



Landstar Systems, Inc. Mid-Quarter Call Transcript

Earnings Call Excerpt

Landstar Systems, Inc. (LSTR)

Q4 2008 Mid-Quarter Call

December 5, 2008 2:00 pm ET

Executives

Henry Gerkens – President & CEO

James Gattoni – VP & CFO

Presentation

Operator

Good afternoon and welcome to Landstar System Inc. fourth quarter mid-quarter 2008 conference call. (Operator Instructions) Joining us today from Landstar are Henry Gerkens, President and Chief Executive Officer; and Jim Gattoni, Vice President and Chief Financial Officer. Now I would like to turn the call over to Mr. Henry Gerkens; sir, you may begin.

Henry Gerkens

Good afternoon and welcome to the Landstar 2008 fourth quarter mid-quarter update conference call. As a reminder let me review how our mid-quarter update call works. There is no question-and-answer period during this call.

The purpose of this call is to provide a brief update on how management sees the current quarter shaping up as it relates to business levels and earnings projections. The call will last about five minutes.

Before we start, let me read the following statement. The following is a Safe Harbor Statement under the Private Securities and Litigation Reform Act of 1995. Statements made during this conference call that are not based on historical facts are forward-looking statements.

During this conference call I may make certain statements containing forward-looking statements such as statements which relate to Landstar's business objectives, plans, strategies, and expectations.

Such statements are by nature subject to uncertainties and risks including but not limited to the operational, financial, and legal risks detailed in Landstar's Form 10-K for the 2007 fiscal year described in the section Risk Factors and other SEC filings from time to time.

These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated. Investors should not place undue reliance on such forward-looking statements and Landstar undertakes no obligation to publically update or revise any forward-looking statements.

I am going to divide today's comments into three areas. First a brief recap of 2008 through the third quarter, second the current environment and our fourth quarter outlook, and finally what we anticipate seeing in 2009.

Through the first three quarters of 2008, Landstar's consolidated revenue increased 10.6% over the consolidated revenue of 2007 and 9% excluding bus evacuation services. At the beginning of the year the market had excess capacity, there was low freight demand, downward pressure on price, and escalating fuel prices.

As a result many small carriers and single owner/operators went out of business and many large carriers permanently reduced the scope of their company fleet. Demand started to improve in the second quarter and pricing seemed to have stabilized.

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