

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): February 9, 2004

FORWARD AIR CORPORATION

-----  
(Exact name of registrant as specified in its charter)

Tennessee                      000-22490                      62-1120025

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(State or other                      (Commission File Number)                      (I.R.S. Employer  
jurisdiction of incorporation)                      Identification No.)

430 Airport Road  
Greeneville, Tennessee                      37745

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(Address of principal executive offices)                      (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)

Item 7. Financial Statements and Exhibits

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(a) Not Applicable.

(b) Not Applicable.

(c) Exhibits:

The following exhibit is being furnished pursuant to Item 12:

99.1 Press Release dated February 9, 2004

Item 12. Results of Operations and Financial Condition

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The Registrant has reported its financial results for the quarter and year ended December 31, 2003. The Registrant's press release dated February 9, 2004 announcing the results is attached hereto as Exhibit 99.1.

SIGNATURES

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.

FORWARD AIR CORPORATION

Date: February 9, 2004

By: /s/ Andrew C. Clarke

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Andrew C. Clarke  
Chief Financial Officer and  
Senior Vice President

EXHIBIT INDEX

| No.  | Exhibit                              |
|------|--------------------------------------|
| 99.1 | Press Release dated February 9, 2004 |

Exhibit 99.1

Forward Air Corporation Reports Record  
Fourth Quarter and Fiscal Year 2003 Results

GREENEVILLE, Tenn.--(BUSINESS WIRE)--Feb. 9, 2004--Forward Air Corporation (Nasdaq/NM:FWRD) today reported record results for the fourth quarter and year ended December 31, 2003. The Company is a leading high-service-level contractor to the air cargo industry providing time-definite services in the United States and Canada.

Operating revenue for the quarter ended December 31, 2003 increased 9.8% to \$65.2 million from \$59.4 million for the same quarter in 2002. Pre-tax income was \$11.7 million, compared with \$10.3 million in the prior-year quarter. Excluding items that were unusual in nature, as discussed below, pre-tax income was \$8.4 million in the fourth quarter of 2002. Net income for the fourth quarter of 2003 was \$7.7 million compared with \$6.8 million in the prior-year quarter (\$5.6 million excluding unusual items). Diluted earnings per share from operations for the fourth quarter of 2003 were \$0.35 compared with \$0.31 in the prior-year quarter (\$0.26 excluding unusual items).

Operating revenue for the year ended December 31, 2003 increased 6.8% to \$241.5 million from \$226.1 million in 2002. Pre-tax income for 2003 was \$40.7 million compared with \$34.2 million in the prior year. Excluding items that were unusual in nature, pre-tax income was \$32.3 million in 2002. Net income for 2003 was \$25.8 million compared with \$21.6 million in the prior year (\$20.4 million excluding unusual items). Diluted earnings per share for 2003 were \$1.19 compared with \$0.98 in 2002 (\$0.92 excluding unusual items).

Fourth quarter and fiscal year 2002 earnings included the following unusual items: pre-tax income of \$1.3 million (\$0.04 after-tax per diluted share) from a favorable litigation settlement and pre-tax income of \$1.3 million (\$0.04 after-tax per diluted share) from a favorable premium adjustment offset, in part, by net pre-tax expense of \$0.7 million (\$0.02 after-tax per diluted share) relating to real estate and financing activities.

Commenting on the Company's fourth quarter and year-end results, Bruce A. Campbell, President and Chief Executive Officer, said "We are proud to report record financial results for the fourth quarter and fiscal 2003. During the quarter, we experienced strong demand for services the Company provides, producing approximately 8% revenue growth in our airport-to-airport offering and nearly 4% revenue growth in our dedicated logistics business. The Company expanded its fourth quarter operating margin to 17.8%, its highest level in three years, by remaining focused on profitable growth."

Earnings Call Information

Forward Air Corporation will hold its quarterly conference call to discuss third quarter results on Tuesday, February 10, 2004, at 9:00 a.m. EST. The Company's conference call will be available online at [www.forwardair.com](http://www.forwardair.com). The live webcast will begin at 9:00 a.m. EST on Tuesday, February 10, with the replay beginning shortly after the completion of the live call. Additionally, interested parties may participate in the call by dialing 877-461-2816.

FORWARD AIR CORPORATION  
Condensed Statements of Income (Unaudited)  
(In thousands, except per share data)

|                                       | Three months ended |           | Year ended |            |
|---------------------------------------|--------------------|-----------|------------|------------|
|                                       | 12/31/03           | 12/31/02  | 12/31/03   | 12/31/02   |
| Operating revenue                     | \$ 65,184          | \$ 59,373 | \$ 241,517 | \$ 226,072 |
| Operating expenses:                   |                    |           |            |            |
| Purchased transportation              | 27,889             | 26,824    | 102,063    | 99,319     |
| Salaries, wages and employee benefits | 14,382             | 13,195    | 54,267     | 50,368     |
| Operating leases                      | 3,477              | 3,259     | 13,102     | 12,250     |
| Depreciation and amortization         | 1,823              | 1,846     | 7,263      | 7,461      |

|                          |          |          |           |           |
|--------------------------|----------|----------|-----------|-----------|
| Insurance and claims     | 1,014    | (249)    | 5,153     | 3,868     |
| Other operating expenses | 5,023    | 5,257    | 19,487    | 20,069    |
|                          | 53,608   | 50,132   | 201,335   | 193,335   |
| Income from operations   | 11,576   | 9,241    | 40,182    | 32,737    |
| Other income, net        | 153      | 1,037    | 529       | 1,421     |
| Pre-tax income           | 11,729   | 10,278   | 40,711    | 34,158    |
| Income taxes             | 4,027    | 3,468    | 14,896    | 12,542    |
| Net income               | \$ 7,702 | \$ 6,810 | \$ 25,815 | \$ 21,616 |

Income per share:

|         |         |         |         |         |
|---------|---------|---------|---------|---------|
| Basic   | \$ 0.36 | \$ 0.32 | \$ 1.21 | \$ 1.00 |
| Diluted | \$ 0.35 | \$ 0.31 | \$ 1.19 | \$ 0.98 |

Weighted average shares

outstanding:

|         |        |        |        |        |
|---------|--------|--------|--------|--------|
| Basic   | 21,475 | 21,273 | 21,327 | 21,603 |
| Diluted | 21,821 | 21,633 | 21,707 | 22,070 |

FORWARD AIR CORPORATION

Condensed Balance Sheet

(In thousands)

|  | 12/31/03   | 12/31/02    |
|--|------------|-------------|
|  | -----      | -----       |
| Assets:                                    | Unaudited  | Audited (a) |
| Cash and short-term investments            | \$ 86,539  | \$ 53,916   |
| Other current assets                       | 36,627     | 34,858      |
| Property and equipment, net                | 32,912     | 37,173      |
| Other assets                               | 19,009     | 19,564      |
|  | -----      | -----       |
| Total assets                               | \$ 175,087 | \$ 145,511  |
|  | =====      | =====       |
| Liabilities and shareholders' equity:      |            |             |
| Current liabilities                        | \$ 20,290  | \$ 18,690   |
| Long-term obligations                      | 7,089      | 8,475       |
| Shareholders' equity                       | 147,708    | 118,346     |
|  | -----      | -----       |
| Total liabilities and shareholders' equity | \$ 175,087 | \$ 145,511  |
|  | =====      | =====       |

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

Important Information

This press release contains statements with respect to the Company's beliefs and expectations of the outcomes of future events that are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Written forward-looking statements may appear in documents filed with the Securities and Exchange Commission, in press releases and in reports to shareholders. Oral forward-looking statements may be made by the Company's executive officers and directors on behalf of the Company to the press, potential investors, securities analysts and others. The Private Securities Litigation Reform Act of 1995 contains a safe harbor for forward-looking statements. The Company relies on this safe harbor in making such disclosures. In connection with this safe harbor provision, the Company is hereby identifying important factors that could cause actual results to differ materially from those contained in any forward-looking statement made by or on behalf of the Company in this press release. Without limitation, factors that might cause such a difference include economic factors such as recessions, inflation, higher interest rates and downturns in customer business cycles, the Company's inability to maintain its historical growth rate because of a decreased volume of freight moving through the Company's

network or decreased average revenue per pound of freight moving through the network, increasing competition and pricing pressure, surplus inventories, loss of a major customer, the creditworthiness of the Company's customers and their ability to pay for services rendered, the Company's ability to secure terminal facilities in desirable locations at reasonable rates, the inability of the Company's information systems to handle an increased volume of freight moving through its 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 the Company's 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. Forward-looking statements can be identified by words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," and similar expressions. The Company does not undertake any obligation to update or to release publicly any revisions to forward-looking statements contained in this press release to reflect events or circumstances occurring after the date of this press release or to reflect the occurrence of unanticipated events.

CONTACT: Forward Air Corporation, Greenville  
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