

*Analysis of Sales/Earnings*

**Positive Trends Evident Beneath the Surface as Celadon Reports F2Q14 EPS Down 31% Y/Y**

- Missed Street:** F2Q14 EPS were \$0.22, down 31% y/y and 12% below the Street consensus. The Street consensus had been \$0.25, while our Stifel estimate was \$0.22. If not for the y/y \$3.2 million drop in the gain on the sale of assets, EPS would have been \$0.31 in the F2Q14. Having said that, and while leaving the gain on sale at the reported depressed F2Q14 levels, F2Q14 EPS would have been \$0.21 if the F2Q14 tax rate had not dropped from 37.1% in the F2Q13 to 34.6% in the F2Q14.
- The company transitions to a significantly higher rate of growth during the F2Q14.** Freight revenue, excluding fuel surcharge revenue, was up nearly 35% y/y to \$157.2 million. Average seated truck count, thanks to enhanced recruiting efforts, the company's new driver training school, and various acquisitions completed during 2013, grew nearly 27% y/y to 3,418 during the F2Q14. The fleet was enlarged without impinging on revenue productivity as revenue per truck per week increased 2.3% to \$2,880 mostly due to the 3.8% y/y increase in the company's revenue per loaded mile.
- Adjusted operating ratio unfavorably increased from 89.2% in the F2Q13 to 94.3% in the F2Q14.** The main drive of the margin deterioration was the acquisition of companies that operated older equipment than the equipment found in Celadon's core fleet.
- The company's balance sheet remains highly levered.** The debt-to-total capitalization ratio unfavorably increased from 56.6% at June 30, 2013 to 59.9% at December 31, 2013. We believe that the company would be well-advised to take a breather from its aggressive acquisition activities while focusing on lowering its operating ratio and deleveraging.
- Our EPS estimates remain unchanged** at \$1.00 for FY2014, \$1.15 for FY2015, and \$1.35 for FY2016. While we reserve the right to modify this outlook after listening to the company's conference call on Friday, we believe it is unlikely that we will hear anything so dramatically new that we would be inclined to modify our estimates.
- Maintain Hold:** Our 12-month fair value estimate remains \$19 (or 15x our current CY2015 EPS estimate of \$1.25). With the company's common share price sitting essentially in line with our 12-month fair value estimate, a reiteration of our Hold rating is in order. However, given the favorable underlying trends that were on display in the F2Q14, we would be inclined to revisit our rating should the company's common share price drop to \$16 or lower, all else being

| Changes         | Previous | Current |
|-----------------|----------|---------|
| Rating          | —        | Hold    |
| Target Price    | —        | NA      |
| FY14E EPS (Net) | —        | \$1.00  |
| FY15E EPS (Net) | —        | \$1.15  |
| FY14E Rev (Net) | \$772.1  | \$786.6 |
| FY15E Rev (Net) | \$843.4  | \$847.0 |

|                       |               |
|-----------------------|---------------|
| Price (01/30/14):     | \$19.19       |
| 52-Week Range:        | \$22 – \$16   |
| Market Cap.(mm):      | 467.9         |
| Shr.O/S-Diluted (mm): | 24.4          |
| Enterprise Val. (mm): | \$806.3       |
| Avg Daily Vol (3 Mo): | 124,247       |
| LT Debt/Total Cap.:   | 57.3%         |
| Net Cash/Share:       | \$0.15        |
| Book Value/Share:     | \$9.61        |
| Dividend(\$ / %)      | \$0.08 / 0.4% |
| S&P Index             | 1,794.19      |

| EPS (Net) | 2013A   | 2014E   | 2015E  |
|-----------|---------|---------|--------|
| Q1        | \$0.36  | \$0.28A | \$0.32 |
| Q2        | 0.32    | 0.22A   | 0.27   |
| Q3        | 0.19    | 0.19    | 0.21   |
| Q4        | 0.31    | 0.31    | 0.34   |
| FY Jun    | \$1.17A | \$1.00  | \$1.15 |
| P/E       | 16.4x   | 19.2x   | 16.7x  |

| Rev (Net)  | 2013A    | 2014E    | 2015E   |
|------------|----------|----------|---------|
| Q1         | \$153.3  | \$175.1A | \$205.5 |
| Q2         | 148.1    | 193.6A   | 204.8   |
| Q3         | 149.6    | 205.5    | 214.3   |
| Q4         | 162.6    | 212.4    | 222.5   |
| FY Jun     | \$613.6A | \$786.6  | \$847.0 |
| EV/Revenue | 1.3x     | 1.0x     | 1.0x    |

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equal.

**The company reported F2Q14 EPS of \$0.22, down 31% y/y and 12% below the Street consensus.** The Street consensus had been \$0.25, while our Stifel estimate was \$0.22. The 11 sell-side analysts publishing quarterly EPS estimates for the company had carried F2Q14 EPS estimates ranging from a low of \$0.21 to a high of \$0.28 prior to the company's release of F2Q14 earnings. If not for the y/y \$3.2 million drop in the gain on the sale of assets, EPS would have been \$0.31 in the F2Q14. Having said that, and while leaving the gain on sale at the reported depressed F2Q14 levels, F2Q14 EPS would have been \$0.21 if the F2Q14 tax rate had not dropped from 37.1% in the F2Q13 to 34.6% in the F2Q14.

**The company transitions to a significantly higher rate of growth during the F2Q14.** Freight revenue, excluding fuel surcharge revenue, was up nearly 35% y/y to \$157.2 million. Average seated truck count, thanks to enhanced recruiting efforts, the company's new driver training school, and various acquisitions completed during 2013, grew nearly 27% y/y to 3,418 during the F2Q14. The fleet was enlarged without impinging on revenue productivity as revenue per truck per week increased 2.3% to \$2,880 mostly due to the 3.8% y/y increase in the company's revenue per loaded mile. Average miles per seated truck remained flat at 2,014 during the quarter, indicating that the company still has significant room for asset utilization and revenue productivity improvement in CY2014 and beyond.

**The company's adjusted operating ratio (fuel surcharge revenue is deducted from total revenue and from operating expenses) unfavorably increased from 89.2% in the F2Q13 to 94.3% in the F2Q14.** The main drive of the margin deterioration was the acquisition of companies that operated older equipment than the equipment found in Celadon's core fleet. This phenomenon had an adverse impact on fuel, maintenance, and supplies expenses y/y. As this older equipment is replaced over the next year or two with late model equipment built to Celadon's specifications, management believes that the company's operating ratio can resume its favorable, slow but steady downward slope. In addition, the company's gain on sale was down dramatically y/y from 4.0 million in the F2Q13 to \$0.8 million in the F2Q14. The drop in gain on sale relates to the accelerated fleet renewal the company was finishing up in the F2Q13. The \$3.2 million swing in the gain on sale alone accounted for 200 basis points or 42% of the 510 basis point unfavorable increase in the quarterly operating ratio y/y.

**The company's balance sheet remains highly levered.** The debt-to-total capitalization ratio unfavorably increased from 56.6% at June 30, 2013 to 59.9% at December 31, 2013. The company's total debt to FY2014 projected EBITDA currently sits at just below 3.0x. While we believe the company still maintains sufficient liquidity to operate and to refresh the aged components of its expanded fleet, we believe that the company would be well-advised to take a breather from its aggressive acquisition activities while focusing on lowering its operating ratio and deleveraging.

**Our EPS estimates remain unchanged at \$1.00 for FY2014, \$1.15 for FY2015, and \$1.35 for FY2016.** While we reserve the right to modify this outlook after listening to the company's conference call on Friday, we believe it is unlikely that we will hear anything so dramatically new that we would be inclined to modify our estimates. Driving our updated estimates are y/y volume increases of 22.6%, 2.3%, and 1.1% for the three fiscal year planning horizon and y/y pricing/yield improvements of 2.8% in FY2014, 2.1%, in FY2015, and 2.0% in FY2016. Additionally, our model drives EPS estimates based on the following assumed operating ratios, net of fuel surcharge revenue: 93.1% for FY2014, 92.7% for FY2015, and 92.2% for FY2016. On a calendar year basis, our EPS estimates are \$1.10 and \$1.25 for calendar years 2014 and 2015, respectively.

**We maintain our Hold rating on the company's common shares.** Our 12-month fair value estimate remains \$19 (or 15x our current CY2015 EPS estimate of \$1.25). With the company's common share price sitting essentially in line with our 12-month fair value estimate, a reiteration of our Hold rating is in order. However, given the favorable underlying trends that were on display in the F2Q14, we would be inclined to revisit our rating should the company's common share price drop to \$16 or lower, all else being equal.

#### **Company Description**

Celadon Group, Inc. is a truckload carrier headquartered in Indianapolis, IN. Operating primarily in the North-South cross-border lanes to and from locations in Mexico, the United States and Eastern Canada, Celadon also owns TruckersB2B, Inc., a provider of cost benefits to approximately 20,000 member fleets.



Equity Comps - Transportation

Comparative Valuation Matrix

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

| Company name (Ticker)                | Rating                            | Closing Price<br>1/30/2014 | Diluted<br>S/O | Market<br>cap. | Total<br>Debt  | Cash &<br>equiv. | TEV <sup>(a)</sup> | Equity value as a multiple of |                      |                      | Enterprise value as a multiple of |                |                 |               |                               | TTM<br>ROA   | TTM<br>ROE  | TTM<br>ROIC  | PEG<br>ratio <sup>(d)</sup> | Div.<br>Yield | 2014E<br>FCF Yld |             |
|--------------------------------------|-----------------------------------|----------------------------|----------------|----------------|----------------|------------------|--------------------|-------------------------------|----------------------|----------------------|-----------------------------------|----------------|-----------------|---------------|-------------------------------|--------------|-------------|--------------|-----------------------------|---------------|------------------|-------------|
|                                      |                                   |                            |                |                |                |                  |                    | Earnings per Share            |                      |                      | Book<br>value                     | TTM<br>Revenue | 2014E<br>EBITDA | TTM<br>EBITDA | TTM<br>EBITDAR <sup>(c)</sup> |              |             |              |                             |               |                  | TTM<br>EBIT |
|                                      |                                   |                            |                |                |                |                  |                    | 2012A <sup>(b)</sup>          | 2013E <sup>(b)</sup> | 2014E <sup>(b)</sup> |                                   |                |                 |               |                               |              |             |              |                             |               |                  |             |
| <b>Truckload</b>                     |                                   |                            |                |                |                |                  |                    |                               |                      |                      |                                   |                |                 |               |                               |              |             |              |                             |               |                  |             |
| Celadon Group (CGI)                  | Hold                              | 19.19                      | 24.3           | 467.2          | 355.1          | 15.2             | 807.2              | 14.7x                         | 19.4x                | 17.4x                | 2.0x                              | 1.2x           | 6.3x            | 7.3x          | 6.6x                          | 19.5x        | 3.6%        | 10.3%        | 5.0%                        | 1.2           | 0.4%             | 9.0%        |
| Covenant Transport (CVTI)            | NC                                | 8.89                       | 14.9           | 132.1          | 202.3          | 10.5             | 323.9              | 21.7x                         | 0.7x                 | 23.4x                | 1.4x                              | 0.5x           | NE              | 5.4x          | 5.1x                          | 19.4x        | 0.8%        | 3.5%         | 3.4%                        | 0.1           | 0.0%             | NE          |
| Heartland Express (HTLD)             | Hold                              | 21.32                      | 84.9           | 1,810.9        | 0.0            | 174.5            | 1,636.4            | 30.0x                         | 25.1x                | 21.1x                | 5.3x                              | 3.1x           | 6.0x            | 9.5x          | 9.5x                          | 14.8x        | 12.7%       | 19.3%        | 19.3%                       | 3.0           | 0.4%             | 4.6%        |
| J.B. Hunt Transport Svcs. (JBHT)     | Hold                              | 75.51                      | 118.0          | 8,913.6        | 708.4          | 5.8              | 9,616.2            | 29.2x                         | 26.3x                | 23.6x                | 8.8x                              | 1.7x           | 10.2x           | 11.6x         | 11.5x                         | 16.7x        | 13.0%       | 38.0%        | 22.3%                       | 1.6           | 0.8%             | 0.1%        |
| Knight Transportation (KNX)          | Hold                              | 21.59                      | 81.0           | 1,748.1        | 38.0           | 1.0              | 1,803.7            | 25.4x                         | 25.4x                | 22.5x                | 3.2x                              | 1.9x           | 8.2x            | 9.0x          | 9.0x                          | 15.8x        | 8.7%        | 13.3%        | 12.0%                       | 1.7           | 1.1%             | 2.3%        |
| Landstar System (LSTR)               | Hold                              | 57.57                      | 46.0           | 2,651.0        | 129.3          | 180.3            | 2,600.0            | 20.8x                         | 24.4x                | 21.0x                | 5.8x                              | 1.0x           | 11.4x           | 12.7x         | 12.7x                         | 14.7x        | 11.8%       | 26.1%        | 20.0%                       | 1.4           | 0.0%             | 3.6%        |
| Marten Transport (MRTN)              | Hold                              | 19.57                      | 33.6           | 657.2          | 0.0            | 13.7             | 645.4              | 23.8x                         | 21.7x                | 19.0x                | 1.8x                              | 1.0x           | 5.2x            | 5.5x          | 5.5x                          | 12.4x        | 5.9%        | 8.7%         | 8.7%                        | 1.4           | 0.5%             | 5.2%        |
| P.A.M. Transportation Svcs. (PTSI)   | NC                                | 20.01                      | 8.7            | 174.7          | 107.0          | 0.3              | 281.4              | NM                            | 26.7x                | 20.0x                | 1.4x                              | 0.7x           | NE              | 5.8x          | 5.7x                          | NM           | 1.6%        | 3.9%         | 3.3%                        | NM            | 0.0%             | NE          |
| Quality Distribution (QLTY)          | Hold                              | 13.89                      | 28.3           | 392.8          | 389.0          | 3.3              | 778.6              | 20.1x                         | 20.1x                | 15.4x                | NM                                | 0.9x           | 8.6x            | 10.0x         | 9.1x                          | 15.2x        | 3.6%        | NM           | 8.7%                        | 1.5           | 0.0%             | 7.4%        |
| Swift Transportation (SWFT)          | Hold                              | 21.73                      | 143.7          | 3,122.0        | 1,603.2        | 59.2             | 4,666.0            | 21.7x                         | 17.7x                | 15.7x                | 11.0x                             | 1.2x           | 7.0x            | 8.1x          | 7.4x                          | 13.0x        | 6.1%        | NM           | 12.4%                       | 0.9           | 0.0%             | 7.7%        |
| Universal Truckload Svcs. (UACL)     | Buy                               | 29.81                      | 30.1           | 898.6          | 124.0          | 5.5              | 1,017.1            | 22.1x                         | 17.0x                | 14.4x                | 9.4x                              | 1.0x           | 7.9x            | 9.3x          | 9.0x                          | 11.4x        | 21.1%       | 48.7%        | 30.2%                       | 0.7           | 0.9%             | 4.5%        |
| USA Truck (USAK)                     | NC                                | 14.75                      | 10.6           | 156.2          | 142.4          | 0.0              | 298.6              | NM                            | NM                   | NM                   | 1.5x                              | 0.5x           | NE              | 8.0x          | 7.8x                          | NM           | -2.3%       | -7.1%        | -2.0%                       | NM            | 0.0%             | NE          |
| Werner Enterprises (WERN)            | Hold                              | 26.42                      | 72.8           | 1,922.3        | 40.0           | 23.7             | 1,938.6            | 18.9x                         | 22.4x                | 20.3x                | 2.5x                              | 1.0x           | 5.8x            | 6.2x          | 6.2x                          | 13.9x        | 6.5%        | 11.7%        | 10.9%                       | 1.8           | 0.8%             | 5.9%        |
|                                      | <b>Min</b>                        |                            |                | 132.1          | 0.0            | 0.0              | 281.4              | 14.7x                         | 0.7x                 | 14.4x                | 1.4x                              | 0.5x           | 5.2x            | 5.4x          | 5.1x                          | 11.4x        | -2.3%       | -7.1%        | -2.0%                       | 0.1           | 0.0%             | 0.1%        |
|                                      | <b>Mean</b>                       |                            |                | 1,772.8        | 295.3          | 37.9             | 2,031.8            | 22.6x                         | 20.6x                | 19.5x                | 4.5x                              | 1.2x           | 7.7x            | 8.4x          | 8.1x                          | 15.2x        | 7.2%        | 16.0%        | 11.9%                       | 1.4           | 0.4%             | 5.0%        |
|                                      | <b>Mean (Asset-based TL only)</b> |                            |                | 1,910.4        | 319.6          | 30.4             | 2,201.7            | 23.2x                         | 20.6x                | 20.3x                | 3.9x                              | 1.3x           | 7.0x            | 7.6x          | 7.4x                          | 15.7x        | 5.7%        | 11.3%        | 9.5%                        | 1.4           | 0.4%             | 5.0%        |
|                                      | <b>Median</b>                     |                            |                | 898.6          | 129.3          | 10.5             | 1,017.1            | 21.7x                         | 22.1x                | 20.2x                | 2.8x                              | 1.0x           | 7.4x            | 8.1x          | 7.8x                          | 14.8x        | 6.1%        | 11.7%        | 10.9%                       | 1.4           | 0.4%             | 4.9%        |
|                                      | <b>Max</b>                        |                            |                | 8,913.6        | 1,603.2        | 180.3            | 9,616.2            | 30.0x                         | 26.7x                | 23.6x                | 11.0x                             | 3.1x           | 11.4x           | 12.7x         | 12.7x                         | 19.5x        | 21.1%       | 48.7%        | 30.2%                       | 3.0           | 1.1%             | 9.0%        |
| <b>Stifel Transportation Average</b> |                                   |                            |                | <b>9,192.0</b> | <b>1,597.9</b> | <b>432.2</b>     | <b>10,455.1</b>    | <b>22.7x</b>                  | <b>17.5x</b>         | <b>18.6x</b>         | <b>3.6x</b>                       | <b>2.2x</b>    | <b>9.2x</b>     | <b>10.0x</b>  | <b>8.7x</b>                   | <b>15.0x</b> | <b>5.4%</b> | <b>15.1%</b> | <b>10.7%</b>                | <b>1.4</b>    | <b>0.9%</b>      | <b>3.9%</b> |

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

(b) Stifel 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) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data, First Call, and Stifel estimates



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**Celadon Group Income Statement**

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

| Fiscal year end June 30                                   |               |               |               |               |               |               |               |               | FY 2013       |               |               |               | FY 2014       |               |               |               | FY 2015       |               |               |               |               |               |               |               |               |      |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------|
|   | 2004A         | 2005A         | 2006A         | 2007A         | 2008A         | 2009A         | 2010A         | 2011A         | 2012A         | 10A           | 20A           | 30A           | 40A           | 2013A         | 10A           | 20A           | 30E           | 40E           | 2014E         | 10E           | 20E           | 30E           | 40E           | 2015E         | 2016E         |      |
| <b>Freight revenues</b>                                   | 374.8         | 391.8         | 406.1         | 423.0         | 448.2         | 409.4         | 451.5         | 467.0         | 404.6         | 103.1         | 98.7          | 98.4          | 105.7         | 405.9         | 114.5         | 127.8         | 129.0         | 135.4         | 506.7         | 129.1         | 130.5         | 133.6         | 140.8         | 534.1         | 552.9         |      |
| <b>Asset Light revenue</b>                                | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 42.2          | 10.9          | 10.7          | 10.5          | 11.9          | 44.0          | 13.2          | 14.0          | 12.6          | 13.7          | 53.6          | 14.4          | 15.3          | 13.7          | 15.0          | 58.4          | 62.5 |
| <b>Intermodal revenue</b>                                 | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 16.5          | 5.2           | 4.4           | 5.9           | 7.0           | 22.4          | 7.5           | 9.7           | 14.5          | 15.7          | 47.5          | 16.2          | 14.6          | 15.7          | 17.0          | 63.4          | 67.2          |      |
| <b>Other Revenue (formerly Truckers B2B)</b>              | 8.1           | 7.8           | 8.3           | 10.0          | 9.3           | 0.0           | 0.0           | 0.0           | 11.8          | 3.0           | 3.0           | 3.9           | 6.8           | 16.8          | 6.7           | 5.7           | 6.9           | 6.8           | 26.1          | 6.9           | 5.9           | 7.0           | 7.0           | 26.8          | 27.6          |      |
| <b>Fuel surcharge revenues</b>                            | 15.0          | 37.1          | 65.7          | 69.7          | 108.4         | 82.2          | 77.1          | 101.2         | 123.8         | 31.2          | 31.3          | 30.9          | 31.2          | 124.6         | 33.1          | 36.4          | 42.4          | 40.8          | 152.7         | 38.9          | 38.5          | 44.3          | 42.7          | 164.3         | 170.9         |      |
| <b>Gross revenues</b>                                     | <b>397.9</b>  | <b>436.8</b>  | <b>480.2</b>  | <b>502.7</b>  | <b>565.9</b>  | <b>491.6</b>  | <b>528.6</b>  | <b>599.0</b>  | <b>559.0</b>  | <b>153.3</b>  | <b>148.1</b>  | <b>149.6</b>  | <b>162.6</b>  | <b>613.6</b>  | <b>175.1</b>  | <b>193.6</b>  | <b>205.5</b>  | <b>212.4</b>  | <b>786.6</b>  | <b>205.5</b>  | <b>204.8</b>  | <b>214.3</b>  | <b>222.5</b>  | <b>847.0</b>  | <b>881.1</b>  |      |
| % change y/y  | 8.4%          | 9.8%          | 9.9%          | 4.7%          | 12.6%         | -13.1%        | 7.5%          | 7.5%          | 5.4%          | 6.5%          | 2.7%          | -2.4%         | 3.2%          | 2.5%          | 14.2%         | 30.7%         | 37.3%         | 30.6%         | 28.2%         | 17.4%         | 5.8%          | 4.3%          | 4.8%          | 7.7%          | 4.0%          |      |
| <b>Operating expenses:</b>                                |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |      |
| Salaries, wages and employee benefits                     | 124.5         | 133.6         | 144.6         | 144.8         | 159.9         | 155.6         | 156.0         | 150.2         | 158.9         | 40.4          | 41.6          | 40.3          | 43.1          | 165.5         | 46.7          | 53.9          | 56.5          | 57.2          | 214.3         | 55.5          | 56.5          | 59.4          | 61.4          | 232.9         | 242.5         |      |
| Fuel  | 57.1          | 81.5          | 109.3         | 116.3         | 163.1         | 125.9         | 125.2         | 138.5         | 156.2         | 37.5          | 36.4          | 35.8          | 34.1          | 143.8         | 36.8          | 43.7          | 44.5          | 44.7          | 169.7         | 42.7          | 42.4          | 45.7          | 45.8          | 176.6         | 184.5         |      |
| Operations and maintenance                                | 33.1          | 33.7          | 29.4          | 32.3          | 37.2          | 35.5          | 36.6          | 41.1          | 39.2          | 8.1           | 7.7           | 7.9           | 9.0           | 32.7          | 11.3          | 11.7          | 11.4          | 11.5          | 45.8          | 11.1          | 11.4          | 12.1          | 12.5          | 47.1          | 47.9          |      |
| Insurance and claims                                      | 15.8          | 14.4          | 13.7          | 13.1          | 15.5          | 13.8          | 17.1          | 14.5          | 13.9          | 3.5           | 4.0           | 3.5           | 4.3           | 15.3          | 4.1           | 4.6           | 5.1           | 5.2           | 19.0          | 5.4           | 5.2           | 5.7           | 5.8           | 22.1          | 22.9          |      |
| Depreciation and amortization                             | 16.0          | 14.9          | 13.0          | 21.6          | 32.4          | 54.2          | 59.5          | 58.3          | 55.4          | 14.6          | 13.5          | 14.3          | 15.2          | 57.6          | 16.1          | 16.7          | 20.2          | 20.3          | 73.3          | 19.3          | 19.9          | 20.5          | 20.8          | 80.5          | 84.2          |      |
| Gains on sale of equipment                                | 0.0           | 0.0           | (0.5)         | 0.3           | 0.8           | 0.0           | 0.6           | (1.1)         | (8.2)         | (1.9)         | (4.0)         | (0.5)         | (0.4)         | (6.8)         | (1.2)         | (0.8)         | (0.4)         | (0.2)         | (2.6)         | (0.2)         | (0.4)         | (0.6)         | (0.6)         | (1.8)         | (4.1)         |      |
| Revenue equipment rentals                                 | 30.2          | 35.8          | 39.6          | 31.9          | 25.6          | 6.4           | 3.7           | 1.6           | 6.0           | 7.0           | 1.7           | 1.7           | 1.7           | 7.0           | 1.7           | 1.6           | 2.0           | 2.0           | 7.2           | 1.9           | 1.9           | 2.0           | 2.1           | 8.0           | 8.3           |      |
| Purchased transportation <sup>(12)</sup>                  | 77.6          | 73.0          | 70.3          | 73.7          | 82.2          | 55.8          | 82.6          | 106.7         | 108.9         | 28.3          | 28.6          | 32.8          | 36.0          | 125.7         | 41.7          | 45.6          | 49.1          | 50.2          | 186.6         | 48.1          | 48.2          | 51.8          | 52.1          | 200.2         | 206.4         |      |
| Cost of products and services sold                        | 5.0           | 4.8           | 5.4           | 7.0           | 6.4           | 5.8           | 5.9           | 3.5           | 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           |      |
| Professional and consulting fees                          | 2.4           | 2.6           | 2.7           | 2.2           | 0.6           | 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           | 0.0           | 0.0           |      |
| Communications and utilities                              | 4.2           | 4.2           | 4.1           | 4.8           | 5.1           | 4.9           | 4.8           | 4.2           | 4.3           | 1.3           | 1.3           | 1.4           | 1.4           | 5.4           | 1.4           | 1.5           | 1.8           | 1.8           | 6.4           | 1.7           | 1.7           | 1.8           | 1.9           | 7.2           | 7.4           |      |
| Operating taxes and licenses                              | 8.2           | 8.5           | 8.2           | 8.6           | 9.1           | 9.7           | 9.8           | 9.9           | 10.3          | 2.6           | 2.5           | 2.7           | 2.7           | 10.5          | 2.8           | 3.3           | 3.5           | 3.4           | 13.0          | 3.4           | 3.5           | 3.7           | 3.7           | 14.4          | 14.9          |      |
| General and other operating                               | 6.9           | 6.3           | 6.1           | 6.0           | 9.1           | 8.1           | 7.0           | 6.7           | 7.3           | 1.8           | 2.1           | 1.7           | 2.8           | 8.4           | 2.1           | 3.0           | 2.6           | 2.6           | 10.2          | 2.5           | 2.5           | 2.7           | 2.7           | 10.4          | 10.7          |      |
| <b>Total operating expenses</b>                           | <b>381.1</b>  | <b>413.4</b>  | <b>446.0</b>  | <b>462.6</b>  | <b>547.1</b>  | <b>475.7</b>  | <b>508.9</b>  | <b>533.9</b>  | <b>552.2</b>  | <b>138.2</b>  | <b>135.5</b>  | <b>141.6</b>  | <b>149.7</b>  | <b>565.0</b>  | <b>163.6</b>  | <b>184.7</b>  | <b>196.2</b>  | <b>198.6</b>  | <b>743.0</b>  | <b>191.5</b>  | <b>192.9</b>  | <b>204.9</b>  | <b>208.2</b>  | <b>797.5</b>  | <b>825.6</b>  |      |
| Operating ratio   | 95.8%         | 94.6%         | 92.9%         | 92.0%         | 96.7%         | 96.8%         | 96.3%         | 94.0%         | 92.2%         | 90.1%         | 91.3%         | 94.6%         | 92.1%         | 92.1%         | 93.4%         | 95.4%         | 95.5%         | 93.5%         | 94.5%         | 93.2%         | 94.2%         | 95.6%         | 93.6%         | 94.2%         | 93.7%         |      |
| Operating ratio, net of FSC                               | 95.6%         | 94.1%         | 91.7%         | 90.7%         | 95.9%         | 96.1%         | 95.6%         | 92.6%         | 90.2%         | 87.6%         | 89.2%         | 93.2%         | 90.2%         | 90.0%         | 91.9%         | 94.3%         | 94.3%         | 92.0%         | 93.1%         | 91.6%         | 92.9%         | 94.5%         | 92.1%         | 92.7%         | 92.2%         |      |
| <b>EBIT</b>   | 16.9          | 23.4          | 34.2          | 40.1          | 18.8          | 15.9          | 19.8          | 34.3          | 46.8          | 15.1          | 12.6          | 8.0           | 12.9          | 48.7          | 11.5          | 8.9           | 9.2           | 13.8          | 43.5          | 14.0          | 11.9          | 9.4           | 14.2          | 49.5          | 55.5          |      |
| % margin  | 4.2%          | 5.4%          | 7.1%          | 8.0%          | 3.3%          | 3.2%          | 3.7%          | 6.0%          | 7.8%          | 9.9%          | 8.5%          | 5.4%          | 7.9%          | 7.9%          | 6.6%          | 4.6%          | 4.5%          | 6.5%          | 5.5%          | 6.8%          | 5.8%          | 4.4%          | 6.4%          | 5.8%          | 6.3%          |      |
| <b>EBITDA</b>   | 32.9          | 38.3          | 47.2          | 61.7          | 51.2          | 70.1          | 79.3          | 92.6          | 102.2         | 29.7          | 26.1          | 22.3          | 28.1          | 106.3         | 27.7          | 25.7          | 29.5          | 34.1          | 116.8         | 33.3          | 31.7          | 29.9          | 35.1          | 130.0         | 139.7         |      |
| % margin  | 8.3%          | 8.8%          | 9.8%          | 12.3%         | 9.1%          | 14.3%         | 15.0%         | 16.3%         | 17.1%         | 19.4%         | 17.6%         | 14.9%         | 17.3%         | 17.3%         | 15.8%         | 13.7%         | 14.3%         | 16.0%         | 14.9%         | 16.2%         | 15.5%         | 14.0%         | 15.8%         | 15.4%         | 15.9%         |      |
| <b>Interest (income)</b>                                  | (0.0)         | (0.0)         | (0.2)         | (0.0)         | (0.1)         | (0.0)         | (0.1)         | (0.1)         | (0.1)         | 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)         |      |
| Interest expense  | 3.8           | 1.4           | 0.9           | 3.5           | 5.0           | 9.1           | 10.1          | 8.2           | 5.7           | 1.5           | 1.2           | 1.1           | 1.2           | 4.9           | 1.2           | 1.3           | 2.1           | 1.9           | 6.5           | 1.7           | 1.6           | 1.4           | 1.3           | 6.1           | 4.2           |      |
| Other (income) expense, net                               | 0.2           | 0.0           | 0.0           | 0.1           | 0.2           | (0.2)         | 0.1           | (0.6)         | (0.4)         | 0.0           | (0.3)         | (0.4)         | (0.3)         | (1.0)         | (0.2)         | (0.2)         | (0.3)         | (0.3)         | (1.0)         | (0.3)         | (0.3)         | (0.3)         | (0.3)         | (1.1)         | (1.1)         |      |
| <b>Profit before tax</b>                                  | 13.0          | 22.0          | 33.4          | 36.5          | 13.7          | 7.1           | 9.6           | 26.8          | 41.5          | 13.6          | 11.7          | 7.4           | 12.0          | 44.7          | 10.5          | 7.8           | 7.4           | 12.2          | 38.0          | 12.5          | 10.6          | 8.3           | 13.2          | 44.6          | 52.5          |      |
| % margin  | 3.3%          | 5.0%          | 7.0%          | 7.3%          | 2.4%          | 1.4%          | 1.8%          | 4.7%          | 6.9%          | 8.9%          | 7.9%          | 4.9%          | 7.4%          | 7.3%          | 6.0%          | 4.1%          | 3.6%          | 5.7%          | 4.8%          | 6.1%          | 5.2%          | 3.9%          | 5.9%          | 5.3%          | 6.0%          |      |
| <b>Tax rate</b>   | 48.9%         | 42.8%         | 38.5%         | 39.0%         | 52.2%         | 68.1%         | 60.1%         | 44.7%         | 38.5%         | 39.3%         | 37.1%         | 40.5%         | 39.8%         | 39.1%         | 37.8%         | 34.6%         | 39.0%         | 39.0%         | 39.0%         | 39.0%         | 39.0%         | 39.0%         | 39.0%         | 39.0%         | 39.0%         |      |
| <b>Net income (loss) from continuing operations</b>       | 6.6           | 12.6          | 20.5          | 22.3          | 6.5           | 2.3           | 3.8           | 14.8          | 25.5          | 8.3           | 7.4           | 4.4           | 7.2           | 27.3          | 6.6           | 5.1           | 4.5           | 7.4           | 23.7          | 7.7           | 6.5           | 5.0           | 8.0           | 27.2          | 32.0          |      |
| Extraordinary item (net of tax) <sup>(1)-(9)</sup>        | (6.9)         | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.3           | 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           |      |
| <b>Net income</b>   | (0.3)         | 12.6          | 20.5          | 22.3          | 6.5           | 2.3           | 3.8           | 15.1          | 25.5          | 8.3           | 7.4           | 4.4           | 7.2           | 27.3          | 6.6           | 5.1           | 4.5           | 7.4           | 23.7          | 7.7           | 6.5           | 5.0           | 8.0           | 27.2          | 32.0          |      |
| % margin  | 1.7%          | 2.9%          | 4.3%          | 4.4%          | 1.2%          | 0.5%          | 0.7%          | 2.7%          | 4.3%          | 5.4%          | 5.0%          | 2.9%          | 4.5%          | 4.4%          | 3.7%          | 2.6%          | 2.2%          | 3.5%          | 3.0%          | 3.7%          | 3.2%          | 2.4%          | 3.6%          | 3.2%          | 3.6%          |      |
| Average shares outstanding - diluted <sup>(10)-(11)</sup> | 18.0          | 23.0          | 23.4          | 23.7          | 22.6          | 22.1          | 22.4          | 22.6          | 22.9          | 23.2          | 23.2          | 23.5          | 23.6          | 23.4          | 23.7          | 23.7          | 23.7          | 23.7          | 23.7          | 23.7          | 23.7          | 23.7          | 23.7          | 23.7          | 23.7          |      |
| <b>FY EPS - diluted (continuing operations)</b>           | <b>\$0.37</b> | <b>\$0.55</b> | <b>\$0.88</b> | <b>\$0.94</b> | <b>\$0.29</b> | <b>\$0.10</b> | <b>\$0.17</b> | <b>\$0.66</b> | <b>\$1.12</b> | <b>\$0.36</b> | <b>\$0.32</b> | <b>\$0.19</b> | <b>\$0.31</b> | <b>\$1.17</b> | <b>\$0.28</b> | <b>\$0.22</b> | <b>\$0.19</b> | <b>\$0.31</b> | <b>\$1.00</b> | <b>\$0.32</b> | <b>\$0.27</b> | <b>\$0.21</b> | <b>\$0.34</b> | <b>\$1.15</b> | <b>\$1.35</b> |      |
| % change y/y  | 60.9%         | 48.6%         | 60.0%         | 6.8%          | -69.1%        | -65.5%        | 70.0%         | 288.2%        | 69.7%         | 50.0%         | 33.3%         | -24.0%        | -20.5%        | 4.5%          | -22.2%        | -31.3%        | 0.0%          | 0.0%          | -14.5%        | 14.3%         | 22.7%         | 10.5%         | 9.7%          | 15.0%         | 17.4%         |      |
| <b>FY EPS - diluted</b>                                   | <b>(0.02)</b> | <b>\$0.55</b> | <b>\$0.88</b> | <b>\$0.94</b> | <b>\$0.29</b> | <b>\$0.10</b> | <b>\$0.17</b> | <b>\$0.67</b> | <b>\$1.12</b> | <b>\$0.36</b> | <b>\$0.32</b> | <b>\$0.19</b> | <b>\$0.31</b> | <b>\$1.17</b> | <b>\$0.28</b> | <b>\$0.22</b> | <b>\$0.19</b> | <b>\$0.31</b> | <b>\$1.00</b> | <b>\$0.32</b> | <b>\$0.27</b> | <b>\$0.21</b> | <b>\$0.34</b> | <b>\$1.15</b> | <b>\$1.35</b> |      |
| % change y/y  | -110.0%       | NM            | 60.0%         | 6.8%          | -69.1%        | -65.5%        | 70.0%         | 294.1%        | 67.2%         | 50.0%         | 33.3%         | -24.0%        | -20.5%        | 4.5%          | -22.2%        | -31.3%        | 0.0%          | 0.0%          | -14.5%        | 14.3%         | 22.7%         | 10.5%         | 9.7%          | 15.0%         | 17.4%         |      |
| <b>CY EPS - diluted (continuing operations)</b>           | <b>\$0.43</b> | <b>\$0.71</b> | <b>\$1.03</b> | <b>\$0.56</b> | <b>\$0.38</b> | <b>(0.08)</b> | <b>(0.89)</b> | <b>\$0.81</b> | <b>\$1.31</b> | <b>\$0.19</b> | <b>\$0.31</b> | <b>\$0.28</b> | <b>\$0.22</b> | <b>\$0.</b>   |               |               |               |               |               |               |               |               |               |               |               |      |



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**Celadon Group Balance Sheet**

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

Fiscal year end June 30

**ASSETS**

**Current assets**

|   |             |             |             |             |              |             |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
|---|-------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cash and cash equivalents                 | 0.4         | 11.1        | 1.7         | 1.2         | 2.3          | 0.9         | 21.3         | 25.7         | 33.6         | 3.4          | 8.1          | 4.5          | 1.3          | 3.6          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          |              |
| Trade receivables, net                    | 52.2        | 55.8        | 55.5        | 59.4        | 69.5         | 55.3        | 63.5         | 64.7         | 67.6         | 68.3         | 61.9         | 66.8         | 77.6         | 81.5         | 77.6         | 92.1         | 98.3         | 102.1        | 103.5        | 104.6        | 105.9        | 110.1        |
| Accounts receivable - other               | 4.5         | 2.7         | 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          |
| Prepaid expenses and other current assets | 5.4         | 3.6         | 10.1        | 10.6        | 16.7         | 10.0        | 12.3         | 14.4         | 10.9         | 17.0         | 14.0         | 15.0         | 13.4         | 33.1         | 27.2         | 22.1         | 21.2         | 26.1         | 24.8         | 25.1         | 23.7         | 24.7         |
| Equipment held for sale                   | 0.0         | 0.0         | 0.0         | 11.2        | 0.0          | 8.0         | 0.0          | 0.0          | 7.9          | 29.2         | 19.3         | 12.6         | 9.9          | 7.7          | 5.0          | 2.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Tires in service                          | 4.4         | 3.3         | 2.7         | 3.0         | 3.8          | 4.3         | 5.0          | 6.6          | 1.8          | 2.0          | 1.2          | 1.0          | 1.2          | 1.0          | 1.4          | 1.5          | 1.6          | 2.5          | 1.7          | 1.7          | 1.7          | 1.8          |
| Income tax receivable/recoverable         | 0.0         | 0.0         | 5.2         | 1.5         | 5.8          | 0.2         | 0.0          | 0.0          | 0.0          | 0.0          | 0.6          | 0.0          | 9.5          | 3.1          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Deferred income taxes                     | 2.0         | 2.4         | 1.9         | 2.0         | 3.0          | 2.8         | 3.6          | 3.9          | 4.2          | 4.5          | 4.4          | 3.9          | 4.3          | 4.2          | 4.2          | 4.2          | 4.2          | 4.2          | 4.2          | 4.2          | 4.2          | 4.2          |
| <b>Total current assets</b>               | <b>68.8</b> | <b>78.9</b> | <b>77.1</b> | <b>88.9</b> | <b>101.2</b> | <b>81.6</b> | <b>105.6</b> | <b>115.3</b> | <b>126.0</b> | <b>124.4</b> | <b>109.6</b> | <b>103.9</b> | <b>117.4</b> | <b>134.2</b> | <b>119.5</b> | <b>125.9</b> | <b>129.4</b> | <b>139.0</b> | <b>138.3</b> | <b>139.6</b> | <b>139.5</b> | <b>144.8</b> |

**Property and equipment**

|  |              |             |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
|--|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue equipment owned                        | 66.2         | 59.5        | 97.7         | 158.9        |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Revenue equipment under capital leases         | 17.4         | 8.2         | 2.0          | 57.5         |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Furnitures and office equipment                | 3.1          | 4.0         | 4.5          | 4.9          |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Land and buildings                             | 12.8         | 13.4        | 14.3         | 15.9         |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Service equipment                              | 0.8          | 1.0         | 1.1          | 1.1          |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Leasehold improvements                         | 1.8          | 2.1         | 2.1          | 2.6          |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Total property and equipment</b>            | <b>102.1</b> | <b>88.2</b> | <b>121.7</b> | <b>240.9</b> | <b>270.8</b> | <b>237.2</b> | <b>445.3</b> | <b>418.7</b> | <b>483.3</b> | <b>534.4</b> | <b>520.8</b> | <b>580.9</b> | <b>612.2</b> | <b>621.2</b> | <b>638.7</b> | <b>641.7</b> | <b>643.7</b> | <b>646.7</b> | <b>654.7</b> | <b>666.7</b> | <b>680.7</b> | <b>730.7</b> |
| Less accumulated depreciation and amortization | (40.3)       | (30.7)      | (30.5)       | (44.6)       | (64.6)       | (70.0)       | (124.0)      | (141.6)      | (112.9)      | (112.5)      | (104.0)      | (110.2)      | (115.4)      | (119.5)      | (136.3)      | (156.5)      | (176.7)      | (196.1)      | (215.9)      | (236.4)      | (257.3)      | (341.5)      |
| <b>Property and equipment, net</b>             | <b>61.8</b>  | <b>57.5</b> | <b>91.3</b>  | <b>196.3</b> | <b>206.2</b> | <b>167.1</b> | <b>321.3</b> | <b>277.1</b> | <b>370.5</b> | <b>421.9</b> | <b>416.8</b> | <b>470.7</b> | <b>496.9</b> | <b>501.6</b> | <b>502.4</b> | <b>485.2</b> | <b>466.9</b> | <b>450.6</b> | <b>438.7</b> | <b>430.2</b> | <b>423.4</b> | <b>389.2</b> |

**Tires in service**

|                             |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Goodwill                    | 1.9          | 1.7          | 1.6          | 1.4          | 1.5          | 1.6          | 1.8          | 2.9          | 2.5          | 2.4          | 1.5          | 1.4          | 1.8          | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          |
| Investment in joint Venture | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 2.9          | 3.5          | 3.8          | 4.0          | 4.3          | 4.6          | 4.3          | 4.3          | 4.3          | 4.3          | 4.3          | 4.3          | 4.3          | 4.3          | 4.3          |
| Other assets, net           | 2.1          | 2.1          | 1.0          | 1.1          | 1.3          | 1.6          | 1.6          | 1.7          | 1.5          | 1.5          | 2.6          | 3.3          | 2.8          | 3.2          | 3.2          | 3.2          | 3.2          | 3.2          | 3.2          | 3.2          | 3.2          | 3.2          |
| <b>Total assets</b>         | <b>151.3</b> | <b>159.4</b> | <b>190.1</b> | <b>306.9</b> | <b>329.3</b> | <b>271.0</b> | <b>449.5</b> | <b>416.7</b> | <b>520.7</b> | <b>570.7</b> | <b>551.2</b> | <b>601.0</b> | <b>641.2</b> | <b>665.3</b> | <b>651.3</b> | <b>640.6</b> | <b>625.8</b> | <b>619.0</b> | <b>606.5</b> | <b>599.4</b> | <b>592.4</b> | <b>563.5</b> |

**LIABILITIES AND EQUITY**

**Current liabilities**

|   |             |             |             |             |             |             |              |              |              |             |             |             |             |             |             |             |             |             |              |              |              |              |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Accounts payable                                | 7.5         | 4.5         | 4.4         | 8.0         | 6.9         | 5.5         | 10.2         | 10.5         | 7.7          | 7.7         | 4.5         | 5.2         | 10.4        | 5.8         | 5.4         | 7.4         | 9.4         | 8.2         | 8.3          | 8.4          | 8.5          | 8.8          |
| Accrued salaries and benefits                   | 9.2         | 11.1        | 16.8        | 11.8        | 11.4        | 10.1        | 11.5         | 13.2         | 13.9         | 11.5        | 11.2        | 10.5        | 11.2        | 10.4        | 11.6        | 12.5        | 13.4        | 13.9        | 14.1         | 14.2         | 14.4         | 15.0         |
| Accrued insurance and claims                    | 7.6         | 10.0        | 7.0         | 6.3         | 9.1         | 8.5         | 11.0         | 13.4         | 10.1         | 10.2        | 10.1        | 9.5         | 10.1        | 10.3        | 10.9        | 11.8        | 12.6        | 13.1        | 13.3         | 13.4         | 13.6         | 14.1         |
| Accrued independent contractor expense          | 2.3         | 1.3         | 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          |
| Accrued fuel expense                            | 2.5         | 6.1         | 6.5         | 6.4         | 12.2        | 8.6         | 11.3         | 11.1         | 4.9          | 11.6        | 9.6         | 10.2        | 7.5         | 8.4         | 10.2        | 11.8        | 11.0        | 11.4        | 11.6         | 11.7         | 11.9         | 12.3         |
| Other accrued expenses                          | 11.5        | 10.2        | 12.0        | 12.2        | 11.9        | 11.5        | 12.2         | 15.7         | 19.0         | 18.2        | 18.6        | 21.0        | 20.1        | 22.0        | 19.1        | 20.6        | 21.2        | 21.2        | 23.2         | 23.4         | 22.9         | 23.8         |
| Current maturities of long-term debt            | 2.3         | 1.1         | 1.0         | 10.7        | 8.3         | 1.1         | 0.3          | 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          |
| Current maturities of capital lease obligations | 3.0         | 0.8         | 0.5         | 6.2         | 6.5         | 6.7         | 67.7         | 75.5         | 45.1         | 35.8        | 27.5        | 24.9        | 25.7        | 30.6        | 30.6        | 30.6        | 30.6        | 30.6        | 30.6         | 30.6         | 30.6         | 30.6         |
| Income tax payable                              | 2.9         | 0.3         | 0.0         | 0.0         | 0.0         | 0.0         | 3.0          | 1.8          | 1.5          | 1.3         | 0.0         | 0.9         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Total current liabilities</b>                | <b>48.7</b> | <b>45.3</b> | <b>48.2</b> | <b>61.6</b> | <b>66.2</b> | <b>52.0</b> | <b>127.0</b> | <b>141.2</b> | <b>102.3</b> | <b>96.3</b> | <b>81.5</b> | <b>82.3</b> | <b>84.9</b> | <b>87.5</b> | <b>87.8</b> | <b>94.7</b> | <b>98.3</b> | <b>98.4</b> | <b>101.0</b> | <b>101.8</b> | <b>101.8</b> | <b>104.6</b> |

**Long-term debt, net of current maturities**

|  |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Capital lease obligations, net of current maturities | 6.9          | 4.2          | 9.6          | 28.9         | 45.6         | 5.9          | 0.0          | 0.0          | 0.0          | 28.6         | 29.3         | 64.8         | 78.1         | 104.6        | 94.1         | 77.3         | 57.5         | 55.7         | 48.5         | 45.3         | 39.8         | 8.8          |
| Deferred income taxes                                | 2.3          | 1.3          | 0.9          | 48.8         | 42.1         | 35.3         | 139.5        | 72.2         | 185.4        | 179.2        | 169.2        | 187.8        | 190.6        | 179.2        | 169.2        | 159.2        | 149.2        | 134.2        | 119.2        | 109.2        | 99.2         | 65.2         |
| Minority interest                                    | 10.5         | 10.1         | 9.9          | 20.3         | 31.5         | 34.1         | 32.1         | 31.4         | 38.2         | 41.3         | 45.1         | 46.0         | 61.8         | 59.8         | 61.3         | 66.3         | 70.8         | 73.5         | 74.5         | 75.3         | 76.2         | 79.3         |
| Preferred stock                                      | 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          |
| Common stock   | 0.3          | 0.3          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          | 0.8          |
| Additional paid in capital                           | 86.6         | 89.4         | 90.8         | 93.6         | 95.2         | 97.0         | 98.6         | 99.9         | 101.2        | 101.7        | 102.3        | 103.2        | 103.7        | 104.9        | 104.9        | 104.9        | 104.9        | 104.9        | 104.9        | 104.9        | 104.9        | 104.9        |
| Retained earnings (deficit)                          | (1.0)        | (1.7)        | 32.1         | 54.3         | 60.9         | 63.4         | 66.3         | 81.6         | 105.8        | 113.6        | 120.5        | 124.4        | 131.2        | 137.3        | 137.3        | 137.3        | 137.3        | 137.3        | 137.3        | 137.3        | 137.3        | 137.3        |
| Unearned compensation on restricted stock            | (0.7)        | (0.7)        | 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          |
| Accumulated other comprehensive income (loss)        | (2.4)        | (2.0)        | (2.3)        | (1.4)        | (0.4)        | (5.6)        | (3.8)        | (1.0)        | (5.0)        | (2.7)        | (3.4)        | (3.4)        | (5.3)        | (4.6)        | (4.6)        | (4.6)        | (4.6)        | (4.6)        | (4.6)        | (4.6)        | (4.6)        | (4.6)        |
| Treasury stock, at cost                              | 0.0          | 0.0          | 0.0          | 0.0          | (12.6)       | (12.0)       | (11.1)       | (9.4)        | (8.0)        | (7.9)        | (6.1)        | (4.9)        | (4.8)        | (4.1)        | (4.1)        | (4.1)        | (4.1)        | (4.1)        | (4.1)        | (4.1)        | (4.1)        | (4.1)        |
| <b>Total stockholders' equity</b>                    | <b>82.8</b>  | <b>98.5</b>  | <b>121.4</b> | <b>147.3</b> | <b>143.9</b> | <b>143.7</b> | <b>150.8</b> | <b>171.9</b> | <b>194.8</b> | <b>205.4</b> | <b>214.1</b> | <b>220.1</b> | <b>225.7</b> | <b>234.3</b> | <b>238.9</b> | <b>243.0</b> | <b>250.0</b> | <b>257.2</b> | <b>263.2</b> | <b>267.8</b> | <b>275.4</b> | <b>305.6</b> |
| <b>Total liabilities and stockholders' equity</b>    | <b>151.3</b> | <b>159.4</b> | <b>190.1</b> | <b>306.9</b> | <b>329.3</b> | <b>271.0</b> | <b>449.5</b> | <b>416.7</b> | <b>520.7</b> | <b>570.7</b> | <b>551.2</b> | <b>601.0</b> | <b>641.2</b> | <b>665.3</b> | <b>651.3</b> | <b>640.6</b> | <b>625.8</b> | <b>619.0</b> | <b>606.5</b> | <b>599.4</b> | <b>592.4</b> | <b>563.5</b> |

\*NR="Not reported"

| Book value per share                    | \$4.05 | \$4.26 | \$5.16 | \$6.18 | \$6.56 | \$6.48 | \$6.69 | \$7.57 | \$8.42 | \$8.86 | \$9.21 | \$9.36 | \$9.56 | \$9.90 | \$10.09 | \$10.27 | \$10.57 | \$10.87 | \$11.12 | \$11.32 | \$11.64 | \$12.91 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| Average age of trade receivables (days) | 43.2   | 42.4   | 38.9   | 40.0   | 39.7   | 40.5   | 40.8   | 38.0   | 39.4   | 40.6   | 40.1   | 39.2   | 40.5   | 42.5   | 37.5    | 37.7    | 40.9    | 45.3    | 45.8    | 44.3    | 43.2    | 43.4    |
| Net working capital                     | 20.1   | 33.6   | 28.9   | 27.3   | 35.0   | (21.4) | (25.8) | 23.8   | 28.0   | 28.1   | 21.6   | 32.5   | 46.7   | 46.7   | 31.6    | 31.2    | 31.1    | 40.5    | 37.2    | 37.9    | 37.7    | 40.2    |
| Current ratio                           | 1.4x   | 1.7x   | 1.6x   | 1.4x   | 1.5x   | 1.6x   | 0.8x   | 0.8x   | 1.2x   | 1.3x   | 1.3x   | 1.4x   | 1.4x   | 1.5x   | 1.4x    | 1.3x    | 1.3x    | 1.4x    | 1.4x    | 1.4x    | 1.4x    | 1.4x    |
| Total assets                            | 151.3  | 159.4  | 190.1  | 306.9  | 329.3  | 271.0  | 449.5  | 416.7  | 520.7  | 570.7  | 551.2  | 601.0  | 641.2  | 665.3  |         |         |         |         |         |         |         |         |



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**Celadon Group Cash Flow Statement**

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

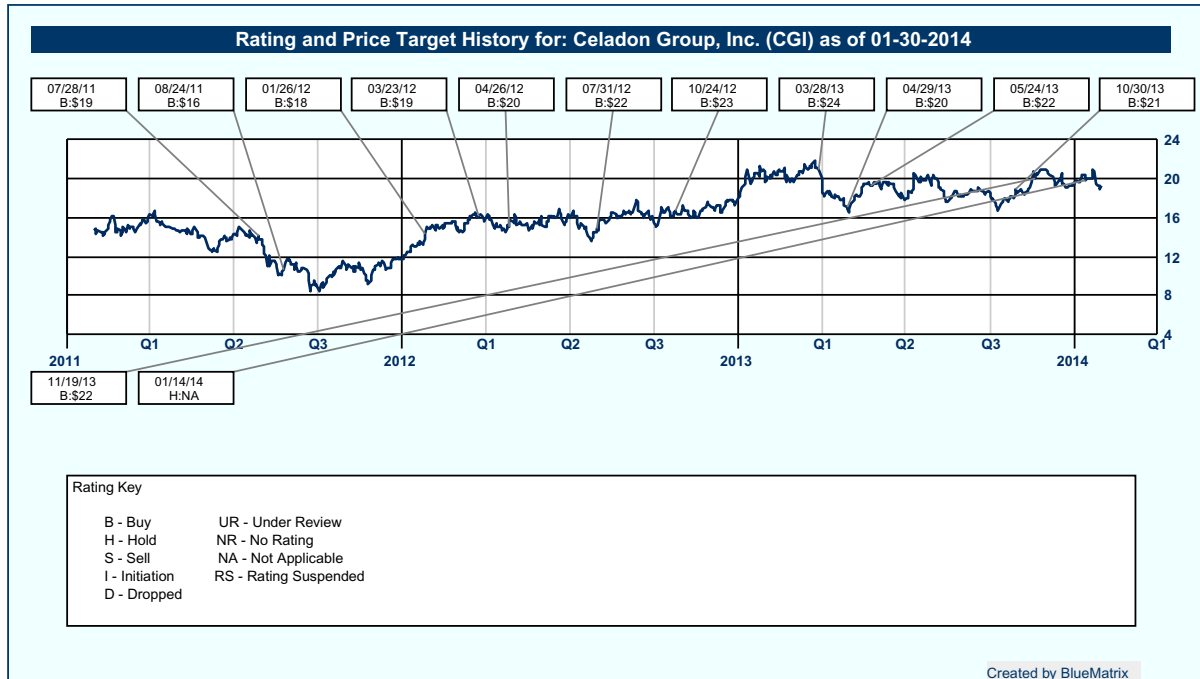
|  | FY 2013       |              |               |               |               |               |               |               |               |               | FY 2014       |               |               |                | FY 2015       |               |               |               |               |               |               |               |               |               |               |
|--|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2004A         | 2005A        | 2006A         | 2007A         | 2008A         | 2009A         | 2010A         | 2011A         | 2012A         | 2013A         | 1Q            | 2Q            | 3Q            | 4Q             | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3Q            | 4Q            | 2015E         | 2016E         |               |
| <b>Fiscal year end June 30</b>                             |               |              |               |               |               |               |               |               |               |               |               |               |               |                |               |               |               |               |               |               |               |               |               |               |               |
| <b>Operating Activities</b>                                |               |              |               |               |               |               |               |               |               |               |               |               |               |                |               |               |               |               |               |               |               |               |               |               |               |
| Net income   | (0.3)         | 12.6         | 20.5          | 22.3          | 6.5           | 2.3           | 3.8           | 15.1          | 25.5          | 8.3           | 7.4           | 4.4           | 7.2           | 27.3           | 6.6           | 5.1           | 4.5           | 7.4           | 23.7          | 7.7           | 6.5           | 5.0           | 8.0           | 27.2          | 32.0          |
| Adjustments  |               |              |               |               |               |               |               |               |               |               |               |               |               |                |               |               |               |               |               |               |               |               |               |               |               |
| Depreciation and amortization                              | 15.9          | 14.9         | 13.0          | 21.6          | 32.4          | 54.2          | 59.5          | 58.3          | 55.8          | 14.6          | 13.6          | 14.1          | 15.5          | 57.8           | 16.1          | 16.7          | 20.2          | 20.3          | 73.3          | 19.3          | 19.9          | 20.5          | 20.8          | 80.5          | 84.2          |
| Impairment charge  | 9.8           | 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           |
| Write-off of loan origination cost                         | 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           |
| Write-off of revenue equipment                             | 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           |
| Loss on disposition of equipment                           | 0.0           | 0.0          | (0.5)         | 0.3           | 0.8           | 0.0           | 0.6           | (1.1)         | (8.2)         | (1.9)         | (4.0)         | (0.3)         | (0.6)         | (6.8)          | (1.2)         | 0.0           | 0.0           | 0.0           | (1.2)         | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Loss on disposition of flatted division                    | 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           |
| Gain from Sale of Majority interest in subsidiary          | 0.0           | 0.0          | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | (4.1)         | 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           |
| Non-cash member and vendor development costs               | 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           |
| Provision (benefit) for deferred income taxes              | 0.2           | (0.9)        | 2.0           | 10.3          | 10.2          | 2.7           | (1.5)         | (1.1)         | 6.6           | -2.3          | 3.6           | 0.8           | 13.7          | 20.5           | (2.4)         | 1.5           | 5.0           | 4.5           | 8.6           | 2.7           | 1.0           | 0.8           | 0.9           | 5.4           | 3.1           |
| Provision for doubtful accounts                            | 1.0           | 0.7          | 0.8           | 0.4           | 0.9           | 0.1           | 0.3           | 0.2           | 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           |
| Stock based compensation                                   | 0.9           | (0.2)        | 5.1           | 1.8           | 1.9           | 2.3           | 3.4           | 2.4           | 2.5           | 0.5           | 2.3           | 0.5           | 0.5           | 3.9            | 0.5           | 0.0           | 0.0           | 0.0           | 0.5           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Realized loss in foreign currency contracts                | NA            | NA           | NA            | NA            | NA            | 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           |
| <b>Changes in working capital items:</b>                   |               |              |               |               |               |               |               |               |               |               |               |               |               |                |               |               |               |               |               |               |               |               |               |               |               |
| Trade receivables  | (6.5)         | (4.2)        | (0.5)         | (4.3)         | (11.0)        | 13.3          | (8.2)         | (3.1)         | (3.1)         | (0.6)         | 8.2           | (5.3)         | (4.4)         | (2.1)          | 0.3           | 3.9           | (14.5)        | (6.2)         | (16.5)        | (3.8)         | (1.4)         | (1.1)         | (1.3)         | (7.6)         | (4.3)         |
| Accounts receivable - other                                | (0.9)         | 1.7          | 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           |
| Income tax recoverable                                     | 0.0           | 0.0          | (5.2)         | 3.7           | (4.3)         | 5.4           | 2.1           | (1.1)         | (0.4)         | (0.1)         | (2.1)         | 1.8           | (10.7)        | (11.1)         | 5.7           | 3.1           | 0.0           | 0.0           | 8.7           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Tires in service   | 0.7           | 1.2          | 0.7           | (0.2)         | (0.8)         | (0.7)         | (0.9)         | (2.6)         | 5.2           | (0.2)         | 2.5           | 0.3           | (0.7)         | 2.0            | 0.5           | (0.3)         | (0.1)         | (0.1)         | (0.1)         | (0.9)         | 0.8           | (0.0)         | (0.0)         | (0.1)         | (0.1)         |
| Prepaid expenses and other current assets                  | 2.0           | 1.8          | (3.8)         | (0.5)         | (6.1)         | 6.2           | 5.8           | (1.0)         | 2.6           | (5.0)         | 2.6           | (0.7)         | 2.0           | (1.1)          | (5.4)         | 8.6           | 8.1           | 2.9           | 14.2          | (4.9)         | 1.3           | (0.3)         | 1.4           | (2.5)         | (1.0)         |
| Other assets   | 1.4           | 0.3          | 1.2           | 0.4           | 0.2           | (0.4)         | 0.5           | (0.4)         | (0.9)         | 0.9           | (3.3)         | (1.8)         | 3.0           | (1.2)          | (0.3)         | 0.0           | 0.0           | 0.0           | (0.3)         | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Accounts payable and accrued expenses                      | 6.0           | 3.2          | (0.6)         | (2.2)         | 6.7           | (6.2)         | 10.8          | 8.6           | (8.5)         | 0.9           | (3.0)         | 3.2           | (3.6)         | (2.4)          | (4.6)         | 0.3           | 6.9           | 3.5           | 6.2           | 0.2           | 2.6           | 0.7           | 0.0           | 3.5           | 2.9           |
| Income tax (receivable) payable                            | 2.9           | (2.2)        | (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           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Total change in net working capital</b>                 | <b>5.5</b>    | <b>1.7</b>   | <b>(10.2)</b> | <b>(3.0)</b>  | <b>(15.3)</b> | <b>17.6</b>   | <b>10.0</b>   | <b>0.3</b>    | <b>(5.1)</b>  | <b>(4.0)</b>  | <b>4.9</b>    | <b>(2.4)</b>  | <b>(14.5)</b> | <b>(15.9)</b>  | <b>(3.8)</b>  | <b>15.5</b>   | <b>0.5</b>    | <b>0.1</b>    | <b>12.3</b>   | <b>(9.4)</b>  | <b>3.3</b>    | <b>(0.6)</b>  | <b>0.1</b>    | <b>(6.7)</b>  | <b>(2.4)</b>  |
| <b>Net cash provided by operations</b>                     | <b>33.1</b>   | <b>28.9</b>  | <b>30.7</b>   | <b>53.6</b>   | <b>37.5</b>   | <b>79.2</b>   | <b>76.1</b>   | <b>69.9</b>   | <b>77.1</b>   | <b>19.9</b>   | <b>27.8</b>   | <b>17.2</b>   | <b>21.9</b>   | <b>86.7</b>    | <b>15.9</b>   | <b>38.8</b>   | <b>30.2</b>   | <b>32.3</b>   | <b>117.2</b>  | <b>20.3</b>   | <b>30.6</b>   | <b>25.7</b>   | <b>29.9</b>   | <b>106.5</b>  | <b>116.9</b>  |
| <b>Investing Activities</b>                                |               |              |               |               |               |               |               |               |               |               |               |               |               |                |               |               |               |               |               |               |               |               |               |               |               |
| Purchase of property and equipment                         | (23.8)        | (25.2)       | (95.8)        | (66.8)        | (69.0)        | (12.9)        | (39.4)        | (32.2)        | (95.5)        | (63.1)        | (27.8)        | (61.0)        | (17.6)        | (169.5)        | (19.8)        | (3.5)         | (3.0)         | (2.0)         | (28.3)        | (3.0)         | (8.0)         | (12.0)        | (14.0)        | (37.0)        | (50.0)        |
| Proceeds on sale of property and equipment                 | 22.8          | 39.8         | 51.4          | 37.9          | 37.6          | 44.6          | 38.7          | 47.7          | 155.5         | 28.5          | 41.2          | 18.5          | 17.3          | 105.4          | 8.8           | 0.0           | 0.0           | 0.0           | 8.8           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Purchase of treasury stock in subsidiary                   | 0.0           | (1.5)        | 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           |
| Proceeds from sale of majority interest in subsidiary      | 0.0           | 0.0          | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 5.0           | 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           |
| Purchase of available for sale securities                  | 0.0           | 0.0          | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.3           | 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           |
| Purchase of a business, net of cash acquired               | (3.6)         | (22.7)       | 0.0           | (32.4)        | 0.0           | (24.1)        | 0.0           | 0.0           | (41.9)        | (24.1)        | (8.5)         | 0.3           | (7.2)         | (39.5)         | (9.3)         | (14.0)        | 0.0           | 0.0           | (23.3)        | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Net cash (used in) provided by investing activities</b> | <b>(4.6)</b>  | <b>(9.6)</b> | <b>(44.3)</b> | <b>(61.2)</b> | <b>(31.4)</b> | <b>7.6</b>    | <b>(0.7)</b>  | <b>20.5</b>   | <b>18.5</b>   | <b>(58.7)</b> | <b>4.8</b>    | <b>(42.1)</b> | <b>(7.6)</b>  | <b>(103.6)</b> | <b>(20.2)</b> | <b>(17.5)</b> | <b>(3.0)</b>  | <b>(2.0)</b>  | <b>(42.7)</b> | <b>(3.0)</b>  | <b>(8.0)</b>  | <b>(12.0)</b> | <b>(14.0)</b> | <b>(37.0)</b> | <b>(50.0)</b> |
| <b>Cash available for (required by) financing</b>          | <b>28.4</b>   | <b>19.2</b>  | <b>(13.7)</b> | <b>(7.6)</b>  | <b>6.1</b>    | <b>86.8</b>   | <b>75.4</b>   | <b>90.4</b>   | <b>95.6</b>   | <b>(38.8)</b> | <b>32.7</b>   | <b>(25.0)</b> | <b>14.3</b>   | <b>(16.8)</b>  | <b>(4.3)</b>  | <b>21.3</b>   | <b>27.2</b>   | <b>30.3</b>   | <b>74.5</b>   | <b>17.3</b>   | <b>22.6</b>   | <b>13.7</b>   | <b>15.9</b>   | <b>69.5</b>   | <b>66.9</b>   |
| Purchase of treasury stock, at cost                        | 0.0           | 0.0          | 0.0           | 0.0           | (13.8)        | 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           |
| Sale of treasury stock                                     | 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           |
| Proceeds from issuance of common stock                     | 25.9          | 2.0          | 1.1           | 1.0           | 1.1           | (0.0)         | 0.0           | 0.5           | 0.5           | 0.0           | 0.2           | 1.6           | 0.1           | 1.9            | 1.3           | 0.0           | 0.0           | 0.0           | 1.3           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Tax benefit from issuance of common stock                  | 0.0           | 0.0          | 0.6           | 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           | 0.0           | 0.0           | 0.0           | 0.0           |
| Proceeds from issuance of common stock in subsidiary       | 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           |
| Proceeds of bank borrowings and debt                       | 2.0           | 0.0          | 4.8           | 13.3          | 25.1          | 0.0           | 0.0           | 0.0           | 0.0           | 28.6          | 0.8           | 35.4          | (10.3)        | 54.5           | 81.5          | 0.0           | 0.0           | 0.0           | 81.5          | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Payments on bank borrowings and debt                       | (32.9)        | (7.2)        | (1.4)         | (4.2)         | (10.8)        | (46.9)        | (6.6)         | (0.4)         | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | (69.9)         | (10.5)        | (16.8)        | (19.8)        | (116.9)       | (1.9)         | (7.2)         | (3.2)         | (5.4)         | (17.7)        | (31.0)        |               |
| Principal payments under capital lease obligations         | (24.2)        | (3.3)        | (0.8)         | (2.9)         | (6.4)         | (40.8)        | (48.4)        | (86.7)        | (86.1)        | (20.0)        | (28.4)        | (15.4)        | (6.3)         | (70.1)         | (6.5)         | (10.0)        | (10.0)        | (10.0)        | (36.5)        | (15.0)        | (15.0)        | (10.0)        | (10.0)        | (50.0)        | (34.0)        |
| Dividends paid   | 0.0           | 0.0          | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | (1.3)         | (0.4)         | (0.4)         | (0.5)         | (0.5)         | (1.8)          | (0.5)         | (0.5)         | (0.5)         | (0.5)         | (1.8)         | (0.5)         | (0.5)         | (0.5)         | (0.5)         | (1.8)         | (1.8)         |
| <b>Net cash (used in) provided by financing activities</b> | <b>(29.2)</b> | <b>(8.5)</b> | <b>4.2</b>    | <b>7.2</b>    | <b>(4.9)</b>  | <b>(87.7)</b> | <b>(55.0)</b> | <b>(86.5)</b> | <b>(86.9)</b> | <b>8.2</b>    | <b>(27.9)</b> | <b>21.2</b>   | <b>(17.0)</b> | <b>(15.5)</b>  | <b>6.0</b>    | <b>(20.9)</b> | <b>(27.2)</b> | <b>(30.3)</b> | <b>(72.4)</b> | <b>(17.3)</b> | <b>(22.6)</b> | <b>(13.7)</b> | <b>(15.9)</b> | <b>(69.5)</b> | <b>(66.9)</b> |
| Beginning cash balance                                     | 1.1           | 0.4          | 11.1          | 1.7           | 1.2           | 2.3           | 0.9           | 21.2          | 25.7          | 33.6          | 3.4           | 8.1           | 4.5           | 33.6           | 1.3           | 3.6           | 4.0           | 4.0           | 1.3           | 4.0           | 4.0           | 4.0           | 4.0           | 4.0           | 4.0           |
| Net increase (decrease) in cash and equivalents            | (0.7)         | 10.8         | (9.4)         | (0.5)         | 1.1           | (1.5)         | 20.3          | 4.2           | 8.0           | (30.3)        | 4.8           | (3.6)         | (2.7)         | (32.3)         | 2.3           | 0.4           | 0.0           | 0.0           | 2.7           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Ending cash balance</b>                                 | <b>0.4</b>    | <b>11.1</b>  | <b>1.7</b>    | <b>1.2</b>    | <b>2.3</b>    | <b>0.9</b>    | <b>21.2</b>   | <b>25.7</b>   | <b>33.6</b>   | <b>3.4</b>    | <b>8.1</b>    | <b>4.5</b>    | <b>1.8</b>    | <b>1.3</b>     | <b>3.6</b>    | <b>4.0</b>    | <b>4.0</b>    | <b>4.0</b>    | <b>4.0</b>    | <b>4.0</b>    | <b>4.0</b>    | <b>4.0</b>    | <b>4.0</b>    | <b>4.0</b>    | <b>4.0</b>    |
| <b>Free cash flow</b>                                      | <b>7.8</b>    | <b>40.2</b>  | <b>(14.5)</b> | <b>21.8</b>   | <b>(0.4)</b>  | <b>70.2</b>   | <b>27.0</b>   | <b>(1.2)</b>  | <b>52.4</b>   | <b>(34.3)</b> | <b>13.2</b>   | <b>(40.2)</b> | <b>15.6</b>   | <b>(45.6)</b>  | <b>(1.1)</b>  | <b>25.8</b>   | <b>17.7</b>   | <b>20.7</b>   | <b>63.1</b>   | <b>2.8</b>    | <b>8.1</b>    | <b>4.1</b>    | <b>6.4</b>    | <b>21.3</b>   | <b>34.7</b>   |
| Per share  | \$0.43        | \$1.75       | (\$0.62)      | \$0.92        | (\$0.02)      | \$3.17        | \$1.21        | (\$0.06)      | \$2.29        | (\$1.48)      | \$0.57        | (\$1.71)      | \$0.66        | (\$1.95)       | (\$0.04)      | \$1.09        | \$0.75        | \$0.88        | \$2.67        | \$0.12        | \$0.34        | \$0.18        | \$0.27        | \$0.90        | \$1.47        |

|                     |         |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---------------------|---------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Current share price | \$19.19 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---------------------|---------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|



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