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TravelCenters of America LLC Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Ben Brownlow - Morgan Keegan & Company, Inc..

Ben Brownlow - Morgan Keegan & Company, Inc.

Are you seeing any pockets, positive comps or positive trends, as you progress through the quarter or is it pretty weak across the board?

Thomas O'Brien

There was some variation in the months contained in the first quarter and I suppose at times, like a lot of other people in this economy, which has been bad for so long. I thought I saw positive things or at least things that were less negative, but generally speaking that kind of a trend or what might have turned into a trend just didn't materialize.

I don't see very much in our numbers or here from our customers much in the way of particular trend. And I guess when I say that it's not particularly encouraging, but it's certainly not as discouraging as what trends we heard being spoken of six months ago or even three months ago, that is to say, perhaps everybody is like all of us looking for a bottom and maybe reading too much into a monthly number or a weekly number. But there's no consistency with regard to consensus that we have reached a bottom and, speaking for our business, I don't see a lot of clarity in our customer base in terms of which way things are going, either up or bottom.

As I said, I think the best I can say is things are seemingly less bad than they were, but we're not out of the woods.

Ben Brownlow - Morgan Keegan & Company, Inc.

The fuel margin environment was pretty good considering the quarter. Do you think that's more due to the industry drivers or is that your pricing strategy that's really driving that?

Thomas O'Brien

Well, it's a little of both. It's also fuel prices, when they increase that tends to pinch margin, when they decrease that tends to expand margin. And in this quarter, this first quarter, we actually had a little of both and so we were able to take advantage of the good times less than the bad times affected us.

Ben Brownlow - Morgan Keegan & Company, Inc.

The operating expenses, you guys have done a great job overall in the past two years. Do you feel that there is any more to take out or are you pretty bare bones and lean at this point?

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