
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **October 23, 2014 (October 23, 2014)**

FORWARD AIR CORPORATION

(Exact name of registrant as specified in its charter)

Tennessee

(State or other
jurisdiction of
incorporation)

000-22490

(Commission File
Number)

62-1120025

(I.R.S. Employer
Identification No.)

**430 Airport Road
Greeneville, Tennessee**

(Address of principal
executive offices)

37745

(Zip Code)

Registrant's telephone number, including area code: **(423) 636-7000**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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SECTION 2. FINANCIAL INFORMATION.

Item 2.02. Results of Operations and Financial Condition.

Attached as Exhibit 99.1 and incorporated herein by reference is a copy of a press release, dated October 23, 2014, announcing the financial results of Forward Air Corporation for the third quarter and nine months ended September 30, 2014.

Also, attached as Exhibit 99.2 are certain historical operating statistics for each quarter ended from March 31, 2012 through September 30, 2014.

SECTION 8. OTHER EVENTS.

Item 8.01. Other Events.

Attached as Exhibit 99.1 and incorporated herein by reference is a copy of a press release, dated October 23, 2014, announcing that the Company's Board of Directors has declared a quarterly cash dividend of \$0.12 per share of common stock. The dividend is payable to the Company's shareholders of record at the close of business on November 21, 2014, and is expected to be paid on December 8, 2014.

SECTION 9. FINANCIAL STATEMENTS AND EXHIBITS.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being furnished as part of this Report.

No.	Exhibit
99.1	Press Release of Forward Air Corporation dated October 23, 2014

No.	Exhibit
99.2	Forward Air Inc. Historical Operating Statistics

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 23, 2014

FORWARD AIR CORPORATION
By: /s/ Rodney L. Bell
Rodney L. Bell
Chief Financial Officer, Senior Vice
President and Treasurer

EXHIBIT INDEX

No.	Exhibit
99.1	Press Release of Forward Air Corporation dated October 23, 2014
No.	Exhibit
99.2	Forward Air Inc. Historical Operating Statistics



NEWS RELEASE

**FORWARD AIR CORPORATION REPORTS
THIRD QUARTER 2014 RESULTS AND
ANNOUNCES QUARTERLY CASH DIVIDEND**

GREENEVILLE, Tenn.- (BUSINESS WIRE) - October 23, 2014 - Forward Air Corporation (NASDAQ:FWRD) today reported operating revenue, income from operations, net income and diluted earnings per share for the three and nine months ended September 30, 2014.

Operating revenue for the quarter ended September 30, 2014 increased 18.5% to \$201.5 million from \$170.0 million for the same quarter in 2013. Income from operations was \$26.9 million, compared with \$22.9 million in the prior-year quarter. As a percent of operating revenue, income from operations was 13.3%, compared with 13.5% in the same quarter last year. Net income during the period was \$16.7 million compared to \$14.2 million in the prior-year quarter. Net income per diluted share for the third quarter of 2014 was \$0.54 compared with \$0.46 in the prior-year quarter.

Operating revenue for the nine months ended September 30, 2014 increased 20.3% to \$566.9 million from \$471.4 million for the same period in 2013. Income from operations was \$70.8 million, compared with \$61.1 million in the prior-year period. As a percent of operating revenue, income from operations was 12.5%, compared with 13.0% in the same period last year. Net income during the period was \$44.1 million compared to \$38.9 million in the prior-year period. Net income per diluted share for the nine months ended September 30, 2014 was \$1.41 compared with \$1.27 in the prior-year period.

Bruce A. Campbell, Chairman, President, and CEO, commenting on the third quarter said, "We were pleased with our revenue and operating income performance across all of our business segments especially in light of the challenging capacity environment and its impact on our cost structure."

Commenting on the Forward Air, Inc. ("FAI") business segment, Mr. Campbell said, "FAI revenue continues to benefit from the acquisition of Central States Trucking Company ("CST") along with strong year-over-year growth in our tonnage volumes and improving airport-to-airport pricing. These positive trends were partially offset by higher purchased transportation and recruiting costs resulting from our efforts to grow our fleet to keep pace with our increased shipping activity. CST contributed approximately \$21.1 million of revenue and \$2.5 million of operating income during the third quarter of 2014."

Commenting on the Forward Air Solutions ("Solutions") segment, Mr. Campbell said, "Solutions continues to show significant improvement in operating income driven primarily by the general rate increases initiated in the first quarter and excellent operating discipline. Compared to the prior-year quarter results, Solutions operating results improved over \$0.4 million, or 50.0% incremental profitability."

Addressing the Total Quality, Inc. ("TQI") business segment, Mr. Campbell said, "Despite a lack of revenue growth, we continue to experience improvement in operating income as a percentage of revenue as a result of operating efficiencies initiated during 2014."

In closing, Mr. Campbell said, "As always, I would like to thank the Forward Air team of employees and independent contractors for their dedication and hard work."

Commenting on the Company's guidance for the fourth quarter, Rodney L. Bell, Senior Vice President and CFO said, "We anticipate that our fourth quarter 2014 revenues will increase in the range of 18% to 22% over the comparable 2013 period. We expect income per diluted share to be between \$0.60 and \$0.66 per share. This compares to \$0.50 per share in the fourth quarter of 2013."

On October 23, 2014, our Board of Directors declared a quarterly cash dividend of \$0.12 per share of common stock. The dividend is payable to shareholders of record at the close of business on November 21, 2014, and is expected to be paid on December 8, 2014.

This quarterly dividend is pursuant to a cash dividend policy approved by the Board of Directors, which anticipates a total annual dividend of \$0.48 per share of common stock, payable in quarterly increments of \$0.12 per share of common stock. The actual declaration of future cash dividends, and the establishment of record and payment dates, is subject to final determination by the Board of Directors each quarter after its review of the Company's financial performance.

Review of Financial Results

Forward Air will hold a conference call to discuss third quarter 2014 results on Friday, October 24, 2014 at 9:00 a.m. EDT. The Company's conference call will be available online at www.forwardair.com or by dialing 800-230-1092. A replay of the conference call will be available at www.forwardair.com beginning shortly after the completion of the live call.

About Forward Air Corporation

Forward Air Corporation operates three business segments, Forward Air, Inc., Forward Air Solutions, Inc. and Total Quality, Inc.

Forward Air, Inc. is a leading provider of time-definite surface transportation and related logistics services to the North American expedited ground freight market. We offer our customers local pick-up and delivery (Forward Air CompleteSM) and scheduled surface transportation of cargo as a cost-effective, reliable alternative to air transportation. We transport cargo that must be delivered at a specific time but is relatively less time-sensitive than traditional air freight or when air transportation is not economical. We also offer our customers an array of logistics and other services including: expedited full truckload (TLX); intermodal/drayage (Central States Trucking Co.); dedicated fleets; warehousing; customs brokerage; and shipment consolidation, deconsolidation and handling.

Forward Air Solutions, Inc. is a provider of pool distribution services. Pool distribution involves the consolidation and shipment of several smaller less-than-truckload shipments to a common area or region. Once at the regional destination, the loads are deconsolidated, then grouped with other shipments with common delivery points, and delivered in a very precise, time-sensitive manner. Our pool distribution network consists of 24 terminals within the mid-Atlantic, Southeast, Midwest and Southwestern United States.

Total Quality, Inc. utilizes industry-leading temperature-controlled equipment, 24-hour monitoring and tracking technology and layered security features to provide our customers with the highest level of service. In addition to our core pharmaceutical services, we provide brokerage transportation services. Headquartered in central Michigan, we service the United States, Canada and Mexico.

Forward Air Corporation
Consolidated Statements of Comprehensive Income
(In thousands, except per share data)
(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Operating revenue	\$ 201,477	\$ 170,033	\$ 566,897	\$ 471,396
Operating expenses:				
Purchased transportation	85,874	75,211	242,259	206,462
Salaries, wages and employee benefits	45,651	39,165	131,464	109,149
Operating leases	8,503	6,991	25,019	20,923
Depreciation and amortization	8,115	6,220	22,879	17,377
Insurance and claims	3,747	3,290	10,978	9,164
Fuel expense	5,012	3,871	14,990	10,535
Other operating expenses	17,669	12,428	48,537	36,634
Total operating expenses	174,571	147,176	496,126	410,244
Income from operations	26,906	22,857	70,771	61,152
Other income (expense):				
Interest expense	(172)	(145)	(355)	(401)
Other, net	(55)	27	144	72
Total other income (expense)	(227)	(118)	(211)	(329)
Income before income taxes	26,679	22,739	70,560	60,823
Income taxes	9,935	8,542	26,437	21,941
Net income and comprehensive income	\$ 16,744	\$ 14,197	\$ 44,123	\$ 38,882
Net income per share:				
Basic	\$ 0.55	\$ 0.47	\$ 1.44	\$ 1.30
Diluted	\$ 0.54	\$ 0.46	\$ 1.41	\$ 1.27
Weighted average shares outstanding:				
Basic	30,415	30,374	30,710	30,017
Diluted	30,932	30,986	31,234	30,677
Dividends per share:	\$ 0.12	\$ 0.10	\$ 0.36	\$ 0.30

Forward Air Corporation
Components of Consolidated Revenue and Purchased Transportation
(In thousands)
(Unaudited)

	Three months ended					
	September 30, 2014	Percent of Revenue	September 30, 2013	Percent of Revenue	Change	Percent Change
Operating Revenue						
Forward Air						
Airport-to-airport	\$ 111,429	69.6 %	\$ 101,238	78.6 %	\$ 10,191	10.1 %
Logistics services						
Expedited full truckload - TLX	19,955	12.5	19,138	14.9	817	4.3
Intermodal/drayage	15,799	9.9	1,090	0.8	14,709	1,349.4
Total Logistics services	35,754	22.4	20,228	15.7	15,526	76.8
Other Forward Air services	12,902	8.0	7,325	5.7	5,577	76.1
Forward Air - Total revenue	160,085	79.4	128,791	75.8	31,294	24.3
TQI - Pharmaceutical services	12,029	6.0	12,431	7.3	(402)	(3.2)
Forward Air Solutions - Pool distribution	30,615	15.2	29,827	17.5	788	2.6
Intersegment eliminations	(1,252)	(0.6)	(1,016)	(0.6)	(236)	23.2
Consolidated operating revenue	\$ 201,477	100.0 %	\$ 170,033	100.0 %	\$ 31,444	18.5 %

	Three months ended					
	September 30, 2014	Percent of Revenue	September 30, 2013	Percent of Revenue	Change	Percent Change
Purchased Transportation						
Forward Air						
Airport-to-airport	\$ 47,720	42.8 %	\$ 42,542	42.0 %	\$ 5,178	12.2 %
Logistics services						
Expedited full truckload - TLX	15,048	75.4	14,545	76.0	503	3.5
Intermodal/drayage	5,966	37.8	708	65.0	5,258	742.7
Total Logistics services	21,014	58.8	15,253	75.4	5,761	37.8
Other Forward Air services	3,191	24.7	2,116	28.9	1,075	50.8
Forward Air - Total purchased transportation	71,925	44.9	59,911	46.5	12,014	20.1
TQI - Pharmaceutical services	6,018	50.0	6,921	55.7	(903)	(13.0)
Forward Air Solutions - Pool distribution	8,767	28.6	9,094	30.5	(327)	(3.6)
Intersegment eliminations	(836)	66.8	(715)	70.4	(121)	16.9
Consolidated purchased transportation	\$ 85,874	42.6 %	\$ 75,211	44.2 %	\$ 10,663	14.2 %

Forward Air Corporation
Components of Consolidated Revenue and Purchased Transportation
(In thousands)
(Unaudited)

	Nine months ended					
	September 30, 2014	Percent of Revenue	September 30, 2013	Percent of Revenue	Change	Percent Change
Operating Revenue						
Forward Air						
Airport-to-airport	\$ 317,147	70.7 %	\$ 289,163	78.4 %	\$ 27,984	9.7%
Logistics services						
Expedited full truckload - TLX	56,582	12.6	55,219	15.0	1,363	2.5
Intermodal/drayage	39,146	8.7	3,801	1.0	35,345	929.9
Total Logistics services	95,728	21.3	59,020	16.0	36,708	62.2
Other Forward Air services	35,663	8.0	20,797	5.6	14,866	71.5
Forward Air - Total revenue	448,538	79.1	368,980	78.3	79,558	21.6
TQI - Pharmaceutical services	36,771	6.5	28,545	6.1	8,226	28.8
Forward Air Solutions - Pool distribution	84,872	15.0	76,381	16.1	8,491	11.1
Intersegment eliminations	(3,284)	(0.6)	(2,510)	(0.5)	(774)	30.8
Consolidated operating revenue	\$ 566,897	100.0 %	\$ 471,396	100.0 %	\$ 95,501	20.3%

	Nine months ended					
	September 30, 2014	Percent of Revenue	September 30, 2013	Percent of Revenue	Change	Percent Change
Purchased Transportation						
Forward Air						
Airport-to-airport	\$ 133,245	42.0 %	\$ 119,007	41.2 %	\$ 14,238	12.0%
Logistics services						
Expedited full truckload - TLX	43,419	76.7	41,579	75.3	1,840	4.4
Intermodal/drayage	15,859	40.5	2,328	61.2	13,531	581.2
Total Logistics services	59,278	61.9	43,907	74.4	15,371	35.0
Other Forward Air services	8,774	24.6	6,006	28.9	2,768	46.1
Forward Air - Total purchased transportation	201,297	44.9	168,920	45.8	32,377	19.2
TQI - Pharmaceutical services	18,698	50.8	15,835	55.5	2,863	18.1
Forward Air Solutions - Pool distribution	24,681	29.1	23,621	30.9	1,060	4.5
Intersegment eliminations	(2,417)	73.6	(1,914)	76.3	(503)	26.3
Consolidated purchased transportation	\$ 242,259	42.7 %	\$ 206,462	43.8 %	\$ 35,797	17.3%

Forward Air Corporation
Consolidated Balance Sheets
(In thousands)
(Unaudited)

	<u>September 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013 (a)</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,573	\$ 127,367
Accounts receivable, net	100,016	76,500
Other current assets	14,057	16,493
Total current assets	<u>138,646</u>	<u>220,360</u>
Property and equipment	303,755	271,050
Less accumulated depreciation and amortization	127,259	116,287
Net property and equipment	<u>176,496</u>	<u>154,763</u>
Goodwill and other acquired intangibles:		
Goodwill	140,678	88,496
Other acquired intangibles, net of accumulated amortization	71,778	40,110
Total net goodwill and other acquired intangibles	<u>212,456</u>	<u>128,606</u>
Other assets	2,347	2,540
Total assets	<u>\$ 529,945</u>	<u>\$ 506,269</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 21,395	\$ 16,267
Accrued expenses	23,356	18,275
Current portion of debt and capital lease obligations	280	69
Total current liabilities	<u>45,031</u>	<u>34,611</u>
Debt and capital lease obligations, less current portion	1,346	3
Other long-term liabilities	8,148	8,940
Deferred income taxes	28,838	26,850
Shareholders' equity:		
Common stock	302	305
Additional paid-in capital	126,516	107,726
Retained earnings	319,764	327,834
Total shareholders' equity	<u>446,582</u>	<u>435,865</u>
Total liabilities and shareholders' equity	<u>\$ 529,945</u>	<u>\$ 506,269</u>

(a) Taken from audited financial statements, which are not presented in their entirety.

Forward Air Corporation
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three months ended	
	September 30, 2014	September 30, 2013
Operating activities:		
Net income	\$ 16,744	\$ 14,197
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	8,115	6,220
Share-based compensation	1,676	1,525
Gain on disposal of property and equipment	(329)	(185)
Provision for loss (recovery) on receivables	46	(56)
Provision for revenue adjustments	646	579
Deferred income tax	156	1,722
Excess tax benefit for stock options exercised	353	(337)
Changes in operating assets and liabilities		
Accounts receivable	(3,148)	(7,458)
Prepaid expenses and other current assets	1,032	515
Accounts payable and accrued expenses	587	6,515
Net cash provided by operating activities	<u>25,878</u>	<u>23,237</u>
Investing activities:		
Proceeds from disposal of property and equipment	1,120	617
Purchases of property and equipment	(3,681)	(5,272)
Acquisition of business, net of cash acquired	(1,350)	—
Other	246	(51)
Net cash used in investing activities	<u>(3,665)</u>	<u>(4,706)</u>
Financing activities:		
Payments of debt and capital lease obligations	(84)	(48)
Proceeds from exercise of stock options	1,503	1,687
Payments of cash dividends	(3,662)	(3,057)
Repurchase of common stock (repurchase program)	(19,987)	—
Excess tax benefit for stock options exercised	(353)	337
Net cash used in financing activities	<u>(22,583)</u>	<u>(1,081)</u>
Net (decrease) increase in cash	(370)	17,450
Cash at beginning of period	24,943	81,101
Cash at end of period	<u>\$ 24,573</u>	<u>\$ 98,551</u>

Forward Air Corporation
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine months ended	
	September 30, 2014	September 30, 2013
Operating activities:		
Net income	\$ 44,123	\$ 38,882
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	22,879	17,377
Share-based compensation	5,005	4,619
Gain on disposal of property and equipment	(441)	(468)
Provision for (recovery) loss on receivables	(39)	234
Provision for revenue adjustments	1,896	1,705
Deferred income tax	1,729	4,658
Excess tax benefit for stock options exercised	(554)	(3,207)
Changes in operating assets and liabilities		
Accounts receivable	(15,875)	(4,262)
Prepaid expenses and other current assets	(1,397)	(1,575)
Accounts payable and accrued expenses	7,767	2,524
Net cash provided by operating activities	65,093	60,487
Investing activities:		
Proceeds from disposal of property and equipment	1,582	1,665
Purchases of property and equipment	(37,101)	(33,266)
Acquisition of business, net of cash acquired	(84,348)	(45,328)
Other	53	(111)
Net cash used in investing activities	(119,814)	(77,040)
Financing activities:		
Payments of debt and capital lease obligations	(9,662)	(20,351)
Proceeds from exercise of stock options	13,083	29,866
Payments of cash dividends	(11,141)	(9,071)
Repurchase of common stock (repurchase program)	(39,972)	—
Common stock issued under employee stock purchase plan	148	137
Cash settlement of share-based awards for minimum tax withholdings	(1,083)	(866)
Excess tax benefit for stock options exercised	554	3,207
Net cash (used in) provided by financing activities	(48,073)	2,922
Net decrease in cash	(102,794)	(13,631)
Cash at beginning of period	127,367	112,182
Cash at end of period	\$ 24,573	\$ 98,551

Forward Air Corporation
Segment Information
(In millions)
(Unaudited)

	Three months ended					
	September 30, 2014	Percent of Revenue	September 30, 2013	Percent of Revenue	Change	Percent Change
Operating revenue						
Forward Air	\$ 160.1	79.4 %	\$ 128.8	75.8 %	\$ 31.3	24.3 %
FASI	30.6	15.2	29.8	17.5	0.8	2.7
TQI	12.0	6.0	12.4	7.3	(0.4)	(3.2)
Intercompany eliminations	(1.2)	(0.6)	(1.0)	(0.6)	(0.2)	20.0
Total	<u>201.5</u>	<u>100.0</u>	<u>170.0</u>	<u>100.0</u>	<u>31.5</u>	<u>18.5</u>
Purchased transportation						
Forward Air	71.9	44.9	59.9	46.5	12.0	20.0
FASI	8.8	28.8	9.1	30.5	(0.3)	(3.3)
TQI	6.0	50.0	6.9	55.6	(0.9)	(13.0)
Intercompany eliminations	(0.8)	66.7	(0.7)	70.0	(0.1)	14.3
Total	<u>85.9</u>	<u>42.6</u>	<u>75.2</u>	<u>44.2</u>	<u>10.7</u>	<u>14.2</u>
Salaries, wages and employee benefits						
Forward Air	33.1	20.7	27.3	21.2	5.8	21.2
FASI	10.4	34.0	10.0	33.6	0.4	4.0
TQI	2.2	18.3	1.8	14.5	0.4	22.2
Total	<u>45.7</u>	<u>22.7</u>	<u>39.1</u>	<u>23.0</u>	<u>6.6</u>	<u>16.9</u>
Operating leases						
Forward Air	6.5	4.1	4.9	3.8	1.6	32.7
FASI	2.0	6.5	2.1	7.0	(0.1)	(4.8)
TQI	—	—	—	—	—	—
Total	<u>8.5</u>	<u>4.2</u>	<u>7.0</u>	<u>4.1</u>	<u>1.5</u>	<u>21.4</u>
Depreciation and amortization						
Forward Air	5.7	3.6	4.2	3.3	1.5	35.7
FASI	1.5	4.9	1.3	4.4	0.2	15.4
TQI	0.9	7.5	0.7	5.7	0.2	28.6
Total	<u>8.1</u>	<u>4.0</u>	<u>6.2</u>	<u>3.7</u>	<u>1.9</u>	<u>30.6</u>
Insurance and claims						
Forward Air	3.1	1.9	2.3	1.8	0.8	34.8
FASI	0.4	1.3	0.8	2.7	(0.4)	(50.0)
TQI	0.2	1.7	0.2	1.6	—	—
Total	<u>3.7</u>	<u>1.9</u>	<u>3.3</u>	<u>1.9</u>	<u>0.4</u>	<u>12.1</u>
Fuel expense						
Forward Air	2.1	1.3	0.9	0.7	1.2	133.3
FASI	1.8	5.9	1.7	5.7	0.1	5.9
TQI	1.1	9.2	1.3	10.5	(0.2)	(15.4)
Total	<u>5.0</u>	<u>2.5</u>	<u>3.9</u>	<u>2.3</u>	<u>1.1</u>	<u>28.2</u>
Other operating expenses						
Forward Air	13.5	8.4	8.7	6.7	4.8	55.2
FASI	3.9	12.7	3.4	11.4	0.5	14.7
TQI	0.7	5.8	0.6	4.8	0.1	16.7
Intercompany eliminations	(0.4)	33.3	(0.3)	30.0	(0.1)	33.3
Total	<u>17.7</u>	<u>8.8</u>	<u>12.4</u>	<u>7.3</u>	<u>5.3</u>	<u>42.7</u>
Income from operations						
Forward Air	24.2	15.1	20.6	16.0	3.6	17.5
FASI	1.8	5.9	1.4	4.7	0.4	28.6

TQI		0.9	7.5	0.9	7.3	—	—		
Total	\$	26.9	13.3 %	\$	22.9	13.5 %	\$	4.0	17.5 %

Forward Air Corporation
Segment Information
(In millions)
(Unaudited)

Nine months ended

	September 30, 2014	Percent of Revenue	September 30, 2013	Percent of Revenue	Change	Percent Change
Operating revenue						
Forward Air	\$ 448.5	79.1 %	\$ 369.0	78.3 %	\$ 79.5	21.5 %
FASI	84.9	15.0	76.4	16.2	8.5	11.1
TQI	36.8	6.5	28.5	6.0	8.3	29.1
Intercompany eliminations	(3.3)	(0.6)	(2.5)	(0.5)	(0.8)	32.0
Total	<u>566.9</u>	<u>100.0</u>	<u>471.4</u>	<u>100.0</u>	<u>95.5</u>	<u>20.3</u>
Purchased transportation						
Forward Air	201.3	44.9	168.9	45.8	32.4	19.2
FASI	24.6	29.0	23.6	30.9	1.0	4.2
TQI	18.7	50.8	15.9	55.8	2.8	17.6
Intercompany eliminations	(2.4)	72.7	(1.9)	76.0	(0.5)	26.3
Total	<u>242.2</u>	<u>42.7</u>	<u>206.5</u>	<u>43.8</u>	<u>35.7</u>	<u>17.3</u>
Salaries, wages and employee benefits						
Forward Air	96.1	21.4	78.0	21.1	18.1	23.2
FASI	29.0	34.2	26.8	35.1	2.2	8.2
TQI	6.4	17.4	4.4	15.4	2.0	45.5
Total	<u>131.5</u>	<u>23.2</u>	<u>109.2</u>	<u>23.2</u>	<u>22.3</u>	<u>20.4</u>
Operating leases						
Forward Air	18.4	4.1	14.9	4.0	3.5	23.5
FASI	6.5	7.7	5.9	7.7	0.6	10.2
TQI	0.1	0.3	0.1	0.4	—	—
Total	<u>25.0</u>	<u>4.4</u>	<u>20.9</u>	<u>4.4</u>	<u>4.1</u>	<u>19.6</u>
Depreciation and amortization						
Forward Air	16.0	3.6	12.1	3.3	3.9	32.2
FASI	4.2	4.9	3.6	4.7	0.6	16.7
TQI	2.7	7.3	1.7	6.0	1.0	58.8
Total	<u>22.9</u>	<u>4.0</u>	<u>17.4</u>	<u>3.7</u>	<u>5.5</u>	<u>31.6</u>
Insurance and claims						
Forward Air	8.7	1.9	6.5	1.8	2.2	33.8
FASI	1.8	2.1	2.3	3.0	(0.5)	(21.7)
TQI	0.5	1.4	0.4	1.4	0.1	25.0
Total	<u>11.0</u>	<u>2.0</u>	<u>9.2</u>	<u>1.9</u>	<u>1.8</u>	<u>19.6</u>
Fuel expense						
Forward Air	6.2	1.4	2.9	0.8	3.3	113.8
FASI	5.3	6.2	4.8	6.3	0.5	10.4
TQI	3.5	9.5	2.8	9.8	0.7	25.0
Total	<u>15.0</u>	<u>2.6</u>	<u>10.5</u>	<u>2.2</u>	<u>4.5</u>	<u>42.9</u>
Other operating expenses						
Forward Air	37.0	8.3	26.9	7.3	10.1	37.5
FASI	10.7	12.6	9.0	11.8	1.7	18.9
TQI	1.7	4.6	1.3	4.5	0.4	30.8
Intercompany eliminations	(0.9)	27.3	(0.6)	24.0	(0.3)	50.0
Total	<u>48.5</u>	<u>8.6</u>	<u>36.6</u>	<u>7.8</u>	<u>11.9</u>	<u>32.5</u>
Income from operations						
Forward Air	64.8	14.4	58.8	15.9	6.0	10.2
FASI	2.8	3.3	0.4	0.5	2.4	600.0

TQI	3.2	8.7	1.9	6.7	1.3	68.4
Total	\$ 70.8	12.5 %	\$ 61.1	13.0 %	\$ 9.7	15.9 %

Forward Air Corporation
Forward Air Inc. Operating Statistics

	Three months ended		
	September 30, 2014	September 30, 2013	Percent Change
Operating ratio	84.9%	84.0%	1.1 %
Business days	64.0	64.0	—
Business weeks	12.8	12.8	—
Airport-to-airport:			
Tonnage			
Total pounds ¹	484,827	462,297	4.9
Average weekly pounds ¹	37,877	36,117	4.9
Linehaul shipments			
Total linehaul	734,163	688,257	6.7
Average weekly	57,356	53,770	6.7
Forward Air Complete shipments	146,024	124,184	17.6
As a percentage of linehaul shipments	19.9%	18.0%	10.6
Average linehaul shipment size	660	672	(1.8)
Revenue per pound ²			
Linehaul yield	\$ 17.69	\$ 16.97	3.3
Fuel surcharge impact	1.94	1.85	0.4
Forward Air Complete impact	3.35	3.08	1.2
Total airport-to-airport yield	\$ 22.98	\$ 21.90	4.9
Expedited full truckload - TLX:			
Miles			
Owner operator ¹	6,391	8,915	(28.3)
Third party ¹	4,895	3,815	28.3
Total Miles	11,286	12,730	(11.3)
Revenue per mile	\$ 1.77	\$ 1.50	18.0
Cost per mile	\$ 1.33	\$ 1.14	16.7 %

¹ - In thousands

² - In dollars per hundred pound; percentage change is expressed as a percent of total yield.

Forward Air Corporation
Forward Air Inc. Operating Statistics

	Nine months ended		
	September 30, 2014	September 30, 2013	Percent Change
Operating ratio	85.6%	84.1%	1.8 %
Business days	191.0	191.0	—
Business weeks	38.2	38.2	—
Airport-to-airport:			
Tonnage			
Total pounds ¹	1,399,687	1,320,382	6.0
Average weekly pounds ¹	36,641	34,565	6.0
Linehaul shipments			
Total linehaul	2,127,645	2,038,599	4.4
Average weekly	55,698	53,366	4.4
Forward Air Complete shipments	393,170	353,270	11.3
As a percentage of linehaul shipments	18.5%	17.3%	6.9
Average linehaul shipment size	658	648	1.5
Revenue per pound ²			
Linehaul yield	\$ 17.56	\$ 17.08	2.2
Fuel surcharge impact	2.00	1.92	0.4
Forward Air Complete impact	3.10	2.90	0.9
Total airport-to-airport yield	\$ 22.66	\$ 21.90	3.5
Expedited full truckload - TLX:			
Miles			
Owner operator ¹	20,288	26,399	(23.1)
Third party ¹	13,547	10,663	27.0
Total Miles	33,835	37,062	(8.7)
Revenue per mile	\$ 1.67	\$ 1.49	12.1
Cost per mile	\$ 1.28	\$ 1.12	14.3 %

¹ - In thousands

² - In dollars per hundred pound; percentage change is expressed as a percent of total yield.

Important Information

This press release contains “forward-looking statements,” as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements other than historical information or statements of current condition and relate to future events or our future financial performance. Some forward-looking statements may be identified by use of such terms as “believes,” “anticipates,” “intends,” “plans,” “estimates,” “projects” or “expects.” Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The following is a list of factors, among others, that could cause actual results to differ materially from those contemplated by the forward-looking statements: economic factors such as recessions, inflation, higher interest rates and downturns in customer business cycles, our inability to maintain our historical growth rate because of a decreased volume of freight moving through our network or decreased average revenue per pound of freight moving through our network, increasing competition and pricing pressure, surplus inventories, loss of a major customer, the creditworthiness of our customers and their ability to pay for services rendered, our ability to secure terminal facilities in desirable locations at reasonable rates, the inability of our information systems to handle an increased volume of freight moving through our network, changes in fuel prices, claims for property damage, personal injuries or workers' compensation, employment matters including rising health care costs, enforcement of and changes in governmental regulations, environmental and tax matters, the handling of hazardous materials, the availability and compensation of qualified independent owner-operators and freight handlers needed to serve our transportation needs and our inability to successfully integrate acquisitions. As a result of the foregoing, no assurance can be given as to future financial condition, cash flows or results of operations. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Forward Air Corporation
Historical Operating Data - Unaudited

2012

	March 31	June 30	September 30	December 31	Average
Forward Air, Inc.					
Average linehaul pounds per week (1)					
(in thousands)	32,980	36,093	34,783	35,626	34,871
Number of terminals - Company-operated	66	66	66	66	66
Number of terminals - agent	19	19	19	22	22
Number of terminals - total	85	85	85	88	88
Average tractors - Company	200	195	195	197	197
Average leased tractors - Company	4	2	3	2	3
Average leased straight trucks - Company	5	1	1	1	2
Average tractors - owner-operator	927	967	951	949	949
Average tractors - total	1,136	1,165	1,150	1,149	1,151
Average trailers	2,572	2,742	2,710	2,685	2,677
Forward Air Solutions, Inc.					
Number of terminals - Company-operated	18	18	18	17	17
Number of terminals - agent	2	2	2	2	2
Number of terminals - total	20	20	20	19	19
Average tractors - Company	47	46	45	45	46
Average leased tractors - Company	11	5	5	5	7
Average straight trucks & vans - Company	134	126	123	123	127
Average leased straight trucks - Company	50	35	34	34	38
Average tractors - owner-operator	82	78	84	84	82
Average straight trucks & vans - owner-operator	64	56	57	61	60
Average tractors - total	388	346	348	352	360
Average trailers	26	25	25	25	25

(1) Includes pounds associated with linehaul shipments only.

Forward Air Corporation
Historical Operating Data - Unaudited

2013

	March 31	June 30	September 30	December 31	Average
Forward Air, Inc.					
Average linehaul pounds per week (1) (in thousands)	32,215	35,326	36,117	37,724	35,358
Number of terminals - Company-operated	66	66	66	66	66
Number of terminals - agent	22	22	22	22	22
Number of terminals - total	88	88	88	88	88
Average tractors - Company	210	211	203	203	207
Average leased tractors - Company	2	1	1	1	1
Average leased straight trucks - Company	1	1	—	—	1
Average tractors - owner-operator	945	961	964	959	957
Average tractors - total	1,158	1,174	1,168	1,163	1,166
Average trailers	2,882	3,021	3,030	3,019	2,988
Forward Air Solutions, Inc.					
Number of terminals - Company-operated	19	19	19	19	19
Number of terminals - agent	5	5	5	5	5
Number of terminals - total	24	24	24	24	24
Average tractors - Company	45	58	62	61	57
Average leased tractors - Company	4	2	11	11	7
Average straight trucks & vans - Company	107	139	139	134	130
Average leased straight trucks - Company	34	33	24	24	29
Average tractors - owner-operator	83	84	89	92	87
Average straight trucks & vans - owner-operator	59	65	67	72	66
Average tractors - total	332	381	392	394	376
Average trailers	25	125	126	126	101
Total Quality, Inc.					
Average tractors - Company	61	61	66	67	64
Average tractors - owner-operator	3	10	15	16	11
Average tractors - total	64	71	81	83	75
Average trailers	68	77	92	92	82

(1) Includes pounds associated with linehaul shipments only.

Forward Air Corporation
Historical Operating Data - Unaudited

	2014			
	March 31	June 30	September 30	Average
Forward Air, Inc.				
Average linehaul pounds per week (1)				
(in thousands)	35,057	36,965	37,877	36,641
Number of terminals - Company-operated	66	66	66	66
Number of terminals - agent	22	22	22	22
Number of terminals - total	88	88	88	88
Average tractors - Company	230	222	217	223
Average leased tractors - Company	1	1	1	1
Average leased straight trucks - Company	1	1	1	1
Average tractors - owner-operator	928	942	936	935
Average tractors - total	1,160	1,166	1,155	1,160
Average trailers	3,114	3,481	3,479	3,358
Forward Air Solutions, Inc.				
Number of terminals - Company-operated	19	19	19	19
Number of terminals - agent	5	5	5	5
Number of terminals - total	24	24	24	24
Average tractors - Company	57	57	60	58
Average leased tractors - Company	2	—	4	2
Average straight trucks & vans - Company	162	162	161	162
Average leased straight trucks - Company	21	18	17	19
Average tractors - owner-operator	88	82	84	85
Average straight trucks & vans - owner-operator	74	69	78	74
Average tractors - total	404	388	404	396
Average trailers	126	126	126	126
Total Quality, Inc.				
Average tractors - Company	77	77	74	76
Average tractors - owner-operator	19	18	14	17
Average tractors - total	96	95	88	93
Average trailers	92	114	119	108

(1) Includes pounds associated with linehaul shipments only.