

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): **February 8, 2017 (February 8, 2017)**

**FORWARD AIR CORPORATION**

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(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.)

**1915 Snapps Ferry Road, Building N  
Greeneville, Tennessee**

(Address of principal executive offices)

**37745**

(Zip Code)

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

**Not Applicable**

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(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 February 8, 2017, announcing the financial results of Forward Air Corporation for the fourth quarter and year ended December 31, 2016.

Also, attached as Exhibit 99.2 are certain historical operating statistics for each quarter ended from March 31, 2014 through December 31, 2016.

Also, attached as Exhibit 99.3 are certain summary segment results of operations statements for each quarter ended from March 31, 2014 through December 31, 2016.

The information in this Item 2.02, including Exhibit 99.1, 99.2 and 99.3 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

## **SECTION 8. OTHER EVENTS.**

### **Item 8.01. Other Events.**

The Company's Board of Directors has declared a quarterly cash dividend of \$0.15 per share of common stock. The dividend is payable to the Company's shareholders of record at the close of business on March 9, 2017, and is expected to be paid on March 24, 2017.

## **SECTION 9. FINANCIAL STATEMENTS AND EXHIBITS.**

### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits. The following exhibit is being furnished as part of this Report.

<b>No.</b>	<b>Exhibit</b>
99.1	Press Release of Forward Air Corporation dated February 8, 2017.

<b>No.</b>	<b>Exhibit</b>
99.2	Forward Air Corporation Historical Operating Statistics.

<b>No.</b>	<b>Exhibit</b>
99.3	Forward Air Corporation Summary Segment Results of Operations.

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## 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: February 8, 2017

FORWARD AIR CORPORATION  
By: /s/ Michael J. Morris  
Michael J. Morris  
Chief Financial Officer, Senior Vice President and Treasurer

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## EXHIBIT INDEX

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NEWS RELEASE

**FORWARD AIR CORPORATION REPORTS  
FOURTH QUARTER 2016 RESULTS AND  
QUARTERLY CASH DIVIDEND**

GREENEVILLE, Tenn.- (BUSINESS WIRE) - February 08, 2017 - Forward Air Corporation (NASDAQ:FWRD) today reported operating revenue, income from operations, net income and diluted earnings per share for the fourth quarter and year ended December 31, 2016.

Operating revenue for the quarter ended December 31, 2016 increased 3.3% to \$264.8 million from \$256.4 million for the same quarter in 2015. Income from operations was \$28.2 million, compared to \$29.0 million in the prior year quarter. Net income during the period was \$12.7 million compared to \$23.2 million in the fourth quarter of 2015. Net income per diluted share for the fourth quarter of 2016 was \$0.42 compared to \$0.75 in the prior year quarter.

Fourth quarter income from operations of \$28.2 million was not adjusted, and compares to adjusted income from operations of \$30.8 million for the fourth quarter of 2015. Adjusted net income decreased to \$17.7 million during the fourth quarter of 2016 from \$19.0 million in the prior year quarter. Similarly, adjusted earnings per diluted share for the fourth quarter of 2016 decreased to \$0.58 compared to \$0.61 in the prior year quarter. A tabular reconciliation of non-GAAP financial measures to reported results prepared in accordance with accounting principles generally accepted in the United States ("GAAP") is contained in the financial summary statements attached to this press release.

Bruce A. Campbell, Chairman, President, and CEO, commenting on the fourth quarter results said, "Our fourth quarter results were slightly ahead of our guidance, which reflected one less operating day in the current year quarter. Our Expedited LTL group continued to improve its linehaul and dock efficiencies despite the seasonally busy fourth quarter. Truckload Premium Services grew its revenue but incurred higher broker utilization as it on-boarded new business. Our Intermodal group performed well amid margin pressure reflecting the integration of Triumph, while our Pool Distribution segment did a great job ramping up its recent new business wins."

In closing Mr. Campbell said, "As we end 2016, I would like to thank all of our employees and independent contractors for their hard work during a sluggish year for freight. With the improvements we have made within each of our business units, we are well positioned for any pick-up in 2017 freight volumes."

Commenting on the Company's first quarter 2017 guidance, Michael J. Morris, Senior Vice President and CFO, said, "We expect first quarter year-on-year revenue growth to be up 4% to 8%. We expect net income per diluted share to be between \$0.38 and \$0.42, compared to \$0.43 in the prior year quarter. We do not anticipate making any non-GAAP adjustments to our first quarter 2017 net income per diluted share results, nor were there any in the prior year quarter." Supplemental 2017 guidance information is contained in the financial summary statements attached to this press release.

On February 7, 2017, our Board of Directors declared a quarterly cash dividend of \$0.15 per share of common stock. The dividend is payable to shareholders of record at the close of business on March 9, 2017, and is expected to be paid on March 24, 2017.

This quarterly dividend is pursuant to a cash dividend policy approved by the Board of Directors, which anticipates a total annual dividend of \$0.60 per share of common stock, payable in quarterly increments of \$0.15 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 fourth quarter 2016 results on Thursday, February 9, 2017 at 9:00 a.m. EST. The Company's conference call will be available online at [www.forwardaircorp.com](http://www.forwardaircorp.com) or by dialing (800) 230-1074. A replay of the conference call will be available at [www.forwardaircorp.com](http://www.forwardaircorp.com) beginning shortly after the completion of the live call.

### **About Forward Air Corporation**

Forward Air Corporation's ("the Company", "we", "our") services are classified into four principal reportable segments: Expedited LTL, Truckload Premium Services ("TLS"), Intermodal and Pool Distribution.

In our Expedited LTL segment, we provide time-definite transportation services to the North American deferred air freight market. Our Expedited LTL service operates a comprehensive national network for the time-definite surface transportation of expedited ground freight. The Expedited LTL service offers customers local pick-up and delivery and scheduled surface transportation of cargo as a cost effective, reliable alternative to air transportation. Expedited LTL's other services include shipment consolidation and deconsolidation, warehousing, customs brokerage, and other handling. The Expedited LTL segment primarily provides its transportation services through a network of terminals located at or near airports in the United States and Canada.

In our TLS segment, we provide expedited truckload brokerage, dedicated fleet services and maximum security and temperature-controlled logistics services. We are able to expedite this service by utilizing a dedicated fleet of team owner operators, some team company drivers as well as third party transportation providers. The TLS segment provides full truckload service in the United States and Canada.

In our Intermodal segment, we provide container and intermodal drayage services primarily within the Midwest region of the United States. Drayage is essentially the first and last mile of the movement of an intermodal container. We are providing this service both to and from ports and rail heads. Our Intermodal segment also provides dedicated contract and Container Freight Station ("CFS") warehouse and handling services.

In our Pool Distribution segment, we provide pool distribution services throughout the Mid-Atlantic, Southeast, Midwest and Southwest continental United States. Pool Distribution involves managing high-frequency handling and distribution of time-sensitive product to numerous destinations in specific geographic regions. Our primary customers for this service are regional and nationwide distributors and retailers, such as mall, strip mall and outlet based retail chains.

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

	Three months ended		Year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<b>Operating revenue:</b>				
Expedited LTL	\$ 147,368	\$ 149,748	\$ 570,778	\$ 577,026
Truckload Premium Services	44,003	40,937	164,272	153,331
Pool Distribution	47,507	42,954	148,661	129,995
Intermodal	27,279	24,881	103,671	104,292
Eliminations and other operations	(1,364)	(2,100)	(4,852)	(5,519)
<b>Operating revenue</b>	<b>264,793</b>	<b>256,420</b>	<b>982,530</b>	<b>959,125</b>
<b>Operating expenses:</b>				
Purchased transportation	112,572	107,516	413,355	408,769
Salaries, wages and employee benefits	66,145	65,789	242,002	240,604
Operating leases	15,808	15,167	60,492	66,272
Depreciation and amortization	9,801	9,556	38,210	37,157
Insurance and claims	6,180	4,951	25,392	21,483
Fuel expense	3,857	3,869	13,233	15,903
Other operating expenses	22,207	20,557	87,425	87,165
Impairment of goodwill, intangibles and other assets	—	—	42,442	—
Total operating expenses	236,570	227,405	922,551	877,353
<b>Operating income (loss):</b>				
Expedited LTL	20,492	21,918	83,518	79,193
Truckload Premium Services	1,273	2,767	(35,405)	13,288
Pool Distribution	3,824	3,062	3,633	3,820
Intermodal	2,786	3,106	10,956	11,949
Other operations	(152)	(1,838)	(2,723)	(26,478)
Income from operations	28,223	29,015	59,979	81,772
<b>Other income (expense):</b>				
Interest expense	(366)	(558)	(1,597)	(2,047)
Other, net	152	68	4	(58)
Total other income (expense)	(214)	(490)	(1,593)	(2,105)
Income before income taxes	28,009	28,525	58,386	79,667
Income tax expense	15,303	5,297	30,716	24,092
Net income and comprehensive income	<b>\$ 12,706</b>	<b>\$ 23,228</b>	<b>\$ 27,670</b>	<b>\$ 55,575</b>
<b>Net income per share:</b>				
Basic	\$ 0.42	\$ 0.75	\$ 0.91	\$ 1.80
Diluted	\$ 0.42	\$ 0.75	\$ 0.90	\$ 1.78
<b>Dividends per share:</b>	<b>\$ 0.15</b>	<b>\$ 0.12</b>	<b>\$ 0.51</b>	<b>\$ 0.48</b>

**Expedited LTL Segment Information**  
(In millions)  
(Unaudited)

	Three months ended					
	December 31, 2016	Percent of Revenue	December 31, 2015	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 147.4	100.0%	\$ 149.7	100.0%	\$ (2.3)	(1.5)%
Operating expenses:						
Purchased transportation	59.6	40.4	61.9	41.3	(2.3)	(3.7)
Salaries, wages and employee benefits	36.4	24.7	37.8	25.3	(1.4)	(3.7)
Operating leases	8.9	6.1	8.1	5.4	0.8	9.9
Depreciation and amortization	5.6	3.8	5.4	3.6	0.2	3.7
Insurance and claims	3.1	2.1	2.2	1.5	0.9	40.9
Fuel expense	0.9	0.6	0.9	0.6	—	—
Other operating expenses	12.4	8.4	11.5	7.7	0.9	7.8
Total operating expenses	126.9	86.1	127.8	85.4	(0.9)	(0.7)
Income from operations	\$ 20.5	13.9%	\$ 21.9	14.6%	\$ (1.4)	(6.4)%

**Expedited LTL Operating Statistics**

	Three months ended		
	December 31, 2016	December 31, 2015	Percent Change
Operating ratio	86.1%	85.4%	0.8 %
Business days	63.0	64.0	(1.6)
Business weeks	12.6	12.8	(1.6)
Expedited LTL:			
Tonnage			
Total pounds <sup>1</sup>	612,098	621,178	(1.5)
Average weekly pounds <sup>1</sup>	48,579	48,530	0.1
Linehaul shipments			
Total linehaul	1,006,256	1,015,043	(0.9)
Average weekly	79,862	79,300	0.7
Forward Air Complete shipments	202,452	198,894	1.8
As a percentage of linehaul shipments	20.1%	19.6%	2.6
Average linehaul shipment size	608	612	(0.7)
Revenue per pound <sup>2</sup>			
Linehaul yield	\$ 17.40	\$ 17.70	(1.4)
Fuel surcharge	1.02	0.98	0.2
Forward Air Complete	3.45	3.22	1.1
Total Expedited LTL yield	\$ 21.87	\$ 21.90	(0.1)%

<sup>1</sup> - In thousands

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



**Truckload Premium Services Segment Information**  
(In millions)  
(Unaudited)

	Three months ended					
	December 31, 2016	Percent of Revenue	December 31, 2015	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 44.0	100.0%	\$ 40.9	100.0%	\$ 3.1	7.6 %
Operating expenses:						
Purchased transportation	31.7	72.1	27.6	67.5	4.1	14.9
Salaries, wages and employee benefits	4.9	11.1	5.2	12.7	(0.3)	(5.8)
Operating leases	0.1	0.2	0.1	0.2	—	—
Depreciation and amortization	1.5	3.4	1.7	4.2	(0.2)	(11.8)
Insurance and claims	1.9	4.3	0.7	1.7	1.2	171.4
Fuel expense	0.7	1.6	0.8	2.0	(0.1)	(12.5)
Other operating expenses	1.9	4.3	2.0	4.9	(0.1)	(5.0)
Total operating expenses	42.7	97.0	38.1	93.2	4.6	12.1
Income from operations	\$ 1.3	3.0%	\$ 2.8	6.8%	\$ (1.5)	(53.6)%

**Truckload Premium Services Operating Statistics**

	Three months ended		
	December 31, 2016	December 31, 2015	Percent Change
Company driver <sup>1</sup>	1,665	1,900	(12.4)%
Owner operator <sup>1</sup>	12,702	11,967	6.1
Third party <sup>1</sup>	9,455	7,436	27.2
Total Miles	23,822	21,303	11.8
Revenue per mile	\$ 1.80	\$ 1.87	(3.7)
Cost per mile	\$ 1.42	\$ 1.40	1.4 %

<sup>1</sup> - In thousands

**Pool Distribution Segment Information**  
(In millions)  
(Unaudited)

	Three months ended					
	December 31, 2016	Percent of Revenue	December 31, 2015	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 47.5	100.0%	\$ 43.0	100.0%	\$ 4.5	10.5%
Operating expenses:						
Purchased transportation	12.5	26.3	11.2	26.0	1.3	11.6
Salaries, wages and employee benefits	17.8	37.5	16.0	37.2	1.8	11.3
Operating leases	3.5	7.4	3.4	7.9	0.1	2.9
Depreciation and amortization	1.5	3.1	1.5	3.5	—	—
Insurance and claims	1.2	2.5	1.1	2.6	0.1	9.1
Fuel expense	1.6	3.4	1.5	3.5	0.1	6.7
Other operating expenses	5.6	11.8	5.2	12.1	0.4	7.7
Total operating expenses	43.7	92.0	39.9	92.8	3.8	9.5
Income from operations	\$ 3.8	8.0%	\$ 3.1	7.2%	\$ 0.7	22.6%

**Intermodal Segment Information**

**(In millions)**

**(Unaudited)**

	<b>Three months ended</b>					
	<b>December 31, 2016</b>	<b>Percent of Revenue</b>	<b>December 31, 2015</b>	<b>Percent of Revenue</b>	<b>Change</b>	<b>Percent Change</b>
Operating revenue	\$ 27.3	100.0%	\$ 24.9	100.0%	\$ 2.4	9.6 %
Operating expenses:						
Purchased transportation	9.7	35.5	8.3	33.3	1.4	16.9
Salaries, wages and employee benefits	6.6	24.2	6.1	24.5	0.5	8.2
Operating leases	2.8	10.3	3.0	12.1	(0.2)	(6.7)
Depreciation and amortization	1.1	4.0	0.9	3.6	0.2	22.2
Insurance and claims	0.8	2.9	0.6	2.4	0.2	33.3
Fuel expense	0.7	2.6	0.7	2.8	—	—
Other operating expenses	2.8	10.3	2.2	8.8	0.6	27.3
Total operating expenses	24.5	89.7	21.8	87.5	2.7	12.4
Income from operations	\$ 2.8	10.3%	\$ 3.1	12.5%	\$ (0.3)	(9.7)%

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

	<u>December 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015 (a)</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,511	\$ 33,312
Accounts receivable, net	116,602	109,165
Other current assets	11,157	30,980
<b>Total current assets</b>	<b>136,270</b>	<b>173,457</b>
Property and equipment	379,021	343,147
Less accumulated depreciation and amortization	178,816	155,859
<b>Net property and equipment</b>	<b>200,205</b>	<b>187,288</b>
Goodwill and other acquired intangibles:		
Goodwill	184,675	205,609
Other acquired intangibles, net of accumulated amortization	106,650	127,800
<b>Total net goodwill and other acquired intangibles</b>	<b>291,325</b>	<b>333,409</b>
Other assets	13,491	5,778
<b>Total assets</b>	<b>\$ 641,291</b>	<b>\$ 699,932</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 18,012	\$ 23,334
Accrued expenses	31,903	29,823
Current portion of debt and capital lease obligations	28,012	55,887
<b>Total current liabilities</b>	<b>77,927</b>	<b>109,044</b>
Debt and capital lease obligations, less current portion	725	28,617
Other long-term liabilities	21,699	12,340
Deferred income taxes	41,871	39,876
Shareholders' equity:		
Common stock	301	305
Additional paid-in capital	179,512	160,855
Retained earnings	319,256	348,895
<b>Total shareholders' equity</b>	<b>499,069</b>	<b>510,055</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 641,291</b>	<b>\$ 699,932</b>

(a) Taken from audited financial statements, which are not presented in their entirety and have been adjusted to reflect reclassifications associated with the early adoption of a new accounting standard.

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

	Three months ended	
	December 31, 2016	December 31, 2015
<b>Operating activities:</b>		
Net income	\$ 12,706	\$ 23,228
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	9,801	9,556
Share-based compensation	2,130	1,924
Loss (gain) on disposal of property and equipment	90	(178)
Provision for recovery on receivables	(10)	(430)
Provision for revenue adjustments	450	1,402
Deferred income taxes	2,864	8,985
Tax benefit for stock options exercised	(1,595)	(3,048)
Changes in operating assets and liabilities		
Accounts receivable	(1,715)	4,537
Prepaid expenses and other assets	7,377	(12,274)
Accounts payable and accrued expenses	3,644	(5,295)
Net cash provided by operating activities	35,742	28,407
<b>Investing activities:</b>		
Proceeds from disposal of property and equipment	134	520
Purchases of property and equipment	(13,461)	(21,954)
Acquisition of business	—	497
Other	337	(164)
Net cash used in investing activities	(12,990)	(21,101)
<b>Financing activities:</b>		
Payments of debt and capital lease obligations	(13,943)	(13,985)
Proceeds from exercise of stock options	1,107	2,962
Payments of cash dividends	(4,542)	(3,688)
Repurchase of common stock (repurchase program)	(9,997)	(9,996)
Common stock issued under employee stock purchase plan	227	221
Tax benefit for stock options exercised	1,595	3,048
Net cash used in by financing activities	(25,553)	(21,438)
Net decrease in cash	(2,801)	(14,132)
Cash at beginning of period	11,312	47,444
<b>Cash at end of period</b>	<b>\$ 8,511</b>	<b>\$ 33,312</b>

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

	Year ended	
	December 31, 2016	December 31, 2015
<b>Operating activities:</b>		
Net income	\$ 27,670	\$ 55,575
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	38,210	37,157
Impairment of goodwill, intangible and other assets	42,442	—
Share-based compensation	8,334	7,486
Loss (gain) on disposal of property and equipment	291	(181)
Provision for loss on receivables	258	33
Provision for revenue adjustments	2,020	4,793
Deferred income taxes	3,525	14,531
Tax benefit for stock options exercised	(1,732)	(5,413)
Changes in operating assets and liabilities, net of acquisition of business		
Accounts receivable	(9,715)	5,403
Prepaid expenses and other assets	283	(1,378)
Accounts payable and accrued expenses	18,764	(32,284)
Net cash provided by operating activities	130,350	85,722
<b>Investing activities:</b>		
Proceeds from disposal of property and equipment	1,929	1,720
Purchases of property and equipment	(42,186)	(40,495)
Acquisition of business, net of cash acquired	(11,800)	(61,878)
Other	(336)	(265)
Net cash used in investing activities	(52,393)	(100,918)
<b>Financing activities:</b>		
Proceeds from term loan	—	125,000
Payments of debt and capital lease obligations	(55,768)	(101,352)
Proceeds from exercise of stock options	8,148	14,313
Payments of cash dividends	(15,529)	(14,821)
Repurchase of common stock (repurchase program)	(39,983)	(19,992)
Common stock issued under employee stock purchase plan	442	449
Cash settlement of share-based awards for minimum tax withholdings	(1,800)	(1,931)
Tax benefit for stock options exercised	1,732	5,413
Net cash (used in) provided by financing activities	(102,758)	7,079
Net decrease in cash	(24,801)	(8,117)
Cash at beginning of year	33,312	41,429
<b>Cash at end of year</b>	<b>\$ 8,511</b>	<b>\$ 33,312</b>

## Forward Air Corporation Reconciliation of U.S. GAAP and Non-GAAP Financial Measures

The Company reports its financial results in accordance with GAAP (also referred to herein as “reported”). However, the Company also uses “non-GAAP financial measures” that are derived on the basis of methodologies other than in accordance with GAAP. Specifically, the Company believes that meaningful analysis of its financial performance in 2016 and 2015 requires an understanding of the factors underlying that performance, including an understanding of items that are non-operational and related to our acquisition activity. Management uses these non-GAAP financial measures in making financial, operating, compensation and planning decisions and in evaluating the Company’s performance.

This press release contains the following non-GAAP financial measures: adjusted income from operations, adjusted net income, adjusted earnings per diluted share, adjusted effective income tax rate and guidance with respect to adjusted net income per diluted share. These measures exclude intangible asset impairment costs and tax ramifications related to TQI for the three months and year ended December 31, 2016, integration costs related to the acquisition of CLP Towne Inc. and tax benefits in 2015 from amending prior year returns from our results for all periods reconciled below for 2015. The Company believes that excluding these items will assist investors in understanding our core operating performance and allow for more accurate comparisons of results.

Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company’s reported results prepared in accordance with GAAP. Our non-GAAP financial information does not represent a comprehensive basis of accounting. As required by the Securities and Exchange Act of 1934 and the rules and regulations promulgated thereunder, the tables below present, for the periods indicated, a reconciliation of our presented non-GAAP financial measures to the most directly comparable GAAP financial measures.

**Forward Air Corporation**  
**Reconciliation to U.S. GAAP**  
(In millions, except per share data)  
(Unaudited)

<b>Three months ended December 31, 2016</b>							
	Operating Income	Other, Net	Income before taxes	Income taxes	Effective tax rate	Net Income	Diluted earnings per share
<b>Reported (GAAP)</b>	\$ 28.2	\$ (0.2)	\$ 28.0	\$ 15.3	54.6%	\$ 12.7	\$ 0.42
Items impacting comparability:							
Impact of TQI impairment on income taxes	—	—	—	(5.0)	17.8%	5.0	0.16
After considering items (Non-GAAP)	\$ 28.2	\$ (0.2)	\$ 28.0	\$ 10.3	36.8%	\$ 17.7	\$ 0.58
<b>Three months ended December 31, 2015</b>							
	Operating Income	Other, Net	Income before taxes	Income taxes	Effective tax rate	Net Income	Diluted earnings per share
<b>Reported (GAAP)</b>	\$ 29.0	\$ (0.5)	\$ 28.5	\$ 5.3	18.6%	\$ 23.2	\$ 0.75
Items impacting comparability:							
Certain tax matters <sup>1</sup>	1.2	—	1.2	5.8	18.8%	(4.6)	(0.15)
Integrations and deal costs	0.6	—	0.6	0.2	—%	0.4	0.01
After considering items (Non-GAAP)	\$ 30.8	\$ (0.5)	\$ 30.3	\$ 11.3	37.4%	\$ 19.0	\$ 0.61

<sup>1</sup> - Certain tax matters related to technology-related permanent tax deductions in 2015 which were not identified as non-GAAP adjustments at that time, but which are adjusted here for consistency and comparison purposes.

**Forward Air Corporation**  
**Reconciliation to U.S. GAAP**  
(In millions, except per share data)  
(Unaudited)

Year ended December 31, 2016							
	Operating Income	Other, Net	Income before taxes	Income taxes	Effective tax rate	Net Income	Diluted earnings per share
<b>Reported (GAAP)</b>	<b>\$ 60.0</b>	<b>\$ (1.6)</b>	<b>\$ 58.4</b>	<b>\$ 30.7</b>	<b>52.6%</b>	<b>\$ 27.7</b>	<b>\$ 0.90</b>
Items impacting comparability:							
TQI impairment	42.4	—	42.4	6.4	15.8%	36.0	1.18
After considering items (Non-GAAP)	\$ 102.4	\$ (1.6)	\$ 100.8	\$ 37.1	36.8%	\$ 63.7	\$ 2.08

Year ended December 31, 2015							
	Operating Income	Other, Net	Income before taxes	Income taxes	Effective tax rate	Net Income	Diluted earnings per share
<b>Reported (GAAP)</b>	<b>\$ 81.8</b>	<b>\$ (2.1)</b>	<b>\$ 79.7</b>	<b>\$ 24.1</b>	<b>30.2%</b>	<b>\$ 55.6</b>	<b>\$ 1.78</b>
Items impacting comparability:							
Certain tax matters <sup>1</sup>	1.2	—	1.2	6.9	7.2%	(5.7)	(0.18)
Integrations and deal costs	23.1	0.4	23.5	8.8	—%	14.7	0.47
After considering items (Non-GAAP)	\$ 106.1	\$ (1.7)	\$ 104.4	\$ 39.8	37.4%	\$ 64.6	\$ 2.07

<sup>1</sup> - Certain tax matters related to technology-related permanent tax deductions in 2015 which were not identified as non-GAAP adjustments at that time, but which are adjusted here for consistency and comparison purposes.



The following table summarizes supplemental full year 2017 guidance information that management believes to be useful.

**Forward Air Corporation**  
**Additional Guidance Data**  
**(In thousands)**  
**(Unaudited)**

	<u>2017</u>
Projected tax rate	37.0%
Projected year end fully diluted share count (before consideration of future share repurchases)	30,500
Projected capital expenditures, net	\$ 45,904

## **Note Regarding Forward-Looking Statements**

*This press release contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding expected operating results, such as revenue growth and earnings, and guidance relating to net income per diluted share for the first quarter, projected tax rate, diluted share count and capital expenditures for full year 2017, and anticipated total dividends in 2017.*

*Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: 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, our inability to successfully integrate acquisitions and the risks described in our Annual Report on Form 10-K for the year ended December 31, 2015.*

*Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.*

SOURCE: Forward Air Corporation

Forward Air Corporation

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Forward Air Corporation  
Historical Operating Data - Unaudited

	<b>2014</b>				
	March 31	June 30	September 30	December 31	Average
<b>Expedited LTL</b>					
Average linehaul pounds per week (1)					
(in thousands)	35,057	36,965	37,877	39,883	37,445
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	230	222	217	210	220
Average leased tractors - Company	1	1	1	1	1
Average leased straight trucks - Company	1	1	1	1	1
Average tractors - owner-operator	753	789	781	769	773
Average tractors - total	985	1,013	1,000	981	995
Average trailers	3,114	3,481	3,479	3,479	3,388
<b>Pool Distribution</b>					
Number of terminals - Company-operated	19	19	19	21	20
Number of terminals - agent	5	5	5	8	6
Number of terminals - total	24	24	24	29	26
Average tractors - Company	57	57	60	61	59
Average leased tractors - Company	2	—	4	4	3
Average straight trucks & vans - Company	162	162	161	158	161
Average leased straight trucks - Company	21	18	17	16	18
Average tractors - owner-operator	88	82	84	85	85
Average straight trucks & vans - owner-operator	74	69	78	91	78
Average tractors - total	404	388	404	415	404
Average trailers	126	126	126	126	126
<b>Truckload Premium Services</b>					
Average tractors - Company	77	77	74	70	75
Average tractors - owner-operator	194	171	169	161	174
Average tractors - total	271	248	243	231	248
Average trailers	92	114	119	119	111

(1) Includes pounds associated with linehaul shipments only.

Forward Air Corporation  
Historical Operating Data - Unaudited

	<b>2015</b>				
	March 31	June 30	September 30	December 31	Average
<b>Expedited LTL</b>					
Average linehaul pounds per week (1) (in thousands)	41,262	50,803	48,208	48,530	47,224
Number of terminals - Company-operated	74	74	73	72	74
Number of terminals - agent	17	17	17	19	17
Number of terminals - total	91	91	90	91	91
Average tractors - Company	307	271	265	332	294
Average leased tractors - Company	72	73	73	66	71
Average leased straight trucks - Company	22	22	22	19	21
Average tractors - owner-operator	1,344	1,145	1,090	1,030	1,152
Average tractors - total	1,745	1,511	1,450	1,447	1,538
Average trailers	3,731	3,669	3,660	3,924	3,746
Average leased trailers	1,057	1,012	1,015	1,089	1,043
Average trailers - total	4,788	4,681	4,675	5,013	4,789
<b>Pool Distribution</b>					
Number of terminals - Company-operated	19	20	20	20	20
Number of terminals - agent	10	9	9	9	9
Number of terminals - total	29	29	29	29	29
Average tractors - Company	65	62	62	64	63
Average leased tractors - Company	—	—	7	45	13
Average straight trucks & vans - Company	156	180	177	159	168
Average leased straight trucks - Company	15	16	24	23	20
Average tractors - owner-operator	91	87	82	104	91
Average straight trucks & vans - owner-operator	81	100	118	126	106
Average tractors - total	408	445	470	521	461
Average trailers	126	126	126	73	113
<b>Truckload Premium Services</b>					
Average tractors - Company	83	72	84	84	81
Average tractors - owner-operator	242	298	378	395	328
Average tractors - total	325	370	462	479	409
Average trailers	96	122	122	119	115

(1) Includes pounds associated with linehaul shipments only.

Forward Air Corporation  
Historical Operating Data - Unaudited

	<b>2016</b>				
	March 31	June 30	September 30	December 31	Average
<b>Expedited LTL</b>					
Average linehaul pounds per week (1) (in thousands)	44,041	47,346	46,010	48,579	46,486
Number of terminals - Company-operated	72	72	72	72	72
Number of terminals - agent	19	19	19	19	19
Number of terminals - total	91	91	91	91	91
Average tractors - Company	330	294	277	244	286
Average leased tractors - Company	62	30	30	32	39
Average leased straight trucks - Company	17	1	1	1	5
Average tractors - owner-operator	1,020	989	960	958	982
Average tractors - total	1,429	1,314	1,268	1,235	1,312
Average trailers	4,103	4,248	4,670	4,678	4,425
Average leased trailers	1,012	1,011	1,059	818	975
Average trailers - total	5,115	5,259	5,729	5,496	5,400
<b>Pool Distribution</b>					
Number of terminals - Company-operated	20	19	19	19	19
Number of terminals - agent	9	9	9	9	9
Number of terminals - total	29	28	28	28	28
Average tractors - Company	64	67	67	67	66
Average leased tractors - Company	45	19	30	29	31
Average straight trucks & vans - Company	151	146	142	140	145
Average leased straight trucks - Company	23	72	78	79	63
Average tractors - owner-operator	91	84	84	89	87
Average straight trucks & vans - owner-operator	118	118	141	152	132
Average tractors - total	492	506	542	556	524
Average trailers	73	73	73	73	73
<b>Truckload Premium Services</b>					
Average tractors - Company	84	84	83	83	84
Average tractors - owner-operator	360	329	336	314	335
Average tractors - total	444	413	419	397	419
Average trailers	119	97	121	121	115

(1) Includes pounds associated with linehaul shipments only.

**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended March 31, 2014						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
<b>Revenue</b>	\$ 104,324	\$ 29,914	\$ 25,926	\$ 12,406	\$ (1,001)	\$ 171,569
<b>Purchased transportation</b>	42,676	20,243	7,122	4,317	(807)	73,551
<b>Salaries, wages, and employee benefits</b>	25,281	3,834	9,340	2,923	44	41,422
<b>Operating leases</b>	4,986	130	2,477	758	—	8,351
<b>Depreciation and amortization</b>	3,851	1,194	1,284	681	3	7,013
<b>Insurance and claims</b>	2,469	605	785	268	—	4,127
<b>Fuel expense</b>	1,108	1,155	1,755	788	—	4,806
<b>Other operating expenses</b>	8,734	1,351	3,565	2,558	(180)	16,028
<b>Total operating expenses</b>	89,105	28,512	26,328	12,293	(940)	155,298
<b>Income from operations</b>	\$ 15,219	\$ 1,402	\$ (402)	\$ 113	\$ (61)	\$ 16,271

**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended June 30, 2014						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
<b>Revenue</b>	\$ 115,213	\$ 34,266	\$ 25,390	\$ 20,014	\$ (1,031)	\$ 193,852
<b>Purchased transportation</b>	46,853	23,240	6,594	6,921	(774)	82,834
<b>Salaries, wages, and employee benefits</b>	26,317	4,111	9,261	4,664	38	44,391
<b>Operating leases</b>	4,822	81	2,000	1,262	—	8,165
<b>Depreciation and amortization</b>	4,129	1,380	1,422	817	3	7,751
<b>Insurance and claims</b>	1,714	467	518	405	—	3,104
<b>Fuel expense</b>	1,059	1,195	1,754	1,164	—	5,172
<b>Other operating expenses</b>	8,182	1,356	3,160	2,387	(245)	14,840
<b>Total operating expenses</b>	93,076	31,830	24,709	17,620	(978)	166,257
<b>Income from operations</b>	\$ 22,137	\$ 2,436	\$ 681	\$ 2,394	\$ (53)	\$ 27,595

**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

<b>Three months ended September 30, 2014</b>						
	<b>Expedited LTL</b>	<b>Truckload Premium Services</b>	<b>Pool Distribution</b>	<b>Intermodal</b>	<b>Eliminations and other operations</b>	<b>Consolidated</b>
<b>Revenue</b>	<b>\$ 119,000</b>	<b>\$ 33,728</b>	<b>\$ 28,812</b>	<b>\$ 21,189</b>	<b>\$ (1,252)</b>	<b>\$ 201,477</b>
<b>Purchased transportation</b>	<b>49,873</b>	<b>22,475</b>	<b>7,482</b>	<b>6,880</b>	<b>(836)</b>	<b>85,874</b>
<b>Salaries, wages, and employee benefits</b>	<b>26,208</b>	<b>4,105</b>	<b>10,295</b>	<b>5,008</b>	<b>35</b>	<b>45,651</b>
<b>Operating leases</b>	<b>4,976</b>	<b>70</b>	<b>2,007</b>	<b>1,450</b>	<b>—</b>	<b>8,503</b>
<b>Depreciation and amortization</b>	<b>4,358</b>	<b>1,400</b>	<b>1,470</b>	<b>884</b>	<b>3</b>	<b>8,115</b>
<b>Insurance and claims</b>	<b>2,278</b>	<b>472</b>	<b>451</b>	<b>546</b>	<b>—</b>	<b>3,747</b>
<b>Fuel expense</b>	<b>944</b>	<b>1,101</b>	<b>1,765</b>	<b>1,202</b>	<b>—</b>	<b>5,012</b>
<b>Other operating expenses</b>	<b>9,690</b>	<b>1,476</b>	<b>4,004</b>	<b>2,899</b>	<b>(400)</b>	<b>17,669</b>
<b>Total operating expenses</b>	<b>98,327</b>	<b>31,099</b>	<b>27,474</b>	<b>18,869</b>	<b>(1,198)</b>	<b>174,571</b>
<b>Income from operations</b>	<b>\$ 20,673</b>	<b>\$ 2,629</b>	<b>\$ 1,338</b>	<b>\$ 2,320</b>	<b>\$ (54)</b>	<b>\$ 26,906</b>



**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

<b>Three months ended December 31, 2014</b>						
	<b>Expedited LTL</b>	<b>Truckload Premium Services</b>	<b>Pool Distribution</b>	<b>Intermodal</b>	<b>Eliminations and other operations</b>	<b>Consolidated</b>
<b>Revenue</b>	<b>\$ 120,364</b>	<b>\$ 35,360</b>	<b>\$ 38,130</b>	<b>\$ 22,338</b>	<b>\$ (2,130)</b>	<b>\$ 214,062</b>
<b>Purchased transportation</b>	<b>52,601</b>	<b>24,255</b>	<b>10,154</b>	<b>6,898</b>	<b>(1,591)</b>	<b>92,317</b>
<b>Salaries, wages, and employee benefits</b>	<b>28,150</b>	<b>4,049</b>	<b>12,924</b>	<b>5,427</b>	<b>91</b>	<b>50,641</b>
<b>Operating leases</b>	<b>5,022</b>	<b>93</b>	<b>2,473</b>	<b>1,386</b>	<b>1</b>	<b>8,975</b>
<b>Depreciation and amortization</b>	<b>4,316</b>	<b>1,393</b>	<b>1,539</b>	<b>1,000</b>	<b>6</b>	<b>8,254</b>
<b>Insurance and claims</b>	<b>2,325</b>	<b>589</b>	<b>1,353</b>	<b>489</b>	<b>2</b>	<b>4,758</b>
<b>Fuel expense</b>	<b>944</b>	<b>1,023</b>	<b>2,021</b>	<b>1,170</b>	<b>—</b>	<b>5,158</b>
<b>Other operating expenses</b>	<b>9,280</b>	<b>1,437</b>	<b>4,742</b>	<b>3,368</b>	<b>(503)</b>	<b>18,324</b>
<b>Total operating expenses</b>	<b>102,638</b>	<b>32,839</b>	<b>35,206</b>	<b>19,738</b>	<b>(1,994)</b>	<b>188,427</b>
<b>Income from operations</b>	<b>\$ 17,726</b>	<b>\$ 2,521</b>	<b>\$ 2,924</b>	<b>\$ 2,600</b>	<b>\$ (136)</b>	<b>\$ 25,635</b>

**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended March 31, 2015						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
<b>Revenue</b>	\$ 122,207	\$ 34,472	\$ 27,224	\$ 23,027	\$ (1,012)	\$ 205,918
<b>Purchased transportation</b>	52,853	22,614	7,469	7,063	(662)	89,337
<b>Salaries, wages, and employee benefits</b>	30,322	4,423	10,100	5,934	3,124	53,903
<b>Operating leases</b>	5,918	92	2,086	2,528	5,132	15,756
<b>Depreciation and amortization</b>	4,741	1,410	1,557	967	9	8,684
<b>Insurance and claims</b>	2,820	539	875	586	310	5,130
<b>Fuel expense</b>	935	894	1,286	901	4	4,020
<b>Other operating expenses</b>	9,733	1,289	3,635	3,059	3,123	20,839
<b>Total operating expenses</b>	107,322	31,261	27,008	21,038	11,040	197,669
<b>Income from operations</b>	\$ 14,885	\$ 3,211	\$ 216	\$ 1,989	\$ (12,052)	\$ 8,249

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**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended June 30, 2015						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 155,858	\$ 39,395	\$ 27,684	\$ 27,494	\$ (737)	\$ 249,694
Purchased transportation	66,006	25,298	7,549	8,965	(336)	107,482
Salaries, wages, and employee benefits	39,335	4,715	10,575	6,187	1,074	61,886
Operating leases	8,368	83	2,120	2,898	4,808	18,277
Depreciation and amortization	5,563	1,513	1,485	948	10	9,519
Insurance and claims	2,419	852	926	675	1,368	6,240
Fuel expense	1,134	895	1,284	869	6	4,188
Other operating expenses	12,237	1,898	3,758	3,634	667	22,194
Total operating expenses	135,062	35,254	27,697	24,176	7,597	229,786
Income from operations	\$ 20,796	\$ 4,141	\$ (13)	\$ 3,318	\$ (8,334)	\$ 19,908

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**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended September 30, 2015						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
<b>Revenue</b>	\$ 149,212	\$ 38,528	\$ 32,133	\$ 28,890	\$ (1,670)	\$ 247,093
<b>Purchased transportation</b>	61,723	25,541	8,783	9,414	(1,027)	104,434
<b>Salaries, wages, and employee benefits</b>	35,735	4,701	12,171	6,189	229	59,025
<b>Operating leases</b>	8,374	205	2,560	3,308	2,625	17,072
<b>Depreciation and amortization</b>	5,403	1,590	1,451	939	16	9,399
<b>Insurance and claims</b>	2,601	791	879	684	206	5,161
<b>Fuel expense</b>	1,001	783	1,315	727	—	3,826
<b>Other operating expenses</b>	12,781	1,747	4,419	4,093	535	23,575
<b>Total operating expenses</b>	127,618	35,358	31,578	25,354	2,584	222,492
<b>Income from operations</b>	\$ 21,594	\$ 3,170	\$ 555	\$ 3,536	\$ (4,254)	\$ 24,601

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**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended December 31, 2015						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
<b>Revenue</b>	\$ 149,748	\$ 40,937	\$ 42,954	\$ 24,881	\$ (2,100)	\$ 256,420
<b>Purchased transportation</b>	61,908	27,570	11,213	8,314	(1,489)	107,516
<b>Salaries, wages, and employee benefits</b>	37,847	5,240	15,966	6,085	651	65,789
<b>Operating leases</b>	8,095	153	3,443	3,026	450	15,167
<b>Depreciation and amortization</b>	5,417	1,693	1,511	919	16	9,556
<b>Insurance and claims</b>	2,215	691	1,067	618	360	4,951
<b>Fuel expense</b>	881	774	1,532	682	—	3,869
<b>Other operating expenses</b>	11,467	2,049	5,160	2,131	(250)	20,557
<b>Total operating expenses</b>	127,830	38,170	39,892	21,775	(262)	227,405
<b>Income from operations</b>	\$ 21,918	\$ 2,767	\$ 3,062	\$ 3,106	\$ (1,838)	\$ 29,015

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**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended March 31, 2016						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
<b>Revenue</b>	\$ 134,379	\$ 38,620	\$ 33,192	\$ 24,624	\$ (1,266)	\$ 229,549
<b>Purchased transportation</b>	53,441	26,561	8,877	8,433	(836)	96,476
<b>Salaries, wages, and employee benefits</b>	34,884	4,972	12,707	5,989	126	58,678
<b>Operating leases</b>	8,038	78	2,880	3,008	(136)	13,868
<b>Depreciation and amortization</b>	5,531	1,750	1,497	890	—	9,668
<b>Insurance and claims</b>	2,768	865	1,165	868	(271)	5,395
<b>Fuel expense</b>	720	626	1,022	593	—	2,961
<b>Other operating expenses</b>	11,913	2,203	4,930	2,471	(419)	21,098
<b>Total operating expenses</b>	117,295	37,055	33,078	22,252	(1,536)	208,144
<b>Income from operations</b>	\$ 17,084	\$ 1,565	\$ 114	\$ 2,372	\$ 270	\$ 21,405

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**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended June 30, 2016						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 144,693	\$ 39,440	\$ 31,525	\$ 24,189	\$ (1,210)	\$ 238,637
Purchased transportation	55,744	27,364	8,590	8,401	(832)	99,267
Salaries, wages, and employee benefits	33,942	4,530	11,935	6,045	566	57,018
Operating leases	8,490	103	3,059	2,943	6	14,601
Depreciation and amortization	5,278	1,724	1,464	875	—	9,341
Insurance and claims	3,367	994	975	528	784	6,648
Fuel expense	814	565	1,073	547	—	2,999
Other operating expenses	12,137	2,000	4,800	2,093	(361)	20,669
Impairment of goodwill, intangibles and other assets	—	42,442	—	—	—	42,442
<b>Total operating expenses</b>	<b>119,772</b>	<b>79,722</b>	<b>31,896</b>	<b>21,432</b>	<b>163</b>	<b>252,985</b>
<b>Income from operations</b>	<b>\$ 24,921</b>	<b>\$ (40,282)</b>	<b>\$ (371)</b>	<b>\$ 2,757</b>	<b>\$ (1,373)</b>	<b>\$ (14,348)</b>

**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended September 30, 2016						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
<b>Revenue</b>	\$ 144,337	\$ 42,210	\$ 36,437	\$ 27,579	\$ (1,011)	\$ 249,552
<b>Purchased transportation</b>	56,332	29,754	10,087	9,708	(842)	105,039
<b>Salaries, wages, and employee benefits</b>	33,752	4,860	14,387	6,574	588	60,161
<b>Operating leases</b>	8,995	87	3,274	3,263	596	16,215
<b>Depreciation and amortization</b>	5,470	1,470	1,472	987	—	9,399
<b>Insurance and claims</b>	3,948	1,078	1,020	793	331	7,170
<b>Fuel expense</b>	848	684	1,216	668	—	3,416
<b>Other operating expenses</b>	13,978	2,239	4,915	2,545	(225)	23,452
<b>Total operating expenses</b>	123,323	40,172	36,371	24,538	448	224,852
<b>Income from operations</b>	\$ 21,014	\$ 2,038	\$ 66	\$ 3,041	\$ (1,459)	\$ 24,700



**Forward Air Corporation**  
**Summary Segment Results of Operations**  
(In thousands)  
(Unaudited)

Three months ended December 31, 2016						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
<b>Revenue</b>	\$ 147,368	\$ 44,003	\$ 47,507	\$ 27,279	\$ (1,364)	\$ 264,793
<b>Purchased transportation</b>	59,587	31,733	12,466	9,706	(920)	112,572
<b>Salaries, wages, and employee benefits</b>	36,353	4,956	17,809	6,604	423	66,145
<b>Operating leases</b>	8,907	64	3,495	2,818	524	15,808
<b>Depreciation and amortization</b>	5,641	1,497	1,541	1,123	(1)	9,801
<b>Insurance and claims</b>	3,106	1,867	1,221	779	(793)	6,180
<b>Fuel expense</b>	923	683	1,539	712	—	3,857
<b>Other operating expenses</b>	12,359	1,930	5,612	2,751	(445)	22,207
<b>Total operating expenses</b>	126,876	42,730	43,683	24,493	(1,212)	236,570
<b>Income from operations</b>	\$ 20,492	\$ 1,273	\$ 3,824	\$ 2,786	\$ (152)	\$ 28,223