

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## **Knight Transportation, Inc. Q3 2008 Earnings Call Transcript**

### Question-and-Answer Session

---

#### **Operator**

(Operator Instructions) Our first question comes from Jon Langenfeld – Robert W. Baird & Co.

#### **Jon Langenfeld – Robert W. Baird & Co.**

One clarification in the press release Kevin, the 3.9% revenue per total mile is that with or without fuel?

#### **Kevin P. Knight**

That's without fuel.

#### **Jon Langenfeld – Robert W. Baird & Co.**

Then on the pricing side specifically, do you think given that you have access to the spot market do you feel like maybe some of the pricing gains you're seeing have come because fuel prices have come off and so maybe the all in price to the shipper is still lower but you're getting better yields on the spot market because of it?

#### **Kevin P. Knight**

I would probably say no Jon. Certainly that could be the case on some loads but really the spot market hasn't been much especially on the drive van side. We've had more spot opportunities on the refrigerated side but the shipper I'm sure maybe has that mindset but from our perspective I don't think that's what's driven it.

I'll be honest with you Jon, I'm somewhat surprised by that number and I was not listening to C.H. Robinson's call but reading their call and I saw where those folks also were a little bit surprised by the strength of the pricing environment. I think from my perspective it shows you that if we weren't in such a weak economic environment I think we would have passed equilibrium by now.

I definitely think the excess from the pre-buy has worked its way off and will continue. But, I was somewhat surprised by that number.

#### **Jon Langenfeld – Robert W. Baird & Co.**

Is there any reason why you might think you might be bucking the trend here? Pretty much every other freight provider out there from UPS down to the small truckers saw a noticeable drop off even

sequentially of volume per week and it seems like you kind of moved through the process in rather stable fashion. Any thoughts on that?

**Kevin P. Knight**

Well, first off Jon we're a long ways away from this quarter being over so I don't want to come across as being overly optimistic but I just think that our model is with our people in the field and all the locations that we have, I think it just allows us to accomplish things that our competitors can't.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.