy. Carriers have long struggled to cope with volatile energy prices, while shippers have similarly struggled to budget for volatile fuel surcharges. Stable energy prices would go a long way towards buttressing the financial performance and strength of both carriers and shippers, while freeing-up time for both carriers and shippers to enter into collaborative efforts to further streamline supply chain operations.
- 4) **The Federal Motor Carrier Safety Administration (FMCSA) implements a set of fair and safe rules that protects all motor vehicle operators but that are not constantly in a state of flux and that don't push the cost of safety to absurdly high levels.** One often gets the impression that the highway safety lobby will not be satisfied until there are no highway deaths in the USA. Unfortunately, when millions of vehicle miles are accumulated on highways every year, some severe accidents will occur. The question is - how many of these accidents are preventable through improved driver training, improved equipment specifications, technology applications, improved safety rules and regulations, etc.? The implication is that all attempts at improving highway safety, especially when it comes to heavy truck operations, are always appropriate, irrespective of cost. Simply put, there appears to be no understanding of the law of diminishing returns when it comes to highway safety. Let's hope that the current rules in the FMCSA pipeline will be implemented and remain unchanged over the foreseeable future. Constant uncertainty, endless changes to rules and regulations, and lack of focus on the economic ramifications of these changes creates inefficiency that adversely impacts the global competitiveness of America's broader supply chain.

5) **Congress passes a well-funded surface transportation bill that results in a well-maintained and de-bottlenecked highway system.** President Eisenhower was a visionary. He developed the plan which resulted in the construction of the Interstate Highway System. It is a spectacular grade separated system that, unfortunately, is nearing the end of its design life. And, in many locations, traffic demand exceeds design capacity -- which results in seemingly endless delays to personal and commercial traffic. The operative Surface Transportation Bill expired well over a year ago and has yet to be re-authorized. Congress and the current Administration seem reluctant to identify a source of funding for much needed highway repairs and de-bottlenecking. The American Trucking Associations (the industry's lobbying group) has advocated an increase in the fuel tax to fund a new, up-sized Transportation Authorization Bill. Time will tell if the new Congress will tackle this important new piece of legislation to ensure that the trucking industry can operate efficiently, over the long term, utilizing the world's finest highway network.

6) **Size and weight laws are rewritten to allow for the operation of heavier trucks and longer-combination vehicles.** For the past year, trucks have safely operated with gross vehicle weights in excess of 80,000 pounds (the national standard maximum gross vehicle weight limit) on Interstate Highways in the states of Maine and Vermont. For many years, longer combination vehicles (e.g., double 53's, triple 28's, Rocky Mountain doubles, etc.) have safely operated in certain western states and on numerous eastern toll roads. The prudent federal standardization of heavier allowable truck weights and longer allowable combination vehicles would make more productive use of our scarce driver supply and our capacity constrained highway network. Note: Longer combination vehicles might require the construction of relatively expensive marshalling yards at Interstate Highway System interchanges in order to facilitate the make-up and break-down of longer combination vehicles. Typically, longer combination vehicles cannot be operated, due to geometric constraints found on local roads and streets.

7) **Railroads continue to view truckers as partners and not competitors. Rail intermodal has, for many shippers, become a mainstream mode for handling longer haul containerized freight.** Service levels have improved dramatically as trucking companies have been able to transfer volume from the road to the railroads in high-density, long-haul lanes, thus saving scarce drivers and expensive truck tractors for non-rail compatible lanes. As luck would have it, the vast majority of lanes are non-rail compatible, so truckers are not cannibalizing their future by intermodally cooperating with the railroads. Future additional collaboration with the railroads will enable truckers to continue to meet shippers' needs without sacrificing service at a cost that will enable domestic shippers to enhance their global competitiveness.

8) **Lenders allow non-competitive companies to fail.** Darwinism allows for survival of the fittest carriers and the constant improvements in efficiency that makes our national supply chain competitive on a global scale. When lenders decide to keep otherwise non-competitive companies afloat for years on end, they compress industry margins and suppress the amount of investment that healthier companies can direct towards innovation and efficiency.

9) **Brokers will show some compassion for truckers that are taking the asset ownership risk or will see their margins dramatically squeezed.** Domestic freight brokers have been growing rapidly over the past ten years or so. Barriers to entry are relatively low and financial returns have been impressive for many brokers. Hence, many asset-based carriers have started truck brokerage units while stand alone truck brokers have grown on the wings of their internal cash flow generation or with the assistance of private equity sponsors. With so many brokers arriving on the scene and with so many of the brokerages growing rapidly -- and with small- to medium sized carriers struggling to find credit, CSA 2010 compliant drivers, and compensatory freight -- it appears that we may soon have too many truck brokers and not enough small- to medium-sized carriers to satisfy all the demand that brokers are amalgamating. The enlightened brokers will work with their carriers to enable them to earn a satisfactory return on their investment. Otherwise, the brokers will be at the short-end of the stick when it comes to finding sufficient amounts of capacity for their customers. Either way, carriers should prosper as tightening supply and demand should be good for pricing dynamics, whether the carrier deals directly with the shipper or by way of a third party intermediary (i.e., truck broker).

10) **Managements stay focused on the blocking and tackling fundamentals within their legacy trucking operations rather than focused on diversification into less asset intensive, less seasonal, less cyclical, less fuel intensive, and less labor intensive niches.** Given some carriers' success in diversifying into truck brokerage, intermodal, dedicated services, shorter-haul regional service, warehousing, transportation management, etc. -- the lemming effect seems to have kicked into high gear. Nearly all carriers seem to be diversifying away from the core trucking services that "brought their companies to the dance". The carriers that have "stuck to their core trucking knitting" may ironically be best positioned to have "the last laugh" as we head into 2011 and beyond. As we have said repeatedly, at the end of the day, someone has to own the truck, hire and manage the driver, maintain the truck, dispatch the truck, etc. It is impossible, by definition, for everyone to be a broker -- at least in our view.

Investment Conclusions: We believe we are on the cusp of the best years the trucking industry has seen since deregulation of the industry (which occurred in 1980). The combination of the capacity reductions caused by fleet downsizings and fleet failures over the past five years, along with the additional capacity reductions that are about to be driven by federally mandated safety regulations, will likely combine with accelerating economic recovery to create tightening supply and demand conditions in 2011 and beyond. With these thoughts in mind, we believe that investors will be well served to focus on the following Buy-rated stocks -- all of which are well positioned, in our view, to benefit from the realization of some (or all) of the trucker's wishes chronicled above: Celadon Group (CGI; \$14.79), Werner Enterprises (WERN; \$22.60), Landstar System (LSTR; \$40.94), Universal Truckload Services (UACL; \$15.92), Vitran (VTNC; \$13.12), Saia (SAIA; \$16.59), and Old Dominion Freight Line (ODFL; \$31.99).



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Landstar System Income Statement

(figures in \$ millions, except per share amounts)

	2009											2010				2011												
	1998A	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	1Q4	2Q4	3Q4	4Q4	2009A	1Q4	2Q4	3Q4	4Q4	2010E	1Q4	2Q4	3Q4	4Q4	2011E	2012E	
Transportation Logistics segment revenue	1,259.4	1,362.3	1,394.1	1,369.1	1,479.0	1,568.4	1,989.8	2,486.8	2,479.2	2,450.4	2,606.2	459.9	482.1	491.8	539.1	1,972.9	539.6	633.2	614.3	594.7	2,381.8	586.4	688.4	669.9	644.8	2,589.5	2,810.6	
% change y/y		8.2%	2.3%	-1.8%	8.0%	6.0%	26.9%	25.0%	-0.3%	-1.2%	6.4%	-23.3%	-30.0%	-32.0%	-9.3%	-24.3%	17.3%	31.3%	24.9%	10.3%	20.7%	8.7%	8.7%	9.1%	8.4%	8.7%	8.5%	
Insurance segment revenue	24.2	25.8	24.4	23.7	27.6	28.2	30.2	31.0	34.6	36.9	36.9	9.3	9.1	8.9	8.7	35.9	8.5	8.5	8.6	8.9	34.5	8.6	8.7	8.7	9.1	35.1	36.2	
% change y/y		6.6%	-5.5%	-2.9%	16.6%	2.1%	7.1%	2.9%	11.5%	6.6%	0.0%	0.9%	0.5%	-3.6%	-7.7%	-2.5%	-9.0%	-6.2%	-3.8%	3.0%	-4.1%	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%	
Consolidated operating revenue	1,283.6	1,388.1	1,418.5	1,392.8	1,506.6	1,596.6	2,019.9	2,517.8	2,513.8	2,487.3	2,643.1	469.2	491.2	500.7	547.7	2,008.8	548.1	641.7	622.8	603.6	2,416.3	595.0	697.1	678.6	653.9	2,624.6	2,846.8	
% change y/y		8.1%	2.2%	-1.8%	8.2%	6.0%	26.5%	24.6%	-0.2%	-1.1%	6.3%	-22.9%	-29.6%	-31.7%	-9.3%	-24.0%	16.8%	30.7%	24.4%	10.2%	20.3%	8.6%	8.6%	9.0%	8.3%	8.6%	8.5%	
Investment income	1.7	2.5	4.3	3.6	2.0	1.2	1.3	2.7	4.3	5.3	6.3	0.4	0.3	0.3	0.3	1.3	0.3	0.3	0.5	1.0	2.1	1.0	1.0	1.5	1.5	5.0	5.0	
% change y/y		-48.1%	72.5%	-17.4%	-45.3%	-37.4%	10.3%	100.2%	57.7%	25.8%	-37.6%	-61.2%	-67.7%	-65.9%	-51.9%	-62.0%	-32.9%	15.6%	77.4%	218.5%	63.2%	250.9%	246.0%	203.0%	50.0%	141.7%	0.0%	
Total revenue	1,285.3	1,390.6	1,422.8	1,396.3	1,508.5	1,597.8	2,021.3	2,520.5	2,518.0	2,492.6	2,646.4	469.7	491.4	500.9	548.0	2,010.1	548.4	642.0	623.3	604.6	2,418.3	596.0	698.1	680.1	655.4	2,629.6	2,851.8	
% change y/y		8.2%	2.3%	-1.9%	8.0%	5.9%	26.5%	24.7%	-0.1%	-1.0%	6.2%	-23.0%	-29.6%	-31.7%	-9.3%	-24.0%	16.8%	30.6%	24.4%	10.3%	20.3%	8.7%	8.7%	9.1%	8.4%	8.7%	8.4%	
Operating expenses:																												
Purchased transportation	950.3	1,022.2	1,046.2	1,030.5	1,116.0	1,185.0	1,511.0	1,880.4	1,890.8	1,884.2	2,033.4	351.3	366.6	372.3	413.3	1,503.5	417.2	490.1	474.7	465.5	1,847.5	463.2	538.2	524.1	507.6	2,033.2	2,194.3	
Commissions to agents	101.4	111.7	113.7	110.5	118.9	126.0	161.0	203.7	199.8	200.6	203.1	38.3	39.9	39.5	42.8	160.6	40.4	47.0	47.3	45.4	180.1	45.6	52.7	51.3	49.7	199.2	215.0	
Other operating costs	27.5	30.0	29.6	32.8	34.3	37.7	37.1	36.7	45.7	29.0	28.0	7.5	7.4	6.9	7.4	29.2	7.5	8.0	6.4	6.2	28.2	6.8	7.2	7.0	7.4	28.2	30.5	
Insurance and claims	39.4	34.1	31.9	32.9	42.2	45.7	60.3	50.2	39.5	49.8	36.4	9.0	9.8	10.3	16.9	45.9	12.3	13.8	11.5	9.1	46.7	9.0	10.4	10.1	9.8	39.4	42.5	
Selling, general, and administrative	95.0	99.2	100.5	99.8	101.9	101.7	118.5	134.1	134.2	125.2	137.8	34.4	30.2	33.1	33.9	131.6	36.8	37.0	37.3	35.8	146.9	32.6	35.8	34.8	33.1	136.4	147.2	
Depreciation and amortization	10.2	11.7	13.0	13.5	11.5	12.7	14.0	15.9	16.8	19.1	21.0	5.5	5.7	6.2	6.1	23.5	5.8	6.2	6.5	5.7	24.1	5.6	6.5	5.7	5.5	23.4	25.2	
Non-recurring costs	0.0	0.0	5.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total operating expenses	1,223.8	1,308.9	1,340.2	1,320.0	1,424.8	1,508.8	1,901.9	2,321.0	2,326.8	2,307.9	2,459.6	446.0	459.6	468.3	520.5	1,894.3	520.1	602.0	583.6	567.7	2,273.5	562.8	650.8	633.0	613.1	2,459.7	2,654.6	
Operating ratio (as % of operating revenue)	95.3%	94.3%	94.5%	94.8%	94.6%	94.5%	94.2%	92.2%	92.6%	92.8%	93.1%	95.0%	93.6%	93.5%	95.0%	94.3%	94.9%	93.8%	93.7%	94.1%	94.1%	94.6%	93.4%	93.3%	93.8%	93.7%	93.2%	
Operating ratio (excluding purchased transportation)	82.1%	78.4%	79.0%	79.9%	79.1%	78.7%	76.8%	69.1%	70.3%	69.9%	80.2%	74.7%	74.8%	79.7%	77.3%	78.6%	78.6%	73.8%	73.5%	74.0%	74.9%	75.6%	70.9%	70.5%	72.1%	72.1%	70.5%	
Operating ratio by segment																												
Transportation Logistics	96.8%	96.1%	95.9%	96.7%	96.0%	95.8%	94.7%	93.0%	93.9%	94.0%	94.3%	96.7%	95.6%	94.8%	95.2%	95.5%	95.8%	94.5%	94.9%	94.9%	95.0%	95.4%	94.1%	94.1%	94.5%	94.5%	94.5%	94.0%
Insurance	58.2%	45.8%	51.7%	43.8%	61.7%	65.7%	79.9%	70.1%	49.2%	52.3%	43.2%	44.7%	55.9%	53.7%	89.1%	60.3%	60.7%	72.0%	68.0%	69.5%	68.0%	64.0%	66.0%	62.0%	70.0%	65.7%	65.8%	
EBIT	61.5	81.7	82.6	76.4	83.7	88.9	119.4	199.5	191.2	184.7	186.8	23.7	31.8	32.7	27.6	115.7	28.3	40.0	39.7	36.9	144.9	33.2	47.3	47.1	42.3	169.9	197.2	
% margin	4.8%	5.9%	5.8%	5.5%	5.6%	5.6%	5.9%	7.9%	7.6%	7.4%	7.1%	5.1%	6.5%	6.5%	5.0%	5.8%	5.2%	6.2%	6.4%	6.1%	6.0%	5.6%	6.8%	6.9%	6.5%	6.5%	6.9%	
EBITDA	71.6	93.4	95.6	89.9	95.2	101.7	133.4	215.4	208.0	203.8	207.8	29.2	37.5	38.9	33.7	139.3	34.1	46.2	46.1	42.6	169.0	38.8	53.8	52.8	47.8	193.3	222.4	
% margin	5.6%	6.7%	6.7%	6.5%	6.3%	6.4%	6.6%	8.6%	8.3%	8.2%	7.9%	6.2%	7.6%	7.8%	6.1%	6.9%	6.2%	7.2%	7.4%	7.1%	7.0%	6.5%	7.7%	7.8%	7.3%	7.4%	7.8%	
Interest income (expense), net	(3.5)	(4.5)	(9.1)	(6.8)	(4.3)	(3.2)	(3.0)	(4.7)	(6.8)	(6.7)	(7.4)	(1.2)	(1.0)	(1.0)	(0.9)	(4.0)	(0.9)	(0.8)	(1.0)	(0.9)	(3.6)	(1.0)	(1.0)	(1.0)	(1.0)	(3.9)	(3.9)	
Other income (expense), net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Profit before tax	58.0	77.2	73.5	69.6	79.4	85.7	116.4	194.7	184.4	178.0	179.5	22.6	30.8	31.7	26.6	111.7	27.4	39.2	38.7	36.0	141.3	32.2	46.3	46.2	41.3	166.0	193.3	
% margin	4.5%	5.6%	5.2%	5.0%	5.3%	5.4%	5.8%	7.7%	7.3%	7.2%	6.8%	4.8%	6.3%	6.3%	4.9%	5.6%	5.0%	6.1%	6.2%	6.0%	5.8%	5.4%	6.6%	6.8%	6.3%	6.3%	6.8%	
Tax rate	40.5%	40.5%	38.5%	38.5%	38.0%	37.8%	38.3%	38.4%	38.7%	38.4%	38.2%	38.4%	38.0%	37.4%	31.1%	36.3%	38.2%	38.2%	37.9%	38.5%	38.2%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	
Income before minority interest	34.5	45.9	45.2	42.8	49.2	53.3	71.9	120.0	113.1	109.7	110.9	13.9	19.1	19.9	18.3	71.2	17.0	24.2	24.0	22.1	87.3	19.8	28.5	28.4	25.4	102.1	118.9	
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.4	0.2	0.2	0.3	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	
Net income (loss) from continuing operations	34.5	45.9	45.2	42.8	49.2	53.3	71.9	120.0	113.1	109.7	110.9	13.9	19.1	20.1	18.6	71.2	17.2	24.4	24.3	22.1	87.3	19.8	28.5	28.4	25.4	102.1	118.9	
Extraordinary item (net of tax)	(22.6)	0.0	3.2	0.0	0.0	(2.7)	0.0	0.0	0.0	0.0	0.0	0.0	(1.2)	(0.2)	(0.2)	(1.7)	(0.2)	(0.2)	(2.7)	0.0	(3.2)	0.0	0.0	0.0	0.0	0.0	0.0	
Net income	11.9	45.9	48.4	42.8	49.2	50.7	71.9	120.0	113.1	109.7	110.9	13.9	17.9	19.9	18.3	69.5	17.0	24.2	21.5	22.1	84.1	19.8	28.5					



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Old Dominion Freight Line Income Statement

(figures in \$ millions, except per share amounts)

	2009												2010				2011											
	1997A	1998A	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	1Q	2Q	3Q	4Q	2009A	1Q	2Q	3Q	4Q	2010E	1QE	2QE	3QE	4QE	2011E	2012E
Gross revenues	328.8	383.1	426.4	475.8	502.2	566.5	667.5	824.1	1,061.4	1,279.4	1,399.5	1,537.7	295.1	316.2	322.8	310.9	1,245.0	317.8	368.3	396.0	384.0	1,466.0	375.0	408.8	431.6	418.6	1,633.9	1,781.0
% change y/y		16.5%	11.3%	11.6%	5.6%	12.8%	17.8%	23.4%	28.8%	20.5%	9.4%	9.9%	-19.8%	-24.3%	-22.4%	-7.4%	-19.0%	7.7%	16.5%	22.7%	23.5%	17.8%	18.0%	11.0%	9.0%	9.0%	11.5%	9.0%
Operating expenses:																												
Salaries, wages, and benefits	193.5	229.2	258.9	283.1	306.4	340.8	396.5	468.8	585.9	682.9	751.4	804.6	176.7	181.3	183.8	177.0	718.7	180.8	196.3	213.4	208.3	798.7	208.6	218.2	231.7	225.4	883.9	955.7
Purchased transportation	15.5	15.7	14.5	19.5	18.6	18.9	21.4	29.4	35.0	43.9	43.9	43.0	8.0	8.7	9.3	7.8	33.8	9.2	12.6	15.0	13.8	50.6	11.0	11.5	12.9	13.4	48.7	51.3
Operating supplies and expenses	30.3	31.5	36.7	50.1	50.8	56.3	72.1	100.7	158.0	204.4	238.9	305.2	40.6	43.8	48.0	48.9	181.3	52.7	59.6	62.7	62.8	237.8	60.4	65.3	68.4	66.8	260.9	280.0
Depreciation and amortization	17.2	21.9	25.3	27.0	29.9	31.1	38.2	44.8	55.9	67.6	79.9	87.1	23.0	23.9	24.0	23.8	94.8	21.6	19.6	19.4	20.0	80.5	22.6	21.5	22.0	22.3	88.5	95.4
Building and office equipment rents	6.9	7.3	7.3	7.2	7.5	7.4	7.4	7.5	9.5	11.1	11.9	14.6	3.4	3.4	3.4	3.4	13.6	3.5	4.2	3.7	3.4	14.8	3.4	3.6	3.8	3.7	14.5	15.7
Operating taxes and licenses	14.0	16.8	17.7	18.8	20.5	22.7	26.6	31.3	39.0	46.7	50.9	52.6	11.9	12.5	12.4	13.3	50.2	13.0	13.7	14.4	13.8	54.9	13.7	14.4	15.2	14.9	58.1	62.6
Insurance and claims	10.0	12.3	10.2	12.5	13.2	16.3	17.6	25.1	28.1	33.1	33.3	34.9	6.9	5.7	6.2	4.3	23.1	5.4	6.2	7.2	6.9	25.7	6.9	7.2	7.6	7.4	29.1	31.3
Communication and utilities	6.2	7.0	7.5	8.5	9.6	10.2	10.5	11.5	12.6	14.3	15.0	15.3	4.0	3.6	3.7	3.4	14.6	3.8	3.7	3.8	3.8	15.1	3.8	3.9	4.2	4.1	16.0	17.2
General supplies and expenses	12.0	15.0	15.9	18.5	17.5	20.8	23.0	27.5	31.9	37.5	40.1	44.7	9.3	9.1	9.6	8.3	36.4	10.0	10.4	11.1	10.3	41.9	11.0	11.5	12.2	11.5	46.1	48.9
Miscellaneous expenses, net ⁽¹⁾	3.3	3.9	4.3	3.8	6.3	5.6	3.0	5.8	7.9	7.4	6.4	6.7	1.3	2.7	2.5	1.7	8.2	1.5	2.1	1.8	1.7	7.1	1.7	1.8	1.9	1.9	7.3	7.8
Total operating expenses	308.8	360.5	398.3	449.1	480.3	530.2	616.3	752.4	963.8	1,148.9	1,271.6	1,408.7	285.1	294.7	302.8	292.0	1,174.6	301.4	328.2	352.6	344.8	1,327.1	343.1	358.9	379.8	371.3	1,453.1	1,566.1
Operating ratio	93.9%	94.1%	93.4%	94.4%	95.6%	93.6%	92.3%	91.3%	90.8%	89.8%	90.9%	91.6%	96.6%	93.2%	93.8%	93.9%	94.3%	94.8%	89.1%	89.0%	89.8%	90.5%	91.5%	87.8%	88.0%	88.7%	88.9%	87.9%
EBIT	20.0	22.6	28.1	26.8	21.9	36.3	51.2	71.6	97.6	130.5	127.9	129.1	10.1	21.5	20.0	18.9	70.4	16.4	40.0	43.4	39.2	138.9	31.9	49.9	51.8	47.3	180.8	214.9
% margin	6.1%	5.9%	6.6%	5.6%	4.4%	6.4%	7.7%	8.7%	9.2%	10.2%	9.1%	8.4%	3.4%	6.8%	6.2%	6.1%	5.7%	5.2%	10.9%	11.0%	10.2%	9.5%	8.5%	12.2%	12.0%	11.3%	11.1%	12.1%
EBITDA	37.2	44.5	53.4	53.8	51.8	67.4	89.4	116.4	153.5	198.1	207.8	216.2	33.1	45.4	44.0	42.7	165.2	37.9	59.6	62.8	59.2	219.4	54.5	71.4	73.8	69.6	269.3	310.3
% margin	11.3%	11.6%	12.5%	11.3%	10.3%	11.9%	13.4%	14.1%	14.5%	15.5%	14.8%	14.1%	11.2%	14.4%	13.6%	13.7%	13.3%	11.9%	16.2%	15.9%	15.4%	15.0%	14.5%	17.5%	17.1%	16.6%	16.5%	17.4%
Interest (expense), net	(3.5)	(4.3)	(4.1)	(4.4)	(5.9)	(5.7)	(6.1)	(5.3)	(6.5)	(10.2)	(13.0)	(13.0)	(3.2)	(3.3)	(3.1)	(3.3)	(13.0)	(3.5)	(3.1)	(2.9)	(3.0)	(12.5)	(3.1)	(3.3)	(3.3)	(3.6)	(13.3)	(12.8)
Other income (expense), net	(0.3)	(0.3)	(0.5)	0.1	0.7	(0.3)	0.2	(0.7)	(0.8)	(0.9)	(1.2)	(3.4)	(0.3)	(0.3)	0.4	(0.1)	(0.2)	(0.1)	(1.0)	0.2	0.0	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax	16.2	17.9	23.5	22.5	16.7	30.3	45.3	65.6	90.3	119.3	113.8	112.7	6.5	17.9	17.2	15.5	57.2	12.8	35.9	40.6	36.2	125.5	28.7	46.6	48.4	43.7	167.5	202.1
% margin	4.9%	4.7%	5.5%	4.7%	3.3%	5.3%	6.8%	8.0%	8.5%	9.3%	8.1%	7.3%	2.2%	5.7%	5.3%	5.0%	4.6%	4.0%	9.7%	10.3%	9.4%	8.6%	7.7%	11.4%	11.2%	10.4%	10.3%	11.3%
Tax rate	38.0%	38.0%	38.6%	39.0%	39.0%	39.0%	39.1%	39.6%	40.3%	39.2%	37.9%	39.0%	39.3%	40.1%	39.1%	37.5%	39.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Net income (loss) from continuing operations	10.0	11.1	14.4	13.7	10.2	18.5	27.6	39.6	53.9	72.6	70.6	68.7	4.0	10.7	10.5	9.7	34.9	7.7	21.5	24.4	21.7	75.3	17.2	27.9	29.1	26.2	100.5	121.2
Extraordinary item (net of tax) ⁽¹⁾	0.0	0.0	0.0	0.0	1.7	0.0	0.0	(0.6)	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	10.0	11.1	14.4	13.7	11.9	18.5	27.6	39.0	53.9	72.6	71.8	68.7	4.0	10.7	10.5	9.7	34.9	7.7	21.5	24.4	21.7	75.3	17.2	27.9	29.1	26.2	100.5	121.2
% margin	3.1%	2.9%	3.4%	2.9%	2.4%	3.3%	4.1%	4.7%	5.1%	5.7%	5.1%	4.5%	1.3%	3.4%	3.3%	3.1%	2.8%	2.4%	5.8%	6.2%	5.7%	5.1%	4.6%	6.8%	6.7%	6.3%	6.2%	6.8%
Average shares outstanding - diluted ⁽²⁾	42.1	42.1	42.1	42.1	42.1	43.8	54.2	55.0	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9
EPS - diluted (continuing operations)	\$0.24	\$0.26	\$0.34	\$0.33	\$0.24	\$0.42	\$0.51	\$0.72	\$0.96	\$1.30	\$1.26	\$1.23	\$0.07	\$0.19	\$0.19	\$0.17	\$0.62	\$0.14	\$0.38	\$0.44	\$0.39	\$1.35	\$0.31	\$0.50	\$0.52	\$0.47	\$1.80	\$2.17
% change y/y		10.8%	29.6%	-4.9%	-25.6%	74.2%	20.7%	41.5%	33.8%	34.7%	-2.7%	-2.8%	-61.8%	-55.1%	-55.1%	-12.4%	-49.2%	93.8%	100.6%	132.3%	124.4%	116.0%	123.9%	29.9%	19.2%	20.8%	33.4%	20.6%
EPS - diluted	\$0.24	\$0.26	\$0.34	\$0.33	\$0.28	\$0.42	\$0.51	\$0.71	\$0.96	\$1.30	\$1.28	\$1.23	\$0.07	\$0.19	\$0.19	\$0.17	\$0.62	\$0.14	\$0.38	\$0.44	\$0.39	\$1.35	\$0.31	\$0.50	\$0.52	\$0.47	\$1.80	\$2.17
% change y/y		10.8%	29.6%	-4.9%	-13.1%	49.2%	20.7%	39.4%	35.8%	34.7%	-1.0%	-4.4%	-61.8%	-55.1%	-55.1%	-12.4%	-49.2%	93.8%	100.6%	132.3%	124.4%	116.0%	123.9%	29.9%	19.2%	20.8%	33.4%	20.6%

(1) 4Q01 and 2001 operating and net income exclude sale and disposition of operating and nonoperating properties for a net aftertax gain of \$1.7 million (\$2.8 million pretax), or \$0.06 per diluted share
(2) Shares adjusted for 3:2 stock split effective June 4, 2003, a 3:2 stock split effective May 20, 2004, a 3:2 stock split effective November 30, 2005, and a 3:2 stock split effective August 23, 2010
(3) 4Q03 and 2003 include a \$1.5 million reduction in revenue offset by a one-time reduction in operating expenses due to an accounting adjustment
(4) 4Q04 and 2004 exclude a \$0.02 per diluted share negative impact (estimated \$1 million pretax) of an unfavorable jury verdict against the company in a personal injury case
(5) 3Q05 includes an estimated \$0.02 per diluted share negative impact due to Hurricanes Katrina and Rita, which implies a normalized 3Q05 operating ratio of 89.0% and normalized 3Q05 EPS of \$0.45 per share
(6) 2Q07 excludes an estimated \$0.03 per share benefit from the final resolution of a customer pricing issue from a prior period
Source: Company data and Stifel Nicolaus estimates



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Saia, Inc. Income Statement

(figures in \$ millions, except per share amounts)

	2009						2010				2011											
	2003A	2004A	2005A	2006A	2007A	2008A	1QA	2QA	3QA	4QA	2009A	1QA	2QA	3QA	4QE	2010E	1QE	2QE	3QE	4QE	2011E	2012E
Gross revenues	520.7	645.4	754.0	874.7	976.1	1,030.4	206.1	218.4	222.2	202.4	849.1	212.2	231.3	234.7	222.6	900.9	229.2	246.4	249.9	237.1	962.6	1,030.0
% change y/y	6.3%	24.0%	16.8%	16.0%	11.6%	5.6%	-17.3%	-20.9%	-19.0%	-12.3%	-17.6%	3.0%	5.9%	5.6%	10.0%	6.1%	8.0%	6.5%	6.5%	6.5%	6.9%	7.0%
Operating expenses:																						
Salaries, wages, and employees' benefits	303.8	367.5	413.7	474.0	524.6	537.9	127.6	125.7	118.1	115.1	486.5	117.5	121.4	123.3	123.9	486.1	131.8	135.5	136.5	130.5	534.3	563.6
Purchased transportation	46.6	56.8	62.6	70.0	76.1	78.5	13.9	17.5	18.0	15.4	64.7	17.4	22.0	21.6	17.4	78.5	16.9	18.8	19.1	18.2	73.1	77.0
Fuel, operating expenses and supplies	88.1	119.2	155.2	188.6	227.2	279.8	45.5	47.7	52.3	51.5	197.1	55.9	58.4	59.0	52.3	225.5	50.8	55.2	57.3	54.7	218.0	228.6
Operating taxes and licenses	18.4	22.7	25.9	28.9	34.5	35.4	9.0	8.9	8.9	8.7	35.5	9.2	9.2	9.3	8.7	36.4	8.6	8.9	9.1	8.7	35.2	36.2
Claims and insurance	17.9	19.9	25.0	28.1	36.8	32.9	7.6	9.1	7.3	5.8	29.8	5.1	5.4	6.0	6.5	23.0	7.9	6.8	6.9	6.6	28.2	30.2
Depreciation and amortization	24.0	27.9	28.8	32.6	38.7	40.9	10.0	10.0	9.8	9.5	39.3	9.3	9.2	8.9	8.7	36.2	9.7	9.9	10.0	9.6	39.2	42.5
Operating (gains) and losses	(0.3)	(1.0)	(7.6)	(1.4)	(2.3)	(0.4)	(0.1)	(0.0)	0.0	(0.0)	(0.1)	(0.1)	(0.2)	(0.0)	0.0	(0.2)	0.0	(0.2)	(0.2)	(0.2)	(0.7)	(0.7)
Restructuring charges, net	0.0	0.0	0.0	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Integration charges, net	0.0	2.1	0.0	1.5	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	498.4	615.0	703.6	824.7	937.9	1,004.8	213.6	218.8	214.5	206.0	852.8	214.3	225.5	228.1	217.5	885.5	225.8	234.8	238.7	228.1	927.3	977.3
Operating ratio	95.7%	95.3%	93.3%	94.3%	96.1%	97.5%	103.6%	100.2%	96.5%	101.8%	100.4%	101.0%	97.5%	97.2%	97.7%	98.3%	98.5%	95.3%	95.5%	96.2%	96.3%	94.9%
Operating ratio - adjusted	95.7%	95.0%	94.2%	93.8%	95.8%	97.5%	103.6%	100.2%	100.3%	103.7%	100.4%	101.0%	97.5%	97.2%	97.7%	98.3%	98.5%	95.3%	95.5%	96.2%	96.3%	94.9%
EBIT	22.3	30.3	50.4	50.0	38.2	25.7	(7.5)	(0.4)	7.8	(3.6)	(3.7)	(2.1)	5.9	6.5	5.1	15.4	3.4	11.6	11.2	9.0	35.3	52.7
% margin	4.3%	4.7%	6.7%	5.7%	3.9%	2.5%	-3.6%	-0.2%	3.5%	-1.8%	-0.4%	-1.0%	2.5%	2.8%	2.3%	1.7%	1.5%	4.7%	4.5%	3.8%	3.7%	5.1%
EBIT - adjusted	22.3	32.4	43.4	54.1	40.6	25.7	(7.5)	(0.4)	7.8	(3.6)	(3.7)	(2.1)	5.9	6.5	5.1	15.4	3.4	11.6	11.2	9.0	35.3	52.7
% margin - adjusted	4.3%	5.0%	5.8%	6.2%	4.2%	2.5%	-3.6%	-0.2%	3.5%	-1.8%	-0.4%	-1.0%	2.5%	2.8%	2.3%	1.7%	1.5%	4.7%	4.5%	3.8%	3.7%	5.1%
EBITDA	46.2	58.2	79.3	82.5	76.9	66.6	2.6	9.6	17.5	5.9	35.7	7.2	15.1	15.5	13.8	51.6	13.1	21.4	21.3	18.6	74.4	95.2
% margin	8.9%	9.0%	10.5%	9.4%	7.9%	6.5%	1.3%	4.4%	7.9%	2.9%	4.2%	3.4%	6.5%	6.6%	6.2%	5.7%	5.7%	8.7%	8.5%	7.8%	7.7%	9.2%
EBITDA - adjusted	46.2	60.3	72.2	86.6	79.3	66.6	2.6	9.6	17.5	5.9	35.7	7.2	15.1	15.5	13.8	51.6	13.1	21.4	21.3	18.6	74.4	95.2
% margin - adjusted	8.9%	9.3%	9.6%	9.9%	8.1%	6.5%	1.3%	4.4%	7.9%	2.9%	4.2%	3.4%	6.5%	6.6%	6.2%	5.7%	5.7%	8.7%	8.5%	7.8%	7.7%	9.2%
Interest (expense), net	9.5	9.7	9.8	9.3	10.1	12.4	2.8	2.5	3.1	3.8	12.2	3.1	2.7	2.5	2.7	10.9	2.3	2.3	2.2	2.1	8.9	7.5
Other income (expense), net	(0.4)	(0.2)	(0.3)	(1.3)	(0.4)	0.4	0.0	(0.1)	(0.1)	(0.0)	(0.2)	(0.3)	0.1	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)
Profit before tax	13.2	20.8	41.0	42.0	28.4	12.8	(10.3)	(2.8)	4.8	(7.3)	(15.6)	(4.9)	3.1	4.2	2.5	4.9	1.2	9.4	9.1	7.0	26.7	45.5
% margin	2.5%	3.2%	5.4%	4.8%	2.9%	1.2%	-5.0%	-1.3%	2.2%	-3.6%	-1.8%	-2.3%	1.4%	1.8%	1.1%	0.5%	0.5%	3.8%	3.7%	2.9%	2.8%	4.4%
Tax rate	40.6%	36.6%	38.6%	38.4%	39.8%	34.2%	38.8%	38.4%	31.5%	41.5%	42.2%	34.0%	36.7%	40.2%	32.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Net income from continuing operations	7.8	13.2	25.2	25.9	17.1	8.4	(6.3)	(1.7)	3.3	(4.3)	(9.0)	(3.2)	2.0	2.5	1.7	2.9	0.7	5.6	5.5	4.2	16.0	27.3
Extraordinary item (net of tax)	0.0	1.3	(4.4)	2.5	0.9	0.0	0.0	0.0	(5.1)	(2.3)	(7.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income from continuing operations - adjusted	7.8	14.5	20.7	28.4	18.0	8.4	(6.3)	(1.7)	(1.8)	(6.6)	(16.4)	(3.2)	2.0	2.5	1.7	2.9	0.7	5.6	5.5	4.2	16.0	27.3
% margin	1.5%	2.3%	2.7%	3.2%	1.8%	0.8%	-3.1%	-0.8%	-0.8%	-3.2%	-1.9%	-1.5%	0.9%	1.1%	0.8%	0.3%	0.3%	2.3%	2.2%	1.8%	1.7%	2.6%
Net income (loss) from discontinued operations	7.1	6.0	2.3	(46.6)	0.0	(1.0)	0.0	0.0	0.0	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average shares outstanding - diluted	15.1	15.3	15.0	14.8	14.0	13.6	13.3	13.3	13.9	14.0	13.4	15.7	16.1	16.1	16.1	16.0	16.1	16.1	16.1	16.1	16.1	16.1
EPS - diluted (continuing operations)	\$0.52	\$0.86	\$1.67	\$1.74	\$1.22	\$0.62	(\$0.47)	(\$0.13)	\$0.24	(\$0.31)	(\$0.67)	(\$0.21)	\$0.12	\$0.16	\$0.11	\$0.18	\$0.04	\$0.35	\$0.34	\$0.26	\$1.00	\$1.69
% change y/y		66.9%	93.6%	4.3%	-30.2%	-49.2%	NM	NM	NM	NM	NM	NM	NM	-34.7%	NM	NM	NM	NM	120.0%	NM	NM	70.1%
EPS - diluted (continuing operations) - adjusted	\$0.52	\$0.95	\$1.38	\$1.91	\$1.28	\$0.62	(\$0.47)	(\$0.13)	(\$0.13)	(\$0.47)	(\$1.22)	(\$0.21)	\$0.12	\$0.16	\$0.11	\$0.18	\$0.04	\$0.35	\$0.34	\$0.26	\$1.00	\$1.69
% change y/y		83.3%	45.1%	38.8%	-32.8%	-51.9%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	120.0%	NM	NM	70.1%

Periods 2003-2006 have been restated to reflect results from continuing operations, reflecting June 30, 2006 sale of Jevic Transportation, Inc. to Sun Capital Partners

Adjusted operating ratio and margins exclude integration, restructuring and other nonrecurring operating expenses.

- (1) 2004 adjusted EPS excludes \$2.1 million of pretax integration costs associated with the company's acquisition of Clark Brothers Transfer, Inc., consisting mainly of employee retention and stay bonuses, communications, re-logoing the fleet of Clark Bros., and technology integration.
- (2) 4Q05 adjusted EPS excludes \$7.0 million pretax gain on sale of real estate (\$4.4 million after-tax), or \$0.30 per diluted share
- (3) 2Q06 adjusted EPS excludes \$1.7 million of pretax restructuring charges associated with the consolidation and relocation of the company's headquarters to Duluth, GA
- (4) 3Q06 adjusted EPS excludes \$0.4 million of pretax restructuring charges associated with the consolidation and relocation of the company's headquarters to Duluth, GA
- (5) 4Q06 adjusted EPS excludes \$0.5 million of pretax restructuring charges associated with the consolidation and relocation of the company's headquarters to Duluth, GA and \$1.5 million of integration charges associated with the acquisition of The Connection Company
- (6) 1Q07 adjusted EPS excludes \$2.4 million of pretax integration charges associated with the acquisition of The Connection Company (\$1.5 million) and Madison Freight Systems (\$0.9 million)
- (7) 3Q07 adjusted EPS excludes \$1.7 million pretax gain on sale (\$1.0 million after-tax), or \$0.07 per diluted share
- (8) 4Q07 adjusted EPS excludes \$0.8 million pretax charge (\$0.5 million after-tax), or \$0.04 per diluted share, related to the settlement of an employment-related matter
- (9) 2Q08 adjusted EPS excludes \$1.3 million tax benefit from recognition of alternative fuel tax credit related to prior periods
- (10) 3Q09 adjusted EPS excludes \$8.4 million benefit from change in vacation policy
- (11) 4Q09 adjusted EPS excludes an estimated \$3 million benefit from change in vacation policy

Source: Company data and Stifel Nicolaus estimates. Some calculations may vary due to rounding



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Universal Truckload Services Income Statement

(figures in \$ millions, except per share amounts)

											2009				2010				2011								
	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	1Q	2Q	3Q	4Q	2009A	1Q	2Q	3Q	4Q	2010E	1Q	2Q	3Q	4Q	2011E	2012E	
REVENUE																											
Truckload					205.8	249.1	332.2	375.2	402.1	438.2	68.7	75.1	81.8	88.0	313.6	86.2	97.1	95.0	101.1	379.4	96.6	108.7	105.4	111.3	421.9	467.3	
% change y/y					NA	21.0%	33.3%	12.9%	7.2%	9.0%	-30.8%	-36.9%	-32.9%	-10.2%	-28.4%	25.5%	29.3%	16.1%	15.0%	21.0%	12.0%	12.0%	11.0%	10.0%	11.2%	10.7%	
Brokerage					43.0	77.7	147.1	170.6	171.8	208.3	27.8	26.1	27.9	31.1	112.9	32.4	34.8	39.2	36.7	143.0	36.6	39.1	42.7	39.8	158.2	170.7	
% change y/y					NA	80.8%	89.3%	15.9%	0.7%	21.2%	-37.0%	-47.6%	-53.6%	-42.6%	-45.8%	16.7%	33.1%	40.2%	18.0%	26.7%	13.0%	12.5%	9.0%	8.5%	10.6%	7.9%	
Intermodal					28.9	35.2	52.0	95.9	106.5	113.0	18.6	18.7	18.7	20.8	76.7	20.4	22.5	22.3	23.9	89.1	23.3	25.5	23.5	25.0	97.3	104.6	
% change y/y					NA	21.8%	47.9%	84.2%	11.1%	6.2%	-30.8%	-38.9%	-39.3%	-16.4%	-32.1%	10.1%	20.2%	19.4%	15.0%	16.2%	14.0%	13.5%	5.5%	4.5%	9.2%	7.5%	
Total operating revenue	144.5	163.9	213.3	252.8	277.7	362.0	531.3	641.6	680.4	759.5	115.0	119.9	128.5	139.8	503.2	139.0	154.3	156.5	161.8	611.6	156.5	173.3	171.7	176.1	677.5	742.6	
% change y/y	NM	13.4%	30.1%	18.5%	9.8%	30.4%	46.8%	20.8%	6.0%	11.6%	-32.4%	-39.9%	-39.7%	-21.0%	-33.7%	20.9%	28.7%	21.8%	15.7%	21.5%	12.5%	12.3%	9.7%	8.8%	10.8%	9.6%	
PRO FORMA REVENUE ⁽¹⁾																											
Truckload					260.8	288.3	332.2	375.2	402.1	438.2	68.7	75.1	81.8	88.0	313.6	86.2	97.1	95.0	101.1	379.4	96.6	108.7	105.4	111.3	421.9	467.3	
% change y/y					NA	10.6%	15.2%	12.9%	7.2%	9.0%	-30.8%	-36.9%	-32.9%	-10.2%	-28.4%	25.5%	29.3%	16.1%	15.0%	21.0%	12.0%	12.0%	11.0%	10.0%	11.2%	10.7%	
Brokerage					82.3	112.8	147.1	170.6	171.8	208.3	27.8	26.1	27.9	31.1	112.9	32.4	34.8	39.2	36.7	143.0	36.6	39.1	42.7	39.8	158.2	170.7	
% change y/y					NA	37.1%	30.4%	15.9%	0.7%	21.2%	-37.0%	-47.6%	-53.6%	-42.6%	-45.8%	16.7%	33.1%	40.2%	18.0%	26.7%	13.0%	12.5%	9.0%	8.5%	10.6%	7.9%	
Intermodal					28.9	35.2	52.0	95.9	106.5	113.0	18.6	18.7	18.7	20.8	76.7	20.4	22.5	22.3	23.9	89.1	23.3	25.5	23.5	25.0	97.3	104.6	
% change y/y					NA	21.8%	47.9%	84.2%	11.1%	6.2%	-30.8%	-38.9%	-39.3%	-16.4%	-32.1%	10.1%	20.2%	19.4%	15.0%	16.2%	14.0%	13.5%	5.5%	4.5%	9.2%	7.5%	
Total pro forma operating revenue	144.5	163.9	213.3	252.8	371.9	436.3	531.3	641.6	680.4	759.5	115.0	119.9	128.5	139.8	503.2	139.0	154.3	156.5	161.8	611.6	156.5	173.3	171.7	176.1	677.5	742.6	
% change y/y	NM	13.4%	30.1%	18.5%	47.1%	17.3%	21.8%	20.8%	6.0%	11.6%	-32.4%	-39.9%	-39.7%	-21.0%	-33.7%	20.9%	28.7%	21.8%	15.7%	21.5%	12.5%	12.3%	9.7%	8.8%	10.8%	9.6%	
OPERATING EXPENSES																											
Purchased transportation	107.4	122.0	158.2	186.8	205.9	269.7	406.4	491.8	520.1	593.0	86.1	88.9	96.9	106.1	378.0	105.4	116.9	119.3	123.7	465.4	121.6	129.8	128.3	133.0	512.7	557.8	
Commissions to agents	9.6	10.6	14.9	20.2	22.2	27.4	34.7	40.4	45.1	47.3	7.6	8.1	8.7	9.6	34.0	9.0	9.9	10.1	10.7	39.6	10.3	11.5	11.3	11.5	44.7	48.6	
Other operating costs	1.3	1.5	2.8	3.4	3.1	5.3	6.6	8.6	9.4	9.5	2.4	2.1	2.4	3.4	10.3	3.4	3.8	3.0	3.1	13.4	2.0	3.3	3.3	3.4	12.0	13.1	
Insurance and claims	4.2	18.8	23.8	6.2	7.0	9.6	14.3	15.8	20.5	21.4	3.8	5.2	4.1	4.2	17.3	4.3	3.8	4.7	4.7	17.6	4.9	5.0	4.9	5.1	19.9	21.7	
Selling, general, and administrative	15.1	4.6	4.9	21.6	22.6	27.6	37.4	46.1	48.4	52.0	11.8	10.6	10.9	10.9	44.2	12.8	13.1	11.9	12.6	50.3	13.0	15.1	14.1	13.5	55.8	60.7	
Depreciation and amortization	0.1	0.1	0.3	2.4	2.9	3.9	4.3	5.7	8.2	9.6	2.6	2.6	2.6	2.6	10.4	2.7	2.7	2.8	2.4	10.5	1.5	2.5	2.5	2.5	9.0	9.8	
Total operating expenses	137.7	157.6	204.9	240.6	263.6	343.5	503.7	608.5	651.6	732.9	114.3	117.5	125.6	136.8	494.2	137.6	150.2	151.8	157.2	596.8	153.3	167.3	164.5	169.0	654.1	711.7	
Operating ratio (as % of operating revenue)	95.2%	96.1%	96.1%	95.2%	94.9%	94.9%	94.8%	94.8%	95.8%	96.5%	99.3%	98.0%	97.8%	97.8%	98.2%	98.9%	97.4%	97.0%	97.2%	97.6%	98.0%	96.3%	95.8%	96.0%	96.5%	95.8%	
EBIT	6.9	6.3	8.4	12.2	14.1	18.6	27.7	33.1	28.7	26.6	0.8	2.4	2.9	3.0	9.0	1.5	4.1	4.7	4.5	14.7	3.1	6.1	7.2	7.0	23.4	30.9	
% margin	4.8%	3.9%	3.9%	4.8%	5.1%	5.1%	5.2%	5.2%	4.2%	3.5%	0.7%	2.0%	2.2%	2.2%	1.8%	1.1%	2.6%	3.0%	2.8%	2.4%	2.0%	3.5%	4.2%	4.0%	3.5%	4.2%	
EBITDA	6.9	6.4	8.7	14.6	16.9	22.5	32.0	38.8	36.9	36.3	3.3	4.9	5.5	5.6	19.4	4.2	6.8	7.4	6.9	25.3	4.7	8.6	9.7	9.6	32.5	40.8	
% margin	4.8%	3.9%	4.1%	5.8%	6.1%	6.2%	6.0%	6.1%	5.4%	4.8%	2.9%	4.1%	4.3%	4.0%	3.8%	3.0%	4.4%	4.8%	4.3%	4.1%	3.0%	4.9%	5.6%	5.4%	4.8%	5.5%	
Interest income (expense), net	(0.1)	0.1	0.0	(0.2)	(0.2)	(0.8)	0.4	1.0	0.9	0.0	(0.0)	0.0	(0.1)	(0.1)	(0.3)	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.4	0.6	
Other income (expense), net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.3	0.0	0.1	0.1	0.5	0.1	0.1	0.2	0.1	0.6	0.1	0.1	0.1	0.1	0.6	0.6	
Profit before tax	6.8	6.4	8.4	12.0	13.8	17.8	28.1	34.1	29.7	27.9	1.0	2.4	2.9	3.0	9.3	1.6	4.2	4.9	4.7	15.4	3.4	6.3	7.5	7.3	24.4	32.0	
% margin	4.7%	3.9%	3.9%	4.7%	5.0%	4.9%	5.3%	5.3%	4.4%	3.7%	0.9%	2.0%	2.2%	2.1%	1.8%	1.2%	2.7%	3.1%	2.9%	2.5%	2.1%	3.6%	4.3%	4.1%	3.6%	4.3%	
Tax rate	38.4%	38.5%	38.5%	37.7%	36.9%	37.4%	38.9%	38.4%	38.4%	38.4%	37.5%	37.4%	37.7%	41.2%	38.7%	39.1%	41.3%	40.3%	38.0%	39.7%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	
Net income (loss) from continuing operations	4.2	3.9	5.2	7.5	8.7	11.1	17.2	21.0	18.3	17.2	0.6	1.5	1.8	1.8	5.7	1.0	2.5	2.9	2.9	9.3	2.1	3.9	4.6	4.5	15.1	19.9	
Extraordinary item (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.4)	(2.3)	(0.5)	(0.2)	(0.1)	0.0	(0.8)	1.1	2.1	0.0	0.0	3.2	0.0	0.0	0.0	0.0	0.0	0.0	
Net income	4.2	3.9	5.2	7.5	8.7	11.1	17.2	21.0	17.8	14.9	0.1	1.3	1.7	1.8	4.9	2.1	4.6	2.9	2.9	12.5	2.1	3.9	4.6	4.5	15.1	19.9	
% margin	2.9%	2.4%	2.4%	3.0%	3.1%	3.1%	3.2%	3.3%	2.6%	2.0%	0.1%	1.1%	1.3%	1.3%	1.0%	1.5%	3.0%	1.9%	1.8%	2.0%	1.3%	2.3%	2.7%	2.6%	2.2%	2.7%	
Average shares outstanding - diluted ⁽²⁾	10.6	10.6	10.6	10.6	10.0	10.0	15.4	16.2	16.1	16.1	16.0	16.0	16.0	16.0	16.0	16.0	16.0	15.9	15.9	16.0	15.9	15.9	15.9	15.9	15.9	15.9	
EPS - diluted (continuing operations)	\$0.40	\$0.37	\$0.49	\$0.71	\$0.87	\$1.11	\$1.12	\$1.30	\$1.13	\$1.07	\$0.04	\$0.09	\$0.11	\$0.11	\$0.36	\$0.06	\$0.15	\$0.18	\$0.18	\$0.58	\$0.13	\$0.25	\$0.29	\$0.28	\$0.95	\$1.25	
% change y/y	NM	-5.9%	31.6%	44.7%	22.8%	27.5%	0.6%	16.5%	-12.8%	-5.6%	-80.8%	-69.1%	-68.2%	-45.6%	-66.7%	53.5%	64.0%	63.5%	65.4%	63.1%	113.2%	59.1%	57.8%	56.2%	63.5%	31.2%	
EPS - diluted	\$0.40	\$0.37	\$0.49	\$0.71	\$0.87	\$1.11	\$1.12	\$1.30	\$1.11	\$0.93	\$0.01	\$0.08	\$0.11	\$0.11	\$0.31	\$0.13	\$0.29	\$0.18	\$0.18	\$0.78	\$0.13	\$0.25	\$0.29	\$0.28	\$0.95	\$1.25	
% change y/y	NM	-5.9%	31.6%	44.7%	22.8%	27.5%	0.6%	16.5%	-14.9%	-16.3%	-95.8%	-62.5%	-68.3%	-33.1%	-66.9%	NM	250.4%	73.2%	65.4%	154.9%	1.2%	-14.1%	57.8%	56.2%	21.7%	31.2%	

Stifel Nicolaus 12-Month Target Price/Fair Value Estimate Matrix

Company	Ticker	Rating	Closing Price 12/31/2010	CY12E EPS	Target Price/Fair Value Estimate P/E multiple	12-Month Target Price/Fair Value Estimate	Potential% upside over coming 12-months
Trailer Bridge, Inc.	TRBR	Buy	\$2.76	\$0.45	11.0x	\$5	81.2%
Vitrان Corp.	VTNC	Buy	\$13.12	\$1.46	12.0x	\$18	37.2%
Universal Truckload Svcs	UACL	Buy	\$15.92	\$1.25	16.0x	\$20	25.6%
Landstar System	LSTR	Buy	\$40.94	\$2.70	19.0x	\$51	24.6%
Roadrunner Transportation Svcs.	RRTS	Buy	\$14.46	\$0.98	18.0x	\$18	24.5%
Union Pacific Corp.	UNP	Buy	\$92.66	\$8.20	14.0x	\$115	24.1%
Arkansas Best Corp. ⁽⁴⁾	ABFS	Buy	\$27.42	\$1.00	NM	\$34	24.0%
Norfolk Southern Corp.	NSC	Buy	\$62.82	\$5.50	14.0x	\$77	22.6%
Celadon Group ⁽¹⁾	CGI	Buy	\$14.79	\$1.20	15.0x	\$18	21.7%
Saia, Inc.	SAIA	Buy	\$16.59	\$1.70	12.0x	\$20	20.6%
Werner Enterprises	WERN	Buy	\$22.60	\$1.70	16.0x	\$27	19.5%
Heartland Express ⁽⁴⁾	HTLD	Buy	\$16.02	\$0.98	16.0x	\$19	18.6%
CSX Corp.	CSX	Buy	\$64.61	\$5.50	13.5x	\$74	14.5%
FedEx Corp. ⁽²⁾	FDX	Buy	\$93.01	\$6.49	16.0x	\$104	11.8%
Canadian National Railway	CNI	Hold	\$66.47	\$5.30	14.0x	\$74	11.3%
Knight Transportation	KNX	Hold	\$19.00	\$1.13	18.5x	\$21	10.5%
Old Dominion Freight Line	ODFL	Buy	\$31.99	\$2.17	16.0x	\$35	9.4%
Canadian Pacific Railway	CP	Hold	\$64.81	\$5.20	13.5x	\$70	8.0%
Marten Transport	MRTN	Hold	\$21.38	\$1.50	15.5x	\$23	7.6%
United Parcel Service	UPS	Buy	\$72.58	\$4.90	16.0x	\$78	7.5%
Forward Air Corp.	FWRD	Hold	\$28.38	\$1.65	18.0x	\$30	5.7%
J.B. Hunt Transport Svcs.	JBHT	Hold	\$40.81	\$2.40	18.0x	\$43	5.4%
Hub Group, Inc.	HUBG	Hold	\$35.14	\$1.90	18.0x	\$37	5.3%
Pacer International, Inc.	PACR	Hold	\$6.84	\$0.60	12.0x	\$7	2.3%
American Commercial Lines ⁽⁷⁾	ACLI	Hold	\$32.99	\$1.75	NM	\$33	0.0%
Quality Distribution	QLTY	Buy	\$9.09	\$0.70	12.5x	\$9	-1.0%
Con-way Inc	CNW	Hold	\$36.57	\$2.65	13.5x	\$36	-1.6%
Expeditors International	EXPD	Hold	\$54.60	\$2.18	24.0x	\$52	-4.8%
UTi Worldwide ⁽³⁾	UTW	Hold	\$21.20	\$1.12	18.0x	\$20	-5.7%
Kirby Corp.	KEX	Hold	\$44.05	\$2.75	15.0x	\$41	-6.9%
RailAmerica	RA	Hold	\$12.95	\$0.87	14.0x	\$12	-7.3%
Genesee & Wyoming, Inc.	GWR	Hold	\$52.95	\$3.05	16.0x	\$49	-7.5%
Ryder System	R	Hold	\$52.64	\$3.43	14.0x	\$48	-8.8%
C.H. Robinson Worldwide	CHRW	Sell	\$80.19	\$3.00	19.0x	\$57	-28.9%
YRC Worldwide	YRCW	Sell	\$3.72	NE	NM	\$0	-100.0%

(1) CGI is on June 30 fiscal year

(2) FedEx is on May 31 fiscal year

(3) UTW is on a January 31 fiscal year

(4) Heartland fair value estimate is \$19.00 or 16x \$0.98 plus ~\$3.00 cash per share

(5) Hub Group target price is \$37.00 or 18x \$1.90 plus ~\$3.00 cash per share

(6) Target price based on 5.0x 2011E EBITDA (assuming 40% chance of 10% wage reductions and 50% chance of pension reform)

(7) Fair value estimate of \$33 based on announced transaction price (ACLI announced plans to be acquired by affiliate of Platinum Equity on 10/18/10)

Source: Stifel Nicolaus estimates



Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 12/31/2010	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of				Enterprise value as a multiple of					Div. Yield	2010E FCF Yield				
								2010E ^(b)	2011E ^(b)	2012E ^(b)	Book value	TTM Revenue	2010E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)	TTM EBIT			TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)
Truckload																						
Celadon Group (CGI)	Buy	14.79	23.0	340.5	27.7	10.9	357.2	28.4x	16.8x	12.3x	2.1x	0.7x	7.0x	7.5x	5.9x	19.1x	3.1%	5.6%	5.2%	1.3	0.0%	8.7%
Covenant Transport (CVTI)	NR	9.68	14.5	140.8	242.9	6.5	377.1	33.4x	14.7x	NE	1.4x	0.6x	NE	5.3x	3.9x	NM	0.0%	-0.1%	3.1%	NM	0.0%	NE
Frozen Food Express (FFEX)	NR	4.41	17.5	77.2	0.0	2.2	75.0	NM	NM	NE	1.0x	0.2x	NE	NM	NM	NM	-9.3%	-15.1%	-14.8%	NM	2.7%	NE
Heartland Express (HTLD)	Buy	16.02	90.7	1,452.8	0.0	188.0	1,264.9	23.2x	20.0x	16.3x	4.5x	2.6x	8.3x	8.6x	8.6x	15.3x	9.9%	16.9%	16.9%	1.7	0.5%	-4.8%
J.B. Hunt Transport Svcs. (JBHT)	Hold	40.81	126.3	5,153.8	649.2	68.6	5,833.4	26.8x	20.9x	17.0x	8.7x	1.6x	10.8x	11.2x	11.1x	17.8x	9.7%	30.9%	16.3%	1.3	1.2%	3.3%
Knight Transportation (KNX)	Hold	19.00	84.4	1,604.0	0.0	80.1	1,524.0	25.7x	20.4x	16.8x	2.9x	2.1x	8.9x	9.3x	9.2x	16.4x	8.3%	10.9%	10.9%	1.4	1.3%	-2.7%
Landstar System (LSTR)	Buy	40.94	49.2	2,014.3	149.6	79.3	2,111.3	23.3x	18.6x	15.2x	7.3x	0.9x	12.5x	13.2x	12.9x	15.6x	12.6%	30.5%	21.6%	1.2	0.5%	4.8%
Marten Transport (MRTN)	Hold	21.38	22.1	473.4	27.7	4.5	511.5	23.5x	17.8x	14.3x	1.6x	1.0x	6.0x	6.0x	5.8x	14.9x	4.3%	6.7%	6.4%	1.5	0.0%	-1.4%
P.A.M. Transportation Svcs. (PTSI)	NR	11.22	9.4	105.6	44.0	16.4	133.2	NM	29.5x	NE	0.7x	0.4x	NE	4.8x	4.9x	NM	-1.3%	-2.3%	-1.1%	NM	0.0%	NE
Quality Distribution (QLTY)	Buy	9.09	22.5	204.1	316.2	4.0	516.3	28.4x	19.3x	13.0x	-1.5x	0.8x	8.7x	8.8x	7.5x	NM	1.9%	-3.8%	18.7%	1.3	0.0%	10.4%
Universal Truckload Svcs. (UACL)	Buy	15.92	15.8	251.2	0.0	17.1	234.1	16.8x	12.7x	12.7x	1.5x	0.4x	9.3x	9.7x	9.2x	17.7x	4.0%	5.2%	5.2%	1.0	0.0%	4.2%
USA Truck (USAK)	NR	13.23	10.5	138.8	99.3	1.3	236.8	NM	30.8x	NE	1.0x	0.5x	NE	4.9x	5.1x	NM	-1.2%	-2.9%	-0.4%	NM	0.0%	NE
Werner Enterprises (WERN)	Buy	22.60	72.9	1,648.4	0.0	94.8	1,553.5	20.9x	16.5x	13.3x	2.2x	0.9x	5.5x	5.6x	5.6x	12.5x	5.9%	9.6%	9.6%	1.2	0.0%	-1.6%
Min				77.2	0.0	1.3	75.0	20.9x	14.7x	12.3x	-1.5x	0.2x	5.5x	4.8x	3.9x	12.5x	-9.3%	-15.1%	-14.8%	1.0	0.0%	-4.8%
Mean				1,046.5	119.7	44.1	1,133.0	26.1x	20.2x	14.5x	2.6x	1.0x	8.5x	7.9x	7.5x	16.2x	3.7%	7.1%	7.5%	1.3	0.5%	2.3%
Mean (Asset-based TL only)				1,113.5	109.1	47.3	1,186.7	26.0x	20.8x	15.0x	2.6x	1.1x	7.7x	7.0x	6.7x	16.0x	2.9%	6.0%	5.2%	1.4	0.7%	0.3%
Median				340.5	27.7	16.4	511.5	26.3x	19.0x	14.3x	1.6x	0.8x	8.7x	8.0x	6.7x	16.0x	4.0%	5.6%	6.4%	1.3	0.0%	3.3%
Max				5,153.8	649.2	188.0	5,833.4	33.4x	30.8x	17.0x	8.7x	2.6x	12.5x	13.2x	12.9x	19.1x	12.6%	30.9%	21.6%	1.7	2.7%	10.4%
Stifel Nicolaus Transportation Average				7,031.6	1,332.2	295.7	8,068.5	29.1x	18.9x	14.8x	3.1x	1.9x	9.5x	9.9x	8.8x	16.0x	4.3%	10.3%	8.1%	1.4	0.8%	3.1%
Less-Than-Truckload																						
Arkansas Best Corp. (ABFS)	Buy	27.42	25.2	691.6	56.4	196.0	552.1	NM	NM	NM	1.5x	0.3x	NM	NM	NM	NM	-5.7%	-9.6%	-9.3%	NM	0.4%	1.9%
Con-way (CNW)	Hold	36.57	54.5	1,992.6	815.5	378.3	2,429.8	121.9x	26.1x	13.8x	2.3x	0.5x	0.5x	8.7x	7.5x	27.2x	0.4%	1.4%	2.2%	2.0	1.1%	3.5%
Frozen Food Express (FFEX)	NR	4.41	17.5	77.2	0.0	2.2	75.0	NM	NM	NE	1.0x	0.2x	NE	NM	NM	NM	-9.3%	-15.1%	-14.8%	NM	2.7%	NE
Forward Air Corp. (FWRD)	Hold	28.38	29.3	832.5	51.7	63.2	820.9	26.3x	20.6x	17.2x	3.4x	1.8x	11.0x	12.2x	10.0x	17.4x	8.2%	11.5%	9.5%	1.5	1.0%	3.3%
Old Dominion Freight Line (ODFL)	Buy	31.99	55.9	1,789.1	265.3	5.1	2,049.4	23.7x	17.8x	14.7x	2.8x	1.5x	9.3x	10.1x	9.7x	17.3x	5.3%	10.3%	7.8%	1.5	0.0%	2.4%
Roadrunner Transportation Svcs. (RRTS)	Buy	14.46	31.2	451.2	27.8	1.3	477.7	26.3x	18.8x	14.8x	1.7x	0.8x	13.7x	15.7x	13.7x	17.5x	3.5%	4.7%	5.3%	1.8	0.0%	1.8%
Saia, Inc. (SAIA)	Buy	16.59	16.1	267.5	90.0	27.2	330.3	NM	16.6x	9.8x	1.3x	0.4x	6.4x	7.5x	6.3x	NM	-1.1%	-2.7%	0.7%	NM	0.0%	10.6%
Vitrin Corp. (VTNC)	Buy	13.12	16.4	214.7	82.4	0.0	297.1	48.6x	14.4x	9.0x	1.5x	0.4x	9.4x	11.4x	7.9x	NM	0.1%	0.3%	-0.8%	1.0	0.0%	6.8%
YRC Worldwide (YRCW)	Sell	3.72	42.2	156.8	1,060.3	114.9	1,102.2	NM	NE	NE	NM	0.2x	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	NM
Min				77.2	0.0	0.0	75.0	23.7x	14.4x	9.0x	1.0x	0.2x	0.5x	7.5x	6.3x	17.3x	-9.3%	-15.1%	-14.8%	1.0	0.0%	1.8%
Mean				719.2	272.2	87.6	903.8	49.4x	19.0x	13.2x	1.9x	0.7x	8.4x	10.9x	9.2x	19.8x	0.2%	0.1%	0.1%	1.5	0.6%	4.3%
Median				451.2	82.4	27.2	552.1	26.3x	18.3x	14.3x	1.6x	0.4x	9.4x	10.8x	8.8x	17.5x	0.3%	0.9%	1.4%	1.5	0.0%	3.3%
Max				1,992.6	1,060.3	378.3	2,429.8	121.9x	26.1x	17.2x	3.4x	1.8x	13.7x	15.7x	13.7x	27.2x	8.2%	11.5%	9.5%	2.0	2.7%	10.6%
Stifel Nicolaus Transportation Average				7,031.6	1,332.2	295.7	8,068.5	29.1x	18.9x	14.8x	3.1x	1.9x	9.5x	9.9x	8.8x	16.0x	4.3%	10.3%	8.1%	1.4	0.8%	3.1%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel Nicolaus estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2010E P/E divided by First Call mean or Stifel Nicolaus estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data, First Call, and Stifel Nicolaus estimates



Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 12/31/2010	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of				Enterprise value as a multiple of					TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)	Div. Yield	2010E FCF Yld
								2010E ^(b)	2011E ^(b)	2012E ^(b)	Book value	Revenue	2010E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)	TTM EBIT						
Asset-Based Logistics																						
Con-way (CNW)	Hold	36.57	54.5	1,992.6	815.5	378.3	2,429.8	121.9x	26.1x	13.8x	2.3x	0.5x	0.5x	8.7x	7.5x	27.2x	0.4%	1.4%	2.2%	2.0	1.1%	3.5%
FedEx Corp. (FDX)	Buy	93.01	320.7	29,830.2	1,918.0	1,877.0	29,871.2	21.7x	17.3x	14.3x	2.0x	0.8x	6.5x	7.2x	6.4x	13.5x	5.6%	9.8%	9.0%	1.2	0.5%	0.7%
Ryder System (R)	Hold	52.64	52.8	2,778.1	2,529.8	134.7	5,173.2	23.6x	18.6x	15.3x	2.0x	1.0x	4.3x	4.3x	4.1x	15.8x	1.9%	8.6%	4.9%	1.7	2.0%	4.6%
United Parcel Service (UPS)	Buy	72.58	994.1	72,148.2	9,642.0	3,020.0	78,770.2	20.6x	17.4x	14.8x	8.5x	1.6x	10.4x	11.0x	10.7x	14.7x	10.0%	41.6%	19.8%	1.5	2.6%	4.2%
	Min			1,992.6	815.5	134.7	2,429.8	20.6x	17.3x	13.8x	2.0x	0.5x	0.5x	4.3x	4.1x	13.5x	0.4%	1.4%	2.2%	1.2	0.5%	0.7%
	Mean			26,687.3	3,726.3	1,352.5	29,061.1	47.0x	19.9x	14.6x	3.7x	1.0x	5.4x	7.8x	7.2x	17.8x	4.5%	15.4%	9.0%	1.6	1.5%	3.3%
	Median			16,304.1	2,223.9	1,127.6	17,522.2	22.7x	18.0x	14.6x	2.2x	0.9x	5.4x	7.9x	6.9x	15.3x	3.7%	9.2%	6.9%	1.6	1.5%	3.9%
	Max			72,148.2	9,642.0	3,020.0	78,770.2	121.9x	26.1x	15.3x	8.5x	1.6x	10.4x	11.0x	10.7x	27.2x	10.0%	41.6%	19.8%	2.0	2.6%	4.6%
Stifel Nicolaus Transportation Average				7,031.6	1,332.2	295.7	8,068.5	29.1x	18.9x	14.8x	3.1x	1.9x	9.5x	9.9x	8.8x	16.0x	4.3%	10.3%	8.1%	1.4	0.8%	3.1%
Non-Asset-Based Logistics																						
C.H. Robinson Worldwide (CHRW)	Sell	80.19	167.4	13,425.9	0.0	283.6	13,142.3	34.7x	30.5x	26.7x	11.5x	9.3x	20.3x	20.8x	20.1x	21.8x	19.4%	32.5%	32.5%	2.0	1.4%	1.6%
Echo Global Logistics (ECHO)	NR	12.04	22.7	273.0	7.0	43.3	236.8	30.9x	18.5x	14.3x	2.7x	0.6x	NE	13.0x	12.8x	20.6x	7.7%	14.9%	11.9%	1.9	0.0%	NE
Expeditors International (EXPD)	Hold	54.60	225.2	12,295.2	0.0	1,057.2	11,216.4	33.9x	29.0x	25.0x	7.1x	7.0x	18.5x	20.5x	19.4x	22.0x	12.8%	19.6%	19.4%	1.7	0.7%	2.3%
Forward Air Corp. (FWRD)	Hold	28.38	29.3	832.5	51.7	63.2	820.9	26.3x	20.6x	17.2x	3.4x	1.8x	11.0x	12.2x	10.0x	17.4x	8.2%	11.5%	9.5%	1.5	1.0%	3.3%
Hub Group (HUBG)	Hold	35.14	37.4	1,316.0	0.0	118.0	1,197.9	30.3x	22.0x	18.5x	3.6x	5.9x	16.0x	17.1x	13.9x	18.1x	6.7%	11.6%	11.6%	1.5	0.0%	1.9%
Landstar System (LSTR)	Buy	40.94	49.2	2,014.3	149.6	79.3	2,111.3	23.3x	18.6x	15.2x	7.3x	0.9x	12.5x	13.2x	12.9x	15.6x	12.6%	30.5%	21.6%	1.2	0.5%	4.8%
Pacer International (PACR)	Hold	6.84	34.9	238.8	24.5	5.2	258.1	40.2x	17.1x	11.4x	2.4x	0.9x	12.4x	NM	5.1x	NM	1.4%	4.4%	5.3%	1.4	0.0%	4.4%
Quality Distribution (QLTY)	Buy	9.09	22.5	204.1	316.2	4.0	516.3	28.4x	19.3x	13.0x	-1.5x	0.8x	8.7x	8.8x	7.5x	NM	1.9%	-3.8%	18.7%	1.3	0.0%	10.4%
Roadrunner Transportation Svcs. (RRTS)	Buy	14.46	31.2	451.2	27.8	1.3	477.7	26.3x	18.8x	14.8x	1.7x	0.8x	13.7x	15.7x	13.7x	17.5x	3.5%	4.7%	5.3%	1.3	0.0%	1.8%
Universal Truckload Svcs. (UACL)	Buy	15.92	15.8	251.2	0.0	17.1	234.1	27.4x	16.8x	12.7x	1.5x	0.4x	9.3x	9.7x	9.2x	17.7x	4.0%	5.2%	5.2%	1.0	0.0%	4.2%
UTi Worldwide (UTIW)	Hold	21.20	101.5	2,152.4	365.6	342.1	2,037.9	31.6x	23.0x	18.9x	2.4x	1.4x	10.9x	12.5x	8.9x	17.7x	3.2%	7.9%	6.4%	1.4	0.3%	1.2%
	Min			204.1	0.0	1.3	234.1	23.3x	16.8x	11.4x	-1.5x	0.4x	8.7x	8.8x	5.1x	15.6x	1.4%	-3.8%	5.2%	1.0	0.0%	1.2%
	Mean			3,041.3	85.7	183.1	2,931.8	30.3x	21.3x	17.1x	3.8x	2.7x	13.3x	14.4x	12.1x	18.7x	7.4%	12.6%	13.4%	1.5	0.4%	3.6%
	Median			832.5	24.5	63.2	820.9	30.3x	19.3x	15.2x	2.7x	0.9x	12.5x	13.1x	12.8x	17.7x	6.7%	11.5%	11.6%	1.4	0.0%	2.8%
	Max			13,425.9	365.6	1,057.2	13,142.3	40.2	30.5	26.7	11.5	9.3x	20.3x	20.8x	20.1x	22.0x	19.4%	32.5%	32.5%	2.0	1.4%	10.4%
Stifel Nicolaus Transportation Average				7,031.6	1,332.2	295.7	8,068.5	29.1x	18.9x	14.8x	3.1x	1.9x	9.5x	9.9x	8.8x	16.0x	4.3%	10.3%	8.1%	1.4	0.8%	3.1%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel Nicolaus estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2010E P/E divided by First Call mean or Stifel Nicolaus estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data, First Call, and Stifel Nicolaus estimates



Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 12/31/2010	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of				Enterprise value as a multiple of					TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)	Div. Yield	2010E FCF Yld
								2010E ^(b)	2011E ^(b)	2012E ^(b)	Book value	Revenue	2010E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)	EBIT						
Intermodal																						
Hub Group (HUBG)	Hold	35.14	37.4	1,316.0	0.0	118.0	1,197.9	30.3x	22.0x	18.5x	3.6x	5.9x	16.0x	17.1x	13.9x	18.1x	6.7%	11.6%	11.6%	1.5	0.0%	1.9%
J.B. Hunt Transport Svcs. (JBHT)	Hold	40.81	126.3	5,153.8	649.2	68.6	5,833.4	26.8x	20.9x	17.0x	8.7x	1.6x	10.8x	11.2x	11.1x	17.8x	9.7%	30.9%	16.3%	1.3	1.2%	3.3%
Pacer International (PACR)	Hold	6.84	34.9	238.8	24.5	5.2	258.1	40.2x	17.1x	11.4x	2.4x	0.9x	NM	NM	5.1x	NM	1.4%	4.4%	5.3%	1.4	0.0%	4.4%
	Min			238.8	0.0	5.2	258.1	26.8x	17.1x	11.4x	2.4x	0.9x	10.8x	11.2x	5.1x	17.8x	1.4%	4.4%	5.3%	1.3	0.0%	1.9%
	Mean			2,236.2	224.6	63.9	2,429.8	32.5x	20.0x	15.6x	4.9x	2.8x	13.4x	14.2x	10.0x	18.0x	5.9%	15.6%	11.1%	1.4	0.4%	3.2%
	Max			5,153.8	649.2	118.0	5,833.4	40.2x	22.0x	18.5x	8.7x	5.9x	16.0x	17.1x	13.9x	18.1x	9.7%	30.9%	16.3%	1.5	1.2%	4.4%
Stifel Nicolaus Transportation Average				7,031.6	1,332.2	295.7	8,068.5	29.1x	18.9x	14.8x	3.1x	1.9x	9.5x	9.9x	8.8x	16.0x	4.3%	10.3%	8.1%	1.4	0.8%	3.1%
Domestic Marine																						
American Commercial Lines (ACLI)	Hold	32.99	13.0	429.2	344.8	10.3	763.6	41.2x	22.8x	18.9x	2.5x	1.0x	7.5x	7.2x	6.6x	12.3x	1.9%	8.9%	7.0%	1.9	0.0%	2.9%
Horizon Lines, Inc. (HRZ)	NR	4.37	30.7	134.3	521.1	4.4	651.1	14.6x	9.7x	NE	1.4x	0.5x	NE	6.6x	5.2x	NM	5.5%	46.1%	11.1%	0.9	10.1%	NE
Kirby Corp. (KEX)	Hold	44.05	53.6	2,362.8	200.2	149.2	2,413.8	20.3x	18.5x	16.0x	2.1x	2.2x	8.2x	8.1x	6.9x	11.8x	7.1%	11.2%	9.9%	1.5	0.0%	5.1%
Rand Logistics Inc. (RLOG)	NR	4.84	13.5	65.2	73.0	2.3	136.0	NM	NM	NM	1.2x	1.2x	NE	NM	NM	NM	1.2%	3.8%	3.1%	NM	0.0%	NE
Trailer Bridge Inc. (TRBR)	Buy	2.76	12.1	33.4	103.6	13.2	123.8	23.0x	9.2x	6.1x	14.1x	1.0x	7.0x	7.0x	5.5x	10.6x	1.9%	NM	7.8%	0.8	0.0%	NM
	Min			33.4	73.0	2.3	123.8	14.6x	9.2x	6.1x	1.2x	0.5x	7.0x	6.6x	5.2x	10.6x	1.2%	3.8%	3.1%	0.8	0.0%	2.9%
	Mean			605.0	248.5	35.9	817.7	24.8x	15.0x	13.7x	4.3x	1.2x	7.6x	7.2x	6.0x	11.5x	3.5%	17.5%	7.8%	1.3	2.0%	4.0%
	Max			2,362.8	521.1	149.2	2,413.8	41.2x	22.8x	18.9x	14.1x	2.2x	8.2x	8.1x	6.9x	12.3x	7.1%	46.1%	11.1%	1.9	10.1%	5.1%
Stifel Nicolaus Transportation Average				7,031.6	1,332.2	295.7	8,068.5	29.1x	18.9x	14.8x	3.1x	1.9x	9.5x	9.9x	8.8x	16.0x	4.3%	10.3%	8.1%	1.4	0.8%	3.1%
Railroads																						
Canadian National (CNI)	Hold	66.47	473.8	31,494.5	6,050.8	532.6	37,012.7	16.3x	14.4x	12.5x	2.7x	4.8x	9.7x	10.4x	10.2x	13.3x	7.4%	16.5%	12.1%	0.9	1.6%	3.6%
Canadian Pacific (CP)	Hold	64.81	170.1	11,021.9	4,305.3	260.5	15,066.7	17.4x	14.7x	12.5x	2.2x	3.3x	9.4x	9.6x	8.9x	13.9x	4.6%	12.5%	8.8%	1.3	1.6%	-4.0%
CSX Corp. (CSX)	Buy	64.61	379.1	24,494.3	7,902.0	636.0	31,760.3	16.3x	13.6x	11.7x	2.8x	3.1x	8.1x	8.5x	8.4x	11.3x	5.3%	16.4%	10.5%	0.9	1.6%	3.3%
Genesee & Wyoming (GWR)	Hold	52.95	42.5	2,249.5	429.9	196.7	2,482.7	28.3x	20.0x	17.4x	2.9x	4.1x	13.1x	13.6x	12.7x	18.6x	4.3%	10.5%	7.7%	1.1	0.0%	3.8%
Kansas City Southern (KSU)	NR	47.86	103.6	4,959.9	1,633.2	68.8	6,558.5	23.9x	18.4x	14.9x	1.9x	3.8x	NE	10.5x	9.4x	14.7x	2.7%	6.1%	5.3%	1.2	0.0%	NE
Norfolk Southern Corp. (NSC)	Buy	62.82	369.6	23,221.3	6,935.0	1,129.0	29,027.3	15.7x	13.5x	11.4x	2.2x	3.1x	8.2x	8.5x	8.3x	11.2x	5.2%	13.7%	9.9%	1.0	2.3%	4.4%
RailAmerica (RA)	Hold	12.95	54.9	710.6	573.8	113.9	1,170.5	37.0x	19.9x	14.9x	1.0x	2.5x	8.6x	8.7x	7.8x	12.9x	1.1%	2.9%	4.5%	1.2	0.0%	4.9%
Union Pacific (UNP)	Buy	92.66	504.3	46,725.1	9,719.0	1,358.0	55,086.1	17.2x	13.4x	11.3x	2.7x	3.4x	8.6x	9.0x	8.5x	11.8x	6.0%	15.1%	11.0%	0.9	1.6%	4.9%
	Min			710.6	429.9	68.8	1,170.5	15.7x	13.4x	11.3x	1.0x	2.5x	8.1x	8.5x	7.8x	11.2x	1.1%	2.9%	4.5%	0.9	0.0%	-4.0%
	Mean			18,109.6	4,693.6	536.9	22,270.6	21.5x	16.0x	13.3x	2.3x	3.5x	9.4x	9.8x	9.3x	13.5x	4.6%	11.7%	8.7%	1.1	1.1%	3.0%
	Mean (Class I Rails only)			27,391.4	6,982.4	783.2	33,590.6	16.6x	13.9x	11.9x	2.5x	3.5x	8.8x	9.2x	8.9x	12.3x	5.7%	14.8%	10.5%	1.0	1.7%	2.4%
	Median			17,121.6	5,178.0	396.5	22,047.0	17.3x	14.6x	12.5x	2.5x	3.3x	8.6x	9.3x	8.7x	13.1x	4.9%	13.1%	9.3%	1.0	1.6%	3.8%
	Max			46,725.1	9,719.0	1,358.0	55,086.1	37.0x	20.0x	17.4x	2.9x	4.8x	13.1x	13.6x	12.7x	18.6x	7.4%	16.5%	12.1%	1.3	2.3%	4.9%
Stifel Nicolaus Transportation Average				7,031.6	1,332.2	295.7	8,068.5	29.1x	18.9x	14.8x	3.1x	1.9x	9.5x	9.9x	8.8x	16.0x	4.3%	10.3%	8.1%	1.4	0.8%	3.1%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel Nicolaus estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2010E P/E divided by First Call mean or Stifel Nicolaus estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data, First Call, and Stifel Nicolaus estimates

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