

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.

## Celadon Group, Inc. F3Q09 (Qtr End 03/31/09) Earnings Call Transcript

### Question-and-Answer Session

---

**Operator**

(Operator instructions) Your first question comes from the line of Edward Wolfe with Wolfe Research. Please proceed.

**Steve Russell**

Good morning Ed.

**Edward Wolfe – Wolfe Research**

Good morning Steve good morning Paul. Can you talk a little bit about that last comment about to billed miles improving so materially from minus 16% to minus 5% over March and April, what's changed as you see is if the contracts that you talked about signing, is demand improved overall or smaller guys going out, what is the combination?

**Steve Russell**

I think it is largely additional business.

**Edward Wolfe – Wolfe Research**

That is it in Mexico or US or both?

**Steve Russell**

US and US Canada, some in Mexico, but in fact I did mention any of those companies, we recently got a contract from our largest bottler in Mexico for northbound moments. The other thing that may be existing and it's hard to tell, but durable goods sales in the US were down eight tenths of a percent in March, which was the lowest decline that had been achieved in the last several months.

We do work fair amount of durable goods sales, you know washing machines, dryers, TV sets, however both fixtures, etcetera because that is a large part in Mexico's exports to the US. If our automotive parts is a big piece we do very little automotive part business, but we do a fair amount of durables northbound out of Mexico and that seems to have picked up somewhat, but domestically stronger too.

**Edward Wolfe – Wolfe Research**

Right are any of the big three customers at this point?

**Steve Russell**

Yes stronger compared to January and February.

**Edward Wolfe – Wolfe Research**

Are any of the big three customer at this point?

**Steve Russell**

No, we do – the only automotive business we do is we do somewhat Honda and some of Volkswagen.

**Edward Wolfe – Wolfe Research**

If you look at the revenue per mile net of fuel down 3:1 and you look at that January, February versus March and April, how does that look?

**Steve Russell**

March was a tad better, but not materially. Part of it is, the Continental business which added a relatively meaningful amount of miles, I think that is why our – I know that is why our domestic freight was up in the March quarter. That came in at lower rates than our average rate, we mentioned that on a conference call in January and certainly in this environment we are honoring those rates, but part of that decline relates to a chunk of the miles being Continental miles, the amid former Continental customers now our customers.

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.